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Fufeng Group Limited 阜豐集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

(Stock code: 546)

(股份代號：546)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

截至二零二一年十二月三十一日止年度的全年業績公佈

HIGHLIGHTS OF 2021 RESULTS

二零二一年業績摘要

- The Group's revenue increased by 29.1% to approximately RMB21,539.8 million in 2021 as compared to 2020, primarily due to increased revenue contribution from food additives, animal nutrition and high-end amino acid.
- 本集團於二零二一年的收入較二零二零年增加29.1%至約人民幣21,539,800,000元，主要由於食品添加劑、動物營養及高檔氨基酸的收入貢獻增加所致。
- The Group's overall gross profit increased by 38.7% to approximately RMB3,905.3 million in 2021 as compared to 2020, primarily due to the increases in the gross profit of animal nutrition and high-end amino acid products.
- 本集團於二零二一年的整體毛利較二零二零年增加38.7%至約人民幣3,905,300,000元，主要由於動物營養及高檔氨基酸的毛利增加所致。
- Profit attributable to the Shareholders amounted to approximately RMB1,280.6 million, which represented an increase of 103.3% as compared to 2020.
- 股東應佔溢利為約人民幣1,280,600,000元，較二零二零年增加103.3%。
- Earnings per share (Basic) was RMB50.55 cents (2020: RMB24.86 cents)
- 每股盈利(基本)為人民幣50.55分(二零二零年：人民幣24.86分)
- Return on equity was 10.1% (2020: 5.4%).
- 股本回報率為10.1%(二零二零年：5.4%)。
- The proposed final dividend is HK11.7 cents per share (2020: HK4.1 cents). The sum of paid interim dividend and proposed final dividend is HK21.5 cents per share (2020: HK9.9 cents).
- 擬付末期股息每股11.7港仙(二零二零年：4.1港仙)。已付中期股息及擬付末期股息總和為每股21.5港仙(二零二零年：9.9港仙)。

ANNUAL RESULTS

The Board is pleased to announce the audited consolidated results of the Group prepared under HKFRS for the year ended 31 December 2021, together with the comparative figures for the year ended 31 December 2020, as follows:

CONSOLIDATED INCOME STATEMENT

合併利潤表

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

全年業績

董事會欣然宣佈，根據香港財務報告準則編製的截至二零二一年十二月三十一日止年度本集團經審核合併業績連同截至二零二零年十二月三十一日止年度的比較數字如下：

		Years ended 31 December 截至十二月三十一日止年度		
		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	
		Note 附註		
Revenue	收入	3	21,539,841	16,690,736
Cost of sales	銷售成本		(17,634,565)	(13,874,382)
Gross profit	毛利		3,905,276	2,816,354
Selling and marketing expenses	銷售及市場推廣開支		(1,401,171)	(1,384,993)
Administrative expenses	行政開支		(949,021)	(816,618)
Net impairment losses on financial assets	金融資產減值虧損淨額		(66,709)	(11,344)
Other operating expenses	其他經營開支		(21,254)	(21,572)
Other income	其他收益	4	223,148	381,594
Other losses – net	其他損失 – 淨額	5	(109,912)	(166,942)
Operating profit	經營溢利		1,580,357	796,479
Finance income	財務收入	6	118,547	189,585
Finance costs	財務成本	6	(172,712)	(206,058)
Finance costs – net	財務成本 – 淨額		(54,165)	(16,473)
Share of net loss of associates accounted for using the equity method	採用權益法列賬的應佔聯營公司淨虧損		(10,218)	(9,369)
Profit before income tax	除所得稅前溢利		1,515,974	770,637
Income tax expense	所得稅開支	7	(235,334)	(140,736)
Profit for the year attributable to the shareholders	股東應佔年內溢利		1,280,640	629,901
Earnings per share for profit attributable to the shareholders during the year (expressed in RMB cents per share)	年內股東應佔溢利每股盈利 (以每股人民幣分呈列)			
– basic	– 基本	8	50.55	24.86
– diluted	– 攤薄	8	50.55	24.86

CONSOLIDATED BALANCE SHEET

合併資產負債表

As at 31 December 2021 於二零二一年十二月三十一日

		As at 31 December 於十二月三十一日	
		2021 二零二一年	2020 二零二零年
		RMB'000 人民幣千元	RMB'000 人民幣千元
	Note 附註		
ASSETS	資產		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	9,284,867	9,748,815
Right-of-use assets	使用權資產	794,761	766,778
Intangible assets	無形資產	48,323	50,751
Investments accounted for using the equity method	採用權益法列賬的投資	9,090	18,818
Financial assets at fair value through profit and loss	按公平值計入損益的金融資產	5,000	2,000
Prepayment	預付款項	59,929	51,189
Deferred income tax assets	遞延所得稅資產	107,578	123,353
Total non-current assets	非流動資產總值	10,309,548	10,761,704
Current assets	流動資產		
Inventories	存貨	4,592,966	3,781,228
Trade, other receivables and prepayments	應收貿易賬款、其他應收款項及預付款項	2,553,446	3,581,559
Cash and bank balances	現金及銀行結餘	4,054,846	1,231,202
Total current assets	流動資產總值	11,201,258	8,593,989
Total assets	資產總值	21,510,806	19,355,693
EQUITY	權益		
Capital and reserves attributable to the shareholders	股東應佔股本及儲備		
Share capital	股本	243,261	243,261
Share premium	股份溢價	259,434	346,437
Other reserves	其他儲備	852,483	715,879
Retained earnings	保留收益	11,322,576	10,383,829
Total equity	權益總值	12,677,754	11,689,406

As at 31 December

於十二月三十一日

			2021	2020
			二零二一年	二零二零年
		Note	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Other payables	其他應付款項	11	69,948	66,461
Deferred income	遞延收益	13	776,426	818,450
Borrowings	借貸	12	2,504,790	464,427
Lease liabilities	租賃負債		1,203	29
Deferred income tax liabilities	遞延所得稅負債		16,650	26,650
Derivative financial instruments	衍生金融工具		90,370	25,031
Total non-current liabilities	非流動負債總值		3,459,387	1,401,048
Current liabilities	流動負債			
Trade, other payables and accruals	應付貿易賬款、其他應付款項 及應計費用	11	2,780,278	2,609,315
Contract liabilities	合約負債	3	685,866	505,105
Current income tax liabilities	即期所得稅負債		158,409	84,510
Borrowings	借貸	12	1,722,254	3,008,801
Lease liabilities	租賃負債		774	390
Derivative financial instruments	衍生金融工具		26,084	57,118
Total current liabilities	流動負債總值		5,373,665	6,265,239
Total liabilities	負債總值		8,833,052	7,666,287
Total equity and liabilities	權益及負債總值		21,510,806	19,355,693

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of Fufeng Group Limited and its subsidiaries.

1.1 Basis of preparation

(i) **Compliance with HKFRS and Hong Kong Companies Ordinance**

The consolidated financial statements of the Company have been prepared in accordance with HKFRS and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

(ii) **Historical cost convention**

The financial statements have been prepared on a historical cost basis, except that certain financial assets and liabilities (including derivative instruments) are measured at fair value.

(iii) **New and amended standards adopted by the Group**

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2021:

- *Interest Rate Benchmark Reform – Phase 2 – amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16*

The Group also elected to adopt the following amendments early:

- *Covid-19-Related Rent Concessions beyond 30 June 2021*

1. 重要會計政策摘要

此附註提供一系列編製此等合併財務報表採納的主要會計政策。除另有註明外，此等政策在所列報的所有年度內貫徹應用。財務報表適用於包含阜豐集團有限公司及其附屬公司的本集團。

1.1 編製基準

(i) **符合香港財務報告準則及香港公司條例**

本公司的合併財務報表是根據香港財務報告準則及香港公司條例第622章的披露規定編製。

(ii) **歷史成本法**

財務報表按歷史成本基準編製，惟若干金融資產及負債（包括衍生工具）按公平值計量除外。

(iii) **本集團採納的新訂及已修訂準則**

本集團在二零二一年一月一日開始的年度報告期間首次採用了下列準則：

- *利率基準改革 – 第二階段 – 對《香港財務報告準則第9號》、《香港會計準則第39號》、《香港財務報告準則第7號》、《香港財務報告準則第4號》及《香港財務報告準則第16號》的修訂*

本集團亦選擇提早採納以下修訂本：

- *二零二一年六月三十日後的Covid-19相關租金減免*

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

		Effective for annual periods beginning on or after
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before intended use	1 January 2022
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to HKFRS 3	Reference to the Conceptual Framework	1 January 2022
Revised AG 5	Merger Accounting for Common Control Combinations	1 January 2022
HKFRS 17	Insurance contracts	1 January 2023
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
HK Int 5 (2020)	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2023
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to HKAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined
Annual Improvements to HKFRS Standards 2018–2020		1 January 2022

上述修訂對前期入賬金額沒有任何影響，預計也不會對當期或未來期間產生重大影響。

(iv) 尚未採納之新訂準則及詮釋

本集團並未提前採用已發佈但在二零二一年十二月三十一日的報告期間尚未強制生效的若干新會計準則及詮釋。該等準則預計在當期或未來報告期間不會對主體及可預見的未來交易產生重大影響。

		於以下日期或之後起的年度期間生效
香港會計準則第16號之修訂本	物業、廠房及設備：擬定用途之前所得款項	二零二二年一月一日
香港會計準則第37號之修訂本	虧損合同—履行合同之成本	二零二二年一月一日
香港財務報告準則第3號之修訂本	概念框架之提述	二零二二年一月一日
會計指引第5號之修訂本	共同控制合併的合併會計處理	二零二二年一月一日
香港財務報告準則第17號	保險合同	二零二三年一月一日
香港會計準則第1號之修訂本	將負債分類為流動或非流動	二零二三年一月一日
香港詮釋第5號(二零二零年)	借款人對載有按要求償還條款的定期貸款進行分類	二零二三年一月一日
香港會計準則第1號及香港財務報告準則應用指引第2號之修訂本	會計政策之披露	二零二三年一月一日
香港會計準則第8號之修訂本	會計估計的定義	二零二三年一月一日
香港會計準則第12號之修訂本	單一交易中產生的資產及負債相關的遞延稅項	二零二三年一月一日
香港財務報告準則第10號及香港會計準則第28號之修訂本	投資者與其聯營公司或合營企業之間之資產出售或投入	待確定
二零一八年至二零二零年香港財務報告準則之年度改進		二零二二年一月一日

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements 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 described below.

2.1 Provision for impairment of trade and other receivables

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgements in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

2.2 Estimated impairment of property, plant and equipment

The Group reviews property, plant and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount of cash-generating unit has been determined based on the higher of value in use and fair value less costs to sell. Property, plant and equipment that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Management judgment is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related assets values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs of disposal or net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using

2. 重要會計估計及判斷

財務報表之編製需要使用會計估計，根據定義，該等會計估計很少會與實際結果相同。管理層亦需在應用本集團的會計政策時作出判斷。

對估計及判斷作出持續評估，並以過往經驗及其他因素作基礎，包括在目前情況下對未來事件的合理預測。

本集團對未來作出估計及假設。所得會計估計一如其定義甚少與相關的實際結果相同。以下所述的估計及假設有相當大風險會引致須於下一個財政年度對資產及負債的賬面值作出重大調整。

2.1 貿易及其他應收款項減值撥備

金融資產的虧損撥備基於對違約風險及預期虧損率的假設。本集團根據本集團的過往歷史、現有市場狀況以及各報告期末的前瞻性估計，使用判斷作出該等假設及選擇減值計算的輸入數據。

2.2 物業、廠房及設備的估計減值

倘有事件或情況變動顯示賬面值可能不可收回時，本集團會檢討物業、廠房及設備的減值。現金產生單位的可收回金額已按使用價值與公平值減銷售成本的較高者釐定。已減值的物業、廠房及設備於各報告日期檢討是否可能撥回減值。

管理層須判斷資產減值範疇，尤其是評估：(i)是否已發生可能顯示有關資產價值或不可收回的事件；(ii)可收回金額（即公平值減處置成本或按於業務中持續使用資產估計的未來現金流量淨現值兩者中的較高者）能否支持該項資產的賬面值；及(iii)於編製現金流量預測中應用的適當主要假設，包括該等現金流量預測是否使用適當貼現率貼現。倘管理層用以評估減值的假設（包括

an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value in the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the consolidated income statement. If there is an indication that an impairment loss may have decreased, the recoverable amount should not be more than what the depreciated historical cost would have been if the impairment had not been recognised.

2.3 Useful lives of plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its plant and equipment. This estimate is based on the historical experience of the actual useful lives of plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. For deferred government grants related to the acquisition of property, plant and equipment, the periodic credits to consolidated income statement will also be increased under the above mentioned circumstances when such grants are credited to the consolidated income statement over the assets' remaining useful lives.

2.4 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 historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions in response to industry cycles. Management reassesses the estimates at each reporting date.

現金流量預測中採用的貼現率或增長率假設) 改變, 則可能會對減值測試中的淨現值產生重大影響, 因而影響本集團的財務狀況及經營業績。若預計表現及相應未來現金流量預測出現重大不利變動, 則可能須在合併利潤表中扣除減值開支。倘有跡象顯示減值虧損可能已減少, 則可收回金額不得超過假設並無確認減值的情況下已折舊歷史成本。

2.3 廠房及設備的可使用年期

本集團管理層會釐定其廠房及設備的估計可使用年期及相關折舊開支。該估計根據對相似性質及功能的廠房及設備的實際可使用年期的歷史經驗作出, 並可因技術發展及競爭對手因應嚴峻的行業週期所作行動而有重大變化。倘可使用年期較之前所估計為短, 則管理層將會提高折舊開支, 或將已報廢或出售的技術過時或非策略資產撇銷或撇減。就與收購物業、廠房及設備有關的遞延政府補助而言, 當有關補助按資產餘下使用年期撥入合併利潤表內時, 合併利潤表的定期進賬在上述情況下亦將會增加。

2.4 存貨的可變現淨值

存貨的可變現淨值乃於日常業務過程中作出的估計售價減估計完成成本及銷售開支。該等估計根據現時市況及製造及出售性質類似產品的過往經驗作出, 可能因客戶需求變化及競爭對手因應行業週期所採取的行動而出現重大變動。管理層於各報告日重新評估有關估計。

2.5 PRC taxes

The Group is mainly subject to different taxes in the PRC. Significant judgment is required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that are initially recorded, such differences will impact the tax and deferred tax provisions in the period in which such determination is made.

3. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors of the Company. The executive directors review the Group's internal reporting in order to assess performance and allocate resources.

The executive directors examine the business performance of the Group according to the following product segments:

- Food additives segment: manufacturing and sales of food additives products, including monosodium glutamate ("MSG"), starch sweeteners, glutamic acid, compound seasoning and corn oil;
- Animal nutrition segment: manufacturing and sales of animal nutrition products, including corn refined products, threonine and lysine;
- High-end amino acid segment: manufacturing and sales of high-end amino acid products;
- Colloid segment: manufacturing and sales of colloid products, including xanthan gum and gellan gum; and
- Others: manufacturing and sales of other products, including fertilisers, synthetic ammonia, pharmaceuticals and others.

The executive directors assess the performance of the business segment based on gross profit of the above five product segments.

2.5 中國稅項

本集團在中國主要須繳納不同稅項。於釐定所得稅撥備時，須作出重大判斷。於日常業務過程中，有眾多交易及計算的最終稅務釐定並不確定。本集團根據是否估計將有額外的稅項到期而確認所預計稅務審核事宜的責任。凡該等事宜的最終稅務結果有別於初始記錄的金額，該等差額將影響作出有關決定期間的稅項及遞延稅項撥備。

3. 分部資料

已確定主要經營決策者為本公司執行董事。執行董事審閱本集團的內部呈報過程，以評核表現及分配資源。

執行董事根據以下產品分部評估本集團的業務表現：

- 食品添加劑分部：製造及銷售食品添加劑產品，包括谷氨酸鈉（「味精」）、澱粉甜味劑、谷氨酸、複合調味品及玉米油；
- 動物營養分部：製造及銷售動物營養產品，包括玉米提煉產品、蘇氨酸及賴氨酸；
- 高檔氨基酸分部：製造及銷售高檔氨基酸產品；
- 膠體分部：製造及銷售膠體產品，包括黃原膠及結冷膠；及
- 其他：製造及銷售其他產品，包括肥料、合成氨、藥品及其他。

執行董事基於上述五種產品分部毛利評估業務分部表現。

The revenue of the Group for the years ended 31 December 2021 and 2020 are set out as follows:

本集團截至二零二一年及二零二零年十二月三十一日止年度的收入載列如下：

Products by segments	按分部劃分產品	2021	2020
		二零二一年 RMB'000 人民幣千元	二零二零年 RMB'000 人民幣千元
Food additives	食品添加劑		
MSG	味精	8,515,656	7,191,798
Starch sweeteners	澱粉甜味劑	1,421,350	1,388,796
Glutamic acid	谷氨酸	366,378	416,344
Compound seasoning	複合調味品	82,150	55,699
Corn oil	玉米油	3,134	5,937
		10,388,668	9,058,574
Animal nutrition	動物營養		
Corn refined products	玉米提煉產品	3,577,678	2,816,820
Threonine	蘇氨酸	2,394,716	1,279,870
Lysine	賴氨酸	1,647,471	974,133
		7,619,865	5,070,823
High-end amino acid	高檔氨基酸		
High-end amino acid products	高檔氨基酸產品	1,415,394	943,406
Colloid	膠體		
Xanthan gum	黃原膠	968,753	821,294
Gellan gum	結冷膠	73,952	60,202
		1,042,705	881,496
Others	其他		
Fertilisers	肥料	647,122	384,207
Synthetic ammonia	合成氨	263,081	182,676
Pharmaceuticals	藥品	147,614	153,061
Others	其他	15,392	16,493
		1,073,209	736,437
		21,539,841	16,690,736

The segment information for the year ended 31 December 2021 is as follows:

截至二零二一年十二月三十一日止年度的分部資料如下：

		Food additives 食品添加劑 RMB'000 人民幣千元	Animal nutrition 動物營養 RMB'000 人民幣千元	High-end amino acid 高檔氨基酸 RMB'000 人民幣千元	Colloid 膠體 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Group 本集團 RMB'000 人民幣千元
Revenue	收入	10,388,668	7,619,865	1,415,394	1,042,705	1,073,209	21,539,841
Cost of sales	銷售成本	(8,963,864)	(6,250,813)	(827,526)	(701,589)	(890,773)	(17,634,565)
Gross profit	毛利	1,424,804	1,369,052	587,868	341,116	182,436	3,905,276

The segment information for the year ended 31 December 2020 is as follows:

截至二零二零年十二月三十一日止年度的分部資料如下：

		Food additives 食品添加劑 RMB'000 人民幣千元	Animal nutrition 動物營養 RMB'000 人民幣千元	High-end amino acid 高檔氨基酸 RMB'000 人民幣千元	Colloid 膠體 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Group 本集團 RMB'000 人民幣千元
Revenue	收入	9,058,574	5,070,823	943,406	881,496	736,437	16,690,736
Cost of sales	銷售成本	(7,632,150)	(4,390,690)	(596,859)	(686,642)	(568,041)	(13,874,382)
Gross profit	毛利	1,426,424	680,133	346,547	194,854	168,396	2,816,354

The Group's revenue from its external customers in the PRC amounted to RMB14,623,085,000 (2020: RMB11,900,485,000) and the total revenue from external customers in Europe and other countries amounted to RMB6,916,756,000 (2020: RMB4,790,251,000).

本集團來自中國外部客戶的收入為人民幣14,623,085,000元(二零二零年：人民幣11,900,485,000元)，來自歐洲及其他國家外部客戶的合共收入則為人民幣6,916,756,000元(二零二零年：人民幣4,790,251,000元)。

The Group's total non-current assets located in the PRC other than deferred income tax assets and derivative financial instruments amounted to RMB10,089,890,000 (2020: RMB10,637,650,000), and the total non-current assets located in Hong Kong, the United States of America and Singapore other than deferred income tax assets and derivative financial instruments amounted to RMB112,080,000 (2020: RMB701,000).

不計及遞延所得稅資產和衍生金融工具，本集團位於中國的非流動資產總值為人民幣10,089,890,000元(二零二零年：人民幣10,637,650,000元)。不計及遞延所得稅資產和衍生金融工具，位於香港、美國及新加坡的非流動資產總值則為人民幣112,080,000元(二零二零年：人民幣701,000元)。

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time in the following geographical regions:

與客戶之間的合同產生的收入分拆

本集團在某個時點在以下區域內通過轉讓商品獲得的收入：

2021	二零二一年	Sales of goods 銷售產品		
		Overseas 海外 RMB'000 人民幣千元	PRC 中國 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue from external customers	來自外部客戶的收入	6,916,756	14,623,085	21,539,841
Timing of revenue recognition at a point in time	確認收入的時間於某個時間點	6,916,756	14,623,085	21,539,841
2020	二零二零年	Sales of goods 銷售產品		
		Overseas 海外 RMB'000 人民幣千元	PRC 中國 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue from external customers	來自外部客戶的收入	4,790,251	11,900,485	16,690,736
Timing of revenue recognition at a point in time	確認收入的時間於某個時間點	4,790,251	11,900,485	16,690,736

Approximately 68% (2020: 71%) of the Group's revenue is generated from sales to customers in the PRC. The remaining 32% (2020: 29%) of the Group's revenue is generated from the sales to overseas countries including the Europe, the Latin America, the United States of America, North America, Southeast Asia and Japan.

本集團約68% (二零二零年：71%) 的收入來自向中國客戶的銷售。本集團餘下32% (二零二零年：29%) 的收入來自向海外國家的銷售，包括歐洲、拉丁美洲、美利堅合眾國、北美、東南亞及日本。

Liabilities related to contracts with customers

The Group has recognised the following liabilities related to contracts with customers:

		31 December 2021	31 December 2020
		二零二一年 十二月三十一日	二零二零年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Contract liabilities – sales of goods	合同負債－銷售貨品	685,866	505,105

(i) Changes in contract liabilities

The increase in 2021 was due to the increase in advance from customers.

In the current reporting period, all the contract liabilities at the beginning of the period were recognised as revenue.

與客戶之間的合同有關的負債

本集團已確認以下與客戶合同有關的負債：

	31 December 2021	31 December 2020
	二零二一年 十二月三十一日	二零二零年 十二月三十一日
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Contract liabilities – sales of goods	685,866	505,105

(i) 合同負債的變動

二零二一年的增加是由於來自客戶的預收款增加。

於本報告期，於期初計入的所有合同負債已確認為收入。

4 OTHER INCOME

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Amortisation of deferred income (Note 13)	攤銷遞延收益 (附註 13)	94,159	89,267
Government grants related to expenses	與開支有關的政府補助	55,946	81,899
Sales of waste products	銷售廢料產品	56,921	164,209
Others	其他	16,122	46,219
		223,148	381,594

Government grants related to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

Government grants related to expenses are deferred and recognised in the profit or loss over the period necessary to match them with the expenses that they are intended to compensate.

4. 其他收益

	2021	2020
	二零二一年	二零二零年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Amortisation of deferred income (Note 13)	94,159	89,267
Government grants related to expenses	55,946	81,899
Sales of waste products	56,921	164,209
Others	16,122	46,219
	223,148	381,594

與購買物業、廠房及設備有關的政府補助將計入非流動負債，列作遞延收益，並於相關資產預期年期內以直線法計入損益。

與開支有關的政府補助將予遞延，並按配合擬補償的開支所需期間於損益內確認。

5. OTHER LOSSES – NET

5. 其他損失－淨額

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Loss on disposal of property, plant and equipment – net	出售物業、廠房及設備虧損－淨額	1,589	6,220
Net foreign exchange losses	淨匯兌虧損	48,856	77,115
Investment losses from cross currency and interest rate swaps	交叉貨幣與利率掉期產生的投資虧損	55,633	83,607
Investment gains from foreign currency forwards	外匯遠期產生的投資收益	(5,972)	–
Others	其他	9,806	–
		109,912	166,942

6. FINANCE INCOME AND COSTS

6. 財務收入及成本

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
<i>Finance income:</i>	<i>財務收入：</i>		
Interest income on bank deposits and bank balances	銀行存款及銀行結餘的利息收入	36,271	43,648
Net foreign exchange gains on financing activities	融資活動的匯兌收益淨額	82,276	145,937
		118,547	189,585
<i>Finance costs:</i>	<i>財務成本：</i>		
Interest expenses	利息開支		
– Bank borrowings	– 銀行借貸	(99,735)	(85,633)
– USD bonds	– 美元債券	(69,440)	(117,068)
– Other payables	– 其他應付款項	(3,487)	(3,313)
Interest charges paid for lease liabilities	與租賃負債有關的利息開支	(50)	(44)
		(172,712)	(206,058)
Net finance costs	財務成本淨額	(54,165)	(16,473)

7. TAXATION

(a) Income tax expense

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Current income tax	即期所得稅		
- PRC enterprise income tax ("EIT")	- 中國企業所得稅 (「企業所得稅」)	229,559	131,289
- US income tax	- 美國所得稅	-	162
Total current income tax	即期所得稅總額	229,559	131,451
Deferred income tax	遞延所得稅	5,775	9,285
		235,334	140,736

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and is exempted from payment of the Cayman Islands income tax.

The Group's subsidiaries in BVI are exempted from payment of the BVI income tax.

The Group's subsidiaries in Hong Kong are subject to income tax at a rate of 8.25% (2020: 8.25%) on the estimated assessable profit for the year ended 31 December 2021.

The Group's subsidiary in Singapore is subject to income tax at a rate of 17% (2020: 17%) for the year ended 31 December 2021.

The Group's subsidiaries in the United States is subject to state income tax at a rate of approximately 8.84% and 9.5% (2020: 8.84% and 9.5%) and federal income tax at a rate of approximately 21% (2020: 21%) on the estimated assessable profit for the year ended 31 December 2021.

The Group's subsidiaries in the PRC are subject to PRC EIT which is calculated based on the applicable tax rate of 25% (2020: 25%) on the assessable profits of the subsidiaries in accordance with PRC tax laws and regulations except for those as discussed below:

7. 稅項

(a) 所得稅開支

本公司根據開曼群島公司法(一九六一年法例三,經綜合及修訂)在開曼群島註冊成立為獲豁免有限公司,並獲豁免繳交開曼群島所得稅。

本集團於英屬處女群島的附屬公司獲豁免繳交英屬處女群島所得稅。

截至二零二一年十二月三十一日止年度,本集團的香港附屬公司須就估計應課稅溢利按稅率8.25%(二零二零年:8.25%)繳納所得稅。

截至二零二一年十二月三十一日止年度,本集團的新加坡附屬公司須按稅率17%(二零二零年:17%)繳納所得稅。

截至二零二一年十二月三十一日止年度,本集團的美國附屬公司須就估計應課稅溢利按稅率約8.84%和9.5%(二零二零年:8.84%和9.5%)繳納州所得稅及按稅率約21%(二零二零年:21%)繳納聯邦所得稅。

本集團的中國附屬公司須繳納中國企業所得稅,該稅項根據中國稅務法例及法規按附屬公司應課稅溢利以適用稅率25%(二零二零年:25%)計算,下文所討論者除外:

Seven subsidiaries of the Group including Hulunbeir Fufeng, Shandong Fufeng, Shenhua Pharmaceutical, Baoji Fufeng, IM Fufeng, Xinjiang Fufeng and Longjiang Fufeng have obtained the approvals to become a new and high-technology enterprise and are entitled to a preferential income tax rate of 15% (2020: 15%). The qualification of new and high-technology enterprise is subject to renewal for each three years interval.

According to the Ministry of Finance Announcement No. 23, 2020, "The notice on extending enterprise income tax policies of the western region development strategy issued by the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission" (財政部公告2020年第23號"財政部、稅務總局、國家發展改革委關於延續西部大開發企業所得稅政策的公告") taking effect from 1 January 2021, companies set up in the western region and falling into certain encouraged industry catalogue promulgated by the PRC government will be entitled to a preferential tax rate of 15%. Four subsidiaries of the Group including Hulunbeir Fufeng, Baoji Fufeng, IM Fufeng and Xinjiang Fufeng, are set up in the western development region and fall into the encouraged industry catalogue, and therefore they are entitled to the aforesaid preferential tax rate of 15% (2020: 15%).

本集團的七間附屬公司呼倫貝爾阜豐、山東阜豐、神華藥業、寶雞阜豐、內蒙古阜豐、新疆阜豐及龍江阜豐獲准成為高新技術企業，並享有15%（二零二零年：15%）的優惠所得稅率。高新技術企業資格須每隔三年予以重續。

根據財政部、稅務總局及國家發展改革委聯合發佈自二零二一年一月一日起施行的財政部公告二零二零年第23號「關於延續西部大開發企業所得稅政策的公告」，於西部地區成立並屬中國政府頒佈的若干鼓勵類產業目錄的公司將有權享有15%優惠稅率。本集團的四家附屬公司，即呼倫貝爾阜豐、寶雞阜豐、內蒙古阜豐及新疆阜豐於西部開發區成立並屬於鼓勵類行業目錄，故有權享有上述15%優惠稅率（二零二零年：15%）。

(b) Numerical reconciliation of income tax expense to prima facie tax payable

(b) 所得稅開支與初步應付稅額的數值對賬

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Profit before income tax expense	除所得稅開支前溢利	1,515,974	770,637
Tax calculated at domestic tax rates applicable to profits in the respective jurisdictions	按各司法權區溢利適用的國內稅率計算的稅項	416,564	227,104
Preferential tax of certain subsidiaries	若干附屬公司的優惠稅項	(160,613)	(109,854)
Research and development tax credit	研發稅項抵免	(28,017)	(33,645)
Unrecognised tax losses	未確認稅項虧損	710	22,335
Withholding tax on dividends from PRC subsidiaries	中國附屬公司股息的預扣稅	37,700	34,000
Previously unrecognised tax losses now recouped to reduce current tax expense	先前未確認稅項虧損現彌補以減少即期稅項開支	(32,375)	-
Expenses not deductible for tax purposes	不可扣稅開支	1,593	944
Income not subject to tax	毋須課稅收入	(228)	(148)
		235,334	140,736

8. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the shareholders by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company.

	2021 二零二一年 RMB cents 人民幣分	2020 二零二零年 RMB cents 人民幣分
Total basic earnings per share attributable to the shareholders 股東應佔每股基本盈利總額	50.55	24.86

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	2021 二零二一年 RMB cents 人民幣分	2020 二零二零年 RMB cents 人民幣分
Total diluted earnings per share attributable to the shareholders 股東應佔每股攤薄盈利總額	50.55	24.86

8. 每股盈利

(a) 每股基本盈利

每股基本盈利乃按股東應佔溢利除以年內已發行普通股的加權平均數（不包括本公司購回的普通股）。

(b) 每股攤薄盈利

每股攤薄盈利對用於釐定每股基本盈利的數據進行調整，以計及：

- 與具攤薄性的潛在普通股相關的利息及其他融資成本的除所得稅後影響，及
- 假設兌換全部具攤薄性的潛在普通股後將發行的額外普通股的加權平均數。

(c) Reconciliations of earnings used in calculating earnings per share

(c) 用於計算每股盈利所用盈利之對賬

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<i>Basic earnings per share</i>	每股基本盈利		
Profit attributable to the shareholders used in calculating basic earnings per share	計算每股基本盈利所用之股東應佔溢利	1,280,640	629,901
<i>Diluted earnings per share</i>	每股攤薄盈利		
Profit attributable to the shareholders used in calculating diluted earnings per share	計算每股攤薄盈利所用之股東應佔溢利	1,280,640	629,901

(d) Weighted average number of shares used as the denominator

(d) 用作分母的股份加權平均數

		2021	2020
		二零二一年	二零二零年
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share (thousands)	於計算每股基本盈利時用作分母的普通股加權平均數(千股)	2,533,639	2,533,639
Adjustments for calculation of diluted earnings per share:	就每股攤薄盈利計算作出調整：		
– Assumed exercise of share options (thousands shares)	– 假設行使購股權(千股)	12	–
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share (thousands)	於計算每股攤薄盈利時用作分母的普通股及潛在普通股加權平均數(千股)	2,533,651	2,533,639

(e) Information concerning the classification of securities

The Company has one category of dilutive potential ordinary shares: share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

(e) 有關證券分類的資料

本公司有一類潛在攤薄普通股：購股權。就購股權而言，根據已發行購股權所附認購權的貨幣價值計算，以確定本公司可能按公平值（按本公司股份的平均年度市場股價確定）獲得的股份數目。上文計算的股份數目將與假設行使購股權時原應發行的股份數目作比較。

The 2,300,000 outstanding share options issued in November 2016 and December 2016 (2020: 8,600,000 outstanding share options issued in November 2016, December 2016 and August 2017) are not included in the calculation of diluted earnings per share because the average market price of ordinary shares for the year ended 31 December 2021 did not exceed the exercise prices of each tranche of the share options, hence the share options are antidilutive for the year ended 31 December 2021. These options could potentially dilute basic earnings per share in the future.

由於截至二零二一年十二月三十一日止年度普通股的平均市價並未超過各批次購股權的行使價，故於二零一六年十一月及二零一六年十二月發行的2,300,000份尚未行使購股權（二零二零年：二零一六年十一月、二零一六年十二月及二零一七年八月發行的8,600,000份尚未行使購股權）於計算每股攤薄盈利時未計算在內，因此購股權於截至二零二一年十二月三十一日止年度具有反攤薄效應。該等購股權日後可能會攤薄每股基本盈利。

9. DIVIDENDS

9. 股息

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Interim, paid	已付中期股息	206,712	132,256
Final, proposed	擬付末期股息	240,765	87,003
		447,477	219,259

The final dividends paid in 2021 amounted to HKD103,879,000 (equivalent to RMB86,036,000) (2020: RMB185,606,000), representing HK4.1 cents (equivalent to RMB3.40 cents) (2020: RMB7.30 cents) per ordinary share of the Company. The difference between proposed and paid final dividends was due to the impact of exchange rate fluctuation.

二零二一年支付的末期股息為103,879,000港元（相當於人民幣86,036,000元）（二零二零年：人民幣185,606,000元），即本公司每股普通股4.1港仙（相當於人民幣3.40分）（二零二零年：人民幣7.30分）。擬付和已付末期股息的差異是由於匯率波動影響所致。

At a meeting held on 30 March 2022, the Board proposed a final dividend of HKD296,436,000 (equivalent to RMB240,765,000) (2020: RMB87,003,000), representing HK11.70 cents (equivalent to RMB9.50 cents) (2020: RMB3.43 cents) per share to be distributed from the retained earnings account. This proposed dividend is not reflected as a dividend payable in these consolidated financial statements, but will be reflected as an appropriation from the retained earnings account for the year ending 31 December 2022.

於二零二二年三月三十日舉行的會議上，董事會建議從保留收益賬中分派末期股息296,436,000港元（相當於人民幣240,765,000元）（二零二零年：人民幣87,003,000元），即每股11.70港仙（相當於人民幣9.50分）（二零二零年：人民幣3.43分）。此項擬派股息並無於該等合併財務報表列作應付股息，惟將就截至二零二二年十二月三十一日止年度列作保留收益賬分配。

10. TRADE, OTHER RECEIVABLES AND PREPAYMENTS

10. 應收貿易賬款、其他應收款項及預付款項

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Trade receivables (a)	應收貿易賬款(a)	1,094,509	626,564
Less: provision for impairment loss allowance (b)	減：計提減值虧損撥備(b)	(44,546)	(28,225)
Trade receivables – net	應收貿易賬款－淨額	1,049,963	598,339
Deposits and others	押金及其他	43,077	34,571
Loan to a related party	給予一名關連方的貸款	5,008	–
Loan to a third party (c)	給予一名第三方的貸款(c)	50,000	50,000
Less: provision for impairment loss allowance	減：計提減值虧損撥備	(50,000)	–
Loan to a third party – net	給予一名第三方的貸款－淨額	–	50,000
Loans to employees	給予僱員的貸款	472	1,184
Value-added tax for future deduction	用於日後扣減的增值稅	308,069	407,689
Prepaid current income tax	預付即期所得稅	464	467
Interest receivable	應收利息	2,913	–
Notes receivable (f)	應收票據(f)	1,409,966 728,596	1,092,250 723,478
Trade and other receivables (e)	應收貿易賬款及其他應收款項(e)	2,138,562	1,815,728
Prepayments to suppliers	供應商預付款項	474,813	1,817,020
		2,613,375	3,632,748
Less: non-current portion	減：非即期部分		
Prepayments for non-current assets (g)	非流動資產預付款項(g)	(59,929)	(51,189)
		2,553,446	3,581,559

- (a) As at 31 December 2021 and 2020, the ageing analysis of trade receivables based on invoice date was as follows:

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Within 3 months	三個月內	1,076,622	591,253
3 ~12 months	三至十二個月	13,822	31,326
Over 12 months	超過十二個月	4,065	3,985
		1,094,509	626,564

The Group generally sells its products to domestic customers and receives settlement either in cash or in the form of bank acceptance notes (Note (f)) upon delivery of goods. The bank acceptance notes usually have maturity dates within six months. Certain major customers in the PRC and overseas with good repayment history are offered credit terms of not more than three months.

- (b) Impairment and risk exposure

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

- (c) The loan to a third party was arranged via a financial trust company. As at the balance sheet date, the loan has past due for collection as the third party was in financial difficulties. A fully provision of RMB50,000,000 was recorded on the balance sheet to reflect the increase in credit risk. As there has been a significant increase in credit risk, the Group measured the impairment as lifetime expected credit losses.

- (d) Except for the loan to a third party as discussed above in Note(c) and loan to a related party, trade and other receivables are unsecured and interest-free. The carrying amounts of trade and other receivables approximate their fair values as at the balance sheet date.

- (a) 於二零二一年及二零二零年十二月三十一日，應收貿易賬款按發票日期的賬齡分析如下：

	2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Within 3 months	1,076,622	591,253
3 ~12 months	13,822	31,326
Over 12 months	4,065	3,985
	1,094,509	626,564

本集團一般向國內顧客銷售其產品，並於送交貨品時以現金或以銀行承兌票據(附註(f))形式收取結算款項。銀行承兌票據一般為六個月內到期。具備良好還款記錄的若干中國及海外主要客戶會獲給予三個月以內的信貸期。

- (b) 減值及風險敞口

本集團採用香港財務報告準則第9號簡化方法計量預期信用損失，為所有應收貿易賬款撥備整個存續期內的預期虧損。

- (c) 該給予第三方的貸款是通過一間金融信託公司貸出。於資產負債表日，由於第三方陷入財務困難，該貸款已逾期。已於資產負債表錄得全數撥備人民幣50,000,000元，以反映信貸風險的增加。因信貸風險顯著增加，本集團按整個存續期的預期信用損失計量減值。

- (d) 除上述附註(c)所討論之貸款予第三方和貸款予關聯方外，應收貿易賬款及其他應收款項為無抵押及免息。於資產負債表日，應收貿易賬款及其他應收款項的賬面值與其公平值相若。

- (e) The carrying amounts of the Group's trade and other receivables excluding notes receivable were denominated in the following currencies:

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
- RMB	- 人民幣	844,706	772,662
- USD	- 美元	565,260	319,588
		1,409,966	1,092,250

The maximum exposure to credit risk at the reporting date was the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security.

- (f) As at 31 December 2021, notes receivable were all bank acceptance notes aged less than six months, and included a total amount of RMB690,483,000 (2020: RMB637,886,000) that have been endorsed to the suppliers. As the notes receivables 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, they are measured at FVOCI.

- (e) 本集團扣除應收票據後的應收貿易賬款及其他應收款項的賬面值以下列貨幣計值：

於報告日期，所面臨最高的信貸風險乃上述各類別應收款項的賬面值。本集團概無持有任何抵押品作為抵押。

- (f) 於二零二一年十二月三十一日，應收票據均為賬齡少於六個月的銀行承兌票據，包括總額為人民幣690,483,000元（二零二零年：人民幣637,886,000元）已背書予供應商的票據。由於應收票據持作收回合約現金流量及出售金融資產，倘該等資產現金流量僅作為支付本金及利息，則按公平值計入其他綜合收益計量。

		31 December	31 December
		2021	2020
		二零二一年	二零二零年
		十二月三十一日	十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current assets	流動資產		
Notes receivable measured at FVOCI	按公平值計入其他綜合收益計量的應收票據	728,596	723,478

On endorsing these notes receivable, there is no any related balance within the FVOCI reserve need to be reclassified to other losses within profit or loss due to the fair value is equal to its face amount and no premium was recognised.

All of the financial assets at FVOCI are denominated in RMB.

於應收票據進行背書時，按公平值計入其他綜合收益的儲備中並無任何相關結餘需要重新分類至損益內的其他損失，原因為公平值等於其面值且未確認溢價。

按公平值計入其他綜合收益的所有金融資產均以人民幣計值。

(g) During the year ended 31 December 2020, the Group won a bid for purchasing a package of non-current assets owned by a bankrupted third party company at a consideration of RMB51,189,000. A full amount prepayment of RMB51,189,000 has been paid for the aforementioned transaction to the agent. As at 31 December 2021, the whole transaction was still under processing. The rest of non-current portion amounting to RMB8,740,000 are prepayments for purchase of leasehold land-use rights pursuant to agreement with local government during the year (2020: nil).

(g) 截至二零二零年十二月三十一日止年度，本集團以人民幣51,189,000元的對價中標購買一間破產第三方公司持有的一攬子非流動資產。上述交易的全額人民幣51,189,000元的預付款項已支付予代理。於二零二一年十二月三十一日，整項交易仍在處理中。其餘非流動部分人民幣8,740,000元為本年度根據與當地政府的協議購買租賃土地使用權的預付款項(二零二零年：無)。

11. TRADE, OTHER PAYABLES AND ACCRUALS

11. 應付貿易賬款、其他應付款項及應計費用

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Trade payables (a, b)	應付貿易賬款(a、b)	1,545,933	1,249,039
Payables for property, plant and equipment (b)	物業、廠房及設備應付款項(b)	490,593	606,975
Salaries, wages and staff welfares payables	應付薪金、工資及員工福利	346,755	359,241
Interest payables	應付利息	1,149	37,584
Dividends payable	應付股息	407	407
Other payables and accruals	其他應付款項及應計費用	465,389	422,530
		2,850,226	2,675,776
Less: non-current portion	減：非流動部分		
Other payables (c)	其他應付款項(c)	(69,948)	(66,461)
		2,780,278	2,609,315

(a) As at 31 December 2021 and 2020, the ageing analysis of trade payables based on invoice date was as follows:

(a) 於二零二一年及二零二零年十二月三十一日，應付貿易賬款按發票日期的賬齡分析如下：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Within 3 months	三個月內	1,371,273	1,064,031
3 to 6 months	三至六個月	73,335	38,902
6 to 12 months	六至十二個月	32,167	18,027
1 to 2 years	一至兩年	36,865	94,306
Over 2 years	兩年以上	32,293	33,773
		1,545,933	1,249,039

(b) As disclosed in Note 10(f), notes receivable amounted to RMB690,483,000 (2020: RMB637,886,000) were endorsed to the suppliers of trade payables and payables for purchase of property, plant and equipment amounting to RMB573,165,000 and RMB117,318,000, respectively (2020: RMB473,821,000 and RMB164,065,000, respectively).

(c) The non-current portion of other payables is a borrowing from certain third parties, which is repayable in 5 years from the balance sheet date. The interest rate on such other payables during the year ended 31 December 2021 was 5.25% per annum (2020: 5.25% per annum).

(d) Except for the borrowing from certain third parties as discussed in Note(c), trade and other payables are unsecured and interest-free. The carrying amounts of trade and other payables approximate their fair values and are mainly denominated in RMB.

(b) 如附註10(f)所披露，應收票據人民幣690,483,000元（二零二零年：人民幣637,886,000元）均已背書給供應商，用於支付分別為人民幣573,165,000元及人民幣117,318,000元（二零二零年：分別為人民幣473,821,000元及人民幣164,065,000元）的應付貿易賬款及購買物業、廠房及設備的應付款項。

(c) 其他應付款項的非流動部分是向若干第三方借款，將於資產負債表日後5年內償還。該其他應付款項於截至二零二一年十二月三十一日止年度期間適用的年利率為5.25%（二零二零年：每年5.25%）。

(d) 除附註(c)所討論之向若干第三方借款外，應付貿易賬款及其他應付款項為無抵押及免息，其賬面值與公平值相若，主要以人民幣為單位。

12. BORROWINGS

12. 借貸

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Non-current	非流動		
Bank borrowings, secured (a)	銀行借貸(有抵押)(a)	2,504,790	-
Bank borrowings, unsecured	銀行借貸(無抵押)	-	464,427
		2,504,790	464,427
Current	流動		
Bank borrowings, unsecured	銀行借貸(無抵押)	1,222,254	1,361,133
Bank borrowings, secured (a)	銀行借貸(有抵押)(a)	500,000	-
USD bonds (b)	美元債券(b)	-	1,647,668
		1,722,254	3,008,801
Total borrowings	借貸總額	4,227,044	3,473,228

At 31 December 2021, the Group's borrowings were repayable as follows:

於二零二一年十二月三十一日，本集團需償還的借貸情況如下：

		Bank borrowings 銀行借貸		USD bonds 美元債券	
		2021 二零二一年	2020 二零二零年	2021 二零二一年	2020 二零二零年
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Within 1 year	一年內	1,722,254	1,361,133	-	1,647,668
Between 1 and 2 years	一至兩年內	125,239	464,427	-	-
Between 2 and 5 years	兩至五年內	2,379,551	-	-	-
		4,227,044	1,825,560	-	1,647,668

The weighted average effective interest rates at the balance sheet dates were as follows:

於各資產負債表日的加權平均實際利率如下：

		2021 二零二一年	2020 二零二零年
Borrowings	借貸	2.19%	4.50%

The carrying amount and fair value of non-current borrowings are as follows:

非即期借貸的賬面值與公平值如下：

		Carrying amount 賬面值		Fair value 公平值	
		2021 二零二一年	2020 二零二零年	2021 二零二一年	2020 二零二零年
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Bank borrowings	銀行借貸	2,504,790	464,427	2,382,379	461,933

The fair value of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 of the fair value hierarchy.

非即期借貸的公平值乃根據採用現時借款利率貼現的現金流量計算。其被分類為公平值層級中的第三層公平值。

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant.

即期借貸的公平值等於其賬面值，乃因貼現的影響並不重大。

The carrying amounts of the Group's borrowings are denominated in the following currencies:

本集團借貸的賬面值以下列貨幣計值：

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
RMB	人民幣	1,468,176	1,319,407
USD	美元	2,758,868	2,153,821
		4,227,044	3,473,228

(a) As at 31 December 2021, the secured non-current bank borrowings were secured by the pledge of the capital stock of certain subsidiaries of the Company and the secured current bank borrowings were secured by term deposits of RMB500,000,000.

(a) 於二零二一年十二月三十一日，有抵押的非流動銀行借貸乃以抵押本公司若干附屬公司的股本作為擔保，有抵押的流動銀行借貸乃以定期存款人民幣500,000,000元作為擔保。

(b) USD bonds issued in August 2018

(b) 於二零一八年八月發行的美元債券

In August 2018, the Company issued USD bonds at a par value of USD350,000,000, which was denominated in USD with a fixed interest rate of 5.875% per annum and mature date of 28 August 2021. The value of the liability, net of transaction costs of USD4,733,000, was determined at issuance of the bonds. During the year ended 31 December 2020, a total of USD 62,799,000 of such USD bonds were early redeemed.

於二零一八年八月，本公司按固定年利率5.875厘發行以美元計值面值為350,000,000美元的美元債券，到期日為二零二一年八月二十八日。負債價值（扣除交易成本4,733,000美元）於發行債券時釐定。截至二零二零年十二月三十一日止年度，本公司提前贖回有關美元債券合共62,799,000美元。

As at 31 December 2020, the balance of such USD bonds was USD253,336,000 and was reclassified to current borrowings.

於二零二零年十二月三十一日，有關美元債券結餘為253,336,000美元並重新分類至即期借貸。

During the year ended 31 December 2021, all of the USD bonds were redeemed upon mature.

截至二零二一年十二月三十一日止年度，所有美元債券均已到期贖回。

13. DEFERRED INCOME

13. 遞延收益

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元
Government grants related to income tax credit from purchasing qualified equipment (a)	與購買合資格設備所得稅抵免有關的政府補助(a)	10,382	18,743
Government grants related to acquisition of environmental protection and technology improvement equipment (b)	與購買環保及技術改善設備有關的政府補助(b)	766,044	799,707
		776,426	818,450

The movements of the above government grants for the years ended 31 December 2021 and 2020 are as follows:

於截至二零二一年及二零二零年十二月三十一日止年度上述政府補助變動如下：

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At beginning of the year	於年初	818,450	710,281
Granted during the year	於年內獲得的補助	52,135	197,436
Amortised as income (Note 4)	攤銷列作收益(附註4)	(94,159)	(89,267)
At end of the year	於年終	776,426	818,450

(a) Government grants related to income tax credit from purchasing qualified equipment represented reduction in income tax granted to Baoji Fufeng, IM Fufeng, Hulunbeir Fufeng, Xinjiang Fufeng and Longjiang Fufeng on the purchase of certain qualified equipment. Such income tax credits are recognised in the consolidated income statement on a straight-line basis over the expected lives of the related assets.

(a) 與購買合資格設備所得稅抵免有關的政府補助指就購買若干合資格設備授予寶雞阜豐、內蒙古阜豐、呼倫貝爾阜豐、新疆阜豐及龍江阜豐的所得稅抵免。該等所得稅抵免於相關資產預期年期內以直線法於合併利潤表中確認。

(b) Government grants related to acquisition of environmental protection and technology improvement equipment are recorded as deferred income and amortised in the consolidated income statement on a straight-line basis over the expected lives of the related assets.

(b) 與購買環保及技術改善設備有關的政府補助入賬為遞延收益並於相關資產預期年期內以直線法於合併利潤表內攤銷。

14. COMMITMENTS

Capital commitments

Capital expenditure contracted for at the end of the year but not yet incurred was as follows:

14. 承諾

資本承諾

於年終已訂約但未產生的資本開支如下：

		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Purchase of property, plant and equipment	購買物業、廠房及設備		
– Contracted but not yet incurred	– 已訂約但未產生	26,182	97,239
Purchase of leasehold land-use right	購買租賃土地使用權		
– Contracted but not yet incurred	– 已訂約但未產生	34,860	–

MANAGEMENT REVIEW

管理層回顧

Overview of Market

During the year, the market was still affected by the COVID pandemic. Market demand has not fully recovered to the pre-pandemic level. In addition, the market experienced the impacts from the unexpected dual controls over energy consumption and carbon emission, some production and operation activities were disrupted during the year.

The fierce competition in the industry in 2021 was evidenced by the high frequency of change and volatility of the prices of products. Such fierce competition was mainly due to the status of excess supply over demand in the market as a result of the significant increase in production capacity, which was caused by the new facilities built by large corn processing enterprises in Northeast China, a region with abundant corn resources, in recent years.

Driven by the high cost of raw materials, prices of key products, such as MSG, threonine, lysine, high-end amino acid and xanthan gum products increased significantly during the year (especially in the fourth quarter).

The corn price increased significantly and maintained at a high level, which was mainly due to the increased feed demand, increased corn production cost (such as fertiliser) and demand recovery from the corn processing sector.

In 2021, China had approximately 300 million tonnes of corn supply, of which approximately 272 million tonnes were self-produced and approximately 28 million tonnes were imported, according to the official data.

The coal price also increased significantly during the year, especially after the supply shortage happened in September 2021, which resulted in a power shortage in China. However, some market players in corn processing have their own power plants in their production bases and can access to low-cost local coal resources. So, the impact was minimised.

市場概覽

年內，市場仍受新冠疫情影響。市場需求尚未完全恢復到疫情前的水平。此外，市場受到突如其來的能耗碳排放雙控的影響，年內部分生產經營活動受到干擾。

從行業競爭的角度來看，二零二一年行業競爭非常激烈，從我們產品價格的漲跌頻率快及漲跌波幅大可以看出來。競爭激烈的主要原因是近年大型的玉米深加工企業在玉米資源豐富的中國東北建設新設施，產能顯著擴張，導致市場供大於求。

在原材料成本高企的推動下，味精、蘇氨酸、賴氨酸、高檔氨基酸、黃原膠等主要產品價格在年內(尤其是第四季度)大幅上漲。

玉米價格大幅上漲並維持在高位，主要由於飼料需求增加、玉米生產成本上升(例如肥料)及玉米深加工的需求復甦。

官方數據顯示，二零二一年中國玉米供應量約為300百萬噸，其中自產約272百萬噸，進口約28百萬噸。

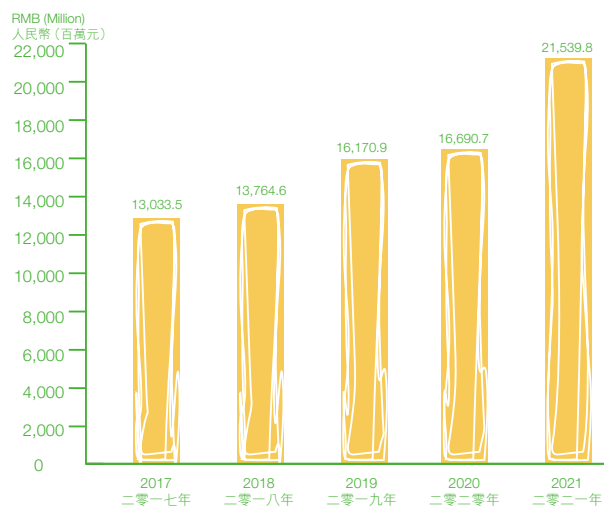
煤炭價格在年內亦大幅上漲，尤其是在二零二一年九月發生供應短缺情況之後，此導致中國電力短缺。然而，部分玉米深加工市場參與者在其生產基地設有自身的發電廠，盡享當地低成本煤炭資源之利。因此，影響降至最低。

Overall Performance

The table below illustrates the trend of the Group's revenue in the past five years

整體表現

下表說明本集團過往五年的收入趨勢



Revenue/Gross profit/Gross profit margin of the Group

本集團的收入／毛利及毛利率

		Year ended 31 December 截至十二月三十一日止年度		Change 變動
		2021 二零二一年	2020 二零二零年	%
Revenue (RMB'000)	收入(人民幣千元)	21,539,841	16,690,736	29.1
Gross profit (RMB'000)	毛利(人民幣千元)	3,905,276	2,816,354	38.7
Gross profit margin (%)	毛利率(%)	18.1	16.9	1.2 pts. 個百分點

Profit attributable to the Shareholders

股東應佔溢利

Year ended 31 December 截至十二月三十一日止年度

		2021 二零二一年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	Change 變動 %
As reported	如呈報	1,280,640	629,901	103.3

For the year ended 31 December 2021, the Group's revenue increased by 29.1% to approximately RMB21,539.8 million as compared to 2020, primarily due to increased revenue contribution from food additives, animal nutrition and high-end amino acid.

截至二零二一年十二月三十一日止年度，本集團的收入較二零二零年增加29.1%至約人民幣21,539,800,000元，主要由於食品添加劑、動物營養及高檔氨基酸產品的收入貢獻增加所致。

The Group's overall gross profit increased by 38.7% to approximately RMB3,905.3 million in 2021 as compared to 2020, primarily due to the increases in the gross profit of animal nutrition and high-end amino acid products.

於二零二一年，本集團的整體毛利較二零二零年增加38.7%至約人民幣3,905,300,000元，主要由於動物營養及高檔氨基酸產品的毛利提高。

Selling and marketing expenses increased by 1.2% to approximately RMB1,401.2 million in 2021 as compared to 2020.

於二零二一年，銷售及市場推廣開支較二零二零年增加1.2%至約人民幣1,401,200,000元。

Administrative expenses increased by 16.2% to approximately RMB949.0 million in 2021 as compared to 2020.

於二零二一年，行政開支較二零二零年增加16.2%至約人民幣949,000,000元。

Finance income decreased by 37.5% to approximately RMB118.5 million in 2021 as compared to 2020.

於二零二一年，財務收入較二零二零年下降37.5%至約人民幣118,500,000元。

Finance costs decreased by 16.2% to approximately RMB172.7 million in 2021 as compared to 2020.

於二零二一年，財務成本較二零二零年減少16.2%至約人民幣172,700,000元。

Profit attributable to the Shareholders increased by 103.3% to approximately RMB1,280.6 million in 2021 as compared to 2020.

於二零二一年，股東應佔溢利較二零二零年增加103.3%至約人民幣1,280,600,000元。

During the year, the average prices of corn and coal increased significantly by 34.7% and 37.4%, respectively. The increase in prices of raw materials brought challenges to our operations. However, we passed on the cost pressure to our downstream customers, with price increases across the board (especially in the fourth quarter) for our main products, such as MSG, animal nutrition, high-end amino acid and xanthan gum, thereby maintaining our profitability.

年內，玉米及煤炭的平均價格分別大幅上漲34.7%及37.4%。原材料的價格上漲給我們的營運帶來挑戰。然而，我們將成本壓力轉嫁予下游客戶，我們的主要產品，如味精、動物營養、高檔氨基酸及黃原膠價格全線上漲（尤其是第四季度），從而保持我們的盈利能力。

With a diversified product development plan and further expansion of high-end amino acid product pipeline by the Group, the business structure of multiple growth drivers has been established, enhancing the core competitiveness of the Company.

本集團通過多元化產品開發規劃，進一步拓展高檔氨基酸產品線，建立了多個增長動力的業務結構，提升本公司的核心競爭力。

From the perspective of our product portfolio, our key products can be classified as cash cow products and star products. Our cash cow products include MSG and xanthan gum products, of which we are the largest manufacturer in the global market. Our strategy is to maximise our revenue with our existing market share and create strong and stable cashflow for the Company. Our star products, including animal nutrition product (such as threonine and lysine) and high-end amino acid products, have high growth potential with growing market share, and we have established leading positions in these market segments.

Analysis of Five Product Segments

The Group's products are organised into five product segments including: 1. Food additives (main products include MSG, compound seasoning, starch sweeteners, glutamic acid and corn oil), 2. Animal nutrition (main products include threonine, lysine and corn refined products), 3. High-end amino acid (main products include valine, leucine, isoleucine, glutamine, and hyaluronic acid), 4. Colloid (main products include xanthan gum and gellan gum), and 5. Others (main products include fertilisers, synthetic ammonia and pharmaceuticals, etc.).

Detailed sales and gross profit analysis by five segments for the years ended 31 December 2021 and 2020:

For the year ended 31 December 2021

		Food additives 食品添加劑	Animal nutrition 動物營養	High-end amino acid 高檔氨基酸	Colloid 膠體	Others 其他	Total 總計
Revenue	收入	10,388,668	7,619,865	1,415,394	1,042,705	1,073,209	21,539,841
Gross profit	毛利	1,424,804	1,369,052	587,868	341,116	182,436	3,905,276
Gross profit margin	毛利率	13.7%	18.0%	41.5%	32.7%	17.0%	18.1%

For the year ended 31 December 2020

		Food additives 食品添加劑	Animal nutrition 動物營養	High-end amino acid 高檔氨基酸	Colloid 膠體	Others 其他	Total 總計
Revenue	收入	9,058,574	5,070,823	943,406	881,496	736,437	16,690,736
Gross profit	毛利	1,426,424	680,133	346,547	194,854	168,396	2,816,354
Gross profit margin	毛利率	15.7%	13.4%	36.7%	22.1%	22.9%	16.9%

從我們的產品組合角度來看，我們的主要產品可分類為金牛產品及明星產品。我們的金牛產品包括味精及黃原膠產品，且我們是全球市場的最大製造商。我們的策略是在現有市場份額下，實現收入的最大化並為本公司創造強健且穩定的現金流量。我們的明星產品包括動物營養產品（蘇氨酸及賴氨酸等）及高檔氨基酸產品，具備高速增長潛力，市場份額不斷擴大，我們已佔據這些市場分部的領先位置。

五個產品分部分析

本集團的產品分類為五個產品分部：包括1.食品添加劑（主要產品包括味精、複合調味品、澱粉甜味劑、谷氨酸和玉米油）；2.動物營養（主要產品包括蘇氨酸、賴氨酸和玉米提煉產品）；3.高檔氨基酸（主要產品包括纈氨酸、亮氨酸、異亮氨酸、谷氨醯胺及透明質酸）；4.膠體（主要產品包括黃原膠和結冷膠）；及5.其他（主要產品包括肥料、合成氨、藥品等）。

截至二零二一年及二零二零年十二月三十一日止年度，按五個分部劃分的詳細銷售及毛利分析：

截至二零二一年十二月三十一日止年度

截至二零二零年十二月三十一日止年度

The table below sets out the revenue of the Group by products for the years ended 31 December 2021 and 2020:

下表載列本集團截至二零二一年及二零二零年十二月三十一日止年度按產品劃分的收入：

Product	產品	Year ended 31 December		Change
		二零二一年	二零二零年	
		RMB'000	RMB'000	%
		人民幣千元	人民幣千元	%
Food additives	食品添加劑			
MSG	味精	8,515,656	7,191,798	18.4
Starch sweeteners	澱粉甜味劑	1,421,350	1,388,796	2.3
Glutamic acid	谷氨酸	366,378	416,344	(12.0)
Compound seasoning	複合調味品	82,150	55,699	47.5
Corn oil	玉米油	3,134	5,937	(47.2)
Animal nutrition	動物營養			
Corn refined products	玉米提煉產品	3,577,678	2,816,820	27.0
Threonine	蘇氨酸	2,394,716	1,279,870	87.1
Lysine	賴氨酸	1,647,471	974,133	69.1
High-end amino acid	高檔氨基酸			
High-end amino acid products	高檔氨基酸產品	1,415,394	943,406	50.0
Colloid	膠體			
Xanthan gum	黃原膠	968,753	821,294	18.0
Gellan gum	結冷膠	73,952	60,202	22.8
Others	其他			
Fertilisers	肥料	647,122	384,207	68.4
Synthetic ammonia	合成氨	263,081	182,676	44.0
Pharmaceuticals	藥品	147,614	153,061	(3.6)
Others	其他	15,392	16,493	(6.7)
		21,539,841	16,690,736	29.1

1. Food additives

Revenue generated from the sales of food additive products increased to approximately RMB10,388.7 million in 2021, representing an increase of approximately RMB1,330.1 million, or 14.7%, as compared to 2020, mainly due to increased revenue of MSG. The increased revenue of MSG was primarily due to the effect of an increase in the ASP of MSG during the year.

Gross profit of food additive products decreased to approximately RMB1,424.8 million, representing a slight decrease of 0.1% as compared to 2020, mainly due to a slight decrease of profit contribution from MSG. Gross profit margin of food additive products was 13.7%, representing a decrease of 2.0 percentage points as compared to 2020.

Key products:

MSG: During the year, MSG price showed a noticeable upward trend despite significant fluctuation, with the ASP of approximately RMB7,674 per tonne, representing an increase of approximately 24.0% as compared to 2020. The increase in ASP was mainly due to the increased prices of major raw materials during the year and part of the cost pressure was successfully passed on to our downstream customers by way of price adjustment. The Group led the market by adjusting the MSG price actively and maximised its profitability. The sales volume was approximately 1,109,687 tonnes, representing a year-on-year decrease of approximately 4.5%.

2. Animal nutrition

Revenue generated from the sales of animal nutrition products increased to approximately RMB7,619.9 million in 2021, representing an increase of approximately RMB2,549.1 million, or 50.3%, as compared to 2020, mainly due to increased revenue of threonine and lysine.

Gross profit of animal nutrition products increased to RMB1,369.1 million, representing an increase of 101.3% as compared to 2020, mainly due to increased gross profit contribution of threonine and lysine. Gross profit margin of animal nutrition products was 18.0%, representing an increase of 4.6 percentage points as compared to 2020.

1. 食品添加劑

於二零二一年，食品添加劑產品銷售產生的收入增加至約人民幣10,388,700,000元，較二零二零年增加約人民幣1,330,100,000元或14.7%，主要由於味精的收入增加。味精的收入增加主要是由於年內味精平均售價上漲的影響所致。

食品添加劑產品的毛利減至約人民幣1,424,800,000元，較二零二零年略降0.1%，主要由於味精小幅下降的溢利貢獻。食品添加劑產品的毛利率為13.7%，較二零二零年降低2.0個百分點。

主要產品：

味精：年內，味精價格雖有顯著波動，但仍呈明顯上升態勢，平均售價每噸約為人民幣7,674元，較二零二零年上升約24.0%。平均售價上升乃主要由於年內主要原材料價格上升，而我們用價格調整方式將部分成本壓力成功轉嫁給下游客戶。本集團通過積極調整味精價格引領市場並最大限度的提高自身盈利能力。銷量約為1,109,687噸，同比減少約4.5%。

2. 動物營養

於二零二一年，動物營養產品銷售產生的收入增加至約人民幣7,619,900,000元，較二零二零年增加約人民幣2,549,100,000元或50.3%，主要由於蘇氨酸及賴氨酸的收入增加。

動物營養產品的毛利增至人民幣1,369,100,000元，較二零二零年增幅為101.3%，主要由於蘇氨酸及賴氨酸的毛利貢獻增加。動物營養產品的毛利率為18.0%，較二零二零年增加4.6個百分點。

Key products:

Threonine: Threonine is classified as a major type of animal nutrition product, an essential amino acid which maintains body protein balance. Our threonine is mainly used as an animal feed additive. Revenue of threonine significantly increased by about 87.1% in 2021 as compared to 2020, primarily due to the increased ASP of threonine from approximately RMB6,903 per tonne in 2020 to approximately RMB9,718 per tonne in 2021. The increase in ASP was mainly due to the supply shortage in the international markets caused by the COVID pandemic. The recovering market demand of the PRC and international markets was taken place in 2021. Sales volume of threonine increased from approximately 185,421 tonnes in 2020 to approximately 246,411 tonnes in 2021, representing a year-on-year increase of 32.9%.

Lysine: The revenue of lysine was approximately RMB1,647.5 million, representing an increase of approximately 69.1% as compared to 2020. The sales volume was approximately 255,863 tonnes, representing a year-on-year increase of approximately 18.4%. It shared the same reason with threonine for the increase in revenue, ASP and sales volume.

3. High-end amino acid

During the year, our high-end amino acid products recorded a good performance with sales of approximately RMB1,415.4 million, representing an increase of approximately 50.0% as compared to 2020.

Revenue of high-end amino acid products increased due to (i) the improvement of production technology, which increased the production yield and production volume. During the year, the sales volume of Tryptophan, Isoleucine and BCAA increased; and (ii) the launch of new products, such as Theanine, Erythritol and Polyglutamic acid.

Gross profit of high-end amino acid products increased by 69.6% to RMB587.9 million as compared to 2020. Gross profit margin of high-end amino acid products was 41.5%, representing an increase of 4.8 percentage points as compared to 2020.

Our high-end amino acid products focus on the health and wellness and feeding industries and generally enjoy higher profitability. Our production technology for high-end amino acid products continues to improve with increasingly enhanced operating efficiency, which facilitates the development and launch of new products.

主要產品：

蘇氨酸：蘇氨酸被分類為動物營養產品的主要類別之一，其乃一種維持身體蛋白質平衡不可或缺的氨基酸。我們的蘇氨酸乃主要用作動物飼料添加劑。二零二一年蘇氨酸收入較二零二零年大幅增長約87.1%，主要乃由於蘇氨酸的平均售價從二零二零年的每噸約為人民幣6,903元增加至二零二一年的每噸約為人民幣9,718元。平均售價上升主要是由於國際市場因新冠疫情造成的供應短缺。二零二一年中國及國際市場需求復甦。蘇氨酸的銷量從二零二零年約185,421噸增加至二零二一年約246,411噸，同比增加約32.9%。

賴氨酸：賴氨酸的收入為約人民幣1,647,500,000元，較二零二零年增加約69.1%。銷量為約255,863噸，同比增加約18.4%。該增加與蘇氨酸的收入、平均售價及銷量增加的原因相同。

3. 高檔氨基酸

年內，我們的高檔氨基酸產品表現良好，銷售額約人民幣1,415,400,000元，較二零二零年增幅約50.0%。

高端氨基酸產品的收入增加是由於(i)生產技術改進，提高生產效率及產量。於年內，色氨酸、異亮氨酸及支鏈氨基酸銷量增加；及(ii)推出新產品，如茶氨酸、赤蘚糖醇及聚谷氨酸。

高檔氨基酸產品的毛利較二零二零年增加69.6%至人民幣587,900,000元。高檔氨基酸產品的毛利率為41.5%，較二零二零年同比增加4.8個百分點。

我們的高檔氨基酸產品專注於健康與保健及飼養行業，且一般有較高盈利能力。我們的高檔氨基酸產品的生產技術持續提升，經營效率不斷提升，有利於新產品的開發及推出。

4. Colloid

Revenue generated from the sales of colloid products increased to approximately RMB1,042.7 million in 2021, representing an increase of approximately RMB161.2 million, or 18.3%, as compared to 2020, mainly due to increased revenue of xanthan gum. Demand of Xanthum gum was still behind the pre-pandemic stage which led to decrease in sales volume. As supply of Xanthum gum was also affected by the COVID-pandemic, the ASP increased during the year.

Gross profit of colloid products increased to RMB341.1 million, representing an increase of 75.1% as compared to 2020, mainly due to increased gross profit contribution from xanthan gum. Gross profit margin of colloid products was 32.7%, representing an increase of 10.6 percentage points as compared to 2020.

5. Others

Revenue generated from the sales of other products increased to approximately RMB1,073.2 million in 2021, representing an increase of approximately RMB336.8 million, or 45.7%, as compared to 2020, mainly due to increased revenue of fertilisers. Following the ease of African Swine Fever, there was increase in feed demand which in turn increased demand in crops. Due to increased demand of crops, demand and ASP of fertilisers increased.

Gross profit of other products increased to RMB182.4 million, representing an increase of 8.3% as compared to 2020. Gross profit margin of other products was 17.0%, representing a decrease of 5.9 percentage points as compared to 2020.

4. 膠體

於二零二一年，銷售膠體產品所得收入增至約人民幣1,042,700,000元，較二零二零年增加約人民幣161,200,000元，或18.3%，主要由於黃原膠收入增加所致。黃原膠需求仍落後於疫情前階段，導致銷量下降。由於黃原膠供應亦受到新冠病毒疫情影響，年內平均售價有所上升。

膠體產品的毛利增至人民幣341,100,000元，較二零二零年增長75.1%，主要由於黃原膠的毛利貢獻增加所致。膠體產品的毛利率為32.7%，較二零二零年增長10.6個百分點。

5. 其他

於二零二一年，銷售其他產品產生的收入增至約人民幣1,073,200,000元，較二零二零年增加約人民幣336,800,000元或45.7%，主要由於肥料及合成氨的收入增加。繼非洲豬瘟後，飼料需求有所增加，進而增加穀物需求。由於穀物需求增加，肥料需求及平均售價上升。

其他產品的毛利增至人民幣182,400,000元，較二零二零年增長8.3%。其他產品的毛利率為17.0%，較二零二零年減少5.9個百分點。

Analysis of Key Production Costs

Production costs

主要生產成本分析

生產成本

Years ended 31 December
截至十二月三十一日止年度

		2021 二零二一年		2020 二零二零年		Change 變動
		RMB'000 人民幣千元	%	RMB'000 人民幣千元	%	%
Major raw materials	主要原材料					
• Corn kernels	• 玉米顆粒	10,449,791	59.1	8,148,988	56.4	28.2
• Liquid ammonia	• 液氨	482,911	2.7	340,939	2.4	41.6
• Sulphuric acid	• 硫酸	182,696	1.0	65,179	0.5	180.3
• Soybeans	• 大豆	37,966	0.2	48,182	0.3	(21.2)
Energy	能源					
• Coal	• 煤炭	2,661,883	15.0	2,105,143	14.6	26.4
Depreciation	折舊	1,047,071	5.9	1,068,115	7.4	(2.0)
Employee benefits	僱員福利	701,291	4.0	684,628	4.7	2.4
Others	其他	2,127,444	12.1	1,974,855	13.7	7.7
Total cost of production	總生產成本	17,691,053	100.0	14,436,029	100.0	22.5

Corn kernels

In 2021, corn kernels accounted for approximately 59.1% (2020: 56.4%) of the total cost of production, representing an increase of 2.7 percentage points, mainly due to change in the price of corn kernels. The average price of corn kernels for the year ended 31 December 2021 was approximately RMB2,350 per tonne, representing a significant increase of 34.7% as compared to 2020. The corn price increase was mainly due to the increased feed demand, increased corn production cost (such as fertiliser) and demand recovery from the corn processing sector.

玉米顆粒

於二零二一年，玉米顆粒佔總生產成本約59.1%（二零二零年：56.4%），增幅為2.7個百分點，主要歸因於玉米顆粒價格變動。截至二零二一年十二月三十一日止年度的玉米顆粒平均價格約為每噸人民幣2,350元，較二零二零年大幅增長34.7%。玉米價格上漲主要由於飼料需求增加、玉米生產成本上升（例如肥料）及玉米深加工的需求復甦。

The total cost of corn kernels increased by 28.2% in 2021, which was mainly due to the increase in the average unit cost of corn kernels as compared to 2020.

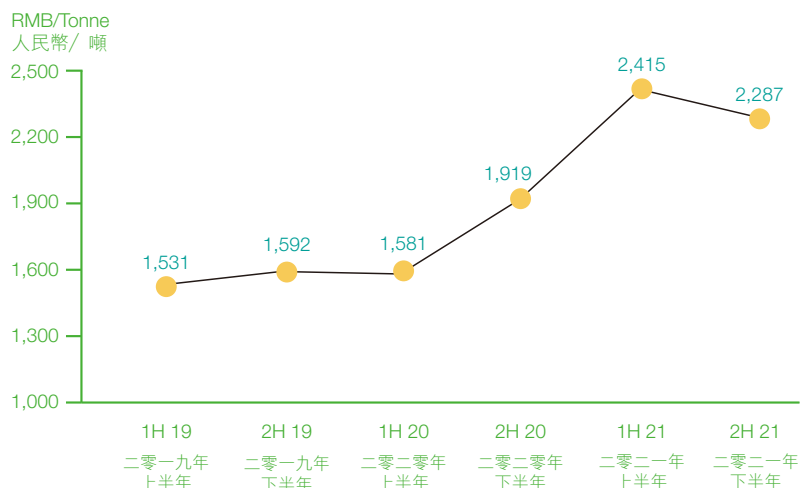
於二零二一年，玉米顆粒的總成本增加28.2%，主要由於玉米顆粒的平均單位成本較二零二零年增長。

The following chart shows the price trend of corn kernel from the first half of 2019 to the second half of 2021:

下圖列示自二零一九年上半年至二零二一年下半年玉米顆粒的價格趨勢：

Price Trend of Corn Kernel

玉米顆粒價格趨勢



Liquid ammonia

Liquid ammonia accounted for approximately 2.7% (2020: 2.4%) of total cost of production in 2021. The average unit cost of liquid ammonia in 2021 increased to approximately RMB3,385 per tonne, which represents an increase of approximately RMB938 per tonne, or 38.3%, from 2020. Due to the higher average unit cost of liquid ammonia and the increased consumption volume as actual production volume of threonine increased during the year, the total cost of liquid ammonia increased by 41.6% in 2021 as compared to 2020.

液氨

液氨佔二零二一年總生產成本約2.7%（二零二零年：2.4%）。二零二一年液氨平均單位成本增至每噸約人民幣3,385元，較二零二零年每噸增加約人民幣938元或38.3%。由於年內液氨平均單位成本提高及蘇氨酸實際產量增加導致消耗量增加，液氨的總成本較二零二零年增加41.6%。

Sulphuric acid

Sulphuric acid accounted for approximately 1.0% (2020: 0.5%) of total cost of production in 2021. The average unit cost of sulphuric acid increased to approximately RMB338 per tonne, representing a rise of approximately RMB214 per tonne, or 172.6%, as compared to 2020.

硫酸

硫酸佔二零二一年總生產成本約1.0%（二零二零年：0.5%）。硫酸平均單位成本增至每噸約人民幣338元，較二零二零年每噸增加約人民幣214元或172.6%。

Soybeans

In 2021, soybeans accounted for approximately 0.2% (2020: 0.3%) of the total cost of production. The average unit cost of soybeans was approximately RMB5,517 per tonne, representing an increase of approximately RMB1,123 per tonne, or 25.6%, as compared to 2020. The total cost of soybeans decreased by 21.2% in 2021 mainly due to the drop of consumption volume as actual production volume of xanthan gum decreased during the year as compared to 2020.

Coal

Coal accounted for 15.0% (2020: 14.6%) of total cost of production in 2021. The average unit cost of coal in 2021 was RMB360 per tonne, representing an increase of RMB98 per tonne, or 37.4%, as compared to 2020. The coal price increased significantly during the year, especially after the supply shortage happened in September 2021, which resulted in a power shortage in China. However, the Chinese government implemented some measures to restore the coal inventory and supply so as to stabilize the coal price in the fourth quarter in 2021.

The Group's major production plants in Shaanxi, Inner Mongolia, Hulunbeir, Xinjiang and Heilongjiang have our own power plants with access to lower-cost coal in the regions by purchasing directly from the coal mines with long-term contracts to guarantee our coal supply volume. As a result, our production plants were not affected by the power shortage.

Other production costs

The cost of depreciation and employee benefits was stable mainly due to the fact that the annual production capacities were unchanged during the year.

大豆

於二零二一年，大豆佔總生產成本約0.2%（二零二零年：0.3%）。大豆平均單位成本每噸約人民幣5,517元，較二零二零年每噸增加約人民幣1,123元或25.6%。大豆總成本於二零二一年減少21.2%主要是由於年內黃原膠的實際產量減少導致消耗量較二零二零年減少所致。

煤炭

於二零二一年，煤炭佔總生產成本15.0%（二零二零年：14.6%）。於二零二一年，煤炭平均單位成本為每噸人民幣360元，較二零二零年每噸增加人民幣98元或37.4%。煤炭價格在年內大幅上漲，尤其是在二零二一年九月發生供應短缺情況之後，此導致中國電力短缺。然而，於二零二一年第四季度，中國政府實施若干恢復煤炭庫存及供應的措施，以穩定煤炭價格。

本集團的主要生產廠房位於陝西、內蒙古、呼倫貝爾、新疆及黑龍江，均有其自身的發電廠，通過直接自簽訂長期合約的煤礦中採購煤炭，盡享該等地區低成本煤炭之利，以保證我們的煤炭供應量。因此，生產工廠並無受到電力短缺的影響。

其他生產成本

折舊開支及僱員福利保持穩定，乃主要由於年內年產能保持不變。

Production

The annual designed production capacity of each of the major products by product categories were as follows:

生產

按產品類別劃分的各主要產品的年設計產能如下：

		Year ended 31 December 截至十二月三十一日止年度		
		2021 二零二一年	2020 二零二零年	Change 變動
		Tonnes 噸	Tonnes 噸	%
Food additives	食品添加劑			
MSG (Note)	味精(附註)	1,330,000	1,330,000	—
Starch sweeteners (Note)	澱粉甜味劑(附註)	720,000	720,000	—
Animal nutrition	動物營養			
Threonine (Note)	蘇氨酸(附註)	243,000	243,000	—
Lysine (Note)	賴氨酸(附註)	200,000	200,000	—
Colloid	膠體			
Xanthan gum (Note)	黃原膠(附註)	65,000	65,000	—
Others	其他			
Fertilisers (Note)	肥料(附註)	1,080,000	1,080,000	—

Note: The annual designed production capacity is expressed on pro-rata basis.

附註：年設計產能按比例基準呈列。

Analysis of Capacity Usage of Major Product Lines

Business strategy of production remained unchanged and the Group set production volume according to market demand in order to minimise the risk from pricing competition. During the year, the capacity utilisation rate of MSG remained stable, which was around 84%. The capacity utilisation rate of starch sweeteners was only around 54% in 2021, due to the oversupply in the market. Threonine and lysine, as classified in the Animal nutrition segment, benefiting from the increasing demand of oversea markets. The Group determined its output based on market demand with capacity utilisation rate of threonine and lysine reached full capacity during the year. Xanthan gum product, as classified in the Colloid segment, had weak market demand. In 2021, the capacity utilisation rate of xanthan gum was only around 56%.

主要產品線產能使用分析

生產的業務策略不變，本集團根據市場需求決定產量，以將價格競爭風險降至最低。年內味精的產能使用率維持穩定，為84%左右。由於澱粉甜味劑市場供過於求，澱粉甜味劑的產能使用率於二零二一年僅約為54%。分類為動物營養分部的蘇氨酸及賴氨酸受益於海外市場與日俱增的需求。本集團根據市場需求決定產量，於年內蘇氨酸及賴氨酸的產能使用率達致滿負荷。黃原膠產品(分類為膠體分部)市場需求疲弱。於二零二一年，黃原膠的產能使用率僅約為56%。

Other Financial Information

Other income

In 2021, other income amounted to RMB223.1 million, which was mainly comprised of the income from the sales of waste products, amortisation of deferred income and government grants.

Other loss

It mainly represented net foreign exchange losses and fair value losses on change in fair value of foreign exchange swap contracts, which was for hedging the foreign exchange risk of our USD bank borrowings.

Selling and marketing expenses

Selling and marketing expenses increased by approximately RMB16.2 million, or 1.2%, in 2021. It is no significant change during the year.

Administrative expenses

Administrative expenses increased by approximately RMB132.4 million, or 16.2%, in 2021. The increase was due to an increase in research and development expenses and employee benefit expenses.

Net impairment losses on financial assets

The increased net impairment losses on financial assets mainly represented the Group recorded a full provision of RMB50.0 million that was the loan to a third party. As at 31 December 2021, the loan receivable was past due for collection as the third party was in financial difficulties. Due to increasing credit risk, the Group measured the impairment as lifetime expected credit losses.

Finance income

Finance income mainly represented interest income from bank deposits and foreign exchange gain from our USD bonds and syndication bank loan. The interest income from bank deposits and bank balance amounted to RMB36.3 million, a decrease of 16.9%. This was mainly due to the decrease in our working capital during the year. On the other hand, the Group recorded an exchange gain on financing activities of approximately RMB82.3 million (2020: an exchange gain of RMB145.9 million), mainly due to the exchange difference of USD bonds and bank borrowings denominated in USD in 2021.

Finance costs

The finance costs of the Group in 2021 decreased, mainly as interest expense decreased by approximately RMB33.3 million, as interest rate bearing for syndication loan is much lower than the interest rate bearing of the 3-year 5.875% USD bonds issued on 28 August 2018 which are fully expired and repaid in August 2021.

其他財務資料

其他收益

於二零二一年，其他收益為人民幣223,100,000元，主要包括廢料產品銷售收益、遞延收益攤銷及政府補助。

其他損失

其他損失主要指外匯虧損淨額及外匯掉期合約（乃用於對沖我們美元銀行借貸的外匯風險）公平值變動的公平值虧損。

銷售及市場推廣開支

於二零二一年，銷售及市場推廣開支增加約人民幣16,200,000元或1.2%。年內沒有重大變化。

行政開支

行政開支於二零二一年增加約人民幣132,400,000元或16.2%。該增加是由於研發開支及僱員福利開支增加。

金融資產減值虧損淨額

金融資產減值虧損淨額增加主要為本集團錄得全數撥備人民幣50,000,000元，該項金融資產為給予一名第三方的貸款。於二零二一年十二月三十一日，因第三方財務困難，該應收貸款已超過還款期限而仍未收回，因其信用風險增加，本集團按整個存續期預期信用損失計量減值。

財務收入

財務收入主要是銀行存款的利息收入及美元債券及銀團貸款的外匯收益。銀行存款及銀行結餘的利息收入為人民幣36,300,000元，減少16.9%。此主要由於年內我們營運資金減少所致。另一方面，於二零二一年，本集團錄得融資活動匯兌收益達約人民幣82,300,000元（二零二零年：匯兌收益人民幣145,900,000元），主要由於美元債券及以美元計值的銀行借貸的匯兌差額。

財務成本

本集團於二零二一年的財務成本減少，主要原因是銀團貸款的利率遠低於二零二一年八月悉數到期並償還的於二零一八年八月二十八日發行的3年期票息5.875%美元債券的利率而導致利息開支減少約人民幣33,300,000元所致。

Staff costs

Staff costs of the Group increased by approximately RMB56.0 million, or approximately 5.3%, from approximately RMB1,065.0 million in 2020 to approximately RMB1,121.0 million in 2021. The increase was mainly due to an increase in number of staffs.

Depreciation

Depreciation expense of the Group decreased by approximately RMB9.0 million, or 0.7%, from RMB1,246.8 million in 2020 to RMB1,237.8 million in 2021.

Income tax expense

The income tax expenses for the year ended 31 December 2021 mainly represented the PRC Enterprise Income Tax ("EIT"). Seven subsidiaries of the Group including Hulunbeir Fufeng, Shandong Fufeng, Shenhua Pharmaceutical, Baoji Fufeng, IM Fufeng, Xinjiang Fufeng and Longjiang Fufeng have obtained the approvals to become a new and high-technology enterprise and had been entitled to a preferential income tax rate of 15% (2020: 15%). The qualification of new and high-technology enterprise is subject to renewal for each three years interval.

According to the Ministry of Finance Announcement No. 23, 2020, "The notice on extending enterprise income tax policies of the western region development strategy issued by the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission" (財政部公告2020年第23號“財政部、稅務總局、國家發展改革委關於延續西部大開發企業所得稅政策的公告”) taking effect from 1 January 2021, companies set up in the western region and falling into certain encouraged industry catalogue promulgated by the PRC government will be entitled to a preferential tax rate of 15%.

Four subsidiaries of the Group, including Baoji Fufeng, IM Fufeng, Hulunbeir Fufeng and Xinjiang Fufeng, were set up in the western development region and fall into the encouraged industry catalogue, and therefore they are entitled to the above said preferential tax rate of 15% (2020: 15%).

The Group's subsidiaries in the PRC are subject to PRC EIT which is calculated based on the applicable tax rate of 25% (2020: 25%) on the assessable profits of the subsidiaries in accordance with PRC tax laws and regulations except for those as discussed above. The Group's subsidiaries in Hong Kong are subject to income tax at a rate of 8.25% (2020: 8.25%) on the estimated assessable profit for the year ended 31 December 2021.

員工成本

本集團員工成本由二零二零年的約人民幣1,065,000,000元增加約人民幣56,000,000元或約5.3%至二零二一年的約人民幣1,121,000,000元。該增加主要是由於員工人數增加所致。

折舊

本集團的折舊開支由二零二零年的人民幣1,246,800,000元減少約人民幣9,000,000元或0.7%至二零二一年的人民幣1,237,800,000元。

所得稅開支

截至二零二一年十二月三十一日止年度的所得稅開支主要包括中國企業所得稅(「企業所得稅」)。本集團的七間附屬公司包括呼倫貝爾阜豐、山東阜豐、神華藥業、寶雞阜豐、內蒙古阜豐、新疆阜豐及龍江阜豐已獲准成為高新技術企業，並享有15%(二零二零年：15%)的優惠所得稅率。高新技術企業資格須每隔三年進行重新認定。

根據財政部、稅務總局及國家發展改革委聯合發佈自二零二一年一月一日起施行的財政部公告二零二零年第23號「關於延續西部大開發企業所得稅政策的公告」，於西部地區成立並屬於中國政府所頒佈的若干鼓勵類產業目錄的公司有權享有15%優惠稅率。

本集團的四間附屬公司，即寶雞阜豐、內蒙古阜豐、呼倫貝爾阜豐及新疆阜豐於西部開發區成立並屬於鼓勵類產業目錄，故有權享有上述15%優惠稅率(二零二零年：15%)。

本集團的中國附屬公司須繳納中國企業所得稅，該稅項根據中國稅務法例及法規按附屬公司應課稅溢利以適用稅率25%(二零二零年：25%)計算，除上文所討論者除外。截至二零二一年十二月三十一日止年度，本集團的香港附屬公司須就估計應課稅溢利按稅率8.25%(二零二零年：8.25%)繳納所得稅。

The Group's subsidiary in the United States is subject to state income tax at a rate of approximately 8.84% and 9.5% (2020: 8.84% and 9.5%) and a federal income tax at a rate of approximately 21% (2020: 21%) on the estimated assessable profit for the year ended 31 December 2021.

Liquidity and Financial Resources

As at 31 December 2021, the Group's cash and cash equivalent and restricted bank deposits were RMB4,054.8 million (2020: RMB1,231.2 million) whereas current bank borrowings and current other borrowings were approximately RMB1,722.3 million and Nil respectively (2020: RMB1,361.1 million and RMB1,647.7 million). Non-current bank borrowings and non-current other borrowings were approximately RMB2,504.8 million and Nil (2020: RMB464.4 million and Nil), respectively.

USD Bonds

The Company issued USD350 million three-year USD bonds on 28 August 2018 with a fixed interest rate of 5.875% per annum. The gross proceeds of the USD bonds issue, before deduction of underwriting discounts and commissions and other estimated expenses in connection with the bond issue, amounted to approximately USD349.6 million, which the Company was mainly used to refinance then existing debt and for business development purposes.

The Company completed the repurchase of USD96,664,000 in aggregate principal amount of USD bonds (the "Repurchased Bonds") which were repurchased during 6 November 2018 to 13 May 2020, representing approximately 27.62% of the aggregate principal amount of USD bonds originally issued. The Repurchased Bonds were cancelled before 30 June 2020. The balance of USD bonds was fully repaid on 30 August 2021.

Syndication bank facilities

On 9 March 2021, the Company (as borrower) and certain of its subsidiaries (as guarantors) entered into a facilities agreement ("Agreement") with certain major banks (as lenders) pursuant to which a USD term and revolving loan facilities up to USD400 million with a term of 36 months from initial funding has been granted to the Company at the rate of interest equivalent to the aggregate of a margin rate of 1.80% per annum plus the London interbank offered rate administered by ICE Benchmark Administration Limited on the relevant date in respect of the USD loan. The purpose of the loan is mainly to refinance the USD bonds and part of bank loan of the Company and for the Group's general corporate purposes. The utilisation drawdown of the syndication bank facilities, amounted to USD400 million, was made on 24 August 2021. Furthermore, as disclosed in the announcement made by the Company on 4 June 2021, as per the Agreement, it would constitute a change of control

截至二零二一年十二月三十一日止年度，本集團的美國附屬公司須就估計應課稅溢利按稅率約8.84%及9.5%（二零二零年：8.84%及9.5%）繳納州所得稅及按稅率約21%（二零二零年：21%）繳納聯邦所得稅。

流動資金及財務資源

於二零二一年十二月三十一日，本集團的現金及現金等值物以及受限制銀行存款為人民幣4,054,800,000元（二零二零年：人民幣1,231,200,000元），而銀行流動借貸及其他流動借貸分別約為人民幣1,722,300,000元及零（二零二零年：人民幣1,361,100,000元及人民幣1,647,700,000元）。銀行非流動借貸及其他非流動借貸分別約為人民幣2,504,800,000元及零（二零二零年：人民幣464,400,000元及零）。

美元債券

本公司於二零一八年八月二十八日已發行3年期350,000,000美元的美元債券，其固定年利率為5.875%。美元債券發行的所得款項總額經扣除有關債券發行的包銷折扣及佣金以及其他估計開支前約為349,600,000美元，本公司已將其主要用作再融資當時現有債務及業務發展。

本公司已於二零一八年十一月六日至二零二零年五月十三日完成回購本金總額為96,664,000美元的美元債券（「回購債券」），相當於最初發行的美元債券本金總額的約27.62%。回購債券於二零二零年六月三十日前註銷。美元債券的結餘已於二零二一年八月三十日悉數償還。

銀團貸款

於二零二一年三月九日，本公司（作為借款人）及其若干附屬公司（作為擔保人）與若干主要銀行（作為貸款人）訂立貸款協議（「協議」），據此本公司獲授最高400,000,000美元的美元定期循環貸款融資，自初始撥資起為期36個月，利率相當於每年1.80%的保證金率加ICE Benchmark Administration Limited於相關日期就美元貸款實施的倫敦銀行同業拆息總和。貸款的目的主要為對本公司美元債券及部分銀行貸款進行再融資，及作本集團的一般企業用途。銀團貸款400,000,000美元已於二零二一年八月二十四日取出動用。此外，誠如本公司於二零二一年六月四日刊發的公告所披露，根據該協議，倘本集團控股股東李學純先生不再實益擁有本公司已發行股本至少

event if Mr. Li Xuechun, being the controlling shareholder of the Group, ceases to beneficially own at least 35% of the issued share capital of the Company or ceases to be the single largest shareholder. On and at any time after the occurrence of a change of control event, (i) the Lender shall not be obliged to fund the utilisation of the term loan facility, and (ii) if the lenders so required, the lenders shall, by not less than five days notice to the Company, require all outstanding loans, together with accrued interest and all other amounts accrued under the finance documents in connection with the loan facilities immediately due and payable.

Except for the above, the Group had no other committed banking facilities as at 31 December 2021. The Directors believe that the Group's liquidity position is relatively stable and that the Group has sufficient banking facilities to repay or renew existing short term bank loans and other borrowings.

Outlook and Future Plan

1. We adopt the "Dual High-quality Objectives" tactics as our strategic mission for 2022, including 1) high-quality internationalisation by accelerating the establishment of a more complete international production and sales network; and 2) the high-quality operation of the existing production and operation capacity to maintain and consolidate our leading position in the Chinese market so that we will advance our business expansion and become an industrial powerhouse.
2. By strengthening the B2C model, we will provide industrial customers with tailor-made product solutions and strengthen the marketing capabilities of B2C consumer products, adding the product driven model to our bulk trade raw material model.
3. We will establish a scientific research facility in Qingdao to enhance systematic research and technical capabilities, including the basic research and development (such as independent yeast research) and the research and development of product applications.
4. We will establish a market intelligence unit, focusing on researching market information and trends, so as to formulate a more accurate pricing strategy of our products, as well as procurement strategy of raw materials.

35% 或不再成為單一最大股東，則其將構成控制權變動事件。於發生控制權變動事件時及其後任何時間，(i) 貸款人並無義務為定期貸款融資的使用提供資金，及(ii) 倘貸款人如此要求，貸款人須向本公司發出不少於五日的通知要求所有未償還貸款，連同應計利息及有關貸款融資的融資文件項下的應計利息及所有其他應計金額即時到期及償付。

除上述情況外，於二零二一年十二月三十一日，本集團並無其他已承諾銀行融資。董事相信，本集團的流動資金狀況相對穩定，且本集團有充足銀行融資以償還或重續現有短期銀行貸款及其他借貸。

展望及未來計劃

1. 二零二二年的戰略任務是「雙高」戰略，包括1) 高質量實施國際化，加快落實更為完善的國際化生產及銷售網絡；及2) 確保現有產能生產經營水平的高質量運行，繼續鞏固我們於中國市場的領導地位，同步推進「做大」和「做強」。
2. 加強B2C模式，為工業級客戶提供獨家的產品方案及強化B2C的消費端客戶的營銷能力。在大宗原材料營銷上增加產品營銷模式。
3. 建立青島科研中心，提升體系化的研發和技術能力，這將包括基礎研發（例如自主菌種研發）及產品應用研發。
4. 建立市場戰略部，集中調研市場信息及趨勢，從而建立更精準的產品定價策略及原材料採購策略。

Other Information

Material acquisition or disposal of subsidiary and associated company

The Group had no other material acquisition or disposal of subsidiaries or associated companies for the year ended 31 December 2021.

Employees

As at 31 December 2021, the Group had approximately 15,000 employees. Employees' remuneration was paid in accordance with relevant policies in the PRC. Appropriate salaries and bonuses were paid which were commensurate with the actual practices of the Group. Other corresponding benefits include pension, unemployment insurance, housing allowance, etc.

Contingent Liabilities

As at 31 December 2021, the Group had no material contingent liabilities.

Charges on assets

As at 31 December 2021, RMB500.0 million of term deposits (2020: Nil) were pledged to certain banks to secure bank borrowings of RMB500.0 million (2020: Nil) of the Group and RMB3.0 million of restricted bank deposits (2020: Nil) were pledged for issuance of bank acceptance notes (2020: Nil).

The long-term bank borrowings and syndication loan were secured by the pledge of the capital stock of certain subsidiaries of the Company, which are Acquest Honour Holdings Limited, Summit Challenge Limited, Absolute Divine Limited and Expand Base Limited. The guarantors are all holding companies that collectively control the operation and assets of its PRC subsidiaries of the Group.

其他資料

附屬公司及聯營公司的重大收購或出售

本集團於截至二零二一年十二月三十一日止年度並無進行任何附屬公司或聯營公司的其他重大收購或出售事項。

僱員

於二零二一年十二月三十一日，本集團僱用約15,000名僱員。僱員薪酬根據中國有關政策支付。本集團按實際常規支付適當薪金及花紅。其他相關福利包括退休金、失業保險及住房津貼等。

或然負債

於二零二一年十二月三十一日，本集團並無重大或然負債。

資產抵押

於二零二一年十二月三十一日，人民幣500,000,000元的定期存款(二零二零年：無)已抵押予若干銀行，以取得本集團的銀行借款人民幣500,000,000元(二零二零年：無)，人民幣3,000,000元的受限制銀行存款(二零二零年：無)已抵押，以開具銀行承兌匯票(二零二零年：無)。

長期銀行借貸及銀團貸款乃以抵押本公司若干附屬公司(即Acquest Honour Holdings Limited、Summit Challenge Limited、Absolute Divine Limited及Expand Base Limited)的股本作為擔保。擔保人均為控股公司，共同控制本集團中國附屬公司的業務及資產。

Gearing ratio

As at 31 December, 2021, the total assets of the Group amounted to approximately RMB21,510.8 million (2020: RMB19,355.7 million) whereas the total borrowings amounted to RMB4,227.0 million (2020: RMB3,473.2 million). The gearing ratio was approximately 19.7% (2020: 17.9%), which is calculated based on the Group's total interest-bearing borrowings over total assets.

Foreign exchange exposure

On 22 April 2020, the Company entered into a USD150,000,000 foreign exchange swap agreement. It was mainly for hedging the exposure to foreign exchange risk of the remain outstanding balance of Company's USD Bonds which were issued on 28 August 2018. Subsequently, the abovementioned USD150,000,000 foreign exchange swap agreement was expired and settled on 30 August 2021. The Company has entered into a new USD200,000,000 foreign exchange swap agreement on 24 August 2021. Such foreign exchange swap agreement is mainly for hedging part of the exposure to foreign exchange risk of the USD400 million syndicated loan facility entered into by the Company on 9 March 2021, and of which the utilisation of the full USD400 million was made on 24 August 2021.

The Company entered into one USD38,000,000 foreign exchange swap agreement on 3 November 2019. It was for hedging the full exposure to foreign exchange risk of the Company's USD bank loan amounted to USD38,000,000.

Except for the above, the Directors do not consider that the exposure to foreign exchange risk is significant to the Group's operation as the Group operated mainly in the PRC and most of the Group's transactions, assets and liabilities are denominated in RMB. Foreign currencies were, however, received for the export sales of products, the issuance of USD bonds and draw-down of bank borrowings. Such proceeds were subject to foreign exchange risk before receiving and converting them into RMB. The foreign currencies received for export sales were converted into RMB depend on needs and market conditions. The Group manages foreign exchange risk arising from proceeds from issuance of USD bonds and bank borrowings by partially applying cross currency swaps to mitigate exposures arising from the fluctuations in foreign currencies of bonds and borrowings.

資產負債比率

於二零二一年十二月三十一日，本集團的資產總值約為人民幣21,510,800,000元（二零二零年：人民幣19,355,700,000元），而借貸總額則為人民幣4,227,000,000元（二零二零年：人民幣3,473,200,000元）。資產負債比率約為19.7%（二零二零年：17.9%），其乃按本集團計息借貸總額除以資產總值計算。

外匯風險

於二零二零年四月二十二日，本公司訂立150,000,000美元外匯掉期協議。其主要用於對沖本公司於二零一八年八月二十八日發行的美元債券剩餘未償還結餘的外匯風險。隨後，上述150,000,000美元外匯掉期協議於二零二一年八月三十日屆滿並結算。本公司於二零二一年八月二十四日訂立新200,000,000美元外匯掉期協議。該外匯掉期協議主要用於對沖部分本公司於二零二一年三月九日訂立的400,000,000美元銀團貸款的部分外匯風險，其中400,000,000美元已於二零二一年八月二十四日悉數動用。

本公司已於二零一九年十一月三日訂立一份38,000,000美元的外匯掉期協議。該協議完全用於對沖本公司獲提供38,000,000美元之美元銀行貸款的外匯風險。

除上文所述外，鑒於本集團主要於中國經營業務，且其大部分交易、資產及負債以人民幣計值，故董事認為本集團業務並無承受重大外匯風險。然而，產品出口銷售、發行美元債券及提取銀行借款均收取外幣。於收取有關所得款項並將其兌換為人民幣前，均須承受外匯風險。出口銷售所收外幣於自海外客戶收到後按需要及市況兌換為人民幣。本集團透過部分使用交叉貨幣掉期緩解債券及借款的匯率波動產生的風險，管理發行美元債券及銀行借款之所得款項所引致的外匯風險。

Dividend

The Board recommended the declaration of a final dividend of HK11.70 cents per share, subject to Shareholders' approval at the annual general meeting.

The final dividend will be payable on or about 30 June 2022 to Shareholders whose names appear on the register of members of the Company on 10 June 2022.

The sum of paid interim dividend (HK9.8 cents per share) and proposed final dividend is HK21.5 cents per share (2020: HK9.9 cents).

Purchase, redemption or sales of listed securities of the Company

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2021.

Corporate governance report

The listing of the Shares on the Main Board of the Stock Exchange took place on 8 February 2007 and the Directors are of the opinion that the Company's corporate governance practices are based on the principles and code provisions set out in the CG Code. During the year of 2021, the Company has complied with the code provisions of the CG Code except for the following:

Code Provision A.6.7 of the CG Code: The independent non-executive Directors and the non-executive Directors should attend the general meetings of the Company. However, due to other commitments, the independent non-executive Directors, Mr. Xu Zheng Hong and Mr. Zhang You Ming did not attend the annual general meeting of the Company held on 28 May 2021. All the Directors have given the Board and the committees of which they are members the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. The Directors will also endeavor to attend future general meetings and develop a balanced understanding of the views of Shareholders.

股息

董事會建議宣派末期股息每股11.70港仙，須於股東週年大會上獲股東批准，方告作實。

末期股息將於二零二二年六月三十日前後向於二零二二年六月十日名列本公司股東名冊的股東派付。

已派付中期股息(每股9.8港仙)與擬付末期股息總和為每股21.5港仙(二零二零年: 9.9港仙)。

購買、贖回或出售本公司上市證券

截至二零二一年十二月三十一日止年度，本公司或其任何附屬公司並無購買、贖回或出售任何本公司上市證券。

企業管治報告

股份於二零零七年二月八日在聯交所主板上市，董事認為本公司的企業管治常規乃以企業管治守則所載的原則及守則條文為基準。本公司於二零二一年一直遵守企業管治守則的守則條文，惟下列所載者除外：

企業管治守則的守則條文第A.6.7條：獨立非執行董事及非執行董事應出席本公司股東大會。然而，由於獨立非執行董事許正宏先生及張友明先生另有公務，故並無出席本公司於二零二一年五月二十八日舉行的股東週年大會。透過定期出席及積極參與董事會及彼等所屬的委員會會議，全體董事的技能、專業知識、不同背景及資歷均有利於董事會及彼等所屬的委員會。董事亦將盡力出席日後召開的股東大會，對股東的意見有均衡的瞭解。

Audit Committee

The Company has established an audit committee in compliance with the Listing Rules. The audit committee comprises three independent non-executive directors, and is responsible for reviewing the Group's audit, interim and annual accounts of the Group and the system of internal control. The audit committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2021, including the accounting principles and practices adopted by the Group.

Closure of register of members

The register of members of the Company will be closed from 24 May 2022 to 27 May 2022 (both dates inclusive), during which period no transfer of shares will be registered. In order to determine the identity of members who are entitled to attend and vote at the annual general meeting to be held on 27 May 2022, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch registrar in Hong Kong. Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 23 May 2022.

The register of members of the Company will be closed from 8 June 2022 to 10 June 2022 (both dates inclusive), during which no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch registrar in Hong Kong. Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 7 June 2022.

Annual general meeting

The annual general meeting is expected to be held on 27 May 2022. A notice convening the annual general meeting will be dispatched to the Shareholders in due course.

By order of the Board
Fufeng Group Limited
Li Xuechun
Chairman

Hong Kong, 30 March 2022

As at the date of this announcement, the executive directors of the Company are Mr. Li Xuechun, Mr. Li Deheng and Mr. Li Guangyu and the independent non-executive directors of the Company are Mr. Lau Chung Wai, Mr. Xu Zheng Hong and Mr. Zhang You Ming.

審核委員會

本公司已根據上市規則成立審核委員會。審核委員會成員由三名獨立非執行董事組成，並負責審閱本集團的審核工作、本集團的中期及年度賬目以及內部監控制度。審核委員會已審閱本集團截至二零二一年十二月三十一日止年度的合併財務報表，當中包括本集團採納的會計原則及慣例。

暫停辦理股份過戶登記手續

本公司將於二零二二年五月二十四日至二零二二年五月二十七日（包括首尾兩日）暫停辦理股份過戶登記手續，期間將不會辦理股份過戶登記。為決定有權出席將於二零二二年五月二十七日舉行的股東週年大會並於會上投票的股東身份，所有股份過戶文件連同有關股票最遲須於二零二二年五月二十三日下午四時三十分前，交回本公司的香港股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心54樓。

本公司將於二零二二年六月八日至二零二二年六月十日（包括首尾兩日）暫停辦理股份過戶登記手續，期間將不會辦理股份過戶登記。為符合資格獲派建議末期股息，所有股份過戶文件連同有關股票最遲須於二零二二年六月七日下午四時三十分前，交回本公司的香港股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心54樓。

股東週年大會

預期股東週年大會將於二零二二年五月二十七日舉行。本公司將於適當時候向股東寄發召開股東週年大會的通告。

承董事會命
阜豐集團有限公司
董事長
李學純

香港，二零二二年三月三十日

於本公告日期，本公司的執行董事為李學純先生、李德衡先生及李廣玉先生；而本公司的獨立非執行董事為劉仲緯先生、許正宏先生及張友明先生。

GLOSSARY

詞彙

ASP 平均售價	average selling price(s) of the products of the Group 本集團產品的平均售價
Baoji Fufeng 寶雞阜豐	寶雞阜豐生物科技有限公司 (Baoji Fufeng Biotechnologies Co., Ltd.), an indirect wholly- owned subsidiary of the Company 寶雞阜豐生物科技有限公司，本公司間接全資附屬公司
Board 董事會	the board of Directors 董事會
BVI 英屬處女群島	The British Virgin Islands 英屬處女群島
CG Code 企業管治守則	Code on Corporate Governance Practice under Appendix 14 of the Listing Rules 上市規則附錄十四項下企業管治常規守則
Company 本公司	Fufeng Group Limited 阜豐集團有限公司
Director(s) 董事	the director(s) of the Company 本公司董事
FVOCI 按公平值計入其他綜合收益	Fair value through other comprehensive income 按公平值計入其他綜合收益
Group 本集團	the Company and its subsidiaries 本公司及其附屬公司
HKFRS 香港財務報告準則	Hong Kong Financial Reporting Standards 香港財務報告準則
Hong Kong 香港	the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區
Hulunbeir Fufeng 呼倫貝爾阜豐	呼倫貝爾東北阜豐生物科技有限公司 (Hulunbeir Northeast Fufeng Biotechnologies Co., Ltd.), an indirect wholly-owned subsidiary of the Company 呼倫貝爾東北阜豐生物科技有限公司，本公司間接全資附屬公司
IM Fufeng 內蒙古阜豐	內蒙古阜豐生物科技有限公司 (Neimenggu Fufeng Biotechnologies Co., Ltd.), an indirect wholly-owned subsidiary of the Company 內蒙古阜豐生物科技有限公司，本公司間接全資附屬公司
Listing Rules 上市規則	the Rules Governing the Listing of Securities on the Stock Exchange 聯交所證券上市規則
Longjiang Fufeng 龍江阜豐	齊齊哈爾龍江阜豐生物科技有限公司 (Qiqihar Longjiang Fufeng Biotechnologies Co., Ltd.), an indirect wholly-owned subsidiary of the Company 齊齊哈爾龍江阜豐生物科技有限公司，本公司間接全資附屬公司

MSG 味精	monosodium glutamate, a salt of glutamic acid which is commonly used as a flavour enhancer and additive in the food industry, restaurant and household application 谷氨酸鈉，為食品業、食肆及家庭普遍用作調味劑及添加劑的谷氨酸鹽
PRC 中國	the People's Republic of China, which for the purpose of this announcement exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan 中華人民共和國，就本公告而言，不包括香港、中國澳門特別行政區及台灣
Shandong Fufeng 山東阜豐	山東阜豐發酵有限公司 (Shandong Fufeng Fermentation Co., Ltd.), an indirect wholly-owned company of the Company 山東阜豐發酵有限公司，本公司間接全資附屬公司
Share(s) 股份	share(s) in the share capital of the Company 本公司股本中的股份
Shareholder(s) 股東	holder(s) of the Share(s) 股份持有人
Shenhua Pharmaceutical 神華藥業	江蘇神華藥業有限公司 (Jiangsu Shenhua Pharmaceutical Co., Ltd.), a company with limited liability established in the Jiangsu Province of the PRC, an indirect wholly-owned subsidiary of the Company 江蘇神華藥業有限公司，於中國江蘇省成立的有限公司，本公司間接全資附屬公司
Stock Exchange 聯交所	the Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
Xinjiang Fufeng 新疆阜豐	新疆阜豐生物科技股份有限公司 (Xinjiang Fufeng Biotechnologies Co., Ltd.), and indirect wholly-owned subsidiary of the Company 新疆阜豐生物科技股份有限公司，本公司間接全資附屬公司
HKD 港元	Hong Kong dollars, the lawful currency of Hong Kong 香港法定貨幣港元
RMB 人民幣	Renminbi, the lawful currency of the PRC 中國法定貨幣人民幣
USD 美元	United States dollars, the lawful currency of the United States of America 美利堅合眾國法定貨幣美元
% %	per cent 百分比