



凤祥食品



ANNUAL REPORT

2020年報



山東鳳祥股份有限公司 Shandong Fengxiang Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)
(於中華人民共和國註冊成立的股份有限公司)

股份代號 Stock Code: 9977

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CORPORATE INFORMATION

公司基本情況

Legal Name in Chinese 法定中文名稱	山東鳳祥股份有限公司
Legal Name in English 法定英文名稱	Shandong Fengxiang Co., Ltd.
Legal Representative 法定代表人	Mr. Liu Zhiguang 劉志光先生
Executive Directors 執行董事	Mr. Liu Zhiguang 劉志光先生 Mr. Xiao Dongsheng 肖東生先生 Mr. Wang Jinsheng 王進聖先生
Non-executive Directors 非執行董事	Mr. Liu Xuejing 劉學景先生 Mr. Zhang Chuanli 張傳立先生 Mr. Ow Weng Cheong (re-designated from executive director of the Company to non-executive director of the Company on 19 April 2021) 區永昌先生(於2021年4月19日由本公司執行董事轉任為本公司非執行董事)
Independent non-executive Directors 獨立非執行董事	Mr. Guo Tianyong 郭田勇先生 Mr. Zhang Ye (resigned on 19 April 2021) 張曄先生(於2021年4月19日辭任) Mr. Chung Wai Man 鍾偉文先生
Supervisors 監事	Mr. Kong Xiangwei (resigned on 31 March 2021) 孔祥偉先生(於2021年3月31日辭任) Mr. Chen Dehe 陳德賀先生 Ms. Lian Xianmin 廉憲敏女士
Authorised Representatives 授權代表	Mr. Liu Zhiguang 劉志光先生 Mr. Shi Lei 石磊先生
Secretary to the board of directors (the “ Board of Directors ”) 董事會(「 董事會 」)秘書	Mr. Shi Lei 石磊先生

Joint Company Secretaries
聯席公司秘書

Mr. Shi Lei
石磊先生
Ms. Siu Pui Wah (appointed on 3 November 2020)
蕭佩華女士(於2020年11月3日獲委任)

Audit Committee
審計委員會

Mr. Chung Wai Man (Chairman)
鍾偉文先生(主席)
Mr. Guo Tianyong
郭田勇先生
Mr. Zhang Ye (resigned on 19 April 2021)
張曄先生(於2021年4月19日辭任)

Nomination Committee
提名委員會

Mr. Liu Zhiguang (Chairman)
劉志光先生(主席)
Mr. Guo Tianyong
郭田勇先生
Mr. Zhang Ye (resigned on 19 April 2021)
張曄先生(於2021年4月19日辭任)

Remuneration Committee
薪酬委員會

Mr. Guo Tianyong (Chairman)
郭田勇先生(主席)
Mr. Liu Zhiguang
劉志光先生
Mr. Chung Wai Man
鍾偉文先生

Registered Office

註冊辦事處

Liumiao Village, Anle Town, Yanggu County
Liaocheng City, Shandong Province
PRC
中國
山東省聊城市
陽穀縣安樂鎮劉廟村

Headquarters in the PRC

中國總部

Liumiao Village, Anle Town, Yanggu County
Liaocheng City, Shandong Province
PRC
中國
山東省聊城市
陽穀縣安樂鎮劉廟村

Company's Website
公司網站

www.fengxiang.com

CORPORATE INFORMATION

公司基本情況

Principal Place of Business in Hong Kong	14th Floor, Golden Centre 188 Des Voeux Road Central Hong Kong
香港主要營業地點	香港 德輔道中188號 金龍中心14樓
Website of the Stock Exchange for Publishing the Annual Report	www.hkexnews.hk
登載年度報告的聯交所網站	
Location where copies of Annual Report are kept	Liumiao Village, Anle Town, Yanggu County Liaocheng City, Shandong Province PRC
年度報告備置地點	中國 山東省聊城市 陽穀縣安樂鎮劉廟村
Place of Listing of H Shares	The Stock Exchange of Hong Kong Limited (the “ Stock Exchange ”)
H股上市地點	香港聯合交易所有限公司(「 聯交所 」)
Stock Short Name	FENGXIANG CO
股票簡稱	鳳祥股份
Stock Code	9977
股份代號	
H Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712–1716, 17th Floor Hopewell Centre 183 Queen’s Road East Wanchai Hong Kong
H股過戶登記處	香港中央證券登記有限公司 香港灣仔 皇后大道東183號 合和中心 17樓1712–1716號舖
Legal Adviser as to Hong Kong Laws	Fangda Partners 26th Floor, One Exchange Square 8 Connaught Place Central Hong Kong
香港法律顧問	方達律師事務所 香港 中環 康樂廣場8號 交易廣場1期26樓

Independent Auditor	BDO Limited (Certified Public Accountants and Registered Public Interest Entity Auditor) 25th Floor, Wing On Centre 111 Connaught Road Central Hong Kong
獨立核數師	香港立信德豪會計師事務所有限公司(執業會計師及註冊公眾利益實體核數師) 香港 干諾道中111號 永安中心25樓
Compliance Adviser	Southwest Securities (HK) Capital Limited 40/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
合規顧問	西證(香港)融資有限公司 香港 銅鑼灣 希慎道33號 利園一期40樓
Principal Bankers	China Development Bank, Shandong Branch Agricultural Development Bank of China, Yanggu Sub-Branch Agricultural Bank of China Limited, Yanggu Sub-Branch
主要往來銀行	國家開發銀行山東省分行 中國農業發展銀行陽穀縣支行 中國農業銀行股份有限公司陽穀縣支行

MAJOR FINANCIAL INDICATORS AND KEY OPERATING DATA

主要財務指標及主要經營數據

KEY FINANCIAL DATA

主要財務數據

		For the year ended 31 December 截至12月31日止年度			
		2020 2020年		2019 2019年	
		Before biological assets fair value adjustments 於生物資產 公允價值調整前 RMB'000 人民幣千元	After biological assets fair value adjustments 於生物資產 公允價值調整後 RMB'000 人民幣千元	Before biological assets fair value adjustments 於生物資產 公允價值調整前 RMB'000 人民幣千元	After biological assets fair value adjustments 於生物資產 公允價值調整後 RMB'000 人民幣千元
Revenue	收入	3,901,615	3,901,615	3,926,217	3,926,217
Gross profit	毛利	702,051	402,039	1,221,460	428,415
Profit for the period	期內利潤	178,772	151,615	833,935	837,381
Profit attributable to the owners of the Company	本公司擁有人應佔利潤	—	152,640	—	837,522
Basic earnings per share (in RMB cents)	每股基本盈利 (人民幣分)	—	12.64	—	80.15

MAJOR FINANCIAL INDICATORS AND KEY OPERATING DATA

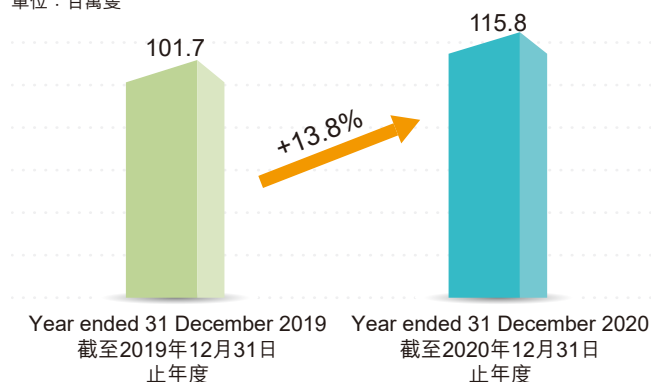
主要財務指標及主要經營數據

KEY OPERATING DATA

主要經營數據

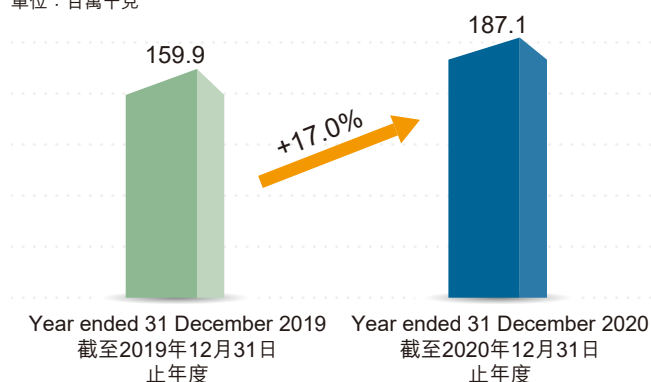
White-feathered broilers bred 白羽肉雞飼養量

unit: million birds
單位：百萬隻



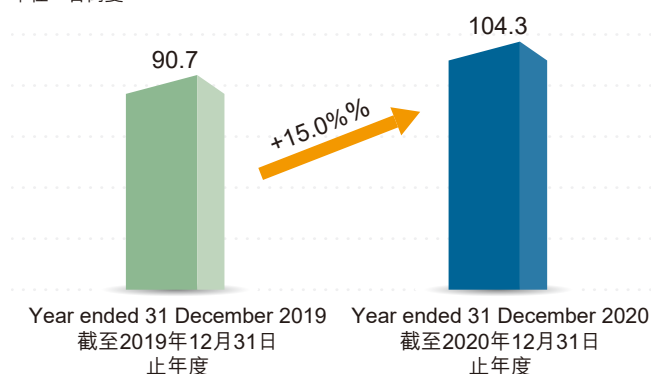
Sales volume of raw chicken meat products 生雞肉製品銷量

unit: million kg
單位：百萬千克



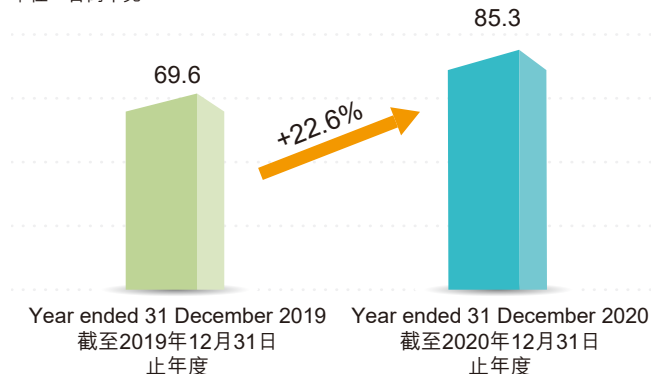
White-feathered broilers slaughtered 白羽肉雞屠宰量

unit: million birds
單位：百萬隻



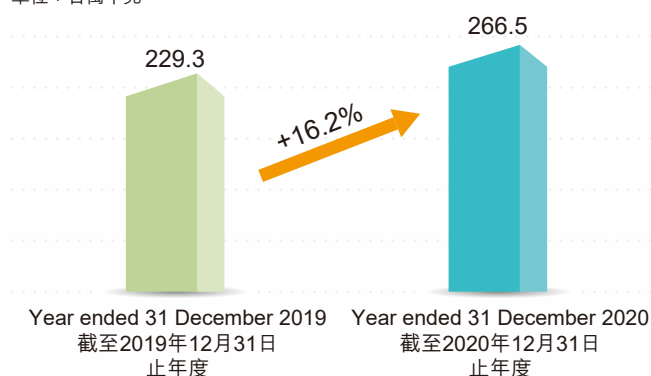
Sales volume of processed chicken meat products 深加工雞肉製品銷量

unit: million kg
單位：百萬千克



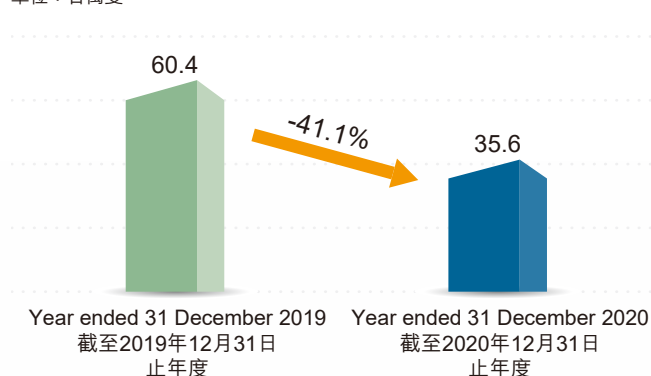
White-feathered broilers processed 白羽肉雞加工量

unit: million kg
單位：百萬千克



Sales volume of chicken breeds 雞苗銷量

unit: million birds
單位：百萬隻



2020 MAJOR EVENTS

二零二零年大事記

FEBRUARY

二月



In February 2020, during the most serious stage of the coronavirus pandemic in China, Fengxiang pushed through all difficulties and took practical actions to support the front-line fighters in Wuhan against the pandemic.

2020年2月中國新冠疫情最嚴重階段，鳳祥股份排除萬難，以實際行動支援武漢抗「疫」一線。



JULY

七月



On 16 July 2020, Fengxiang (9977.HK) was officially listed on the Stock Exchange and entered the capital markets. It opened a brand new chapter for Fengxiang to integrate global resources and wisdom to serve consumers and reward our investors.

2020年7月16日，鳳祥股份(9977.HK)正式登陸聯交所，踏入資本市場。開啟了鳳祥股份整合全球資源和智慧服務消費者、回饋投資者的嶄新篇章。

In April 2020, Fengxiang signed a new "Strategic Cooperation Agreement" with "Daily Fresh", the unicorn of Chinese fresh food business, realising "alliance between giants".

2020年4月，鳳祥股份與中國生鮮電商獨角獸「每日優鮮」簽訂了全新《戰略合作協議》。實現「強強聯合」。



APRIL

四月

In September 2020, Fengxiang Food Development and Fengxiang Industrial, subsidiaries of Fengxiang, received the AEO advanced certification from the Customs. This "green pass" for global trade will provide a strong guarantee for them to expand their international market.

2020年9月，山東鳳祥股份下屬子公司鳳祥食品發展、鳳祥實業公司獲得海關AEO高級認證。這份全球貿易「綠色通行證」的獲得，將為其深耕國際市場提供強有力保障。



SEPTEMBER

九月

OCTOBER

十月



In October 2020, Fengxiang invited Xu Weizhou to be the spokesperson of its "iShape (優形)" brand. As a result, Fengxiang formed the first spokesperson matrix in the chicken food field that straddles both sports and arts with Wu Minxia, Wan Xi and Xu Weizhou. The selection of highly compatible spokespersons has helped to rapidly increase the brand awareness of "iShape(優形)" and further enhance its leading position in the market.

2020年10月，鳳祥股份邀請許魏洲出任其「優形」品牌代言人。由此，鳳祥股份形成了以吳敏霞、萬茜和許魏洲組成的雞肉食品領域第一個橫跨文體兩界的代言人矩陣。高度契合的代言人選擇有助於「優形」品牌知名度的迅速提升，及進一步加大市場的領先優勢。



DECEMBER

十二月



In December, 2020, the "iShape (優形)" brand chicken breast protein bar of Fengxiang won the "2020 China Food Seven Stars Innovation Award" for its breakthrough in product concept and innovation in scenario segmentation.

2020年12月，鳳祥股份旗下品牌「優形」雞胸肉蛋白棒憑藉突破性的產品概念以及場景細分創新，榮獲「2020中國食品七星創新獎」。

In November, 2020, the U.S. company Cobb-Vantress, Inc., which accounts for half of the global broiler breeder industry, presented Fengxiang with the "Best Performance of Parent Breeder Flock" award for 2019 and 2020. Since 2016, when its breeding results won the highest honor in the industry on behalf of China for the first time, Fengxiang has won the honor for five consecutive years. This victory in breeding efficiency means that Fengxiang not only has core breeding technology that is difficult to replicate worldwide, but also means that the Chinese company has become the absolute benchmark in the management of the global broiler industry chain, which will give the Chinese broiler industry more power of discourse.



2020年11月4日，佔據全球肉雞種禽行業半壁江山的美國科寶公司，向鳳祥股份頒發2019年度和2020年度的「父母代種雞群最佳生產性能」大獎。自2016年的養殖成績代表中國首次摘得這項業界最高榮譽以來，鳳祥股份連續5年奪取該項榮譽。養殖效率的全球「五連冠」，意味著鳳祥股份不僅擁有了世界範圍內難以複製的養殖核心技術，更意味著，中國公司已經成為了全球肉雞產業鏈管理的絕對標桿，中國肉雞行業將因此獲得更多的話語權。

In November 2020, Fengxiang Food, a subsidiary of Fengxiang, was awarded the "2020 Taishan Quality" certification, and thus became the only meat product company to receive this certification.

2020年11月鳳祥股份旗下鳳祥食品品牌榮膺2020年度「泰山品質」認證，並由此成為了獲得該認證的唯一一家肉製品企業。



NOVEMBER

十一月

CHAIRMAN'S STATEMENT

董事會主席報告書



Mr. Liu Zhiguang
劉志光先生
Chairman
董事會主席

FLYING WITH DREAM AND BEGINNING WITH THE END IN MIND

Dear shareholders and investors,

I would like to extend my gratitude to all of you for your unlimited trust and full support at such a critical stage where Fengxiang has been experiencing transformation and upgrading. Thank you for your support to the Group. I would also like to take this opportunity to share the dream of myself and the management of Fengxiang, that is, the type of company Fengxiang is growing into and how Fengxiang is going to achieve so. Or simply, what Fengxiang is and why.

Over the 30 years since my parents started this business in 1991, Fengxiang has gone through reforms and renewed itself. In the past years, Fengxiang set foot on a new road, becoming a leading exporter and retailer of white-feathered chicken products in China.

Fengxiang's vision is to become the best-quality chicken brand in China and to bring health and joy to billions of families and consumers.

以夢為馬，以終為始

各位尊敬的股東，各位尊敬的投資人：

在鳳祥轉型升級的關鍵階段，感謝你們的無限信任和鼎力支持，感謝你們選擇陪伴鳳祥一起度過。借此機會，向各位匯報我和管理層的鳳祥之夢，鳳祥要成為怎樣的一家公司，鳳祥又怎樣才能做到。一句話概括，鳳祥是什麼，鳳祥為什麼。

從我的父母親1991年開創這個事業至今30年，鳳祥不斷變革，歷久彌新。在近幾年中安靜地開始了二次創業，成為中國領先的白羽雞肉產品出口商與零售商。

鳳祥的願景，是創造中國最優質的雞肉品牌，為億萬家庭與用戶提供健康和快樂。

In the future, Fengxiang will take the lead in the following aspects:

Capability in brand operation. The ultimate goal of Fengxiang is to become a branded consumer goods company in the field of quality protein products. Over the past decades, we have successfully nurtured the “Fengxiang” brand, which represents peace of mind and health. For many consecutive years, it has been chosen by the State General Administration of Sports— Training Council (國家體育總局訓練局) as the only designated chicken product for the national athletes, and has become the first choice of millions of families; in the past few years, we have also successfully nurtured the “iShape (優形)” brand, which represents health and beauty, and has become the favourite of young people who intend to stay in good shape, leading the ready-to-eat chicken breast segment. During this process, it occurred to us that while all customers want a healthy brand, their need for “healthy products” is rich and diversified. As a result, we started to build a brand spectrum centered with “healthy requirements” and continued to enrich it with features such as “high nutrition”, “high function”, “pan-healthy” and “healthy snacks”, so as to fulfill the diversified demands of consumers. In the future, achieving value-added operation of the core brand assets and tapping into the resource of consumers’ minds will become the most essential part of our job and the key basis for a series of our strategic decisions.

Capability in supply chain integration. Fengxiang has 30 years of experience in breeding white-feathered chicken in Shandong, China, and especially has the most competitive professional teams and talents in white-feathered chicken breeding in China. From 2016 to present, we have received the most important technical awards from Cobb-Vantress in the whole world. This is the most solid quality foundation and cost advantage that we rely on for survival and development. We are determined to transform into a consumer goods company and will no longer put the priority of our business development on the chicken breeding. However, this does not mean we despise and give up this inherent advantage of supply chain. We will replace our self-built supply chain with partnership and transfer our own technologies. From feeds, breeding, slaughtering and production, to logistics, storage and transportation, we select strategic partners, so as to amplify front-end capabilities, ensure quality and cost control, and meet our larger marketing plans to follow.

Capability in R&D and marketing. Fengxiang has built up a three-location R&D center system of “Tokyo + Shanghai + Shandong”, and in the past few years, it has achieved the R&D, promotion, launch and market capture for products such as iShape chicken breast (優形雞胸肉), iShape protein bar

鳳祥未來要在以下幾個方面取得並保持領先：

品牌運營管理能力。鳳祥最終要成為一家立足優質蛋白領域的品牌性消費品公司，我們在過往的幾十年，成功培育了代表安心和健康的「鳳祥」品牌，連續多年被國家體育總局訓練局選擇為國家隊運動員唯一指定雞肉產品，成為無數家庭的第一選擇；而在過往幾年，我們也成功孵化了代表健康和美好的「優形」品牌，成為對身材管理有要求的年輕人的心頭最愛，在即食雞胸肉細分市場實現領先。在這個過程中，我們發現，所有消費者都希望品牌是健康的，但消費者們對「健康」的需求角度又是豐富而個性化的。所以，我們開始嘗試搭建以「健康需求」為主心的品牌光譜，以「高營養」、「高功能」到「泛健康」、「健康零食」，我們正在不斷豐富鳳祥品牌光譜，期待以此來最大程度滿足消費者多元化的消費需求。未來，品牌核心資產的運營增值，消費者心智資源的挖掘，將成為我們最為主要的工作重心，也是我們一系列戰略選擇的關鍵依據。

供應鏈整合管理能力。鳳祥擁有在中國山東30年的白羽雞養殖經驗，尤其擁有中國最具競爭力的白羽雞專業養殖領軍人才和團隊。2016年至今我們都獲得了美國科寶公司在全球最重要的技術獎項，這是我們賴以生存和發展最堅實的品質基礎和成本優勢。我們決意要向消費品公司轉型，不再將養殖端作為公司發展的戰略重心。但並不意味著我們輕視與放棄供應鏈的固有優勢，鳳祥供應鏈未來將從自建到合作，技術從自有到輸出，從飼料、養殖、屠宰、生產，到物流、倉儲、運輸，精選戰略合作夥伴，放大前端能力，確保品質和成本控制，服務於我們接下來更大的市場營銷計劃。

產品研發與市場推廣能力。鳳祥已經構建起了「東京+上海+山東」的三地研發中心體系，並且在過往幾年中實現了優形雞胸肉、優形蛋白棒、一口不忍腸以及鹹蛋黃嫩骨雞、雞肉小方等產品的研發、推廣、上市與佔領市場。尤其是「優形」品牌，將以前

CHAIRMAN'S STATEMENT

董事會主席報告書

(優形蛋白棒), Yikou Buren sausage (一口不忍腸), salted egg flavored chicken (鹹蛋黃嫩骨雞) and chicken patty squares (雞肉小方). The "iShape (優形)" brand, in particular, has made the chicken breast, which was previously not fond of by Chinese consumers, into a hot cake across all e-commerce platforms and has been highly affirmed by many partners inside and outside the industry, setting a new trend and standard for the industry. In the future, Fengxiang will continue to focus on consumers' needs, increase investment in R&D and marketing, ensure the all-round improvement in products, branding and marketing, and create the ultimate supercalifragilisticexpialidocious consumers' experience in the retail market.

Capability in channel establishment and operation.

Currently, Fengxiang has essentially completed its deployment of sales channels throughout the country. At the offline end, the first-tier cities of China have witnessed the iShape series of products joining hands with nearly 100 of China's best distributors to tap into 30,000 of China's convenience stores and supermarkets. At the same time, the Fengxiang series of products have entered China's leading food and beverage chains, convenience stores and group purchasing customers, while also leveraging the company's channel expansion plan to gain momentum in third and fourth-tier cities. At the online end, the iShape flagship e-shops and the Fengxiang flagship e-shops have become the leaders in terms of the chicken breast and chicken products, respectively, and have both maintained high growth in the number and quality of fans and members. As the market demands are further identified and met, our goal is holding on to our favourable position on the selected track to provide consumers with fast, right and heartfelt services.

中國人不太愛吃的雞胸肉，打造成了全網爆款，也得到了行業內外與諸多合作夥伴的高度肯定，重新定義了行業發展趨勢和標準。今後，鳳祥將繼續圍繞用戶需求，加大在研發與市場端的投入，確保產品力、品牌力、營銷力的全方位提升，創造零售市場的極致用戶體驗。

渠道建設運營能力。鳳祥目前已經基本完成了國內市場銷售渠道的佈局。在線下，一線城市，「優形」系列產品已經牽手近百家中國最好的經銷商夥伴進入中國30,000家便利店和精品商超；「鳳祥」系列產品進入到了中國領先的餐飲連鎖企業、便利店和集團採購客戶，同時也借助公司的渠道下沉計劃發力於三四線城市。在線上，「優形」旗艦店與「鳳祥」旗艦店都已經分別成為雞胸肉和雞肉領域的領跑者，粉絲和會員數量質量雙雙保持高速增長。伴隨著市場需求的進一步挖掘和滿足，我們的目標是在所選賽道上保持足夠的領先優勢，能夠為消費者提供更快速、準確、貼心的服務。





We hope, in inspect of raw material supply and production capacity, we will always adhere to the bottom line of food quality and safety, continue to maintain our strict standards for products exported to the European Union and Japan and apply them to the full range of our products, so that we will achieve a competitive advantage in cost-effectiveness management in the B2B business, and have sufficient, high-quality raw material supply and active market choices in the B2C business.

We hope, with the fast growth in the next couple of years, the “iShape (優形)” brand will become a quality brand with the most energy, influence and reputation on the chicken market of China and help reshape a new “Fengxiang (鳳祥)”, and Fengxiang Co. will successively evolve into a brandnew consumer goods entity that sets a benchmark for the traditional food companies in terms of marketisation, digitalisation and horizontalisation.

我們希望，在原料供應與產能建設方面，永遠堅守食品質量安全的底線，繼續保持我們出口歐盟和日本的嚴格標準，將之運用於我們的全系列產品，在B端業務上實現有足夠競爭力的費效比管理優勢，在C端業務上實現充足優質的原料供應和主動的市場選擇權。

我們希望，通過未來幾年的快速發展，用「優形」再造一個新的「鳳祥」，讓「優形」成為中國雞肉市場上最具年輕化、影響力和美譽度的優質品牌，也讓鳳祥股份成為傳統食品企業向市場化、數字化、扁平化消費品「新物種」進化的成功典範。

CHAIRMAN'S STATEMENT

董事會主席報告書

This is the finishing line of our dream, yet the starting line we set off as well. The Board of Directors, management, managerial and technical backbone members and all employees of Fengxiang have reached a basic consensus and are united as one to work backward from the goal and carry out each of our jobs accordingly. Our main work guided by this strategy has been demonstrated in the 2020 Annual Report, and our plans in 2021 have also been elongated.

At the new start point, Fengxiang will begin with the end in mind and remain true to our original aspiration. Facing the new future, Fengxiang will fly with the dream and work hard to press ahead.

We look forward to the recognition and support from our shareholders and investors, so that we will make our common dream in the business come true.

Thank You!

Shandong Fengxiang Co., Ltd.

Liu Zhiguang

Chairman of the Board of Directors

這是我們的夢想終點，這也是我們的努力起點。鳳祥股份的董事會、管理層、管理與技術骨幹、全體員工，已經達成基本共識，並形成高度凝聚，以其目標倒推，開展著我們的每一項工作。2020年年報中已經展現了這一戰略引領之下的工作主線，2021年的工作計劃也因此而清晰。

新的起點，鳳祥將以終為始，不忘初心；新的未來，鳳祥將以夢為馬，砥礪前行。

誠望得到各位股東和投資人的認同，繼續支持我們，成就我們共同的事業夢想。

謝謝！

山東鳳祥股份有限公司

董事會主席

劉志光

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The following discussion and analysis also contain certain amounts and percentage figures that have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them and all monetary amounts shown are approximate amounts only.

COMPANY PROFILE

Introduction

Shandong Fengxiang Co., Ltd. (the “**Company**” or “**Fengxiang**”, together with its subsidiaries, the “**Group**”) is the largest white-feathered broiler meat exporter and the leading retail enterprise of chicken meat products in the People’s Republic of China (“**PRC**”), which was established as a joint stock limited liability company in the PRC on 17 December 2010 and listed on the Main Board of the Stock Exchange on 16 July 2020 (stock code: 9977).

The Group is principally based in Shandong in the PRC and produces chicken meat products substantially from white-feathered broilers. The Group also manufactures and markets a wide range of processed chicken meat products. The main products include (1) processed chicken meat products; (2) raw chicken meat products; (3) chicken breeds; and (4) others. The Group also produces a small portion of chicken meat products from Sichuan Mountain Black Bone Chicken bred in Sichuan, the PRC, in which part of the production facilities are based. Apart from its leading domestic market position in the PRC, the Group has an established and growing export business supplying a wide range of premium quality chicken meat products to overseas customers in Japan, Malaysia, the European Union, South Korea, Mongolia and Singapore. The Group’s white-feathered chicken meat products are halal certified by adopting Islamic slaughter rituals.

The Group adopts an integrated “*poultry to plate*” model which enables it to control every stage of the poultry lifecycle, allowing the Group to effectively manage quality and cost throughout the process starting from the breeding of broilers to the distribution and sale of chicken meat products.

以下討論及分析亦包括若干經約整的數額及百分比數字。因此，若干表格中合計一欄數字未必為其上所列數字的算術總和，而所有列示金額僅為概約金額。

公司概況

公司簡介

山東鳳祥股份有限公司(「**本公司**」或「**鳳祥**」或「**鳳祥股份**」，連同其附屬公司，合稱「**本集團**」)為中國最大的白羽肉雞出口商及領先的雞肉食品零售企業，於2010年12月17日在中華人民共和國(「**中國**」)成立為股份有限公司，並於2020年7月16日在聯交所主板上市(股份代號：9977)。

本集團主要位於中國山東，主要用白羽肉雞生產雞肉製品。本集團亦生產及推銷各種深加工雞肉製品。主要產品包括(1)深加工雞肉製品；(2)生雞肉製品；(3)雞苗；及(4)其他。本集團亦用於中國四川(部分生產設施位於此地)養殖的四川山地烏骨雞生產一小部分雞肉製品。除在中國的領先國內市場地位外，本集團亦擁有成熟並不斷壯大的出口業務，向日本、馬來西亞、歐盟、韓國、蒙古及新加坡的海外客戶供應多種優質雞肉製品。本集團的白羽雞肉製品採用伊斯蘭屠宰儀式進行清真認證。

本集團採用一體化「*從農場到餐桌*」模式，使本集團能夠控制家禽生命週期的每個階段，從而有效管理從肉雞養殖到雞肉製品分銷及銷售整個流程的質量及成本。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Business Segments

Raw chicken meat products

The Group offers raw white-feathered chicken meat products, which include whole frozen chickens and chicken portions, such as chicken wings, chicken breast, chicken drumsticks, chicken drumettes, bone-in chicken thighs, boneless chicken fillets, chicken head, chicken feet and chicken legs. The Group's broilers are then cut into portions according to its internal or customers' requirements, which will be chilled or frozen depending on the product nature. For 2020, the sales volume of raw chicken meat products increased by 17.0% to 187.1 million kilogram ("kg") (2019: 159.9 million kg). Revenue from external sale of raw chicken meat products grew by 1.9% to RMB1,922.7 million for 2020 (2019: RMB1,887.4 million), representing 49.3% of the Group's total revenue.

Processed chicken meat products

The Group markets its processed chicken meat products under "鳳祥食品(Fovo Foods)", "優形(iShape)" and "五更爐(Wu Genglu)" brands. Processed chicken meat products comprise cooked, semi-cooked and seasoned chicken meat products. Depending on the processing methods, these processed products are required to be chilled or frozen. The raw chicken meat the Group uses in its processed chicken meat production is either supplied by itself, or procured from independent third party suppliers in the PRC and overseas. The cooked chicken meat products comprise ready-to-eat chicken meat products and frozen chicken meat products, which are fully cooked and sterilised (end consumers will need to reheat the frozen cooked chicken meat products before consumption according to the instructions provided on the packaging). The semi-cooked chicken meat products are processed, chilled or frozen and boxed (end consumers will need to further process (including steaming, grilling, roasting or frying) such semi-cooked chicken meat products before consumption according to the instructions provided on the packaging). The seasoned chicken meat products include raw chicken meat flavoured with certain ingredients or spices. The Group also offers ready-to-cook pre-prepared meal solutions, including Chinese cuisine. The sales volume of processed chicken meat products for 2020 was 85.3 million kg (2019: 69.6 million kg). Revenue from sale of processed chicken meat products (after elimination of inter-segment transactions) grew by 23.7% to RMB1,773.4 million for 2020 (2019: RMB1,433.2 million), representing 45.5% of the Group's total revenue.

業務分部

生雞肉製品

本集團提供生白羽雞肉製品，其中包括冷凍全雞及雞部位，如雞翅尖、雞胸、雞小腿、雞翅根、帶骨雞腿、無骨雞柳、雞頭、雞爪及雞腿。本集團屆時將根據內部或客戶要求將肉雞切成各個部位，並根據產品性質將其冷藏或冷凍。2020年，生雞肉製品的銷量增加17.0%至187.1百萬千克（「千克」）（2019年：159.9百萬千克）。對外銷售生雞肉製品所得收入增長1.9%至2020年的人民幣1,922.7百萬元（2019年：人民幣1,887.4百萬元），佔本集團總收入的49.3%。

深加工雞肉製品

本集團以「鳳祥食品 (Fovo Foods)」、「優形 (iShape)」及「五更爐 (Wu Genglu)」品牌推廣深加工雞肉製品。深加工雞肉製品包括雞肉熟食製品、雞肉半熟食製品及調味雞肉製品。該等深加工產品需冷藏或冷凍，視乎加工方法而定。本集團於深加工雞肉生產中所使用的生雞肉由其自身供應，或自中國及海外的獨立第三方供應商採購。雞肉熟食製品包括即食雞肉製品及冷凍雞肉製品，均已完全煮熟並消毒（終端消費者於食用前需根據包裝上的指示重新加熱冷凍雞肉熟食製品）。雞肉半熟食製品已經加工、冷藏或冷凍及包裝（終端消費者於食用前需根據包裝上的指示進一步加工（包括清蒸、炙烤、燒烤或油炸）雞肉半熟食製品）。調味雞肉製品採用生雞肉與若干原料或香辛料調製而成。本集團亦提供預先加工的即烹肉類食品，包括中式菜餚。2020年，深加工雞肉製品的銷量為85.3百萬千克（2019年：69.6百萬千克）。銷售深加工雞肉製品所得收入（於對銷分部間交易後）增長23.7%至2020年的人民幣1,773.4百萬元（2019年：人民幣1,433.2百萬元），佔本集團總收入的45.5%。

Chicken breeds

The Group sells some of its chicken breeds hatched from broiler eggs to other independent third parties for breeding into broilers. The sales volume of the Group's chicken breeds is based on the average selling prices of chicken breeds, which is market-driven. The Group sells chicken breeds to local chicken farmers and other poultry business operators, who are independent third parties. The sales volume of chicken breeds for 2020 was 35.6 million birds (2019: 60.4 million birds). Revenue from external sale of chicken breeds significantly dropped by 80.0% to RMB85.3 million for 2020 (2019: RMB426.4 million), representing 2.2% of the Group's total revenue.

Other products

The Group sells other products, including sale of broilers that cannot satisfy the Group's quality requirements and excess broiler eggs that exceed the Group's internal needs, by-products (such as chicken feather, chicken blood and unused chicken organs), organic fertiliser, black-bone chicken meat products (being the Group's Sichuan Mountain Black Bone Chicken), packing materials and other miscellaneous products. This business segment had been slumping during 2020 as compared to that in 2019. Revenue from external sale of other products dropped by 32.9% to RMB120.2 million for 2020 (2019: RMB179.1 million), representing 3.1% of the Group's total revenue.

BUSINESS REVIEW

During the year ended 31 December 2020 (“**Reporting Period**”), benefiting from the leapfrog development of new retail business, the further development of new centralised procurement business targeted at domestic leading catering enterprises and the long-term trust of key customers of new export business, the Group maintained its revenue amid the downturn pressure from the outbreak of the COVID-19 pandemic and the macroeconomic downturn in 2020 which is partially offset by the decrease in average selling prices of chicken breeds during the year, recording RMB3,696.0 million for chicken meat products (excluding revenue generated from chicken breeds and other products) and booking a year-on-year growth of 11.3%.

雞苗

本集團銷售一部分由種蛋孵化成的雞苗予其他獨立第三方，以飼養成肉雞。本集團的雞苗銷量基於受市場驅動的雞苗平均售價。本集團向當地雞農及其他家禽業務經營者(均為獨立第三方)銷售雞苗。2020年，雞苗銷量為35.6百萬隻(2019年：60.4百萬隻)。對外銷售雞苗所得收入大幅下降80.0%至2020年人民幣85.3百萬元(2019年：人民幣426.4百萬元)，佔本集團總收入的2.2%。

其他產品

本集團銷售其他產品，包括銷售淘汰雞及超出本集團內部需要的多餘種蛋、副產品(如雞毛、雞血及尚未使用的雞隻內臟)、有機肥料、烏骨雞肉製品(即本集團的四川山地烏骨雞)、包裝材料和其他雜項產品。相較於2019年同期，本業務分部於2020年出現下滑。對外銷售其他產品所得收入下降32.9%至2020年人民幣120.2百萬元(2019年：人民幣179.1百萬元)，佔本集團總收入的3.1%。

業務回顧

於截至2020年12月31日止年度期間(「**報告期**」)，得益於新零售業務的跨越式增長，新集採業務對國內優秀餐飲企業的深度拓展，以及新出口業務關鍵客戶的長期信任，本集團於冠狀病毒疫情爆發及2020年宏觀經濟下行造成的壓力中維持穩定銷售收入，被雞苗平均售價下跌部分抵銷，雞肉製品(不含雞苗及其他產品產生的收益)錄得人民幣3,696.0百萬元，同比增11.3%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Looking back on 2020, it would be seen as a critical year in the history development and transformation and upgrading of the Company. In 2020:

- the Company continued advancing the optimisation of products structure and highlighting its main business of food products which enabled the proportion of processed chicken meat products to reach a record high of 45.5%;
- the Company continued focusing on the development of the retail business. This channel's revenue accounted for more than 20% for the first time, marking a landmark step in the transformation to a branded food enterprise;
- the Company continued focusing on the development of the "iShape (優形)" brand. Revenue of this series of products booked a year-on-year increase by 280.3% to RMB230.9 million. The "iShape (優形)" brand has become the national pioneer and leader in the field of ready-to-eat chicken breast;
- the Company continued focusing on supply-chain integration, channel extension as well as research and development ("R&D") and marketing refinement. The basic structure serving future marketing goals has been built, marking a new stage of precise operation and digital enhancement;
- the Company overcame problems resulting from a range of adverse factors such as the COVID-19 pandemic, which demonstrated not only stronger anti-risk and resilience capabilities, but also great innovation capabilities and growth momentum;
- the Company entered the capital market for the first time, becoming an iconic public company of the PRC in the chicken meat food production on the Stock Exchange.

回顧2020年，是本公司歷史發展和轉型升級過程中極為關鍵的一年。於2020年：

- 本公司繼續推進產品結構優化，突出食品主營業務，深加工雞肉食品佔比達到45.5%的歷史新高；
- 本公司繼續著力發展零售業務，該渠道收入佔比首次超過20%，在向品牌性食品企業的轉型中邁出標誌性一步；
- 本公司繼續重點發展「優形」品牌，該系列產品收入達到230.9百萬元，同比增長280.3%，已經成為即食雞胸肉領域的全網領導者和領先者；
- 本公司繼續致力於供應鏈的整合、渠道的延伸、研究及發展（「研發」）和市場的精進，服務於未來營銷目標的基本架構已經成型，進入到精細運營和數字化提升的新階段；
- 本公司經受住了新型冠狀病毒疫情等不利因素的考驗，一方面體現出了越來越強的抗風險能力和應變能力，另一方面體現了極大的創新能力和增長動力；
- 本公司首次登陸資本市場，成為內地雞肉食品行業在聯交所的代表性公眾公司。

As at 31 December 2020, benefitting from the above-mentioned reasons, notwithstanding the decrease in net profit (before biological assets fair value adjustment) from RMB833.9 million in 2019 to RMB178.8 million in 2020 which was primarily attributable to: (i) the decrease in profit from sale of chicken breeds, which was attributable to the Company's proactive measures to significantly reduce the production and sales volume of chicken breeds based on the strategic consideration and the drastic fluctuations of the price of chicken breeds as disclosed in the interim report of the Company for the six months ended 30 June 2020; (ii) the decrease in gross profit from the Group's chicken meat products, which was partially due to the decrease in average selling price of raw chicken meat products; and (iii) an increase in selling and R&D expenses as a result of the increase in resources invested by the Group in its new retail business, the Company achieved sales revenue of RMB3,901.6 million, which generally remained the same as in 2019. Moreover, the product and channel structure of the Company have undergone optimisation.

(I) Industry observation: surging consumer demand, and promising industry prospects

We are full of confidence in the development of the industry in the next few years, mainly because:

1. Transformation of national taste; deep-rooted trend of healthy diets

People born in the 1980s and 1990s, especially Generation Z (those who were born in 1995–2009), have gradually become major consumers. Their attitudes to life and dietary concepts are different from traditional ones.

於2020年12月31日，得益於上述原因，儘管淨利潤(生物資產公允價值調整前)由2019年的人民幣833.9百萬元減少至2020年的人民幣178.8百萬元，主要原因是(i)銷售雞苗之溢利減少，該減少是因為，基於策略考慮主動大幅減少雞苗產量與銷量，同時也受到了雞苗價格劇烈波動的影響(誠如本公司截至2020年6月30日止六個月之中期報告所披露)；(ii)本集團雞肉製品之毛利減少，部分原因是生雞肉製品之平均售價降低；及(iii)銷售及研發費用因本集團增加對其新零售業務的資源投資而增加，本公司實現銷售收入3,901.6百萬元，與2019年基本持平。更重要的是產品與渠道結構都產生了優化。

(-) 行業觀察：消費需求不斷釋放，行業發展前景廣闊

我們對行業今後若干年的發展充滿信心，主要來源是：

1. 國民口味劃時代變革，健康飲食潮流深入人心

80後、90後，特別是Z世代(1995–2009年出生的人群)，漸成消費主流，他們的生活態度與飲食觀念已經與傳統大為迥異。

Occasionally, consumers enjoy guilty pleasure. But more often, healthism prevails: food with lower fat, lower calories, less sugar and salt as well as rich in fiber and nutrition which is easy to cook and served with moderate portions has become daily favorite of majority of consumers.

In 2019, China became the world's second largest producer and consumer of poultry. The consumption accounted for 14% of the world's total consumption, only behind the United States which accounted for 17.0%. However, China's per capita chicken consumption was only 14.19 kg per year, much lower than the United States with 50.96 kg per year, and also lower than the 17.73 kg per year and 18.74 kg per year in Japan and South Korea, respectively.

White-feathered chicken is closely related to the light meal market due to its characteristics. It has the best development opportunity due to its higher protein, lower fat, lower cholesterol, lower calorie content and more economical and environmentally-friendly breeding costs.

With the aging population, sub-health normalisation as well as continuous improvement of people's consumption level and nutritional structure, a dietary revolution has occurred in Chinese people's lives and still waters run deep. Consumers are increasingly concerned about their own health, and thus the demand will further increase. This is also the fundamental reason that Fengxiang started its "iShape (優形)" brand with ready-to-eat chicken breast.

2. Created full consumption scenes, and target customers have changed from families to individuals

In recent years, the types of processed food in the poultry industry have become more diversified and specialised, and the brand effect of the products gradually appears. Behind this phenomenon are the changes in consumers' purchase habits and consumption scenes.

We collect information through multiple dimensions including order time, order channel, storage method, purchase motivation, contact channel, etc., carry out digital portraits of brand users, and match personalised marketing strategies with product portfolios according to different scenarios and consumer groups.

偶爾會饒美味，寧可承受一點罪惡感。但更多時候，健康主義大行其道：操作簡單、快速上桌、份量適中，脂肪更低、熱量更低、少糖少鹽、富含高纖維和營養的食品，成為消費主流人群的日常最愛。

2019年，中國已成為全球第二大雞肉生產國與消費國，消費量佔全球比重達到14%，僅次於美國的17%，但人均雞肉消費量僅為14.19千克／年，遠遠低於美國的50.96千克／年，低於日本、韓國的17.73千克／年、18.74千克／年。

白羽雞因其本質特點，與輕食市場密切相關，因其更高蛋白質、更低脂肪、低膽固醇、低熱量以及更經濟環保的養殖成本，迎來了最好的發展機遇。

隨著人口老齡化，亞健康常態化以及居民消費水平的不斷提高，營養結構的不斷改善，一場靜水深流的飲食革命已經在中國人生活中發生，消費者對自身健康關注度逐漸提升，其需求將進一步被觸發和打開，這也是鳳祥著力要從即食雞胸肉品類起步去做「優形」品牌的根本邏輯所在。

2. 全消費場景形成，賽道從家庭擴展到個人

近幾年，雞肉行業深加工食品的種類逐漸多元化、特質化，產品本身的品牌效應也逐漸體現。這一現象的背後，是消費購買習慣與消費場景的變遷。

我們會通過下單時間、下單渠道、儲存方式、購買動機、接觸渠道等多個維度收集信息，並進行品牌用戶的數字化畫像，並根據不同的場景、人群匹配個性化的營銷策略和產品組合。

We have noticed that the way young consumers think is significantly different from that of the previous generation. In most cases, the main criterion of the previous generation is the largest value for money ratio, since they prepare meals for the whole family; and young customers need to select high-quality food ingredients for the family while choosing healthy foods for themselves and their families. They also pay attention to promotional activities, yet they prefer brands that they like and trust. The formation of the “iShape 優形” brand also supports that once consumption habits are formed, the brand loyalty of this younger generation is evidently higher than that of the previous generation.

In addition, under the new 14th Five-Year Plan, in line with the rural revitalisation plan, China formulated active policies to support white-feathered chickens and other related industries.

Therefore, we believe that the traditional white-feathered chicken breeding industry has the best development opportunity with the right time, the right place, and the right people. It is likely that high-quality, high-reputation chicken food brand companies will emerge, transform and upgrade.

(II) Strategic decision: “from raw to cooked, B+C”, a new market and a great brand

1. Strategic positioning: Adhering to the “123” strategy and creating a leading chicken brand

In the past few years, the Company was determined to transform and upgrade. By implementing the “123” development strategy “One Foundation, Two Major Markets and Three Driving Forces”, the Company continued increasing the proportion of processed food products, expanding the retail business and creating China's leading chicken brand.

(1) “One Foundation”:

To strengthen the Group's advantage in its vertically integrated business model across the entire industry value chain and the industry ecological chain and effectively manage the supply chain, so as to ensure food quality and safety, offer consumers with quality-assured products and lay down a solid foundation for product quality.

我們注意到，年輕客戶族群思考問題的方式與上一代有明顯區別，上一代人大多數情況下是考慮到為全家烹飪準備食材，主要判斷標準是極致的性價比；而年輕客群一方面要為家人挑選優質的食材，另一方面很重要的是要為自己和家人同時挑選健康的食品，他們也關注促銷行動，但更側重或更青睞自己喜歡與信任的品牌。優形品牌的成長也佐證：一旦消費習慣形成，品牌忠誠度明顯比上一代人群要高。

除此之外，在新的十四五規劃中，與鄉村振興計劃相融合，國家為白羽雞等相關行業制定了非常積極的政策支持。

因此，我們認為，天時、地利、人和之下，傳統的白羽雞養殖行業迎來了最好的發展時機，賽道中轉型升級出幾家高品質、高美譽度的雞肉食品品牌企業，是很有可能的。

(二) 戰略選擇：「生變熟，B+C」，新賽道，好品牌

1. 戰略定位：堅持「123」戰略，創造領先的雞肉品牌

幾年來，本公司決心轉型升級，實施「123」發展戰略「一個基礎、兩大市場、三駕馬車」，不斷加大深加工食品比重，不斷拓展零售業務，創造中國領先的雞肉品牌。

(1) 「一個基礎」：

將縱向一體化業務模式優勢擴展至全產業價值鏈與生態鏈，有效管控供應鏈，確保食品質量安全，為消費者提供安心的產品，奠定堅實的品質基礎；

(2) “Two Major Markets”:

To simultaneously develop the domestic market and the international market, ensure “same production line, same standard, same quality” for domestic sales and export sales, and facilitate the mutual circulation of the domestic and international markets.

(3) “Three Driving Forces”:

Firstly, to coordinate online and offline resources to focus on the developing new retail business. New retail represents the B2C business of the Group which has undergone vigorously development over the past few years, providing quality branded products such as “iShape (優形)” and “Fengxiang (鳳祥)” directly to consumers through online e-commerce services, offline convenience stores and boutique supermarkets.

Secondly, to develop the new centralised procurement business targeted at the catering industry and the convenience store system. New centralised procurement, in relation to the food and beverage industry on which the Group has been focusing on, refers to the provision of high quality products to leading enterprises of the catering industry and the convenience store system with high-quality products of group purchasing and procurement business, by leveraging its years of experience in serving KFC and McDonald’s, and in line with the trend of the upgrading of procurement standards.

Thirdly, to construct the new export business through product optimisation and multiple channels. New export refers to the upgrading of the long-term leading position in the Group’s export business, through accumulation of its export experience for 20 years, to deliver supreme services and to achieve diversified channels through upgrading services, developing markets and expanding channels.

Through implementation of the new strategy, the domestic market and the international market supplement and boost each other, and great synergy is created among the new retail business, the new centralised procurement business and the new export business. With the quality and standard for serving global top catering giants for years, the Group is committed to providing hundreds of millions of families with high-quality products and services, creating China’s leading chicken meat product brand.

(2) 「兩大市場」:

同步發展國內市場與國際市場，堅持內外銷「同線同標同質」，加速促進國內、國際雙循環；

(3) 「三駕馬車」:

一是線上線下協力重點發展新零售業務。新零售，對應本集團在幾年前開始大力佈局發展的B2C業務，主要通過線上電商、線下便利店及精品商超等渠道，直接向消費者提供「優形」、「鳳祥」等優質的品牌產品。

二是面向餐飲行業與便利店系統開拓的新集採業務。新集採，對應本集團之前所重點佈局的餐飲行業，指本集團借助多年服務麥當勞、肯德基的經驗，順應採購標準升級趨勢，向餐飲行業與便利店系統的優秀企業以及集團客戶提供優質的團購或集採產品。

三是通過優化產品與渠道構建的新出口業務。新出口，對應公司長期領先的出口業務的升級，指公司基於20多年出口驗的積澱，升級服務，開發市場，拓寬渠道，實現服務的極致化與渠道的多元化。

本集團通過新戰略的實施，實現國內市場與國際市場的相互促進，新零售、新集採與新出口業務的高效協同、三輪驅動，以多年服務全球頂級餐飲巨頭的品質與標準，為億萬家庭和個人用戶提供優質產品和服務，創造領先的雞肉品牌。

2. Brand series: “iShape (優形)” breaks through, and innovative “Fengxiang (鳳祥)”

The Group has three main chicken brands: “iShape (優形)” series, “Fengxiang (鳳祥)” series, and “Wu Genglu (五更爐)” series.

(1) “iShape (優形)” series:

With chicken breast as the main raw material, the Company has launched products such as “salad chicken breast (沙拉雞胸肉)”, “mini salad chicken breast (Mini沙拉雞胸肉)”, “chicken breast slices (胸肉切片)”, “protein bars (蛋白棒)” and “Yikou Buren sausage (一口不忍腸)”. This series is the pioneer and leader in the ready-to-eat chicken breast market, whose market share and brand reputation are both in the leading position in the industry.

“iShape (優形)” products are unique products created by the Company that conform with the consumption upgrade trend and food industry reform. The products have set foot in approximately 30,000 high-quality convenience stores and boutique supermarkets in China's first-tier cities, and are sold in flagship e-shops on both Tmall and JD.com.

In 2020, products under the “iShape (優形)” brand name achieved sales revenue of RMB230.9 million, representing a year-on-year increase of 280.3%; during the “618” period, it increased year on year by 481.0%, and during the “Double 11 (雙11)” period, it increased year on year by 705.0%, and both market sales and growth rate are much higher than the industry average. Moreover, the products are generally rated as the “most delicious” and “most beloved” chicken breast, maintaining explosive market growth and phenomenal brand influence.

In 2020, “iShape (優形)” also signed contracts with celebrities, Wan Qian and Xu Weizhou as brand image spokespersons for the first time. With the popularity of variety shows, it launched a wave of online and offline marketing and integrated marketing. Through online platforms such as “Xiaohongshu” and “Tik Tok”, and through impactful offline marketing activities such as subway packaging, convenience store packages, the Company achieved good results and has left consumers and the society with a deep impression.

2. 品牌體系：「優形」破局，「鳳祥」煥新

本集團已經擁有三個主要的雞肉品牌：「優形」系列、「鳳祥」系列與「五更爐」系列。

(1) 「優形」系列：

目前以雞胸肉為主要原料，本公司已經推出沙拉雞胸肉、Mini沙拉雞胸肉、胸肉切片、蛋白棒、一口不忍腸等產品，是即食雞胸肉市場的開創者和領先者，市場佔有率、品牌知名度美譽度等，均居於行業領先地位。

「優形」產品是順應消費升級與食品行業變革趨勢的產物，為本公司首創和獨創，目前已經進入中國一線城市約30,000家優質便利店與精品商超，並且全網有售，在天貓和京東均開設旗艦店。

2020年，「優形」品牌系列產品實現銷售收入人民幣230.9百萬元，同比增長280.3%；「618」期間同比增長481.0%，「雙11」期間同比增長705.0%。市場銷量與增長速度均遠遠高於行業平均水平，產品被普遍評價為「最好吃的」、「最令人喜愛的」雞胸肉，繼續保持爆發式市場成長與現象級品牌影響。

2020年，「優形」也首次簽約明星萬茜和許魏洲作為品牌形象代言人，借助綜藝節目熱度，展開了線上線下市場推廣和整合營銷浪潮，通過線上「小紅書」、「抖音」等平台的種草及地鐵整列包裝、便利店包店等極富衝擊力的線下市場活動，實現了良好的效果，給用戶和社會留下了深刻印象。

The “iShape (優形)” brand is positive, healthy and friendly, focusing on empathy with consumers.

In 2020, the Company added 15 stock keeping units (“SKUs”) (product segments) to “iShape (優形)” series and upgraded packaging of the whole product line; in 2021, the Company plans to perfect popular products while continuing exploring consumer needs, and it is expected to launch more than 10 new products to enrich the product line. Meanwhile, the Company already has plans to venture into overseas markets.

(2) “Fengxiang (鳳祥)” series:

“Fengxiang” is a China well-known trademark. It began exporting to Japan, Southeast Asia, and the European Union in 1996; and it entered the KFC and McDonald’s systems in 1998. The Company is now one of China’s largest chicken exporters and B2B-end suppliers.

Since 2016, the Company has been committed to developing product series for B2C-end users. The “Fengxiang” brand has shown great innovation in the retail end and differentiation in related sub-fields.

Wu Minxia, the only person in the Chinese Olympic team winning five gold medals and the third-generation diving queen, was invited to be the brand image spokesperson of the “Fengxiang (鳳祥)” brand, whose “reassurance” characteristic is highlighted. Further, the Company remains the only designated chicken product supplier by the State General Administration of Sports — Training Council for three consecutive years. Furthermore, it has strong persuasiveness and competitiveness in terms of product quality because of its long-term exportation to Japan and the European Union.

In 2020, the Company launched new products such as salted egg flavored chicken (鹹蛋黃嫩骨雞), salted egg flavoured chicken steak (鹹蛋黃大雞排), microwave haichu series (微波嗨廚系列) and olive oil chicken steak (橄欖油大雞排) under the “Fengxiang (鳳祥)” series, which received great market response.

In 2020, “Fengxiang (鳳祥)” brand-name products achieved sales revenue of RMB517.9 million, increasing year on year by 231.1%; during the “Double 11 (雙11)” period, it increased by 548.0% on a year-on-year basis.

「優形」整體品牌調性積極、健康、友善，注重與消費者共情。

2020年，「優形」系列新增15個SKU（細分產品），並實現全綫包裝升級；2021年計劃，繼續深度挖掘消費者需求的同時，極致打磨爆紅大單品，並預計將推出超過10個以上新品來充實產品綫，同時已經有了布局海外市場的動作。

(2) 「鳳祥」系列：

「鳳祥」是中國馳名商標，1996年開始出口日本、東南亞、歐盟；1998年開始進入肯德基麥當勞體系，是中國最大的雞肉出口商與B端供應商之一。

2016年開始，本公司致力於為C端用戶專業研發產品系列，目前「鳳祥」品牌在零售端已經呈現出很大的新意，在相關子領域建立了差異性。

「鳳祥」品牌邀請中國奧運軍團唯一的五塊金牌獲得者、第三代跳水女皇吳敏霞作為形象代言人，主打「安心」特質，並且是國家體育總局訓練局連續三年唯一的指定雞肉產品供應商，同時因其長期持續出口日本和歐盟而在產品品質方面具備極強的說服力和競爭力。

2020年，本公司在「鳳祥」系列項下推出鹹蛋黃嫩骨雞、鹹蛋黃大雞排、微波嗨廚系列、橄欖油大雞排等新品，取得了很大的市場反響。

2020年，「鳳祥」品牌系列產品實現銷售收入517.9百萬元，同比增長231.1%；「雙11」期間「鳳祥」產品同比增長548.0%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

(3) “Wu Genglu (五更爐)” series:

“Wu Genglu (五更爐)” is a time-honored brand in Shandong, and smoked chicken and stewed chicken are its flagship products. It is mainly sold in Shandong Province and its surrounding areas, where it has long been a must-have gift for visiting relatives and friends during festivals.

In 2020, the “Wu Genglu (五更爐)” brand-name products achieved sales revenue of RMB43.6 million, representing a year-on-year increase of 23.2%.

In the future, the “Wu Genglu (五更爐)” series will enter a broader market through sinking channels, and may also launch highly-quality regional products through innovative combination with other local flavours.

(III) Business review: main business is strong, cooked food takes lead, B2B end remains stable, and B2C-end is explosive

1. Revenue and profit performance

During the Reporting Period, benefitting from the outstanding performance of the three main business, namely new retail, new centralised procurement, and new export, especially the new retail business, the Company achieved the milestone of transformation and upgrading in terms of business structure and product structure.

During the Reporting Period, sales revenue of the Group was RMB3,901.6 million, which generally remained stable as in 2019.

The analysis is as follows:

Performance of main products: the sales revenue of processed chicken meat products was RMB1,773.4 million, and the proportion of total revenue increased significantly from 36.5% in 2019 to 45.5%; the sales revenue of raw chicken meat products was RMB1,922.7 million, and the proportion of total revenue increased slightly from 48.1% in 2019 to 49.3%; and the sales revenue of chicken breeds and others was RMB205.6 million, and the proportion of total revenue decreased significantly from 15.4% in 2019 to 5.3%. The strategic adjustment of the Company's business structure and product structure has basically been in place.

(3) 「五更爐」系列：

「五更爐」是山東老字號，主推熏雞與滷味，主要銷售區域是山東省及其周邊地區，長期以來都是當地逢年過節走親訪友的必備好禮。

2020年「五更爐」品牌系列產品實現銷售收入人民幣43.6百萬元，同比增長23.2%。

未來，「五更爐」系列將通過下沉渠道進入更廣闊的市場，也有可能與其他地方風味的創新結合，繼續推出區域性優質產品。

(三) 業績回顧：主業強勁，熟食擔綱，B端穩定，C端爆發

1. 收入與利潤表現

報告期內，得益於新零售、新集採、新出口三駕主營業務馬車尤其是新零售業務的亮眼表現，本公司從業務結構與產品結構上，均實現了轉型升級的階段目標。

報告期內，取得銷售收入為人民幣3,901.6百萬元，與2019年基本持平。

分析如下：

主要產品的表現：深加工雞肉銷售收入為人民幣1,773.4百萬元，佔總收入比重由2019年同期的36.5%大幅提升至45.5%；生雞肉銷售收入為人民幣1,922.7百萬元，佔總收入比重由2019年同期的48.1%微升至49.3%；而雞苗及其他業務的銷售收入為人民幣205.6百萬元，佔總收入比重由2019年同期的15.4%銳減至5.3%。本公司業務結構與產品結構的戰略調整已經基本到位。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Performance of main channels: the sales revenue of the new retail channel increased year on year by 214.2% to RMB793.4 million, and the proportion of total revenue increased significantly from 6.4% in 2019 to 20.3%. Among them, flagship e-shops in particular achieved a huge increase of 527.1%; the sales revenue of the new centralised procurement channel increased year on year by 12.1% to RMB809.9 million, and the proportion of total revenue increased from 18.4% in 2019 to 20.8%; and the sales revenue of the new export channel decreased year on year by 10.5% to RMB865.0 million, and the proportion of total revenue decreased slightly from 24.6% in the same period in 2019 to 22.2%.

Performance of main brands: the “iShape (優形)” brand-name products achieved sales revenue of RMB230.9 million, representing a year-on-year increase of 280.3%; the “Fengxiang” brand-name products achieved sales revenue of RMB517.9 million, representing a year-on-year increase of 231.1%; and the “Wu Genglu (五更爐)” brand-name products achieved sales revenue of RMB43.6 million, representing a year-on-year increase of 23.2%.

The net profit (before biological assets fair value adjustment) was RMB178.8 million, representing a year-on-year decrease of 78.6%.

The decrease in net profit during the Reporting Period was affected by objective, unfavorable external factors, which were mainly:

- 1) the continual impact of the COVID-19 pandemic on international and domestic business, which suppressed consumer demand, with prices of raw chicken meat products and chicken breeds reaching a low point.
- 2) the increased costs of major animal feed ingredients such as corn and soybean meal.
- 3) the impact of exchange rate fluctuations on export sales and international business.

主要渠道的表現：新零售渠道銷售收入為人民幣793.4百萬元，同比增長214.2%，佔總收入比重由2019年同期的6.4%大幅提升至20.3%，其中線上旗艦店尤其取得了527.1%的巨大增長；新集採渠道銷售收入為人民幣809.9百萬元，同比增長12.1%，佔總收入比重由2019年同期的18.4%升至20.8%；新出口渠道銷售收入為人民幣865.0百萬元，同比下降10.5%，佔總收入比重由2019年同期的24.6%小幅回落至22.2%。

主要品牌的表現：「優形」品牌系列產品實現銷售收入為人民幣230.9百萬元，同比增長280.3%；「鳳祥」品牌系列產品實現銷售收入為人民幣517.9百萬元，同比增長231.1%；「五更爐」品牌系列產品實現銷售收入為人民幣43.6百萬元，同比增長23.2%。

於生物資產公允價值調整前淨利潤錄得人民幣178.8百萬元，同比下降78.6%。

報告期內淨利潤下降，受到了外界客觀不利因素的影響，主要原因是：

- 1) 新冠疫情對公司國際國內業務範圍內的持續影響，消費需求受到一定抑制，生雞肉、雞苗價格居於低點。
- 2) 玉米、豆粕等主要飼料原料的成本上漲。
- 3) 匯率波動對國際業務的影響。

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The decrease in net profit during the Reporting Period is also the result of the Company's active decision-making and selection, which were mainly:

- 1) the Company's firm strategic focus on its retail business and the processed chicken meat products business, instead of chicken breeds that has significantly reduced its contribution to the Company's profit.
- 2) the Company's reinforcement of its strategic layout of meat sources for its future, which resulted in strategic losses being incurred from the high costs of procurement of external chicken meat sources during the Reporting Period.
- 3) the Company's focus on user demand and significant increase in its investment in professionals, R&D, sales and marketing during the Reporting Period to strengthen its retail business.
- 4) the Company's proactive increase in its public welfare expenditure and charitable donations during the Reporting Period in order to overcome the COVID-19 pandemic.

(IV) Infrastructure: establishment of distribution channels, upgrade of R&D systems and upgrade logistics services

During the Reporting Period, the Company strengthened several major infrastructures of its operation management.

1. Distribution channels

- (1) *New export channels*: the Company withstood the test of the pandemic in Japan, Malaysia and other Asian countries, and the distributorship system remained stable; in the European market, the Company shifted its focus of the cooperation network from the catering industry to supermarkets and convenience stores, leading to an increase in sales revenue of 8.6% against the trend; and the Company was also advancing plans for expanding overseas markets.

報告期內淨利潤下調，同時也是本公司主動決策與選擇的結果，主要原因是：

- 1) 本公司堅定地將戰略重心鎖定於零售業務與深加工雞肉食品業務，雞苗不再作為主營業務發展，雞苗的利潤貢獻大幅減少。
- 2) 本公司為今後零售業務加強肉源戰略佈局，因外採肉源在報告期內成本偏高而產生的戰略性虧損。
- 3) 本公司圍繞用戶需求，報告期內顯著加大了專業人員投入、研發投入、銷售投入與市場推廣投入，聚焦於零售業務的盤子做大，業務做強。
- 4) 為順利度過新型冠狀病毒疫情，公司在報告期內主動加大公益性支出、慈善捐贈。

(四) 基礎建設：經銷渠道擴容，研發體系升級，物流服務提升

報告期內，本公司加強了經營管理的幾大基礎建設。

1. 經銷渠道方面

- (1) *新出口渠道*：本公司在日本、馬來西亞等國家經受住了疫情的考驗，經銷體系保持穩定；在歐洲市場，將合作網絡的重心從餐飲行業轉向商超便利店，並實現了銷售收入8.6%的逆勢增長；本公司也在同步推進其他海外市場的擴展計劃。

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- (2) *New procurement channels*: the Company kept good cooperation with and remained as a top first-tier supplier of KFC and McDonald's, which were included in the Three Driving Forces. Moreover, the Company strengthened the effort to develop the market of Chinese restaurant chains, convenience stores and group customers, and managed to be a supplier of more than 42,000 stores. The whole channel achieved a growth of 12.1%, and the income from the main business accounted for 20.8%.
- (3) *New retail channels*: during the Reporting Period, the Company's priorities were establishment and maintenance of this channel.
- ① the number of high-quality convenience stores and supermarkets in first- and second-tier cities as well as "iShape (優形)" brand sales network stores reached nearly 30,000, covering nearly 80 cities in China; compared with that in 2019, the number of stores increased by nearly 10,000.
 - ② the "Fengxiang (鳳祥)" brand sales network cooperation plan in first- and second-tier cities was also launched.
 - ③ the sales cooperation areas of the "Fengxiang (鳳祥)" brand and the "Wu Genglu (五更爐)" brand in supermarkets and small shops of third- and fourth-tier cities were expanded from Liaocheng, Shandong Province to six surrounding cities.
 - ④ the Company opened "iShape (優形)" and "Fengxiang" flagship e-shops on Tmall and JD.com, respectively, and sales revenue increased by 527.1%; it became one of the major chicken food suppliers on platforms such as Missfresh (每日優鮮) and Dingdong Maicai (叮咚買菜); and it launched a project of channel establishment and maintenance on new social e-commerce platforms such as Tik Tok (抖音) and Kuaishou (快手).
 - ⑤ the whole channel's sales revenue increased by 214.2% on a year-on-year basis, and the proportion of total revenue increased significantly from 6.4% in 2019 to 20.3%.
- (2) *新集採渠道*: 本公司繼續成為肯德基、麥當勞的TOP一級供應商，保持良好合作態勢；並且將其提升為三駕馬車之一，加大了向中式餐飲連鎖企業、便利店與集團客戶的開拓力度，目前涵蓋門店已經超過42,000家。全渠道實現12.1%的增長，主營業務收入佔比也達到20.8%。
- (3) *新零售渠道*: 報告期內，本公司對於該渠道的搭建和維護，是重中之重。
- ① 一、二線城市優質便利店與精品商超，「優形」品牌銷售網絡門店數量已經達到將近30,000家，覆蓋了國內近80個城市；與2019年同期相比，門店數量增長將近10,000家。
 - ② 一、二線城市「鳳祥」品牌銷售網絡合作計劃也已啟動。
 - ③ 三、四線城市商超與小店，「鳳祥」和「五更爐」品牌銷售合作區域，已經由山東聊城擴展到周邊六個城市。
 - ④ 線上，本公司分別在天猫和京東開設「優形」與「鳳祥」旗艦店，銷售收入增長達到527.1%；在每日優鮮、叮咚買菜等平台成為主要的雞肉食品供應商之一；已啟動抖音、快手等新型社交電商平台的渠道鋪設與維護計劃。
 - ⑤ 全渠道銷售收入同比增長214.2%，佔總收入比重由2019年同期的6.4%大幅提升至20.3%。

2. R&D system

The Company has built and tailored a professional and efficient modern R&D team for each business channel.

Shandong R&D Center was set up in its headquarters in Yanggu, Shandong, which is responsible for technology realisation and product implementation; Tokyo R&D Center was set up in Tokyo, which introduces international R&D concepts, technical equipment and product ideas; Shanghai R&D Center was set up in Shanghai, which makes full use of the talent center, information center, technology center and resource center of Shanghai as an international metropolis, thus forming a three-dimensional (3D) modern R&D system with both division of labor and collaboration.

Tokyo R&D Center has introduced a number of international top scholars to form a senior R&D team to conduct consumer research and product development for the entire Asian market by relying on Tokyo's research resources and cutting-edge intelligence. As the overseas R&D center with the highest specification, the most complete functions and the most abundant research resources in China's chicken products industry, it boosts the Company's export and B2B and B2C business to grow continuously and rapidly.

Based on the resource advantages of Shanghai, Shanghai R&D Center is close to key customers and the international city's manure internal and external resources, and its role as an "innovation hub" is becoming more prominent. Through the integration of industry resources, rapid response to key customers and efficient transformation of cutting-edge market intelligence, it boosts the Company's B2B key customers and B2C business to grow continuously and rapidly.

Shandong R&D Center relies on the Company's breeding and production base to provide comprehensive product support for B2B, B2C, export and procurement channels, and promote the complete product implementation process from product development and process implementation to lean production, whole industry chain convergence and quality traceability system, which is an important part of the integrated chain of R&D and production.

2. 研發體系方面

本公司為各個業務渠道量身打造專業而高效的現代化研發團隊。

在陽穀本部設立山東研發中心，負責技術實現和產品落地；在東京設立東京研發中心，導入國際化的研發理念、技術裝備和產品創意；在上海設立上海研發中心，充分利用上海國際大都市的人才中心、信息中心、技術中心、資源中心，由此形成既有分工又有協作的立體3D現代研發體系。

東京研發中心引入多位國際頂尖學者組成資深研發團隊，依託東京的研究資源和前沿情報，面向整個亞洲市場進行消費者研究和產品開發。作為我國雞肉製品行業規格最高、功能最完整、研究資源最豐富的海外研發中心，助力本公司出口及B2B、B2C業務不斷高速增長。

上海研發中心立足上海的資源優勢，貼近重點客戶與國際化都市的內外部海量資源，其「創新樞紐」的作用愈發突顯。通過整合行業資源、對重點客戶的快速響應及前沿市場情報的高效轉化，推動本公司B2B重點客戶及B2C業務持續快速增長。

山東研發中心依託本公司養殖及生產基地，對B2B、B2C、出口、集採等渠道提供全方位的產品支持，推進從產品開發、工藝落地、到精益生產、全產業鏈銜接及品質追溯體系的完整產品落地流程，是研發生產一體化鏈條中的重要一環。

B2B business is a mature business of the Company. In order to further cultivate the market, the Company has implemented R&D and sunk to each B2B-end business department, with the aim of providing innovative product development and comprehensive services to B2B-end customers and the guidance of rapid response and efficient operation, providing integrated product development solutions for B2B-end customers. In this way, stronger support would be provided for the continuous and stable growth of the Company's B2B-end business.

B2C business is a new strategic focus of the Company. Through the introduction of industry leaders, the implementation of the internationally popular product manager and project manager system, absorbing the advanced IPD product portfolio development management process from Huawei and other companies, the Company has created a modern product lifecycle management process from deep market insight and product idea refinement, to the development of products with core technology and strong product power through technology introduction, and to the product implementation, the whole supply chain lean management and the modernised R&D management process of product lifecycle control and iterative upgrade after product launch; smoothly completed the transition from a resource/production-oriented enterprise to a market-oriented enterprise, to develop the product ideas from the perspective of consumers, to closely connect with the sales side, and to open up a complete chain of product creativity and R&D innovation, providing a solid foundation and powerful assistance for the Company's strategic shift to B2C and the rapid development of B2C-end brands.

3. Logistics management

- (1) *Informatisation*: in order to meet the great demand for processing new online retail orders, the Company developed and complemented the middle system (中台系統) for the new retail business based on the original enterprise resource planning (ERP) system, integrating omni-channel order, inventory, merchandise and financial data management, and has achieved full chain visualisation and integration.

B2B業務作為公司成熟業務，為進一步深耕市場，本公司施行研發下沉到各B端事業部，以對B端客戶的創新產品開發和全方位服務為宗旨，以快速響應和高效運作為導向，為B端客戶提供一體化產品研發解決方案，以更強有力的支撐本公司B端業務的持續穩定增長。

B2C業務作為本公司新的戰略重點，通過引進行業領軍人才，實行國際流行的產品經理和項目經理制，吸收借鑒華為等本公司先進的IPD產品組及開發管理流程，打造了從市場深度洞察及產品創意提煉，到通過技術導入開發出有核心技術和強大產品力的產品，再到產品落地及全供應鏈精益管理及產品上市後的迭代升級的產品全生命周期管控的現代化研發管理流程；順利使本公司從資源／生產導向型企業，過渡為市場導向型企業，從消費者的角度出發進行產品創意，並與銷售端緊密銜接，打通完整的產品創意及研發創新鏈條，為本公司向B2C的戰略轉變和C端品牌的迅猛發展提供堅實基礎和強大助力。

3. 物流管理方面

- (1) *信息化建設*：為滿足新零售線上海量訂單處理需求，本公司在原有ERP系統基礎上，開發並補強了新零售中台系統，整合全渠道訂單、庫存、商品、財務數據管理，實現全鏈條可視化、一體化。

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- (2) *Automation application*: with the application of automated storage and retrieval system, the Company has improved warehouse management, formed a planned and choreographed production chain, and significantly increased production capacity. The Company has also applied automatic scanning and weighing equipment at the B2C-end, instantly measuring and storing data to safeguard the development of new retail business.
- (3) *Logistics service enhancement*: the Company has improved customer shopping experience through quality logistics services, and has made significant improvements in order fulfillment rate and order collection time efficiency through the establishment and strict implementation of standard operating procedures (SOP) specifications for logistics services; in term of selection of logistics service providers, the Company only cooperates with top logistics providers (SF Cold Chain (順豐冷鏈) and Jingdong Cold Chain (京東冷鏈)), aiming to provide customers with better services while offering exquisite and healthy products.
- (4) *Logistics cost control*: The Company takes full advantages of its scale and forms strategic partnerships with logistics service providers to effectively control logistics costs and collaborate with the logistics service providers for a win-win situation.

(V) Organisational change: R&D emphasis, strengthening markets, and allocating high-quality resources to the B2C-end and “iShape (優形)”

During the Reporting Period, the Company carried out a deep-level organisational reform, and reorganised the assessment standards and implementation process. In general, the Company will emphasise on R&D, strengthening markets, and allocate more high-quality resources to B2C-end and “iShape (優形)”.

The Company reorganised the department structure of products and business according to business characteristics. The B2C-end business (new retail business) was operated more independently, and the professional functions such as resource allocation, product R&D, quality control and logistics integration at the headquarters level were strengthened, in order to develop the main business.

- (2) *自動化運用*: 自動化立體庫的使用，提高了倉庫管理水平，形成了有計劃有編排的生產鏈，生產能力大幅提升。並在C端應用自動掃碼稱重設備，即測即存數據，為新零售業務的開展保駕護航。
- (3) *物流服務提升*: 本公司通過優質的物流服務來提升客戶購物體驗，建立並嚴格執行物流服務SOP規範，在訂單滿足率、訂單攬收時效等均有較大提升；在物流服務商選擇上，本公司僅與頭部物流商（順豐冷鏈、京東冷鏈）合作，旨在給客戶提供美好健康產品的同時，提供更優的服務。
- (4) *物流成本管控*: 本公司充分利用規模化的優勢，與物流服務商形成戰略合作夥伴關係，有效管控物流成本，與物流服務商協作共贏。

(五) 組織變革：突出研發，強化市場，優質資源進一步向C端和「優形」傾斜

報告期內，本公司圍繞未來戰略對組織進行了深層次變革，重新梳理了考核標準與執行流程，總體而言，突出研發，強化市場，將優質資源進一步向C端、向「優形」傾斜。

根據業務特點，本公司重新梳理了產品與業務的事業部結構，C端業務（新零售業務）進一步獨立運作，並在總部層面加強了資源調配、產品研發、品質管控、物流整合等專業職能，為主要業務板塊保駕護航。

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The Company hired scientific research personnel with rich B2C-end experience, further developed the R&D team and formed an internal collaboration mechanism driven by the market and R&D, which further improved its organisational efficiency from trend capturing to product launches, and further improved the speed in the industry chain's response to market demand.

The Company has advantages of coordination and interaction among the three R&D centers in "Tokyo, Shanghai, and Shandong", which is rare in the industry. Tokyo is the leading consumption and cutting-edge technology center, Shanghai is the product innovation center, and Shandong is the process transformation center. Furthermore, the Company established a strategic partnership and its efficient and coordinated R&D system has provided excellent technical and organisational support for meeting market demand.

The Company made it clear that it would allocate more high-quality resources to the B2C-end and the "iShape (優形)" brand for a long period of time in the future, which will be included in performance assessment of the relevant personnel of the whole Company during the process. The Company will cause the retail business and the "iShape (優形)" brand to become bigger and stronger at all costs.

During the Reporting Period, the Company implemented the first share award scheme. In the future, it may continue to launch (where possible) incentive plans with larger scale and greater benefits in succession in the capital markets of Hong Kong or the PRC, targeting business backbone personnel and professionals, in order to achieve consistency of interests between the Company and employees, and to establish a community of shared future with the same values. In addition, the Company will create and share growth value with employees, to form a positive atmosphere for re-start up, to realise the development vision, and to fulfill the organisational mission.

本公司引進了擁有豐富C端經驗的科研人員，進一步充實了研發團隊，並形成了以市場和研發為驅動的內部協同機制，進一步提升了從趨勢捕捉到產品面世的組織效率，也進一步提升了產業鏈條對於市場需求的反應速度。

本公司擁有業內少有的「東京+上海+山東」三地研發中心協同互動的優勢，東京為引領消費和前沿技術中心，上海為產品創新中心，山東為工藝轉化中心，並與國際領先的肉製品研發機構建立戰略合作關係。高效協同的研發體系為市場需求的實現提供了良好的技術保障和組織保障。

本公司已經明確在今後相當長一段時期內的優質資源將進一步向C端和「優形」品牌傾斜。全公司全過程相關人員的業績考核均需要與之相匹配和捆綁，全力以赴將零售業務和「優形」品牌做大做強。

報告期內，本公司已經實施了第一批股權激勵計劃，未來有條件時不排除在香港或內地資本市場，針對業務骨幹和專業人才，繼續分批推出更大範圍、更大力度的激勵計劃，以實現本公司與員工的利益一致性，締結價值觀一致的命運共同體，與員工共同創造和分享成長價值，形成再創業的積極氛圍，實現發展願景，踐行組織使命。

(VI) Quality Control: carrying forward the quality advantage to the extreme, and the new-added Good Agricultural Practices (GAP) certificate

The Company boasts a business model with strong upstream and downstream quality control, and is able to produce processed chicken products according to customer orders, including product types and quantities and delivery schedules. Furthermore, the Company is able to well control the entire production process and reduce production costs, thus continuously improving production efficiency and maintaining high reliability.

Through standardisation and refinement of production processes, the Company continues to improve labour productivity and disease prevention and control capabilities in order to realise product tracking and to improve safety and quality. During the Reporting Period, the Company successfully won the Certificate of Honor for Guaranteed Products from the General Administration of Sport of China (國家體育總局保障產品榮譽證書), the “2020 Taishan Quality Certification” (2020年度泰山品質認證) and the “Annual Most Influential Brand” from the world-renowned convenience store Lawson. In 2020, it passed the advanced customs certification of “authorised economic operator” (“AEO”) and enjoy “green access” globally. AEO is a measure advocated by the World Customs Organisation (“Customs”) to balance trade and convenience. The Customs implements certificates certification in four aspects, including internal control, financial status, compliance with laws and regulations and trade security, and provides customs clearance facilitation measures and preferential treatment to enterprises that have passed the certification, to facilitate external trade of such enterprises. The AEO advanced certification has been known as the “accelerator” to foreign trade growth. As an AEO certified company, Fengxiang’s lower inspection rate stands for shorter customs clearance time and costs saving, which greatly improves the efficiency of express delivery.

The Company continues using food quality and safety solutions that meet the import quality inspection standards of Japan, the European Union and other countries and regions. The food quality and safety solutions cover the six major links in product delivery such as breeders, animal food, breeding, pandemic prevention, testing and logistics, realising the full control of the industrial chain process. Under the management of this system, the Company’s production system has been certified by the top international management system such as BRC, IFS, HACCP and ISO9001 as well as the environmental management system ISO14001. Moreover, it has been certified by GLOBAL GAP (Global Good Agricultural Practices) during the Reporting Period.

(六) 品質管控：將品質優勢發揮到極致，新增GAP認證

本公司擁有對上下游極強品質管控的業務模式，能夠根據客戶訂單生產深加工雞肉製品，包括產品的種類及數量以及交付時間表，本公司能很好地控制整個生產流程及降低生產成本，因此能不斷提升生產效率並具有高度的可靠性。

本公司繼續通過生產流程標準化及精細化，提升勞動生產率及疾病防控能力，從而能夠實現產品追蹤，以更好地保證安全性及質量。報告期內，本公司接連獲得國家體育總局保障產品榮譽證書、2020年度「泰山品質」認證以及全球知名便利店羅森「年度最具品牌影響力」大獎。並於2020年內通過海關AEO高級認證，享受全球貿易「綠色通行」待遇。AEO意為「經認證的經營者」是世界海關組織倡導的一項平衡貿易與便利的措施。海關對企業內部控制、財務狀況、守法規範和貿易安全等四個方面實施認證，對通過認證的企業給予通關便利措施和優惠待遇，讓企業能夠更好的開展對外貿易。AEO高級認證被譽為外貿增長的「加速器」。鳳祥身為AEO高級認證企業，較低的檢查率意味着通關時間的縮短與成本的節約，也極大提高了快件寄送效率。

本公司繼續應用可滿足日本、歐盟等國家和地區進口質檢標準的食品安全解決方案。該食品質量安全解決方案覆蓋了種雞、飼料、養殖、防疫、檢測、物流等產品出廠的6大環節，實現了對產業鏈流程的全程管控。在該系統管理下，本公司的生產系統通過了BRC、IFS、HACCP、ISO9001等國際頂級管理體系認證以及14001環境管理體系認證，並在報告期內通過了GLOBAL GAP（全球良好農業操作規範）認證。

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FINANCIAL REVIEW

I. Overall performance

For the year ended 31 December 2020, the Group experienced a slight decrease of 0.6% in revenue as compared to that of 2019. Before biological assets fair value adjustments, there was a decrease of 42.5% of gross profit, 78.6% of profit for the year and 81.8% of profit attributable to the owners of the Company as compared to the corresponding year in 2019. The basic earnings per share was RMB12.64 cents in 2020. Set out below is further information on the fluctuations in the Company's results for the year ended 31 December 2020:

財務回顧

I. 整體業績

截至2020年12月31日止年度，本集團收益較2019年略下降0.6%。於生物資產公允價值調整前，與2019年同期相比，毛利減少42.5%、期內利潤減少78.6%及本公司擁有人應佔利潤減少81.8%。2020年每股基本盈利為人民幣12.64分。截至2020年12月31日止年度，本公司業績波動的詳情載列如下：

		Year ended 31 December 截至12月31日止年度		
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元	Change (%) 變動(%)
Revenue	收益	3,901,615	3,926,217	-0.6%
Cost of sales (Before biological assets fair value adjustments)	銷售成本(於生物資產公允價值調整前)	(3,199,564)	(2,704,757)	+18.3%
Gross profit (After biological assets fair value adjustments)	毛利(於生物資產公允價值調整後)	402,039	428,415	-6.2%
Gross profit (Before biological assets fair value adjustments)	毛利(於生物資產公允價值調整前)	702,051	1,221,460	-42.5%
Gain arising on initial recognition of agricultural produce at fair value less costs to sell at the point of harvest	初步按公允價值減收穫時的銷售成本確認農產品產生的收益	247,885	402,785	-38.5%
Gain arising from changes in fair value less costs to sell of biological assets	來自生物資產公允價值減銷售成本變動的收益	24,970	393,706	-93.7%
Other income and gains	其他收入及收益	54,132	27,942	+93.7%
Selling and distribution expenses	銷售及分銷開支	(329,284)	(159,290)	+106.7%
Administrative expenses	行政開支	(162,252)	(160,631)	+1.0%
Reversal of/(provision for) impairment loss/ Loss allowance	減值虧損撥回/ (撥備)/虧損準備	3,065	(745)	-511.4%
Other expenses	其他開支	(9,006)	(4,141)	+117.5%
Finance costs	融資成本	(83,890)	(89,322)	-6.1%
Profit before income tax (After biological assets fair value adjustments)	所得稅前利潤(於生物資產公允價值調整後)	157,562	838,719	-81.2%
Income tax expense	所得稅開支	(5,947)	(1,338)	+344.5%
Profit for the year (Before biological assets fair value adjustments)	年度溢利(於生物資產公允價值調整前)	178,772	833,935	-78.6%

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		As at 31 December		
		於12月31日		
		2020	2019	Change
		2020年	2019年	變動
		(%)	(%)	(%)
Gross profit margin (Before biological assets fair value adjustments)	毛利率(於生物資產公允價值調整前)	18.0	31.1	-42.2%
Gross profit margin (After biological assets fair value adjustments)	毛利率(於生物資產公允價值調整後)	10.3	10.9	-5.6%
Net profit margin	淨利率	3.9	21.3	-81.8%

1. Revenue by products

1. 按產品劃分的收入

		2020	2019	Change
		2020年	2019年	變動
		RMB'000	RMB'000	(%)
		人民幣千元	人民幣千元	(%)
Raw chicken meat products	生雞肉製品	1,922,651	1,887,398	+1.9%
Processed chicken meat products	深加工雞肉製品	1,773,387	1,433,227	+23.7%
Chicken breeds	雞苗	85,335	426,448	-80.0%
Others	其他	120,242	179,144	-32.9%
Total	合計	3,901,615	3,926,217	-0.6%

During the Reporting Period, the Company firmly focused its strategy on the retail business and processed chicken meat products business, resulting in a 23.7% increase in sales revenue from processed chicken meat products, representing 45.5% of total revenue (2019: 36.5%); a 214.2% year-on-year increase in sales revenue from new retail channels, representing 20.3% of total revenue (2019: 6.4%); and a 1.9% increase in sales revenue from raw chicken meat products, representing 49.3% of total revenue (2019: 48.1%). Meanwhile, chicken breeds business was no longer the focus of the Company's development, and the unit price, sales volume and revenue of chicken breeds all dropped significantly during the Reporting Period. Through the re-focusing of strategy, the Company realised transformation and upgrading in terms of product structure.

報告期內，本公司堅定地將戰略重心鎖定於零售業務和深加工雞肉食品業務，使得本公司深加工雞肉製品銷售收入增長23.7%，佔總收入比重45.5%（2019年：36.5%）；新零售渠道銷售收入同比增長214.2%，佔總收入比重20.3%（2019年：6.4%）；生雞肉製品銷售收入增長1.9%，佔總收入比重49.3%（2019年：48.1%）；同時雞苗業務不再是本公司的發展重心，報告期內雞苗單價、銷量、收入均大幅下降。通過戰略重心鎖定實現了本公司從產品結構上的轉型升級。

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2. Sales volume and average selling price by products

2. 按產品劃分的銷量及平均售價

		2020 2020年 (‘000) 千克／隻／千元	2019 2019年 (‘000) 千克／隻／千元	Change 變動 (%)
Raw chicken meat products	生雞肉製品			
Sales volume (per kg)	銷量	187,120	159,901	+17.0%
Average selling price (RMB per kg)	平均售價	10.3	11.8	-13.0%
Processed chicken meat products	深加工雞肉製品			
Sales volume (per kg)	銷量	85,256	69,566	+22.6%
Average selling price (RMB per kg)	平均售價	20.8	20.6	+1.0%
Chicken breeds	雞苗			
Sales volume (per bird)	銷量	35,570	60,446	-41.2%
Average selling price (RMB per bird)	平均售價	2.4	7.1	-66.2%

During the Reporting Period, the number of white-feathered broiler being bred increased by 13.8% year-on-year, and the production and sales of chicken meat products both maintained corresponding growth. The growth of breeding, processing and sales are related. Raw chicken meat products were affected by market price fluctuations, resulting in a decline in average selling price; processed chicken meat products were not significantly affected by market price fluctuations, and the Company continued to launch new value-added products, resulting in a slight increase in average selling price.

During the Reporting Period, the price of chicken breeds fluctuated greatly due to market influences and significant drop in the average selling price, and the Company took the initiative to strategically reduce production, resulting in a significant drop in sales of chicken breeds.

報告期內，本公司白羽肉雞養殖數量同比增長13.8%，雞肉製品的產銷量均保持相應增長，養殖、加工、銷售增長關係相匹配。生雞肉製品受市場價格波動影響，出現平均售價下跌；深加工雞肉製品受市場影響價格波動不明顯，且本公司不斷推出高附加值的新品，平均售價小幅上漲。

報告期內，雞苗價格受市場影響價格波動較大，平均售價大幅下跌，且本公司亦主動戰略減產，雞苗銷量大幅下降。

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3. Revenue by geographic territory and products

3. 按地理區域分佈及產品劃分的收入

		2020	2019	Change
		2020年	2019年	變動
		RMB'000	RMB'000	(%)
		人民幣千元	人民幣千元	(%)
Mainland China	中國內地	3,036,653	2,959,778	+2.6%
Japan	日本	382,416	461,599	-17.2%
Malaysia	馬來西亞	216,861	220,715	-1.7%
European Union	歐盟	202,740	186,602	+8.6%
Other countries	其他國家	62,945	97,523	-35.3%
Total	合計	3,901,615	3,926,217	-0.6%

Due to the impact of the COVID-19 pandemic, there was a downturn in the domestic and international chicken consumption markets, with some reductions in sales revenue from chicken meat products in Japan and Malaysia and other countries. During the Reporting Period, the Company has actively expanded its channels, focused on the development of new retail business, new centralised procurement, and new export business, while the Company's strategic choice of "from raw to cooked" and "B+C" achieved relatively good results, resulting in a relatively large increase in sales revenue from processed chicken meat products. As a result, the sales revenue of chicken meat products in China, the European Union grew slightly against the trend and the total sales revenue in the Reporting Period was basically the same as last year.

受新冠疫情影响，國內及國際雞肉消費市場低迷，日本、馬來西亞等國雞肉製品銷售收入均出現一定降幅；報告期內本公司積極擴充渠道，重點發展新零售、新集採、新出口業務，同時公司「生變熟」、「B+C」的戰略選擇取得較好的成果，深加工雞肉製品銷售收入增幅較大，使得中國、歐盟等雞肉製品銷售收入逆勢小幅增長；報告期內銷售總收入較去年基本持平。

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4. B2C and B2C sales revenue

The Company's B2B sales are primarily direct sales or distribution of products to domestic and international customers, primarily food service or industrial customers, quick service restaurants, and food retailers. B2C sales are primarily through online and offline platforms to the end consumers.

		2020	2019	Change
		2020年	2019年	變動
		RMB'000	RMB'000	(%)
		人民幣千元	人民幣千元	(%)
B2B	B2B	3,108,203	3,673,711	-15.4%
B2C	B2C	793,412	252,506	+214.2%
Of which: Online	其中：線上	482,128	168,679	+185.8%
Offline	線下	311,284	83,827	271.3%
Total	合計	3,901,615	3,926,217	-0.6%

During the Reporting Period, benefitting from the steady advancement of the Company's B2C-end strategy, the B2C-end business achieved explosive growth, with significant growth in both online and offline. Currently, B2C-end of the business accounts for 20.3% of the Group's revenue, an increase of 13.9% compared to 2019. From the Company's strategy point of view, B2C-end has made greater progress, but the Company's market share in the area of high-quality animal protein is still relatively small, B2C-end is a boundless market, and the Company still has a very broad room for growth.

4. B2B及B2C銷售收入

本公司B2B銷售主要針對國內及國際客戶直銷或分銷產品，主要針對食品服務或工業客戶、速食餐廳、及食品零售商；B2C銷售主要通過線上及線下平台向最終消費者銷售產品。

報告期內，得益於本公司2C端戰略穩步推進，2C端業務實現爆發式增長，線上線下均實現大幅增長。目前，2C端業務收入佔比達到20.3%，較2019年提高13.9%。從本公司戰略出發，2C端雖然取得較大進步，但是本公司在優質動物蛋白的市場領域佔比依然較小，2C端是一片藍海，本公司依然有很廣闊的成長空間。

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5. Selling and distribution expenses

5. 銷售及分銷開支

		2020	2019	Change
		2020年	2019年	變動
		RMB'000	RMB'000	(%)
		人民幣千元	人民幣千元	(%)
Employee compensation	僱員薪酬	49,466	44,564	+11.0%
Transportation costs	運輸成本	99,046	54,006	+83.4%
Promotion and advertising expenses	廣告及推廣成本	162,554	43,395	+274.6%
Depreciation	折舊	787	579	+36.0%
Travel expenses	差旅開支	7,784	9,207	-15.5%
Rental expenses	租金開支	2,067	1,982	+4.2%
Others	其他	7,580	5,557	+36.4%
Total	總計	329,284	159,290	+106.7%

The Company's selling and distribution expenses increased significantly by 106.7% to RMB329.3 million for 2020 (2019: RMB159.3 million) as a result of the increase in resources invested by the Group in its new retail business which resulted in the explosive growth in the Company's B2C-end business.

由於本集團加大對新零售業務的資源投入，導致本公司B2C業務爆發式增長，本公司2020年銷售及分銷開支大幅增加106.7%至人民幣329.3百萬元（2019年：人民幣159.3百萬元）。

6. Finance Costs

6. 融資成本

The Group's finance costs slightly decreased by 6.1% to RMB83.9 million for 2020 (2019: RMB89.3 million), primarily due to the average interest rate of the Group's borrowings of 3.8% in 2020, representing a year-on-year decrease of 10.4%.

本集團2020年的融資成本略微下降6.1%至人民幣83.9百萬元（2019年：人民幣89.3百萬元），主要由於2020年本集團借款平均利率為3.8%，同比下降10.4%。

7. Profit before Income Tax

During the Reporting Period, the significant decline in profit before income tax was a result of two main factors: while the Company made persistent efforts in implementing its “123” strategy, including (1) the Company’s firm strategic focus on its retail business and the processed chicken meat products business, instead of chicken breeds that has significantly reduced its contribution to the Company’s profit; (2) the Company’s reinforcement of its strategic layout of meat sources for its future and since new breeding and production facilities are still being constructed, which resulted in strategic losses being incurred from the high costs of procurement of external chicken meat sources during the Reporting Period; and (3) the Company’s focus on user demand and significantly increased its investment in professionals, R&D, sales and marketing during the Reporting Period to strengthen its retail business. In the meantime, the Company has also been affected by adverse market conditions, including (1) the continual impact of the COVID-19 pandemic, which suppressed consumer demand (in particular, international consumers) to a certain extent, with raw chicken meat products and prices of chicken breeds reaching a low point; (2) the increased costs of major animal feed ingredients such as corn and soybean meal; and (3) the impact of exchange rate fluctuations on export sales and international business. In addition, the Company has taken the initiative to increase public welfare expenditure and charitable donations during the Reporting Period in order to overcome the COVID-19 pandemic.

For the foregoing reasons, the Group’s profit before income tax decreased significantly by 81.2% to RMB157.6 million for the year ended 31 December 2020 (for the year ended 31 December 2019: RMB838.7 million).

7. 除所得稅前溢利

報告期內，除所得稅前溢利大幅下降，主要受兩大因素影響。本公司堅定貫徹「123」戰略之際，包括(1)堅定地將戰略重心鎖定於零售業務與深加工雞肉食品業務，雞苗不再作為主營業務發展，使得雞苗的利潤貢獻大幅減少；(2)為今後零售業務加強肉源戰略佈局，然而新增飼養及生產設施尚在建中，為應付生產及銷售，外採肉源在報告期內成本偏高而產生的戰略性虧損；及(3)圍繞用戶需求，報告期內顯著加大了專業人員投入、研發投入、銷售投入與市場推廣投入，聚焦於零售業務的盤子做大，業務做強；與此同時，本公司亦面對外界客觀不利因素的影響，包括(1)新型冠狀病毒疫情持續，消費需求受到一定抑制(尤其是國外消費者)，生雞肉、雞苗價格居於低點；(2)玉米、豆粕等主要飼料原料的成本上漲；及(3)匯率波動及出口銷售對國際業務的影響。此外，為順利度過新型冠狀病毒疫情，在報告期內本公司主動加大公益性支出、慈善捐贈。

基於上述原因，截至2020年12月31日止年度，本集團的除所得稅前溢利大幅減少81.2%至人民幣157.6百萬元(截至2019年12月31日止年度：人民幣838.7百萬元)。

8. Income Tax Expense

The Group's income tax expense was RMB5.9 million for 2020 (2019: RMB1.3 million), representing an effective tax rate of 3.2% (2019: 0.2%), primarily due to tax exemptions granted to the Group due to the nature of its business. During 2020, whilst the Group's raw chicken meat products and chicken breeds continued to receive tax exemptions, the increase in sales revenue of the Group's taxable processed chicken meat products increased the income tax expense of the Group.

9. Gain Arising on Initial Recognition of Agriculture Produce at Fair Value Less Costs to Sell at the Point of Harvest

Gain arising on initial recognition of agriculture produce at fair value less costs to sell at the point of harvest decreased by 38.5% to RMB247.9 million for 2020 (2019: RMB402.8 million), primarily due to a decrease in market prices of live broilers in 2020.

10. Gain Arising from Changes in Fair Value Less Costs to Sell of Biological Assets

Gain arising from changes in fair value less estimated costs to sell of biological assets decreased by 93.7% to RMB25.0 million for 2020 (2019: RMB393.7 million), primarily due to a decrease in the market prices of chicken breeds in 2020.

11. Biological Assets Fair Value Adjustments

The Group's results of operations are affected by changes in fair values of its biological assets. In aggregate, these changes decreased the Group's profit for the year by RMB27.2 million for 2020 (2019: profit for the year increased by RMB3.4 million). Biological assets fair value adjustments also increased the total cost of sales by RMB300.0 million for 2020 (2019: RMB793.0 million).

8. 所得稅開支

2020年，本集團的所得稅開支約為人民幣5.9百萬元(2019年：人民幣1.3百萬元)，實際稅率為3.2%(2019年：0.2%)，主要由於因本集團的業務性質而給予之免稅優惠的影響。2020年，雖然本集團的生雞肉產品和雞苗繼續獲得免稅，但本集團應稅加工雞肉產品的銷售收入增加，導致本集團的所得稅支出增加。

9. 初步按公允價值減收穫時的銷售成本確認農產品產生的收益

2020年，初步按公允價值減收穫時的銷售成本確認農產品產生的收益減少38.5%至人民幣247.9百萬元(2019年：人民幣402.8百萬元)，主要是由於2020年的活肉雞市價下跌。

10. 來自生物資產公允價值減銷售成本變動的收益

來自生物資產公允價值減估計銷售成本變動的收益減少93.7%至2020年的人民幣25.0百萬元(2019年：人民幣393.7百萬元)，主要是由於2020年的雞苗市價下跌。

11. 生物資產公允價值調整

本集團的經營業績受生物資產公允價值變動影響。總體而言，2020年，該等變動造成本集團年度溢利減少人民幣27.2百萬元(2019年：年度溢利增加人民幣3.4百萬元)。生物資產公允價值調整亦令2020年的銷售成本總額增加人民幣300.0百萬元(2019年：人民幣793.0百萬元)。

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The Group's biological assets represent breeders, broilers, chicken breeds and broiler eggs. The Group measures its biological assets at their fair value less costs to sell when they are sold or as at the balance sheet dates pursuant to IAS 41 Agriculture. A gain or loss arising on initial recognition of biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset is included in profit or loss and presented as "Gain or loss arising from changes in fair value less costs to sell of biological assets" for the year in which it arises. Changes in the fair value less costs to sell of the Group's biological assets resulted in its recognition of gain in the amount of RMB25.0 million for 2020 (2019: RMB393.7 million) in the Group's consolidated statements of comprehensive income. These fair value gains represent fair value changes of the live breeders, live broilers and broiler eggs during the year and those remain on the Group's balance sheet at year-end less the costs to sell. Fair values of biological assets are largely dependent on the number of chickens, type of chicken and their age. The fair value of the Group's biological assets could also be affected by, among other things, the expected market price and the estimated yield of the agricultural produce, being chicken carcass, the expected market price of breeders and survival rate. Fair value gains do not generate any cash inflow for our operations and, similarly, fair value losses do not result in any cash outflows of the Group's operations. The Group expects that its results will continue to be affected by changes in the fair value of our biological assets.

本集團的生物資產指種雞、肉雞、雞苗及種蛋。根據《國際會計準則》第41號 — 農業的規定，本集團的生物資產於其出售時或於資產負債表日按公允價值減銷售成本計量。初步按公允價值減銷售成本確認生物資產所產生及來自生物資產公允價值減銷售成本變動的收益或虧損，須於其產生年度計入損益，並呈列為「來自生物資產公允價值減銷售成本變動的收益或虧損」。2020年，因本集團的生物資產公允價值減銷售成本變動，於本集團的綜合全面收益表內確認收益人民幣25.0百萬元(2019年：人民幣393.7百萬元)。該等公允價值收益指於年內本集團的活種雞、活肉雞及種蛋的公允價值變動及年末本集團資產負債表內的公允價值減銷售成本變動。生物資產的公允價值很大程度上取決於雞的數量、種類及年齡。本集團生物資產的公允價值亦可能受(其中包括)預期市價及農產品(即雞胴體)的估計產量、種雞的預期市價及存活率的影響。公允價值收益不會為我們的業務產生任何現金流入，同樣地，公允價值虧損也不會導致本集團的業務產生任何現金流出。本集團預計，其業績將繼續受到生物資產公允價值變動的影響。

12. Fair Value Adjustments of Agricultural Produce

Chicken meat products are produced from agricultural produce (that is, chicken carcass) harvested from the Group's biological assets. The Group measures its agricultural produce (that is, the chicken carcass) harvested from the biological assets at their fair value less costs to sell at the point of harvest. Such measurement is the cost at that date when applying IAS 2 Inventories. A gain or loss arising from agricultural produce at the point of harvest at fair value less costs to sell is included in profit or loss and presented as "Gain or loss arising from initial recognition of agricultural produce at fair value less costs to sell at the point of harvest" for the year in which it arises. Changes in the initial recognition of the Group's agricultural produce at fair value less costs to sell at the point of harvest resulted in gains in the amount of RMB247.9 million for 2020 (2019: RMB402.8 million) in the consolidated statements of comprehensive income. Agricultural produce is then transferred to inventories and upon subsequent sales, our cost of sales are also charged for changes in the initial recognition of agricultural produce at fair value less costs to sell at point of harvest.

II. Analysis on Capital Resources

1. Liquidity and Capital Resources

The Group has funded its operations principally with cash generated from its operations, borrowings and shareholders' capital contributions. The Group's primary uses of cash for 2020 were for working capital purposes and capital expenditures for expansion and improvement of production facilities.

The Group had received financial assistance from GMK Finance Co., Ltd. ("**GMK Finance**"), whereby the Group pledges commercial bills received by the Group in the ordinary course of business to GMK Finance for discounting in return for cash loans extended to the Group. The discounting of the commercial bills provides the Group a way to factor and to obtain cash from the commercial bills that it receives in its ordinary course of trading, which in turn allows the Group to increase its cash flows in advance.

12. 農產品公允價值調整

雞肉製品由本集團生物資產中收穫的農產品(即雞胴體)製成。本集團自生物資產收穫的農產品(即雞胴體)於其收穫時按其公允價值減銷售成本計量。有關計量為應用《國際會計準則》第2號 — 存貨當日的成本。農產品於收穫時按公允價值減銷售成本所產生的收益或虧損，須於其產生期間計入損益，並呈列為「初步按公允價值減收穫時的銷售成本確認農產品產生的收益或虧損」。2020年，因初步按公允價值減收穫時的銷售成本確認本集團的農產品發生變動，於綜合全面收益表內的收益為人民幣247.9百萬元(2019年：人民幣402.8百萬元)。隨後農產品被轉入存貨中，於隨後的銷售中，我們的銷售成本亦計入初步按公允價值減收穫時的銷售成本確認農產品的變動。

II. 資本資源分析

1. 流動資金及資本資源

本集團的業務資金主要來自其經營所產生的現金、借貸以及股東資本出資。2020年，本集團的主要現金用途為營運資金目的以及擴大及改善生產設備所需資本開支。

本集團已獲得新鳳祥財務有限公司(「**新鳳祥財務**」)的財務資助，據此，本集團將其於日常業務過程中收到的商業票據抵押予新鳳祥財務進行貼現，以換取本集團獲授的現金貸款。商業票據貼現為本集團提供了考慮及自其於日常交易過程中所收到的商業票據獲取現金的途徑，進而使本集團可提前增強其現金流量。

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Most of the income and expense of the Group are determined in RMB. The Group has not used any foreign currency derivative instruments to hedge its exposure to foreign exchange risk. However, the management closely monitors the exposures and will consider hedging the exposures should the need arise.

2. Capital Structure

As at 31 December 2019, the registered capital of the Company was RMB1,045,000,000 and the total number of issued shares of the Company was 1,045,000,000 domestic shares with RMB1.00 each. Upon the listing of the Company (the “**Listing**”) on the Stock Exchange and the completion of the global offering (the “**Global Offering**”) of the H shares of the Company (“**H Shares**”) on 16 July 2020 (the “**Listing Date**”), the registered capital of the Company increased to RMB1,400,000,000, and the total number of issued shares increased to 1,400,000,000 shares, comprising 1,045,000,000 domestic shares and 355,000,000 H Shares.

During 2020, the Company adopted proactive financing policies. The total borrowings of the Group amounted to RMB1,586.2 million, representing a year-on-year increase of 16.0% as at 31 December 2020. The increase is mainly attributable to (i) the grant of a one-year term loan of RMB200.0 million by state-owned commercial banks at a relatively low interest rate ranging from 3.2% to 3.4% to purchase raw materials, benefiting from the financial support policies promulgated by the PRC government; (ii) leveraging the Company’s long established good credit rating, the Company was granted another one-year term loan of RMB485.0 million by a state-owned commercial bank with an interest rate ranging from 2.95% to 4.03%, for the purpose of financing its daily operations; and (iii) the Group’s borrowings were renewed normally upon expiration during 2020. The abovementioned new borrowings have effectively strengthened the Company’s resilience against uncertain risks brought about by the coronavirus pandemic, and provided sufficient capital reserve for the normal operation and rapid development of the Group.

As at 31 December 2020, the debt-to-equity ratio and debt-to-asset ratio of the Company were 46.8% (31 December 2019: 60.4%) and 41.4% (31 December 2019: 48.9%), respectively.

本集團大部份收益及開支以人民幣列值。本集團尚未使用任何外幣衍生金融工具對沖外匯風險。然而，管理層密切監察其風險，並將於有需要時考慮對沖有關風險。

2. 資本架構

於2019年12月31日，本公司註冊資本為人民幣1,045,000,000元，本公司已發行股份總數為1,045,000,000股內資股，每股面值人民幣1.00元。於2020年7月16日（「上市日期」）本公司於聯交所上市（「上市」）及本公司H股（「H股」）之全球發售（「全球發售」）完成後，本公司註冊資本增至人民幣1,400,000,000元，已發行股份總數增至1,400,000,000股股份，包括1,045,000,000股內資股及355,000,000股H股。

於2020年，本公司採取積極的融資政策。於2020年12月31日，本集團的總借貸達人民幣1,586.2百萬元，同比增長16.0%。增加主要是因為：(i)本公司受益於中國政府財政支持政策，獲得國有商業銀行以較低利率（介於3.2%–3.4%）授出一年期定期貸款人民幣200.0百萬元，作為購買原材料的資金；(ii)基於公司長期積累的良好信用評級，通過國有商業銀行新增一年期定期貸款人民幣485.0百萬元（利率介於2.95%–4.03%），用於日常經營所需資金；及(iii)於2020年，本集團到期借款得以正常續貸。以上新增借款，有效增加了本公司對新冠疫情帶來不確定風險的抵抗能力，為本集團正常運行和快速發展提供了充足資金儲備。

於2020年12月31日，本公司的負債對股本比率及資產負債比率分別為46.8%（2019年12月31日：60.4%）及41.4%（2019年12月31日：48.9%）。

3. Contingent Liabilities and Pledge of Assets

The Group's bank borrowings as at 31 December 2020 were secured by (i) mortgages of the Group's lands situated in the PRC with aggregate net carrying values of RMB26.0 million (31 December 2019: RMB26.7 million); (ii) pledge of the Group's bank deposits of RMB266.1 million (31 December 2019: RMB184.6 million); (iii) pledge of certain of the Group's property, plant and equipment with aggregate net carrying amount of RMB277.0 million (31 December 2019: RMB249.5 million); (iv) pledge of certain inventories of the related company with aggregate net carrying amount of RMB535.0 million (31 December 2019: RMB539.4 million); and (v) guarantee from a related party for loans up to RMB49.0 million (31 December 2019: nil).

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

3. 或然負債及資產抵押

本集團於2020年12月31日的銀行借款以(i)抵押本集團位於中國的總賬面淨值為人民幣26.0百萬元(2019年12月31日:人民幣26.7百萬元)的土地;(ii)抵押本集團人民幣266.1百萬元(2019年12月31日:人民幣184.6百萬元)的銀行存款;(iii)抵押本集團總賬面淨值為人民幣277.0百萬元(2019年12月31日:人民幣249.5百萬元)的若干物業、廠房及設備;(iv)抵押關聯公司總賬面淨值為人民幣535.0百萬元(2019年12月31日:人民幣539.4百萬元)的若干存貨作為擔保;及(v)相關方提供貸款擔保額至人民幣49.0百萬元(2019年12月31日:無)。

於2020年12月31日,本集團並無任何重大或然負債。

PRINCIPAL RISKS AND UNCERTAINTIES

The results and business operations of the Group are affected by a number of risks and uncertainties directly or indirectly related to the business of the Group. Primary risk factors known to the Group are outlined as follows:

Price Risks

Price risks refer to the losses of costs increase or profits decrease due to the fluctuation of the purchase price and the sales price. We operate in a competitive industry, where the raw materials and products are commodities, all of which have been subject to significant price fluctuations. We are exposed to the risk of fluctuations of commodity prices, including prices of corn and soybean meals (which are our primary animal feed ingredients), chicken breeds and poultry products in China. Fluctuations in these commodity prices have had and are expected to continue to have an effect on our profitability. Commodity prices generally fluctuate with market conditions, including supply and demand, diseases, government policies and weather conditions in major agricultural and farming regions.

重大風險及不確定性

本集團的業績及業務營運受到與本集團業務直接或間本集團知悉的。接相關的眾多風險及不明朗因素影響。主要風險概述如下:

價格風險

銷售價格的波動導致成本上升或利潤下降的損失。我們一個充滿競爭的行業經營,當中的主要原材料及產品均為商品並且有顯著的價格波動。我們面臨商品價格波動的風險,包括中國的玉米及豆粕(為我們的主要飼料原料)、雞苗及雞肉製品價格。商品價格通常隨市況(包括供需、政府政策及主要農牧區的天氣狀況)起伏。

Health Risks

Health risks refer to the risks of outbreak of diseases among or attributed to chicken. A lot of countries have encountered animal diseases, including but not limited to, foot-and-mouth disease, avian influenza and other animal diseases. Avian influenza, in particular H5N1 virus, H7N9 virus and H5N6 virus, is a type of disease which spreads through poultry and is capable of killing millions of poultry and may, in some circumstances, be transmitted to humans, causing symptoms such as fever, cough, sore throat, muscle aches and, in severe cases, breathing problems and pneumonia that may be fatal. Outbreak of diseases in neighbouring areas of any of our production facilities could raise concerns of the public and our customers on the safety and quality of our products. To solve health risks, the Group has implemented comprehensive procedures to prevent diseases among our breeders and broilers and focuses on reaction measures in response to any potential risk of disease outbreak. The Group has a technical specialist responsible for collecting information relating to livestock disease and providing early warning. In particular, we implemented a disease and mortality rate monitoring programme whereby our staff will check and remove dead breeders and broilers and will inform our veterinarians accordingly. Our veterinarians monitor the mortality rate of breeders and broilers on a daily basis and we maintain records of their health conditions throughout their lifespan. Such records include feed consumption, mortality, daily egg production, average egg weight, medication, vaccinations and disinfection records.

Food Safety Risks

Food safety risks refer to risks of severe customer complaints, large-scale product recalls and other negative effects resulted from unqualified product and food safety indicators due to deficient food safety management system as well as early warning mechanism. To solve possible food safety risks, we have established and maintain a quality control system covering each stage of our operations. In addition to our quality control system covering each stage of our operations, we have established a food safety control system covering issues related to our research and development, supplier certification and management, procurement, production, storage, transportation and sales and distribution activities, and has obtained, among other things, (i) ISO22000 (Food Safety) Certificate and (ii) ISO9001 (Quality) Certificate.

健康風險

健康風險是指生雞爆發疾病或生雞引發的疾病的風險。眾多國家爆發過動物疾病，包括但不限於口蹄疫、禽流感及其他動物疾病。禽流感（尤其是H5N1病毒、H7N9病毒及H5N6病毒）為一種在家禽中傳播的疾病，能夠殺死成百萬的家禽，且於一些情況下，會傳播給人類，引起發燒、咳嗽、喉嚨疼痛、肌肉痛等症狀，且於嚴重情況下引發可能致命的呼吸疾病及肺炎。我們任何生產設施的鄰近地區爆發疾病或會引起公眾及我們的客戶對我們產品的安全和質量的關注。對於健康風險，本集團已實行全面的種雞及肉雞疾病防控程序，並重點關注應對任何疾病爆發的潛在風險的響應措施。本集團的一名技術專員負責收集禽類疾病的相關資訊並進行預警。具體而言，我們實施了疾病及死亡率監控計劃，藉此，我們的員工將會檢查及清除已死亡的種雞及肉雞，並根據情況通知我們的獸醫。我們的獸醫每日監控種雞及肉雞的死亡率，而我們記錄其整個生命週期的健康狀況。該等記錄包括飼料消耗、死亡率、日產蛋量、平均蛋重、藥物治療、疫苗接種及消毒記錄。

食品安全風險

食品安全風險是指食品安全管理體系不完善和預警機制執行不到位等導致產品食品安全指標不合格，造成嚴重客戶投訴、產品大規模召回和其他負面影響的風險。針對食品安全方面可能存在的風險，我們已制定並持續使用貫穿各個業務階段的質量控制系統。除貫穿各個業務階段的質量控制系統外，我們亦建立了食品安全控制系統，以解決與研發、供應商認證及管理、採購、生產、儲存、運輸以及銷售與分銷活動有關的問題，且已獲得（其中包括）：(i) ISO22000（食品安全）認證；及(ii) ISO9001（質量）認證。

Safety Production Risks

Safety production risks refer to risks of corporate property loss, temporary production suspensions or tarnished reputation due to production safety accidents caused by deficient safety management system or inadequate accident preventive measures. The Group has formulated food safety and management system manuals and procedure documents in accordance with the requirements of Food Safety Law of the PRC, GB/T 27341-2009 Hazard Analysis and Critical Control Point (HACCP) System — General Requirements for Food Production Enterprises and other laws and regulations and relevant industry standards. Further, the results of our bacteria tests on our chicken meat products have complied with the Fresh and Frozen Poultry Product National Standards of the PRC and we procure our raw materials, Parent Stock Day-old Chicks and frozen chicken meat products from third party suppliers that have obtained the necessary licences and permits.

Epidemic Risks

Epidemic risks are the major risks faced by the development of animal husbandry. Outbreaks of health epidemics such as coronavirus disease (COVID-19), the severe acute respiratory syndrome (“SARS”), Middle East Respiratory Syndrome (“MERS”) as well as the Ebola virus could materially and adversely affect our business operations. The Group will continue to monitor closely the development of the epidemics, assess and react actively its impacts on the Group’s financial position and operating results, and ensure hygiene measures have been adopted. Vehicles, staff, visitors and relevant equipment entering and exiting the breeder and broiler farms are required to undergo a disinfection process and be logged, and our staff are prohibited from bringing their uniforms out of the enclosed farm area to minimise the chance of introducing bacteria from the external environment.

In addition, the ongoing epidemic of the coronavirus disease (COVID-19) since late 2019 has caused significant disruption to the PRC and world-wide economic activities. To cope with the risks caused by the COVID-19 pandemic, the Company has established an epidemic prevention and containment team and formulated a comprehensive and stringent prevention and control plan according to the development trend of the epidemic and national policies, and strived to ensure employee safety, stable production and smooth sales.

安全生產風險

安全生產風險是指安全管理制度不健全或事故防範措施不到位，導致生產安全事故，造成企業財產損失、生產暫時中止或聲譽受損的風險。本集團亦已根據《中華人民共和國食品安全法》的規定、GB/T 27341-2009危害分析與關鍵控制點(HACCP)體系—食品生產企業通用要求以及其他法律法規及相關行業標準制定食品安全及管理體系指南及程序文件。此外，雞肉製品細菌測試結果符合中華人民共和國鮮、凍禽產品國家標準，我們從已獲得所需牌照及許可證的第三方供應商採購原材料、父母代種雞苗及冷凍雞肉製品。此外，我們於往績記錄期間並未收到客戶或消費者的任何產品責任索賠。

疫病風險

疫病風險是畜牧行業發展中面臨的主要風險。衛生疫情(例如冠狀病毒疾病(COVID-19)、嚴重急性呼吸系統綜合症(「SARS」)、中東呼吸綜合征(「MERS」)及埃博拉病毒)爆發亦會對我們的業務營運造成重大不利影響。本集團將繼續密切監察疫情的進展情況，並評估及積極回應其對集團財務狀況及經營業績的影響，並確保已採取衛生措施。所有人員在進入種雞場及肉雞場所在封閉區域前均需穿上本集團提供的制服及鞋子。我們禁止員工將其制服帶離封閉場區以將由外部環境帶入細菌的幾率降至最低。

此外，自2019年年底以來的冠狀病毒疾病(COVID-19)持續疫情對中國及世界經濟活動造成重大干擾。為了應對由冠狀病毒疾病(COVID-19)引起的風險，本公司已成立疫情防控小組，結合疫情發展趨勢及國家政策，指定全方位的嚴格防控方案，全力保障員工安全、生產平穩、銷售順暢。

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Policy and Regulation Risks

We are subject to laws, rules and regulations inside and outside the PRC. Changes in domestic and foreign economic environment and the continuous development of the poultry industry could result in the relevant laws and regulations and industry policies being adjusted accordingly. Such changes may, to a certain extent, result in uncertainties in the future business development and operating results of the Group.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

Since the Listing Date and up to 31 December 2020, the Group did not have any other significant investments, acquisitions or disposals.

HUMAN RESOURCES

As at 31 December 2020, the Group had 7,669 employees who were directly employed by the Group, of which 7,663 employees were employed in the PRC and six employees were located in Japan. The remuneration packages for the employees include salary, bonuses and allowances. As required by the PRC regulations, the Group (i) participates in social insurance schemes operated by the relevant local government authorities, and (ii) maintains mandatory pension contribution plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance. The Group also provides continuing education and training programmes to its employees to improve their skills and develop their potential. The Company also adopted a share award scheme, and any full-time or part-time employees of the Group (including any director of the Company (the “**Directors**”)) are eligible participants under the said scheme. In June 2020, the Company granted awards to certain selected participants to recognise their contribution and to provide them with incentives to retain them for the continual operation and development of the Group. The scheme has become effective on 16 July 2020.

政策法規風險

我們需遵守中國境內外的法律、法規和規章。國內外經濟環境的變化以及家禽業的不斷發展，可能會導致相關法律法規和產業政策的調整。該等變動在一定程度上可能導致本集團未來業務發展及經營業績的不確定性。

重大投資、收購及出售事項

自上市日期起直至2020年12月31日，本集團並無任何重大投資、收購或出售事項。

人力資源

於2020年12月31日，本集團有7,669名直接受僱於本集團的僱員，其中在中國僱用7,663名僱員及六名僱員位於日本。僱員薪酬待遇包括薪金、獎金及津貼。按照中國法規規定，本集團(i)參加由相關地方政府機構運作的社會保險計劃，及(ii)設立強制性退休金供款計劃並投購醫療保險、工傷保險、失業保險及生育險。本集團亦向僱員提供持續教育及培訓課程，以提高其技能及發揮其潛能。本公司亦採納股份獎勵計劃，且本集團任何全職或兼職僱員(包括任何本公司董事(「**董事**」))均為上述計劃下的合資格參與者。於2020年6月，本公司向若干選定參與者授出獎勵以表彰彼等的貢獻，並向彼等提供獎勵以為本集團的持續經營及發展留任該等人士。該計劃於2020年7月16日生效。

BUSINESS OUTLOOK

1. Competitive landscape analysis:

- (1) the Company has gained advantages in the retail field of processed chicken meat products and ready-to-eat chicken breast, maintaining a growth rate higher than the industry average.
- (2) a group of excellent companies inside and outside the industry have entered the market, including white-feathered chicken companies similar to Fengxiang with advantages in breeding at its own base and experience in supplying to catering companies, as well as traditional food companies that have extended from other meat products. Also, there are new economy companies with certain Internet DNA that are good at digital marketing, and well-known foreign companies with strong brand advantages and large industrial layouts. The industry competition is becoming increasingly intense; however, all chicken food companies face the same challenge: ways to enlarge the market and to keep consumers. The goal of the industry is highly consistent. We welcome excellent companies to participate in fair market competition, hoping that we join forces to be more professional, to expand markets, and to provide better products and services for consumers.
- (3) Fengxiang was experiencing a difficult self-revolution in the past few years. Traditional food companies, especially those accustomed to the B2B-end business, would face great challenges when transforming to serving the B2C-end. We always believe that the biggest opponent must be ourselves. Whether a company can stick to its original intention, follow strategies, and constantly jump out of the comfort zone are the foundations of always seizing the initiative in the competition.
- (4) Fengxiang is confident that we will continue creating stronger brand differentiation, better user satisfaction, and higher market share in the market competition in the future.

業務展望

1. 競爭格局分析：

- (1) 本公司目前在深加工雞肉製品與即食雞胸肉的零售領域，建立了一定的市場領先優勢，保持著高於行業平均水平的增速。
- (2) 行業內外一批優秀的企業已經進場，既包括與鳳祥相似擁有基地養殖優勢和餐飲企業供應經驗的白羽雞企業，也包括從其他肉製品延伸而來的傳統食品企業，還包括具有一定互聯網基因善於數字營銷的新經濟企業，還有品牌優勢強產業佈局大的國外知名企業。行業競爭度持續上升；但另一方面，所有雞肉食品企業都面臨行業共同課題：如何把市場做大，把蛋糕做大，把消費者的心留住，同行的目標高度一致。我們歡迎優秀的企業共同參與平等的市場競爭，希望大家合力把專業做好，把產品做好，把市場做好，給消費者服務好。
- (3) 鳳祥此前幾年的實踐經驗，本身就是在經歷一場艱難的自我革命。傳統食品企業，尤其是習慣了B端業務的企業向C端轉型面臨很大挑戰。我們始終認為，最大的對手，一定還是自己。能否堅持初心，遵循戰略，不斷跳出舒適區，才是企業能夠在競爭中始終抓住先手的根本。
- (4) 鳳祥對於未來在市場競爭中繼續創造更強的品類差異性、更好的用戶滿意度、更高的市場佔有率，充滿信心。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

2. Long-term growth strategy:

- (1) implementing comprehensive employee stock ownership plans and core member incentive plans, creating long-term consistency of interests between the Company and employees, and fully utilising the subjective initiative of professionals;
 - (2) continuing optimising the supply chain structure, matching the rapidly growing business needs, controlling costs, and establishing a good industrial ecosystem;
 - (3) continuing increasing R&D investment, maintaining quality advantages, as well as providing better purchasing, eating and interactive experiences for consumers; and
 - (4) continuing enhancing brand value and consolidating the comprehensive advantages of product power, brand power and marketing power.
3. Continuing advancing the process of digital operation transformation. On the basis of “attracting myriad customers” through sales channels in first-tier cities, the Company will switch to refined online offline operations, raising the level of digital operations, improving the capabilities to serve members and cultivating loyal users and brand fans.

2. 長期增長策略：

- (1) 全面推行員工持股計劃與核心骨幹激勵計劃，創造企業與員工長期的利益一致性，充分發揮專業人才主觀能動性；
 - (2) 繼續優化供應鏈結構，匹配快速增長的業務需求，確保成本控制，並建立良好的產業生態系統；
 - (3) 繼續加大研發投入，保持品質優勢，追求為消費者創造更好的購買、食用和互動體驗；及
 - (4) 繼續提升品牌價值，鞏固產品力、品牌力、營銷力三位一體的綜合優勢。
3. 繼續推進數字化經營改造過程，在基本完成一線城市銷售渠道「跑馬圈地」的基礎上，轉到線上線下提升數字運營水平、提高會員服務能力、培養忠誠用戶和品牌粉絲的精細運營階段。

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層履歷

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層

The Directors, supervisors ("**Supervisors**") and senior management of the Company during the year ended 31 December 2020 and up to the date of this annual report are set out below:

本公司於截至2020年12月31日止年度內及截至本報告日期的董事、監事(「**監事**」)和高級管理層載列如下：

DIRECTORS

董事

Name 姓名	Position in the Company 公司職位
Mr. Liu Zhiguang 劉志光先生	Chairman of the Board of Directors and executive Director 董事會主席兼執行董事
Mr. Xiao Dongsheng 肖東生先生	Executive Director and general manager 執行董事兼總經理
Mr. Wang Jinsheng 王進聖先生	Executive Director and general manager of the breeding department 執行董事、副總經理兼養殖事業部總經理
Mr. Liu Xuejing 劉學景先生	Non-executive Director 非執行董事
Mr. Zhang Chuanli 張傳立先生	Non-executive Director 非執行董事
Mr. Ow Weng Cheong 區永昌先生	Non-executive Director (re-designated from executive Director to non-executive Director and resigned as vice general manager on 19 April 2021) 非執行董事(2021年4月19日由執行董事轉任為非執行董事並辭任副總經理職務)
Mr. Guo Tianyong 郭田勇先生	Independent non-executive Director 獨立非執行董事
Mr. Zhang Ye 張曄先生	Independent non-executive Director (resigned on 19 April 2021) 獨立非執行董事(於2021年4月19日辭任)
Mr. Chung Wai Man 鍾偉文先生	Independent non-executive Director 獨立非執行董事

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層履歷

The biographical details of the Directors are set out as follows:

Executive Directors

Mr. Liu Zhiguang (劉志光), aged 41, the chairman of the Board of Directors and an executive Director. He was appointed as the chairman of the Board of Directors on 1 November 2018 and a Director on 6 December 2010. He is primarily responsible for formulating corporate strategy, planning, business development and supervising the overall operations of the Group. He is the chairman of the nomination committee and a member of the remuneration committee.

Mr. Liu Zhiguang has over 17 years of experience in corporate and business management and 10 years of experience in the poultry industry. He joined the Group in December 2010. Prior to joining the Group, he was an assistant to the general manager and vice general manager of Shandong Fengxiang Co., Ltd. (山東鳳祥(集團)有限公司) (“**Fengxiang Group**”) from July 2002 to September 2005 and from December 2006 to October 2009, respectively. He was an assistant to the general manager of Yanggu Xiangguang Copper Co., Ltd. (陽穀祥光銅業有限公司) (“**Xiangguang Copper**”) from September 2005 to December 2006 and has been a general manager of Xiangguang Copper since December 2006. Mr. Liu Zhiguang has been the vice-chairman of the board of directors and president of GMK Holdings Group Co., Ltd. (新鳳祥控股集團有限公司) (“**GMK Holdings**”) since October 2009. He also has been the deputy secretary of party committee (黨委副書記) of GMK Holdings since December 2017. He was a representative of the Twelfth and the Thirteenth Shandong Provincial People’s Congress (山東省人民代表大會).

Mr. Liu Zhiguang obtained a bachelor’s degree in economics from Central University of Finance and Economics (中央財經大學) in the PRC in June 2002. Mr. Liu Zhiguang also graduated from the University of Cambridge in the United Kingdom with a master’s degree in philosophy in July 2006.

Mr. Liu Zhiguang is one of the controlling shareholders of the Company and the son of Mr. Liu Xuejing, the non-executive Director.

董事的履歷詳情載列如下：

執行董事

劉志光先生，41歲，為董事會主席兼執行董事。彼於2018年11月1日及2010年12月6日分別獲委任為董事會主席及董事。彼主要負責制定企業策略、策劃、業務發展及監督本集團的整體營運。彼為本公司提名委員會主席及薪酬委員會成員。

劉志光先生在企業及業務管理方面擁有逾17年經驗，且於家禽業擁有10年經驗。彼於2010年12月加入本集團。於加入本集團前，彼自2002年7月至2005年9月及自2006年12月至2009年10月分別擔任山東鳳祥(集團)有限公司總經理助理及副總經理。彼自2005年9月至2006年12月擔任陽穀祥光銅業有限公司(「祥光銅業」)總經理助理，且自2006年12月起一直擔任祥光銅業的總經理。自2009年10月起，劉志光先生一直擔任新鳳祥控股集團有限責任公司(「新鳳祥集團」)董事會副主席兼總裁。自2017年12月起，彼亦一直擔任新鳳祥集團的黨委副書記。彼為第十二屆及第十三屆山東省人民代表大會的代表。

劉志光先生於2002年6月獲得中國中央財經大學經濟學學士學位。劉志光先生亦於2006年7月畢業於英國劍橋大學，並獲得哲學碩士學位。

劉志光先生為本公司控股股東之一且為非執行董事劉學景先生的兒子。

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層履歷

Mr. Xiao Dongsheng (肖東生), aged 49, an executive Director and the general manager of the Company. He was appointed as a Director on 1 November 2018. He is primarily responsible for the sales and marketing functions of the Group. He is also a director of Fengxiang Food and Fengxiang Foods (Japan) Co., Ltd. (鳳祥食品株式會社).

Mr. Xiao has over 23 years of experience in corporate and business management. He joined the Group in December 2010. He was a manager of business department in Qingdao division of the Company from December 2010 to December 2011. He has been a general manager and the general manager of international marketing centre of Shandong Fengxiang Food Development Co., Ltd. (山東鳳祥食品發展有限公司) (“**Fengxiang Food Development**”) since December 2011. He has also been a general manager of Fengxiang Food Co., Ltd. (鳳祥食品有限公司) (“**Fengxiang Food**”) since June 2019.

Prior to joining the Group, Mr. Xiao worked as a manager of business department in Qingdao division of Fengxiang Group from June 1996 to December 2010.

Mr. Xiao obtained a bachelor's degree in engineering from Nanjing University of Chemical Technology (南京化工學院) (currently known as Nanjing Tech University (南京工業大學)) in the PRC in July 1994.

肖東生先生，49歲，為本公司執行董事兼總經理。彼於2018年11月1日獲委任為董事。彼主要負責本集團銷售及營銷職能。彼亦為鳳祥食品及鳳祥食品株式會社的董事。

肖先生在企業及業務管理方面擁有逾23年經驗。彼於2010年12月加入本集團。自2010年12月至2011年12月，彼擔任本公司青島分部業務部經理。自2011年12月起，彼於山東鳳祥食品發展有限公司(「鳳祥食品發展」)發展擔任總經理兼國際營銷中心總經理。自2019年6月起，彼亦於鳳祥食品有限公司(「鳳祥食品」)擔任總經理。

於加入本集團前，肖先生自1996年6月至2010年12月擔任鳳祥集團青島分部業務部經理。

肖先生於1994年7月獲得中國南京化工學院(現稱南京工業大學)工學學士學位。

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層履歷

Mr. Wang Jinsheng (王進聖), aged 58, an executive Director, a vice general manager, and a general manager of the breeding department of the Company. He was appointed as a Director on 15 October 2013. He is primarily responsible for the breeding function of the Group. Mr. Wang is also a director of Fengxiang Food Development, Fengxiang Industrial and vice chairman of Yanggu Xiangyu Biological Technology Co., Ltd..

Mr. Wang has over 31 years of experience in the poultry industry. He joined the Group in September 2013. He was a general manager of the breeding department of the Company from September 2013 to August 2015 before the internal department restructuring and has been a vice general manager of the Company since September 2013. He then served as the general manager of the Company from August 2015 to November 2018.

Prior to joining the Group, he served as a technician and farm head in the breeder farms of experiment field at Beijing Agricultural University (北京農業大學) (currently known as China Agricultural University (中國農業大學)) from May 1989 to September 1992. He also served as a vice general manager and general manager of Chia Tai Broiler Development Centre (正大肉雞發展中心) at Beijing Agricultural University from September 1992 to July 2003. Mr. Wang served various positions at Chia Tai Group Agro-Industry and Food Business (China Area) (正大集團農牧食品企業(中國區)) from July 2003 to September 2013 as an assistant vice president to the office of chief director and a president and deputy chairman of the poultry business division (China Area). He also served as the head of Beijing Comprehensive Test Station of National Broilers Industry Technology System (國家肉雞產業技術體系北京綜合試驗站) from June 2009 to September 2013.

He completed his education specialising in livestock farming from Zhangjiakou Agricultural College (張家口農業專科學校) in China in July 1985. He completed his education specialising in business administration from the Agriculture and Rural Development College (農業與農村發展學院) of Renmin University of China (中國人民大學) in the PRC in January 2011. He also obtained a qualification certificate for senior livestock farming specialist (高級畜牧師) issued by Shandong Agricultural Technology Professional Evaluation Committee (山東省農業技術職務高級評審委員會) in March 2017.

王進聖先生，58歲，為本公司執行董事、副總經理兼養殖事業部總經理。彼於2013年10月15日獲委任為董事。彼主要負責本集團的養殖職能。王先生現亦為鳳祥食品發展、鳳祥實業董事及陽穀祥雨生物科技有限公司副主席。

王先生在家禽業擁有逾31年經驗。彼於2013年9月加入本集團。在內部部門重組前，彼曾自2013年9月至2015年8月擔任本公司養殖事業部總經理，並於2013年9月起擔任本公司副總經理。隨後，自2015年8月至2018年11月，彼擔任本公司總經理。

在加入本集團之前，彼於1989年5月至1992年9月在北京農業大學(現稱中國農業大學)的教學實驗場種雞場擔任技術員和養殖場主管。彼自1992年9月至2003年7月還擔任北京農業大學正大肉雞發展中心副總經理兼總經理。王先生自2003年7月至2013年9月擔任正大集團農牧食品企業(中國區)董事長辦公室助理副總裁及中國區家禽事業綫總裁及副董事長等多個職位。彼亦自2009年6月至2013年9月擔任國家肉雞產業技術體系北京綜合試驗站站長。

彼於1985年7月在位於中國的張家口農業專科學校完成了畜牧專業的學習。彼於2011年1月在位於中國的中國人民大學農業與農村發展學院完成了工商管理學的學習。彼亦於2017年3月獲得山東省農業技術職務高級評審委員會頒發的高級畜牧師資格證書。

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層履歷

Non-executive Directors

Mr. Liu Xuejing (劉學景), aged 69, the founder of the Company and a non-executive Director. He was appointed as a Director on 6 December 2010. He is primarily responsible for providing advice to the Board of Directors.

Mr. Liu Xuejing has over 36 years of experience in corporate and business management and 29 years of experience in the poultry industry. He served as a director of Fengxiang Food Development from April 1997 to December 2000. He was the chairman of the Board of Directors from 6 December 2010 to 1 November 2018.

Prior to founding the Group, Mr. Liu Xuejing worked as a cotton planting worker and technician in Yanggu Anle Town Liumiao Village (陽穀縣安樂鎮劉廟村) from August 1971 to September 1983. Mr. Liu Xuejing served as a factory manager of Yanggu Vegetable Oil Processing Factory (陽穀縣植物油加工廠) from February 1985 to October 1991. He then worked as a manager for Shandong Yanggu Xumu Company Limited (山東陽穀畜牧實業公司) from October 1991 to June 1994. Mr. Liu Xuejing served as the chairman of the board of directors of Fengxiang Group since June 1994. He has also been the chairman of the board of directors of Xiangguang Copper since December 2005. Mr. Liu Xuejing has been the chairman of the board of directors and secretary of party committee (黨委書記) of GMK Holdings since October 2009 and December 2012, respectively. He was a representative of the Ninth, the Tenth, the Eleventh, the Twelfth and the Thirteenth National People's Congress (全國人民代表大會).

Mr. Liu Xuejing completed his high school education at Yanggu County Anlezheng High School (陽穀縣安樂鎮中學) in China in July 1969.

Mr. Liu Xuejing is one of the controlling shareholders of the Company and the father of Mr. Liu Zhiguang, the executive Director.

Mr. Zhang Chuanli (張傳立), aged 59, is the non-executive Director of our Company. He was appointed as a Director on 6 December 2010. Mr. Wang is primarily responsible for providing professional advice and judgment to the Board of Directors.

Mr. Zhang has over 24 years of experience in corporate and business management. He served as a director of Fengxiang Food Development from April 1997 to December 2000.

非執行董事

劉學景先生，69歲，本公司創始人兼非執行董事。彼於2010年12月6日獲委任為董事。彼主要負責向董事會提供意見。

劉學景先生在企業及業務管理方面擁有逾36年經驗及於家禽業方面擁有29年經驗。彼自1997年4月至2000年12月擔任鳳祥食品發展董事。彼自2010年12月6日至2018年11月1日擔任董事會主席。

於創辦本集團前，劉學景先生自1971年8月至1983年9月為陽穀縣安樂鎮劉廟村的植棉工人及技術員。劉學景先生自1985年2月至1991年10月擔任陽穀縣植物油加工廠廠長。隨後，自1991年10月至1994年6月，彼擔任山東陽穀畜牧實業公司經理。劉學景先生自1994年6月起擔任鳳祥集團董事長。彼亦自2005年12月起一直擔任祥光銅業董事長。自2009年10月及2012年12月起，劉學景先生分別一直擔任新鳳祥集團董事會主席及黨委書記。彼為第九屆、第十屆、第十一屆、第十二屆及第十三屆全國人民代表大會的代表。

劉學景先生於1969年7月在位於中國的陽穀縣安樂鎮中學完成了高中教育。

劉學景先生為本公司控股股東之一且為執行董事劉志光先生的父親。

張傳立先生，59歲，為本公司非執行董事。彼於2010年12月6日加入本公司擔任董事。張先生主要負責向董事會提供專業意見和判斷。

張先生在企業及業務管理方面擁有逾24年經驗。彼自1997年4月至2000年12月擔任鳳祥食品發展董事。

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層履歷

Prior to joining the Group, he was a teacher at Yanggu County Experimental High School (陽穀縣實驗中學), formerly known as Yanggu County Chengzhen High School (陽穀縣城鎮中學), from September 1980 to September 1990. He worked as an administrative staff at the Yanggu County Development and Reform Bureau (陽穀縣發展和改革局) from September 1990 to August 1995. He served as a vice general manager of Fengxiang Group from August 1995 to August 2001. He has been a director of Zhongke Fengxiang Biotechnology Co., Ltd. (中科鳳祥生物工程股份有限公司) since August 2001. Mr. Zhang has been a director of GMK Holdings, Luxinan Hospital Co., Ltd. (魯西南醫院有限公司) and Fengxiang Group since March 2015, October 2015 and December 2016, respectively.

Mr. Zhang graduated from Liaocheng Teachers College (聊城師範專科學校) in mathematics in the PRC in January 1981. He completed a three-year part-time course in economic management at Shandong Ganbu Hanshou University (山東幹部函授大學) in the PRC in June 1993.

Mr. Ow Weng Cheong (區永昌), aged 59, a non-executive Director of the Company. He was appointed as an executive Director on 1 November 2018 and re-designated as a non-executive Director of the Company on 19 April 2021. He was a vice general manager of the Company primarily responsible for the strategic planning and meat procurement functions of the Group.

Mr. Ow has over 26 years of experience in business and procurement management. He joined the Group in January 2018 as a vice general manager of the Company. He also served several positions at Yum Restaurant Consulting (Shanghai) Company Limited (百勝諮詢(上海)有限公司), a company principally engaged in providing management, business and trade consultation services for the catering industry in China, from April 1994 to December 2017 and his last position was a vice president for procurement management.

Mr. Ow completed a course of management studies approved by the Institute of Supervisory Management (currently known as the Institute of Leadership and Management), which is a provider of leadership, coaching and management qualifications in the United Kingdom in November 1984. He also completed the executive development programme from The Wharton School of the University of Pennsylvania in the United States in May 2013.

於加入本集團前，彼自1980年9月至1990年9月擔任陽穀縣實驗中學(前稱陽穀縣城鎮中學)的教師。彼自1990年9月至1995年8月擔任陽穀縣發展和改革局行政人員。彼自1995年8月至2001年8月擔任鳳祥集團副總經理。彼自2001年8月起一直擔任中科鳳祥生物工程股份有限公司董事。張先生自2015年3月、2015年10月及2016年12月起分別擔任新鳳祥集團、魯西南醫院有限公司及鳳祥集團的董事。

張先生於1981年1月畢業於中國聊城師範專科學校數學專業。彼於1993年6月在中國山東幹部函授大學完成了三年制經濟管理兼讀課程。

區永昌先生，59歲，為本公司非執行董事。彼於2018年11月1日獲委任為執行董事，並於2021年4月19日轉任為非執行董事。彼曾任本公司副總經理，主要負責本集團的戰略規劃及肉類採購職能。

區先生在業務及採購管理方面擁有逾26年經驗。彼於2018年1月加入本集團，擔任本公司副總經理。彼亦自1994年4月至2017年12月於百勝諮詢(上海)有限公司(一家主要在中國為餐飲業提供管理、商業及貿易諮詢服務的公司)擔任多個職位，其最後職位為採購管理部副總裁。

區先生於1984年11月完成了獲Institute of Supervisory Management (現稱Institute of Leadership and Management，為一家位於英國的領導力、培訓及管理專業資格提供商)認可的管理學專業課程。區先生亦於2013年5月在美國賓夕法尼亞大學沃頓商學院完成其管理人員培訓課程。

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層履歷

Independent Non-executive Directors

Mr. Guo Tianyong (郭田勇), aged 52, an independent non-executive Director. He was appointed as a Director on 8 August 2019. He is the chairman of the remuneration committee and a member of the audit committee and the nomination committee of the Company.

Mr. Guo has nearly 30 years of experience in banking and finance industry. Mr. Guo is currently an independent director of Ping An Bank Co., Ltd. (平安銀行股份有限公司) (stock code: 000001) since November 2016, the shares of which are listed on the Shenzhen Stock Exchange, Hundsun Technologies Inc. (恒生電子股份有限公司) (stock code: 600570) since 2014 and Aa Industrial Belting (Shanghai) Co Ltd (艾艾精密工業輸送系統(上海)股份有限公司) (stock code: 603580) since October 2018, the shares of which are listed on the Shanghai Stock Exchange. He has also been an independent non-executive director of Ping An Healthcare and Technology Company Limited (平安健康醫療科技有限公司) (stock code: 01833) since May 2018, the shares of which are listed on the Main Board of the Stock Exchange. Mr. Guo has been serving as a professor since September 1999.

Mr. Guo worked for the computer department and clearing centre at Yantai central sub-branch of the People's Bank of China from July 1990 to August 1993. He was also involved in the management in various public companies, including as an independent director of Fangda Carbon New Material Technology Co., Ltd. (方大炭素新材料科技股份有限公司) (stock code: 600516) from January 2009 to March 2012, Beijing Shiji Information Technology Co., Ltd. (北京中長石基信息技術股份有限公司) (stock code: 002153) from November 2010 to November 2013, Digiwin Software Co., Ltd. (鼎捷軟件股份有限公司) (stock code: 300378) from May 2014 to May 2020, Hebei Sitong New Metal Material Co Ltd (河北四通新型金屬材料股份有限公司) (stock code: 300428) from February 2014 to April 2017, Bank of Guiyang Co., Ltd. (貴陽銀行股份有限公司) (stock code: 601997) from March 2010 to July 2017, Zhejiang Orient Holdings Co., Ltd. (浙江東方金融控股集團股份有限公司) (stock code: 600120) from October 2017 to October 2020, the shares of which are listed on the Shenzhen Stock Exchange or the Shanghai Stock Exchange; as an independent non-executive director of Bank of Tianjin Co., Ltd. (天津銀行股份有限公司) (stock code: 01578) from December 2014 to June 2018 and Jiangxi Bank Co., Ltd. (江西銀行股份有限公司) (stock code: 01916) from March 2016 to May 2019, the shares of these companies are listed on the Main Board of the Stock Exchange.

獨立非執行董事

郭田勇先生，52歲，為獨立非執行董事。彼於2019年8月8日獲委任為董事。彼為本公司薪酬委員會主席以及審計委員會及提名委員會成員。

郭先生在銀行及金融業方面擁有近30年經驗。郭先生自2016年11月起至今擔任平安銀行股份有限公司(股份代號：000001)獨立董事，該公司的股票在深圳證券交易所上市，自2014年起擔任恒生電子股份有限公司(股份代號：600570)獨立董事，自2018年10月起擔任艾艾精密工業輸送系統(上海)股份有限公司(股份代號：603580)獨立董事，該公司的股票在上海證券交易所上市。彼亦自2018年5月起擔任平安健康醫療科技有限公司(股份代號：01833)獨立非執行董事，該公司的股票在聯交所主板上市。郭先生自1999年9月起一直擔任教授。

於1990年7月至1993年8月，郭先生就職於中國人民銀行烟台中心支行電腦部及清算中心。彼亦曾參與多家上市公司的管理，包括於2009年1月至2012年3月擔任方大炭素新材料科技股份有限公司(股份代號：600516)獨立董事；於2010年11月至2013年11月擔任北京中長石基信息技術股份有限公司(股份代號：002153)獨立董事；於2014年5月至2020年5月擔任鼎捷軟件股份有限公司(股份代號：300378)獨立董事；於2014年2月至2017年4月擔任河北四通新型金屬材料股份有限公司(股份代號：300428)獨立董事；於2010年3月至2017年7月擔任貴陽銀行股份有限公司獨立董事；於2017年10月至2020年10月擔任浙江東方金融控股集團股份有限公司(股份代號：600120)獨立董事，該等公司的股票在深圳證券交易所或上海證券交易所上市。彼亦於2014年12月至2018年6月擔任天津銀行股份有限公司(股份代號：01578)獨立非執行董事；於2016年3月至2019年5月擔任江西銀行股份有限公司(股份代號：01916)獨立非執行董事，該等公司的股票在聯交所主板上市。

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層履歷

Mr. Guo completed his education specialising in control science from Shandong University (山東大學) in the PRC in July 1990. He obtained a master's degree in economics from Renmin University of China (中國人民大學) in the PRC in July 1996. He also obtained a doctoral degree in economics from the Financial Research Institute of the People's Bank of China (中國人民銀行總行金融研究所) in the PRC in September 1999.

Mr. Zhang Ye (張曄), aged 49, an independent non-executive Director. He was appointed as a Director on 8 August 2019. He is a member of the audit committee and the nomination committee of the Company.

Mr. Zhang has over 27 years of experience in corporate and business management. Mr. Zhang worked as a manager in Samsung Corporation, Shanghai office (三星物產上海辦事處) from July 1993 to May 1999. He then worked as a chief executive officer of Reed Information (SH) Co., Ltd. (睿也德信息(上海)有限公司) (formerly known as CBI (Shanghai) Co., Ltd. (易貿資訊(上海)有限公司)), a company principally engaged in providing consultancy services in investment information, scientific and technological information, and business management, from June 1996 to October 2010. Mr. Zhang has been the chairman of Shanghai Enmore Technology Holdings Co., Ltd. (上海易貿科技控股有限公司), a company principally engaged in providing information consultancy services, business exhibition, transaction brokerage, supply chain management and financing services, since November 2010. He has also been a director of Shanghai Yiguo E-commerce Co., Ltd. (上海易果電子商務有限公司) ("**Shanghai Yiguo**"), a company principally engaged in providing fresh food sales and distribution services, since January 2016. Shanghai Yiguo was placed into involuntary bankruptcy reorganisation by its creditors on 30 July 2020 (the "**Bankruptcy Re-organisation**"). As at the date of this annual report, Mr. Zhang remains as the chairman, a director and one of the shareholders of Shanghai Yiguo. Mr. Zhang has informed the Company that the Bankruptcy Re-organisation is still in process. Mr. Zhang confirmed that he is not in a position to indicate the outcome thereof. Mr. Zhang was a non-executive director of Lianhua Supermarket Holdings Co., Ltd., a company listed on the Main Board of the Stock Exchange (stock code: 00980), from March 2017 to August 2017. He also has been a non-independent executive director and a chief executive officer of Sunmoon Food Company Limited, a company listed on the Singapore Exchange Limited (stock code: AAJ), since December 2018.

郭先生於1990年7月完成了中國山東大學的控制科學專業的學習。彼於1996年7月獲得中國人民大學經濟學碩士學位，亦於1999年9月在中國獲得了中國人民銀行總行金融研究所經濟學博士學位。

張曄先生，49歲，為獨立非執行董事。彼於2019年8月8日獲委任為董事。彼為本公司審計委員會及提名委員會成員。

張先生在企業及業務管理方面擁有逾27年經驗。張先生自1993年7月至1999年5月擔任三星物產上海辦事處的經理。彼隨後自1996年6月至2010年10月擔任睿也德信息(上海)有限公司(前稱易貿資訊(上海)有限公司，一家主要從事就投資信息、科技信息及業務管理提供諮詢服務的公司)首席執行官。張先生自2010年11月起一直擔任上海易貿科技控股有限公司(一家主要從事提供信息諮詢服務、商務會展、交易經紀、供應鏈管理及融資服務的公司)董事長。彼亦自2016年1月起擔任上海易果電子商務有限公司(一家主要提供新鮮食品銷售與分銷服務的公司)(「上海易果」)董事。上海易果於2020年7月30日被其債權人申請執行非自願破產重組(「破產重組」)。於本年報日期，張先生仍為上海易果之董事長、董事和股東。張先生已告知本公司，該破產重組仍在進行中。張先生確認，其目前無法表明破產重組的結果。張先生自2017年3月至2017年8月擔任聯華超市股份有限公司(聯交所主板上市公司，股份代號：00980)的非執行董事。彼亦自2018年12月起一直擔任Sunmoon Food Company Limited(一家於新加坡交易所有限公司上市的公司，股份代號：AAJ)的非獨立執行董事兼行政總裁。

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層履歷

Mr. Zhang obtained a bachelor's degree in engineering from Shanghai Jiao Tong University (上海交通大學) in the PRC in July 1993. He obtained an executive master of business administration degree from Cheung Kong Graduate School of Business (長江商學院) in the PRC in June 2009. He completed his education specialising in entrepreneurship in Hupan University (湖畔大學) in the PRC in March 2019.

Mr. Chung Wai Man (鍾偉文), aged 57, an independent non-executive Director. He was appointed as a Director on 8 August 2019. He is the chairman of the audit committee and a member of the remuneration committee of the Company.

Mr. Chung has over 27 years of experience in accounting, taxation and finance. Mr. Chung is currently an independent non-executive director of Net Pacific Financial Holdings Limited (stock code: 5QY), the shares of which are listed on the Singapore Exchange Limited and E Lighting Group Holdings Limited (stock code: 08222), the shares of which are listed on GEM of the Stock Exchange.

Mr. Chung worked in various positions at Deloitte Touche Tohmatsu from August 1993 to August 2000, was the chief financial officer of Silver Base International Development Co. Limited from May 2004 to September 2007, a chief financial officer of Yongkai International Holding Limited from December 2010 to January 2012, a corporate finance director in KVB Kunlun International (HK) Limited from June 2012 to January 2013 and a vice general manager and chief financial officer of China Taihe Group Limited from February 2017 to May 2019. He has also been a vice general manager and chief financial officer of Huapei Global Capital Limited since June 2019 and a director of Wenhua Renpei Group Holding Limited (文華仁沛集團控股有限公司) since May 2020. He was also involved in the management in various public companies, including as a chief financial officer of China LNG Group Limited (formerly known as Artel Solutions Group Holdings Limited) (stock code: 00931 from August 2000 to August 2002, a chief financial officer and company secretary of China Health Group Inc. (formerly known as Venturepharm Laboratories Limited) (stock code: 08225) from August 2002 to September 2003, an executive director and chief financial officer of Silver Base Group Holdings Limited (stock code: 00886) from September 2007 to September 2010, an independent non-executive director, from June 2015 to October 2016, the company secretary and chief financial officer, from November 2016 to February 2017, and a non-executive director from February 2017 to November 2017, of Legend Strategy International Holdings Group Company Limited (stock code: 1355), the shares of these companies are listed on the Main Board of the Stock Exchange.

張先生於1993年7月獲得中國上海交通大學工學學士學位。彼於2009年6月自中國長江商學院獲得行政人員工商管理碩士學位，並於2019年3月完成了中國湖畔大學企業學的學習。

鍾偉文先生，57歲，為獨立非執行董事。彼於2019年8月8日獲委任為董事。彼為本公司審計委員會主席及薪酬委員會成員。

鍾先生在會計、稅務及金融方面擁有逾27年經驗。鍾先生現為利通太平洋金融控股有限公司(股份代號：5QY)之獨立非執行董事，該股份於新加坡交易所有限公司上市。鍾先生亦為壹照明集團控股有限公司(股份代號：08222)之獨立非執行董事，該公司的股份於聯交所GEM上市。

鍾先生自1993年8月至2000年8月在德勤•關黃陳方會計師行擔任多個職務，自2004年5月至2007年9月擔任銀基國際發展有限公司首席財務總監，自2010年12月至2012年1月擔任永凱國際控股有限公司首席財務總監，自2012年6月至2013年1月擔任昆侖國際(香港)有限公司公司財務總監，並且自2017年2月至2019年5月擔任中國泰合集團有限公司副總經理兼首席財務總監。自2019年6月起，彼亦一直擔任Huapei Global Capital Limited副總經理及首席財務官，並自2020年5月起，擔任文華仁沛集團控股有限公司董事。彼亦參與了多家上市公司的管理，包括於2000年8月至2002年8月擔任中國天然氣集團有限公司(前稱宏通集團控股有限公司)(股份代號：00931)的財務總監；於2002年8月至2003年9月擔任中國醫療集團有限公司(前稱萬全科技藥業有限公司)(股份代號：08225)財務總監及公司秘書，於2007年9月至2010年9月擔任銀基集團控股有限公司(股份代號：00886)執行董事兼財務總監；於2015年6月至2016年10月擔任國際集團控股有限公司(股份代號：1355)獨立非執行董事，於2016年11月至2017年2月擔任該公司公司秘書及財務總監，於2017年2月至2017年11月擔任該公司非執行董事，該等公司的股份於聯交所主板上市。

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層履歷

Mr. Chung also served as a chief financial officer of Yongkai International Holding Limited from December 2010 to January 2012, and a vice general manager and chief financial officer of China Taihe Group Limited from February 2017 to May 2019. He has also been a vice general manager and chief financial officer of Huapei Global Capital Limited since June 2019 and a director of Wenhua Renpei Group Holding Limited (文華仁沛集團控股有限公司) since May 2020.

Mr. Chung obtained a bachelor's degree in social sciences from University of Hong Kong in Hong Kong in December 1989 and a master's degree in international business management from City University of Hong Kong in Hong Kong in November 1998. Mr. Chung has been an associate member of the Hong Kong Institute of Certified Public Accountants since April 1995 and a fellow of The Association of Chartered Certified Accountants in the United Kingdom since November 1999.

鍾先生亦自2010年12月至2012年1月擔任永凱國際控股有限公司首席財務總監，並且自2017年2月至2019年5月擔任中國泰合集團有限公司副總經理兼首席財務總監。自2019年6月起，彼亦一直擔任Huapei Global Capital Limited副總經理及首席財務總監，並自2020年5月起，擔任文華仁沛集團控股有限公司董事。

鍾先生於1989年12月於香港獲得香港大學社會科學學士學位及於1998年11月於香港獲得香港城市大學國際商業管理碩士學位。鍾先生自1995年4月起一直為香港會計師公會會員，自1999年11月起一直為英國特許公認會計師公會資深會員。

SUPERVISORS

監事

Name 姓名	Position in the Company 公司職位
Mr. Kong Xiangwei 孔祥偉先生	Shareholder representative Supervisor 股東代表監事
Mr. Chen Dehe 陳德賀先生	Shareholder representative Supervisor 股東代表監事
Ms. Lian Xianmin 廉憲敏女士	Employees representative Supervisor 職工代表監事

The biographical details of the Supervisors are set out as follows:

監事履歷詳情如下：

Mr. Kong Xiangwei (孔祥偉), aged 43, the chairman of the board of Supervisors (the "**Board of Supervisors**") and a shareholders representative Supervisor. He was appointed as a Supervisor on 9 January 2016 and reappointed as a Supervisor on 16 September 2019 and 13 November 2020, respectively. Mr. Kong joined the Group in October 2014. He has been a supervisor of Yanggu Xiangyu Biological Technology Co., Ltd. since October 2014. He also was a human resources administration manager of Fengxiang Food Development from October 2015 to October 2017.

孔祥偉先生，43歲，為監事會（「監事會」）主席及股東代表監事。彼於2016年1月9日獲委任為監事，並分別於2019年9月16日和2020年11月13日獲重新委任為監事。孔先生於2014年10月加入本集團。自2014年10月起，彼擔任陽穀祥雨生物科技有限公司監事。彼亦自2015年10月至2017年10月擔任鳳祥食品發展人資行政部經理。

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層履歷

Prior to joining the Group, Mr. Kong was a manager of Yanggu Yijia Service Co., Ltd. (陽穀益佳服務有限公司) from February 2012 to October 2015. He also worked as landscape garden manager of Shandong Xiangtai Yongan Engineering Technology Co., Ltd. (山東祥泰永安工程技術有限公司) from October 2017 to April 2019. Mr. Kong has been a director of corporate management department in Yanggu County Agricultural Development Co., Ltd. (陽穀縣農業開發有限公司) from April 2019 to December 2020.

Mr. Kong obtained a bachelor's degree in dyeing and weaving art design from Shandong University of Art & Design (山東工藝美術學院) in the PRC in June 2002.

Mr. Chen Dehe (陳德賀), aged 32, a shareholders representative Supervisor. He was appointed and reappointed as a Supervisor on 1 November 2018 and 13 November 2020, respectively.

Mr. Chen joined the Group in February 2013. He was a management officer of the Company from February 2013 to December 2013. Mr. Chen served as a secretary to the general manager of the Company from December 2013 to October 2016 and a vice manager of the administrative department of the Company from October 2016 to March 2018. He also served as an executive manager of the Company from March 2018 to April 2019. He was a deputy director of Yanggu Xiangyu Biological Technology Co., Ltd. from April 2019 to September 2019 and served as director since December 2020. He has been the supervisor of Fengxiang Food Development, Fengxiang Industrial and Fengxiang Food since January 2016.

Prior to joining the Group, Mr. Chen worked as a construction site representative and commissioner for the company system construction at Shandong Fengxiang LDC, Corporation Ltd. (山東鳳祥—愛迪西股份有限公司) from July 2011 to May 2012 and from May 2012 to February 2013, respectively.

Mr. Chen obtained a bachelor's degree in mathematics and applied mathematics from Suihua College (綏化學院) in the PRC in June 2011.

於加入本集團前，孔先生自2012年2月至2015年10月期間擔任陽穀益佳服務有限公司經理。自2017年10月至2019年4月，彼亦曾擔任山東祥泰永安工程技術有限公司景觀園林部經理。自2019年4月至2020年12月，孔先生一直擔任陽穀縣農業開發有限公司企業管理部總監。

孔先生於2002年6月獲得中國山東工藝美術學院染織藝術設計專業學士學位。

陳德賀先生，32歲，為股東代表監事。彼分別於2018年11月1日及2020年11月13日獲委任及重新委任為監事。

陳先生於2013年2月加入本集團。自2013年2月至2013年12月，彼擔任本公司管理人員。陳先生自2013年12月至2016年10月擔任本公司總經理秘書，並自2016年10月至2018年3月擔任本公司行政部副經理。彼亦自2018年3月至2019年4月擔任本公司行政經理。自2019年4月至2019年9月，彼擔任陽穀祥雨生物科技有限公司副總監並自2020年12月起擔任總監。自2016年1月起，彼擔任鳳祥食品發展、鳳祥實業及鳳祥食品監事。

於加入本集團前，自2011年7月至2012年5月及自2012年5月至2013年2月，陳先生於山東鳳祥—愛迪西股份有限公司分別擔任施工現場代表及公司制度建設專員。

陳先生於2011年6月獲得中國綏化學院數學與應用數學專業學士學位。

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層履歷

Ms. Lian Xianmin (廉憲敏), aged 33, an employees representative Supervisor. She was appointed as a Supervisor on 1 November 2018 and reappointed as a Supervisor on 16 September 2019 and 13 November 2020, respectively.

Ms. Lian joined the Group in March 2012. She was a worker of Fengxiang Food Development from March 2012 to November 2012. She then served as the planning clerk and the head of the comprehensive department at Fengxiang Food Development from November 2012 to November 2013 and from November 2013 to March 2014, respectively. She worked as the head of the planning division and a manager of the planning department at Fengxiang Industrial from March 2014 to January 2015 and from January 2015 to May 2016, respectively. She then worked as a manager of the operational planning department of the Company from May 2016 to September 2016. She also worked as a manager of production planning department and a manager of operational planning department at Fengxiang Food Development from September 2016 to July 2017 and from July 2017 to September 2018, respectively. She has been a director of the operational planning department at Fengxiang Food Development since September 2018. She has also been the general manager of the domestic customer department I at Shandong Fengxiang Industrial Co., Ltd. (山東鳳祥實業有限公司), a subsidiary of the Company, since August 2020.

Ms. Lian completed her education (by way of distance learning) specialising in accounting from Shandong University of Science and Technology (山東科技大學) in the PRC in July 2016.

廉憲敏女士，33歲，為職工代表監事。彼於2018年11月1日獲委任為監事，並分別於2019年9月16日和2020年11月13日獲重新委任為監事。

廉女士於2012年3月加入本集團，自2012年3月至2012年11月為鳳祥食品發展員工。彼隨後自2012年11月至2013年11月及自2013年11月至2014年3月分別擔任鳳祥食品發展計劃員及綜合科科長。自2014年3月至2015年1月及自2015年1月至2016年5月，彼分別擔任鳳祥實業計劃科科長及計劃部經理。彼隨後自2016年5月至2016年9月擔任本公司運營計劃部經理。彼亦自2016年9月至2017年7月及自2017年7月至2018年9月，分別擔任鳳祥食品發展生產計劃部經理及運營計劃部經理。自2018年9月至今，彼一直擔任鳳祥食品發展運營計劃部總監。彼自2020年8月起一直擔任本公司附屬公司山東鳳祥實業有限公司的重客一部部門總監。

廉女士於2016年7月於中國山東科技大學(通過遠程學習)完成了會計專業的學習。

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層履歷

SENIOR MANAGEMENT

高級管理層

Name 姓名	Position in the Company 公司職位
Mr. Xiao Dongsheng 肖東生先生	General manager 總經理
Mr. Wang Jinsheng 王進聖先生	Vice general manager and general manager of the breeding department 副總經理兼養殖事業部總經理
Mr. Wang Zhixian 汪之現先生	Vice general manager 副總經理
Mr. Meng Tao 孟濤先生	Vice general manager 副總經理
Ms. Zhou Jinying 周勁鷹女士	Vice general manager 副總經理
Mr. Shi Lei 石磊先生	Chief financial officer, secretary to the Board of Directors and joint company secretary 首席財務總監、董事會秘書兼聯席公司秘書
Mr. Luo Pingtao 羅平濤先生	Vice general manager of the breeding centre 養殖中心副總經理
Mr. Su Xiaolong 蘇小龍先生	E-commerce officer 電子商務總監
Mr. Ikeda Yoshiaki 池田良曉先生	Chief consultant 首席顧問
Mr. Li Libo 李立波先生	General manager of the domestic affair department 國內事業部總經理

The biographical details of senior management of the Company are set out as follows:

For biographical details of **Mr. Xiao Dongsheng** (肖東生) and **Mr. Wang Jinsheng** (王進聖), see “Directors — Executive Directors” of this section.

Mr. Wang Zhixian (汪之現), aged 55, a vice general manager of the Company. He is primarily responsible for the food safety and quality management functions of the Group.

本公司高級管理層履歷詳情如下：

有關肖東生先生及王進聖先生的履歷詳情，請參閱本章節的「董事 — 執行董事」。

汪之現先生，55歲，為本公司副總經理。彼主要負責本集團食品安全及質量管理職能。

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層履歷

Mr. Wang has over 19 years of experience in food safety and quality management industry. He joined the Group in August 2001. He was a vice general manager of Fengxiang Food Development from August 2001 to August 2011. He served as a vice general manager of food business department of Fengxiang Food Development from August 2011 to July 2016. Mr. Wang served as a general manager and an executive director of Xingwen Tianyang from July 2016 to October 2019 and from May 2016 to October 2019, respectively, and served as an executive director and general manager of Yanggu Xiangyu Biological Technology Co., Ltd. from October 2014 to May 2017. He has been a general manager of Fengxiang Industrial since December 2011.

Prior to joining the Group, he also worked as a factory director of the refrigerated processing plant of Fengxiang Group from July 1996 to August 2001.

Mr. Wang completed his education specialising in Chinese enterprise operator project from Peking University (北京大學) in the PRC in July 2017. He also completed his education specialising in refrigeration from Shandong Commercial School (山東省商業學校) in the PRC in July 1986.

Mr. Meng Tao (孟濤), aged 53, a vice general manager of the Company. He is primarily responsible for the operational planning and supply chain centre of the Group.

Mr. Meng has over 31 years of experience in meat product industry. He joined the Group in February 2013. He was a vice general manager of production department of Fengxiang Food Development from February 2013 to November 2013. He served as a general manager of production department of Fengxiang Industrial from November 2013 to September 2016. Mr. Meng served as a vice general manager of Fengxiang Food Development from September 2016 to February 2018.

汪先生在食品安全及質量管理行業擁有逾19年經驗。彼於2001年8月加入本集團。彼自2001年8月至2011年8月擔任鳳祥食品發展副總經理。自2011年8月至2016年7月，彼擔任鳳祥食品發展食品業務部副總經理。自2016年7月至2019年10月及自2016年5月至2019年10月，汪先生分別擔任興文天養總經理及執行董事，並自2014年10月至2017年5月擔任陽穀祥雨生物科技有限公司的執行董事兼總經理。自2011年12月起，彼擔任鳳祥實業總經理。

加入本集團之前，彼亦自1996年7月至2001年8月擔任鳳祥集團冷藏加工廠廠長。

汪先生於2017年7月完成了中國北京大學中國企業經營項目的學習。彼亦於1986年7月完成了中國山東省商業學校製冷專業的學習。

孟濤先生，53歲，為本公司副總經理。彼主要負責分管本集團運營規劃和供應鏈中心。

孟先生在肉類產品行業擁有逾31年經驗。彼於2013年2月加入本集團。彼自2013年2月至2013年11月擔任鳳祥食品發展生產部副總經理。彼自2013年11月至2016年9月擔任鳳祥實業生產部總經理。孟先生自2016年9月至2018年2月擔任鳳祥食品發展副總經理。

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層履歷

Prior to joining the Group, Mr. Meng served as the head of processing factory, a deputy manager of meat production department and a general manager of feed business department of the Beijing Dafa Zhengda Co., Ltd. (北京大發正大有限公司), a company principally engaged in broiler production and food production and processing, from August 1989 to November 2010. He also worked as a general manager of Inner Mongolia Grassland Development Co., Ltd. (內蒙古草原興發股份有限公司), a company principally engaged in prairie meat production, from November 2010 to December 2011. He also served as the head of supply chain management department and social breeding department of the COFCO Meat (Suqian) Co., Ltd. (中糧肉食(宿遷)有限公司), a company principally engaged in operating poultry breeding farms, breeder farms, broiler farms and slaughtering and processing plants, from December 2011 to December 2012.

Mr. Meng completed his education specialising in mechanical engineering from Beijing Union University (北京聯大機械工程學院) in the PRC in August 1989. Mr. Meng was awarded the Post Experience Certificate in engineering business management from The University of Warwick in the United Kingdom in November 2002.

Ms. Zhou Jinying (周勁鷹), aged 48, a vice general manager of the Company. She is primarily responsible for the marketing and brand building functions of the Group.

Ms. Zhou has over 23 years of experience in marketing and media industry. She joined the Group in February 2018. She has been a vice general manager of the Company since February 2018.

Prior to joining the Group, Ms. Zhou served as a reporter of the China Central Television (中國中央電視台) from April 1998 to June 2005. She also worked as a director and general manager of the public affairs department, a senior general manager of business planning department of Inner Mongolia Yili Industrial Group Co., Ltd. (內蒙古伊利實業集團股份有限公司), a company whose shares are listed on the Shanghai Stock Exchange (stock code: 600887), from July 2005 to March 2016. Ms. Zhou served as a general manager of the brand management centre and a chief brand officer at GMK Holdings from September 2016 to April 2018. She was a vice general manager and chief brand officer of GMK Holdings from April 2018 to January 2019.

Ms. Zhou obtained a bachelor's degree in cultural business management from Beijing Film Academy (北京電影學院) in the PRC in June 1998.

加入本集團之前，孟先生自1989年8月至2010年11月就職於北京大發正大有限公司(一家主要從事肉雞生產和食品生產加工的公司)，歷任加工廠廠長、肉類生產部副經理及飼料事業部總經理。彼亦自2010年11月至2011年12月就職於內蒙古草原興發股份有限公司(一家主要生產草原肉食品的公司)，擔任總經理。彼亦自2011年12月至2012年12月擔任中糧肉食(宿遷)有限公司(一家主要經營家禽養殖場、種雞場、肉雞場及屠宰加工廠的公司)供應鏈管理部及社會養殖部部長。

孟先生於1989年8月完成了中國北京聯大機械工程學院機械工程專業的學習。孟先生於2002年11月獲英國華威大學頒發的工程商務管理進修證書。

周勁鷹女士，48歲，為本公司副總經理。彼主要負責本集團營銷及品牌塑造職能。

周女士在營銷及媒體行業擁有逾23年經驗。彼於2018年2月加入本集團。彼自2018年2月起擔任本公司副總經理。

加入本集團之前，周女士自1998年4月至2005年6月擔任中國中央電視台記者。彼亦自2005年7月至2016年3月擔任內蒙古伊利實業集團股份有限公司(一家股份在上海證券交易所上市的公司(證券代碼：600887)公共事務部總監及總經理以及企業策劃高級總經理。周女士自2016年9月至2018年4月擔任新鳳祥集團品牌管理中心總經理兼首席品牌官。彼自2018年4月至2019年1月擔任新鳳祥集團副總經理及首席品牌官。

周女士於1998年6月在中國獲得北京電影學院文化事業管理學士學位。

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層履歷

Mr. Shi Lei (石磊), aged 35, the financial officer, the secretary to the Board of Directors and a joint company secretary of the Company. He is primarily responsible for the financial aspects of the Group.

Mr. Shi has over 11 years of experience in finance, accounting and management. He joined the Group in June 2013. He was a vice general manager of financial budget and analysis department of the Company from June 2013 to November 2013. He served as a financial manager of the Company from November 2013 to December 2015. He then served as an assistant director of financial centre of the Company from December 2015 to February 2018. He has been a supervisor of Xingwen Tianyang and Yucheng Fengming since May 2016 and August 2017, respectively.

Prior to joining the Group, He worked for the finance department of the Qingdao Zhengda Co., Ltd. (青島正大有限公司) from January 2008 to June 2010. He worked as a supervisor of the finance department of OSI Group (Weihai) Poultry Development Co., Ltd (福喜(威海)農牧發展有限公司) from June 2010 to June 2013.

Mr. Shi obtained a bachelor's degree in financial management from Qingdao Agricultural University (青島農業大學) in the PRC in July 2007. He also completed his education specialising in Chinese manager project from Peking University (北京大學) in the PRC in April 2017. He obtained a qualification certificate for accountant issued by Qingdao Southern District Finance Bureau (青島市南區財政局) in July 2008. He completed a chief financial officer programme of the China Europe International Business School (中歐國際工商學院) in China in November 2018.

Mr. Luo Pingtao (羅平濤), aged 56, a vice general manager of the breeding centre of the Company. He is primarily responsible for the day-to-day management of the breeding centre of the Group.

Mr. Luo has over 32 years of experience in the chicken breeding industry. He joined the Group in October 2013. He was a vice general manager of breeding centre of the Company from October 2013 to August 2015. He then served as a general manager of breeding centre of the Company from August 2015 to June 2017 before the internal department restructuring.

Prior to joining the Group, Mr. Luo served as a technician and an assistant general manager of the Beijing Poultry Breeding Co., Ltd. (北京家禽育種有限公司) from October 1988 to January 2007 and from January 2007 to October 2013, respectively.

石磊先生，35歲，為本公司財務總監、董事會秘書兼聯席公司秘書。彼主要負責本集團的財務事宜。

石先生在財務、會計及管理方面具備逾11年的經驗。彼於2013年6月加入本集團。彼自2013年6月至2013年11月擔任本公司財務預算及分析部門副總經理。彼自2013年11月至2015年12月擔任本公司財務經理。彼隨後自2015年12月至2018年2月擔任本公司財務中心主任助理。彼自2016年5月及2017年8月起分別擔任興文天養及禹城鳳鳴監事。

加入本集團之前，彼自2008年1月至2010年6月任職於青島正大有限公司財務部門。彼自2010年6月至2013年6月擔任福喜(威海)農牧發展有限公司財務部門主管。

石先生於2007年7月獲得中國青島農業大學財務管理學士學位。彼亦於2017年4月完成了中國北京大學中國經理人項目的學習。彼於2008年7月獲青島市南區財政局頒發的會計從業資格證書。彼於2018年11月在中國中歐國際工商學院完成首席財務官課程。

羅平濤先生，56歲，為本公司繁殖中心副總經理。彼主要負責本集團繁殖中心的日常管理。

羅先生在養雞行業擁有逾32年經驗。彼於2013年10月加入本集團。彼自2013年10月至2015年8月擔任本公司繁殖中心副總經理。隨後於內部部門重組前，彼自2015年8月至2017年6月擔任本公司繁殖中心總經理。

加入本集團之前，羅先生自1988年10月至2007年1月及自2007年1月至2013年10月分別擔任北京家禽育種有限公司的技術員及總經理助理。

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層履歷

Mr. Luo obtained a doctoral degree in animal genetics, breeding and reproduction from China Agricultural University (中國農業大學) in the PRC in June 2006. He also obtained a qualification certificate for senior livestock farming specialist (高級畜牧師) issued by Beijing Senior Professional Technical Position Review Committee (北京市高級專業技術職務評審委員會) in September 1997.

Mr. Su Xiaolong (蘇小龍), aged 40, an officer of the retail department (Division 3) (previously known as the e-commerce department) of the Company. He is primarily responsible for managing the day-to-day operation of the e-commerce affairs of the Company.

Mr. Su has around 19 years of experience in e-commerce industry. He joined the Group in December 2018 as an e-commerce officer of the retail department (Retail Division 3) of the Company.

Prior to joining the Group, Mr. Su served as a marketing commissioner at IBM Blue Express Computer Technology Co., Ltd. (IBM藍色快車計算機技術有限公司) from September 2001 to September 2005. He worked as a marketing manager and business manager at Acorn International Inc. (橡果國際股份有限公司), a company whose shares are listed on the New York Stock Exchange (stock code: ATV), from October 2005 to January 2008. He was an officer of Beijing Golden Egg E-commerce Co., Ltd. (北京金蛋電子商務有限公司) and Cotton Times Technology Co., Ltd. (全棉時代科技有限公司) from February 2008 to September 2009 and October 2009 to October 2011, respectively. He also served as a general manager at Kangmei Kerry (Beijing) Trading Co., Ltd. (康美可瑞(北京)商貿有限公司) from April 2012 to November 2018.

Mr. Su completed his education specialising in mine surveying from Beijing Polytechnic College (北京工業職業技術學院) in the PRC in July 2001.

Mr. Ikeda Yoshiaki (池田良曉), aged 66, a chief consultant of the Company. He is primarily responsible for managing the operation of the Group's Japan research and development centre. He is a chief adviser of Fengxiang Foods (Japan) Co., Ltd. (鳳祥食品株式會社).

Mr. Ikeda has over 43 years of experience in research and development of chicken meat products. He joined the Group in July 2017 as the Japan research and development officer of the Company.

羅先生於2006年6月在中國獲得中國農業大學動物遺傳育種與繁殖博士學位。彼亦於1997年9月獲得北京市高級專業技術職務評審委員會頒發的高級畜牧師資格證書。

蘇小龍先生，40歲，為本公司零售事業部零售三部(前稱電子商務部)總監。彼主要負責管理本公司電子商務事宜的日常經營。

蘇先生在電子商務行業擁有約19年經驗。彼於2018年12月加入本集團，擔任本公司電子商務總監。

加入本集團之前，蘇先生自2001年9月至2005年9月擔任IBM藍色快車計算機技術有限公司市場部專員。彼自2005年10月至2008年1月擔任橡果國際股份有限公司(一家股份於紐約證券交易所上市的公司(股份代號:ATV))市場部經理及商務部經理。彼分別自2008年2月至2009年9月及自2009年10月至2011年10月擔任北京金蛋電子商務有限公司及全棉時代科技有限公司高級人員。彼亦自2012年4月至2018年11月擔任康美可瑞(北京)商貿有限公司總經理。

蘇先生於2001年7月完成了中國北京工業職業技術學院礦山測量專業的學習。

池田良曉先生，66歲，為本公司首席顧問。彼主要負責管理本集團日本研發中心的運營。彼為鳳祥食品株式會社首席顧問。

池田先生在雞肉製品研發方面擁有逾43年經驗。彼於2017年7月加入本集團，擔任本公司日本研發總監。

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層履歷

Prior to joining the Group, Mr. Ikeda was the head of research and development department and quality and assurance department at Yokohama Co., Ltd. (横浜共立倉庫株式会社) from January 1977 to March 2001. He served various positions in the food research and development department and the products development department at the Foodlink Corporation (フードリンク株式会社) from May 2001 to March 2017 and his last position is the assistant of the head of business department and executive Director.

Mr. Ikeda completed his education specialising in marine navigation from Toyama National College of Maritime Technology (國立富山商船高等專門學校) in Japan in September 1976. He obtained a chef certificate issued by Nagasu Kazuji, Governor of Kanagawa in October 1992.

Mr. Li Libo (李立波), aged 48, a general manager of the procurement department (previously known as the domestic affairs department) of the Company. He is primarily responsible for the domestic sales.

Mr. Li has over 25 years of experience in logistics and distribution. He joined the Group in July 2012. He then held various positions in Fengxiang Food Development. He served as a vice general manager of food business department, a general manager of the procurement centre, vice general manager, officer of the distribution channel department and general manager of the procurement department and the distribution channel department of Fengxiang Food Development from July 2012 to July 2018. He has been the general manager of the procurement department of the Company since July 2018.

Prior to joining the Group, he worked as a manager of delivery centre and a manager of production and sales department of Fengxiang Group from July 1995 to July 2012.

Mr. Li completed his education specialising in overseas economic management from Shandong Light Industry Economic Management School (山東省輕工業經濟管理學校) in the PRC in July 1995. He completed his education specialising in business management from Peking University (北京大學) in the PRC in October 2006. He also completed his education specialising in Chinese Enterprise Operator Project in Guanghua School of Management of Peking University (北京大學) in the PRC in July 2017.

加入本集團之前，池田先生自1977年1月至2001年3月擔任Yokohama Co., Ltd (横浜共立倉庫株式会社) 研發部及質量保證部負責人。彼自2001年5月至2017年3月在Foodlink Corporation (フードリンク株式会社) 食材開發部和產品開發部擔任多個職位，其最後職位為業務部長輔佐兼執行董事。

池田先生於1976年9月完成了日本國立富山商船高等專門學校航海專業的學習。彼於1992年10月獲得神奈川知事長洲一二頒發的廚師證書。

李立波先生，48歲，為本公司集採事業部(前稱國內事業部)總經理。彼主要負責國內銷售。

李先生在物流及分銷方面擁有逾25年經驗。彼於2012年7月加入本集團，後於鳳祥食品發展擔任多個職位。彼自2012年7月至2018年7月分別擔任鳳祥食品發展食品業務部副總經理、採購中心總經理、流通渠道部副總經理、總監以及採購部及流通渠道部總經理。彼自2018年7月起一直擔任本公司集採事業部總經理。

加入本集團前，彼自1995年7月至2012年7月擔任鳳祥集團配送中心經理及生產銷售部經理。

李先生於1995年7月完成了中國山東省輕工業經濟管理學校對外貿易管理專業的學習。彼於2006年10月完成了中國北京大學工商管理專業的學習。彼亦於2017年7月完成了中國北京大學光華管理學院中國企業經營者項目的學習。

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層履歷

Save as disclosed above, none of the Directors, Supervisors and senior management (i) hold any other directorship in other publicly listed companies in the last three years; (ii) has any relationship with any other Directors, Supervisors, senior management, substantial shareholders or controlling shareholders of the Company; (iii) hold any other position in the Company or other members of the Group; (iv) hold any other interest in the shares of the Company with the meaning of Part XV of the SFO; and (v) has other information relating to him/her that should be disclosed pursuant to the events under Rule 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

UPDATE ON DIRECTORS' INFORMATION

Mr. Wang Jinsheng became vice chairman of Yanggu Xiangyu Biological Technology Co., Ltd. since December 2020.

RE-ELECTION OF DIRECTORS

On 13 November 2020, Mr. Liu Zhiguang, Mr. Xiao Dongsheng, Mr. Ow Weng Cheong, Mr. Wang Jinsheng, Mr. Liu Xuejing, Mr. Zhang Chuanli, Mr. Guo Tianyong, Mr. Zhang Ye and Mr. Chung Wai Man, members of the third session of the Board of Directors, have been re-elected as Directors of the fourth session of the Board of Directors as approved by the shareholders of the Company (the “Shareholders”) at the 2020 third extraordinary general meeting held on 13 November 2020 by way of an ordinary resolution.

RE-ELECTION OF SUPERVISORS

On 13 November 2020, Mr. Kong Xiangwei and Mr. Chen Dehe, the shareholders representative Supervisors of the third session of the Board of Supervisors, have been re-elected as Supervisors of the fourth session of the Board of Supervisors as approved by the Shareholders at the 2020 third extraordinary general meeting of the Company held on 13 November 2020. Ms. Lian Xianmin, the employees representative Supervisor of the third session of the Board of Supervisors, has also been re-elected as employees representative Supervisor of the fourth session of the Board of Supervisors at the employees representative meeting held on 13 November 2020. During the Reporting Period, Ms. Lian received an annual remuneration of RMB300,000.

除上文所披露者外，董事、監事及高級管理人員 (i) 並無於過往三年於其他公眾上市公司擔任任何其他董事職務；(ii) 與本公司任何其他董事、監事、高級管理人員、主要股東或控股股東概無任何關係；(iii) 並無於本公司或本集團其他成員公司擔任任何職位；(iv) 並無於本公司股份中擁有《證券及期貨條例》第XV部所界定之權益；及(v) 並無其他有關彼等之資料須根據《聯交所證券上市規則》(《上市規則》) 第13.51(2)(h) 至13.51(2)(v) 條所述事項予以披露。

董事資料更新

王進聖先生自2020年12月7日起擔任陽穀祥雨生物科技有限公司副主席。

董事重選

2020年11月13日，第三屆董事會成員劉志光先生、肖東生先生、區永昌先生、王進聖先生、劉學景先生、張傳立先生、郭田勇先生、張擘先生及鍾偉文先生獲重選為第四屆董事會之董事，已於2020年11月13日召開的2020年第三屆臨時股東大會上獲本公司股東(「股東」)以普通決議案批准。

監事重選

2020年11月13日，第三屆監事會股東代表監事孔祥偉先生及陳德賀先生獲重選為第四屆監事會之監事，已於2020年11月13日召開的本公司2020年第三屆臨時股東大會上獲股東批准。第三屆監事會職工代表監事廉憲敏女士亦於2020年11月13日舉辦之職工代表大會上獲重選為第四屆監事會之職工代表監事。於報告期間，廉女士錄得年薪人民幣300,000元。

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層履歷

CHANGES OF DIRECTORS AND SUPERVISORS

During the Reporting Period and up to the date of this annual report, the changes in Directors and Supervisors are as follows:

Change of Directors

Mr. Ow has been an executive Director of the Company since 1 November 2018 and has been redesignated as a non-executive Director of the Company with effect from 19 April 2021. Mr. Ow entered into a service contract with the Company in relation to his re-designation as a non-executive Director for a term of three years up to the end of the fourth session of the Board of Directors commencing from 19 April 2021. His directorship will be subject to retirement by rotation and re-election pursuant to the articles of association of the Company (the “**Articles of Association**”).

For biographical details of Mr. Ow, please refer to the announcement dated 19 April 2021 of the Company.

Mr. Zhang Ye (“**Mr. Zhang**”) has tendered his resignation from his position as an independent non-executive Director and a member of the audit committee and the nomination committee of the Company on 19 April 2021. Mr. Zhang’s resignation will be effective after the election of a new independent non-executive Director at a general meeting of the Company to fill his vacancy.

On 19 April 2021, the Board of Directors resolved to propose to nominate Ms. Zhao Yinglin (“**Ms. Zhao**”) as an independent non-executive Director, a member of the audit committee and the nomination committee of the Company with the term of office commencing from the date on which approval is obtained at the upcoming AGM until the expiry of the term of office of the fourth session of the Board of Directors. The proposed appointment of Ms. Zhao as an independent non-executive Director is subject to the consideration and approval of the Shareholders at the upcoming AGM of the Company.

董事及監事變動

於報告期間及直至本年報日期，董事及監事變動如下：

董事變動

區永昌先生，自2018年11月1日起擔任本公司執行董事，並自2021年4月19日起轉任為本公司非執行董事。區先生與本公司就其轉任為非執行董事訂立服務合同，任期三年，自2021年4月19日起至第四屆董事會結束為止。彼之董事職務須根據本公司《公司章程》(《**公司章程**》))輪值退任及重選。

有關區先生的履歷詳情，請參見本公司日期為2021年4月19日之公告。

張曄先生(「**張先生**」)已於2021年4月19日提出辭去本公司獨立非執行董事、審計委員會及提名委員會成員職務。張先生之辭任將於本公司股東大會選舉一名新任獨立非執行董事以填補其空缺後生效。

於2021年4月19日，董事會決議建議提名趙迎琳女士(「**趙女士**」)為本公司獨立非執行董事、審計委員會及提名委員會成員，任期自即將舉行的股東週年大會上獲得批准之日起至第四屆董事會任期屆滿為止。建議委任趙女士為獨立非執行董事須待股東於本公司即將舉行的股東週年大會上考慮及批准。

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層履歷

Changes of Supervisors

On 31 March 2021, Mr. Kong Xiangwei tendered his resignation from his position as a shareholders representative Supervisor of the Company and the chairman of the Board of Supervisors.

The Board of Supervisors resolved to propose to nominate Mr. Zhang Jun (“**Mr. Zhang Jun**”) as a shareholders representative Supervisor, with the term of office commencing from the date on which approval is obtained at the upcoming AGM of the Company until the expiry of the term of office of the fourth session of the Board of Supervisors. The proposed appointment of Mr. Zhang Jun as a shareholders representative Supervisor is subject to the consideration and approval of the Shareholders at the upcoming AGM of the Company.

For the biographical details of Mr. Zhang Jun, please refer to the announcement dated 31 March 2021 of the Company.

監事變動

2021年3月31日，孔祥偉先生提呈辭任本公司股東代表監事及監事會主席的職務。

監事會通過決議，建議提名張軍先生（「張軍先生」）為股東代表監事，任期自即將舉行之本公司股東週年大會上批准起至第四屆監事會任期屆滿時止。建議委任張軍先生為股東代表監事須待股東於即將舉行之本公司股東週年大會上審議及批准。

有關張軍先生的履歷詳情可參閱本公司日期為2021年3月31日之公告。

REPORT OF BOARD OF DIRECTORS

董事會報告書

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

PRINCIPAL BUSINESS

The principal business of the Company is the R&D, processing and sale of chicken meat products made with white-feathered broilers. Main products include processed chicken meat products and raw chicken meat products.

RESULTS

The results of the Group for the year ended 31 December 2020 are set out in the consolidated financial statements on pages 135 to 136 of this annual report.

DIVIDENDS DISTRIBUTION

The Company has adopted in its general dividend policy. The Company has implemented a three-year dividend plan, pursuant to which, in the absence of certain special circumstances, if the Company records profit for the year and its accumulated undistributed profit is positive, and is capable of meeting the actual demand for distribution, the Company shall distribute dividends in cash, and the aggregate profits distributed in cash for such three years shall not be less than 30% of the total distributable profits realised for the latest three years as set out in the Company's consolidated financial statements and the dividends to be distributed in each particular year shall be decided by the Board of Directors. Any proposed distribution of dividends shall be formulated by the Board of Directors and will be subject to approval at the Shareholders' meeting. A decision to declare or to pay any dividends in the future, and the amount of any dividends, will depend on a number of factors, including our results of operations, cash flows, financial condition, capital adequacy ratio, payments by our subsidiaries of cash dividends to us, business prospects, statutory, regulatory and contractual restrictions on our declaration and payment of dividends and other factors that the Board of Directors may consider important.

董事會欣然提呈本公司截至2020年12月31日止年度之報告及經審核綜合財務報表。

主要經營業務

本公司主要經營業務是用白羽雞為原材料，研發、加工及推銷雞肉製品。主要產品包括深加工雞肉製品、生雞肉製品。

業績

截至2020年12月31日止年度業績載於本年報第135頁至第136頁的綜合財務報表中。

股息分配

本公司已採納一般股息政策。本公司已實施三年期股息計劃，根據該計劃，除若干特殊情況外，倘本公司在當年錄得利潤且累計未分配利潤為正並且能滿足實際分派需要，本公司應當採取現金方式分派股息，三年內以現金方式分派的利潤總額不應少於本公司綜合財務報表所載最近三年實現的可供分配利潤總額的30%，且每一特定年度將予分派的股息須由董事會釐定。任何分派股息的計劃須由董事會制定並須經股東大會批准。未來宣派或派付任何股息的決定及任何股息的金額將取決於多項因素，包括我們的經營業績、現金流量、財務狀況、資本充足率、附屬公司向我們派付的現金股息、業務前景、有關我們宣派及派付股息的法定、監管及合同限制，以及董事會可能認為重要的其他因素。

REPORT OF BOARD OF DIRECTORS

董事會報告書

According to the applicable PRC laws and the Articles of Association, we will pay dividends out of our profit after tax only after we have made the following allocations:

- recovery of accumulated losses, if any;
- allocations to the statutory reserve equivalent to 10% of our profit after tax, and, when the statutory reserve reaches and is maintained at or above 50% of our registered capital, no further allocations to this statutory reserve will be required;
- allocations, if any, to a discretionary common reserve fund that are approved by our shareholders in a Shareholders' meeting; and
- allocation of employee welfare funds to be borne by the Company.

The Articles of Association stipulates that the Company may distribute dividends by means of cash, stock or a combination of cash and stock. There is no assurance that we will be able to declare dividends of such any amount each year or in any year.

The Board of Directors has resolved to declare a final dividend of RMB0.03 per Share (tax inclusive) in cash for the year ended 31 December 2020 (2019: nil). The proposed final dividend is subject to the consideration and approval by the Shareholders at the forthcoming AGM to be held on Friday, 28 May 2021. The final dividend is payable to the Shareholders whose names are listed in the register of members of the Company on Thursday, 10 June 2021, in an aggregate amount of RMB42.0 million. The final dividend will be denominated and declared in RMB. The final dividend on domestic Share will be paid in RMB and on H Share will be paid in Hong Kong dollars. The relevant exchange rate for conversion shall be calculated based on the average central parity exchange rate of the five business days preceding the date of the AGM, as quoted by the People's Bank of China. Once approved by the AGM, the final dividend is expected to be distributed on or before Wednesday, 28 July 2021.

根據適用中國法律及《公司章程》，我們將僅在作出下述分配後，方會從稅後利潤中派付股息：

- 彌補累積虧損(如有)；
- 將稅後利潤的10%分配至法定儲備，倘法定儲備達至且維持在我們註冊資本的50%或以上，則無須再分配至該法定儲備；
- 經由股東於股東大會上批准的金額(如有)，可分配至任意公積金；及
- 分配僱員福利基金(由本公司承擔)。

《公司章程》規定，本公司可以現金、股票或現金與股票相結合的方式分派股息。概不保證我們將能夠每年或任何一個年度宣派該等任何金額的股息。

董事會已決議宣佈以現金方式派發截至2020年12月31日止年度之末期股息每股人民幣0.03元(含稅)(2019年：無)。所建議之末期股息須待股東於2021年5月28日(星期五)舉行之應屆股東週年大會上審議及批准。末期股息應付於名列於2021年6月10日(星期四)本公司股東名冊的股東，派付總額約為人民幣42.0百萬元。末期股息將以人民幣計價及宣派。內資股股息將以人民幣派付，而H股股息將以港元派付。相關換算匯率應根據股東週年大會日期前五個工作日中國人民銀行公佈的匯率中間價計算。一旦獲得股東週年大會的批准，末期股息預計將在2021年7月28日(星期三)當日或之前派發。

REPORT OF BOARD OF DIRECTORS

董事會報告書

Pursuant to the Notice of the State Administration of Taxation on Issues Concerning Individual Income Tax Collection and Management after the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348), individuals who are resident outside the PRC and who hold shares issued in Hong Kong by domestic non-foreign invested enterprises enjoy preferential tax rate in accordance with the tax conventions between Mainland China and the country where the residents reside and the tax arrangements between the Mainland China and Hong Kong (Macao). Individual shareholders will be generally subject to a withholding tax rate of 10% when domestic non-foreign invested enterprises which issue shares in Hong Kong distribute dividends to their shareholders, unless otherwise required by the regulations of relevant tax laws and tax conventions. Pursuant to the Notice on the Issues Concerning Withholding the Enterprises Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Who Are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) of the State Administration of Taxation, we are obliged to withhold and pay enterprise income tax at the rate of 10% from dividends paid or payable for H Shares when distributing dividends to non-resident enterprise shareholders of H Shares. No tax is payable in Hong Kong in respect of dividends paid by us according to the current practice of the Hong Kong Inland Revenue Department. Shareholders are recommended to consult their tax advisers regarding the tax implication in the PRC, Hong Kong and other tax implications arising from their holding and disposal of H Shares of the Company.

ANNUAL GENERAL MEETING

The AGM of the Company will be held on Friday, 28 May 2021. The notice of the AGM will be published and dispatched to the Shareholders in due course in the manner as required by the Listing Rules.

根據《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)，境外居民個人持有境內非外商投資企業在香港發行的股票，按照中國內地與居民居住國的稅收協定和中國內地與香港(澳門)的稅收安排，享受優惠稅率。在香港發行股票的境內非外商投資企業向股東分配股息時，除有關稅法和稅收協定另有規定外，個人股東一般按10%的預提稅率繳納。根據《國家稅務總局關於中國居民企業向境外非居民企業H股股東派發股息扣繳企業所得稅有關問題的通知》(國稅函[2008]897號)，我們在向非居民企業H股股東派發股息時，有義務從已支付或應支付的H股股息中按10%的稅率扣繳企業所得稅。根據香港稅務局現行慣例，我們在香港支付股息無須繳稅。關於股東持有及出售本公司H股的中國、香港及其他稅務影響，本公司建議股東自行諮詢稅務顧問。

股東週年大會

本公司將於2021年5月28日(星期五)舉行股東週年大會。股東週年大會通告將於適當時候按《上市規則》規定的方式刊登及向股東寄發。

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 25 May 2021 to Friday, 28 May 2021 (both days inclusive), during which period no transfer of Shares will be effected. In order to be qualified to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the H Share Registrar of the Company, namely Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (in respect of H Shareholders), or to the Company's registered office in the PRC at Liumiao Village, Anle Town, Yanggu County, Liaocheng City, Shandong Province, PRC (in respect of Domestic Shareholders) no later than 4:30 p.m. on Monday, 24 May 2021.

In order to determine the list of Domestic Shareholders and H Shareholders who shall be entitled to obtain final dividends, subject to the approval of the Shareholders at the AGM, the register of members of the Company will be closed from Thursday, 3 June 2021 to Thursday, 10 June 2021 (both days inclusive), during which period no transfer of Shares of the Company will be effected. In order to be qualified to obtain final dividends, all transfers accompanied by the relevant share certificates must be lodged with the H Share Registrar of the Company, namely Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (in respect of H Shareholders), or to the Company's registered office in the PRC at Liumiao Village, Anle Town, Yanggu County, Liaocheng City, Shandong Province, PRC (in respect of Domestic Shareholders) no later than 4:30 p.m. on Wednesday, 2 June 2021.

暫停辦理股份過戶登記

為確定可出席股東週年大會並於會上投票之資格，本公司將於2021年5月25日(星期二)至2021年5月28日(星期五)(包括首尾兩天)暫停辦理股份過戶登記手續，期間不接受任何股份轉讓登記。為符合出席股東週年大會並於會上投票之資格，所有過戶文件連同相關股票須不遲於2021年5月24日(星期一)下午四時三十分送達本公司H股股份過戶登記處，即香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712–16號舖(就H股股東而言)，或本公司中國註冊辦事處，地址為中國山東省聊城市陽穀縣安樂鎮劉廟村(就內資股股東而言)。

為確定符合獲得所建議末期股息之資格的內資股股東和H股股東名單(惟須待本公司股東於股東週年大會上批准)，本公司將於2021年6月3日(星期四)至2021年6月10日(星期四)(包括首尾兩天)暫停辦理股份過戶登記手續，期間不接受任何股份轉讓登記。為符合獲得末期股息之資格，所有過戶文件連同相關股票須於不遲於2021年6月2日(星期三)下午四時三十分送達本公司H股股份過戶登記處，即香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712–16號舖(就H股股東而言)，或本公司中國註冊辦事處，地址為中國山東省聊城市陽穀縣安樂鎮劉廟村(就內資股股東而言)。

REPORT OF BOARD OF DIRECTORS

董事會報告書

BUSINESS REVIEW

A fair review of the business and a discussion and analysis of the Group's performance during the year and the material factors underlying its results and financial position as well as the outlook of the Group's business are provided in the "Management Discussion and Analysis" on pages 15 to 50 of this annual report. Description of the principal risks and uncertainties faced the Group can be found throughout this annual report. Particulars of important events affecting the Group that have occurred after 31 December 2020, if any, can also be found in the notes to the Consolidated Financial Statements.

In addition, more details regarding the Group's performance by reference to financial key performance indicators and environmental policies, as well as compliance with relevant laws and regulations which have a significant impact on the Group, are provided in the "Management Discussion and Analysis" of this annual report. Each of the above-mentioned relevant contents form an integral part of this Report of the Directors.

FINANCIAL SUMMARY

A summary of the Company's results, assets and liabilities for the last five financial years are set out on page 236 of this annual report. This summary does not form part of the audited consolidated financial statements.

ENVIRONMENTAL POLICY

The Group is subject to the PRC national and local environmental laws and regulations, including but not limited to "Environmental Protection Law of the PRC", "The Law on the Prevention and Treatment of Water Pollution of the PRC" and "The Law for the Prevention and Treatment of Air Pollution of the PRC". In particular, there are environmental regulations concerning the treatment of wastewater produced by our slaughtering and processing facilities and we are subject to annual inspection by the regulatory authorities for compliance with these laws and regulations. Failure to comply with applicable PRC environmental protection laws and regulations may result in significant consequences, including administrative, civil and criminal penalties, liability for damages and negative publicity. Further, such failure to comply, or allege on failure to comply, with the relevant PRC laws, regulations or government policies on environmental protection, may lead to costly litigation or penalty imposed by the relevant judicial or governmental authorities. We emphasise on environmental protection and strive to minimise the environmental impact brought by our business operations.

業務回顧

本集團於本年度內業務的公平回顧及本集團表現的討論及分析，以及與其業績及財務狀況相關的重大因素已載列於本年報第15至第50頁的「管理層討論及分析」。有關本集團面對之主要風險及不確定因素之描述已載於本年報內。2020年12月31日之後發生的影響本集團的重要事件的詳細信息(如有)也載列於綜合財務報表的附註中。

此外，本年報的「管理層討論及分析」中還提供了有關本集團財務關鍵績效指標和環境政策方面表現的更多詳細信息，以及對本集團有重大影響的相關法律法規的合規情況。上述相關內容是本董事會報告書不可分割的組成部分。

財務概要

本集團於過往五個財政年度的業績、資產及負債概要載列於本年報第236頁。此概要不構成經審核綜合財務報表的一部份。

環境政策

本集團須遵守中國國家及地方環保法律法規，包括但不限於《中華人民共和國環境保護法》、《中華人民共和國水污染防治法》及《中華人民共和國大氣污染防治法》，尤其是關於我們屠宰加工設施所產生污水的處理的環保法規，而我們須接受監管機構年檢以確保遵守該等法律法規。倘我們未能遵守適用的中國環境保護法律法規，可能會帶來嚴重後果，包括行政、民事及刑事處罰、損害賠償責任以及負面報導。此外，該等未能遵守或被指控未遵守有關環境保護的相關中國法律、法規或政府政策，可能會導致費用高昂的訴訟或受到相關司法或政府部門的處罰。我們注重環保，並努力將我們業務運營對環境的影響降至最低。

The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage these risks.

There had been no material administrative penalties imposed on us as a result of non-compliance with any PRC laws or regulations in relation to environmental protection during the year ended 31 December 2020.

As reported by senior management, which is delegated by the Board of Directors to control and monitor the ESG performances, the Board of Directors considers that the Group's ESG performance, with respect to the subject areas and individual aspects that are set out in Appendix 27 to the Listing Rules, has been satisfactory.

RELATIONSHIP WITH STAKEHOLDERS

Employees

As at 31 December 2020, we had 7,669 employees who were directly employed by us, of which 7,663 employees were employed in the PRC and six employees were located in Japan.

The remuneration packages for our employees include salary, bonuses and allowances. Except for Japanese employees who obey Japanese laws and regulations, as required by the PRC regulations, we participate in social insurance schemes operated by the relevant local government authorities and maintain mandatory pension contribution plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance for some of our employees. We also contribute to housing accumulation funds for some of our employees.

When we make hiring decisions, we take into account factors such as our business strategies, our development plans, industry trends and the competitive environment. We recruit our employees based on a number of factors such as their work experience, educational background and vacancy needs. We endeavour to attract and retain appropriate and suitable personnel to serve the Group.

本集團已制定旨在遵守當地環境及其他法律的環境政策及程序。管理層定期進行審查以識別環境風險，並確保所實行的制度足以管理該等風險。

於截至2020年12月31日止年度期間，本集團未因違反有關環境保護的中國法律或法規而受到重大行政處罰。

董事會授權予高級管理層，以讓其對日常環境、社會及管治管理工作，對環境、社會及管治表現進行控制及監察。按照高級管理層的匯報，董事會認本集團的環境、社會及管治在《上市規則》附錄二十七中的所列的主要範疇和各層面而言，均令人滿意。

與主要利益相關者的關係

僱員

於2020年12月31日，我們有7,669名直接受僱於我們的僱員，其中包括位於中國的7,663名僱員及六名位於日本的僱員。

僱員薪酬待遇包括薪金、獎金及津貼。除日本僱員服從日本法律法規外，按照中國法規規定，我們參加由相關地方政府機構運作的社會保險計劃，並為部分僱員設立強制性退休金供款計劃並投購醫療保險、工傷保險、失業保險及生育險。我們亦為部分僱員支付住房公積金供款。

當我們作出僱傭決定時，會考慮業務策略、發展計劃、行業趨勢和競爭環境等因素。我們基於僱員的工作經驗、教育背景及職位空缺需求等眾多因素來聘請僱員。我們致力於吸引並留住適當和合適的人員來為本集團服務。

REPORT OF BOARD OF DIRECTORS

董事會報告書

We provide continuing education and training programmes to our employees to improve their skills and develop their potential. We also adopt evaluation programmes through which our employees can receive feedback. We foster strong employee relations by offering various staff benefits and personal development support. Our subsidiaries in China have established labour unions in accordance with the applicable PRC law. We are not subject to any collective bargaining agreements. As at the date of this annual report, we had not experienced any material labour disputes or claims.

We have also adopted the Share Award Scheme to which any full-time or part-time employee of the Group is an eligible participant. As of the end of the Reporting Period, part of the Awarded Shares have been granted, to all of whom are employees of the Company.

Customers

We had a diversified customer base of over 3,000 customers globally, including internationally renowned food processors and traders as well as fast food restaurant chains (and their poultry meat suppliers and sourcing agents). We exported to countries including Japan, Malaysia, the European Union, Korea, Mongolia and Singapore. We also sell our products to our distributors whose designated sales regions are all within the PRC.

For the year ended 31 December 2020, the Group's sales to its five largest customers accounted for 27.21% (2019: 28.95%) of the Group's total sales and sales to the largest customer accounted for 12.38% (2019: 13.5%).

Suppliers

We procured (i) raw materials for the production of our animal feeds, including corn, soybean meal, soybean oil and wheat, and (ii) Parent Stock Day-old Chicks for the production of our chicken meat products in the PRC. We also procured raw chicken meat products from third party suppliers domestically as well as from overseas (generally from Brazil) for producing our processed chicken meat products in order to meet customers' growing demand. During the Track Record Period, we have entered into hedging activities in relation to the commodity prices of soybean meal, corn and soybean oil.

For the year ended 31 December 2020, purchases from the Group's five largest suppliers accounted for 28.26% (2019: 21.48%) of the Group's total purchases and purchases from the largest supplier accounted for 8.16% (2019: 6.81%).

我們向僱員提供繼續教育及培訓課程，以提高其技能及發揮其潛能。我們亦採納評估計劃，據此，僱員可收到反饋意見。我們通過提供多種員工福利及個人發展支持來促進牢固的僱員關係。我們於中國的附屬公司已根據適用中國法律成立工會。我們並不受到任何集體談判協議規限。截至本年報日期，我們尚未發生任何重大的勞資糾紛或索賠。

我們亦採納股權獎勵計劃，且本集團任何全職或兼職均為上述計劃的合格參與者。截止報告期末，本股權獎勵計劃已完成部分歸屬，且全部為公司僱員。

客戶

我們在全球擁有由逾3,000名客戶所組成的多元化客戶群，包括國際知名食品加工商及貿易商以及快餐連鎖店（及其禽肉供應商及採購代理）。我們出口的家國包括日本、馬來西亞、歐洲聯盟、韓國、蒙古及新加坡。我們亦將產品售予我們的分銷商，彼等的指定銷售區域均位於中國境內。

截至2020年12月31日止年度，本集團對五大客戶的銷售額佔本集團銷售總額的27.21%（2019年：28.95%），其中對最大客戶的銷售額佔12.38%（2019年：13.5%）。

供應商

我們採購(i)原材料(包括玉米、豆粕、豆油及小麥)以生產飼料，及(ii)父母代種雞苗以在中國生產雞肉製品。為生產深加工雞肉製品以迎合不斷增長的客戶需求，我們亦從國內第三方供應商及海外(通常從巴西)採購生雞肉製品。於往績記錄期間，我們已就豆粕、玉米及豆油的商品價格進行對沖活動。

截至2020年12月31日止年度，本集團自五大供應商的採購額佔本集團採購總額的28.26%（2019年：21.48%），其中自最大供應商的採購額佔8.16%（2019年：6.81%）。

REPORT OF BOARD OF DIRECTORS

董事會報告書

Save as disclosed in this annual report, during the year ended 31 December 2020, none of the Directors or the Supervisors or any of their associates or any Shareholders (which, to the best knowledge of the Directors and Supervisors own more than 5% of the number of issued Shares of the Company) had any interest in the Company's five largest customers and suppliers.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 December 2020 are set out in note 30 to the consolidated financial statements.

As at 31 December 2020, the issued share capital of the Company was 1,400,000,000 shares (of which 1,045,000,000 were Domestic Shares and 355,000,000 were H Shares).

RESERVES

Details of movements in the reserves of the Group during the year ended 31 December 2020 are set out on page 139 in the consolidated statement of changes in equity in this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2020, pursuant to the relevant laws and regulations, the Company has distributable reserves of RMB1,249.2 million in total available for distribution (2019: RMB1,101.7 million), of which RMB42.0 million has been proposed as final dividend payment for the year.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Company as at 31 December 2020 are set out in note 28 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 December 2020 are set out in note 15 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this annual report and based on the information publicly available to the Company and to the best knowledge of the Directors, the Company has maintained the minimum public float of 25% as required under the Listing Rules.

除本年報所披露者外，截至2020年12月31日止年度，概無董事或監事或其任何聯繫人士或股東（據董事及監事所深知，擁有超過5%之公司已發行股份數）於公司五大客戶和供應商中擁有任何權益。

股本

本公司截至2020年12月31日止年度之股本變動詳情載於綜合財務報表附註30。

於2020年12月31日，本公司已發行股本為1,400,000,000股，其中，1,045,000,000股為內資股，355,000,000股為H股。

儲備

本集團於截至2020年12月31日止年度之儲備變動詳情載於本年報第139頁的綜合權益變動表中。

可供分派儲備

於2020年12月31日，根據相關法律法規，本公司可供分派的儲備合共為人民幣1,249.2百萬元（2019年：人民幣1,101.7百萬元），其中，人民幣42.0百萬元獲建議為年度末期股息。

銀行貸款及其他借貸

本集團於2020年12月31日之銀行貸款及其他借貸詳情載列於綜合財務報表附註28。

物業、廠房及設備

本公司截至2020年12月31日止年度之物業、廠房及設備變動詳情載於綜合財務報表附註15。

足夠公眾持股量

於本年報日期，根據公開予本公司之資料及據董事所深知，本公司已按《上市規則》規定維持25%的最低公眾持股量。

REPORT OF BOARD OF DIRECTORS

董事會報告書

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under Articles of Association or the laws of the PRC that would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

According to the Articles of Association, the terms of service of both the Directors and the Supervisors are for three years, and all Directors and Supervisors are subject to reappointment or re-election upon the expiry of their term. Each of the executive Directors, non-executive Directors, independent non-executive Directors and Supervisors has entered into a service contract with a term of three years with the Company.

None of the Directors or Supervisors has or is proposed to have a service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation (other than statutory compensation).

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors to be independent and remain so as at the date of this annual report.

SECURITIES TRANSACTIONS OF DIRECTORS AND SUPERVISORS

Directors' and Supervisors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as a code of conduct for securities transactions by the Directors and Supervisors. The Company has made specific enquiries with each Director and Supervisor and each of them confirmed that he or she had complied with all required standards under the Model Code since the Listing Date and up to the date of this annual report.

優先購買權

在《公司章程》或中國法律中，並無規定本公司有責任按比例向現有股東提呈發售新股的優先購買權條文。

董事和監事之服務合約

根據《公司章程》的規定，董事和監事的任期均為三年，所有董事和監事的任期屆滿，均應重新任命或重選。每一位執行董事、非執行董事、獨立非執行董事及監事已分別與本公司訂立一項為期三年的服務合約。

概無董事或監事與本公司或其任何附屬公司訂定或建議簽訂任何不得在一年內於毋須作出賠償下(法定賠償除外)將其終止之服務合約。

獨立非執行董事之獨立性

根據《上市規則》第3.13條之規定，本公司已收悉每名獨立非執行董事有關其獨立性之年度確認書。本公司認為所有獨立非執行董事均具獨立性，且於本年報日期仍然如此。

董事及監事的證券交易

董事及監事的證券交易

本公司已採納《上市規則》附錄10所載的《上市發行人董事進行證券交易的標準守則》(「《標準守則》」)，作為董事及監事進行證券交易的行為守則。本公司已向各董事及監事作出具體查詢並獲各董事及監事確認，其自上市日期起及直至本年報日期已遵守《標準守則》項下規定的所有標準。

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2020, the interests and short positions of the Directors, Supervisors and chief executives in any Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning as defined in Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which they were taken or deemed to have under such provisions of the SFO), or to be entered in the register to be kept pursuant to section 352 of the SFO, or otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules are as follows:

(a) The Company

董事、監事及最高行政人員於公司股份、相關股份及債券中擁有的權益及淡倉

於2020年12月31日，董事、監事及最高行政人員於本公司或其任何相聯法團（定義見《證券及期貨條例》第XV部）的任何股份、相關股份及債券中，擁有根據《證券及期貨條例》第XV部第7及第8分部須知會本公司及聯交所的權益及淡倉（包括根據《證券及期貨條例》有關條文被當作或視為擁有的權益及淡倉），或根據《證券及期貨條例》第352條須記入所存置的登記冊內的權益及淡倉，或根據《上市規則》附錄10所載的《標準守則》須另行知會本公司及聯交所的權益及淡倉如下：

(a) 本公司

Name of Directors/ Supervisors	Nature of interest	Class of Shares	Number of Shares	Approximate percentage of interest in the relevant class of Shares of the Company ⁽¹⁾ 於本公司相關 股份類別中 所佔概約權益 百分比 ⁽¹⁾	Approximate percentage of interest in the total share capital of the Company ⁽²⁾ 於本公司總股本 中所佔概約權益 百分比 ⁽²⁾
董事／監事姓名	權益性質	股份類別	股份數目		
Mr. Liu Zhiguang ⁽³⁾⁽⁴⁾ 劉志光先生 ⁽³⁾⁽⁴⁾	Interest of controlled corporation 受控法團之權益	Domestic Shares 內資股	52,145,500 (L)	4.99%	3.72%
	Interests held jointly with another person 與另一人士共同持有之 權益	Domestic Shares 內資股	992,854,500 (L)	95.01%	70.92%
Mr. Liu Xuejing ⁽³⁾ 劉學景先生 ⁽³⁾	Interest in controlled corporation 受控法團之權益	Domestic Shares 內資股	992,854,500 (L)	95.01%	70.92%

REPORT OF BOARD OF DIRECTORS

董事會報告書

Name of Directors/ Supervisors	Nature of interest	Class of Shares	Number of Shares	Approximate percentage of interest in the relevant class of Shares of the Company ⁽¹⁾ 於本公司相關 股份類別中 所佔概約權益 百分比 ⁽¹⁾	Approximate percentage of interest in the total share capital of the Company ⁽²⁾ 於本公司總股本 中所佔概約權益 百分比 ⁽²⁾
董事／監事姓名	權益性質	股份類別	股份數目		
Mr. Xiao Dongsheng ⁽⁵⁾ 肖東生先生 ⁽⁵⁾	Beneficiary of a trust 信託受益人	H Shares H股	300,000 (L)	0.085%	0.021%
Mr. Ow Weng Cheong ⁽⁵⁾ 區永昌先生 ⁽⁵⁾	Beneficiary of a trust 信託受益人	H Shares H股	200,000 (L)	0.056%	0.014%
Mr. Wang Jinsheng ⁽⁵⁾ 王進聖先生 ⁽⁵⁾	Beneficiary of a trust 信託受益人	H Shares H股	200,000 (L)	0.056%	0.014%
Ms. Lian Xianmin ⁽⁵⁾ 廉憲敏女士 ⁽⁵⁾	Beneficiary of a trust 信託受益人	H Shares H股	50,000 (L)	0.014%	0.004%

Notes:

- (1) The calculation is based on the percentage of shareholding in Domestic Shares or H Shares, respectively.
- (2) The calculation is based on the total number of 1,045,000,000 Domestic Shares in issue and 355,000,000 H Shares in issue.
- (3) Fengxiang Group and Fengxiang Investment are wholly owned by GMK Holdings and in turn held as to 51% by Mr. Liu Xuejing and 9% by Ms. Zhang Xiuying, spouse of Mr. Liu Xuejing. Guangdong Hengqin is a limited partnership established in the PRC on 13 April 2015 which is indirectly held as to 50% by Mr. Liu Zhiguang and 50% by Mr. Liu Zhiming. Xinfengxiang Guangming, which is owned as to 50% by Mr. Liu Zhiguang and 50% by Mr. Liu Zhiming, is the general partner of Guangdong Hengqin, and each of Mr. Liu Zhiguang and Mr. Liu Zhiming is deemed to be interested in the Shares held by Guangdong Hengqin. By virtue of the SFO, Mr. Liu Xuejing is deemed to be interested in the Shares directly and indirectly held by GMK Holdings.

附註：

- (1) 分別以內資股或H股的持股百分比為基準計算。
- (2) 以合共1,045,000,000股已發行內資股及355,000,000股已發行H股為基準計算。
- (3) 新鳳祥集團全資擁有鳳祥集團及鳳祥投資，而劉學景先生及張秀英女士（劉學景先生的配偶）持有新鳳祥集團51%及9%的股份。廣東橫琴為一家於2015年4月13日在中國成立的有限合夥企業，其由劉志光先生及劉志明先生分別間接持有50%及50%的股份。新鳳祥光明由劉志光先生及劉志明先生分別持有50%及50%的股份，為廣東橫琴的普通合夥人，劉志光先生及劉志明先生各自被視為在廣東橫琴持有的股份中擁有權益。根據《證券及期貨條例》，劉學景先生被視為於新鳳祥集團直接及間接持有的股份中擁有權益。

- (4) Guangdong Hengqin is a limited partnership established in the PRC on 13 April 2015 which is indirectly held as to 50% by Mr. Liu Zhiguang and 50% by Mr. Liu Zhiming. Xinfengxiang Guangming, which is owned as to 50% by Mr. Liu Zhiguang and 50% by Mr. Liu Zhiming, is the general partner of Guangdong Hengqin. By virtue of the SFO, Mr. Liu Zhiguang is deemed to be interested in the Shares held by Guangdong Hengqin.
- (5) Mr. Xiao Dongsheng, Mr. Ow Weng Cheong, Mr. Wang Jinsheng and Ms. Lian Xianmin have been granted the Awarded Shares under the Share Award Scheme. As at the date of this annual report, part of the Awarded Shares have been vested. Therefore, they are deemed to be interested in the issued share capital of the Company for the Awarded Shares which have been granted to them pursuant to Part XV of the SFO.
- (6) The letter "L" denotes a long position in the Shares.

- (4) 廣東橫琴為一家於2015年4月13日在中國成立的有限合夥企業，其由劉志光先生及劉志明先生分別間接持有50%及50%的股份。新鳳祥光明由劉志光先生及劉志明先生分別持有50%及50%的股份，為廣東橫琴的普通合夥人。根據《證券及期貨條例》，劉志光先生被視作於廣東橫琴持有的股份中擁有權益。
- (5) 肖東生先生、區永昌先生、王進聖先生及廉憲敏女士已根據股份獎勵計劃獲授獎勵股份。於本年報日期，該等獎勵股份已獲部份歸屬。因此，根據《證券及期貨條例》第XV部，彼等被視作就其獲授的獎勵股份而於本公司已發行股本中擁有權益。
- (6) 英文字母「L」表示該等股份的好倉。

(b) Associated Corporation

(b) 相聯法團

Name of Directors	Nature of interest	Associated Corporation	Number of Shares	Percentage of shareholding in associated corporation
董事姓名	權益性質	相聯法團	股份數目	於相聯法團的持股百分比
Mr. Liu Zhiguang 劉志光先生	Beneficial owner 實益擁有人	GMK Holdings 新鳳祥集團	792,000,000	20.00%
Mr. Liu Xuejing 劉學景先生	Beneficial owner 實益擁有人	GMK Holdings 新鳳祥集團	2,019,600,000	51.00%
	Interest in controlled corporation ⁽¹⁾ 受控法團之權益 ⁽¹⁾	Fengxiang Investment 鳳祥投資	50,000,000	100.00%
	Interest in controlled corporation 受控法團之權益	Fengxiang Group 鳳祥集團	1,126,000,000	100.00%

Note:

- (1) Fengxiang Investment and Fengxiang Group are wholly-owned by GMK Holdings.

附註:

- (1) 鳳祥投資與鳳祥集團由新鳳祥集團全資擁有。

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Save as disclosed above, as at 31 December 2020, none of the Directors, Supervisors or chief executives or their associates have or are deemed to have any interests and short positions in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning as defined in Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which they were taken or deemed to have under such provisions of the SFO), or pursuant to section 352 of the SFO, required to be entered in the register referred therein, or otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 December 2020, to the best knowledge of the Directors, the following persons (not being the Directors or Supervisors or chief executives) had interests or short positions in the Shares or underlying shares which were required to be entered in the register referred to in section 336 of the SFO by the Company or would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

除上文所披露者外，於2020年12月31日，概無董事、監事或最高行政人員或彼等聯繫人士於或被視為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、相關股份或債券中擁有任何根據《證券及期貨條例》第XV部第7及第8分部須知會本公司及聯交所的權益及淡倉（包括根據《證券及期貨條例》有關條文被當作或視為擁有的權益及淡倉），或根據《證券及期貨條例》第352條須記入該條所述之登記冊內的權益及淡倉，或根據《標準守則》須另行知會本公司及聯交所的權益及淡倉。

主要股東於股份和相關股份中的權益和淡倉

於2020年12月31日，就董事所深知，以下人士（並非董事或監事或最高行政人員）於股份或相關股份擁有本公司根據《證券及期貨條例》第336條須記入該條所述之登記冊或根據《證券及期貨條例》第XV部第2及第3分部條文須向本公司披露的權益或淡倉：

Name of shareholders	Nature of interest	Class of Shares	Number of Shares	Approximate percentage of interest in the relevant class of Shares of the Company ⁽¹⁾ 於本公司相關股份類別中所佔概約權益百分比 ⁽¹⁾	Approximate percentage of interest in the total share capital of the Company ⁽²⁾ 於本公司總股本中所佔概約權益百分比 ⁽²⁾
股東名稱	權益性質	股份類別	股份數目		
Ms. Zhang Xiuying ⁽³⁾ 張秀英女士 ⁽³⁾	Interest of spouse 配偶權益	Domestic Shares 內資股	992,854,500 (L)	95.01%	70.92%
Mr. Liu Zhiming ⁽⁴⁾⁽⁵⁾ 劉志明先生 ⁽⁴⁾⁽⁵⁾	Interest in controlled corporation 受控法團之權益	Domestic Shares 內資股	52,145,500 (L)	4.99%	3.72%
	Interests held jointly with another person 與另一人士共同持有之權益	Domestic Shares 內資股	992,854,500 (L)	95.01%	70.92%

REPORT OF BOARD OF DIRECTORS

董事會報告書

Name of shareholders	Nature of interest	Class of Shares	Number of Shares	Approximate percentage of interest in the relevant class of Shares of the Company ⁽¹⁾ 於本公司相關股份類別中所佔概約權益百分比 ⁽¹⁾	Approximate percentage of interest in the total share capital of the Company ⁽²⁾ 於本公司總股本中所佔概約權益百分比 ⁽²⁾
股東名稱	權益性質	股份類別	股份數目		
GMK Holdings Group Co., Ltd. ("GMK Holdings") ⁽⁴⁾ 新鳳祥控股集團有限責任公司 ([「新鳳祥集團」]) ⁽⁴⁾	Beneficial Interest 實益權益	Domestic Shares 內資股	198,654,500 (L)	19.01%	14.19%
	Interest in controlled corporation 受控法團之權益	Domestic Shares 內資股	794,200,000 (L)	76.00%	56.73%
Shandong Fengxiang (Group) Co., Ltd. ("Fengxiang Group") ⁽⁶⁾ 山東鳳祥(集團)有限責任公司 ([「鳳祥集團」]) ⁽⁶⁾	Beneficial Interest 實益權益	Domestic Shares 內資股	627,000,000 (L)	60.00%	44.79%
Shandong Fengxiang Investment Co., Ltd. ("Fengxiang Investment") ⁽⁶⁾ 山東鳳祥投資有限公司 ([「鳳祥投資」]) ⁽⁶⁾	Beneficial Interest 實益權益	Domestic Shares 內資股	167,200,000 (L)	16.00%	11.94%
Sun Dafei 孫達飛	Beneficial owner 實益擁有人	H Shares H股	22,109,000 (L)	6.23%	1.58%
Hwa-An International Limited Hwa-An International Limited	Beneficial owner 實益擁有人	H Shares H股	34,909,000 (L)	9.83%	2.49%

Notes:

- (1) The calculation is based on the percentage of shareholding in Domestic Shares or H Shares, respectively.
- (2) The calculation is based on the total number of 1,045,000,000 Domestic Shares in issue and 355,000,000 H Shares in issue.
- (3) Ms. Zhang Xiuying and Mr. Liu Xuejing are spouses, and therefore Ms. Zhang Xiuying is deemed to have interest in all of Mr. Liu Xuejing's interests in the Company by virtue of the SFO.

附註:

- (1) 分別以內資股或H股的持股百分比為基準計算。
- (2) 以合共1,045,000,000股已發行內資股及355,000,000股已發行H股為基準計算。
- (3) 張秀英女士與劉學景先生是配偶，因此，根據《證券及期貨條例》，張秀英女士被視為在劉學景先生所擁有的本公司所有權益中擁有權益。

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- (4) Guangdong Hengqin Fengxiang Equity Investment Centre (Limited Partnership) (“**Guangdong Hengqin**”) is held as to 99% by Guangdong Hengqin Xinfengxiang Guangming Investment Limited Partnership (“**Xizang Xingfengxiang**”) and 1% by Xinfengxiang Guangming Investment Management Co., Ltd. (“**Xinfengxiang Guangming**”). Xizang Xinfengxiang is held as to 49.5% by Mr. Liu Zhiguang, 49.5% by Mr. Liu Zhiming and 1% by Xinfengxiang Guangming. Xinfengxiang Guangming is a limited liability company established in the PRC on 26 March 2015, which is owned as to 50% by Mr. Liu Zhiguang and 50% by Mr. Liu Zhiming, is the general partner of Guangdong Hengqin and Xizang Xinfengxiang. As such, Mr. Liu Zhiming is deemed to be interested in the Shares held by Guangdong Hengqin and is indirectly interested in more than 10% of the nominal value of the Domestic Shares through GMK Holdings and Guangdong Hengqin.
- (5) Fengxiang Group and Fengxiang Investment are wholly owned by GMK Holdings, while GMK Holdings is owned as to 51% by Mr. Liu Xuejing, 9% by Ms. Zhang Xiuying (Mr. Liu Xuejing's spouse), 20% by Mr. Liu Zhiguang and 20% by Mr. Liu Zhiming, respectively. By virtue of the SFO, Mr. Liu Zhiming is deemed to be interested in the Shares directly or indirectly held by GMK Holdings.
- (6) Fengxiang Group and Fengxiang Investment are wholly owned by GMK Holdings. By virtue of the SFO, GMK Holdings is deemed to be interested in the Shares held by Fengxiang Group and Fengxiang Investment.
- (7) The letter “L” denotes a long position in the Shares.

Save as disclosed above, as at 31 December 2020, the Company has not been notified by any other person (excluding the Directors or Supervisors or chief executives), who had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO, or required to be entered in the register kept by the Company under section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the period from the Listing Date to the date of this annual report.

- (4) 廣東橫琴鳳祥股權投資中心(有限合夥)(「**廣東橫琴**」)由廣東橫琴新鳳祥光明投資合夥企業(有限合夥)(「**西藏新鳳祥**」)及新鳳祥光明投資管理有限公司(「**新鳳祥光明**」)分別持有99%及1%的股份。西藏新鳳祥由劉志光先生、劉志明先生及新鳳祥光明分別持有49.5%、49.5%及1%的股份。新鳳祥光明為一家於2015年3月26日在中國成立的有限公司，由劉志光先生及劉志明先生分別持有50%及50%的股份，為廣東橫琴及西藏新鳳祥的普通合夥人。因此，劉志明先生被視為在廣東橫琴持有的股份中擁有權益，並通過新鳳祥集團及廣東橫琴間接持有內資股面值10%以上的權益。
- (5) 新鳳祥集團全資擁有鳳祥集團及鳳祥投資，而劉學景先生、張秀英女士(劉學景先生的配偶)、劉志光先生及劉志明先生分別持有新鳳祥集團51%、9%、20%及20%的股份。根據《證券及期貨條例》，劉志明先生被視為為新鳳祥集團直接及間接持有的股份中擁有權益。
- (6) 新鳳祥集團全資擁有鳳祥集團及鳳祥投資。根據《證券及期貨條例》，新鳳祥集團被視為為鳳祥集團及鳳祥投資持有的股份中擁有權益。
- (7) 英文字母「L」表示該等股份的好倉。

除上文所披露者外，於2020年12月31日，本公司尚未接獲任何其他人士(董事或監事或最高行政人員除外)通知，表示其於本公司股份或相關股份中擁有根據《證券及期貨條例》第XV部第2及第3分部須予披露，或須記入根據《證券及期貨條例》第336條須由本公司存置的登記冊的權益或淡倉。

購買、出售或贖回上市證券

於上市日期至本年報日期期間，本公司或其任何附屬公司概無購買、出售或贖回任何本公司之上市證券。

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this annual report, at no time during the year, was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors or Supervisors to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate, and none of the Directors or Supervisors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

ISSUANCE OF DEBENTURES

During the year ended 31 December 2020, no issuance of debentures was made by the Company.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 December 2020, none of our Directors is interested in any business, apart from our Group's businesses, which competes or is likely to compete, either directly or indirectly, with the businesses of our Group.

INFORMATION RELATING TO NON-COMPETITION UNDERTAKING

On 24 June 2020, Mr. Liu Xuejing, our non-executive Director, Ms. Zhang Xiuying, Mr. Liu Zhiguang, the chairman of the Board of Directors and executive Director, Mr. Liu Zhiming, GMK Holdings, Fengxiang Group, Fengxiang Investment, Guangdong Hengqin, Xizang Xinfengxiang and Xinfengxiang Guangming (collectively, the "**Controlling Shareholders**") executed the non-competition undertaking (the "**Non-competition Undertaking**") in favour of the Company.

董事及監事購買股份或債券之權利

除本年報所披露者外，本公司或其任何附屬公司於本年度內任何時間概無訂立任何安排，致使董事或監事可藉購買本公司或任何其他法人團體之股份或債券而獲益，以及並無董事或監事或其配偶或18歲以下之子女獲授予任何權利以認購本公司或任何其他法人團體之股本或債務證券，或已行使任何該等權利。

債券發行

於截至2020年12月31日止年度期間，本公司並無發行債券。

董事於競爭業務之權益

於2020年12月31日，概無董事於本集團業務之外與本集團業務構成或可能構成直接或間接競爭的任何業務中擁有利益。

有關不競爭承諾書之資料

2020年6月24日，我們的非執行董事劉學景先生、張秀英女士、董事長兼執行董事劉志光先生、新鳳祥集團、鳳祥集團、鳳祥投資、廣東橫琴、西藏新鳳祥及新鳳祥光明(合稱「**控股股東**」)簽署了有利於本公司的不競爭承諾書(「**不競爭承諾書**」)。

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Pursuant to the Non-Competition Undertaking, the Controlling Shareholders have jointly and severally made irrevocable covenants to the Company that during the Relevant Period (as defined below), each of the Controlling Shareholders, will not and will procure that its respective close associates will not:

- (a) solely or jointly with a third party, engage in or participate in any commercial business or activity (domestic or abroad) which constitute or may constitute competition with our principal business directly or indirectly (the “**Restricted Business**”) in any manner (including but not limited to investments, merger and acquisitions, associations, joint ventures, cooperation, partnerships, contracting or operating leases, purchases of shares of listed companies or equity participation) (in each case whether as a director, shareholder (other than being a director or shareholder of the Group) partner, agent or otherwise and whether for profit, reward or interest otherwise);
- (b) directly or indirectly, hold any interest or obtain any control domestically or abroad (in each case whether as a director or shareholder (other than being a director or shareholder of the Group), partner, agent or otherwise and whether for profit, reward or interest otherwise) in any business entities, institutions or economic organisations, which constitute or may constitute competition with our principal business;
- (c) directly or indirectly, induce or attempt to induce, any director, manager, consultant or employee of the Group to terminate his service contract or employment contract with the Group, whether or not such act of that person would constitute a breach of that person’s service contract or employment contract;
- (d) without the prior consent from the Company, make use of any information pertaining to the principal business of the Group which may have come to their knowledge in the capacity as the Controlling Shareholders for any purpose of engaging in any commercial activities (except for activities related to the Group) or obtaining his personal benefits; and
- (e) directly or indirectly, solicit any customer or supplier or employee of the Group for employment by them to engage in the Restricted Business.

根據不競爭承諾書的規定，控股股東亦已共同及個別向本公司作出不可撤銷承諾，於有關期間(定義見下文)，各控股股東不會並將促使其各自的緊密聯繫人不會：

- (a) 單獨或與第三方共同以任何形式從事或參與與我們的主要業務直接或間接構成或可能構成競爭的國內或國外商業業務或活動(包括但不限於投資、併購、聯營公司、合資企業、合作、夥伴關係、承包或經營租賃、購買上市公司股份或參股)(「**受限制業務**」)(於每種情況下，無論以董事、股東(本集團董事或股東除外)、合作夥伴、代理或其他身份，且無論是為了利潤、報酬或其他利益)；
- (b) 於國內或國外直接或間接於與我們的主要業務構成或可能構成競爭的任何商業實體、機構或經濟組織中持有任何權益或獲得任何控制權(於每種情況下，無論以董事或股東(本集團董事或股東除外)、合作夥伴、代理或其他身份及無論是為了利潤、報酬或其他利益)；
- (c) 直接或間接誘使或試圖誘使本集團任何董事、經理、顧問或僱員終止其與本集團的服務合約或僱傭合約，不論該人士的行為是否違反該人士的服務合約或僱傭合約；
- (d) 未經本公司事先同意，為從事任何商業活動(與本集團相關的活動除外)或為謀取其個人利益而利用作為控股股東所知悉的與本集團主要業務有關的任何資料；及
- (e) 直接或間接招攬本集團任何客戶、供應商或僱員從事受限制業務。

The restrictions as set out in (a) and (b) above are not applicable to circumstances where any of the Controlling Shareholders or its close associates invests in, holds, engages in or participates in less than 5% of the equity interests and does not take part in the business management in any other companies (whether listed or not) which engage in business competing with our business.

The Controlling Shareholders confirm that since the Listing Date and up to 31 December 2020, none of them carried on, participated or was interested or engaged in or held any other business which is or may be in competition with the business of any member of the Group from time to time. Relying on this confirmation and the fact that all executive Directors (with two of them being controlling shareholders of the Company) have devoted their time and resources in different business activities/medical practice of the Group, the independent non-executive Directors are satisfied that the Non-Competition Undertaking was fully complied with by the controlling shareholders of the Company and the executive Directors since the Listing Date and up to 31 December 2020.

CONTINUING CONNECTED TRANSACTIONS

The Group has entered into certain transactions with its connected persons which constitute continuing connected transactions of the Group under Chapter 14A of the Listing Rules, and shall be disclosed below under the requirement of Chapter 14A of the Listing Rules.

The transactions as listed below are entered into in the ordinary and usual course of business and on normal commercial terms or better.

As all of the applicable percentage ratios (other than the profit ratio) calculated under Product Sales Framework Agreement and Logistics Services Framework Agreement are more than 0.1% but less than 5%, therefore, the transactions contemplated thereunder calculated are subject to the reporting, announcement and annual review requirements but will be exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules. As all of the applicable percentage ratios (other than the profit ratio) under the Deposit Services Framework Agreement and the Bill Financing Framework Agreement are more than 5%, the transactions contemplated thereunder are subject to the reporting, announcement, annual review, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

上文(a)及(b)項所載的限制不適用於任何控股股東或其緊密聯繫人投資、持有、從事或參與任何其他公司(從事與我們業務構成競爭的業務，無論上市與否)5%以下的股權及並無參與業務管理的情況。

本公司控股股東確認自上市日期起至2020年12月31日止，彼等並無不時開展、參與或擁有權益或從事或持有任何其他與本集團任何成員公司的業務構成或可能構成競爭的業務。基於此確認，以及所有執行董事(其中兩名為本公司控股股東)均將其時間和資源投入到本集團的不同業務活動/醫療實踐中，獨立非執行董事確信，自上市日期起至2020年12月31日，本公司控股股東及執行董事已全面遵守不競爭承諾。

持續關連交易

本集團已與其關連人士訂立若干交易，根據《上市規則》第14A章構成本集團的持續性關連交易，並應根據《上市規則》第14A章之規定於下文披露。

下列交易乃於一般及日常業務過程中按正常商業條款訂立。

由於產品銷售框架協議及物流服務框架協議項下計算的所有適用百分比率(盈利比率除外)超過0.1%但低於5%，因此，據此計算的擬進行交易須遵守申報、公告及年度審閱及規定，但根據《上市規則》第14A章，該等交易獲豁免遵守有關獨立股東批准的規定。由於存款服務框架協議及票據融資框架協議項下計算的所有適用百分比率(盈利比率除外)超過5%，該等協議下擬進行的交易須遵守《上市規則》第十四A章項下的申報、公告、年度審閱、通函及獨立股東批准規定。

REPORT OF BOARD OF DIRECTORS

董事會報告書

We have applied for, and the Stock Exchange has granted, a waiver to exempt the non-exempt continuing connected transactions under Rule 14A.35 and Rule 14A.36 of the Listing Rules, subject to the condition that the annual transaction values shall not exceed their respective estimated annual caps.

Non-exempt continuing connected transactions

1. Sales of poultry products and by-products

The Company entered into the product sales framework agreement (the “**Product Sales Framework Agreement**”) with GMK Holdings (for itself and on behalf of its subsidiaries and associates (“**GMK Group**”)) and Xiangrui International Stock Holding Group Company Ltd. (祥瑞國際控股集團股份有限公司) (“**Xiangrui International**”) (for itself and on behalf of its subsidiaries and associates (“**Xiangrui Group**”)) on 25 June 2020, pursuant to which the Group would sell poultry products and by-products to the members of GMK Group and Xiangrui Group. The Product Sales Framework Agreement will be for a term commencing on the Listing Date and ending on 31 December 2022, which will be renewable for a term of three years upon mutual consent of all parties to the agreement and subject to compliance by the Company with the requirements under the Listing Rules and other applicable laws and regulations. The supply prices of poultry products and by-products that are to be sold under the Product Sales Framework Agreement are determined with reference to the market price for the same products that the Group sells to independent third parties in similar quantities in the open market. The annual caps for sales by the Group under the Product Sales Framework Agreement for the year ended 31 December 2020, the year ending 31 December 2021 and 31 December 2022, are RMB10.3 million, RMB10.7 million, and RMB10.7 million, respectively.

GMK Holdings is one of the Controlling Shareholders, and Xiangrui International is a company that is indirectly wholly-owned by Mr. Liu Xuejing, Mr. Liu Zhiguang and Mr. Liu Zhiming, hence are connected persons of the Company and as a result, the transactions contemplated under the Product Sales Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

我們已根據《上市規則》第14A.35條及第14A.36條申請豁免不獲豁免持續關連交易，且聯交所已授予有關豁免，但條件是年度交易價值不得超過其各自估計最高年度上限。

不獲豁免持續關連交易

1. 出售禽肉製品及副產品

本公司已於2020年6月25日與新鳳祥集團(為其本身及代表其附屬公司及聯營公司(「**新鳳祥集團**」))、祥瑞國際控股集團股份有限公司(「**祥瑞國際**」)(為其本身及代表其附屬公司及聯營公司)(「**祥瑞集團**」)訂立產品銷售框架協議(「**產品銷售框架協議**」)，據此，本集團向新鳳祥集團及祥瑞集團的成員公司銷售禽肉製品及副產品。產品銷售框架協議有效期將為自上市日期起至2022年12月31日止，經協議各方同意可續期三年，但前提是本公司須遵守《上市規則》及其他適用法律法規的規定。該產品銷售框架協議下出售的禽肉製品及副產品的供應價格將參考本集團在公開市場向獨立第三方銷售類似數量同等產品的市價而定。本集團於截至2020年12月31日止年度、截至2021年12月31日止年度及截至2022年12月31日止年度內在產品銷售框架協議下的年度上限分別為人民幣10.3百萬元、人民幣10.7百萬元及人民幣10.7百萬元。

新鳳祥集團為控股股東之一，祥瑞國際為一間由劉學景先生、劉志光先生及劉志明先生間接全資擁有之公司，因此，彼等為本公司關連人士，故而根據《上市規則》第14A章，產品銷售框架協議下擬進行的交易構成本公司的持續關連交易。

2. Procurement of logistic services

The Company entered into the logistics services framework agreement with Qingdao Xiangguang Logistics Co., Ltd. (青島祥光物流有限公司) (“**Xiangguang Logistics**”) (the “**Logistics Services Framework Agreement**”) on 25 June 2020, pursuant to which the Group may procure Logistics Services from Xiangguang Logistics. The Logistics Services Framework Agreement will be for a term commencing on the Listing Date and ending on 31 December 2022, and which will be renewable for a term of three years upon mutual consent of all parties to the agreement and subject to compliance by the Company with the requirements under the Listing Rules and other applicable laws and regulations. In considering whether to engage Xiangguang Logistics to provide the Logistics Services, the Company will regularly compare the prevailing market price of similar logistics services in the market which is ascertained by, among other methods, obtaining quotations from independent third party logistics service providers. The annual caps for the transactions contemplated under the Logistics Services Framework Agreement for the year ended 31 December 2020, the year ending 31 December 2021 and 31 December 2022, are RMB16.6 million, RMB18.2 million and RMB20.0 million, respectively.

Xiangguang Logistics is a company that is ultimately wholly-owned by Mr. Liu Zhiguang and Mr. Liu Zhiming, hence a connected person of the Company and as a result, the transactions contemplated under the Logistics Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

2. 採購物流服務

本公司於2020年6月25日與青島祥光物流有限公司(「祥光物流」)訂立物流服務框架協議(「物流服務框架協議」)，據此，本集團可從祥光物流採購物流服務。物流服務框架協議的有效期將為自上市日期起至2022年12月31日止，經協議各方同意可續期三年，但前提是本公司須遵守《上市規則》及其他適用法律法規的規定。在考慮是否聘請祥光物流提供物流服務時，本公司將定期比較市場當時類似物流服務的現行市價，該價格通過(其中包括)獲取獨立第三方物流服務供應商所報價格釐定。截至2020年12月31日止年度、截至2021年12月31日止年度及截至2022年12月31日止年度內在物流服務框架協議下擬進行的交易之年度上限分別為人民幣16.6百萬元、人民幣18.2百萬元及人民幣20.0百萬元。

祥光物流為一間由劉志光先生及劉志明先生最終全資擁有之公司，因此，彼等為本公司關連人士，故而根據《上市規則》第14A章，物流服務框架協議下擬進行的交易構成本公司的持續關連交易。

3. Deposit of funds

The Company has entered into a deposit services framework agreement (the “**Deposit Service Framework Agreement**”) with GMK Finance on 25 June 2020, pursuant to which GMK Finance will provide deposit services to the Group. The Deposit Service Framework Agreement will be for a term commencing on the Listing Date and ending on 31 December 2020, and which will be renewable upon mutual consent of all parties to the agreement and subject to compliance by the Company with the requirements under the Listing Rules and other applicable laws and regulations.

The deposit interest rates offered by GMK Finance to the Group shall comply with the benchmark deposit interest rates promulgated by the People’s Bank of China (“**PBOC**”) from time to time (if any) for financial institutions such as GMK Finance, and the Group’s deposit interest rates shall be the same as those offered by GMK Finance to independent third parties (or better), and the Group will only deposit its funds with GMK Finance if the rates quoted by GMK Finance are no less favourable than the quotes of deposit rates offered by two other banks offering deposit services obtained by the Group.

GMK Finance is held as to 52.5% by GMK Holdings (Controlling Shareholder which is held as to 51%, 9%, 20% and 20% by Mr. Liu Xuejing, Ms. Zhang Xiuying, Mr. Liu Zhiguang and Mr. Liu Zhiming, respectively) and as to 47.5% by Yanggu Xiangguang Copper Co., Ltd. (陽穀祥光銅業有限公司), a company in which GMK Holdings ultimately holds more than 30%. Accordingly, GMK Finance is a connected person of the Company and as a result, the transactions contemplated under the Deposit Service Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

3. 存入款項

本公司於2020年6月25日與新鳳祥財務訂立存款服務框架協議(「**存款服務框架協議**」)，據此，新鳳祥財務將向本集團提供存款服務。存款服務框架協議的有效期將自上市日期起至2020年12月31日止，經協議各方同意後方可續期，但前提是本公司須遵守《上市規則》及其他適用法律法規的規定。

新鳳祥財務向本集團提供的存款利率應符合中國人民銀行(「**中國人民銀行**」)不時為金融機構(如新鳳祥財務)所頒佈的存款基準利率(如有)，且本集團存款利率應與新鳳祥財務向獨立第三方提供的利率相同(或更優)，且本集團僅在新鳳祥財務所提供的利率不遜於其他兩家銀行所提供的有關存款服務的存款利率時，方會將資金存入新鳳祥財務。

新鳳祥財務由新鳳祥集團(控股股東劉學景先生、張秀英女士、劉志光先生及劉志明先生分別持有51%、9%、20%及20%的股份)持有52.5%，及由陽穀祥光銅業有限公司(新鳳祥集團最終持有逾30%的股權)持有47.5%。因此，新鳳祥財務為本公司關連人士，故而根據《上市規則》第14A章，存款服務框架協議下擬進行的交易構成本公司的持續關連交易。

As the Deposit Service Framework Agreement has expired on 31 December 2020, the Company renewed the Deposit Service Framework Agreement with GMK Finance on 31 August 2020 for a term of two years commencing from 1 January 2021 and ending on 31 December 2022. The interest rates payable by GMK Finance to the Group in respect of the deposit services shall: (i) be determined based on arm's length negotiations between GMK Finance and the Group with reference to the prevailing interest rate for similar deposit services which can be obtained by the Group from independent third parties and on normal commercial terms; (ii) not be lower than the interest rates to be paid by independent third parties; and (iii) be in compliance with the rules and regulations prescribed by the PBOC and/or other relevant rules and regulations within the PRC. The Company has determined the annual caps (i.e. maximum daily balance of deposits (including interests accrued thereon) placed by the Company with GMK Finance) for the two years ending 31 December 2021 and 31 December 2022 to be RMB1,350 million and RMB1,350 million, respectively. For details, please refer to the Company's announcement dated 31 August 2020.

4. Receiving financial assistance by the discounting of commercial bills

The Company entered into a framework agreement with GMK Finance on 25 June 2020, for the provision of financial assistance by GMK Finance to the Group through the discounting of commercial bills (the **"Bill Financing Framework Agreement"**) based on the prevailing market rates for such financing. The Bill Financing Framework Agreement will be for a term commencing from the Listing Date and ending on 31 December 2022, which will be renewable for a term of three years upon mutual consent of all parties to the agreement and subject to compliance with the Company with the requirements under the Listing Rules and other applicable laws and regulations. The finance department of the Company will regularly (in any event, no less frequently than twice every calendar year) review the interest rates that are charged by two other independent third party banks or financial institutions for the rates offered for the discounting of commercial bills quoted by GMK Finance, and will only discount commercial bills with GMK Finance if the rates offered by it are at least as favourable as those offered by independent third party banks or financial institutions.

由於存款服務框架協議於2020年12月31日屆滿，本公司於2020年8月31日與新鳳祥財務續簽存款服務框架協議，自2021年1月1日起至2022年12月31日止為期兩年。新鳳祥財務就存款服務應付本集團的利率應：(i)根據新鳳祥財務與本集團之間的公平磋商並參照類似存款服務的現行利率釐定，該服務可由本集團按正常商業條款從獨立第三方獲得；(ii)不低於獨立第三方應付的利率；及(iii)符合中國人民銀行規定的規則及法規和/或中國境內其他相關規則及法規。本公司已釐定截至2021年12月31日止年度及截至2022年12月31日止年度之兩個年度的年度上限(即本公司存放於新鳳祥財務的最高每日結餘(包括應計利息))分別為人民幣1,350百萬元及人民幣1,350百萬元。詳情請參閱本公司日期為2020年8月31日的公告。

4. 通過商業票據貼現獲得財務資助

本公司與新鳳祥財務於2020年6月25日就新鳳祥財務按有關融資的現行市價通過商業票據貼現為本集團提供財務資助而訂立框架協議(「票據融資框架協議」)。票據融資框架協議的有效期將為自上市日期起至2022年12月31日止，經協議各方同意可續期三年，但前提是本公司須遵守《上市規則》及其他適用法律法規的規定。本公司財務部門將定期(無論如何不少於每日曆年兩次)審核另外兩家獨立第三方銀行或金融機構就新鳳祥財務所提供的商業票據貼現利率所收取的利率，僅在新鳳祥財務提供的利率不遜於獨立第三方銀行或金融機構所提供者的情況下，本公司才會與其進行商業票據貼現。

REPORT OF BOARD OF DIRECTORS

董事會報告書

GMK Finance is held as to 52.5% by GMK Holdings (Controlling Shareholder which is held as to 51%, 9%, 20% and 20% by Mr. Liu Xuejing, Ms. Zhang Xiuying, Mr. Liu Zhiguang and Mr. Liu Zhiming, respectively) and as to 47.5% by Yanggu Xiangguang Copper Co., Ltd. (陽穀祥光銅業有限公司), a company in which GMK Holdings ultimately holds more than 30%. Accordingly, GMK Finance is a connected person of the Company and as a result, the transactions contemplated under the Bill Financing Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The annual caps for the transactions (i.e. maximum daily closing balances of loans obtained through the discounting of commercial bills of the Group with GMK Finance) contemplated under the Bill Financing Framework Agreement for the year ended 31 December 2020, the year ending 31 December 2021 and 31 December 2022, are RMB700 million, RMB600 million and RMB500 million, respectively.

For details of the above continuing connected transactions, please refer to the section headed “Connected Transactions” in the Prospectus.

The independent non-executive Directors of the Company have, for the purpose of Rule 14A.55 of the Listing Rules, reviewed the continuing connected transactions set out above and have confirmed that these continuing connected transactions have been entered into by the Group (i) in the ordinary and usual course of its business; (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and (iii) in accordance with the terms of the agreements governing such transactions that are fair and reasonable and in the interests of the Company's Shareholders as a whole. The annual transaction values of the above continuing connected transactions did not exceed the annual caps in relation to the respective continuing connected transactions.

新鳳祥財務由新鳳祥集團(控股股東劉學景先生、張秀英女士、劉志光先生及劉志明先生分別持有51%、9%、20%及20%的股份)持有52.5%，由陽穀祥光銅業有限公司(新鳳祥集團最終持有逾30%的股權)持有47.5%。因此，新鳳祥財務為本公司關連人士，根據《上市規則》第14A章，票據融資框架協議下擬進行的交易構成本公司的持續關連交易。

截至2020年12月31日止年度、截至2021年12月31日止年度及截至2022年12月31日止年度內在票據融資框架協議下擬進行的交易之年度上限(即本集團透過向新鳳祥財務貼現商業票據取得的貸款的最高每日收市結餘)分別為人民幣700百萬元、人民幣600百萬元及人民幣500百萬元。

有關上述持續關連交易之詳情，請參閱招股章程「關連交易」部分。

就《上市規則》第14A.55條而言，本公司的獨立非執行董事已審閱上述各項持續關連交易，並已確認該等持續關連交易已由本集團(i)於一般及日常業務過程中訂立；(ii)按正常商業條款或不遜於本集團向獨立第三方提供或獨立第三方向本集團提供的條款訂立；及(iii)根據協議條款進行，而該等條款屬公平合理，並符合本公司股東的整體權益。上述持續關連交易的年度交易價值並無超出有關持續關連交易的年度上限。

Pursuant to Rule 14A.56 of the Listing Rules, the Company's auditors were engaged to report on the Group's 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 not qualified its report in respect of the continuing connected transactions disclosed above by the Group. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, no Director or Supervisor or an entity connected with a Director or Supervisor was materially interested, either directly or indirectly, in any transaction, arrangement or contract which is significance in relation to the business of the Group to which the Company or any of its subsidiaries or fellow subsidiaries was a party subsisting during the year ended 31 December 2020 or at the end of the year ended 31 December 2020.

CONTRACT OF SIGNIFICANCE

Save as disclosed in this annual report, no contract of significance was entered into between the Company, or one of its subsidiary companies, and a controlling Shareholder or any of its subsidiaries during the year ended 31 December 2020.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2020 between the Company and a person other than a Director or Supervisors or any person engaged in the full-time employment of the Company.

根據《上市規則》第14A.56條，本公司核數師已獲聘請根據香港會計師公會發出的《香港其他鑒證業務服務準則》第3000號(經修訂)「歷史財務資料審核或審閱以外的鑒證」，及參照《實務說明》第740號「關於香港《上市規則》所述持續關連交易的核數師函件」以匯報本集團關連交易。核數師並無就本集團上文披露的持續關連交易報告持保留意見。本公司已將核數師函件副本送呈香港聯交所。

董事及監事於重大交易、安排或合約中的權益

除本年報所披露者外，概無董事或監事或與董事或監事有關連之實體直接或間接於截至2020年12月31日止年度內或於截至2020年12月31日止年度末存續的本公司或其任何附屬公司或同系附屬公司作為訂約方並且對本集團業務而言屬重大的任何交易、安排或合約中擁有重大權益。

重大合約

除本年報所披露者外，於截至2020年12月31日止年度內，本公司或本公司之附屬公司與控股股東或其任何附屬公司之間概無訂立任何重大合約。

管理合約

截至2020年12月31日止年度，本公司概無就本公司全部或任何部份重大業務的管理及行政事務與除董事或監事或本公司全職僱員之外的個人訂立或存有任何合約。

REPORT OF BOARD OF DIRECTORS

董事會報告書

DIRECTORS' PERMITTED INDEMNITY PROVISION

The Company has arranged appropriate insurance cover for Directors' liabilities in respect of legal actions arising out of corporate activities against the Directors during the year ended 31 December 2020/as at the date of this annual report.

Except for such insurances, at no time during the year and up to the date of this annual report, there was or is, any permitted indemnity provision being in force for the benefit of any of the directors of the Company or associated companies.

RELATED PARTY TRANSACTIONS

Details of the material related party transactions undertaken by the Group in its normal course of business are set out in note 33 to the consolidated financial statements. The Company has complied with the applicable requirements under the Listing Rules for those related party transactions which constituted continuing connected transactions under the Listing Rules, which are set out in the paragraph headed "Continuing Connected Transactions" on pages 89 to 95.

Save as disclosed above, no other related party transactions disclosed in the consolidated financial statements constituted a notifiable connected transaction as defined under the Listing Rules.

EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

Our employees are generally remunerated by way of fixed salary. Our remuneration policies are formulated based on the performance of individual employees and are reviewed regularly. A remuneration committee was set up for reviewing the Company's emolument policy and structure for all remuneration of the Directors and senior management of the Company, having regard to the Company's operating results, individual performance of the Directors and senior management and comparable market practices.

Details of the emoluments of the Directors and the Supervisors and five highest paid individuals for the year ended 31 December 2020 are set out in note 11 to the consolidated financial statements.

董事之獲准許彌償條文

本公司已為董事安排適當之責任保險，就董事於截至2020年12月31日止年度期間／本年報日期因企業活動而引致對其展開的法律訴訟提供保障。

除該等保險外，在本年度內及直至本報告日期止任何時間，均未曾有或現有生效的任何獲准許彌償條文惠及本公司或聯營公司的任何董事。

關連方交易

本集團於一般業務過程中進行之重大關連方交易詳情載於綜合財務報表附註33。本公司已遵守《上市規則》對該等根據《上市規則》構成持續關連交易的關連人士交易的適用規定，該等規定載於第89至95頁「持續關連交易」一段。

除上文所披露者外，綜合財務報表所披露之其他關連人士交易並不構成《上市規則》所界定之須予公佈關連交易。

薪酬政策及董事薪酬

我們一般以固定薪金之方式向僱員提供薪酬。我們的薪酬政策乃根據個別僱員的表現編製，並會定期予以審核。我們已成立薪酬委員會，以審閱本公司之薪酬政策及本公司董事及高級管理層之所有薪酬結構，當中考慮到本公司之經營業績、董事及高級管理層之個別表現以及可比較市場慣例。

董事和監事及五名最高薪人士於截至2020年12月31日止年度的薪酬詳情載於綜合財務報表附註11。

IMPLEMENTATION OF EQUITY INCENTIVE PLAN

A summary of the principal terms of the share award scheme was conditionally adopted by resolutions passed at the Company's extraordinary general meeting held on 4 June 2020, and effective from the Listing Date (the "**Share Award Scheme**"). The Share Award Scheme is not a share option scheme and is not subject to the provisions of Chapter 17 of the Listing Rules. On 22 June 2020, the Company established a trust in connection with the Share Award Scheme ("**Trust**") and has appointed Bank of Communications Trustee Limited as trustee ("**Trustee**") to administer the Trust. Pursuant to the Share Award Scheme, the grant of award (an "**Award**") by the Board of Directors to the selected participants may vest in the form of H Shares ("**Awarded Shares**") or the net sale proceeds of the Awarded Shares in cash in accordance with the Share Award Scheme.

On 26 June 2020, the Board of Directors granted to 18 selected participants 2,050,000 Awarded Shares under the Share Award Scheme (the "**Planned Share Award**"). Subject to the compliance with applicable PRC laws and regulations and the relevant restrictions of the terms of the Share Award Scheme and the Listing Rules, the Company has instructed the Trustee to purchase 2,050,000 H Shares from the open market to satisfy the aforementioned Awards granted by the Board of Directors for the Share Award Scheme at any time after the completion of the Global Offering until 29 September 2020.

On 30 September 2020, the Company granted to 18 selected participants 820,000 Awarded Shares, and of which have already been vested, representing 40% of the Planned Share Award.

CHARITABLE DONATIONS

The donations made by the Group during the year ended 31 December 2020 amounted to RMB8,743,000.

股權激勵計劃實施情況

本公司於2020年6月4日舉行的臨時股東大會上通過決議有條件地採納並自上市日期起生效的股份獎勵計劃(「**股份獎勵計劃**」)的主要條款摘要。股份獎勵計劃並非購股權計劃，不受《上市規則》第十七章的條文規管。於2020年6月22日，本公司已就股份獎勵計劃成立信託(「**信託**」)，並已委任交通銀行信託有限公司為受託人(「**受託人**」)管理信託。根據股份獎勵計劃，董事會向選定參與者授出的獎勵(「**獎勵**」)可以H股(「**獎勵股份**」)的形式或根據股份獎勵計劃以現金授出獎勵股份銷售所得款項淨額的形式歸屬。

於2020年6月26日，董事會根據股份獎勵計劃向18名選定參與者授出2,050,000股獎勵股份(「**計劃股份獎勵**」)。為遵守適用中國法律法規及股份獎勵計劃條款以及《上市規則》相關限制，本公司已指示受託人於全球發售完成後直至2020年9月29日的任何時間自公開市場購買2,050,000股H股，以滿足董事會為股份獎勵計劃授出的上述獎勵。

於2020年9月30日，本公司向18名選定參與者授出的820,000股獎勵股份已獲歸屬，佔計劃股份獎勵的40%。

慈善捐款

本集團於截至2020年12月31日止年度作出慈善捐款人民幣8,743,000元。

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USE OF NET PROCEEDS FROM LISTING

The Shares of the Company were listed on the Main Board of the Stock Exchange on 16 July 2020 by way of global offering, raised total net proceeds of HK\$1,081.5 million (i.e. equivalent to approximately RMB975.3 million) (the “**Net Proceeds**”) after deducting professional fees, underwriting commissions and other related listing expenses.

As stated in the prospectus of the Company dated 30 June 2020 (the “**Prospectus**”), the intended uses of the Net Proceeds are set out below:

上市所得款項淨額用途

本公司股份於2020年7月16日以全球發售的方式在聯交所主板上市，經扣除專業費用、包銷佣金和其他相關上市費用後，籌集所得款項淨額合共1,081.5百萬港元(即約人民幣975.3百萬元)(「**所得款項淨額**」)。

誠如2020年6月30日本公司招股章程(「**招股章程**」)所述，所得款項淨額擬定用途如下：

Intended use of Net Proceeds	Allocation of Net Proceeds	Amount of net proceeds utilised up to 31 December 2020 截至2020年12月31日已動用所得款項淨額金額 RMB million 人民幣百萬元	Balance of Net Proceeds unutilised as at 31 December 2020 截至2020年12月31日未動用所得款項淨額結餘 RMB million 人民幣百萬元	Intended timetable for use of the unutilised Net Proceeds 使用未動用所得款項淨額擬定時間表
(i) approximately 45.0% of the total net proceeds will be invested in the expansion of our breeding and production capacities of white-feathered broilers through the procurement of facilities necessary for the broiler farms with battery cage systems, slaughtering and processing plant, breeder farms, hatchery, feedmill and organic fertiliser plant 所得款項淨額總額的約45.0%將投資於我們的白羽肉雞飼養及產能擴充，透過為帶有籠養系統的肉雞場、屠宰加工廠、種雞場、孵化場、飼料加工廠和有機肥料廠採購所需設備的方式實現產能擴充	438.9	149.3	289.6	December 2022 2022年12月

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Intended use of Net Proceeds	Allocation of Net Proceeds	Amount of net proceeds utilised up to 31 December 2020 截至2020年12月31日已動用所得款項淨額金額 RMB million 人民幣百萬元	Balance of Net Proceeds unutilised as at 31 December 2020 截至2020年12月31日未動用所得款項淨額結餘 RMB million 人民幣百萬元	Intended timetable for use of the unutilised Net Proceeds 使用未動用所得款項淨額擬定時間表
(ii) approximately 42.5% of the total net proceeds will be used to repay existing borrowings 所得款項淨額總額的約42.5%將用於償還現有借款	414.5	397.7	16.8	June 2021 2021年6月
(iii) approximately 10.0% of the total net proceeds will be invested in the brand development and penetration of our existing B2C processed chicken meat products sales channels (both online and offline) through targeted sales and marketing campaigns 所得款項淨額總額的約10.0%將投資於透過定向銷售及營銷活動對我們現有B2C深加工雞肉製品銷售渠道(線上及線下)進行品牌開發及滲透	97.5	44.2	53.4	December 2022 2022年12月
(iv) approximately 2.5% of the total net proceeds will be invested in strengthening our research and development capabilities to (i) diversify our product portfolio of processed chicken meat products and ready-to-eat chicken meat products to capture more business opportunities both domestically and overseas; and (ii) to improve our expertise and technical knowhow in relation to our product quality, production techniques and efficiency to strengthen our competitiveness in the market 所得款項淨額總額的約2.5%將投資於增強我們的研發能力以(i)促進深加工雞肉製品及即食雞肉製品產品組合的多樣化，從而把握更多國內外業務機會；及(ii)提升有關產品品質、生產技術及效率的專業知識及技術訣竅，從而增強我們在市場上的競爭力	24.4	7.2	17.2	December 2022 2022年12月
Total 總計	975.3^(Note) 975.3^(附註)	598.4	377.0	

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Note: The Net Proceeds have been adjusted to take into account the actual professional fees, underwriting commissions and other related listing expenses incurred by the Company.

During the Reporting Period, the Company overcame the impact of construction difficulties caused by the COVID-19 epidemic and built five new broiler farms with battery caged systems, two new broiler cage conversion farms with battery caged systems and three new breeder farms compared to 2019. Compared to 2020, as at 31 March 2021, the Company has (i) built three new broiler farms with battery caged systems, one new broiler cage conversion farm and has eight broiler farms with battery caged systems under construction; (ii) built one new breeder farm and has one breeder farm under construction; (iii) has one feedmill with production capacity of 400,000 tonnes per annum under production commissioning; (iv) has a fully automatic slaughtering plant with an annual capacity of 80 million broilers has commenced trial production; and (v) a hatchery with an annual capacity of 50 million chicken breeds is undergoing equipment installation.

The Group will continue to utilise the net proceeds in accordance with the intended purposes as set out in the Prospectus. This above intended timetable for use of the unutilised net proceeds is based on the best estimation of future market conditions and business operations made by the Company, and remains subject to change based on current and future development of market conditions and actual business needs.

附註： 所得款項淨額已根據本公司實際發生的專業費用、承銷佣金及其他相關上市費用進行了調整。

報告期內，本公司克服新型冠狀病毒帶來的施工困難影響，相比2019年，新建籠養肉雞場5座、籠養肉雞改造場2座及種雞場3座。相比2020年，於2021年3月31日，本公司(i)新建籠養肉雞場3座、籠養肉雞改造場1座及在建籠養肉雞場8座；(ii)新建種雞場1座及在建種雞場1座；(iii)一間年產40萬噸飼料廠正在進行生產調試；(iv)年可屠宰8,000萬隻肉雞全自動屠宰廠已開始試生產；及(v)年可孵化5,000萬隻雞苗的孵化廠正在進行設備安裝。

本集團繼續按招股章程所載的擬定用途使用所得款項淨額。上述使用未動用所得款項淨額擬定時間表乃根據本公司對未來市場狀況及業務營運的最佳估計而作出，且仍會根據當前及未來市場狀況的發展以及實際業務需求而有所變動。

SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD

On 16 July 2020, the Company issued 355,000,000 H Shares with nominal value of RMB1.0 each pursuant to the Global Offering at HK\$3.33 per H Share and the Company's H Shares were listed on the Stock Exchange on the same date. Save as disclosed in the Prospectus, the Group did not have other plans for material investment in capital assets as at 31 December 2020.

On 31 August 2020, the Board of Directors proposed to amend the Articles of Association (i) to revise the description of the current business scope based on the Directory of Specification of Business Scope Registration (《經營範圍登記規範表述目錄》) issued according to the Notice regarding Implementation of Regulating the Registration of Business Scope of Market Participants (Lu Shi Jian Zhu Zi [2020] No. 212) (《關於全面實行市場主體經營範圍規範化登記的通知》) promulgated by the Shandong Administration for Market Regulation (山東省市場監督管理局); and (ii) to update its registered capital. The relevant resolutions have been approved by the Shareholders on 13 November 2020.

On 31 August 2020, the Company and GMK Finance entered into Deposit Service Framework Agreement in respect of the provision of deposit services by GMK Finance to members of the Group for a term of two years commencing from 1 January 2021 and ending on 31 December 2022 and were approved by the Shareholders at the 2020 third extraordinary general meeting of the Company held on 13 November 2020. The proposed annual caps, being the maximum daily balance of deposits (including interests accrued on such balances) placed by the Company with GMK Finance for the transactions contemplated under the Deposit Service Framework Agreement for the year ended 31 December 2021 and 2022 is RMB1,350 million and RMB1,350 million, respectively. At the time of the transaction, GMK Finance is held as to 52.5% by GMK Holdings, the Controlling Shareholder, directly and indirectly held 70.92% interest in the Company's total issued share capital (i.e. 992,854,500 Domestic Shares), and 47.5% by Yanggu Xiangguang Copper Co., Ltd. (陽穀祥光銅業有限公司), a company in which GMK Holdings ultimately holds more than 30%. GMK Holdings was held as to 51%, 9%, 20% and 20% by Mr. Liu Xuejing (non-executive Director), Ms. Zhang Xiuying (spouse of Mr. Liu Xuejing), Mr. Liu Zhiguang (son of Mr. Liu Xuejing and executive Director) and Mr. Liu Zhiming (son of Mr. Liu Xuejing and brother of Mr. Liu Zhiguang), respectively. Accordingly, GMK Finance is a connected person of the Company and as a result, the transactions contemplated under the Deposit Service Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

於報告期間及期後重大事項

2020年7月16日，本公司根據全球發售按每股H股3.33港元發行355,000,000股每股面值人民幣1.0元的H股，且本公司H股於同日在聯交所上市。除招股章程所披露者外，本集團於2020年12月31日並無其他重大資本資產投資計劃。

2020年8月31日，董事會建議修訂《公司章程》，(i)以根據山東省市場監督管理局頒佈的《關於全面實行市場主體經營範圍規範化登記的通知》(魯市監註字[2020]212號)而制定印發的《經營範圍登記規範表述目錄》修訂現有經營範圍描述；及(ii)更新註冊資本。相關決議案已於2020年11月13日獲股東批准。

2020年8月31日，本公司與新鳳祥財務就本集團成員公司自新鳳祥財務獲得的存款服務訂立自2021年1月1日起至2022年12月31日止為期兩年的存款服務框架協議，而相關決議案已於2020年11月13日本公司2020年第三屆股東特別大會獲股東批准。存款服務框架協議下擬進行之交易於2021年12月31日止年度及2022年12月31日止年度的建議年度上限(即本公司存放於新鳳祥財務的存款(包括該等結餘的應計利息)的最高每日結餘)分別為人民幣1,350百萬及人民幣1,350百萬。新鳳祥財務由新鳳祥集團(控股股東，於交易日直接及間接持有本公司全部已發行股本的70.92%權益(即992,854,500股內資股))及陽穀祥光銅業有限公司(新鳳祥集團於其中最終持有逾30%股權的公司)分別持有52.5%及47.5%股權。新鳳祥集團由劉學景先生(非執行董事)、張秀英女士(劉學景先生的配偶)、劉志光先生(劉學景先生之子及執行董事)及劉志明先生(劉學景先生之子及劉志光先生的兄弟)分別持有51%、9%、20%及20%的股權。因此，新鳳祥財務為本公司的關連人士，故而根據《上市規則》第十四A章，存款服務框架協議下擬進行的交易構成本公司的持續關連交易。

REPORT OF BOARD OF DIRECTORS

董事會報告書

As one or more of the applicable percentage ratios (other than profits ratio) (as defined under Rule 14.07 of the Listing Rules) in respect of the annual caps of the transactions to be contemplated under the Deposit Service Framework Agreement exceed 5%, the transactions to be contemplated thereunder are subject to reporting, announcement, annual review and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. In addition, as one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the annual caps of the transactions to be contemplated under the Deposit Service Framework Agreement exceed 5% but are less than 25%, it also constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules. For details, please refer to the Company's announcement dated 31 August 2020. Save as disclosed in this annual report and to the best knowledge of the Board of Directors, the Group had not entered into any connected transaction during the Reporting Period, which is required to be disclosed under Chapter 14A of the Listing Rules.

On 30 September 2020, the Company's trustee of the Share Award Scheme purchased 2,050,000 H Shares from the market pursuant to the terms of the Share Award Scheme.

On 29 January 2021, the Board of Directors has resolved and approved to commence the relevant preparation related to the proposed initial public offering of A shares of the Company. The Company has engaged Huatai United Securities Co., Ltd as the pre-listing tutoring institution and submitted the registration application for pre-listing tutoring with the Shandong Supervisory Commission (山東證監局) of the China Securities Regulatory Commission (中國證券監督管理委員會) on 29 January 2021. As at the date of this announcement, the Company is in the stage of under pre-listing tutoring procedure and has not commenced filing the application for the proposed initial public offering of A shares of the Company.

由於有關存款服務框架協議下擬進行的交易的年度上限的一項或多項適用百分比率(盈利比率除外)(定義見《上市規則》第14.07條)超過5%，故根據《上市規則》第14A章，其項下擬進行的交易須遵守申報、公告、年度審閱及獨立股東批准規定。此外，由於有關存款服務框架協議下擬進行的交易的年度上限的一項或多項適用百分比率(定義見《上市規則》第14.07條)超過5%但低於25%，故根據《上市規則》第14章，其亦構成本公司的須予披露交易，並須遵守申報及公告規定。詳情請參閱本公司日期為2020年8月31日的公告。除除本年報所披露者外，據董事會所深知，本集團於報告期內並無進行任何關連交易須根據《上市規則》第14A章予以披露。

股份獎勵計劃之本公司受託人於2020年9月30日根據股份獎勵計劃之條款在市場購入2,050,000股H股。

2021年1月29日，董事會已決議及批准開始有關首次公開發行本公司A股股份之編製。本公司聘請華泰聯合證券有限責任公司為上市前輔導機構，並於2021年1月29日向中國證券監督管理委員會山東證監局提交了上市前輔導登記申請。於本公告日期，本公司正處於預上市輔導階段，尚未開始進行有關擬議中的本公司A股首次公開發行的申請。

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high corporate governance standards. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 109 to 129 of this annual report.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”), together with the management and the external auditor, had reviewed the accounting policies and practices adopted by the Group as well as the internal control matters, and had also reviewed the Group’s consolidated financial statements for the year ended 31 December 2020.

AUDITOR

The consolidated financial statements of the Group for the ended 31 December 2020 have been audited by BDO Limited.

MEMBERS OF THE BOARD OF DIRECTORS

As at the date of the results, the composition of the Board of Directors is as follows:

Executive Directors:	Mr. Liu Zhiguang Mr. Xiao Dongsheng Mr. Wang Jinsheng
Non-executive Directors:	Mr. Liu Xuejing Mr. Zhang Chuanli Mr. Ow Weng Cheong (re-designated from executive Director of the Company to non-executive Director of the Company on 19 April 2021)
Independent non-executive Directors:	Mr. Guo Tianyong Mr. Zhang Ye (resigned on 19 April 2021) Mr. Chung Wai Man

By order of the Board of Directors
Mr. Liu Zhiguang
Chairman of the Board of Directors
PRC, 31 March 2021

遵守企業管治守則

本公司始終致力維持高水平之企業管治標準。有關本公司所採納的企業管治常規詳情載於本年報第109至129頁之企業管治報告。

審計委員會

本公司的審計委員會(「**審計委員會**」)與管理層及外部核數師一併審閱了本集團採用的會計政策和慣例以及內部控制事項，並審閱了本集團截至2020年12月31日止年度的綜合財務報表。

核數師

本集團截至2020年12月31日的綜合財務報表已經香港立信德豪會計師事務所有限公司審計。

董事會成員

於業績日期，董事會由以下人員構成：

執行董事：	劉志光先生 肖東生先生 王進聖先生
非執行董事：	劉學景先生 張傳立先生 區永昌先生(於2021年4月19日由本公司執行董事轉任為本公司非執行董事)
獨立非執行董事：	郭田勇先生 張擘先生 (於2021年4月19日辭任) 鍾偉文先生

承董事會命
劉志光先生
董事會主席
中國，2021年3月31日

REPORT OF BOARD OF SUPERVISORS

監事會報告

COMPOSITION OF THE BOARD OF SUPERVISORS

As at the end of the Reporting Period, our Board of Supervisors comprised three members. Pursuant to the Articles of Association, the Board of Supervisors shall comprise two shareholder representatives and one employees representative. Ms. Lian Xianmin was elected at the employees representative meeting while the other Supervisors were elected and appointed at the annual general meeting of the Company. Each of the Supervisors elected by the employees or by the Shareholder is appointed for a term of three years, which is renewable upon re-election and re-appointment. For details of the incumbent Supervisors, please refer to the section headed “Details of Directors, Supervisors and Senior Management” in this annual report.

FUNCTIONS AND AUTHORITIES AND OPERATION OF THE BOARD OF SUPERVISORS

Pursuant to the Articles of Association, the functions and powers of the Board of Supervisors include, among other things:

- (I) to supervise the directors, general manager and other senior management members to ensure that they do not act in contravention of any laws, administrative regulations or the Articles of Association during the performance of their functions, and to propose removal of directors and senior management members who have violated laws, administrative regulations, the Articles of Association or the resolutions of the general meetings;
- (II) to require directors and senior management members to make corrections if their conduct has damaged the interests of the Company;
- (III) to review the financial position of the Company;
- (IV) to verify the financial information such as the financial report, business report and profit distribution proposal to be submitted by the Board of Directors to the general meetings and to appoint, in the name of the Company, certified public accountants and practicing auditors to assist in the re-examination of such information should any doubt arise in respect thereof;

監事會的組成

於報告期末，本公司監事會由三名成員組成。根據《公司章程》規定，監事會應由兩名股東代表和一名職工代表組成。廉憲敏女士在職工代表大會上當選，其他監事由本公司股東週年大會選舉和委任。由職工或股東選舉產生的監事每屆任期三年，可連選連任。有關現任監事的詳情，請參閱本年報「董事、監事及高級管理層履歷」一節。

監事會的職能和權限以及運作情況

根據《公司章程》，監事會的職能和權限包括（其中包括）：

- (一) 對董事、總經理和其他高級管理人員在執行職務時違反法律、行政法規或《公司章程》的行為進行監督，對違反法律、行政法規、《公司章程》或者股東大會決議的董事、高級管理人員提出罷免的建議；
- (二) 當董事、高級管理人員的行為損害本公司的利益時，要求其予以糾正；
- (三) 檢查公司的財務狀況；
- (四) 核對董事會擬提交股東大會的財務報告、營業報告和利潤分配方案等財務資料，發現疑問的，可以公司名義委託註冊會計師、執業審計師幫助複審；

- (V) to propose the convening of extraordinary general meetings and, in case the Board of Directors does not perform the obligations to convene and preside over the general meetings in accordance with Company Law, to convene and preside the general meetings;
- (VI) to submit proposals to the general meeting;
- (VII) to propose the convening of a provisional meeting of the Board of Directors;
- (VIII) to initiate legal proceedings against directors and senior management members in accordance with Article 151 of the Company Law; and
- (IX) to exercise other functions and powers stipulated by laws, administrative regulations and the Articles of Association.

- (五) 提議召開臨時股東大會，在董事會不履行《公司法》規定的召集和主持股東大會職責時召集和主持股東大會；
- (六) 向股東大會提出提案；
- (七) 提議召開董事會臨時會議；
- (八) 依照《公司法》第151條的規定，對董事、高級管理人員提起訴訟；及
- (九) 法律、行政法規及《公司章程》規定的其他職權。

MEETING OF THE BOARD OF SUPERVISORS

During the Reporting Period, the Board of Supervisors had held two meetings and considered and approved proposals and matters including the appointment of Supervisors for the fourth session of the Board of Supervisors and the Resolution on the loan from a bank. The attendance of the Supervisors of the Company at meetings of the Board of Supervisors during the Reporting Period is listed below:

監事會會議

報告期內，監事會共召開了兩次會議，審議通過了《關於聘任第四屆監事會監事的決議案》、《關於向銀行貸款的決議案》等提案和事項。報告期內，本公司監事出席監事會會議的情況如下：

Supervisors	監事	Number of meetings attended ⁽¹⁾ /Number of attendance required 出席會議次數 ⁽¹⁾ / 需出席會議次數
Mr. Kong Xiangwei (resigned on 31 March 2021)	孔祥偉先生(於2021年3月31日辭任)	2/2
Mr. Chen Dehe	陳德賀先生	2/2
Ms. Lian Xianmin	廉憲敏女士	2/2

Note:

- (1) Attendance in meetings includes on-site attendance and attendance by way of telephone and video conference.

註:

- (1) 出席會議包括現場出席和電話、視頻會議出席。

REPORT OF BOARD OF SUPERVISORS

監事會報告

WORK OF THE BOARD OF SUPERVISORS DURING THE REPORTING PERIOD

During the Reporting Period, with a view to be committed to the Shareholders and the Company, the Board of Supervisors has diligently performed its duties of supervision pursuant to applicable laws and regulations and the Articles of Association. The Board of Supervisors continued to improve the supervisory methods to improve its effectiveness and influence so as to effectively protect the interests of the Shareholders and the Company to exercise its supervisory and counter balancing under the corporate governance of the Company and specifically carried out the following work:

1. supervised the operation of the Company in accordance with the law, the implementation of the Company's decision-making procedures, internal control system and the performance of duties by the directors and senior management in accordance with the law, and the production, operation and management of the Company and other major matters. The Board of Supervisors is of the view that: the Company operates in strict accordance with the relevant laws and regulations and the provisions of the Articles of Association, etc., the decision-making procedures are legal and there are no irregularities in operation; the directors and senior management of the Company can perform their duties faithfully and diligently in accordance with the relevant laws and regulations of the State and the relevant provisions of the Articles of Association, and no acts detrimental to the interests of the Company and its shareholders have been found.
2. the Board of Supervisors inspected and supervised the financial situation of the Company in 2020 and checked the financial information such as financial report, business report and profit distribution plan to be submitted to the shareholders' meeting by the Board of Directors, and the Board of Supervisors was of the opinion that: the Company conducted financial management in strict accordance with the requirements of relevant laws and regulations, its financial system was sound and effectively implemented, its capital was in good condition, and it could effectively prevent operational risks.

監事會在報告期內的工作情況

報告期內，監事會本著對股東和本公司負責的態度，按照適用的法律法規和《公司章程》的規定，認真履行監督職責。監事會不斷改進監督方式，提高監督的有效性和影響力，以有效地維護股東和本公司的利益，發揮其在公司治理下的監督和制衡作用。具體開展了以下工作：

1. 監督本公司依法運作情況，對本公司決策程序、內部控制制度的執行和董事、高級管理人員依法履行職務的情況進行了監督，對本公司生產、經營、管理等重大事項進行監督。監事會認為：公司嚴格按照有關法律、法規及《公司章程》等的規定規範運作，決策程序合法，不存在違規經營情況；本公司董事、高級管理人員能按照國家有關法律、法規和《公司章程》的有關規定，忠實勤勉地履行其職責，未發現任何有損於公司和股東利益的行為。
2. 監事會對本公司2020年度財務狀況進行檢查和監督，核對董事會擬提交股東大會的財務報告、營業報告和利潤分配方案等財務資料，監事會認為：本公司嚴格按照相關法律、法規的要求進行財務管理，財務制度健全且執行有效，資金狀況良好，能有效防範經營風險。

3. the Board of Supervisors has conducted a comprehensive inspection of the related party transactions of the Company and is of the opinion that: the parties to the transactions have followed the principle of “fairness and impartiality” and the transaction prices are fair and have not harmed the interests of the Company and other non-connected shareholders.
 4. the Board of Supervisors supervised the internal control and concluded that: the Company follows the basic principles of internal control and has established a sound internal control system covering all aspects of the Company in accordance with its actual situation to ensure the safety, integrity and effective use of assets. The company’s internal control organization is complete, and the internal audit department and personnel are fully equipped and in place to ensure that the implementation and supervision of the key activities of the company’s internal control are adequate and effective.
 5. the inspection of the Company’s information disclosure matters concluded that: as of the end of the reporting period, the Company has established the information disclosure related system in compliance with relevant laws and regulations, and the Company’s information disclosure is true, accurate, timely and complete, which can effectively protect the right to information of investors, especially the small and medium shareholders.
3. 監事會對本公司發生的關聯方交易進行了全面檢查，認為：交易雙方遵循了「公平、公正」的原則，交易價格公允，沒有損害本公司和其他非關聯方股東的利益。
 4. 監事會對內部控制進行監督，認為：公司遵循內部控制的基本原則，按照自身的實際情況，建立健全了覆蓋本公司各環節的內部控制制度，保證了資產的安全、完整和有效使用。本公司內部控制組織機構完整，內部審計部門及人員配備齊全到位，保證了本公司內部控制重點活動的執行及監督充分有效。
 5. 對本公司信息披露事項進行檢查，認為：截止報告期末，本公司已經建立信息披露相關制度，符合相關法律、法規的規定，本公司信息披露真實、準確、及時、完整，能夠有效保障投資者特別是中小股東的知情權。

REPORT OF BOARD OF SUPERVISORS

監事會報告

WORK PLAN FOR 2021

In 2021, the Board of Supervisors will continue to faithfully and diligently perform its duties to further promote the improvement of the Company's corporate governance structure and the standardised operation of its business management, and to establish a good and honest image of the Company.

1. Strengthen supervision of directors and senior management in accordance with the law and urge the Company to further improve the governance structure and enhance the level of governance in accordance with the requirements of laws and regulations.
2. Continue to strengthen and perform supervisory functions, keep abreast of and actively focus on major decision-making matters of the Company, and supervise and promote the legality of various decision-making procedures to better safeguard the rights and interests of shareholders.
3. To further strengthen the implementation of the internal control system by supervising and inspecting the company's finances as well as supervising and inspecting the production and operation of the company, to strengthen the supervision and inspection of the enterprise, to prevent operational risks and to promote the healthy and stable development of the Company.

Save as disclosed above, the Board of Supervisors had no objection to other supervisory issues during the Reporting Period.

By order of the Board of Supervisors
Kong Xiangwei
Chairman of the Board of Supervisors
31 March 2021

2021年工作計劃

2021年，監事會將繼續忠實勤懇履行職責，進一步促進公司法人治理結構的完善和經營管理的規範運營，樹立公司良好的誠信形象。

1. 依法對董事、高級管理人員加強監督，按照法律法規的要求，督促公司進一步完善治理結構，提高治理水平。
2. 繼續加強、履行監督職能，及時掌握、主動關注公司重大決策事項，並監督促進各項決策程序的合法性，更好地維護股東的權益。
3. 通過對公司財務進行監督檢查以及對公司生產、經營情況的監督檢查，進一步加強內控制度的落實，加強對企業的監督檢查，防範經營風險，推動公司健康、穩定地發展。

除上述披露外，本報告期內，監事會對其他監事事項無異議。

承監事會命
孔祥偉
監事會主席
2021年3月31日

The Board of Directors of the Company is committed to maintaining high corporate governance standards. The Board of Directors believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders and to enhance corporate value and accountability.

Since the H shares of the Company were listed on the Main Board of the Stock Exchange on the Listing Date, the Company has been complying with the principles and code provisions as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to Listing Rules throughout the period from the Listing Date to the date of this annual report.

The Company is committed to enhancing its corporate governance practices appropriate to the conduct and the growth of its business and to reviewing such practices from time to time to ensure that they comply with statutory and professional standards and align with the latest development.

BOARD OF DIRECTORS

The Board of Directors oversees the Group’s businesses, strategic decisions and performance and takes decisions objectively in the best interest of the Company.

The Board of Directors regularly reviews the contribution required from a Director to perform his/her responsibilities to the Company, and whether the Director is spending sufficient time performing them.

本公司董事會始終致力維持高水平之企業管治標準。董事會相信，在為本公司提供框架以保障股東利益及提升企業價值和問責方面，高水平企業管治標準必不可少。

於上市日期，本公司H股於聯交所主板上市，截止至本年報發稿日期，本公司始終遵循《上市規則》附錄14所載之企業管治守則（「企業管治守則」）原則及守則條文。

本公司始終致力提升適合本公司業務操守及發展之企業管治常規，並不時檢討該等常規，以確保本公司符合法定及專業標準，以及參照標準之最新發展。

董事會

董事會監察本集團業務、策略決策及表現，並客觀地作出決策以符合本公司最佳利益。

董事會定期檢討董事於履行其對本公司職責時所須作出之貢獻，以及其是否投入足夠時間以履行該等職責。

CORPORATE GOVERNANCE REPORT

企業管治報告

Board of Directors Composition

The Board of Directors currently comprises nine Directors, consisting of four executive Directors, two non-executive Directors and three independent non-executive Directors. The current members of the Board of Directors are listed as follows:

Name 姓名	Position in the Company 公司職位
Mr. Liu Zhiguang 劉志光先生	Chairman and executive Director 主席兼執行董事
Mr. Xiao Dongsheng 肖東生先生	Executive Director and general manager 執行董事兼總經理
Mr. Wang Jinsheng 王進聖先生	Executive Director, vice general manager and general manager of the breeding department 執行董事兼副總經理兼養殖事業部總經理
Mr. Liu Xuejing 劉學景先生	Non-executive Director 非執行董事
Mr. Zhang Chuanli 張傳立先生	Non-executive Director 非執行董事
Mr. Ow Weng Cheong 區永昌先生	Non-executive Director (re-designated from executive Director to non-executive Director on 19 April 2021) 非執行董事(於2021年4月19日由執行董事轉任為非執行董事)
Mr. Guo Tianyong 郭田勇先生	Independent non-executive Director 獨立非執行董事
Mr. Zhang Ye 張曄先生	Independent non-executive Director (resigned on 19 April 2021) 獨立非執行董事(於2021年4月19日辭任)
Mr. Chung Wai Man 鍾偉文先生	Independent non-executive Director 獨立非執行董事

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company from time to time pursuant to the Listing Rules. The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules.

The biographical information of the Directors is set out in the section headed "Biographies of Directors, Supervisors and Senior Management" of this annual report.

Save as disclosed in this annual report, to the best knowledge of the Company, there are no financial, business, family, or other material relationships among members of the Board of Directors.

董事會組成

董事會現由九名董事組成，包括四名執行董事、兩名非執行董事及三名獨立非執行董事。董事會現有成員名單如下：

董事名單(按分類)亦根據《上市規則》於本公司不時公佈之所有公司通訊內予以披露。獨立非執行董事身份均已根據《上市規則》在所有公司通訊中明確說明。

董事之簡歷詳情載於本年報之「董事、監事及高級管理層履歷」部份。

除本年報所披露者外，據本公司所知，董事會成員之間概無財務、業務、家庭或其他重大關係。

Chairman and General Manager

Mr. Liu Zhiguang is the Chairman of the Board of Directors and Mr. Xiao Dongsheng is the General Manager of the Company. The Chairman of the Board of Directors and the General Manager are two different positions, and their duties are clearly separated and set out in the Articles of Association.

The main duties of the Chairman are: to preside over shareholders' general meetings, and convene and preside over meetings of the Board of Directors; to supervise and examine the implementation of the resolutions of the Board; to sign the shares, corporate bonds and other securities issued by the Company; to sign important documents of the Board of Directors and other documents that should be signed by the legal representative of the Company, and exercise functions and powers of the legal representative; in case of force majeure or major emergency in which a meeting of the Board of Directors cannot be held in time, to exercise the special right of disposal in respect of the business of the Company in compliance with laws and in the interests of the Company, and report to the Board of Directors afterwards; to organise formulation of regulations on the operation of the Board of Directors, and coordinate the operation of the Board of Directors; to listen to regular or irregular work reports of the senior management members of the Company, and propose guiding opinions on implementation of the resolutions of the Board of Directors; to nominate candidates for the general manager of the Company and secretary to the Board of Directors; to handle external affairs on behalf of the Company and sign economic contracts concerning investments, cooperative operations, joint ventures and loans; and to exercise other functions and powers specified in relevant laws, regulations or the Articles of Association and granted by the Board of Directors .

主席與總經理

劉志光先生為董事會主席，肖東生先生為本集團總經理。董事會主席與總經理為兩個不同職位，《公司章程》明確劃分了兩者職責。

主席主要職責：主持股東大會和召集、主持董事會會議；督促、檢查董事會決議的實施情況；簽署公司發行的股票、公司債券及其他有價證券；簽署董事會重要文件和應由公司法定代表人簽署的其他文件，行使法定代表人的職權；在發生不可抗力或重大危急情形，無法及時召開董事會會議的緊急情況下，對公司事務行使符合法律規定和公司利益的特別處置權，並在事後及時向董事會報告；組織制訂董事會運作的各項制度，協調董事會的運作；聽取公司高級管理人員定期或不定期的工作報告，對董事會決議的執行提出指導性意見；提名公司總經理、董事會秘書人選；代表公司處理對外事宜和簽訂包括投資、合作經營、合資經營、借款等在內的經濟合同；法律法規或《公司章程》規定，以及董事會授予的其他職權。

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The principal duties of General Manager are: manage the business operations of the Company and report to the Board of Directors; organise the implementation of resolutions of the Board of Directors, annual business plans and investment plans of the Company; draft the Company's basic management system and plans for the establishment of the internal management structure of the Company; formulate the specific rules of the Company; propose to the Board of Directors to appoint or dismiss the deputy general manager, financial officer and other senior management members of the Company; appoint or dismiss management personnel and general staff other than those that should be appointed or dismissed by the Board of Directors, propose policies on the salaries, welfares, rewards and penalties related to the employees of the Company; propose the convening of a provisional meeting of the Board of Directors; decide on other issues of the Company within the authority granted by the Board of Directors; decide on the loan (both within the annual budget and extra-annual budget), external investment, purchase or sale of assets, acquisition, lease, mortgage, pledge or any other matters in relation to asset disposal and guarantee with an amount of less than 10% of the Company's audited total assets for the latest period; and exercise other functions and powers conferred in the Articles of Association and by the Board of Directors.

Independent Non-Executive Directors

Since the Listing Date to the date of this annual report, the Board of Directors at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing at least one-third of the Board of Directors 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 and remain so as at the date of this annual report.

Appointment and Re-election of Directors

Each of the executive Directors, non-executive Directors and independent non-executive Directors has entered into a service contract with the Company for a term of three years commencing from the 2020 third extraordinary general meeting held on 13 November 2020, which are subject to termination in accordance with their respective terms, and shall be subject to retirement by rotation once every three years.

總經理主要職責：主持公司的生產經營管理工作，並向董事會報告工作；組織實施董事會決議、公司年度經營計劃和投資方案；擬訂公司的基本管理制度和內部管理機構設置方案；制定公司具體規章；提請董事會聘任或者解聘副總經理、財務負責人等其他高級管理人員；聘任或者解聘除應由董事會聘任或者解聘以外的負責管理人員及一般員工，擬定公司職工的工資、福利、獎懲制度；提議召開董事會臨時會議；在董事會授權的範圍內，決定公司的其他事項；決定單項金額為公司最近一期經審計總資產的10%以下的貸款（包括年度預算內和年度預算外）、對外投資、資產出售、收購、租賃、抵押、質押及其他資產處置和擔保及其他事項；《公司章程》和董事會授予的其他職權。

獨立非執行董事

從上市日期至本年報日期，董事會一直遵守《上市規則》有關規定，委任至少三名獨立非執行董事，佔董事會至少三分之一，其中一名獨立非執行董事須具備適當專業資格或會計或相關財務管理專業知識。

本公司已根據《上市規則》第3.13條所載之獨立性指引，自各獨立非執行董事接獲有關彼之獨立性之年度書面確認書。本公司認為所有獨立非執行董事均具獨立性，且於本年報日期仍然如此。

董事之委任與重選

每位執行董事、非執行董事及獨立非執行董事已分別與本公司訂立一項為期三年之服務合約。合約自2020年11月13日召開之2020年第三屆臨時股東大會起計，根據各自期限終止，每三年輪值退任一次。

In accordance with the Articles of Association, Directors shall be elected by the general meeting and may serve a term of three years and consecutive terms if re-elected. Any person appointed by the Board of Directors to fill a temporary vacancy on or as an addition to the Board of Directors shall hold office only until the next general meeting of the Company, and shall then be eligible for re-election.

Responsibilities, Accountabilities and Contributions of the Board of Directors and Management

The Board of Directors should assume responsibility for leadership and control of the Company and is collectively responsible for directing and supervising the Company's affairs.

The Board of Directors directly, and indirectly through its committees, leads and provides direction to the 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 of Directors for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board of Directors for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and 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.

The Board of Directors reserves for its decisions on 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, election of director candidates and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board of Directors, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

根據《公司章程》，董事應由股東大會選舉產生，任期3年，重選連任。為填補董事會某臨時空缺或增加董事會名額，董事會可委任任何人士為董事，該董事僅任職至公司下屆股東大會為止，並有資格重選連任。

董事會及管理層之責任、職責及貢獻

董事會應負責領導與管控本公司，並共同負責指導與監督本公司事務。

董事會直接並間接地透過其委員會，領導管理層，並透過制定與落實策略向管理層提供指導，監督本集團營運與財務表現，並確保建立健全之內部管控及風險管理制度。

全體董事，包括非執行董事及獨立非執行董事，均為董事會帶來不同領域之寶貴業務經驗、知識及專業精神，使其高效及有效運作。獨立非執行董事負責確保本公司維持高水平之監管報告制度，並就企業行動及營運提供有效之獨立判斷，有助維持董事會內之平衡。

所有董事均可全面及適時地獲得本公司一切資料，並可在適當情況下於提出請求後，尋求獨立專業意見以履行其對本公司之職責，費用概由本公司負責。

董事須向本公司披露彼等擔任之其他職務詳情。

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之事宜）、財務資料、推選董事候選人及本公司其他重大營運事宜。有關執行董事會決定、指導及協調本公司日常營運及管理之責任轉授予管理層。

CORPORATE GOVERNANCE REPORT

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The Company has arranged appropriate insurance coverage on Directors' liabilities in respect of any legal action taken against them arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board of Directors remains informed and relevant.

Every newly appointed Director has received a formal and comprehensive induction on the first occasion of his 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. Such induction shall be supplemented by visits to the Company's key plant sites and meetings with senior management of the Company.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading materials on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During 2020, the Company organised training sessions conducted by the legal advisers for all Directors. The training sessions covered a wide range of relevant topics including directors' duties and responsibilities, continuing connected transaction, disclosure of interests and regulatory updates. In addition, relevant reading materials including compliance manual/legal and regulatory updates/seminar handouts have been provided to the Directors for their reference and studying.

本公司已就因公司事務而對董事提出之任何法律訴訟，安排授購適當之董事責任保險。本公司會每年審閱受保範圍。

董事之持續專業發展

為有效履行其責任及確保於具備全面資訊及切合所需之情況下對董事會作出貢獻，董事須不斷留意監管發展及變動。

每名新委任董事均會於首次接受委任時獲得正式且全面之入職介紹，以確保其對本公司業務及營運均有適當認知，以及完全知悉《上市規則》及有關監管規定規範下董事之職務及責任。有關就任須知還包括考察本公司主要廠房場地，並與本公司高級管理層會面。

董事應參與適當的持續專業發展以建立及更新自身的知識及技能。本公司將為董事安排內部舉辦之簡介會，並將於適當時向董事發出相關議題之閱讀資料。本公司鼓勵全體董事出席相關培訓課程，而費用概由本公司承擔。

於2020年期間，本公司安排法律顧問為全體董事提供多次培訓課程。該等培訓課程覆蓋多個相關話題，包括董事職責、持續關連交易、權益披露以及監管更新。此外，已向董事提供包括合規手冊／最新法律及監管諮詢／研討會講義在內之相關閱讀材料，供彼等參閱及研習。

CORPORATE GOVERNANCE REPORT

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The training records of the Directors for the year ended 31 December 2020 are summarised as follows:

截至2020年12月31日止年度，董事之培訓記錄總結如下：

Name of Directors	Attending training, briefings, seminars, conferences and workshops relevant to the Company's industry and business, director's duties and/or corporate governance	Reading news alerts, newspapers, journals, magazines and publications relevant to the Company's industry and business, director's duties and/or corporate governance
董事姓名	出席與本公司行業及業務、董事職責及／或公司治理相關之培訓、總結、研討、會議及講習課程	閱讀與本公司行業及業務、董事職責及／或公司治理相關之新聞快訊、報紙、期刊、雜誌及出版物
Executive Directors		
執行董事		
Mr. Liu Zhiguang	√	√
劉志光先生		
Mr. Xiao Dongsheng	√	√
肖東生先生		
Mr. Wang Jinsheng	√	√
王進聖先生		
Non-executive Directors		
非執行董事		
Mr. Liu Xuejing	√	√
劉學景先生		
Mr. Zhang Chuanli	√	√
張傳立先生		
Mr. Ow Weng Cheong (re-designated from executive Director to non-executive Director on 19 April 2021)	√	√
區永昌先生(於2021年4月19日由執行董事轉任為非執行董事)		
Independent non-executive Directors		
獨立非執行董事		
Mr. Guo Tianyong	√	√
郭田勇先生		
Mr. Zhang Ye (resigned on 19 April 2021)	√	√
張曄先生(於2021年4月19日辭任)		
Mr. Chung Wai Man	√	√
鍾偉文先生		

BOARD COMMITTEES

The Board of Directors has established three committees namely, the Audit Committee of Directors, the remuneration committee ("**Remuneration Committee**") and the nomination committee ("**Nomination Committee**"), each of which has been delegated responsibilities and reports back to the Board of Directors. The roles and functions of these committees are set out in their respective terms of reference. The terms of reference of each of these committees will be revised from time to time to ensure that they continue to meet the needs of the Company and to ensure compliance with the CG Code where applicable. The terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

Audit Committee

The Audit Committee comprises three members, including three independent non-executive Directors, namely Mr. Chung Wai Man, Mr. Guo Tianyong and Mr. Zhang Ye. Mr. Chung Wai Man is the chairman of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Audit Committee are to make recommendations on the appointment, re-appointment and removal of the external auditors; to review and monitor the independence and objectiveness of the external auditors and the effectiveness of the audit procedure in accordance with applicable standards; the Committee shall discuss the nature and scope of audit and the reporting requirements with the auditors before the commencement of audit; to review the financial information of the Company and its disclosure; to oversee the financial reporting system, internal control procedure and risk management of the Company; to enhance the communication between internal auditors and external auditors; and to develop a policy on engaging external auditors to supply non-audit services to our Board of Directors.

During the year ended 31 December 2020 and up to the date of this annual report, the Audit Committee held two meetings, during which matters such as interim financial results and report for the six months ended 30 June 2020, annual results for the year ended 31 December 2021, the adoption of administrative measures for the disclosure of information and internal control reports were discussed and reviewed.

董事委員會

董事會已成立三組委員會，即審計委員會、薪酬委員會（「**薪酬委員會**」）及提名委員會（「**提名委員會**」）。每組委員會均獲相關責任之委派並向董事會匯報。各組委員會之職務及職能載於各自職權範圍中。各組委員會之職權範圍將不時修改，以確保彼等繼續滿足公司需求，並在適用情況下符合企業管治守則。審計委員會、薪酬委員會及提名委員會之職權範圍刊登於本公司網站及聯交所網站，並可應要求時供股東查閱。

審計委員會

審計委員會由三名獨立非執行董事組成，即鍾偉文先生、郭田勇先生及張擘先生。審計委員會主席為鍾偉文先生。

審計委員會職權範圍之條款不會較企業管治守則所載條款寬鬆。審計委員會的主要職責是建議委聘、續聘或罷免外部核數師；按照適用標準審核及監督外部核數師的獨立性及客觀性以及審核過程的有效性；審計委員會應於審核工作開始前先與核數師討論審核性質及範疇及有關申報責任；審閱本公司的財務資料及其披露；監督本公司的財務申報制度、內部監控程序及風險管理；及制定政策，聘請外部核數師向董事會提供非審核服務以加強內部核數師與外部核數師的溝通。

截至2020年12月31日止年度及截至本年報日期，審計委員會召開了兩次會議，會議期間審議了截至2020年6月30日止六個月的中期財務業績及報告、截至2020年12月31日之年度的年度業績及採取信息披露管理措施等事項並討論及審閱了內部控制報告。

The Audit Committee also met the external auditors once without the presence of the executive Directors.

Remuneration Committee

The Remuneration Committee comprises three members, including two independent non-executive Directors, namely Mr. Guo Tianyong and Mr. Chung Wai Man and one executive Directors, namely Mr. Liu Zhiguang. Mr. Guo Tianyong is the chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Remuneration Committee include to make recommendations to the Board of Directors on the remuneration policies and package of all directors and senior management of the Company and the proper and transparent procedures for the formulation of remuneration policies; to review and approve the remuneration proposals of the management with reference to the corporate targets and objectives set by the Board of Directors; to make recommendations to the Board of Directors on remuneration package of individual executive directors and senior management members; this shall include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment; to make recommendations to the Board of Directors on the remuneration of non-executive directors; to take into account the salary levels of comparable companies, time commitment and responsibilities and employment terms of other positions of the Group; to review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that the compensation is in compliance with contractual terms. In the event of any inconsistency with contractual terms, the compensation shall also be fair and reasonable but not excessive; to review and approve the compensation arrangement for dismissal or removal of directors for misconduct to ensure that it is in compliance with the contractual terms. In the event of any inconsistency with contractual terms, the compensation shall also be reasonable and appropriate; to ensure that no director or any of their associates participate in the decision of their own remuneration; and other duties commissioned by the Board of Directors.

During the year ended 31 December 2020, the Remuneration Committee held two meetings, during which matters such as remuneration policy and structure of the Company and the remuneration packages of the Directors and other related matters were discussed.

審計委員會亦在沒有執行董事出席之情況下與外聘核數師會晤一次。

薪酬委員會

薪酬委員會由兩名獨立非執行董事，即郭田勇先生及鍾偉文先生，及一名執行董事，即劉志光先生，組成。薪酬委員會主席為郭田勇先生。

薪酬委員會職權範圍之條款不會較企業管治守則所載條款寬鬆。薪酬委員會的主要職能包括就公司董事及高級管理人員的全體薪酬政策及架構，及就設立正規而具透明度的程序制訂薪酬政策，向董事會提出建議；因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬建議；向董事會建議個別執行董事及高級管理人員的薪酬待遇。此應包括非金錢利益、退休金權利及賠償金額（包括喪失或終止職務或委任的賠償）；就非執行董事的薪酬向董事會提出建議；考慮同類公司支付的薪酬、須付出的時間及職責以及集團內其他職位的僱用條件；檢討及批准向執行董事及高級管理人員就其喪失或終止職務或委任而須支付的賠償，以確保該等賠償與合約條款一致；若未能與合約條款一致，賠償亦須公平合理，不致過多；檢討及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排與合約條款一致；若未能與合約條款一致，有關賠償亦須合理適當；確保任何董事或其任何連綿人不得參與釐定他自己的薪酬；及董事會授予的其他職權。

截至2020年12月31日止年度，薪酬委員會曾舉行2次會議，期間討論事項包含本公司之薪酬政策與架構、董事之薪酬待遇及其他相關事宜。

CORPORATE GOVERNANCE REPORT

企業管治報告

Pursuant to paragraph B.1.5 of the CG Code, the remuneration paid to the senior management by bands for the year ended 31 December 2020 is set out below:

Remuneration bands	薪酬中區間	Number of Individuals	人數
Nil to HK\$1,000,000	零至1,000,000港元	9	9

Nomination Committee

The Nomination Committee comprises three members, including one executive Director, namely Mr. Liu Zhiguang, two independent non-executive Directors, namely Mr. Guo Tianyong and Mr. Zhang Ye. Mr. Liu Zhiguang is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The principal duties of the Nomination Committee include (i) reviewing the selection criteria and procedures, structure, number, composition and diversity (including but not limited to gender, age, culture and education, expertise, skill, knowledge and term of office) of directors and senior management annually and make suggestions on any proposed changes to the directors and senior management based on the strategy of the Company; (ii) identifying and selecting qualified candidates to be nominated as directors and senior management or make recommendations to the Board of Directors. As for the identification of suitable candidates, the Nomination Committee shall consider their merits and review measurable requirements with due regard to the benefits of diversity of directors and senior management; (iii) making recommendations to the Board of Directors on the appointment or re-appointment of and the succession planning for directors and senior management. The Nomination Committee shall, together with the Board of Directors, take into account various factors, including the strategy of the Company, and the personnel skill, knowledge, experience and member diversity to be required; (iv) reviewing, at its discretion, the diversity policy and relevant measurable targets of the Board of Directors, supervise the implementation progress of the targets and make relevant disclosure in corporate governance report annually; (V) reviewing the independence of independent non-executive Directors; and (vi) other duties as authorised by the Board of Directors.

The Nomination Committee carries out the process of selecting and recommending candidates for directorships by making reference to the balance of expertise, skills, experience, professional knowledge, personal integrity and time commitments of such individuals, business, requirements of the Group and other relevant statutory requirements and regulations.

根據企業管治守則第B.1.5段，下表載列截至2020年12月31日止年度按區間劃分支付予高級管理層的薪酬：

提名委員會

提名委員會包含三名成員，一名執行董事，即劉志光先生，與兩名獨立非執行董事，即郭田勇先生及張擘先生。提名委員會主席為劉志光先生。

提名委員會職權範圍之條款不會較企業管治守則所載條款寬鬆。提名委員會主要職責包括(一)每年審核董事及高級管理人員選拔標準與流程、架構、人數、組成及成員多元化(包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務任期)，並就任何為配合公司的戰略而擬對董事及高級管理人員作出的任何變動提出建議；(二)物色合資格擔任董事及高級管理人員的人士，並挑選提名有關人士出任董事或就此向董事會提供意見；在物色合適人選時，提名委員會應考慮候選人的優點及檢討可計量的目標，並應適當考慮董事會及高級管理層多元化的益處；(三)就董事及高級管理人員委任或重新委任以及繼任計劃向董事會提出建議，其中應酌情與董事會一同考慮本公司的企業戰略以及未來所需的人員技能、知識、經驗及成員多元化的需要等組合因素；(四)酌情檢討董事會多元化政策；檢討董事會為執行此政策而定的可計量目標，並監督達標的進度；及每年於企業管治報告內作出相關披露；(五)審核獨立非執行董事的獨立性；及(六)董事會授予的其他職權。

提名委員會在甄選及推薦董事候選人的過程中，會參考該等人士的專門技術、技能、經驗、專業知識、個人操守及時間承諾的平衡、業務、本集團的要求及其他相關法定要求及法規。

During the year ended 31 December 2020, the Nomination Committee held one meeting, during which matters such as structure, size and composition of the Board of Directors and the independence of the independent non-executive Directors were discussed. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board of Directors is maintained.

The procedures for the appointment, re-election and removal of directors are set out in the Articles of Association. The Nomination Committee will identify individuals suitably qualified to become directors and make recommendations to the Board of Directors on the selection of individuals. The Nomination Committee will determine the composition of members of the Board of Directors based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Nomination Committee will also make recommendations to the Board of Directors on the appointment or re-appointment of directors and succession planning for directors (in particular the Chairman of the Board of Directors and the general manager), taking into account the Company's corporate strategy and mix of skills, knowledge, experience and diversity needed in the future.

The Board of Directors has adopted a board diversity policy which sets out the objective and approach to achieve and maintain diversity on the Board of Directors. The board diversity policy provides that the Company should endeavour to ensure that the members of the Board of Directors have the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of the Group's business strategy. Pursuant to the board diversity policy, we seek to achieve Board diversity through the consideration of a number of factors, including but not limited to professional experience, skills, knowledge, age, gender, cultural and education background, ethnicity and length of service. The Nomination Committee shall review this policy and the measurable objectives at least annually, and as appropriate, to ensure the continued effectiveness of the Board of Directors.

NOMINATION POLICY

The Company has adopted a nomination policy which sets out the selection criteria and nomination procedures adopted to guide the Nomination Committee to select and recommend candidates for directorship so as to ensure that the Board of Directors has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.

The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate:

- character and integrity;
- qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;

截至2020年12月31日止年度，提名委員會曾舉行1次會議，期間討論事項包含董事會之架構、規模與構成，及獨立非執行董事之獨立性。提名委員會認為董事會已在成員多元化方面保持適當平衡。

董事之委任、重選連任及罷免程序載於《公司章程》細則。提名委員會可物色具備合適資格可擔任董事之人選，並就有關人士之挑選向董事會提出建議。提名委員會在委任董事會成員候選人時將會考慮多項因素，包括並不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年期等。提名委員會亦可根據本公司企業戰略並綜合未來發展所需技能、知識、經驗及多樣性，就董事之委任或重新委任以及董事（尤其是董事會主席與總經理）之繼任計劃向董事會提出建議。

董事會採用成員多元化政策，載有實現及維持董事會多元化的目標與方針。董事會多元化政策規定，本公司應盡最大努力確保董事會成員具備支持本集團業務策略執行所必需的適當平衡的技能、經驗及多元化觀點。根據董事會多元化政策，我們尋求通過考慮若干因素（包括但不限於專業經驗、技能、知識、年齡、性別、文化和教育背景、種族及服務年限）來實現董事會多元化。提名委員會應至少每年檢討該政策與可計量目標，並於適用情況下，確保董事會持續行之有效。

提名政策

本公司已採納提名政策，當中載有甄選準則及提名程序，以指導提名委員會甄選及推薦董事候選人，以確保董事會擁有適合本公司業務要求的技能、經驗及多元化觀點的平衡。

提名委員會在評估建議候選人是否合適時，將參考下列因素：

- 品格與誠實；
- 資格，包括專業資格、技能、知識及與本公司業務及策略相關的經驗；

- willingness to devote adequate time to discharge duties as a member of the Board of Directors and other directorships and significant commitments;
 - for independent non-executive Directors, requirement for the Board of Directors to have independent non-executive Directors in accordance with the Listing Rules and whether the candidates would be considered independent with reference to the independence guidelines set out in the Listing Rules;
 - board diversity policy and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board of Directors; and
 - such other perspectives appropriate to the Company's business.
- 是否願意投入足夠的時間履行董事會(「董事會」)成員的職責，以及其他董事職務和重大承諾；
 - 就獨立非執行董事而言，根據《上市規則》，董事會須有獨立非執行董事的規定，以及參考《上市規則》所載的獨立指引，候選人是否會被視為獨立；
 - 董事會多元化政策以及提名委員會為達致董事會成員多元化而採納的任何可計量目標；及
 - 適合本公司業務發展的其他觀點。

The Board of Directors recognises that the gender diversity at the board level can be further improved given its current composition of all-male directors. We are committed to identify suitable female candidate(s) for future appointments to the Board of Directors and shall provide career development and training opportunities to our female staff such that they will be eligible for managerial and board-level positions in future. The Nomination Committee has identified and recommended for Board of Directors appointment, Ms. Zhao Yinglin and the Board of Directors resolved to propose to nominate her as a female independent non-executive Director on 19 April 2021 with the term of office commencing from the date on which approval is obtained at the upcoming AGM until the expiry of the term of office of the fourth session of the Board of Directors.

The Company will continue to take steps to promote gender diversity of the Board of Directors and senior management and shall increase the proportion of female members over time when selecting and making recommendation on suitable candidates for Board appointments, with the ultimate goal of bringing greater gender diversity to the Board of Directors.

CORPORATE GOVERNANCE FUNCTIONS

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

From the Listing Date to the date of this annual report, the Board of Directors had reviewed the Company's policies and practices on compliance with legal and regulatory requirements, training and continuous professional development of Directors and senior management, the corporate governance policies and practices, the compliance of the Model Code, and the Company's compliance with the CG Code and the disclosure in this Corporate Governance Report.

董事會認為，鑑於目前董事會的成員全部為男性，董事會的性別多元化可進一步改善。我們將致力於物色合適的女性候選人，以備將來被任命為董事會成員，並為我們的女性員工提供職業發展和培訓機會，使她們有資格在將來擔任管理和董事會職位。提名委員會已物色並向董事會推薦趙迎琳女士，於2021年4月19日，董事會決議建議提名其擔任女性獨立非執行董事，任期自即將舉行之股東週年大會上批准起至第四屆董事會任期屆滿為止。

本公司將繼續採取步驟促進董事會和高級管理層的性別多元化，並在挑選和推薦合適的董事會成員人選時，逐步增加女性成員的比例，最終目標是提高董事會的性別多元化。

企業管治職能

董事會負責履行企業管治守則條文第D.3.1條所載職能。

自上市日期截止至本年報發稿日期，董事會檢討本公司政策及常規以符合法律及監管規定，檢討董事及高級管理人員之培訓及持續專業發展事宜，檢討企業管治政策及常規，檢討操守守則、本公司遵守企業管治守則之情況及檢討是否於企業管治報告內作出披露。

MEETINGS ATTENDED AND HELD

Since the Listing Date, the Company adopts the practice of holding meetings of the Board of Directors regularly, at least four times a year for meetings of the Board of Directors, and at approximately quarterly intervals with active participation of majority of directors, either in person or through electronic means of communication.

For the year ended 31 December 2020, the attendance records of each Director at the Board of Directors, board committee and general meetings of the Company held are set out below:

舉行及出席會議

本公司自上市日期起，採納定期舉行董事會會議常規，每年至少召開四次董事會會議，間隔大約一個季度，且大多數董事親自或透過電子通訊方式積極出席。

截至2020年12月31日止年度，各董事會董事出席本公司舉行之董事會會議及股東大會記錄載列如下：

Name of Directors 董事姓名	Meeting(s) of the Board of Directors 董事會 會議	Attendance/Number of meeting(s) 出席次數／會議數目				General meeting(s) 股東大會
		Audit Committee meeting(s) 審計委員會 會議	Remuneration Committee meeting(s) 薪酬委員會 會議	Nomination Committee meeting(s) 提名委員會 會議		
Executive Directors 執行董事						
Mr. Liu Zhiguang 劉志光先生	3/3	N/A	2/2	1/1	1/1	
Mr. Xiao Dongsheng 肖東生先生	3/3	N/A	N/A	N/A	1/1	
Mr. Wang Jinsheng 王進聖先生	3/3	N/A	N/A	N/A	1/1	
Non-executive Directors 非執行董事						
Mr. Liu Xuejing 劉學景先生	3/3	N/A	N/A	N/A	1/1	
Mr. Zhang Chuanli 張傳立先生	3/3	N/A	N/A	N/A	1/1	
Mr. Ow Weng Cheong (re-designated from executive Director to non- executive Director on 19 April 2021) 區永昌先生(於2021年4月19日由 執行董事轉任為非執行董事)	3/3	N/A	N/A	N/A	1/1	
Independent non-executive Directors 獨立非執行董事						
Mr. Guo Tianyong 郭田勇先生	3/3	2/2	2/2	1/1	1/1	
Mr. Zhang Ye (resigned on 19 April 2021) 張曄先生(於2021年4月19日辭任)	3/3	2/2	N/A	1/1	1/1	
Mr. Chung Wai Man 鍾偉文先生	3/3	2/2	2/2	N/A	1/1	

CORPORATE GOVERNANCE REPORT

企業管治報告

Meetings of the Board of Directors include regular meetings and extraordinary meetings. Regular meetings of the Board of Directors shall be held at least four times a year and shall be convened by the chairman. Notice of a regular meeting of the Board of Directors shall be given to all directors and supervisors at least 14 days in advance and the board papers together with all appropriate, complete and reliable information shall be delivered to all Directors at least 3 days prior to the date of such regular meeting of the Board of Directors.

An extraordinary meeting of the Board of Directors may be held by request of shareholders representing more than 10% of the voting rights or by request of no less than one-third directors or by the Chairman or by more than two or more independent non-executive directors or by request of the Board of Supervisors or by request of the general manager. Notice of an extraordinary meeting of the Board of Directors shall be given to all directors, supervisors and general manager at least 5 days in advance and the board papers thereof shall be delivered to all Directors at least 3 days prior to the date of such meeting.

The Board of Directors shall keep minutes on matters discussed at meetings of the Board of Directors, including any concerns or objections raised by the Directors. The minutes shall be signed by the Directors present at the meeting and by the secretary to the Board of Directors. Minutes of the meeting of the Board of Directors shall be kept as the Company's record for a period of 10 years.

The Board of Directors and each Director also have separate and independent access to the senior management whenever necessary.

董事會會議包括董事會定期會議和董事會臨時會議。定期董事會會議每年至少召開四次，由董事長召集。應當提前至少14日向全體董事及監事發放董事會定期會議之通知。應當在董事會定期會議召開前3日，將準確、完整及可信之董事會文件送達全體董事。

臨時會議可應超過10%具有表決權之股東、或三分之一董事成員、或主席、或2名及2名以上獨立非執行董事、或監事會、或總經理之請求召開。應當提前至少5日向全體董事、監事及總經理發放董事會臨時會議之通知。應當在董事會臨時會議召開前3日，將相關董事會會議文件送達全體董事。

董事會應將董事會會議所討論事項匯總作會議記錄，包括董事會所提任何擔憂及反對意見。出席會議之董事及董事會秘書應當在會議記錄上簽名。董事會會議記錄作為公司檔案保存，保存期限為10年。

於需要時，董事會及各董事亦可個別獨立聯絡高級管理層。

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management and Internal Control Systems

The Board of Directors has the ultimate responsibility for oversight of the risk management and internal control systems of the Group. The Board of Directors has delegated oversight to the Audit Committee to oversee the Group's risk management and internal control systems on an ongoing basis, and to conduct reviews of the effectiveness of the Group's risk management and internal control systems. The Group has established risk management and internal control systems, consisting of relevant organisational framework policies and procedures, financial reporting procedures and processes, compliance rules and policies and risk management measures that the Group believes are appropriate processes for its business operations to identify, evaluate and manage significant risks. The aforementioned systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Internal Audit

The Company has adopted an internal audit system and has external auditors responsible for the independent and objective supervision, examination and evaluation of the Company's conditions such as revenues and expenditures, business activities, risk conditions and internal control. The auditors shall report to the Board of Directors or the Audit Committee and the Board of Supervisors annually if any material problems are discovered during the audit procedure.

The Board of Directors is responsible for supervising, reviewing and evaluating the Company's internal audit to ensure that the internal audit was independent and effective. The Audit Committee is responsible for reviewing the Company's internal audit methods, audit policies and procedures and annual auditing plans and providing guidance and supervision. The Company had adhered to the principles of independence, objectivity, prudence, efficiency, importance and pertinence during the internal auditing process. The Company's internal audit system is comprehensive covering business operation, risk management, internal control and corporate governance.

The Company and the external auditors conducted an annual internal control review (the “**Internal Control Review**”) on, among others, control environment, risk management, information and communication, monitoring of controls, operational level controls and provided recommendations to enhance the internal control system of our Group.

風險管理及內部控制

風險管理及內部控制系統

董事會具有監督本集團風險管理及內部控制系統之最終責任。董事會已授權予審計委員會以持續監督本集團之風險管理和內部控制系統，並檢討本集團風險管理及內部控制系統有效性。本集團已設立風險管理及內部控制系統，包含本集團認為對業務經營屬適當程序之相關組織框架政策及程序、財務報告程序及流程、合規規則及政策及風險管理措施，以識別、評估及管理重大風險。上述系統旨在針對有關風險作出管理，而並不會完全消除可能令我們無法實現業務目標之風險，同時只能對重大錯誤陳述或損失提供合理而非絕對之保證。

內部審核

本公司已採納內部審核系統，配備外部核數師，對本公司收入及開支、業務活動、風險狀況、內部控制等情況進行獨立客觀之監督、檢查和評價。核數師於審核程序中發現之任何重大問題，應每年向董事會或審計委員會及監事會進行匯報。

董事會負責監督、審核及考核本公司內部審核工作，以確保內部審核工作獨立及有效。審計委員會負責審核本公司內部審核方法、審核政策與程序以及年度審核計劃，提供指導與監督。本公司在整個內部審核工作過程中堅持獨立、客觀、審慎、高效、重視及中肯之原則。本公司內部審核系統涵蓋範圍全面，包括業務經營、風險管理、內部控制及企業管治。

本公司與外部核數師就(其中包括)控制環境、風險管理、信息與溝通、監控、操作層面的控制進行了年度內部控制審查(「**內部控制審查**」)，並就加強本集團的內部控制制度提出了建議。

CORPORATE GOVERNANCE REPORT

企業管治報告

We have adopted and implemented the recommendations provided by the external auditors and the external auditors have not identified any material findings which may have material impact on the effectiveness of our internal control system.

Based on the result of the Internal Control Review, the Board of Directors, as supported by the Audit Committee, reviewed the risk management and internal control systems, including the financial, operational and compliance controls, for the year ended 31 December 2020, and considered that such systems are effective and adequate. The annual review also covered the financial reporting, internal audit function, adequacy of resources, staff qualifications and experiences, training programmes and budget of the Company's accounting, internal audit and financial reporting functions.

WHISTLEBLOWING POLICY

The Company has adopted arrangement to facilitate employees and other stakeholders to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters.

The Audit Committee shall review such arrangement regularly and ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action.

INSIDE INFORMATION

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorised access and use of inside information are strictly prohibited.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code from the Listing Date up to the date of this annual report.

The Company's employees, who are likely to be in possession of unpublished inside information of the Company, are also subject to the Model Code.

我們已採納並實施外部核數師的建議，而外部核數師並未任何可能對我們內部控制制度的有效性有重大影響的重大發現。

根據內部控制審查的結果，董事會在審計委員會的支持下，審查了截至2020年12月31日止年度的風險管理和內部控制制度，包括財務、運營和合規控制，並認為該等制度有效且充分。年度審核亦涵蓋財務匯報、內部審計職能、資源的充足性、僱員的資歷與經驗、培訓計劃及本公司會計、內部審計及財務匯報職能預算方面的充足性。

舉報政策

本公司已採納相關安排以協助僱員以及其他利益相關方可暗中對財務匯報、內部控制或其他方面可能發生之不正當行為提出關注。

審計委員會應定期檢討該類安排並確保有適當安排，讓本公司對此等事宜作出公平獨立之調查及採取適當行動。

內幕資料

本公司已制定披露政策，就處理機密信息、監控信息披露及應對查詢向本公司董事、高級管理層及相關僱員提供一般指引。並已實施監控程序，確保嚴格禁止未經授權訪問及使用內幕資料。

證券交易之標準守則

本公司已採納《上市規則》附錄10所載標準守則。本公司已向所有董事作出個別查詢，而董事已確認彼等於上市日期直至本年報發稿日期一直遵守標準守則。

本公司僱員若可能擁有本公司尚未發佈之內幕資料，亦須遵守標準守則。

DIRECTORS' RESPONSIBILITY IN RESPECT OF FINANCIAL STATEMENTS

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

The Board of Directors is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, announcements relating to disclosure of insider information and other disclosures required under the Listing Rules and other statutory and regulatory requirements.

The management has provided to the Board of Directors such explanation and information as are necessary to enable the Board of Directors to carry out an informed assessment of the Company's financial statements, which are put to the Board of Directors for approval.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report of this annual report.

AUDITOR'S REMUNERATION

The total fee paid/payable to the external auditors of the Company, BDO Limited, in respect of audit services and non-audit services for the year ended 31 December 2020 is set out below:

Category of services	服務項目	Fee paid/payable 已付／應付費用 RMB'000 人民幣千元
Audit services	審核服務	1,958
Non-audit services	非審核服務	329
Total	總計	2,287

The non-audit services mainly included work on continuing connected transactions.

董事就財務報表之責任

董事明瞭彼等編製本公司截至2020年12月31日止年度財務報表之責任。

董事會須負責就年報及中期報告、與披露內幕消息有關公告及根據《上市規則》及其他法定及規管要求規定之其他披露事項作出平衡、清晰而易於理解之評估。

管理層向董事會提供必要闡釋及資料，使董事會能對提呈予董事會批准之本公司財務報表進行知情之評估。

董事並不知悉任何可能對本集團繼續其持續經營之能力產生嚴重質疑之事件或情況之任何重大不明朗因素。

有關本公司獨立核數師對其合併財務報表申報責任之聲明載於本年報獨立核數師報告。

核數師酬金

截至2020年12月31日止年度，予本公司外聘核數師，香港立信德豪會計師事務所有限公司，之審核服務與非審核服務已付／應付總計費用如下表：

非審核服務主要包括有關持續關連交易之工作。

JOINT COMPANY SECRETARIES

Mr. Shi Lei (“**Mr. Shi**”) and Ms. Siu Pui Wah (“**Ms. Siu**”) are currently the joint company secretaries of the Company. Ms. Siu is a director and head of accounting and corporate services of Trident Corporate Services (Asia) Limited, a global professional services provider. Mr. Shi and Ms. Siu worked and communicated closely to discharge the functions of joint company secretaries.

During the year ended 31 December 2020, each of Mr. Shi and Ms. Siu has undertaken not less than 15 hours of relevant professional training.

During the year ended 31 December 2020, Ms. Mok Ming Wai (“**Ms. Mok**”) resigned as a joint company secretary of the Company with effect from 3 November 2020. Following the resignation of Ms. Mok, Ms. Siu became the joint company secretary of the Company in replacement of Ms. Mok on 3 November 2020. Mr. Shi will continue to serve as the other joint company secretary.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group’s business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable Shareholders and investors to make the best investment decisions.

The Company adopts shareholders’ communication policy and reviews it on a regular basis to ensure its effectiveness. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. The general meetings of the Company provide a platform for communication between the Board of Directors and the Shareholders. The chairman of the Board of Directors as well as chairmen of the Audit Committee, the Remuneration Committee and the Nomination Committee or, in their absence, other members of the respective committees, are available to answer Shareholders’ questions at general meetings. The external auditor of the Company is also invited to attend the annual general meetings of the Company to answer questions about the conduct of audit, the preparation and content of the auditor’s report, the accounting policies and auditor independence.

聯席公司秘書

石磊先生(「石先生」)及蕭佩華女士(「蕭女士」)目前擔任本公司聯席公司秘書。蕭女士為恒泰商業服務有限公司——全球專業服務供應商之董事兼會計及企業服務主管。石先生與蕭女士切合作溝通，以履行聯席公司秘書之職責。

截至2020年12月31日止年度，石先生與蕭女士均接受了不少於15小時之相關專業培訓。

截至2020年12月31日止年度，莫明慧女士(「莫女士」)已辭任本公司之聯席公司秘書，自2020年11月3日起生效。莫女士辭任後，蕭女士已獲委任為本公司聯席公司秘書以接替莫女士，自2020年11月3日起生效。石先生將繼續擔任本公司之另一位聯席公司秘書。

與股東及投資者之溝通

本公司認為，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集團業務表現及策略之瞭解至為重要。本公司亦確認公司資料透明度以及及時披露公司資料以便股東及投資者能夠作出最佳投資決定之重要性。

本公司採用股東溝通政策，並定期對其進行檢討，以確保其有效性。本公司致力維持與股東持續對話，尤其是透過股東週年大會及其他股東大會等渠道。本公司之股東大會為董事會與股東之間提供一個重要平台。董事會主席，以及審計委員會、薪酬委員會及提名委員會之主席，或在彼等缺席之情況下，各委員會之其他成員將於股東大會上為股東解答提問。本公司之外聘核數師亦受邀出席本公司之股東週年大會，以解答有關審核工作、核數師報告之編製與內容、會計政策及核數師獨立性之提問。

To promote effective communication, the Company maintains a website (www.fengxiang.com), where information and updates on the Company's financial information, corporate governance practices, biographical information of the Board of Directors and other information are available for public access.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of Director. 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 the Stock Exchange after each general meeting.

Procedures for Shareholders to Convene Extraordinary General Meeting

According to the Articles of Association, If shareholders require convening an extraordinary general meeting or class meeting, the following procedure shall be followed:

- (1) Two or more shareholders jointly holding more than 10% (inclusive) of shares with voting rights at the general meeting to be convened may sign one or several written requests with the same format and content to propose to the Board of Directors to convene the extraordinary general meeting or class meeting, and specify the topics of the meeting. The Board of Directors shall convene the extraordinary general meeting or class meeting responsively after receipt of the aforesaid written request. The aforesaid amount of shareholding is calculated on the day when the shareholders tender the written request.
- (2) If the Board of Directors fails to issue a notice of meeting within 30 days after receipt of the aforesaid written request, the shareholders tendering the said request may request the Board of Supervisors to convene an extraordinary general meeting or class meeting.
- (3) If the Board of Supervisors fails to issue a notice of meeting within 30 days after receipt of the aforesaid written request, the shareholders individually or jointly holding more than 10% of shares with voting rights at the meeting to be convened for 90 consecutive days may by themselves convene a meeting within 4 months after the Board of Directors receives the said request, and the convening procedure shall to the extent possible be the same as the procedure by which the Board of Directors convenes the general meeting.

為促進有效溝通，本公司設有網站(www.fengxiang.com)，以刊登資訊及本公司財務資料、企業管治常規、董事會簡歷詳情及其他資料更新，以供公眾查閱。

股東權利

為保障股東利益及權利，本公司會就各項獨立重大問題(包括推選個別董事)於股東大會呈決議案。股東大會上呈之所有決議案將根據《上市規則》進行投票表決，且投票表決之結果將於各股東大會後在本公司及聯交所網站上刊載。

臨時股東大會召開流程

根據《公司章程》，股東要求召集臨時股東大會或者類別股東會議，應當按照下列程序辦理：

- (1) 合計持有在該擬舉行會議上有表決權之股份10%以上(含10%)之兩名或者兩名以上股東，可以簽署一份或者數份同樣格式內容之書面要求，提請董事會召集臨時股東大會或類別股東會議，並闡明會議議題。董事會在收到前述書面要求後應當盡快召集臨時股東大會或類別股東會議。前述持股數按股東提出書面要求日計算。
- (2) 倘董事會在收到前述書面要求後30日內沒有發出召集會議之通告，提出該要求的股東可以提請監事會召集臨時股東大會或類別股東會議。
- (3) 倘監事會在收到前述書面要求後30日內沒有發出召集會議之通告，連續90日以上單獨或合計持有在該擬舉行會議上有表決權之股份10%以上之股東可以在董事會收到該要求後4個月內自行召集會議，召集程序應當盡可能與董事會召集股東會議程序相同。

CORPORATE GOVERNANCE REPORT

企業管治報告

Where the shareholders convene a meeting because the Board of Directors or the Board of Supervisors fails to convene the meeting pursuant to the aforesaid provision, the reasonable expenses incurred shall be borne by the Company and shall be deducted from the monies payable by the Company to the defaulting directors or supervisors.

When the Company convenes the general meeting, the Board of Directors, the Board of Supervisors and the Shareholders individually or jointly holding not less than 5% (inclusive) of the total number of shares carrying voting rights of the Company shall have the right to put forward proposals to the Company in writing. The Company shall include the matters falling within the scope of duties of the general meeting set out in the proposal in the agenda of the meeting.

Putting Forward Proposals at General Meetings

There are no provisions in the Articles of Association or in the laws of the PRC for putting forward proposals of new resolutions by Shareholders at general meetings. Shareholders who wish to move forward a resolution may request the Company to convene a general meeting in accordance with the procedures mentioned above. For proposing a person for election as a Director, please refer to the procedures set out in the paragraph below.

Procedures for Shareholders to Nominate Candidates of Directors

Written notices specifying the intention to nominate a person for election as a Director and acceptance of such nomination by such person, as well as the written information on such person, shall be sent to the Company no earlier than the day after dispatch of the notice of the General Meeting and no later than seven (7) days prior to the date of such meeting. The minimum length of period during the nomination and acceptance of such nomination shall not be less than seven (7) days.

Based on this, if a Shareholder of the Company intends to propose any person for election as a Director, the following documents shall be effectively delivered to the Company's headquarter in the PRC at Liumiao Village, Anle Town, Yanggu County, Liaocheng City, Shandong Province, the PRC or the Company's H share share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, including: (i) the signed notice of the intention to propose the candidate for election as a Director in General Meeting; and (ii) the signed notice of the candidate indicating his or her willingness to accept the election, together with (a) information about the candidate required to be disclosed under Rule 13.51(2) of the Listing Rules, and (b) the written consent indicating the consent of the candidate to release his or her personal information.

股東因董事會、監事會未應前述要求舉行會議而自行召集並舉行會議時，其所發生之合理費用，應當由公司承擔，並從公司欠付失職董事、監事之款項中扣除。

本公司召開股東大會時，董事會、監事會和單獨或共同持有不少於本公司有表決權股份總數5% (含5%)的股東，有權向本公司提出書面提案。本公司應將提案中規定的屬於股東大會職責範圍的事項列入會議議程。

於股東大會提呈建議

章程細則或中國法律概無有關股東於股東大會提呈新決議案建議。有意提呈決議案的股東可根據上文所述程序要求本公司召開股東大會。就建議某名人士競選董事，請參閱下段所載程序。

股東提名董事候選人之流程

有關提名董事候選人之意圖以及被提名人表明願意接受提名之書面通知，以及被提名人情況之有關書面材料，應當在不早於股東大會發出該通知第二天及其不遲於股東大會召開七(7)日前。提名與接受提名間之最短期限應當不少於七(7)日。

基於此，倘本公司股東擬提名任何人當選董事，應將以下文件及時送至本公司位於中華人民共和國之總部，即中國山東省聊城市陽穀縣安樂鎮劉廟村，或本公司H股股份登記處，即香港灣仔皇后大道東183號合和中心17樓1712-1716舖香港中央證券登記有限公司。文件包括：(i)擬議於股東大會提議選舉候選人為董事之簽名通知；及(ii)該候選人表明其願意接受選舉之簽署通知書，及(a)根據《上市規則》第13.51(2)條須予披露之候選人相關資料，及(b)表明候選人同意披露其個人信息之紙質同意書。

Putting Forward Enquiries to the Board of Directors

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

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

Address: Liumiao Village, Anle Town, Yanggu County
Liaocheng City, Shandong Province, PRC
(For the attention of the Board of Directors)
Email: lei.shi@fengxiang.com

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.

Change in Constitutional Documents

In preparation of the Listing, the Articles of Association was adopted on 8 August 2019 and further amended on 6 January 2020, and has become effective since the Listing Date. The Articles of Association has been further amended with effect from 13 November 2020 to update (i) the description of the current business scope based on the Directory of Specification of Business Scope Registration (《經營範圍登記規範表述目錄》) issued according to the Notice regarding Implementation of Regulating the Registration of Business Scope of Market Participants (Lu Shi Jian Zhu Zi [2020] No. 212) (《關於全面實行市場主體經營範圍規範化登記的通知》) promulgated by the Shandong Administration for Market Regulation (山東省市場監督管理局); and (ii) the registered capital of the Company. No amendments have been made to the Articles of Association since its last amendment up to the date of this annual report. The Articles of Association is available on the websites of the Company and the Stock Exchange.

向董事會作出問詢

就向董事會作出問詢而言，股東可將書面查詢發送給本公司。本公司通常不會處理口頭或匿名問詢。

股東可將其如上文所述之問詢或要求寄往以下地址：

地址：中國山東省
聊城市陽穀縣安樂鎮劉廟村
(致董事會)
郵箱：lei.shi@fengxiang.com

為免生疑問，股東必須郵寄或發送正式簽署之書面請求、通知或聲明，或問詢(根據情況而定)之原本至上述地址，並提供其全名、聯絡資料及身份證明，以使其問詢生效。股東資料可能根據法律規定作出披露。

《公司章程》修改

為籌備上市，《公司章程》於2019年8月8日通過，並於2020年1月6日進一步修改，自上市日期起生效。本章程經進一步修改，自2020年11月13日起生效，更新內容如下：(i)以根據山東省市場監督管理局頒佈的《關於全面實行市場主體經營範圍規範化登記的通知》(魯市監註字[2020]212號)而制定印發的《經營範圍登記規範表述目錄》更新現有經營範圍描述；及(ii)更新本公司註冊資本。自上次修訂起直至本年報日期，《公司章程》未作任何修改。《公司章程》可於本公司網站和聯交所網站查閱。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

TO THE SHAREHOLDERS OF SHANDONG FENGXIANG CO., LTD.

(joint stock company incorporated in the People's Republic of China with limited liability)

Opinion

We have audited the consolidated financial statements of Shandong Fengxiang Co., Ltd. (the "Company") and its subsidiaries (together the "Group") set out on pages 135 to 235, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of 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 present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 Hong Kong Institute of Certified Public Accountants' "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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

致山東鳳祥股份有限公司股東

(在中華人民共和國註冊成立的股份有限公司)

意見

本核數師(以下簡稱「我們」)已審核列載於第135頁至第235頁山東鳳祥股份有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於2020年12月31日的綜合財務狀況表與截至該日止年度的綜合全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註及主要會計政策概要。

我們認為，該等綜合財務報表已根據國際財務報告準則在所有重要方面真實公平地反映 貴集團於2020年12月31日的綜合財務狀況以及其截至該日止年度的綜合財務業績及綜合現金流量狀況，並已按照香港公司條例的披露規定妥為編製。

意見的基礎

我們已根據《國際審計準則》(「國際審計準則」)進行審計。我們在該等準則下須承擔之責任於本報告「核數師就審核綜合財務報表須承擔之責任」一節內進一步闡述。根據香港會計師公會頒佈之專業會計師道德守則(「守則」)，我們獨立於 貴集團，並已履行守則中之其他道德責任。我們相信，我們所獲得的審核憑證是充足和適當地為我們的審計意見提供基礎。

關鍵審核事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在對綜合財務報表整體進行審計並形成意見的背景下來進行處理的，我們不會對這些事項提供單獨的意見。

Valuation of biological assets

(Refer to note 19 to the consolidated financial statements and the accounting policies as set out in note 4(r) to the consolidated financial statements)

As at 31 December 2020, the Group had biological assets with a fair value of approximately RMB312.1 million. Management appointed an independent valuation firm to estimate fair value of the biological assets using market approach and replacement cost approach and is with reference to items with similar size, species, age and weight.

We identified valuation of biological assets as a key audit matter due to the significance of the balance of biological assets, and the significant estimation uncertainty resulting in determining the fair value.

Our responses

Our procedures in relation to management's fair value estimations of biological assets included:

- assessing the valuation methodologies used by management and the independent valuation firm;
- evaluating the independent valuation firm's competence, capabilities and objectivity;
- reviewing and challenging the reasonableness of key assumptions and critical judgement areas which underpin the fair value estimations; and
- checking the accuracy and the relevance of the input data used.

Other Information in the Annual Report

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

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

生物資產的估值

(請參閱綜合財務報表附註19以及綜合財務報表附註4(r)的會計政策)

於2020年12月31日，貴集團生物資產之公允價值為約人民幣3.121億元。生物資產的公允價值乃由管理層委任的獨立估值公司採用市場法及重置成本法經參考類似大小、品種、年齡及重量的畜禽而釐定。

基於生物資產結餘的重要性，以及存在影響公允價值確定的重大估計不確定性，我們將生物資產估值視為關鍵審計事項。

我們的回應

我們就管理層之生物資產公允價值估計採取之程序包括：

- 評估管理層及獨立估值公司採用的估值方法；
- 評估獨立估值公司之能力及客觀性；
- 審核並質疑支持公允價值估計的關鍵假設及關鍵判斷之合理性；及
- 核實所用輸入數據之準確性及相關性。

年報內的其他資料

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

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

Directors' Responsibilities for the Consolidated Financial Statements

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

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

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. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

結合我們對合併財務報表的審計，我們的責任為閱讀其他資料並於此過程中，考慮其他資料是否與合併財務報表或我們於審計過程中所得知的情況有重大抵觸，或者似乎有重大錯誤陳述。基於我們已執行的工作，如果我們認為其他資料有重大錯誤陳述，我們需要報告該事實。我們就此並無任何事項須報告。

董事就綜合財務報表須承擔的責任

董事須負責根據國際財務報告準則及香港公司條例的披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

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

董事亦負責監督 貴集團的財務報告流程。就此而言，審計委員會負責協助董事履行彼等的職責。

核數師就審核綜合財務報表須承擔的責任

我們的目標是合理確定整體上綜合財務報表是否存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出包含我們意見的核數師報告。本報告按照委聘條款僅向 閣下作為整體報告，除此之外，本報告別無其他目的。我們不就此報告的內容，對任何其他人士負責或承擔任何責任。

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

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

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

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

在根據國際審計準則進行審核之過程中，我們運用專業判斷，保持專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部控制，因此未能發現由此造成重大錯誤陳述的風險比未能發現由於錯誤而導致重大錯誤陳述的風險更高。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，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。倘若我們總結認為有重大不確定因素，我們需要在核數師報告中提請注意綜合財務報表內的相關資料披露，或如果相關披露不足，則修訂我們的意見。我們的結論是基於截至核數師報告日期所獲得的審核憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價合併財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映內含的交易和事項。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

- 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 directors, 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.

BDO Limited

Certified Public Accountants

Wong Kwok Wai

Practising Certificate no. P06047

Hong Kong, 31 March 2021

- 就 貴集團內實體或業務活動的財務資料獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們就 貴集團審核的方向、監督及表現承擔責任。我們為我們的審核意見承擔全部責任。

除其他事項外，我們與審計委員會溝通了所設想的審計範圍、時間安排以及重大審計發現，包括我們在審計中識別出的內部控制重大缺陷。

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

從與董事溝通之事項中，我們決定哪些事項對本期間綜合財務報表之審核最為重要，因而構成關鍵審核事項。除非法律或法規不容許公開披露此等事項或在極罕有的情況下，我們認為披露此等事項可合理預期的不良後果將超過公眾知悉此等事項的利益而不應在報告中予以披露，否則我們會在核數師報告中描述此等事項。

香港立信德豪會計師事務所有限公司

執業會計師

Wong Kwok Wai

執業證書編號：P06047

香港，2021年3月31日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2020 截至2020年12月31日止年度

		Notes 附註	2020 2020年			2019 2019年		
			Results before biological assets fair value adjustments 於生物資產 公允價值 調整前的業績 RMB'000 人民幣千元	Biological assets fair value adjustments 生物資產 公允價值調整 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	Results before biological assets fair value adjustments 於生物資產 公允價值 調整前的業績 RMB'000 人民幣千元	Biological assets fair value adjustments 生物資產 公允價值調整 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue	收入	6	3,901,615	—	3,901,615	3,926,217	—	3,926,217
Cost of sales	銷售成本		(3,199,564)	(300,012)	(3,499,576)	(2,704,757)	(793,045)	(3,497,802)
Gross profit	毛利		702,051	(300,012)	402,039	1,221,460	(793,045)	428,415
Gain arising on initial recognition of agricultural produce at fair value less costs to sell at the point of harvest	初步按公允價值減收穫時的銷售成本確認農產品產生的收益		—	247,885	247,885	—	402,785	402,785
Gain arising from changes in fair value less costs to sell of biological assets	來自生物資產公允價值減銷售成本變動的收益		—	24,970	24,970	—	393,706	393,706
Other income and gains	其他收入及收益	7	54,132	—	54,132	27,942	—	27,942
Selling and distribution costs	銷售及分銷成本		(329,284)	—	(329,284)	(159,290)	—	(159,290)
Administrative expenses	行政開支		(162,252)	—	(162,252)	(160,631)	—	(160,631)
Reversal of/(provision for) loss allowance	撥備撥回/(虧損撥備)		3,065	—	3,065	(745)	—	(745)
Other expenses	其他開支		(9,006)	—	(9,006)	(4,141)	—	(4,141)
Finance costs	融資成本	8	(83,890)	—	(83,890)	(89,322)	—	(89,322)
Gain on disposal of a subsidiary	出售一間附屬公司之收益		10,076	—	10,076	—	—	—
Share of loss of an associate	應佔一間聯營公司虧損		(173)	—	(173)	—	—	—
Profit before income tax	所得稅前利潤	9	184,719	(27,157)	157,562	835,273	3,446	838,719
Income tax expense	所得稅開支	12	(5,947)	—	(5,947)	(1,338)	—	(1,338)
Profit for the year	年度溢利		178,772	(27,157)	151,615	833,935	3,446	837,381
Other comprehensive income	其他全面收益							
Other comprehensive income that may be reclassified subsequently to profit or loss:	後續會重新分類至損益的其他全面收益：							
Exchange difference on translation of financial statements of foreign operations	換算海外業務財務報表的匯兌差額				(109)			64
Other comprehensive income for the year	年內其他全面收益				(109)			64
Total comprehensive income for the year	年內全面收益總額				151,506			837,445

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2020 截至2020年12月31日止年度

		2020 2020年			2019 2019年		
		Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total
		於生物資產 公允價值 調整前的業績	生物資產 公允價值調整	總計	於生物資產 公允價值 調整前的業績	生物資產 公允價值調整	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		Notes 附註					
Profit attributable to:	以下各項應佔利潤：						
Owners of the Company	本公司擁有人			152,640			837,522
Non-controlling interest	非控股權益			(1,025)			(141)
				151,615			837,381
Total comprehensive income attributable to:	以下各項應佔全面收益總額：						
Owners of the Company	本公司擁有人			152,531			837,586
Non-controlling interest	非控股權益			(1,025)			(141)
				151,506			837,445
Earnings per share attributable to owners of the Company	本公司擁有人應佔每股盈利						
Basic (in RMB cents)	基本(人民幣分)	14		12.64			80.15
Diluted (in RMB cents)	攤薄(人民幣分)			12.63			80.15

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2020 於2020年12月31日

		Notes	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	2,463,320	2,171,889
Right-of-use assets	使用權資產	16	270,319	287,977
Intangible assets	無形資產	17	8,717	9,528
Interest in an associate	於一間聯營公司的權益	18	64,811	—
Biological assets	生物資產	19	166,192	157,877
Prepayments and deposits	預付款項及按金	23	155,237	60,213
Deferred tax assets	遞延稅項資產	20	403	3,509
Total non-current assets	非流動資產總額		3,128,999	2,690,993
Current assets	流動資產			
Inventories	存貨	21	572,524	485,025
Biological assets	生物資產	19	145,922	141,873
Trade receivables	貿易應收款項	22	203,619	206,625
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	23	169,600	158,531
Due from a related party	應收關聯方款項	24	750	46
Pledged deposits	已抵押存款	25	266,155	184,590
Cash and cash equivalents	現金及現金等價物	25	1,289,981	563,365
Total current assets	流動資產總額		2,648,551	1,740,055
Current liabilities	流動負債			
Trade and bills payables	貿易應付款項及應付票據	26	217,321	308,120
Accruals and other payables	應計項目及其他應付款項	27	342,236	252,470
Contract liabilities	合約負債	6	35,100	21,160
Lease liabilities	租賃負債	16	4,508	3,476
Due to related parties	應付關聯方款項	24	7,056	5,283
Borrowings	借款	28	1,553,885	1,266,398
Deferred government grants	遞延政府補助	29	156	847
Income tax payable	應付所得稅		2,251	545
Total current liabilities	流動負債總額		2,162,513	1,858,299
Net current liabilities	流動負債淨額		486,038	(118,244)
Total assets less current liabilities	資產總額減流動負債		3,615,037	2,572,749

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2020 於2020年12月31日

		<i>Notes</i> <i>附註</i>	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債	16	188,402	193,443
Borrowings	借款	28	32,353	100,635
Deferred government grants	遞延政府補助	29	6,747	15,031
Total non-current liabilities	非流動負債總額		227,502	309,109
Net assets	資產淨額		3,387,535	2,263,640
Equity	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	30	1,400,000	1,045,000
Reserves	儲備	31	1,989,292	1,219,372
Total equity	權益總額		3,389,292	2,264,372
Non-controlling interest	非控股權益		(1,757)	(732)
Total equity	權益總額		3,387,535	2,263,640

On behalf of the Board

代表董事會

Mr. Xiao Dongsheng

肖東生先生

Director

董事

Mr. Liu Xuejing

劉學景先生

Director

董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2020 截至2020年12月31日止年度

		Share- Share held		Statutory	Merge	Translation	Retained	Non-		Total		
		based	for share					controlling	interest			
		Share	Share	payment	award	reserve	profits	Total	interest	Total		
		capital	premium	reserve	reserve	reserve	reserve					
		(note 30)	(note 31)	(note 31)	(note 31)	(note 31)	(note 31)					
				以股份	作為股份							
				為基礎的	獎勵儲備							
		股份資本	股份溢價	付款儲備	的股份	法定儲備	合併儲備	匯兌儲備	留存利潤	總計		
		(附註30)	(附註31)	(附註31)	(附註31)	(附註31)	(附註31)	匯兌儲備	留存利潤	總計		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元		
At 1 January 2019	於2019年1月1日	1,045,000	—	—	—	65,933	42,257	199	273,397	1,426,786	(591)	1,426,195
Profit for the year	年度溢利	—	—	—	—	—	—	—	837,522	837,522	(141)	837,381
Other comprehensive income:	其他全面收益：											
Exchange difference on	換算海外業務財務											
translation of financial	報表的匯兌差額											
statements of foreign												
operations		—	—	—	—	—	—	64	—	64	—	64
Total comprehensive income	年內全面收益總額	—	—	—	—	—	—	64	837,522	837,586	(141)	837,445
for the year												
Transfer to statutory reserve	轉撥至法定儲備	—	—	—	—	70,224	—	—	(70,224)	—	—	—
At 31 December 2019 and	於2019年12月31日											
1 January 2020	及2020年1月1日	1,045,000	—	—	—	136,157	42,257	263	1,040,695	2,264,372	(732)	2,263,640
Profit for the year	年度溢利	—	—	—	—	—	—	—	152,640	152,640	(1,025)	151,615
Other comprehensive income:	其他全面收益：											
Exchange difference on	換算海外業務財務											
translation of financial	報表的匯兌差額											
statements of foreign												
operations		—	—	—	—	—	—	(109)	—	(109)	—	(109)
Total comprehensive income	年內全面收益總額	—	—	—	—	—	—	(109)	152,640	152,531	(1,025)	151,506
for the year												
Issuance of shares	股份發行	355,000	620,306	—	—	—	—	—	—	975,306	—	975,306
Share purchased for share	為股份獎勵計劃											
award scheme	購買股份	—	—	—	(6,370)	—	—	—	—	(6,370)	—	(6,370)
Equity-settled share award	股權結算的股份											
scheme arrangements	獎勵計劃安排	—	—	3,453	—	—	—	—	—	3,453	—	3,453
Reclassification of vested	已獎勵股份的重新											
awarded shares	分類	—	(144)	(2,404)	2,548	—	—	—	—	—	—	—
Transfer to statutory reserve	轉撥至法定儲備	—	—	—	—	15,230	—	—	(15,230)	—	—	—
At 31 December 2020	於2020年12月31日	1,400,000	620,162	1,049	(3,822)	151,387	42,257	154	1,178,105	3,389,292	(1,757)	3,387,535

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2020 截至2020年12月31日止年度

	Notes 附註	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Cash flows from operating activities	經營業務之現金流量		
Profit before income tax	所得稅前溢利	157,562	838,719
Adjustments for:	就下列各項之調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	172,404	163,105
(Gain)/loss on disposals of property, plant and equipment	出售物業、廠房及設備之(收益)/虧損	(1,992)	12,686
Depreciation of right-of-use assets	使用權資產折舊	10,504	10,250
Amortisation of intangible assets	無形資產攤銷	2,003	1,510
Write-off of inventories	撇銷存貨	482	1,130
Provision for loss allowance of trade receivables	貿易應收款項虧損撥備	59	541
(Reversal of)/provision for loss allowance of other receivables	其他應收款項(虧損撥備撥回)/虧損撥備	(3,125)	204
Income from government grants related to assets	資產相關之政府補助收入	(586)	(2,358)
Exchange gain	匯兌收益	(1,793)	(6,993)
Loss on disposal of a subsidiary	出售一家附屬公司的虧損	(10,076)	—
Share of loss of an associate	分佔一間聯營公司虧損	173	—
Biological result fair value adjustments	生物資產公允價值調整	27,157	(3,446)
Finance costs	融資成本	83,890	89,322
Interest income	利息收入	(29,802)	(7,392)
Share-based compensation	股份酬金	3,453	—
Operating profit before working capital changes	營運資金變動前之經營溢利	410,313	1,097,278
Increase in biological assets	生物資產之增加	(39,521)	(30,926)
Increase in inventories	存貨之增加	(89,015)	(138,640)
Decrease/(increase) in trade receivables	貿易應收款項之減少/(增加)	9,320	(11,525)
(Increase)/decrease in prepayments, deposits and other receivables	預付款、按金及其他應收款之(增加)/減少	(8,170)	5,326
Decrease in trade payables	貿易應付款項減少	(92,465)	(182,096)
Increase/(decrease) in accruals and other payables	應計費用及其他應付款項增加/(減少)	90,196	(24,923)
Increase in contract liabilities	合約負債增加	14,333	9,395
Increase in balances with related parties	關聯方結餘增加	1,069	1,480
Cash generated from operations	經營業務所得現金	296,060	725,369
Income taxes paid	已付所得稅	(3,705)	(1,856)
Net cash flows generated from operating activities	經營活動所得現金流量淨額	292,355	723,513

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2020 截至2020年12月31日止年度

	Notes 附註	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Cash flows from investing activities	投資活動之現金流量		
Purchases of property, plant and equipment	購買物業、廠房及設備	(453,961)	(258,622)
Increase in prepayments and deposit paid for purchase of property, plant and equipment	購買物業、廠房及設備之預付款、按金及其他應收款之增加	(155,237)	(43,794)
Purchases of intangible assets	購買無形資產	(1,192)	(6)
Land lease prepayments	土地租賃預付款	(14,861)	(191)
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備所得款項	8,382	27,746
Proceeds from disposals of right-of-use assets	出售使用權資產所得款項	—	630
Cash outflows arising from disposal of a subsidiary	出售一家附屬公司所產生的現金流出	(2,018)	—
Interest received	已收利息	29,802	7,392
(Increase)/decrease in pledged deposits	受限制存款(增加)/減少	(81,565)	89,077
Net cash flows used in investing activities	投資活動所用現金流量淨額	(670,650)	(177,768)
Cash flows from financing activities	融資活動之現金流量		
Drawdown of borrowings	提取借款	1,842,173	1,630,028
Repayments of borrowings	償還借款	(1,622,968)	(1,748,453)
Government grants related to assets received	已收資產相關之政府補助	5,268	1,500
Interest paid	已付利息	(83,890)	(110,420)
Repayment of principal portion of lease liabilities	償還租賃負債本金部分	(4,009)	(3,759)
Share purchased for share award scheme	為股份獎勵計劃購買股份	(6,370)	—
Net proceeds from issuance of ordinary shares relating to the initial public offering:	首次公開發行時發行普通股之所得款項淨額：		
— Proceeds from issue of shares	— 發行股份之所得款項	1,066,039	—
— Share issue expenses	— 股份發行開支	(90,733)	—
Net cash flows generated from/ (used in) financing activities	融資活動所得/(所用)現金流量淨額	1,105,510	(231,104)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	727,215	314,641
Cash and cash equivalents at beginning of year	現金及現金等價物年初餘額	563,365	248,724
Effect of foreign exchange rate changes, net	外匯匯率變動影響之淨額	(599)	—
Cash and cash equivalents at end of year	現金及現金等價物年末餘額	1,289,981	563,365

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 December 2020 2020年12月31日

1. GENERAL

The Company is a joint stock company with limited liability established in the People's Republic of China (the "PRC") on 17 December 2010. The Company's H shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 16 July 2020.

The registered office and the principal place of business of the Company is located at Fengxiang Food Industrial Park, Yanggu County, Liaocheng City, Shandong Province, the PRC.

The Company and its subsidiaries (collectively the "Group") are principally engaged in investment holding, chicken breeding, livestock slaughtering, and manufacture and sale of chicken meat products.

In the opinion of the directors of the Company, the ultimate holding company of the Company is GMK Holdings Co., Ltd., a company established in the PRC. The ultimate controlling shareholders are Mr. Liu Xuejing, Ms. Zhang Xiuying, Mr. Liu Zhiguang and Mr. Liu Zhiming.

2. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

(a) Adoption of new or amended IFRSs

Amendments to IFRS 3	Definition of a Business
Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform

None of these new or amended IFRSs has a material impact on the Group's results and financial position for the current or prior period. The Group has not early applied any new or amended IFRSs that is not yet effective for the current accounting period. Impact on the applications of these amended IFRSs are summarised below.

1. 一般事宜

本公司為一家2010年12月17日於中華人民共和國(「中國」)成立的股份有限公司。本公司的H股於2010年7月16日在香港聯合交易所有限公司(「聯交所」)主板上市。

本公司註冊辦事處及主要營業地點位於中國山東省聊城市陽穀縣鳳祥食品工業園。

本公司及其附屬公司(統稱「本集團」)主要從事投資控股、養雞、牲口屠宰，以及生產及銷售雞肉製品。

本公司董事認為，本公司的最終控股公司為新鳳祥控股集團有限責任公司(一家於中國成立的公司)。最終控股股東為劉學景先生、張秀英女士、劉志光先生及劉志明先生。

2. 採納國際財務報告準則(「國際財務報告準則」)

(a) 採納新訂或經修訂之國際財務報告準則

《國際財務報告準則》第3號修訂本	業務之定義
《國際會計準則》第1號修訂本及第8號修訂本	重大之定義
《國際財務報告準則》第9號修訂本、《國際會計準則》第39號修訂本及《國際財務報告準則》第7號修訂本	利率基準改革

概無該等新訂或經修訂國際財務報告準則對本集團當前或過往期間之業績及財務狀況有任何重大影響。本集團並無提前應用於當前會計期間尚未生效之任何新訂或經修訂國際財務報告準則。應用該等經修訂國際財務報告準則之影響概述如下。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 December 2020 2020年12月31日

2. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

(Continued)

(b) New or amended IFRSs that have been issued but are not yet effective

The following new or amended IFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to IAS 39, IFRS 4, IFRS 7, IFRS 9 and IFRS 16	Interest Rate Benchmark Reform — Phase 2 ²
Annual Improvements	Annual Improvement of IFRS standard 2018–2020 ³
Amendments to IAS 16	Proceeds before Intended Use ³
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract ³
Amendments to IFRS 3	Reference to the Conceptual Framework ⁴
Amendments to IAS 1	Classification of Liabilities as Current or Non-current ⁵
Amendment to IFRS 16	Covid-19-Related Rent Concessions ¹
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁶

- Effective for annual periods beginning on or after 1 June 2020.
- Effective for annual periods beginning on or after 1 January 2021.
- Effective for annual periods beginning on or after 1 January 2022.
- Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022.
- Effective for annual periods beginning on or after 1 January 2023.
- The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

2. 採納國際財務報告準則(「國際財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂或經修訂國際財務報告準則

下列可能與本集團財務報表有關之新訂或經修訂國際財務報告準則已頒佈，惟尚未生效亦未經本集團提早採納。本集團目前計劃於該等準則生效當日應用該等變動。

《國際會計準則》第39號修訂本、《國際財務報告準則》第4號、第7號、第9號及第16號修訂本	利率基準改革 — 第二階段 ²
年度改進	《國際財務報告準則》2018–2020的年度改進 ³
《國際會計準則》第16號修訂本	預定用途前之款項 ³
《國際會計準則》第37號修訂本	有償合約 — 履行合約的成本 ³
《國際財務報告準則》第3號修訂本	提述概念框架 ⁴
《國際會計準則》第1號修訂本	將負債分類為流動或非流動 ⁵
《國際會計準則》第16號修訂本	新型冠狀病毒疫情相關之租金優惠 ¹
《國際財務報告準則》第10號修訂本及《國際會計準則》第28號修訂本	投資者與其聯營公司或合營企業之間之資產出售或注資 ⁶

- 自2020年6月1日或之後開始之年度期間生效。
- 自2021年1月1日或之後開始之年度期間生效。
- 自2022年1月1日或之後開始之年度期間生效。
- 對收購日期為2022年1月1日或之後開始的第一個年度期間開始之日或之後的企業合併生效。
- 自2023年1月1日或之後開始之年度期間生效。
- 該等修訂預期將應用於自釐定日期或之後開始的年度期間發生的資產的出售或出資。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 December 2020 2020年12月31日

2. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

(Continued)

(b) New or amended IFRSs that have been issued but are not yet effective (Continued)

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

The amendments address issues that might affect financial reporting when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the interest rate benchmark reform (the “Reform”). The amendments complement those issued in November 2019 and relate to (a) changes to contractual cash flows in which an entity will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the Reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate; (b) hedge accounting in which an entity will not have to discontinue its hedge accounting solely because it makes changes required by the Reform, if the hedge meets other hedge accounting criteria; and (c) disclosures in which an entity will be required to disclose information about new risks arising from the Reform and how it manages the transition to alternative benchmark rates.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Group’s consolidated financial statements.

Annual Improvements to IFRSs 2018–2020

The annual improvements amends a number of standards, including:

- IFRS 9, Financial Instruments, which clarify the fees included in the ‘10 per cent’ test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability, explaining that only fees paid or received between the entity and the lender, including fees paid or received by either the entity or the lender on other’s behalf are included.

2. 採納國際財務報告準則(「國際財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂或經修訂國際財務報告準則(續)

《國際會計準則》第39號修訂本，《國際財務報告準則》第4號、第7號、第9號及第16號修訂本，利率基準改革—第二階段

該等修訂解決因利率基準改革(「改革」)而導致公司以替代基準利率取代舊利率基準時可能影響財務報告的問題。該等修訂與2019年11月發佈的修訂相輔相成，涉及(a)合約現金流變動，實體無需因改革所要求的變動而終止確認或調整金融工具的賬面金額，而是更新實際利率以反映替代基準利率的變動；(b)對沖會計法，倘對沖符合其他對沖會計標準，實體無須純粹因改革所要求的變動而終止其對沖會計法；及(c)披露資料，實體須披露關於改革所帶來的新風險的資料，以及如何管理向替代基準利率的過渡。

本公司董事預計日後應用該等修訂不會對本集團綜合財務報表造成任何影響。

國際財務報告準則2018–2020之年度改進

年度改進對多項準則進行了修訂，包括：

- 《國際財務報告準則》第9號「金融工具」，闡明《國際財務報告準則》第9號第B3.3.6段「10%」測試所包括的費用，以評估是否終止確認金融負債，並解釋僅實體與貸款人之間支付或收取的費用，包括實體或貸款人代表其他方支付或收取的費用。

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2. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Continued)

(b) New or amended IFRSs that have been issued but are not yet effective (Continued)

Annual Improvements to IFRSs 2018–2020 (Continued)

- IFRS 16, Leases, which amend Illustrative Example 13 to remove the illustration of reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
- IAS 41, Agriculture, which remove the requirement to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Group's consolidated financial statements.

Amendments to IAS 16, Proceeds before Intended Use

The amendments prohibit 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, the proceeds from selling such items, and the cost of producing those items, is recognised in profit or loss.

The directors of the Company is currently assessing the impact that the application of the amendments will have on the Group's consolidated financial statements.

2. 採納國際財務報告準則(「國際財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂或經修訂國際財務報告準則(續)

國際財務報告準則改進2018–2020 (續)

- 《國際財務報告準則》第16號「租賃」，修訂第13項範例以刪除由出租人償還租賃裝修的說明，進而解決因該示例中租賃優惠的說明方式而可能產生的任何有關租賃優惠處理的潛在混淆。
- 《國際會計準則》第41號「農業」，取消了使用現值法衡量生物資產的公允價值時排除稅項現金流量的規定。

本公司董事預計日後應用該等修訂不會對本集團綜合財務報表造成任何影響。

《國際會計準則》第16號修訂本，達到預定用途之前的產出收入

該等修訂禁止從物業、廠房及設備項目成本中扣除出售任何使資產達到管理層擬定的營運方式所需的地點及狀況時產生的項目的所得款項。相反，出售該等項目的所得款項及生產該等項目的成本則於損益中確認。

本公司董事現正評估應用該等修訂對本集團綜合財務報表的影響。

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2. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

(Continued)

(b) New or amended IFRSs that have been issued but are not yet effective (Continued)

Amendments to IAS 37, Onerous Contracts — Cost of Fulfilling a Contract

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (e.g. direct labour and materials) or an allocation of other costs that relate directly to fulfilling contracts (e.g. the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The directors of the Company is currently assessing the impact that the application of the amendments will have on the Group’s consolidated financial statements.

Amendments to IFRS 3, Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the revised Conceptual Framework for Financial Reporting 2018 instead of the version issued in 2010. The amendments add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Group’s consolidated financial statements.

2. 採納國際財務報告準則(「國際財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂或經修訂國際財務報告準則(續)

《國際會計準則》第37號修訂本，虧損合約—履行合約的成本

該等修訂訂明，「履行合約的成本」包括「與合約直接有關的成本」。與合約直接有關的成本可以是履行該合約的增量成本(如直接勞工及材料)或與履行合約直接有關的其他成本的分配(如履行合約所使用的物業、廠房及設備項目的折舊費用的分配)。

本公司董事現正評估應用該等修訂對本集團綜合財務報表的影響。

《國際財務報告準則》第3號修訂本，提述概念框架

該等修訂更新了國際財務報告準則第3號，使其參考經修訂2018年財務報告的概念框架而非2010年頒佈的版本。該等修訂在國際財務報告準則第3號中增添一項規定，即就國際會計準則第37號範圍內的義務而言，收購方應用國際會計準則第37號釐定於收購日期是否因過往事件而存在現有義務。對於國際財務報告詮釋委員會詮釋第21號「徵款」範圍內的徵款，收購方應用國際財務報告詮釋委員會詮釋第21號以釐定導致支付徵款責任的責任事件是否已於收購日期發生。該等修訂亦增添一項明確聲明，即收購方不會確認在業務合併中收購的或然資產。

本公司董事預計日後應用該等修訂不會對本集團綜合財務報表造成任何影響。

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2. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Continued)

(b) New or amended IFRSs that have been issued but are not yet effective (Continued)

Amendments to IAS 1, Classification of Liabilities as Current or Non-current

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and explain that rights are in existence if covenants are complied with at the end of the reporting period. The amendments also introduce a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The directors of the Company do not anticipate that the application of the amendments and revision in the future will have an impact on the Group’s consolidated financial statements.

Amendments to IFRS16, Covid-19-Related Rent Concessions

Amendments to IFRS16 permits lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the Covid-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications. The amendment does not affect lessors. The Group is currently assessing the impact of amendments to IFRS 16 upon adoption and is considering whether it will choose to take advantage of the optional exemption available.

2. 採納國際財務報告準則(「國際財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂或經修訂國際財務報告準則(續)

《國際會計準則》第1號修訂本，將負債分類為流動或非流動

該等修訂闡明，將負債分類為流動或非流動乃基於報告期末存在的權利，並訂明，分類不受有關實體是否會行使其延遲清償負債的權利的預期影響，並解釋倘在報告期末遵守契諾，則權利即告存在。該等修訂亦引入「結算」的定義，以明確結算是指將現金、權益工具、其他資產或服務轉讓予合約對方。

本公司董事預計日後應用該等修訂及修繕不會對本集團綜合財務報表造成任何影響。

《國際財務報告準則》第16號修訂本，新型冠狀病毒相關租金減讓

《國際財務報告準則》第16號修訂本允許承租人採用可行權宜法，不再評估因新型冠狀病毒疫情直接導致的特定租金減免是否屬於租賃變更，而是將該等租金減讓視同其並未構成租賃變更。該修訂本不影響出租人。本集團目前正在評估採納《國際財務報告準則》第16號修訂本的影響，並正在考慮其是否將選擇利用現有可得的可選豁免。

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2. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

(Continued)

(b) New or amended IFRSs that have been issued but are not yet effective (Continued)

Amendments to IFRS 10 and IAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. When the transaction with an associate or joint venture that is accounted for using the equity method, any gains or losses resulting from the loss of control of a subsidiary that does not contain a business are recognised in the profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, any gains or losses resulting from the remeasurement of retained interest in any former subsidiary (that has become an associate or a joint venture) to fair value are recognised in the profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transaction arise.

2. 採納國際財務報告準則(「國際財務報告準則」)(續)

(b) 已頒佈但尚未生效之新訂或經修訂國際財務報告準則(續)

《國際財務報告準則》第10號修訂本及《國際會計準則》第28號修訂本，投資者與其聯營公司或合營企業之間之資產出售或注資

該等修訂闡明存在投資者與其聯營公司或合營企業之間的資產出售或注入的情形。當與採用權益法入賬的聯營公司或合營企業進行交易時，因喪失對不包含業務的附屬公司的控制權而產生的任何收益或虧損僅以非關聯投資者在該聯營公司或合營企業的權益為限在損益中確認。同樣地，將任何前附屬公司(已成為聯營公司或合營企業)的保留權益按公允價值重新計量而產生的任何收益或虧損，僅以非關聯投資者於新聯營公司或合營企業的權益為限在損益中確認。

本公司董事預期日後如有該等交易，應用該等修訂或會對本集團綜合財務報表造成影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with the accounting policies set out in note 4 which conform with IFRSs, which collective term include all International Financial Reporting Standards and International Accounting Standards (“IASs”) issued by the International Accounting Standards Board and Interpretations issued by IFRS Interpretations Committee. In addition, the financial statements include applicable disclosure required by the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention, except as disclosed in the accounting policies and explanatory notes below.

(c) Functional and presentation currency

The financial statements are presented in Renminbi (“RMB”), which is the same as the functional currency of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Group. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

3. 編製基準

(a) 合規聲明

財務報表乃根據附註4所載符合《國際財務報告準則》(包括國際會計準則理事會頒佈的所有《國際財務報告準則》及《國際會計準則》，以及國際財務報告詮釋委員會頒佈的詮釋)的會計政策編製。此等財務報表亦符合香港公司條例及香港聯合交易所有限公司證券《上市規則》規定之適用披露事項。

(b) 計量基準

財務報表已按歷史成本基準編製，惟下文會計政策和解釋性附註內所披露者除外。

(c) 功能及呈報貨幣

綜合財務報表之呈列貨幣為人民幣(「人民幣」)，而人民幣亦為本公司功能貨幣。

4. 主要會計政策

(a) 業務合併及綜合基準

綜合財務報表包括本公司的財務報表。集團各成員公司間的公司間交易與結餘連同未變現溢利乃於編製綜合財務報表時全數對銷。未變現虧損亦予以對銷，惟相關交易有證據顯示所轉讓資產出現減值則除外，於此情況下，虧損於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Business combination and basis of consolidation (Continued)

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive processes and whether the acquired set has the ability to produce outputs.

The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by IFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

4. 主要會計政策(續)

(a) 業務合併及綜合基準(續)

於年內所收購或出售之附屬公司，其業績乃由收購日期起或直至出售日期止(如適用)計算在綜合全面收益表內。如需要，將會就附屬公司財務報表作出調整，使其會計政策與本集團其他成員公司所用者一致。

當被收購的活動及資產符合業務的定義，且控制權轉移至本集團時，本集團利用收購法將業務合併入賬。在決定某項特定活動及資產是否為業務時，本集團將評估所收購之資產及活動是否至少包括一項投入及實質工序，以及所收購之資產及活動是否有能力產生產品。

收購成本乃按已轉讓資產、已產生負債及本集團(作為收購方)已發行之股權於收購當日之公允價值總和計量。所收購之可識別資產及所承擔負債則主要按收購日期之公允價值計量。本集團先前所持被收購方之股權以收購當日之公允價值重新計量，而所產生之收益或虧損則於損益中確認。各次的收購交易中，本集團可選擇按照非控制股東權益的公允價值或其在被收購企業可識別淨資產中所佔份額計量，其代表目前於附屬公司擁有權益之非控制股東權益。除非國際財務報告準則有規定，否則所有其他非控股權益均按公允價值計量。所產生之收購相關成本一概列作開支，除非當中涉及發行權益工具，屆時有關成本則自權益中扣除。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Business combination and basis of consolidation (Continued)

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

Changes in the Group's interests in a subsidiary that do not result in a loss of control of the subsidiary are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

4. 主要會計政策(續)

(a) 業務合併及綜合基準(續)

由收購方將予轉讓之任何或然代價乃按收購日期之公允價值確認。其後對代價的調整於商譽內確認，惟僅以計量期間(自收購日起計最多十二個月)內獲得的與收購日的公允價值有關的新資料所引致者為限。所有其他對分類為資產或負債的或然代價作出之其後調整於損益確認。

收購後，代表目前於附屬公司所有權權益的非控股權益賬面值為初步確認時的該等權益金額，另加有關非控股權益其後應佔的權益變動。非控股權益乃於綜合財務狀況表的權益中與本公司擁有人應佔權益分開呈列。溢利或虧損及其他全面收益內各組成部分歸屬予本公司擁有人及非控股權益。全面收益總額乃歸屬於有關非控股權益，即使這會導致該等非控股權益出現虧絀結餘。

倘本集團於附屬公司之權益變動不會導致失去控制權，則將該等變動計入權益交易。本集團持有的權益與非控股權益的賬面值應予調整以反映其在該等附屬公司中相關權益的變動。非控股權益之調整款額與已付或已收代價之公平價值兩者間之任何差額，均直接於權益中確認並歸屬於本公司擁有人。

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4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(a) Business combination and basis of consolidation (Continued)

When the Group loses control of a subsidiary, the gain or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for on the same basis as would be required if the relevant assets or liabilities were disposed of.

(b) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: (1) power over the investee, (2) exposure, or rights, to variable returns from the investee, and (3) the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statements of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(c) Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

4. 主要會計政策(續)

(a) 業務合併及綜合基準(續)

當本集團失去一間附屬公司之控制權時，出售產生之溢利或虧損乃以(i)應收代價公允價值及任何保留權益公允價值之總額及(ii)過往之賬面值(包括商譽)，以及附屬公司之負債及任何非控股權益之差額計算。先前於其他全面收益內確認與該附屬公司有關於之金額按猶如本集團已出售相關資產或負債的方式入賬。

(b) 附屬公司

附屬公司為本公司可行使控制權的投資對象。倘達成以下三項條件，本公司取得被投資方之控制權：(1)對投資對象行使權力；(2)承擔或有權獲得投資對象帶來之可變回報；及(3)有能力利用其權力影響該等可變回報。有事實和情況表明任何該等控制權因素可能出現變動時，控制權會被重新評估。

於本公司財務狀況表中，對附屬公司的投資按成本減減值虧損(如有)列賬。本公司將附屬公司業績按已收及應收股息基準入賬。

(c) 聯營公司

聯營公司指本集團對其有重大影響力之實體，且既非附屬公司，亦非共同安排。重大影響力乃指參與制定接受投資實體之財務及經營政策之權力，但並非控制或共同控制該等政策。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Associates (Continued)

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amount are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions are eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred, they are recognised immediately in profit or loss.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of investment, after reassessment, is recognised immediately in profit or loss. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

4. 主要會計政策(續)

(c) 聯營公司(續)

聯營公司以權益法入賬，據此，其初步按成本確認，隨後其賬面值就本集團所佔於聯營公司資產淨值之收購後變動而作出調整，惟超過本集團於聯營公司之權益之虧損並無確認，除非本集團有責任承擔該等虧損。

本集團與其聯營公司間進行交易所產生之溢利及虧損僅以非相關投資者於聯營公司之權益為限確認。該等交易所產生之投資者所佔的聯屬公司利潤及款項按聯屬公司之賬面值撤銷。倘未變現虧損證明所轉移資產出現減值，則即時於損益確認。

就聯營公司已付超出本集團應佔所收購可識別資產、負債及或然負債公允價值之任何溢價會撥充資本，並計入該聯營公司之賬面值。本集團應佔可識別資產及負債之公平淨值高於投資成本之任何數額，經重新評估後，即時於損益確認。倘有客觀證據顯示於聯營公司之投資出現減值，則投資賬面值以與其他非金融資產相同之方式進行減值測試。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Associates (Continued)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, all amounts previously recognised in other comprehensive income in relation to that associate are recognised on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

In the Company's statement of financial position, interest in an associate is carried at cost less impairment losses, if any. The results of associates are accounted for by the Company on the basis of dividends received and receivable during the year.

4. 主要會計政策(續)

(c) 聯營公司(續)

本集團自該項投資不再為聯營公司之日期起終止使用權益法。當本集團保留於前聯營公司之權益，且保留權益為金融資產時，則本集團於當日按公允價值計量保留權益，而公允價值則被視為根據國際財務報告準則第9號首次確認時之公允價值。聯營公司於終止採用權益法當日賬面值與出售聯營公司部分權益的任何保留權益與任何所得款項公允價值間的差額，會於釐定出售該聯營公司的收益或虧損時入賬。此外，倘該聯營公司直接出售相關資產或負債，則按相同基準計入有關該聯營公司之以往於其他全面收益確認之所有金額。

倘本集團削減其於聯營公司的所有權權益而本集團繼續採用權益法，若有關溢利或虧損會於出售相關資產或負債時重新分類至損益，則本集團會將先前已於其他全面收益確認與削減所有權權益有關的溢利或虧損部份重新分類至損益。

於本公司財務狀況表內，於聯營公司之權益乃按成本減任何減值虧損(如有)入賬。聯營公司的業績由本公司基於在年內所收股息及應收款項入賬。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

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

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Buildings	20–40 years
Plant and machinery	4–15 years
Office equipment	5–8 years
Motor vehicles	5–8 years

Construction in progress is stated at cost less impairment losses. Cost comprises direct costs of construction as well as borrowing costs capitalised during the periods of construction and installation. Construction in progress is transferred to the appropriate classes of property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

4. 主要會計政策(續)

(d) 物業、廠房及設備

物業、廠房及設備(在建工程除外)按成本減累計折舊及累計減值虧損(如有)列賬。物業、廠房及設備的成本包括購買價以及購買有關項目直接應佔的成本。

其後成本只有在與該項目有關的未來經濟利益有可能流入本集團，而該項目的成本能可靠計算時，方於資產的賬面值中計入或確認為獨立資產。重置部分之賬面值均取消確認。所有其他維修及保養在其產生的財政期間於損益中確認為開支。

物業、廠房及設備之折舊乃按其估計可用年期，以直線法撇銷其成本(扣除預期殘值)。於各報告期末，對可使用年期、剩餘價值及折舊方法進行檢討，並於適當時作出調整。可使用年期計算如下：

樓宇	20–40年
廠房及機械	4–15年
辦公設備	5–8年
機動車輛	5–8年

在建工程以成本減去減值虧損列賬。成本包括建築的直接成本以及於建築及安裝期間撥充資本的借貸成本。大致完成資產可作預定用途所需的一切活動時，在建工程將轉入物業、廠房及設備的合適類別。於在建工程完成並可隨時作預定用途之前，均不會就在建工程計提折舊。

倘資產的賬面值高於其估計可收回金額，該資產即時撇減至其可收回金額。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Property, plant and equipment (Continued)

Assets held under finance leases are depreciated over their expected useful lives on the same basis so owned assets, or where shorter, the term of the relevant lease.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

(e) Leases

The Group as a lessee

All leases are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term of less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Right-of-use asset

The right-of-use asset is initially recognised at cost and would comprise:

- (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability);
- (ii) any lease payments made at or before the commencement date, less any lease incentives received;
- (iii) any initial direct costs incurred by the lessee; and
- (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

4. 主要會計政策(續)

(d) 物業、廠房及設備(續)

持有的融資租賃項下的資產乃按其以自置資產的同等基準計算的預計可使用年期或相關租賃年期(以較短者為準)折舊。

出售物業、廠房及設備項目之收益或虧損指出售所得款項淨額與其賬面值之差額，並於出售時於損益確認。

(e) 租賃

本集團作為承租人

所有租賃須於財務狀況報表資本化為使用權資產及租賃負債，惟實體獲提供會計政策選擇，不將(i)屬短期租賃的租賃及/或(ii)相關資產為低價值的租賃進行資本化。本集團已選擇不就低價值資產以及於開始日期租賃期少於12個月的租賃確認使用權資產及租賃負債。與該等租賃相關的租賃付款已於租賃期內按直線法支銷。

使用權資產

使用權資產應按成本初始確認並將包括：

- (i) 首次計量租賃負債的金額(見下文有關租賃負債入賬的會計政策)；
- (ii) 租期開始當日或之前開支的租賃付款減已收的租賃優惠；
- (iii) 承租人產生的任何首次直接成本；及
- (iv) 承租人根據租賃條款及條件規定的情況下分解及移除相關資產時將產生的估計成本，除非該等成本乃為生產存貨而產生則除外。

本集團採用成本模式計量使用權資產。根據成本模式，本集團按成本減任何累計折舊及任何減值虧損計量使用權，並就租賃負債的任何重新計量作出調整。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Leases (Continued)

The Group as a lessee (Continued)

Lease liability (Continued)

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments:

- (i) fixed lease payments less any lease incentives receivable;
- (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date;
- (iii) amounts expected to be payable by the lessee under residual value guarantees;
- (iv) exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by:

- (i) increasing the carrying amount to reflect interest on the lease liability;
- (ii) reducing the carrying amount to reflect the lease payments made; and
- (iii) remeasuring the carrying amount to reflect any reassessment or lease modification, or to reflect revised in-substance fixed lease payments.

4. 主要會計政策(續)

(e) 租賃(續)

本集團作為承租人(續)

租賃負債(續)

租賃負債按並非於租賃開始日期支付之租賃付款的現值確認。租賃付款採用租賃隱含的利率貼現(倘該利率可輕易釐定)。倘該利率無法輕易釐定，本集團則採用承租人的增量借款利率。

下列於租賃期內就相關資產使用權支付惟並非於租賃開始日期支付的款項被視為租賃付款：

- (i) 固定付款減任何應收租賃優惠；
- (ii) 取決於指數或費率的可變租賃付款額，初步計量時使用開始日期的指數或利率；
- (iii) 承租人根據剩餘價值擔保預期應付的金額；
- (iv) 倘承租人合理確定行使購買選擇權，該選擇權的行使價；及
- (v) 倘租賃期反映承租人行使選擇權終止租賃，終止租賃的罰款付款。

於開始日期後，本集團透過下列方式計量租賃負債：

- (i) 增加賬面值以反映租賃負債的利息；
- (ii) 減少賬面值以反映已作出的租賃付款；及
- (iii) 重新計量賬面值以反映任何重估或租賃修訂或反映經修訂的實質固定租賃款計量。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Leases (Continued)

The Group as a lessee (Continued)

Lease liability (Continued)

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

When the Group renegotiates the contractual terms of a lease with the lessor, if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease, in all other cases, where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount. If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date and the right-of-use asset is adjusted by the same amount.

4. 主要會計政策(續)

(e) 租賃(續)

本集團作為承租人(續)

租賃負債(續)

倘若本集團修改任何租賃之估計租期(例如出於重新評估承租人選擇延期或終止租賃之可能性等原因),本集團可調整租賃負債之賬面價值以反映修改後租期內按修改後折扣率計算之需支付款項。倘若取決於指數或費率的未來租賃款項之可變因素出現修改,則對租賃負債之賬面價值作出類似修改。無論何種情況,應對所有權資產賬面價值作出相應調整,並將修改後之賬面金額於剩餘(修改後)租期內攤銷。倘若使用權資產的賬面值被調整為零,後續扣減則於損益中確認。

倘若本集團與出租人重新議定租約條款後又以與相關使用權之獨立價格相稱的金額租賃一項或多項其他資產,則該等修改作為單獨租賃入賬。除此之外,倘若重新議定租約後租賃範圍增加(租期延長或又租賃一項或多項其他資產),則以修改日期適用之貼現率重新計量租賃負債,使用權資產亦作同等金額調整。倘若重新議定租約後租賃範圍減少,則租賃負債及使用權資產均按同等比例減少以反映租約之部分或全部終止,差額於損益中確認。後續應調整租賃負債以確保賬面金額反映重新議定後租期內之租賃款項,修改後之租賃款項按修改日期適用之貼現率重新計量,使用權資產亦作同等金額調整。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Intangible assets

Computer software

Acquired computer software are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Computer softwares is stated at cost less accumulated amortisation and impairment losses, if any. These costs are amortised on the straight-line basis over their estimated useful lives of 10 years.

(g) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of property, plant and equipment, right-of-use assets, intangible assets and investments in subsidiaries and an associate to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased.

If the recoverable amount (i.e. the greater of fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

4. 主要會計政策(續)

(f) 無形資產

電腦軟件

購入的電腦軟件按購入和達致使用該特定軟件而產生的成本為基準作資本化處理。計算機軟件按成本減累計攤銷及減值虧損(如有)列賬。該等成本於其估計可使用年期(十年)內以直線法攤銷。

(g) 非金融資產減值

本集團於各報告期末審核物業、廠房及設備、使用權資產、無形資產及投資附屬公司及一間聯營公司的賬面值，以確定是否有任何跡象表明該等資產出現減值虧損或過往已確認的減值虧損是否已不存在或減少。

倘資產的可收回金額(即公允價值減出售成本與使用價值兩者間的較高者)估計少於其賬面值，則資產賬面值將削減至其可收回金額。減值虧損會即時作為開支確認。

倘減值虧損隨後轉回，則該資產之賬面值會增加至其經修訂估計可收回金額，然而增加之賬面值亦因此不會超過可能已經釐定之賬面值(假設於過往年度未就該資產確認減值虧損)。減值虧損撥回數額即時於損益表確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Impairment of non-financial assets (Continued)

Value in use is based on the estimated future cash flows expected to be derived from the asset or cash generating unit (i.e. the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets), 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 or cash generating unit.

(h) Financial instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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 market place.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

4. 主要會計政策(續)

(g) 非金融資產減值(續)

使用價值乃根據預期由資產或現金產生單位(即產生現金流入的最小可識別資產組別,其產生的現金流入很大程度上獨立於其他資產或資產組別產生的現金流入)產生的估計未來現金流量釐定,按可反映金錢的時間值的現行市場評估以及資產或現金產生單位特定風險的稅前貼現率貼現至其現值。

(h) 金融工具

(i) 金融資產

金融資產(除非為無重大融資成分的貿易應收款項)初步按公允價值加其收購或發行所直接應佔的交易成本(若並非屬以公允價值計量並計入損益的項目)。無重大融資成分的貿易應收款項初步按交易價計量。

所有常規金融資產買賣於交易日(即本集團承諾購買或出售該資產之日)確認。常規買賣指須於一般按有關市場的規例或慣例訂立的時限內交付資產的金融資產買賣。

在確定附帶嵌入式衍生工具的金融資產的現金流量是否僅為支付本金及利息時,應予以整體考慮。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

(i) Financial assets (Continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

Fair value through other comprehensive income ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

4. 主要會計政策(續)

(h) 金融工具(續)

(i) 金融資產(續)

債務工具

債務工具之後續計量取決於本集團管理資產之業務模式及該資產之現金流量特徵。本集團將其債務工具分類為三個計量類別：

攤銷成本：為收取合約現金流量而持有且現金流量僅為支付本金及利息之資產按攤銷成本計量。按攤銷成本計量的金融資產其後使用實際利率法計量。利息收入、外匯損益及減值於損益確認。終止確認的任何收益於損益確認。

透過其他全面收益以公允價值計量(「透過其他全面收益以公允價值計量」)：倘為收取合約現金流量及出售金融資產而持有的資產的現金流量僅為本金及利息付款，則該等資產按公允價值透過其他全面收益計量。按公允價值計入其他全面收益的債務投資其後按公允價值計量。利息收入使用實際利率法計算，外匯損益及減值於損益確認。其他收益及虧損淨額於其他全面收益內確認。在終止確認時，於其他全面收益累計的收益及虧損重新分類至損益。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

(i) Financial assets (Continued)

Debt instruments (Continued)

Fair value through profit or loss (“FVTPL”): FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

4. 主要會計政策(續)

(h) 金融工具(續)

(i) 金融資產(續)

債務工具(續)

透過損益以公允價值計量(「透過損益以公允價值計量」): 以公允價值計量並計入損益包括持作買賣的金融資產、初步確認後指定為以公允價值計量並計入損益的金融資產或強制要求以公允價值計量的金融資產。計劃於短期內出售或回購而購入的金融資產，均列作持作買賣金融資產。衍生工具(包括獨立嵌入式衍生工具)亦被分類為持作買賣金融資產，惟彼等被指定為有效的對沖工具則除外。其現金流量並非僅為支付本金及利息的金融資產以公允價值計量並計入損益，而不論其業務模式如何。儘管載有上述分類為按攤銷成本計量或以公允價值計量並計入其他全面收益的債務工具的標準，債務工具仍可在初步確認時被指定為以公允價值計量並計入損益，惟前提是如此行事可消除或大幅減少會計錯配。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss ("ECL") on trade receivables, contract assets, financial assets measured at amortised cost and debt investments measured at FVOCI. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group measured loss allowances for trade receivables and contract assets using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-months ECLs. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECLs.

4. 主要會計政策(續)

(h) 金融工具(續)

(ii) 金融資產減值虧損

本集團就應收賬款、合約資產、按攤銷成本計量的金融資產及透過其他全面收益以公允價值計量的債務投資的預期信貸虧損(「預期信貸虧損」)確認虧損撥備。預期信貸虧損基於下列其中一項基準計量：(1) 12個月預期信貸虧損：於報告日期後12個月內可能發生的違約事件導致的預期信貸虧損；及(2)全期內預期信貸虧損：於金融工具預計年期內所有可能發生的違約事件產生的預期信貸虧損。在估計預期信貸虧損時，考慮的最長期間為本集團面臨信貸風險的最長合約期間。

預期信貸虧損是信貸虧損的概率加權估計值。信貸虧損按根據合約歸於本集團的所有合約現金流量及本集團預期收取的所有現金流量之間的差額計量。差額隨後按照資產的原始實際利率的近似值貼現。

本集團運用《國際財務報告準則》第9號的簡化方法來計量貿易應收款項及合約資產的虧損準備，並基於全期內預期信貸虧損計算預期信貸虧損。本集團已基於其歷史信貸虧損經驗建立撥備矩陣，並已根據債務人的特定前瞻性因素及經濟環境作出調整。

對於其他債務金融資產而言，預期信貸虧損基於12個月預期信貸虧損計量。然而，若信貸風險自初次發生以來顯著增加，則按全期內預期信貸虧損計提準備。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to action such as realising security (if any is held); or the financial asset is more than 365 days past due, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

The Group considers a financial asset to be credit-impaired when:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or being more than 365 days past due;

4. 主要會計政策(續)

(h) 金融工具(續)

(ii) 金融資產減值虧損(續)

在確定自初始確認以來金融資產的信貸風險是否顯著增加及在估計預期信貸虧損時，本集團會考慮相關且無需過多的成本或努力便可獲得的合理可靠資料。這包括基於本集團的過往經驗和知情信貸評估並包括前瞻性資料的定量及定性資料分析。

本集團假設，倘逾期超過30日，金融資產之信貸風險已大幅增加，除非本集團有合理可靠資料證明可予收回則另當別論。

本集團認為金融資產於下列情況下為違約：借款人不可能在本集團無追索權（例如：實現擔保）（如持有）下向本集團悉數支付其信貸義務；或該金融資產逾期超過365日，除非本集團有合理可靠資料證明更為寬鬆的違約標準更為合適。

取決於金融工具的性质，信貸風險大幅上升的評估按個別基準或共同基準進行。倘評估以共同基準進行，金融工具則根據共同的信貸風險特徵（例如逾期狀況及信貸風險評級）進行分組。

本集團認為金融資產於下列情況下屬信貸減值：

- 債務人有重大財務困難；
- 違反合約，例如違約或逾期超過365日等；

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in equity.

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are past due for a number of years. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

4. 主要會計政策(續)

(h) 金融工具(續)

(ii) 金融資產減值虧損(續)

- 本集團根據其他情況下不會考慮的條款重組貸款或墊款；
- 債務人很有可能將宣告破產或進行其他財務重組；或
- 財政困難導致抵押品的活躍市場消失。

本集團就所有金融工具確認減值利潤收益或虧損，並通過虧損撥備賬對彼等之賬面值作出相應調整，惟按公允價值計入其他全面收益(可劃轉)的債務證券投資除外，其虧損撥備確認為其他全面收益並累計計入權益。

倘有資料顯示債務人面對嚴重財務困難且收回款項的機率不大(如債務人遭清盤或啟動破產程序，或貿易應收款項已逾期多年)，本集團將撤銷金融資產。在考慮法律意見(如適用)後，已撤銷的金融資產仍可根據本集團的收回程序實施強制執行。任何收回款項均於損益中確認。

已發生信貸減值的金融資產的利息收入按金融資產的攤銷成本(即賬面總值減虧損準備)計量。對於未發生信貸減值的金融資產，利息收入按賬面總值計量。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at FVTPL are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables and borrowings by the Group are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

4. 主要會計政策(續)

(h) 金融工具(續)

(iii) 金融負債

本集團對其金融負債進行分類，且有關於分類視乎產生有關負債的目的而定。按公允價值計入損益之金融負債初步按公允價值計量，而按攤銷成本計量之金融負債則初步按公允價值扣除所產生的直接應佔成本計量。

按攤銷成本計量的金融負債

按攤銷成本計算之財務負債包括應付貨款及其他應付款項、及本集團銀行貸款，其後採用實際利率法按攤銷成本計量。相關利息開支於損益中確認。

當終止確認負債時及在整個攤銷過程中，收益或虧損於損益中確認。

(iv) 實際利率法

實際利息法為計算金融資產或金融負債的攤銷成本及於有關期間分配利息收入或利息開支的方法。實際利率指可透過金融資產或負債的預期年期或較短期間(如適用)內準確貼現估計未來現金收付款的利率。

(v) 權益工具

本公司發行的權益工具按已收所得款項扣除直接發行成本入賬。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

(vi) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at FVTPL is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the loss allowance, being the ECL provision measured in accordance with the accounting policy set out in note 4(h)(ii); and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the principles of HKFRS 15.

(vii) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with IFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

4. 主要會計政策(續)

(h) 金融工具(續)

(vi) 金融擔保合約

金融擔保合約指發行人須就因指定債務人未能按債務工具的原始或修改條款償還到期款項所產生的虧損而向持有人賠償損失的合約。由本集團發行而非指定按公平價值列賬並計入損益之財務擔保合約，於首次確認時以其公平價值減發行財務擔保合約直接應佔之交易成本列賬。於首次確認後，本集團按以下各項(以較高者為準)計量金融擔保合約：(i)即根據附註4(h)(ii)所載的會計政策原則計量的預期信貸虧損撥備；及(ii)初步確認的金額減(如適用)根據香港財務報告準則第15號原則確認之累計攤銷。

(vii) 取消確認

當有關金融資產之未來現金流量之合約權利屆滿或當金融資產經已轉讓且轉讓符合訂《國際財務報告準則》第9號規定的取消確認準則，則本集團取消確認該金融資產。

當相關合約中規定之義務解除、取消或屆滿時，取消確認金融負債。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

(vii) Derecognition (Continued)

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the reporting period.

(i) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on standard costing basis. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(j) Revenue recognition

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, excluding those amounts collected on behalf of third parties. Revenue excludes value added taxes or other sales taxes and is after deduction of any trade discounts.

4. 主要會計政策(續)

(h) 金融工具(續)

(vii) 取消確認(續)

若本集團向債權人發行自身權益工具以全部或部分清償重新協商金融負債的條款所致的相關負債，則發行的權益工具為已付對價，並於金融負債或其部分償清之日以其公允價值初步確認及計量。若所發行權益工具的公允價值不能可靠計量，則對權益工具進行計量以反映償清的金融負債的公允價值。償清的金融負債或其部分的賬面值與已付對價之間的差額於報告期內於損益中確認。

(i) 存貨

存貨初步按成本確認，其後按成本及可變現淨值兩者之較低者列賬。成本包括所有採購成本、轉移成本及將存貨達致其目前地點及狀況所產生的其他成本。成本按標準成本法計算。可變現淨值相當於在通常業務運作過程中的估計售價減估計用以銷售的必要成本。

(j) 收益確認

客戶合約之收益於貨品或服務之控制權轉移至客戶時，按反映本集團預期就交換該等貨品或服務有權獲得的代價(不包括代表第三方收取的有關款項)金額確認。收益並不包括增值稅或其他銷售稅，且乃於扣除任何貿易折扣後得出。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Revenue recognition (Continued)

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

When the contract contains a financing component which provides the customer 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 amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception.

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

4. 主要會計政策(續)

(j) 收益確認(續)

取決於合約條款及適用於合約的法律規定，貨品或服務之控制權可於一段時間內或於某一時間點轉移。倘本集團在履約過程中符合下列條件，貨品或服務的控制權乃於一段時間內轉移：

- 提供全部利益，而客戶已同步收到及消耗有關利益；
- 本集團履約時創建及優化由客戶控制的資產；或
- 並無產生對本集團而言具有替代用途的資產，且本集團可強制執行其權利以收取迄今已完成履約部份的付款。

倘貨品或服務的控制權於一段時間內轉移，則收益乃於合約期內參考履約責任圓滿完成的進度確認。否則，收益於客戶獲得貨品或服務控制權的時間點確認。

倘合約載有向客戶提供向客戶轉移貨品或服務的重大融資福利超過一年的融資部分，收益按應收款項的現值計量，採用將於本集團與客戶的單獨融資交易中反映的貼現率於合約開始時進行貼現。

取得合約之遞增成本是集團為取得客戶合約而產生之該等成本，倘並無取得合約則不會產生該等成本。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Revenue recognition (Continued)

The Group recognises such costs (sales commission) as an asset if it expects to recover these costs. The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

- (i) Sale of goods — Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax (“VAT”) or other sales taxes and is after deduction of any trade discounts
- (ii) Interest income — Interest income is recognised as it accrues using the effective interest method.

(k) Income taxes

Income taxes comprises current and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income tax.

4. 主要會計政策(續)

(j) 收益確認(續)

倘預期可收回有關成本(銷售佣金)，則本集團確認該等成本為一項資產。以此方式確認之資產其後按系統化基準攤銷至損益，該基準與向客戶轉讓該資產相關之貨品或服務一致。

倘該等成本於一年內已以其他方式於損益悉數攤銷，本集團則應用簡易處理方法將所有增量成本費用化。

- (i) 貨品出售 — 收入於產品或服務的控制權轉移至客戶時按本集團預期就交換相關貨品或服務而有權收取的承諾對價金額(代第三方收取的相關金額除外)確認。收入不包括增值稅(「增值稅」)或其他銷售稅，並已扣除任何貿易折扣。
- (ii) 利息收入 — 利息收入於計提時按實際利息法予以確認。

(k) 所得稅

所得稅包括當期所得稅和遞延所得稅。

即期稅項按日常業務之溢利或虧損，就所得稅而言毋須課稅或不可扣減之項目作出調整，按報告期末結算日已制定或大致上制定之稅率計算。應付或應收即期稅項金額乃運用最佳預期應付或應收稅項估計計算，並已計及所得稅相關之不確定因素。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Income tax (Continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for (i) goodwill not deductible for tax purposes; (ii) initial recognition of assets and liabilities that are not part of the business combination which affect neither accounting nor taxable profits; and (iii) taxable temporary differences arising on investments in subsidiaries and associates where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future, deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised, provided that the deductible temporary differences are not arises from initial recognition of assets and liabilities in a transaction other than in a business combination that affects neither taxable profit nor the accounting profit. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period, and reflects any uncertainty related to income taxes.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income tax levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they related to items recognised directly in equity in which case the taxes are also recognised directly in equity.

4. 主要會計政策(續)

(k) 所得稅(續)

遞延稅項乃就資產與負債就財務報告目的而言的賬面值與就稅務目的所用的相應數額的暫時差額而確認。以下情形除外：(i) 不可扣稅之商譽；(ii) 初始確認不屬於企業合併一部分且不影響會計和應稅利潤之資產和負債；及(iii) 因於附屬公司及聯營公司之投資而引致之應課稅暫時差額，倘若本集團可控制暫時差額之逆轉，以及暫時差額有可能不會於可見將來逆轉，遞延所得稅負債確認所有暫時差額。本集團以很可能取得用來抵扣可抵扣暫時性差額的應納稅所得額為限，確認相關的遞延所得稅資產，前提是可抵扣暫時差額並非因交易中資產和負債的初始確認而產生，但不影響應納稅所得額或會計利潤的企業合併除外。遞延稅項乃按適用於資產或負債之賬面值獲變現或結算之預期方式及於報告期末已實施或已實質實施之稅率計量，並反映與所得稅相關之不確定性。

當有法定可強制實施權利可以即期稅項資產抵銷即期稅項負債及當其與同一稅務機關徵收的所得稅有關時，遞延稅項資產及負債予以抵銷，本集團擬根據淨額基準清算即期稅項資產及負債。

遞延稅項資產之賬面值於各報表日均會進行審閱，並予以相應扣減，直至並無足夠應課稅溢利可供全部或部份資產可予應用為止。

所得稅乃於損益中確認，惟該等稅項與其他全面收益中確認的項目有關時(在該情況下，該等稅項亦於其他全面收益中確認)，或該等稅項與直接於權益中確認的項目有關時(在該情況下，該等稅項亦直接於權益中確認)則除外。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Capitalisation of borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(m) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable and are recognised as other revenue, rather than reducing the related expense.

4. 主要會計政策(續)

(l) 借貸成本的資本化

收購、建造或生產合資格資產(須耗用較長時間方可作預定用途或銷售)直接產生的借貸成本均撥充資本，作為該等資產成本的一部份。將有待用於該等資產之特定借貸作臨時投資所賺取之收入，從已撥充資本之借貸成本中扣除。所有其他借貸成本於產生期間在損益確認。

(m) 政府補助

在合理地確保本集團達成政府補助的附帶條件後，將獲得政府補助，在此之前不會確認政府補助。

政府補助乃就本集團確認的有關開支(預期補助可予抵銷成本的支出)期間按系統化的基準於損益中確認。具體而言，主要條件為本集團應購買、興建或以其他方法收購非流動資產的政府補助乃於綜合財務狀況表確認為遞延收入並且在有關資產的可用年期內有系統及合理地計入損益內。

作為已產生的開支或虧損的補償或以給予本集團即時財政支持(而不會產生未來相關成本)而應收的政府補助，於其成為應收款項的期間在損益確認為其他收入，而不是減少相關開支。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Other employee benefits

(i) Pension scheme

The employees of the Group's subsidiaries which operates 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 profit or loss as they become payable in accordance with the rules of the central pension scheme.

(ii) Termination benefits

Termination benefits are recognised on the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

4. 主要會計政策(續)

(n) 其他僱員福利

(i) 退休金計劃

本集團在中國內地營運的附屬公司的僱員須參與地方市政府所管理的中央退休金計劃。該等附屬公司須按彼等薪金成本之某一百分比向中央退休金計劃作出供款。有關供款根據中央退休金計劃規定須予支付時自損益扣除。

(ii) 離職福利

離職福利乃於本集團不能撤回所提供的福利時及本集團確認涉及離職福利付款的重組成本時(以較早者為準)確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Foreign currencies

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. RMB) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign exchange reserve (attributed to non-controlling interests as appropriate). Exchange differences recognised in profit or loss of group entities’ separate financial statements on the translation of long-term monetary items forming part of the Group’s net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the translation reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

4. 主要會計政策(續)

(o) 外幣

集團實體以其經營所在主要經濟環境的貨幣(「功能貨幣」)以外的貨幣進行的交易，按進行交易時的適用匯率入賬。外幣貨幣資產及負債按報告期間結算日的當時利率換算。以外幣按歷史成本計算的非貨幣項目不予重新換算。

結算與換算貨幣項目產生的匯兌差額於其產生期間於損益中確認。

於綜合入賬時，海外業務的收支項目按年內的平均匯率換算為本集團的呈列貨幣(即人民幣)，惟匯率於期內大幅波動則除外，在此情況下，則使用與交易進行時所用匯率相若的匯率。海外業務的所有資產及負債按報告期間結算日的當時匯率換算。所產生之匯兌差額(分攤至非控股權益，如有)，於其他綜合收益直接確認，並累計至權益並入賬為貨幣換算儲備。於換算構成本集團於所涉海外業務之部份投資淨額之長期貨幣項目時，在集團實體獨立財務報表之損益內確認之匯兌差額則重新分類至其他全面收益，並於權益內累計入賬為外匯儲備。

於出售海外業務時，截至出售日期止於匯兌儲備內確認與該業務有關之累計匯兌差額乃重新分類為損益，作為出售損益之一部份。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) 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 (i);
 - (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.

4. 主要會計政策(續)

(p) 關連人士

在下列情況下，一方將被視為與本集團有關：

- (a) 該方為該名人士家族成員或直系親屬，而該名人士
 - (i) 能控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司之主要管理人員之其中一名成員；或
- (b) 該方為一間實體，且符合下列任何條件：
 - (i) 該實體與本集團均為同一集團之成員公司；
 - (ii) 其中一個實體是另一實體(或是另一實體之母公司、附屬公司或同系附屬公司)之聯營公司或合營企業；
 - (iii) 該實體與本集團為同一第三方之合營企業；
 - (iv) 其中一個實體為第三方之合營企業，而另一實體為該同一第三方之聯營公司；
 - (v) 該實體為本集團或任何屬本集團有關聯之實體為其僱員利益而設立之終止僱用後福利計劃；
 - (vi) 該實體受(i)所指定人士控制或共同控制；
 - (vii) (a)(i)項所列人士對該實體具有重大影響力或為該實體(或該實體的母公司)的主要管理層成員；及
 - (viii) 實體或任何一組成員公司(為其中組成部分)向本集團或本集團母公司提供主要管理人員服務。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Related parties (Continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

(q) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

4. 主要會計政策(續)

(p) 關連人士(續)

某一人士的緊密家庭成員指於與實體進行業務往來時預期可影響該人士或受該人士影響的有關家庭成員，並包括：

- (i) 該名人士的子女及配偶或家庭夥伴；
- (ii) 該名人士配偶或家庭夥伴的子女；及
- (iii) 該名人士或該名人士配偶或家庭夥伴的受養人。

(q) 撥備及或然負債

倘負債之限期或數額不確定，但有可能因過去事項導致本集團須承擔法律或推定義務，且須付出可合理估計之經濟利益，必須確認負債撥備。

當不可能需要產生經濟利益流出，或金額無法可靠估計時，該負債則披露為或然負債，除非產生經濟利益流出的可能性極低。可能出現之責任(即是否存在有關責任將取決於日後是否會發生一宗或多宗事件)亦披露為或然負債，除非經濟利益流出之可能性極低則另作別論。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Biological assets

Biological assets represent breeder chickens, broiler chickens, chicks and hatchable eggs. Biological assets are measured on initial recognition and at the end of each reporting period at their fair value less costs to sell. A gain or loss arising on initial recognition of biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset is included in profit or loss for the period in which it arises.

The agricultural produce harvested from the biological assets are measured at their fair value less costs to sell at the point of harvest. Such measurement is the cost at that date when applying IAS 2 Inventories. A gain or loss arising from agricultural produce at the point of harvest at fair value less costs to sell is included in profit or loss for the period in which it arises.

(s) Share-based payments

Where share are awarded to employees and others providing similar services, the fair value of the awarded shares at the date of grant is recognised in profit or loss over the vesting period with a corresponding increase in the share-based payment reserve within equity. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at the end of each reporting period so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of awarded shares that eventually vest. Market vesting conditions are factored into the fair value of the awarded shares granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of awarded shares are modified before they vest, the increase in the fair value of the awarded shares, measured immediately before and after the modification, is also recognised in profit or loss over the remaining vesting period.

4. 主要會計政策(續)

(r) 生物資產

生物資產包括種雞、肉雞、雛雞和可孵化雞蛋。生物資產於初步確認時及於各報告期末按其公允價值減銷售成本計量。初步按公允價值減銷售成本確認生物資產所產生及來自生物資產公允價值減銷售成本變動的收益或虧損，須於其產生期間計入損益。

自生物資產收穫的農產品於其收穫時按公允價值減銷售成本計量。有關計量為應用《國際會計準則》第2號 — 存貨當日的成本。按收成之時之公允價值減銷售成本列賬之農作物產生之盈虧計入其產生期間之損益。

(s) 股份代繳款

凡向僱員及提供類似服務之其他人士授出股份，股份於授出當日之公允價值於歸屬期間在損益內確認，並於權益內之股份儲備中作相應增加。非市場歸屬條件會通過調整預期將於各報告期末歸屬的權益工具數目計算在內，據此，最終於歸屬期內確認的累計金額乃基於最終歸屬的股份數目得出。市場歸屬情況反映在授出股份之公允價值。只要合乎其他歸屬情況，不論市場歸屬情況合乎與否也會計算開支。累計開支沒有因應市場歸屬情況不能滿足而作相關調整。

凡在歸屬前修訂授出股份之條款及條件，在緊接修訂前後計算之股份公允價值之增加，亦於餘下歸屬期間內在損益中確認。

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5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of competitors' actions in response to severe industry cycles. Management reassesses the estimations at the reporting date. The carrying amount of the Group's inventories is disclosed in note 21 to the financial statements.

(ii) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. They are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value-in-use calculations are undertaken, management estimates the expected future cash flows from the asset or corresponding cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows.

5. 重要會計判斷及估計

本集團根據過往經驗及其他因素(包括在有關情況下相信對未來事件屬合理的預測)持續對估計及判斷作出評估。本集團對未來作出估計和假設。所得的會計估計如其定義，很少會與其實際結果相同。有關作出之估計及假設而引致於下一個財政年度內須就資產及負債賬面值作重大調整的風險討論如下。

(i) 存貨的可變現淨值低於存貨的

存貨的可變現淨值為於日常業務過程中的估計售價減估計完成成本及銷售開支。這些估計是按現行市場狀況及銷售類似性質產品之過往經驗而作出。在嚴重的行業週期中，存貨會因競爭對手之舉動而大幅變動。管理層將於報告日期重估該等估計。本集團存貨的賬面值披露於財務報表附註21。

(ii) 非金融資產減值

本集團於各報告期末評估是否有任何跡象表明非金融資產減值。該等資產於有跡象顯示賬面值可能無法收回時測試減值。進行使用價值計算時，管理層會估計資產或對應現金產生單位的預期未來現金流量，並釐定合適的貼現率，以計算該等現金流量的現值。

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5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

(iii) Useful lives and residual values of non-current assets

In determining the useful lives and residual values of items of property, plant and equipment, the Group periodically reviews the changes in market conditions, expected physical wear and tear, and the maintenance of the asset. The estimation of the useful life of the asset is based on historical experience of the Group with similar assets that are used in a similar way. Depreciation amount will be adjusted if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from previous estimation. Useful lives and residual values are reviewed at the end of the reporting period based on changes in circumstances.

(iv) Fair value measurement of biological assets

The Group's management determine the fair values less costs to sell of biological assets at the end of each reporting period with reference to the market-determined prices, species, growing conditions, cost incurred and the professional valuation. The directors of the Company work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The determination involved the use of significant judgment. If actual results differ with the original estimates made by management, such differences from the original estimates will impact the fair value changes recognised in profit or loss in the period in which the estimates change and in future periods. The carrying amount and details of the fair value measurement of the Group's biological assets is disclosed in note 19 to the financial statements.

5. 重要會計判斷及估計(續)

(iii) 非流動資產的可使用年期及剩餘價值

釐定物業、廠房及設備項目的可使用年期及剩餘價值時，本集團會定期核查市況、預期實質耗損及資產維護的變動情況。資產可使用年期的估計是本集團根據以往對用途相若的類似資產的經驗得出。倘若物業、廠房及設備的估計可用年期及／或剩餘價值有別於先前的估計，則會就折舊金額進行調整。可使用年期及剩餘價值會於報告期間末根據情況變動作出檢討。

(iv) 生物資產的公允價值計量

本集團管理層經參考市場定價、物種、生長環境、已產生成本及專業估值，於各報告期末釐定生物資產公允價值減銷售成本。本公司董事與該合資格外聘估值師緊密合作，以為該模式釐定適當之估值技術及輸入值。該決定涉及重大判斷的應用。倘實際結果有別於管理層所作原有估計，與原有估計的有關差額將影響估計變動期間及未來期間於損益內確認的公允價值變動。有關貴本團生物資產的賬面值及公允價值計量詳情披露於財務報表附註19。

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5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

(v) Income taxes and VAT

The Group is subject to various taxes in the PRC. At the same time, the Group also enjoys various preferential tax treatments in the PRC, e.g. the Group is exempted from Enterprise Income Tax (“EIT”) for its businesses relating to primary processing for agricultural products and animal-husbandry and poultry feeding and is exempted from VAT for its income derived from sale of self-produced agricultural products. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises the relevant taxes based on best estimates. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the profit or loss in the period in which such determination is made. In addition, the realisation of income tax assets and VAT assets is dependent on the Group’s ability to generate sufficient sales and taxable income in future. Derivations of future profitability from estimates or in the income tax rate would result in adjustments to the value of tax assets and liabilities.

6. REVENUE AND SEGMENT INFORMATION

The Group’s revenue from contracts with customers is recognised upon goods transferred at a point in time. For management purposes, the Group is organised into business units based on their products and has reportable operating segments as follows:

- a) Production and sale of raw chicken meat products
- b) Production and sale of processed chicken meat products
- c) Production and sale of chicks
- d) Others comprising sale of livestock feeds, by-products, packing materials and miscellaneous products

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment gross profit before biological assets fair value adjustments.

5. 重要會計判斷及估計(續)

(v) 所得稅及增值稅

本集團於中國須繳納多種稅項。同時，本集團於中國亦享有多種稅務優惠，例如，本集團涉及農產品初加工以及畜牧及家禽飼養的業務免徵企業所得稅，其自出售自產農產品之收入亦免徵增值稅(「企業所得稅」)。在日常業務過程中有多項交易及計算方式，均會導致未能確定最終所定稅項。本集團根據最佳估計確認相關稅項。倘該等事項的最終稅項結果有別於初始記錄金額，則有關差額將影響釐定期間的損益。此外，所得稅資產及增值稅資產的變現取決於本集團日後產生足夠銷售及應課稅收入的能力。自估計或所得稅率得出的未來盈利能力將導致須對稅項資產及負債價值作出調整。

6. 收入及分部資料

本集團的客戶合約收入於貨品轉讓後於某一時間點確認。就管理目的而言，本集團按產品劃分業務單位，及擁有以下四個可呈報經營分部：

- a) 生產及銷售生雞肉製品
- b) 生產及銷售深加工雞肉製品
- c) 生產及銷售雞苗
- d) 其他(包括銷售牲畜飼料、副產品、包裝材料及雜項產品)

管理層對本集團各經營分類的業績分別進行監控，以作出有關資源分配之決策及表現評估。分部表現乃按生物資產公允價值調整前可呈報分部毛利予以評估。

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6. REVENUE AND SEGMENT INFORMATION (Continued)

Segment assets and liabilities are not disclosed in these consolidated financial statements as they are not regularly provided to the management for the purposes of resource allocation and performance assessment.

6. 收入及分部資料(續)

由於分部資產及負債並無定期提供予管理層以作資源分配及表現評估，因此有關資料並無於本簡明綜合財務報表披露。

Year ended 31 December 2020		Raw chicken meat products	Processed chicken meat products	Chicken breeds	Others	Total
截至2020年12月31日止年度		生雞肉 製品	深加工 雞肉製品	雞苗	其他	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Segment revenue:	分部收入：					
Sales to external customers	銷售予外部客戶	1,922,651	1,773,387	85,335	120,242	3,901,615
Timing of revenue recognition:	收入確認時間：					
At a point in time	某一時間點	1,922,651	1,773,387	85,335	120,242	3,901,615
Segment results	分部業績	296,279	390,055	8,885	6,832	702,051
<i>Reconciliation:</i>	<i>對賬：</i>					
Biological assets fair value adjustments	生物資產公允價值調整					(27,157)
Other income and gains	其他收入及收益					54,132
Corporate and unallocated expenses	企業及未分配開支					(497,477)
Finance costs	融資成本					(83,890)
Gain on disposal of a subsidiary	出售一間附屬公司之收益					10,076
Share of loss of an associate	分佔一間聯營公司虧損					(173)
Profit before income tax	所得稅前利潤					157,562
Other segment information:	其他分部資料：					
Write-off of inventories	撇銷存貨	82	400	—	—	482
Depreciation of property, plant and equipment	物業、廠房及設備折舊	122,325	30,308	5,979	1,677	160,289
Depreciation of right-of-use assets	使用權資產折舊	4,284	2,746	—	3,295	10,325
Short-term lease expenses	短期租賃開支	301	—	137	242	680

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6. REVENUE AND SEGMENT INFORMATION (Continued)

6. 收入及分部資料(續)

Year ended 31 December 2019		Raw chicken meat products	Processed chicken meat products	Chicken breeds	Others	Total
截至2019年12月31日止年度		生雞肉 製品	深加工 雞肉製品	雞苗	其他	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Segment revenue:	分部收入:					
Sales to external customers	銷售予外部客戶	1,887,398	1,433,227	426,448	179,144	3,926,217
Timing of revenue recognition:	收入確認時間:					
At a point in time	某一時間點	1,887,398	1,433,227	426,448	179,144	3,926,217
Segment results	分部業績	557,356	325,572	314,318	24,214	1,221,460
<i>Reconciliation:</i>	<i>對賬:</i>					
Biological assets fair value adjustments	生物資產公允價值調整					3,446
Other income and gains	其他收入及收益					27,942
Corporate and unallocated expenses	企業及未分配開支					(324,807)
Finance costs	融資成本					(89,322)
Profit before income tax	所得稅前利潤					838,719
Other segment information:	其他分部資料:					
Write-off of inventories	撇銷存貨	229	657	—	244	1,130
Depreciation of property, plant and equipment	出售物業、廠房及設備虧損	66,061	60,900	10,021	4,202	141,184
Depreciation of right-of-use assets	使用權資產折舊	4,145	2,555	—	3,370	10,070
Short-term lease expenses	短期租賃開支	416	—	102	2,246	2,764

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6. REVENUE AND SEGMENT INFORMATION (Continued)

Geographic information

(a) Revenue from external customers

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Mainland China	中國內地	3,036,653	2,959,778
Japan	日本	382,416	461,599
Malaysia	馬來西亞	216,861	220,715
Europe	歐洲	202,740	186,602
Others	其他地區	62,945	97,523
		3,901,615	3,926,217

The revenue information above is based on the location of the customers.

以上收入資料乃按客戶所在地劃分。

(b) Non-current assets

All the Group's non-current assets, excluding deferred tax assets, are located in Mainland China based on the geographical location of the assets.

(b) 非流動資產

本集團的所有非流動資產(遞延稅項資產除外)位於中國內地乃基於資產之地理位置呈列。

Information about major customers

Revenue from external customers contributing over 10% of the total revenue of the Group for the each of the years ended 31 December 2020 and 2019 is as follows:

有關主要客戶的資料

截至2020年及2019年12月31日止年度對本集團總收入貢獻10%以上的外部客戶如下所示：

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Customer A	客戶A	483,187	530,234

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6. REVENUE AND SEGMENT INFORMATION (Continued)

Information about major customers (Continued)

The following table provides information about contract liabilities from contracts with customers as at reporting dates.

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Contract liabilities	合約負債	35,100	21,160

Contract liabilities mainly relate to the deposits received from customers for sales of meat products.

As at 31 December 2019 and 2020, contract liabilities from the remaining performance obligations under the Group's existing contracts represents revenue expected to be recognised in the future from acceptance of meat products by customers. The Group will recognise the expected revenue in future, which is expected to occur in the next 1 to 12 months

The Group has applied the practical expedient and decided not to disclose the amount of the remaining performance obligations for contracts as performance obligations under the contracts had an original expected duration of one year or less.

Movements in contract liabilities

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Balance as at 1 January	1月1日結餘	21,160	11,765
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	因確認包含在年初合約負債之中的年內收入而產生的合約負債減少	(21,160)	(11,765)
Increase in contract liabilities as a result of billing in advance of goods selling	因貨品銷售前款項而產生的合約負債增加	35,100	21,160
Balance at 31 December	12月31日結餘	35,100	21,160

6. 收入及分部資料(續)

有關主要客戶的資料(續)

下表載列於報告日期與客戶的合約之合約負債的資料。

	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Contract liabilities	35,100	21,160

合約負債主要與就銷售肉製品自客戶收到之按金有關。

於2019年12月31日及2020年12月31日，來自本集團現有合約剩餘履約義務之合約負債構成日後將確認之來自客戶接收肉製品之預期收入。本集團日後(預計於未來1至12個月)將確認預期收入。

本集團已務實採取權宜之計並決定不予披露剩餘履約義務之金額，因合約設有一年或以內的原預期持續時間。

合約負債變動

	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Balance as at 1 January	21,160	11,765
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(21,160)	(11,765)
Increase in contract liabilities as a result of billing in advance of goods selling	35,100	21,160
Balance at 31 December	35,100	21,160

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7. OTHER INCOME AND GAINS

7. 其他收入及收益

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Bank interest income	銀行利息收入	29,802	7,392
Exchange gain	匯兌收益	1,793	6,993
Government grants (note)	政府補貼(附註)	19,333	10,155
Others	其他	3,204	3,402
		54,132	27,942

Note:

Government grants include various subsidies received by the Group from relevant government bodies in connection with certain subsidies to support the Group's businesses. There are no unfulfilled conditions or contingencies relating to these grants.

附註:

政府補助包括本集團自有關政府機構收取的支持本集團業務的若干補貼的各種相關補貼。該等補助並無任何尚未履行的條件或然事項。

8. FINANCE COSTS

8. 融資成本

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Interest on borrowings	借款利息	71,398	64,105
Interest on bills payable	應付票據利息	1,141	13,696
Interest on lease liabilities	租賃負債利息	11,351	11,521
		83,890	89,322

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9. PROFIT BEFORE INCOME TAX

9. 所得稅前溢利

Profit before income tax is arrived at after charging/(crediting):

除所得稅前溢利已扣除/(計入)下列各項:

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Cost of inventories sold, including:	已售存貨成本，包括：		
— Write-off of inventories	— 撇銷存貨	482	1,130
Amortisation of intangible assets	無形資產攤銷	2,003	1,510
Auditor's remuneration	核數師酬金	2,455	791
Depreciation of property, plant and equipment	物業、廠房及設備折舊	172,404	163,105
Depreciation of right-of-use assets	使用權資產折舊	10,504	10,250
(Gain)/loss on disposals of property, plant and equipment	售出物業、廠房及設備之 (收益)/虧損	(1,992)	12,686
Provision for loss allowance on trade receivables	貿易應收款項虧損撥備	59	541
Gain on disposal of subsidiary	出售附屬公司之收益	(10,076)	—
(Reversal of)/provision for loss allowance on other receivables	其他應收款項(虧損撥備 撥回)/虧損撥備	(3,125)	204
Short-term lease expenses	短期租賃開支	4,307	9,092
Research and development expenses	研發開支	21,399	16,300
Listing expenses	上市開支	9,006	4,141
Exchange gain	匯兌收益	(1,793)	(6,993)
Employee benefit expense (including directors' emoluments (note 10)):	僱員福利開支(包括董事酬金 (附註10)):		
— Wage, salaries and allowances, social securities and other benefits	— 工資、薪金及津貼、社保 及其他福利	516,671	564,731
— Pension scheme contributions	— 退休金計劃供款	35,031	40,619
— Share-based compensation	— 股份酬金	3,453	—
		555,155	605,350

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10. DIRECTORS' REMUNERATION

10. 董事薪酬

Directors' emoluments are disclosed as follows:

董事酬金披露如下：

2020		Salaries, allowances and benefits	Pension scheme	Share-based compensation	Total
2020年		Fees in kind	contributions		
		薪金、 津貼及 袍金	退休金 計劃供款	以股份為基礎 的薪酬	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors:	執行董事：				
Liu Zhiguang (<i>note</i>)	劉志光(<i>附註</i>)	—	—	—	—
Xiao Dong Sheng	肖東生	2,000	71	505	2,576
Wang Jinsheng	王進聖	2,000	38	135	2,173
Ow Weng Cheong	區永昌	2,000	4	337	2,341
		6,000	113	977	7,090
Non-executive directors:	非執行董事：				
Liu Xuejing (<i>note</i>)	劉學景(<i>附註</i>)	—	—	—	—
Zhang Chuanli	張傳立	—	—	—	—
		—	—	—	—
Independent non-executive directors:	獨立非執行董事：				
Chung Wai Man (appointed on 8 August 2019)	鍾偉文(於2019年8月8日 獲委任)	127	—	—	127
Zhang Ye (appointed on 8 August 2019)	張擘(於2019年8月8日 獲委任)	127	—	—	127
Guo Tianyong (appointed on 8 August 2019)	郭田勇(於2019年8月8日 獲委任)	127	—	—	127
		381	—	—	381
Supervisors:	監事：				
Kong Xiangwei (resigned on 31 March 2021)	孔祥偉(於2021年 3月31日辭任)	—	—	—	—
Chen De He	陳德賀	—	—	—	—
Lian Xianmin	廉憲敏	—	331	84	415
		—	331	84	415
		6,381	444	1,061	7,886

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10. DIRECTORS' REMUNERATION (Continued)

10. 董事薪酬(續)

2019		Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Total
2019年		袍金	薪金、 津貼及 實物利益	退休金 計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors:	執行董事：				
Liu Zhiguang	劉志光	—	—	—	—
Xiao Dong Sheng	肖東生	2,398	75	—	2,473
Ow Weng Cheong	區永昌	2,024	4	—	2,028
Wang Jinsheng	王進聖	2,404	41	—	2,445
		6,826	120	—	6,946
Non-executive directors:	非執行董事：				
Liu Xuejing	劉學景	—	—	—	—
Zhang Chuanli	張傳立	—	—	—	—
		—	—	—	—
Supervisors:	監事：				
Kong Xiangwei	孔祥偉	—	—	—	—
Chen De He	陳德賀	—	91	—	91
Lian Xianmin	廉憲敏	—	358	—	358
		—	449	—	449
		6,826	569	—	7,395

Note: Mr. Liu Zhiguang was also the chairman of the Board of the Company during the year ended 31 December 2020 (2019: Liu Xuejing).

附註：截至2020年12月31日止年度，劉志光先生為本公司董事會主席(2019年：劉學景)。

There was no arrangement under which a director waived or agreed to waive any remuneration for the years ended 31 December 2020 and 2019.

概無任何安排使董事放棄或同意放棄截至2020年及2019年12月31日止年度之任何薪酬。

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11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year ended 31 December 2020 included 3 directors (2019: 3), details of whose remuneration are set out in note 10 above. Details of the remuneration of the remaining 2 highest paid employees who are neither a director nor chairman of the Board of the Company during year ended 31 December 2020 (2019: 2) is as follows:

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	3,000	3,521
Pension scheme contributions	退休金計劃供款	50	53
Share-based compensation	以股份為基礎的薪酬	590	—
		3,640	3,574

The number of non-director highest paid employees whose remuneration fell within the following bands is as follows:

11. 五位最高薪酬僱員

截至2020年12月31日止年度，五名最高薪僱員(包括三名董事(2019年：三名))的酬金詳情載於上文附註10。截至2020年12月31日止年度，其餘兩名(2019年：兩名)非董事或主要行政人員的最高酬金僱員的酬金如下：

酬金介乎下列區間的非董事最高薪僱員之人數如下：

		Number of employees 僱員數目	
		2020 2020年	2019 2019年
Hong Kong dollar ("HK\$") 1,000,001 to HK\$2,000,000	1,000,001港元(「港元」)至2,000,000港元	2	2

12. INCOME TAX EXPENSE

Current tax — Mainland China
Charge for the year

Under-provision in respect of prior years

Deferred tax (note 20)

即期稅項 — 中國內地
於本年度的開支

過往年度撥備不足

遞延稅項(附註20)

12 所得稅開支

	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
	4,841	1,197
	570	—
	536	141
	5,947	1,338

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12. INCOME TAX EXPENSE (Continued)

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and the Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% during the years ended 31 December 2020 and 2019 except for the followings:

- (i) According to the Implementation Regulation of the EIT Law and the exemptions regulation set out in the Circular of the Ministry of Finance and the State Administration on Releasing the Primary Processing Ranges of Agricultural Products Entitled to Preferential Policies on Enterprise Income Tax (Trial Implementation) (Cai Shui 2008 No. 149), and the requirements of Article 86 of the Implementation Regulation of the EIT Law, the income from certain subsidiary in Mainland China engaging in primary processing for agriculture products is exempted from EIT during the years ended 31 December 2020 and 2019.
- (ii) Pursuant to related regulations in respect of the Implementation Regulation of the EIT Law, the income from the Company and certain subsidiary in Mainland China engaging in projects of animal-husbandry and poultry feeding, is entitled to exemption from EIT during the years ended 31 December 2020 and 2019.

12 所得稅開支(續)

根據《中華人民共和國企業所得稅法》(《企業所得稅法》)及《企業所得稅法實施條例》，截至2020年12月31日及2019年12月31日止年度，中國附屬公司的稅率為25%，惟以下各項例外：

- (i) 根據《企業所得稅法實施條例》及《財政部、國家稅務總局關於發佈享受企業所得稅優惠政策的農產品初加工範圍(試行)的通知》(財稅[2008]149號)文件中免徵規定以及《企業所得稅法實施條例》第86條的規定，截至2020年12月31日及2019年12月31日止年度中國內地若干附屬公司從事農產品初加工所得收入免徵企業所得稅。
- (ii) 根據《企業所得稅法實施條例》相關規定，截至2020年12月31日及2019年12月31日止年度本公司及中國內地某間附屬公司從事畜牧及家禽飼養項目所得收入免徵企業所得稅。

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12. INCOME TAX EXPENSE (Continued)

The income tax expense can be reconciled to the profit before income tax per the consolidated statement of comprehensive income as follows:

12 所得稅開支(續)

所得稅開支可與綜合全面收益表內之除所得稅前溢利對賬如下：

		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit before income tax	所得稅前溢利	157,562	838,719
Tax calculated at the PRC statutory rate of 25%	按中國法定稅率25%計算之所得稅	39,391	209,680
Effect of tax exemptions granted to certain operations of the Group	本集團若干業務之稅務豁免的影響	(48,896)	(209,717)
Effect of non-taxable income and non-deductible expenses, net	免稅收入及不可扣稅開支淨額之影響	24,630	(3,277)
Utilisation of tax losses previously not recognised	動用先前未確認之稅項虧損	(17,557)	(8,178)
Tax effect of tax losses not recognised	未確認稅務虧損之稅務影響	7,809	12,830
Under-provision in respect of prior year	過往年度撥備不足	570	—
Income tax expense	所得稅開支	5,947	1,338

13. DIVIDENDS

On 31 March 2021, the directors of the Company proposed a first and final dividend of RMB0.03 per share, amounting to approximately RMB42,000,000 for the year ended 31 December 2020, and will be submitted for formal approval by the shareholders of the Company at the annual general meeting held on 28 May 2021.

13. 股息

於2021年3月31日，本公司董事建議派發截至2020年12月31日止年度的首次末期股息每股普通股人民幣0.03元，金額約為人民幣42,000,000元，並將於2021年5月28日舉行的股東週年大會上提交本公司股東正式批准。

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14. EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company for share award scheme.

Profit attributable to owners of the Company (RMB'000)	本公司擁有人應佔溢利 (人民幣千元)
Weighted average number of ordinary shares in issue ('000)	已發行普通股加權平均數 (千股)
Basic earnings per share (RMB cents per share)	每股基本盈利(每股人民幣分)

14. 每股盈利

基本

每股基本盈利按本公司股權持有人應佔溢利除以年內已發行普通股(本公司根據股份獎勵計劃購買之普通股除外)加權平均數計算。

2020 2020年	2019 2019年
152,640	837,522
1,208,012	1,045,000
RMB12.64 人民幣12.64分	RMB80.15 人民幣80.15分

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue during the year (excluding the ordinary shares purchased by the Company under the share award scheme) with the shares under the share award scheme.

Profit attributable to owners of the Company (RMB'000)	本公司擁有人應佔溢利 (人民幣千元)
Weighted average number of ordinary shares in issue ('000)	已發行普通股加權平均數 (千股)
Adjustment for share award scheme ('000)	股份獎勵計劃調整(千股)

攤薄

每股攤薄盈利乃透過以股票獎勵計劃之股份調整年內已發行普通股(本公司根據股票獎勵計劃購買之普通股除外)加權平均數計算。

Weighted average number of ordinary shares for the purposes of diluted earnings per share	用作計算每股攤薄盈利的普通股加權平均數
Diluted earnings per share (RMB cents per share)	每股攤薄盈利(每股人民幣分)

2020 2020年	2019 2019年
152,640	837,522
1,208,012	1,045,000
768	—
1,208,780	1,045,000
RMB12.63 人民幣12.63分	RMB80.15 人民幣80.15分

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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Plant and machinery 廠房及機械 RMB'000 人民幣千元	Office equipment 辦公室設備 RMB'000 人民幣千元	Motor vehicles 機動車輛 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
At 1 January 2019	於2019年1月1日						
Cost	成本	1,363,367	1,290,200	61,354	51,056	93,190	2,859,167
Accumulated depreciation	成本累計折舊	(275,597)	(405,544)	(29,052)	(32,170)	—	(742,363)
Net carrying amount	賬面淨值	1,087,770	884,656	32,302	18,886	93,190	2,116,804
Year ended 31 December 2019	截至2019年12月31日						
	止年度						
Opening net carrying amount	年初賬面淨值	1,087,770	884,656	32,302	18,886	93,190	2,116,804
Additions	添置	5,437	19,881	9,757	1,894	221,653	258,622
Transfer	轉讓	80,719	126,122	15,183	915	(222,939)	—
Disposals	出售	(21,271)	(17,044)	(911)	(1,206)	—	(40,432)
Depreciation	折舊	(55,097)	(92,183)	(9,362)	(6,463)	—	(163,105)
Closing net carrying amount	年/期終賬面淨值	1,097,558	921,432	46,969	14,026	91,904	2,171,889
At 31 December 2019 and 1 January 2020	於2019年12月31日及 2020年1月1日						
Cost	成本	1,397,933	1,388,607	84,095	50,433	91,904	3,012,972
Accumulated depreciation	成本累計折舊	(300,375)	(467,175)	(37,126)	(36,407)	—	(841,083)
Net carrying amount	賬面淨值	1,097,558	921,432	46,969	14,026	91,094	2,171,889

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15. PROPERTY, PLANT AND EQUIPMENT (Continued)

15. 物業、廠房及設備(續)

		Buildings 樓宇 RMB'000 人民幣千元	Plant and Machinery 廠房及機械 RMB'000 人民幣千元	Office equipment 辦公室設備 RMB'000 人民幣千元	Motor Vehicles 機動車輛 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
Year ended 31 December 2020	截至2020年12月31日 止年度						
Opening net carrying amount	年初賬面淨值	1,097,558	921,432	46,969	14,026	91,904	2,171,889
Additions	添置	415	26,681	5,560	9,737	471,781	514,174
Transfer	轉讓	96,865	148,742	3,363	13,692	(262,662)	—
Disposals	出售	(355)	(2,368)	(1,008)	(2,659)	—	(6,390)
Depreciation	折舊	(56,634)	(100,122)	(11,011)	(4,637)	—	(172,404)
Disposal of a subsidiary	出售一家附屬公司	(27,092)	(16,454)	(403)	—	—	(43,949)
Closing net carrying amount	年/期終賬面淨值	1,110,757	977,911	43,470	30,159	301,023	2,463,320
At 31 December 2020	於2020年12月31日						
Cost	成本	1,463,397	1,536,903	90,172	40,257	301,023	3,431,752
Accumulated depreciation	成本累計折舊	(352,640)	(558,992)	(46,702)	(10,098)	—	(968,432)
Net carrying amount	賬面淨值	1,110,757	977,911	43,470	30,159	301,023	2,463,320

As at 31 December 2020, certain of the Group's machinery with an aggregate net carrying amount of RMB142,514,000 (2019: RMB157,940,000) was pledged to secure a loan from financial institution (note 28).

於2020年12月31日，本集團總賬面淨值為人民幣142,514,000元(2019年：人民幣157,940,000元)的若干機械已抵押以自金融機構獲得貸款(附註28)。

As at 31 December 2020, certain of the Group's property, plant and equipment with an aggregate net carrying amount of RMB277,047,000 (2019: RMB249,484,000) was pledged to secure the bank loans (note 28).

於2020年12月31日，本集團總賬面淨值為人民幣277,047,000元(2019年：人民幣249,484,000元)的若干物業、廠房及設備已抵押以自銀行獲得貸款(附註28)。

As at the date of this report, the Group are in the process of applying for the title certificates of certain of their buildings with an aggregate net carrying amount of RMB593,000 as at 31 December 2020 (2019: RMB17,234,000). The directors of the Company are of the opinion that the aforesaid matters will not have any significant impact on the Group's financial position.

於本報告日期，本集團正就於2020年12月31日總賬面淨值為人民幣593,000元(2019年：人民幣17,234,000元)的若干樓宇申請業權證明書。本公司董事認為，上述事宜將不會對本集團的財務狀況造成任何重大影響。

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16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group leases a number of properties in the jurisdiction from which it operate. The Group leases leasehold lands and buildings for its operations. Leases of land use rights of the Group have remaining non-cancellable lease terms between 33 to 44 years (2019: 34 to 45 years). These lease contracts contain variable lease payment by reference to corn and wheat price each year.

Leases of plant and office of the Group have remaining non-cancellable leases terms between 2 to 44 years (2019: 3 to 45 years). Those leases comprise fix payments over the lease term.

16. 使用權資產及租賃負債

本集團於經營所在司法管轄區租賃多項物業。本集團租賃土地及樓宇進行經營。本集團土地使用權租賃不可取消之剩餘租期介於33年至44年(2019年: 34年至45年)。彼等租約慣常允許參照玉米及小麥價格逐年調整租賃款項。

本集團廠房及辦公室之租賃不可取消之剩餘租期介於2年至44年(2019年: 3年至45年)。此等租賃可在租期內採用固定租賃款項。

		Land use rights 土地使用權		Plant and office 廠房及辦公室		Total 總計	
		Right-of-use assets 使用權資產 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元	Right-of-use assets 使用權資產 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元	Right-of-use assets 使用權資產 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元
At 1 January 2019	於2019年1月1日	270,310	172,603	13,290	13,009	283,600	185,612
Addition	添置	191	—	15,066	15,066	15,257	15,066
Disposal	出售	(630)	—	—	—	(630)	—
Depreciation expense	折舊開支	(7,127)	—	(3,123)	—	(10,250)	—
Interest expense	利息開支	—	9,988	—	1,533	—	11,521
Payment	付款	—	(11,335)	—	(3,945)	—	(15,280)
At 31 December 2019 and 1 January 2020	於2019年12月31日及 2020年1月1日	262,744	171,256	25,233	25,663	287,977	196,919
Addition	添置	14,861	—	—	—	14,861	—
Depreciation expense	折舊開支	(7,374)	—	(3,130)	—	(10,504)	—
Interest expense	利息開支	—	9,946	—	1,405	—	11,351
Payment	付款	—	(11,350)	—	(4,010)	—	(15,360)
Disposal of a subsidiary	出售一家附屬公司	(22,015)	—	—	—	(22,015)	—
At 31 December 2020	於2020年12月31日	248,216	169,852	22,103	23,058	270,319	192,910

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16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

The present values of future lease payments are analysed as follows:

		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Non-current portion	非流動部分	188,402	193,443
Current portion	流動部分	4,508	3,476
		192,910	196,919

16. 使用權資產及租賃負債(續)

未來租金到期日之現值分析如下：

		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Short term lease expense	短期租賃開支	4,307	9,092
Aggregate undiscounted commitments for short term leases	短期租賃未貼現承諾總額	—	202

The following table show the remaining contractual maturities of the lease liabilities of the Group at the end of the reporting periods

下表顯示本集團於報告期末之租賃負債之剩餘合約到期日

		Present value of the minimum lease payments	Total minimum lease payments	Within one year or on demand	More than one year but less than two years	More than two years but less than five years	More than five years
		最低租賃付款現值	最低租賃付款總額	1年內或按要求	1年至2年	2年至5年	5年以上
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
2020	2020年	192,010	469,758	15,398	14,707	43,027	396,626
2019	2019年	196,919	485,052	15,294	15,398	43,319	411,041

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16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

As at 31 December 2020, certain of the Group's right-of-use assets with aggregate net carrying amounts of RMB25,967,000 (2019: RMB26,740,000) were pledged to secure banking facilities granted to the Group (note 28).

17. INTANGIBLE ASSETS

16. 使用權資產及租賃負債(續)

於2020年12月31日，本集團總賬面淨值為人民幣25,967,000元(2019年：人民幣26,740,000元)的若干使用權資產已抵押以取得授予本集團之銀行融資(附註28)。

17. 無形資產

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
At beginning of year	年初餘額		
Cost	成本	18,588	18,582
Accumulated amortisation	累計攤銷	(9,060)	(7,550)
Net carrying amount	賬面淨值	9,528	11,032
For the year ended	截至年末		
Opening net carrying amount	年初賬面淨值	9,528	11,032
Additions	添置	1,192	6
Amortisation	攤銷	(2,003)	(1,510)
Closing net carrying amount	年／期終賬面淨值	8,717	9,528
At end of year	年末餘額		
Cost	成本	19,780	18,588
Accumulated amortisation	累計攤銷	(11,063)	(9,060)
Net carrying amount	賬面淨值	8,717	9,528

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18. INTEREST IN AN ASSOCIATE

18. 於一間聯營公司的權益

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Share of net assets	分佔資產淨值	64,811	—

Details of the Group's associate are as follows:

本集團之聯營公司的有關詳情如下：

Name 名稱	Place of incorporation, operation and principal activity 註冊成立／經營及主要業務地點	Percentage of ownership interests 持有權益百分比
陽穀祥雨有機肥 (“Yanggu Xiangyu Organic Fertiliser”)	Distribution and sale of organic fertiliser in PRC	49%
陽穀祥雨有機肥	於中國境內分銷及銷售有機化肥	49%

Yanggy Xiangyu Organic Fertiliser was formerly a wholly owned subsidiary of the Group. In December 2020, due to the dilution in the Group's shareholding in Yanggy Xiangyu Organic Fertiliser as a result of the increase in investee's registered capital, Yanggu Xiangyu Organic Fertiliser became an associate of the Group. Please refer to Note 36(c) for details.

陽穀祥雨生物科技有限公司原為本集團之全資附屬公司。2020年12月，由於陽穀祥雨生物科技有限公司註冊資本增加導致本集團股權稀釋，陽穀祥雨生物科技有限公司成為本集團聯營公司。詳情請參閱附註36(c)。

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18. INTEREST IN AN ASSOCIATE (Continued)

Summarised financial information of material associate, adjusted for any difference in accounting policies and fair value adjustments made at the time of acquisition:

Yanggu Xiangyu Organic Fertiliser

18. 於一間聯營公司的權益(續)

收購時根據會計政策差異及公允價值調整後的主要聯營公司之財務資料概要：

陽穀祥雨生物科技有限公司

		2020 2020年 RMB'000 人民幣千元
As at 31 December	於12月31日	
Current assets	流動資產	73,142
Non-current assets	非流動資產	65,790
Current liabilities	流動負債	(3,304)
Non-current liabilities	非流動負債	(3,361)
Net assets	資產淨額	132,267
Group's share of net asset of the associate	本集團所佔聯營公司資產淨額	64,811
		RMB'000 人民幣千元
For the period ended 31 December 2020	截至2020年12月31日止期間	
Revenues	收入	1,405
Expenses	開支	(1,758)
Profit or loss from continuing operations	持續經營業務之損益	(353)
Other comprehensive income	其他全面收益	—
Total comprehensive income	全面收益總額	(353)
Dividends received from an associate	已收聯營公司股息	—

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19. BIOLOGICAL ASSETS

(a) Nature of agricultural activities

The biological assets of the Group represent breeders, broilers and boiler eggs. The broilers and boiler eggs are raised for sale and consumption in production, which are classified as current assets. Breeders are held to produce further boiler eggs and broilers, which are classified as non-current assets.

The quantity of biological assets owned by the Group as at 31 December 2020 and 2019 are as follows:

		2020 2020年	2019 2019年
Breeders	種雞	1,845,702	1,615,581
Broilers	肉雞	12,337,958	10,641,754
Broilers eggs	種蛋	12,371,295	13,597,187
		26,554,955	25,854,522

Financial risk management strategies

The Group is exposed to financial risks arising from changes in chicken prices. The Group does not anticipate that chicken prices will decline significantly in the foreseeable future and, therefore, has not entered into derivative or other contracts to manage the risk of a decline in chicken prices. The Group reviews its outlook for chicken prices regularly in considering the need for active financial risk management.

Risks related to agricultural activities

The Group is subject to laws and regulations in the location in which it operates breeding of chickens. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage these risks.

19. 生物資產

(a) 農業活動的性質

本集團的生物資產指種雞、肉雞及種蛋。飼養肉雞及種蛋的目的是銷售及生產消耗，因此肉雞及種蛋被分類為流動資產。持有種雞的目的是幫助進一步生產種蛋及肉雞，因此種雞被分類為非流動資產。

於2020年及2019年12月31日，本集團所擁有的生物資產的數量如下：

財務風險管理策略

本集團承擔之財務風險由雞價變動所引致。本集團預計雞價於可預見之將來不致大跌，因此並未簽訂衍生工具或其他合約以管理雞價下跌之風險。本集團定期審查雞價前景，以考慮對財務風險進行積極管理的必要性。

與農業活動相關的風險

本集團須遵守其經營養雞業務所在地的法律法規。本集團已制定旨在遵守當地環境及其他法律的環境政策及程序。管理層定期進行審查以識別環境風險，並確保所實行的制度足以管理該等風險。

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19. BIOLOGICAL ASSETS (Continued)

(a) Nature of agricultural activities (Continued)

Risks related to agricultural activities (Continued)

The Group's biological assets are exposed to the risk of damage from climatic changes, diseases and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating these risks, including regular inspections, disease controls, surveys and insurance.

(b) Reconciliation of the carrying amount of biological assets

19. 生物資產(續)

(a) 農業活動的性質(續)

與農業活動相關的風險(續)

本集團的生物資產面臨因氣候變化、疾病及其他自然因素所產生的損害風險。為監控及降低此類風險，本集團實施了廣泛的流程，包括定期檢查、疾病控制、調查及保險。

(b) 生物資產賬面值的對賬

		Breeders	Broilers and broiler eggs	Total
		種雞	肉雞及 種蛋	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於 2019年1月1日	126,956	138,422	265,378
Increase due to purchases/raising	因購買／飼養而增加	131,774	3,014,342	3,146,116
Changes in fair value less estimated costs to sell	公允價值減估計銷售成本變動	14,249	(10,803)	3,446
Transfer to inventories at the point of harvest	產生的收益收穫時轉入存貨	—	(2,696,716)	(2,696,716)
Decrease due to culling	因淘汰而減少	(101,275)	—	(101,275)
Decrease due to sales	因銷售而減少	(13,827)	(303,372)	(317,199)
At 31 December 2019 and 1 January 2020	於 2019年12月31日及 2020年1月1日	157,877	141,873	299,750
Increase due to purchases/raising	因購買／飼養而增加	154,195	1,989,169	2,143,364
Changes in fair value less estimated costs to sell	公允價值減估計銷售成本變動	(7,097)	(20,060)	(27,157)
Transfer to inventories at the point of harvest	產生的收益收穫時轉入存貨	—	(1,623,310)	(1,623,310)
Decrease due to culling	因淘汰而減少	(119,250)	—	(119,250)
Decrease due to sales	因銷售而減少	(19,533)	(341,750)	(361,283)
At 31 December 2020	於 2020年12月31日	166,192	145,922	312,114

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19. BIOLOGICAL ASSETS (Continued)

19. 生物資產(續)

(b) Reconciliation of the carrying amount of biological assets (Continued)

(b) 生物資產賬面值的對賬(續)

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Change in unrealised gain for the year included in profit or loss for the following assets held at year end	於年末持有的以下資產之計入損益的年內未變現收益變動		
— Breeders	— 種雞	6,440	13,536
— Broilers and broiler eggs	— 肉雞及種蛋	17,219	37,280
		23,659	50,816

Biological assets as at 31 December 2020 and 2019 are stated at fair values less estimated costs to sell and are analysed as follows:

於2020年及2019年12月31日的生物資產按公允價值減估計銷售成本列賬並分析如下：

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Non-current portion	非流動部分	166,192	157,877
Current portion	流動部分	145,922	141,873
		312,114	299,750

(c) Measurement of fair value

(c) 公允價值計量

The Group's chicken were independently valued by the independent and qualified valuers, Jones Lang LaSalle Sallmanns Limited.

本集團的雞由獨立合資格估值師仲量聯行西門有限公司獨立估值。

The fair value of biological assets is a level 3 recurring fair value measurement. The reconciliations from the beginning balances to the ending balances for fair value measurements of the biological assets are disclosed in note 19(b) above. There were no transfers into or out of level 3 during the years ended 31 December 2020 and 2019.

生物資產公允價值計量為第三級經常性公允價值計量。生物資產公允價值計量的年初與年末結餘的對賬披露於上文附註19(b)。於截至2020年及2019年12月31日止年度，於第3級並無任何轉入或轉出。

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19. BIOLOGICAL ASSETS (Continued)

19. 生物資產(續)

(c) Measurement of fair value (Continued)

(c) 公允價值計量(續)

Key assumptions and inputs

主要假設及輸入參數

The fair value of the biological assets is determined by using the market approach and replacement cost approach and is with reference to items with similar size, species, age and weight. These adjustments are based on unobservable inputs.

生物資產的公允價值乃採用市場法及重置成本法經參考類似大小、品種、年齡及重量畜禽的市場定價而釐定。該等調整乃基於不可觀察之數據。

Set forth below are the valuation techniques, key assumptions and inputs adopted in the valuation process to determine the fair values of the biological assets of the Group as at 31 December 2020 and 2019.

下文載列於估值過程中採納的估值技術、主要假設及輸入數據，以釐定本集團及本公司生物資產於2020年及2019年12月31日的公允價值。

		2020	2019
		2020年	2019年
Breeders (Note (a))	種雞(附註(a))		
Per head market price of breeder chick and culled breeder chicken (RMB)	種雞和淘汰種雞的每隻市價(人民幣元)	30.88-39.71	26.05-59.30
Per head cost required to raise a mature breeder (RMB)	飼養一隻成熟種雞所需的每隻成本(人民幣元)	0-75.45	0-64.17
Rate of reduction/consumption	減少/消耗率	0-73%	0-44%
Broilers (Note (b))	肉雞(附註(b))		
Per head market price (RMB)	每隻市價(人民幣元)	20.55	20.57
Broiler eggs (Note (b))	種蛋(附註(b))		
Per piece market price (RMB)	每枚市價(人民幣元)	1.30	2.50

Notes:

附註:

- (a) Since there are no market prices for breeders at different stages, the replacement cost approach is adopted in this practise. The valuation was based on the market prices of the breeder chick and culled breeder chicken and the estimated cost for rearing breeder, with adjustment for the reduction/consumption of the useful lives of the breeder.
- (b) Market-based prices for broiler chick, mature broiler and broiler egg can be obtained from traded market. Given the relatively short finishing cycle of broilers, the fair values of the broilers and broiler eggs are developed through the application of market approach with reasonable adjustments to reflect the age differences during the rearing period.

- (a) 由於缺少處於不同階段的種雞的市價，因此估值時採用了重置成本法。估值乃基於種雞及精選種雞的市價以及飼養種雞的估計成本，並就種雞的可使用年期的減少/消耗作出調整。
- (b) 肉雞苗、成年肉雞及種蛋的市價可自交易市場獲得。由於肉雞的育肥週期相對較短，肉雞及種蛋的公允價值乃通過採用市場法制定，並作出合理調整以反映飼養期間的年齡差異。

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19. BIOLOGICAL ASSETS (Continued)

(c) Measurement of fair value (Continued)

Key assumptions and inputs (Continued)

A significant increase/decrease in market price and cost required to raise a mature breeder in isolation would result in a significant increase/decrease in the fair value of the biological assets.

A significant increase/decrease market price of mature broilers and broiler eggs would result in a significant increase/decrease in the fair value of the biological assets.

A significant increase/decrease in rate of reduction/consumption in isolation would result in a significant decrease/increase in the fair value of the biological assets.

19. 生物資產(續)

(c) 公允價值計量(續)

主要假設及輸入參數(續)

僅成年種雞市價及飼養所需成本大幅增加/減少將會導致生物資產公允價值大幅增加/減少。

僅成年肉雞及種蛋市價之大幅增加/減少將會導致生物資產公允價值大幅增加/減少。

僅減少/消耗比率大幅增加/減少將會導致生物資產公允價值大幅減少/增加。

20. DEFERRED TAX ASSETS

Movements in deferred income tax assets during the years ended 31 December 2020 and 2019 are as follows:

20. 遞延稅項資產

截至2020年及2019年12月31日止年度遞延所得稅資產的變動如下:

		Government grants received not yet recognised as income 已收但未確認為收入的政府補助
At 1 January 2019	於2019年1月1日	3,650
Charged to profit or loss	計入損益	(141)
At 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	3,509
Disposal of a subsidiary	出售一家附屬公司	(2,570)
Charged to profit or loss	計入損益	(536)
At 31 December 2020	於2020年12月31日	403

The Group has tax losses arising in Mainland China of RMB302,427,000 as at 31 December 2020 (2019: RMB343,340,000) that will expire in one to five years for offsetting against taxable profits. Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

本集團2020年12月31日於中國內地產生稅項虧損302,427,000港元(2019: 343,340,000港元)，將於一至五年到期用於抵銷未來應課稅溢利。此等虧損產生之遞延稅項資產無列賬，因有相當可能性將不會有足夠應課稅溢利可用作抵銷可動用之稅務虧損。

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21. INVENTORIES

21. 存貨

		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Raw materials	原材料	159,866	146,010
Work-in-progress	在製品	—	358
Finished goods	製成品	412,658	338,657
		572,524	485,025

22. TRADE RECEIVABLES

22. 貿易應收款項

		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade receivables	貿易應收款項	206,869	209,816
Less: loss allowance	減：虧損撥備	(3,250)	(3,191)
		203,619	206,625

The Group's trading terms with its customers are mainly on cash and credit. The credit period is generally 30 to 60 days. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. Concentrations of credit risk are managed by analysis by customer. The Group does not hold any collateral or other credit enhancements over these balances. Trade and bills receivables are non-interest-bearing.

本集團與客戶之買賣主要以現金及信貸結算。信貸期一般介乎30至60天。本集團尋求對其尚未收回之應收款項維持嚴格控制，並由高級管理層對逾期結餘定期審核。集中信貸風險按照客戶的分析進行管理。本集團並無就此等結餘持有任何抵押品或其他加強信貸措施。應收賬款及應收票據並不計息。

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22. TRADE RECEIVABLES (Continued)

An aged analysis of the balance of trade receivables as at the end of the reporting periods, based on the invoice date and net of provision, is as follows:

		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 1 month	1個月之內	140,665	136,053
1 to 3 months	1至3個月	60,594	62,779
3 months to 1 year	3個月至1年	129	6,325
Over 1 year	1年以上	2,231	1,468
		203,619	206,625

The movement in provision for loss allowance of trade receivables is as below:

		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At beginning of year	年初餘額	3,191	2,650
Loss allowance recognised (note 9)	已確認的虧損撥備(附註9)	59	541
At end of year	年末餘額	3,250	3,191

The Group recognised impairment loss based on the accounting policy stated in note 4(h)(ii).

The individually impaired trade receivables relate to a customer that no longer has transactions with the Group and only a portion of the receivable is expected to be recovered.

Further details on the group's credit policy and credit risk arising from trade receivables are set out in note 38.

22. 貿易應收款項(續)

截至報告期末按發票日期計算並經扣除撥備的應收貿易款項及應收票據結餘的賬齡分析如下：

貿易應收款項的減值撥備變動如下：

本集團根據附註4(h)(ii)所列的會計政策確認減值虧損。

個別減值貿易應收款項與不再與本集團進行交易的客戶有關，且預期僅可收回部分應收款項。

有關本集團信貸政策及應收賬款所產生信貸風險之進一步詳情載於附註38。

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23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

23. 預付款項、按金及其他應收款項

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Non-current	非流動		
Prepayments for property, plant and equipment	物業、廠房及設備的預付款項	155,237	43,375
Deposits paid	已付按金	—	16,838
		155,237	60,213
Current	流動		
Prepayments	預付款項	62,400	69,652
Deposits and other receivables (note)	按金及其他應收款項(附註)	8,527	3,787
VAT and other recoverable	增值稅及其他可收回款項	98,673	85,092
		169,600	158,531
		324,837	218,744

Note:

The movement in loss allowance of other receivables of the Group is as below:

附註:

本集團的其他應收款項的虧損撥備變動如下:

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
At beginning of year	年初餘額	3,125	2,921
(Reversal of)/provision for loss allowance (note 9)	(虧損撥備撥回)/虧損撥備(附註9)	(3,125)	204
At end of year	年末餘額	—	3,125

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24. BALANCES WITH RELATED PARTIES

The balances with these related parties are trade in nature, unsecured, non-interest-bearing and repayable on demand.

The tables below provide further analysis of balances with related parties.

24. 與關聯方之結餘

該等關聯方之結餘屬貿易性質、無擔保、不計息且須按要求償還。

下表提供與關連人士之結餘之進一步分析。

		Notes 附註	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Due from a related party				
應收關聯方款項				
Due from a fellow subsidiary				
應收一間同系附屬公司款項				
聊城奧德能源有限公司	聊城奧德能源有限公司			
("Aode Energy")	("奧德能源")	(i)	—	46
Due from an associate				
應收一間聯營公司款項				
Yanggu Xiangyu Organic Fertiliser	「陽穀祥雨有機肥」		750	—
			750	46
Due to related parties				
應付關聯方款項				
Due to fellow subsidiaries				
應付同系附屬公司款項				
聊城奧德能源有限公司	聊城奧德能源有限公司			
("Aode Energy")	("奧德能源")	(i)	2,358	2,213
中科鳳祥生物有限公司	中科鳳祥生物有限公司			
("Zhongke Fengxiang")	("中科鳳祥")	(i)	3,844	—
Due to related companies				
應付關聯公司款項				
陽穀縣藍海置業有限公司	陽穀縣藍海置業有限公司	(ii)	—	255
青島祥光物流有限公司	青島祥光物流有限公司			
("Xiangguang Logistics")	("祥光物流")	(ii)	854	1,824
山東祥泰永安工程技術有限公司	山東祥泰永安工程技術有限公司	(ii)	—	991
			7,056	5,283

Notes:

- (i) The ultimate parent of the Company has significant influence over these entities.
- (ii) The ultimate shareholders of the Company, Mr. Liu Xuejing, Mr. Liu Zhiguang and Mr. Liu Zhiming, have a combined 100% beneficial interest in these entities.

附註:

- (i) 本公司最終母公司對該等實體具有重大影響力。
- (ii) 公司的最終股東(劉學景先生、劉志光先生及劉志明先生)合計擁有該實體的100%實益權益。

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25. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

25. 現金及現金等價物以及已抵押存款

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	1,118,690	373,686
Cash held by financial institution	金融機構持有的現金	437,446	374,269
Less: Pledged short-term deposits (note 28)	減：已抵押短期存款(附註28)	(266,155)	(184,590)
Cash and cash equivalents	現金及現金等價物	1,289,981	563,365

As at 31 December 2020, the cash and cash equivalents and pledged deposits of the Group denominated in RMB were RMB1,545,627,000 (2019: RMB738,193,000). 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 are permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Banks balances earns interest at floating rates based on daily bank deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

Cash held by financial institution, i.e. GMK Finance CO., Ltd ("GMK Finance"), are unrestricted deposits that can be withdrawn at any time. Cash held by financial institution earns interest at floating rates based on daily bank deposit rates.

Pledged deposits represent deposits pledged to banks for securing banking facilities including letter of credits and bank loans granted to the Group. These pledged deposits will be released upon the release of the relevant facilities or the settlement of relevant borrowings.

於2020年12月31日，本集團以人民幣計價的現金及現金等價物和抵押存款為人民幣1,545,627,000元(2019年：人民幣738,193,000元)。儘管人民幣不能與其他貨幣自由兌換，但是根據中華人民共和國外匯管理條例及結匯、售匯及付匯管理規定，本集團有權將人民幣兌換成其他貨幣以進行外幣業務。

銀行結餘基於根據每日銀行存款利率按浮動利率計息。銀行存款與保證金存放於信用記錄良好且近期沒有違約記錄的銀行。

金融機構(即新鳳祥財務)所持現金為可隨時提取的無限制存款。金融機構所持現金基於每日銀行存款利率按浮動利率計息。

已抵押存款指本集團抵押予銀行以獲授包括信用證及銀行貸款在內的銀行融資的存款。該等已抵押存款將於解除有關融資或結算有關借款後解除。

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26. TRADE AND BILLS PAYABLES

Trade payables are non-interest-bearing. The credit periods granted by each individual supplier are on a case-by-case basis and set out in the supplier contracts.

Trade payables	貿易應付款項
Bills payable	應付票據

26. 貿易應付款項及應付票據

應付貿易款項不計利息。各個供應商授出的信用期乃視乎個別情況而定，並載於供應商合約內。

		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		217,321	168,120
		—	140,000
		217,321	308,120

As at 31 December 2019, the Group's bills payable represented the bills issued to 山東陽穀大豐食品有限公司 ("Yanggu Da Feng"), a fellow subsidiary of the Company and were all aged within six months.

於2019年12月31日，本集團的應付票據為向本公司同系附屬公司山東陽穀大豐食品有限公司（「陽穀大豐」）發出的票據，賬齡全部為六個月以內。

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26. TRADE AND BILLS PAYABLES (Continued)

An aged analysis of the Group's trade payables as at the end of the reporting period, based on the invoice date, is as follows:

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Within 1 month	1個月之內	149,897	123,076
1 to 3 months	1至3個月	58,429	33,364
3 months to 1 year	3個月至1年	5,868	7,469
Over 1 year	1年以上	3,127	4,211
		217,321	168,120

As at 31 December 2019, trade payables included an amount of approximately RMB21,098,000, which was payable to Yanggu Da Feng. This balance was unsecured, interest-free and repayable on demand.

26. 貿易應付款項及應付票據(續)

於報告期末，本集團基於發票日期的貿易應付款項的賬齡分析如下：

於2019年12月31日，貿易應付款項包括應付陽穀大豐的金額約人民幣21,098,000元。該結餘為無抵押、免息及須按要求償還。

27. ACCRUALS AND OTHER PAYABLES

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Accrued expenses	應計開支	167,555	130,511
Other payables	其他應付款項	166,926	116,553
VAT and other taxes payables	應付增值稅及其他稅項	7,755	5,406
		342,236	252,470

27. 應計項目及其他應付款項

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28. BORROWINGS

28. 借款

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Bank loans, secured and guaranteed (note (a))	銀行貸款，有抵押及有擔保 (附註(a))	1,485,723	894,542
Other loans from financial institution, unsecured (note (b))	其他金融機構貸款，無抵押 (附註(b))	—	28,000
Other loans from financial institution, secured and guaranteed (note (c))	其他金融機構貸款，有抵押及 有擔保(附註(c))	100,515	444,491
		1,586,238	1,367,033
Less: Non-current portion	減：非流動部分	(32,353)	(100,635)
Portion classified as current liabilities	分類為流動負債的部分	1,553,885	1,266,398
Analysed into	分析為：		
Bank loans, secured and guaranteed repayable:	銀行貸款，有抵押及有擔保， 應償還：		
Within one year	一年內	1,485,723	894,542
		1,485,723	894,542
Other loans from financial institution, unsecured, repayable	其他金融機構貸款，無抵押， 應償還		
Within one year	一年內	—	28,000
Other loans from financial institution, secured and guaranteed, repayable	其他金融機構貸款，有抵押及 有擔保，應償還		
Within one year	一年內	68,162	343,856
In the second year	第二年	32,353	71,060
In the third to fifth years, inclusive	第三年到第五年 (包括首尾兩年)	—	29,575
		100,515	444,491
		1,586,238	1,367,033
Effective interest rate per annum	實際年利率		
Bank loans, secured and guaranteed	銀行貸款，有抵押及有擔保	2.95% to 5.80% 2.95%至5.80%	2.85% to 5.10% 2.85%至5.10%
Other loans from financial institution, unsecured	其他金融機構貸款，無抵押	—	6.19%
Other loans from financial institution, secured and guaranteed	其他金融機構貸款，有抵押及 有擔保	4.75% to 6.65% 4.75%至6.65%	2.70% to 6.65% 2.70%至6.65%

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28. BORROWINGS (Continued)

Notes:

(a) The Group's borrowings and banking facilities are secured/ guaranteed by:

- (i) mortgages of the Group's leasehold lands situated in Mainland China, which had aggregate net carrying values of RMB25,967,000 as at 31 December 2020 (2019: RMB26,740,000) (note 16);
- (ii) pledge of the Group's bank deposits of RMB266,155,000 (2019: RMB184,590,000) as at 31 December 2020 (note 25).
- (iii) pledge of certain of the Group's property, plant and equipment with aggregate net carrying amount of RMB277,047,000 (2019: RMB249,484,000) as at 31 December 2020 (note 15);
- (iv) pledge of certain inventories of Yanggu Xiangguang Copper Co., Ltd ("Xiangguang Copper"), a fellow subsidiary of the Company;
- (v) guaranteed by certain immediate holding companies of the Company namely 山東鳳祥(集團)有限責任公司 and 新鳳祥控股集團有限責任公司, certain fellows subsidiaries of the Company namely Shandong Xiangguang Group Co., Ltd. ("Xiangguang Group") and Xiangguang Copper, 山東祥瑞金屬科技有限公司 over which the ultimate parent of the Company has significant influence, Mr. Liu Xuejing and Ms. Zhang Xiuying for certain bank borrowings of the Group with aggregate amount of approximately RMB887,723,000 (2019: RMB327,542,000) as at 31 December 2020; and
- (vi) secured by the Company's bills receivable of approximately RMB491,000,000 (2019: RMB198,542,000) as at 31 December 2020.

(b) The Group's unsecured other loans from financial institution represents loans from GMK Finance.

(c) The Group's secured other loans from financial institution were jointly guaranteed by GMK Finance, Shandong Xiangguang Group Co., Ltd. and Mr. Liu Xuejing and secured by pledge of certain machinery with aggregate net carrying amount of RMB142,514,000 (2019: RMB157,940,000) as at 31 December 2020.

The Group's secured other loans from financial institution of approximately RMB276,195,000 as at 31 December 2019, represent loans from GMK Finance, which were secured by the Company and its subsidiaries' bills receivable of RMB281,000,000 as at 31 December 2019.

28. 借款(續)

附註:

(a) 本集團之借款及銀行融資以下列各項作抵押/擔保:

- (i) 於2020年12月31日抵押本集團位於中國內地的租賃土地總賬面淨值為人民幣25,967,000元(2019年:人民幣26,740,000元)(附註16);
- (ii) 於2020年12月31日本集團銀行存款抵押為人民幣266,155,000元(2019年:人民幣184,590,000元)(附註25)。
- (iii) 於2020年12月31日,本集團若干物業、廠房及設備的總抵押賬面淨值為人民幣277,047,000元(2019年:人民幣249,484,000元)(附註15);
- (iv) 本公司同系附屬公司陽穀祥光銅業有限公司(「祥光銅業」)存貨;
- (v) 產生自本公司最終母公司擁有重大影響的本公司某些直接控股公司,即山東鳳祥(集團)有限責任公司及新鳳祥控股集團有限責任公司;本公司某些同系附屬公司,即山東祥光集團有限公司(「祥光集團」)及祥光銅業、山東祥瑞金屬科技有限公司,劉學景先生及張秀英女士之本集團若干銀行借款,於2020年12月31日,總額為約人民幣887,723,000元(2019年:人民幣327,542,000元);及
- (vi) 於2020年12月31日抵押本公司應收票據約人民幣491,000,000元(2019年:人民幣198,542,000元)。

(b) 本集團之其他金融機構無抵押貸款指來自新鳳祥財務的貸款。

(c) 本集團其他金融機構有抵押貸款由新鳳祥財務、山東祥光集團有限公司及劉學景先生聯合擔保以及於2020年12月31日抵押總賬面淨值為人民幣142,514,000元(2019年:人民幣157,940,000元)的若干機械。

截至2019年12月31日,本集團從金融機構獲得的有擔保的其他貸款約為人民幣276,195,000元,為來自新鳳祥財務的貸款,該等貸款以本公司及其附屬公司於2019年12月31日的應收票據人民幣281,000,000元為擔保。

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29. DEFERRED GOVERNMENT GRANTS

29. 遞延政府補助

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
At beginning of year	年初餘額	15,878	16,736
Additions	添置	5,268	1,500
Released to profit or loss	計入損益	(586)	(2,358)
Disposal of a subsidiary	出售一家附屬公司	(13,657)	—
At end of year	年末餘額	6,903	15,878
Analysed into:	分析為：		
Current	流動	156	847
Non-current	非流動	6,747	15,031
		6,903	15,878

Government grants received by the Group as financial subsidies were recognised as income over the periods necessary to match the grants on a systematic basis to the costs that they were intended to compensate. There are no unfulfilled conditions or contingencies relating to the grants.

本集團收到的政府補助為財政補貼，必須有系統地在補助金額對應擬補償成本的期間內將之確認為收入。相關補貼並無任何尚未達成的條件或或然條件。

30. SHARE CAPITAL

30. 股本

		Number of domestic shares of RMB1.0 each 每股人民幣1元的 內資股的 股份數目	Number of H shares of RMB1.0 each 每股人民幣1元的 H股的 股份數目	Total number of ordinary shares 普通股的 股份總數	Authorised, Issued and paid shares 授權發行及 實繳股份 RMB'000 人民幣千元
As at 1 January and 31 December 2019	於2019年1月1日及12月31日	1,045,000,000	—	1,045,000,000	1,045,000
Issue of H shares	發行H股	—	355,000,000	355,000,000	355,000
As at 31 December 2020	於2020年12月31日	1,045,000,000	355,000,000	1,400,000,000	1,400,000

Note:

On 16 July 2020, 355,000,000 H shares of par value RMB1.00 each of the Company were issued by way of global offering. On the same date, the Company's H shares were listed on the Stock Exchange.

附註：

於2020年7月16日，本公司355,000,000股每股面值人民幣1.00元的H股以全球發售方式發行。同日，本公司的H股於聯交所上市。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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31. RESERVES

Share premium

Upon completion of the initial public offering during the year, the Company issued 355,000,000 new shares at par value of RMB1 each for cash consideration of HK\$3.33 each, and raised gross proceeds before net of other issuance costs. The respective share capital amount was approximately RMB355,000,000 and share premium arising from the issuance was approximately RMB620,306,000, net of the share issuance costs.

Statutory reserve

In accordance with the PRC Company Law and the articles of association of the Company and its subsidiaries established in the PRC, the Company and its subsidiaries established in the PRC are required to appropriate 10% of their respective net profits after tax, as determined under the Chinese Accounting Standards, to the statutory surplus reserve until the reserve balance reaches 50% of their respective registered capital. Subject to certain restrictions set out in the relevant PRC regulations and in the articles of association of the Company and its subsidiaries established in the PRC, the statutory surplus reserve may be used either to offset losses, or to be converted to increase share capital provided that the balance after such conversion is not less than 25% of the registered capital of the Company and its subsidiaries established in the PRC. The reserve cannot be used for purposes other than those for which it is created and is not distributable as cash dividends.

Merger reserve

Merger reserve represents the difference between the total carrying amounts of investment in subsidiary of the Company and the nominal value of the aggregate share capital of the subsidiaries of the Company arising from certain restructuring exercise undertaken by the Group in the past.

31. 儲備

股份溢價

於年內首次公開發行完成後，本公司以每股人民幣1元的面值發行355,000,000股新股，每股現金代價為3.33港元，籌集所得款項總額扣除其他發行成本前。有關股本金額約為人民幣355,000,000元，扣除股份發行成本後，發行產生的股份溢價約為人民幣620,306,000元。

法定儲備

根據中國公司法及本公司及其在中國成立的附屬公司之《公司章程》的規定，本公司及其在中國成立的附屬公司須將根據中國會計準則釐定的稅後溢利淨額的10%撥入法定盈餘儲備，直至儲備結餘達到其註冊資本的50%為止。受相關中國法規及本公司及其各自在中國成立的附屬公司組織章程細則所載若干限制所規限，法定盈餘儲備可用於抵銷虧損或轉換為增加股本，惟轉換後的結餘不得少於本公司及其在中國成立的附屬公司註冊資本的25%。儲備不得用作設立目的以外的用途及不得作為現金股息分派。

合併儲備

合併儲備指因本集團於先前進行若干重組導致本公司附屬公司的投資賬面總值與本公司附屬公司總股本面值的差額。

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31. RESERVES (Continued)

Share-based payment reserve

Pursuant to resolutions passed by the shareholders of the Company dated 4 June 2020 and effective from 16 July 2020, the Company set up a share award scheme (the "Share Award Scheme"). The purpose of the scheme is providing incentive or rewards to eligible participants for their contributions to the Group. Details of the equity settled share-based transactions are disclosed in note 35.

32. COMMITMENTS

Capital commitments not provided for in the Group's consolidated financial statements were as follows:

Property, plant and equipment: 物業、廠房及設備
— contracted for but not yet incurred 一 已訂約但尚未產生

31. 儲備(續)

股份代繳款儲備

根據本公司股東於2020年6月4日通過，並自2020年7月16日起生效的決議案，本公司設立了一項股份獎勵計劃(「股份獎勵計劃」)。該計劃是旨在就選定的合資格參與者對本集團作出之貢獻提供激勵或獎勵。以股權結算的股份交易詳情於附註35中披露。

32. 承擔

本公司綜合財務報表未撥備的資本承擔如下：

	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Property, plant and equipment: 物業、廠房及設備		
— contracted for but not yet incurred 一 已訂約但尚未產生	239,387	171,815

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33. RELATED PARTY TRANSACTIONS

33. 關連方交易

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group had the following material transactions with related parties during the reporting periods:

(a) 除於財務報表其他部分詳述的交易外，本集團於報告期與關聯方進行以下交易：

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Sales of goods	銷售貨品		
Fellow subsidiaries:	同系附屬公司：		
Fengxiang Supermarket Co, Ltd	鳳祥超市有限公司	4,148	3,338
Zhongke Fengxiang	中科鳳祥	3,260	3,344
Purchases of goods	購買貨品		
A fellow subsidiary:	同系附屬公司：		
Yanggu Da Feng	陽穀大豐	—	149,728
Transportation cost	運輸成本		
A related company:	一間關聯公司：		
Xiangguang Logistics	祥光物流	14,952	14,795
Utilities expenses	水電費開支		
Fellow subsidiary:	同系附屬公司：		
Aode Energy	奧德能源	40,581	33,905
Rental expense	租金開支		
Ultimate holding company	最終控股公司		
GMK Holdings Co., Ltd	新鳳祥集團	4,230	4,964
Interest income	利息收入		
A fellow subsidiary:	一間同系附屬公司：		
GMK Finance	新鳳祥財務	16,508	2,461
Finance costs	融資成本		
Fellow subsidiaries:	同系附屬公司：		
GMK Finance	新鳳祥財務	3,679	19,236
Yanggu Da Feng	陽穀大豐	—	13,696
Consumables expenses	耗材開支		
A related company:	一間關聯公司：		
陽穀祥泰物業有限公司	陽穀祥泰物業有限公司	—	19,227

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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33. RELATED PARTY TRANSACTIONS (Continued)

The above related party transactions were conducted in accordance with the terms mutually agreed between the parties.

(b) Compensation of key management personnel of the Group

33. 關連方交易(續)

上述關聯方交易均按照雙方相互協定的條款進行。

(b) 本集團主要管理人員之薪酬

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	13,295	14,868
Pension scheme contributions	退休金計劃供款	—	—
Share-based compensation	以股份為基礎的薪酬	2,670	—
		15,965	14,868

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34. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

34. 綜合現金流量表附註

Changes in liabilities from financing activities

融資活動產生之負債變動

		Borrowings 借款 RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元
At 1 January 2019	於2019年1月1日	1,485,458	185,612
<i>Changes from cash flows:</i>	<i>現金流量變動：</i>		
Drawdown of borrowings	提取借款	1,630,028	—
Repayments of borrowings	償還借款	(1,748,453)	—
Interest paid	已付利息	(64,105)	(11,521)
Repayment of principal portion of lease liabilities	償還租賃負債本金部分	—	(3,759)
Total changes from financing cash flows	融資現金流量變動總額：	(182,530)	(15,280)
<i>Other changes</i>	<i>其他變動</i>		
Finance costs	融資成本	64,105	11,521
Acquisition of right-of-use assets	收購使用權資產	—	15,066
At 31 December 2019 and 1 January 2020	於2019年12月31日及 2020年1月1日	1,367,033	196,919
<i>Changes from cash flows:</i>	<i>現金流量變動：</i>		
Drawdown of borrowings	提取借款	1,842,173	—
Repayments of borrowings	償還借款	(1,622,968)	—
Interest paid	已付利息	(72,539)	(11,351)
Repayment of principal portion of lease liabilities	償還租賃負債本金部分	—	(4,009)
Total changes from financing cash flows	融資現金流量變動總額	146,666	(15,360)
<i>Other changes</i>	<i>其他變動</i>		
Finance costs	融資成本	72,539	11,351
At 31 December 2020	於2020年12月31日	1,586,238	192,910

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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35. SHARE AWARD SCHEME

The Share Award Scheme was adopted on 4 June 2020 for recognising the contributions made by certain employees and providing them with incentives in order to maintain the continual operation and development of the Group; attracting suitable personnel for further development of the Group; and providing retirement protection of the Group's personnel.

The awarded shares will be acquired by an independent trustee ("the Trustee") from the open market by utilising the Group's resources provided to the Trustee. The maximum number of shares in respect of which shares may be granted under the Share Award Scheme and which may be awarded to a selected employee shall not exceed 3% and 1% respectively of the issued share capital of the Company as at 16 July 2020.

Subject to any early termination as may be determined by the board of directors pursuant to the terms of the Share Award Scheme, the scheme shall be valid and effective from 16 July 2020 to the date the last awarded share has been vested and transferred to the relevant selected employee or has lapsed in accordance with the terms provided that no award shall be made on or after 10 years of 16 July 2020.

35. 股份獎勵計劃

股份獎勵計劃於2020年6月4日獲採納，具體目標為表彰若干僱員的貢獻，並給予鼓勵以維繫本集團的經營和發展；吸引合適的人才加入，以協助本集團進一步發展；及為本集團人員提供退休保障。

授出的股份將由獨立受託人（「受託人」）利用本集團提供給受託人的資源從公開市場上購買。根據股份獎勵計劃授出之股份數目及可獎勵予個別經甄選人士之股份數目分別最多不得超過本公司於2020年7月16日已發行股本之3%與1%。

股份獎勵計劃由2020年7月16日起生效，直至最後一股授出股份根據條款歸屬及轉讓給相關經甄選人士或失效之日為止（但不得在2020年7月16日及十年後作出任何獎勵），惟可由本公司董事會）依據股份獎勵計劃規則決定提前終止。

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35. SHARE AWARD SCHEME (Continued)

The following awarded shares were outstanding under the Share Award Scheme during the year:

Date of grant	Number of awarded shares				Lapsed during the year	At 31 December 2020	Exercise period (both dates inclusive)	Exercise price per share
	At 1 January 2020	Granted during the year	Vested during the year	獎勵股份之數目				
授出日期	於2020年1月1日	授出期間年份	歸屬期間年份	失效期間年份	於2020年12月31日	(包括首尾兩天)	每股行使價	
16 July 2020 2020年7月16日	—	2,050,000	(820,000)	—	1,230,000	30/9/2020 — 30/6/2023	—	

Notes:

In 2020, based on the Company's instructions, the Trustee purchased a total of 2,050,000 ordinary shares of the Company on the Stock Exchange at prices ranging from HK\$3.39 to HK\$3.67 per share at a total consideration (including related transaction costs) of approximately RMB6,370,000.

A total of 2,050,000 shares of the Company, amounted to approximately HK\$6,827,000 were granted by the board of directors of the Company pursuant to the Share Award Scheme to 18 selected participants of the Group, upon the listing of the Company's shares on the Main Board of the Stock Exchange on 16 July 2020.

The awarded shares would be vested in accordance with the vesting schedule as follows:

- (i) as to 40% of the awarded shares on 30 September 2020;
- (ii) as to 20% of the awarded shares on 30 June 2021;
- (iii) as to 20% of the awarded shares on 30 June 2022; and
- (iv) as to 20% of the awarded shares on 30 June 2023.

35. 股份獎勵計劃(續)

以下獎勵股份均為於年內該計劃項下尚未行使的股份：

附註：

2020年，根據本公司指示，受託人在聯交所每以每股3.39港元至3.67港元的價格購買本公司普通股共計2,050,000股，總代價(包括相關交易成本)約為人民幣6,370,000元。

於2020年7月16日本公司於聯交所主板上市之時，根據股份獎勵計劃，本公司董事會已授予本集團18名選定參與者2,050,000股本公司股份，金額為約6,827,000港元。

該等獎勵股份將按照下列歸屬時間表進行歸屬：

- (i) 於2020年9月30日授予獎勵股份的40%；
- (ii) 於2021年6月30日授予獎勵股份的20%；
- (iii) 於2022年6月30日授予獎勵股份的20%；及
- (iv) 於2023年6月30日授予獎勵股份的20%。

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31 December 2020 2020年12月31日

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

36. 本公司財務狀況表

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
	<i>Notes</i> 附註		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	1,411,078	1,168,758
Right-of-use assets	使用權資產	195,327	187,010
Intangible assets	無形資產	6,850	6,738
Biological assets	生物資產	162,971	155,062
Investments in subsidiaries	附屬公司投資 (a)	982,677	1,047,704
Interest in an associate	於一間聯營公司的權益	64,984	—
Prepayments and deposits	預付款項及按金	22,671	27,741
Total non-current assets	非流動資產總額	2,846,558	2,593,013
Current assets	流動資產		
Inventories	存貨	125,908	99,071
Biological assets	生物資產	142,015	136,289
Trade and bills receivables	應收貿易款項及票據	491,786	237,790
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	37,378	36,085
Due from subsidiaries	附屬公司欠款	457,280	105,314
Pledged deposits	已抵押存款	—	40,000
Cash and cash equivalents	現金及現金等價物	1,224,273	455,325
Total current assets	流動資產總額	2,478,640	1,109,874
Current liabilities	流動負債		
Trade and bills payables	應付賬款及票據	107,644	223,667
Accruals and other payables	應計項目及其他應付款項	139,730	89,604
Contract liabilities	合約負債	748	1,476
Borrowings	借款	1,485,724	924,491
Due to related parties	應付關聯方款項	2,349	1,793
Due to subsidiaries	應付附屬公司款項	576	12,990
Lease liabilities	租賃負債	1,620	1,540
Deferred government grants	遞延政府補助	—	—
Income tax payable	應付所得稅	1,316	545
Total current liabilities	流動負債總額	1,739,707	1,256,106
Net current asset/(liabilities)	流動資產(負債)淨額	738,933	(146,232)
Total assets less current liabilities	資產總額減流動負債	3,585,491	2,446,781

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36. STATEMENTS OF FINANCIAL POSITION OF THE COMPANY (Continued)

36. 本公司財務狀況表(續)

		<i>Notes</i> <i>附註</i>	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Non-current liabilities				
	非流動負債			
Deferred government grants	遞延政府補助		5,269	—
Lease liabilities	租賃負債		172,978	174,438
Total non-current liabilities			178,247	174,438
Net assets				
	資產淨額		3,407,244	2,272,343
Equity				
	權益			
Share capital	股本	30	1,400,000	1,045,000
Reserves	儲備	(b)	2,007,244	1,227,343
Total equity			3,407,244	2,272,343

On behalf of the Board

代表董事會

Mr. Xiao Dongsheng
肖東生先生
Director
董事

Mr. Liu Xuejing
劉學景先生
Director
董事

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36. STATEMENTS OF FINANCIAL POSITION OF THE COMPANY (Continued)

36. 本公司財務狀況表(續)

Notes:

附註:

(a)

(a)

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Unlist investments, at cost	非上市資產·按成本	1,076,300	1,141,327
Provision for impairment	減值撥備	(93,623)	(93,623)
		982,677	1,047,704

The particulars of the Company's direct interests in its subsidiaries, all of which are private limited liability companies, are set out below:

有關本公司及其於附屬公司(均為私人有限責任公司)的直接權益詳情, 載列如下:

Name	Date and place of establishment/ registration and place of operations	Registered and paid up capital	Percentage of equity attributable to the Company 佔本公司 權益的百分比	Principal activities
名稱	註冊成立日期及地點以及經營地點	已登記及繳足股本		主要業務
山東鳳祥實業有限公司	20 December 2011 PRC/ Mainland China 2011年12月20日中國/中國內地	RMB606,900,000 人民幣606,900,000元	100 100	Livestock slaughtering, manufacture and sale of chicken meat products 禽類屠宰、生產及銷售雞肉製品
山東鳳祥食品發展有限公司	22 April 1997 PRC/Mainland China 1997年4月22日中國/中國內地	RMB412,238,900 人民幣412,238,900元	100 100	Manufacture and sale of chicken meat products 生產及銷售雞肉製品
興文天養極食食品發展有限公司	26 May 2016 PRC/Mainland China 2016年5月26日中國/中國內地	RMB10,000,000 人民幣10,000,000元	90 90	Chicken breeding, livestock slaughtering, manufacture and sale of chicken meat products 禽類養殖、屠宰、生產及銷售雞肉 製品
禹城鳳鳴食品發展有限公司	18 August 2017 PRC/Mainland China 2017年8月18日中國/中國內地	RMB33,000,000 人民幣33,000,000元	100 100	Chicken breeding, livestock slaughtering, manufacture and sale of chicken meat products 禽類養殖、屠宰、生產及銷售雞肉 製品
鳳祥食品有限公司	18 November 2015 PRC/ Mainland China 2015年11月18日中國/中國內地	RMB60,000,000 人民幣60,000,000元	100 100	Manufacture and sale of chicken meat products 生產及銷售雞肉製品
鳳祥食品株式會社	28 December 2017 Japan 2017年12月28日日本	Japanese Yen 50,000,000 (equivalent to approximately RMB3,003,100) 日圓50,000,000元 (大約相當於 人民幣3,003,100元)	100 100	Food research and development 食品研發

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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36. STATEMENTS OF FINANCIAL POSITION OF THE COMPANY (Continued)

36. 本公司財務狀況表(續)

(b) The movements of the reserves of the Company are as follows:

(b) 本公司的儲備變動如下：

		Share premium	Share-based payment reserve	Share held for award reserve	Statutory reserve	Retained profits	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於2019年1月1日	—	—	—	55,392	456,098	511,490
Profit and total comprehensive income for the year	本年度溢利及全面收益總額	—	—	—	—	715,853	715,853
Transfer to statutory reserve	轉撥至法定儲備	—	—	—	70,224	(70,224)	—
At 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	—	—	—	125,616	1,101,727	1,227,343
Profit and total comprehensive income for the year	本年度溢利及全面收益總額	—	—	—	—	162,512	162,512
Issuance of shares	與首次公开发售有關，扣除包銷佣金及其他發行成本後淨額	620,306	—	—	—	—	620,306
Share purchased for share award scheme	為股份獎勵計劃購置的股份	—	—	(6,370)	—	—	(6,370)
Equity-settled share award scheme arrangements	以股權結算的股份獎勵計劃安排	—	3,453	—	—	—	3,453
Reclassification of vested awarded shares	已獎勵股份的重新分類	(144)	(2,404)	2,548	—	—	—
Transfer to statutory reserve	轉撥至法定儲備	—	—	—	15,014	(15,014)	—
At 31 December 2020	於2020年12月31日	620,162	1,049	(3,822)	140,630	1,249,225	2,007,244

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36. STATEMENTS OF FINANCIAL POSITION OF THE COMPANY (Continued)

(c) Deemed disposal of a subsidiary

In December 2020, the Group lost its control of Yanggu Xiangyu Organic Fertiliser, which is engaged in the distribution and sale of organic fertiliser in the PRC. The net assets of Yanggu Xiangyu Organic Fertiliser at the date of control being lost were as follows:

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	43,949
Right-of-use asset	使用權資產	22,015
Deferred tax asset	遞延稅項資產	2,570
Inventories	存貨	1,034
Prepayment and other receivables	預付款項及其他應收款項	226
Cash and cash equivalents	現金及現金等價物	2,018
Trade payables	貿易應付款項	(1,911)
Contract liabilities	合約負債	(393)
Accrued expenses and other payables	應計款項及其他應付款項	(943)
Deferred government grants	遞延政府補助	(13,657)
Net assets disposed of	已出售之資產淨額	54,908
Fair value of the remained equity interest	剩餘股權的公允價值	(64,984)
Gain on disposal	出售收益	(10,076)
An analysis of the outflow of cash and cash equivalents in respect of the deemed disposal of a subsidiary is as follows:	有關視作出售一間附屬公司的現金及現金等價物的流出分析如下:	
Cash consideration received	收取之現金代價	—
Cash and cash equivalents disposed of	出售之現金及現金等價物	(2,018)
Outflow of cash and cash equivalents in respect of the deemed disposal of subsidiaries	有關視作出售附屬公司的現金及現金等價物的流出	(2,018)

After the deemed disposal, the Group still maintained 49% equity interest of Yanggu Xiangyu Organic Fertiliser which allow the Group to have significant influence on the entity. Therefore, the Group accounted for the remaining interests in Yanggu Xiangyu Organic Fertiliser as interest in an associate. Please refer to Note 18 for details.

36. 本公司財務狀況表(續)

(c) 視作出售一間附屬公司

於2020年12月，本集團失去對陽穀祥雨有機肥料的控制權，陽穀祥雨在中國從事分銷及銷售有機肥料。於失去控制權當日，陽穀翔宇有機肥業的資產淨額如下：

		RMB'000 人民幣千元
物業、廠房及設備	43,949	
使用權資產	22,015	
遞延稅項資產	2,570	
存貨	1,034	
預付款項及其他應收款項	226	
現金及現金等價物	2,018	
貿易應付款項	(1,911)	
合約負債	(393)	
應計款項及其他應付款項	(943)	
遞延政府補助	(13,657)	
已出售之資產淨額	54,908	
剩餘股權的公允價值	(64,984)	
出售收益	(10,076)	
有關視作出售一間附屬公司的現金及現金等價物的流出分析如下:		
收取之現金代價	—	
出售之現金及現金等價物	(2,018)	
有關視作出售附屬公司的現金及現金等價物的流出	(2,018)	

於視作出售後，本集團仍持有陽穀祥雨有機肥料49%的股權，使本集團對該實體具有重大影響力。因此，本集團將於陽穀祥雨有機肥的餘下權益列作於聯營公司的權益。詳情請參閱附註18。

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37. FINANCIAL INSTRUMENTS BY CATEGORY

37. 按類別劃分之金融工具

The carrying amounts of each of the categories of financial instruments as at the end of the reporting periods are as follows:

於呈報期末，各類金融工具之賬面值如下：

		2020	2019
		2020年	2019年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Financial assets	金融資產		
<i>Financial assets at amortised cost</i>	<i>按攤銷成本計量的金融資產</i>		
Trade and bills receivables	應收貿易款項及票據	203,619	206,625
Deposits and other receivables	按金及其他應收款項	8,527	3,787
Due from related parties	應收關聯方款項	750	46
Pledged deposits	已抵押存款	266,155	184,590
Cash and cash equivalents	現金及現金等價物	1,289,981	563,365
		1,769,032	958,413
Financial liabilities	金融負債		
<i>Financial liabilities at amortised cost</i>	<i>按攤銷成本計量的金融負債</i>		
Trade and bills payables	貿易應付款項及應付票據	217,321	308,120
Accruals and other payables	應計項目及其他應付款項	334,481	247,064
Borrowings	借款	1,586,238	1,367,033
Due to related parties	應付關聯方款項	7,056	5,283
		2,145,096	1,927,500

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38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group's exposure to financial risks, and the financial risk management policies and practices used by the Group to manage these risks are described below.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to its interest-bearing bank and other loans. The Group does not use derivative financial instruments to hedge its interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

Increase by 25 basis points	上升二十五個基點
Decrease by 25 basis points	下跌二十五個基點

Foreign currency risk

Majority of the revenue-generating operations of the Group are transacted in RMB, which is not freely convertible into foreign currencies. All foreign exchange transactions involving RMB must take place through the People's Bank of China or other institutions authorised to buy and sell foreign currencies.

38. 財務風險管理及公允價值計量

本集團面臨的財務風險及本集團用於管理該等風險的財務風險管理政策及慣例載述如下。

利率風險

本公司稅前利潤對利率的合理可能變動的敏感度(通過對浮動利率借款產生影響)。本集團並無使用衍生財務工具對沖其利率風險。

下表顯示在一切其他變量維持不變時，本集團除稅前溢利(透過對浮動利率借貸之影響)對利率在合理可能變動下之敏感度。

(Decrease)/increase on profit after tax and equity

除稅後利潤及權益(減少)/增加

	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Increase by 25 basis points	(281)	(563)
Decrease by 25 basis points	281	563

外幣風險

本集團大部分產生收入的業務均以人民幣交易，人民幣不可自由換算為外幣。所有涉及人民幣的外匯交易均須透過中國人民銀行或其他獲授權買賣外匯的機構進行。

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38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

38. 財務風險管理及公允價值計量 (續)

Foreign currency risk (Continued)

外幣風險 (續)

The following table details the Group's exposure at the end of reporting period to currency risk arising from recognised assets or liabilities denominated in a currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using spot rate at the year end date.

下表詳列本集團於報告期末所面臨以相關實體的貨幣計值的已確認資產或負債產生的外匯風險。就呈列而言，風險涉及之金額以人民幣列示，採用年結日之即期匯率換算。

Exposure to foreign currencies (expressed in thousands of RMB)

面臨的外匯風險 (以人民幣千元表示)

		2020 2020年		2019 2019年	
		United States dollar ("USD") 美元 (「美元」) RMB'000 人民幣千元	HK\$ 港元 RMB'000 人民幣千元	USD 美元 RMB'000 人民幣千元	Euro ("EUR") 歐元 (「歐元」) RMB'000 人民幣千元
Trade receivables (RMB'000)	貿易應收款項 (人民幣千元)	5,413	—	67,371	—
Cash at banks (RMB'000)	銀行現金 (人民幣千元)	—	6,938	1,261	—
Trade payables (RMB'000)	貿易應付款項 (人民幣千元)	(3,038)	—	—	—
Other payables (RMB'000)	其他應付款項 (人民幣千元)	(436)	—	—	(780)
Net exposure arising from recognised assets and liabilities	已確認資產和負債產生的風險淨額	1,939	6,938	68,632	(780)

Such exposures arise from sales by group entities in currencies other than their functional currencies. Approximately 3% of the Group's sales for the years ended 31 December 2020 (2019: 3%), were denominated in currencies other than the functional currencies of the group entities (i.e. RMB). At present, the Group does not intend to seek to hedge its exposure to foreign exchange fluctuations. However, management constantly monitors the economic situation and the Group's foreign exchange risk profile and will consider appropriate hedging measures in the future should the need arise.

該等風險來自集團實體對其功能貨幣外的貨幣所進行的銷售活動。截至2020年12月31日止年度，本集團約3%之銷售(2019年：3%)乃以本集團功能貨幣(即人民幣)以外之貨幣計值。目前，本集團無意就其外匯波動風險進行對沖。然而，管理層會一直監察經濟形勢及本集團的外匯風險狀況，日後有需要時會考慮採取適當的對沖措施。

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38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

Foreign currency risk (Continued)

The following table demonstrates the sensitivity at the end of reporting periods to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant, of the Group's profit after income tax (due to changes in the fair values of monetary assets and liabilities).

		Increase/(decrease) on profit after tax and equity 除稅後溢利及權益增加/(減少)	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
RMB/USD	人民幣/美元		
If US\$ strengthens against RMB by 5%	倘美元兌人民幣升值5%。	97	3,431
If US\$ weakens against RMB by 5%	倘美元兌人民幣貶值5%。	(97)	(3,413)
RMB/EUR	人民幣/歐元		
If EUR strengthens against RMB by 5%	倘歐元兌人民幣升值5%。	—	39
If EUR weakens against RMB by 5%	倘歐元兌人民幣貶值5%。	—	(39)
RMB/HKD	人民幣/港元		
If HK\$ strengthens against RMB by 5%	倘港元兌人民幣升值5%。	347	—
If HK\$ weakens against RMB by 5%	倘港元兌人民幣升值5%。	(347)	—

Credit risk

The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of business and advances to other counterparties.

The Group continuously monitors default of customers and other counterparties, identified either individually or by group, and incorporate this information into credit risk controls. The Group's policy is to deal only with creditworthy counterparties. The Group's management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

None of the Group's financial assets are secured by collateral or other credit enhancement.

38. 財務風險管理及公允價值公允價值計量 (續)

外幣風險(續)

下表記錄了於報告期末，在其他變量保持不變時，美元和歐元外匯匯率發生合理、可能的變動時，將對本集團的稅前溢利因貨幣性資產及負債的公允價值變化的敏感性分析。

		Increase/(decrease) on profit after tax and equity 除稅後溢利及權益增加/(減少)	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
RMB/USD	人民幣/美元		
If US\$ strengthens against RMB by 5%	倘美元兌人民幣升值5%。	97	3,431
If US\$ weakens against RMB by 5%	倘美元兌人民幣貶值5%。	(97)	(3,413)
RMB/EUR	人民幣/歐元		
If EUR strengthens against RMB by 5%	倘歐元兌人民幣升值5%。	—	39
If EUR weakens against RMB by 5%	倘歐元兌人民幣貶值5%。	—	(39)
RMB/HKD	人民幣/港元		
If HK\$ strengthens against RMB by 5%	倘港元兌人民幣升值5%。	347	—
If HK\$ weakens against RMB by 5%	倘港元兌人民幣升值5%。	(347)	—

信貸風險

本集團面對的信貸風險主要來自於其日常業務過程中向客戶授出信貸及向其他對手方預付款項。

本集團持續監察按個別或組合確認之客戶及其他對手方之拖欠情況，並將有關資料計入信貸風險控制。本集團的政策為僅與信譽良好的對手方作交易。本集團管理層認為所有於各回顧期間報告日期尚未減值之財務資產(包括已逾期者)均具有良好信貸質素。

本集團之金融資產概無由抵押品或其他加強信貸措施作擔保。

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38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

Credit risk (Continued)

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix.

The following table provides information about the Group's and the Company's exposure to credit risk and ECLs for trade receivables as at the reporting dates:

		Gross carrying amount 賬面總額		
		Expected loss rate 預期虧損率 %	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Current	流動	0.5%	201,201	193,370
0-90 days past due	逾期0-90日	1%	1,129	7,066
Over 90 days past due	逾期超過90日	5%-50%	4,539	9,380
			206,869	209,816

Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The Group measures loss allowances for deposits paid and other receivables, cash and cash equivalents, pledged deposits and amounts due from related parties at an amount equal to 12 months ECLs. As at 31 December 2020, the gross carrying amount of deposits paid and other receivables of the Group are approximately RMB8,527,000 (2019: RMB6,912,000), and the loss allowances of the Group decreased by approximately RMB3,125,000 (2019: Increased by approximately RMB204,000) for other receivables of the Group during the year ended 31 December 2020.

38. 財務風險管理及公允價值公允價值計量 (續)

信貸風險 (續)

本集團按相等於全期內預期信貸虧損的款額計量貿易應收款項虧損準備，全期內預期信貸虧損乃按撥備矩陣計算。

下表載列有關本集團及本公司於報告日期的信貸風險及貿易應收款項預期信貸虧損的資料。

		Gross carrying amount 賬面總額		
		Expected loss rate 預期虧損率 %	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Current	流動	0.5%	201,201	193,370
0-90 days past due	逾期0-90日	1%	1,129	7,066
Over 90 days past due	逾期超過90日	5%-50%	4,539	9,380
			206,869	209,816

預期虧損率乃基於過去三年的實際虧損經驗。該等利率經調整以反映收集歷史數據期間的經濟狀況、當前狀況與本集團對應收款項預期年期的經濟狀況的意見之間的差異。

本集團計量已付按金及其他應收款項、現金及現金等價物、已抵押存款以及應收關聯方及最終控股公司款項的虧損撥備，款額相當於12個月預期信貸虧損。於2020年12月31日，本集團已付按金及其他應收款項的賬面總額約為人民幣8,527,000元(2019年：人民幣6,912,000元)，而截至2020年12月31日止年度，本集團其他應收款項的虧損準備減少約人民幣3,125,000元(2019年：增加約人民幣204,000元)。

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38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

Credit risk (Continued)

The credit risk on other financial assets of the Group is limited because the counterparties have no historical default record and the directors expect that the general economic conditions will not significantly change for the 12 months after the reporting date and consider that the ECL is immaterial as at reporting date.

As at 31 December 2020, the Group had certain concentrations of credit risk as 50% (2019: 58%) of the Group's trade receivables were due from the Group's three largest debtors. Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 22 to the financial statements.

Majority of the deposits are placed with banks and financial institutions with sound credit ratings to mitigate the risk.

Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool, which considers the maturity of both its financial instruments and financial assets (e.g. trade receivables) and projected cash flows from operations. The Group also maintains a balance between continuity of funding and flexibility through the use of bank and other loans as well as banking facilities in place for contingency purpose.

38. 財務風險管理及公允價值公允價值計量 (續)

信貸風險 (續)

由於對手方並無過往違約記錄，且董事預計於報告日期後12個月的整體經濟狀況不會發生重大變化並認為預期信貸虧損於報告日期並不重大，故本集團其他金融資產的信貸風險有限。

於2020年12月31日，由於本集團三大債務人欠負50% (2019年：58%)之應收賬款，故此本集團有一定之信貸風險集中度。有關本集團所承受由應收貿易賬款所產生的信貸風險的進一步定量數據於財務報表附註22內披露。

大多數存款存放於信貸評級良好的銀行及金融機構以減小風險。

流動性風險

本集團的政策是定期監察其流動資金需求及其遵守貸款保證契約的情況，以確保保持充足的現金儲備，應付短期及長期流動資金的需求。

本集團使用經常性流動資金計劃工具監控其資金短缺的風險，考慮其金融工具及金融資產(如貿易應收款項)的到期情況及經營業務的預測現金流量。本集團亦透過動用銀行及其他貸款以及用於應急的銀行融資維持資金持續性與靈活性之間的平衡。

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38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

38. 財務風險管理及公允價值公允價值計量 (續)

Liquidity risk (Continued)

流動性風險(續)

The maturity profile of the Group's financial liabilities as at the end of the reporting periods, based on the contractual undiscounted payments, was as follows:

本集團金融負債於報告期末按已訂約但未貼現款項的到期情況載列如下：

		Total contractual Carrying amount	Total contractual undiscounted cash flow	Within one year or on demand	More than one year but less than two years	More than two years but less than five years
		已訂約未貼現 賬面值	現金流量總額	一年內或 按要求	超過1年 但少於2年	超過2年 但少於5年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 31 December 2020	於2020年12月31日					
Trade and bills payables	貿易應付款項及應付票據	217,321	217,321	217,321	—	—
Accruals and other payables	應計項目及其他應付款項	334,481	334,481	334,481	—	—
Borrowings	借款	1,586,238	1,630,177	1,596,719	33,458	—
Due to related parties	應付關聯方款項	7,056	7,056	7,056	—	—
		2,145,096	2,189,035	2,155,577	33,458	—
At 31 December 2019	於2019年12月31日					
Trade and bills payables	貿易應付款項及應付票據	308,120	308,120	308,120	—	—
Accruals and other payables	應計項目及其他應付款項	247,064	247,064	247,064	—	—
Borrowings	借款	1,367,033	1,408,541	1,302,515	75,337	30,689
Due to related parties	應付關聯方款項	5,283	5,283	5,283	—	—
		1,927,500	1,969,008	1,862,982	75,337	30,689

Price risk

價格風險

The Group is exposed to commodity price risk. To manage its price risk arising from future commercial transactions on one of the major raw materials — soybean meal corn and soybean oil Group purchased futures contracts in Dalian Commodity Exchange.

本集團面臨商品價格風險。為管理主要原材料之一豆粕、玉米及豆油的未來商業交易產生的價格風險，本集團在大連商品交易所購買了期貨合約。於各報告期末，本集團並無任何重大未結算期貨合約。

As at the end of the reporting dates, the Group did not have any material unsettled future contract.

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38. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

Fair value measurements

The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The fair values of trade receivables, deposits and other receivables, balances with related parties, subsidiaries, pledged deposits, cash and cash equivalents, trade payables, accruals and other payables and current portion of borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the non-current portion of borrowings have been calculated by discounting the expected future cash flows using the rates currently available for instruments on similar terms, credit risk and remaining maturities.

38. 財務風險管理及公允價值公允價值計量 (續)

公允價值計量

此架構根據計量此等金融資產及負債之公允價值所使用之主要資料輸入之相對可靠性，將金融資產及負債劃分為三層。公允價值層級分為以下各級：

- 層級1：可識別資產及負債於活躍市場之報價(未經調整)；
- 層級2：層級1所包括報價以外就資產或負債直接(即價格)或間接(即源自價格)觀察所得輸入值；及
- 層級3：並非以可觀察市場數據為依據之資產或負債輸入資料(非可觀察輸入資料)。

金融資產或負債整體所歸入之公允價值架構內之層級，應基於對公允價值計量具有重大意義之最低層級資料輸入值。

貿易應收款項及應收票據、按金及其他應收款項、與關聯方及附屬公司的結餘、已抵押存款、現金及現金等價物、貿易應付款項、應計項目及其他應付款項及借款的即期部分的公允價值與其賬面值大致相若，原因是該等工具的到期期限較短。

借款的非流動部分的公允價值乃採用現時可供參考類似年期、信貸風險及剩餘期限的工具的息率折讓預期未來現金流量而計算。

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39. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and a healthy capital ratio in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustment to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the reporting periods.

The Group monitors capital using a gearing ratio, which is total borrowings divided by total equity. The Group's policy is to maintain a stable gearing ratio. The gearing ratios as at the end of each of the reporting periods were as follows:

39. 資本管理

本集團資本管理的主要目標為確保其維持良好的信貸評級及穩健的資本比率以支持其業務及最大化股東價值。

本集團管理其資本架構並根據經濟狀況的變動對其作出調整。為維持或調整資本架構，本集團或會調整支付予股東之股息，退還資本予股東或發行新股。於本報告期內，本集團並無對目標、政策或程式作出改變。

本集團採用資本負債比率(即借款總額除以權益總額)監管資本。本集團之政策為保持穩定資產負債比率。各報告期末資本負債比率如下：

		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Total borrowings	借貸總額	1,586,238	1,367,033
Total equity	權益總額	3,387,535	2,263,640
Gearing ratio	資本負債比率	47%	60%

40. EVENTS AFTER THE REPORTING PERIOD

Except as disclosed in elsewhere in this report, there are no material subsequent events undertaken by the Company or the Group after 31 December 2020.

41. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board on 31 March 2021.

40. 報告期後事項

除本報告其他部分所披露者外，本公司或本集團於2020年12月31日後並無進行任何重大期後事件。

41. 批准財務報表

本財務報表已由董事會於2021年3月31日批准及授權刊發。

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

A summary of the published results, assets and liabilities of the Group for the last five financial years, prepared on the basis as set out herein, is set out below:

下表載列本集團於過往五個財政年度之已刊發業績、資產及負債概要，該等資料按本年報所載基準編製：

		Year ended 31 December				
		截至12月31日止年度				
		2020	2019	2018	2017	2016
		2020年	2019年	2018年	2017年	2016年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Results	業績					
Revenue	收入	3,901,615	3,926,217	3,197,099	2,434,392	2,354,104
Gross profit (after biological fair value adjustments)	毛利(於生物資產公允價值調整後)	402,039	428,415	178,004	37,099	68,246
Profit for the year (after biological fair value adjustments)	年度溢利(於生物資產公允價值調整後)	151,615	837,381	136,611	37,119	119,848
Gross profit margin (%) (before biological assets fair value adjustments)	毛利率%(於生物資產公允價值調整前)	18.0	31.1	14.4	12.0	16.7
Net profit margin (%)	純利率(%)	3.9	21.3	4.3	1.5	5.1
Assets and liabilities	資產及負債					
Total assets	資產總額	5,777,550	4,431,048	3,919,498	3,689,178	3,335,363
Total liabilities	負債總額	2,390,015	2,167,408	2,493,303	2,378,819	2,094,376
Total equity	權益總額	3,387,535	2,263,640	1,426,195	1,310,359	1,204,987



凤祥食品

山東鳳祥股份有限公司
Shandong Fengxiang Co., Ltd.