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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 2023

截至二零二三年十二月三十一日止年度的全年業績公佈

HIGHLIGHTS OF 2023 RESULTS

二零二三年業績摘要

- The Group's revenue increased by 1.9% to approximately RMB28.0 billion in 2023 as compared to 2022, primarily due to increased revenue contribution from food additives, high-end amino acid and colloid segments.
- 本集團於二零二三年的收入較二零二二年增加1.9%至約人民幣280億元，主要由於食品添加劑、高檔氨基酸及膠體分部的收入貢獻增加所致。
- The Group's overall gross profit decreased by 13.4% to approximately RMB6.2 billion in 2023 as compared to 2022, primarily due to decreased gross profit of food additives, animal nutrition and other segments.
- 本集團於二零二三年的整體毛利較二零二二年減少13.4%至約人民幣62億元，主要由於食品添加劑、動物營養及其他分部的毛利減少所致。
- Profit attributable to the Shareholders amounted to approximately RMB3.1 billion, representing a decrease of 18.6% as compared to 2022.
- 股東應佔溢利為約人民幣31億元，較二零二二年減少18.6%。
- Earnings per share (Basic) was RMB124.02 cents (2022: RMB152.34 cents).
- 每股盈利(基本)為人民幣124.02分(二零二二年：人民幣152.34分)。
- Return on equity was 18.1% (2022: 24.9%).
- 股本回報率為18.1%(二零二二年：24.9%)。
- The Board of Directors has proposed final dividends of HK35.0 cents per Share (including the basic final dividend, special final dividend and special dividend for the disposal of Shenhua Pharmaceutical). This results in a full-year dividend of HK58.0 cents per share (including an interim dividend of HK23.0 cents per share) (2022 full-year dividends per share: HK69.7 cents), with a full-year dividend payout ratio of 42.5% (2022: 40.0%).
- 董事會建議派發每股35.0港仙的末期股息(包括基本末期股息、特別末期股息及出售神華藥業特別股息)。全年股息每股為58.0港仙(包括中期股息每股23.0港仙)(二零二二年全年股息每股69.7港仙)，全年派息率為42.5%(二零二二年：40.0%)。

ANNUAL RESULTS

The Board is pleased to announce the audited consolidated results of the Group prepared under HKFRS for the year ended 31 December 2023, together with the comparative figures for the year ended 31 December 2022, as follows:

CONSOLIDATED INCOME STATEMENT

合併利潤表

For the year ended 31 December 2023 截至二零二三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二零二三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二零二二年十二月三十一日止年度的比較數字如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
	Note 附註		
Revenue	3	28,006,875	27,474,639
Cost of sales		(21,759,490)	(20,262,172)
Gross profit		6,247,385	7,212,467
Selling and marketing expenses		(1,804,729)	(1,757,152)
Administrative expenses		(1,201,062)	(1,052,611)
(Provision for)/reversal of impairment losses on financial assets		(2,446)	11,158
Other operating expenses		(48,969)	(32,463)
Other income	4	298,817	261,046
Other gains – net	5	210,477	608,301
Operating profit		3,699,473	5,250,746
Finance income	6	330,504	100,770
Finance costs	6	(179,538)	(489,933)
Finance income/(costs) – net		150,966	(389,163)
Share of net loss of associates accounted for using the equity method		(194)	(1,274)
Profit before income tax		3,850,245	4,860,309
Income tax expense	7	(706,121)	(999,231)
Profit for the year attributable to the Shareholders		3,144,124	3,861,078
Earnings per share for profit attributable to the Shareholders during the year (expressed in RMB cents per share)			
– basic	8	124.02	152.34
– diluted	8	123.99	152.30

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

合併綜合收益表

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Profit for the year	年內溢利	3,144,124	3,861,078
Other comprehensive loss for the year	年內其他綜合虧損		
<i>Items that may be reclassified to profit or loss</i>	可能重新分類至損益的項目		
Exchange differences on translation of foreign operations	海外業務的匯兌折算差額	(2,088)	(2,211)
		(2,088)	(2,211)
Total comprehensive income for the year attributable to the Shareholders	股東應佔年內綜合收益總額	3,142,036	3,858,867

CONSOLIDATED BALANCE SHEET

合併資產負債表

As at 31 December 2023 於二零二三年十二月三十一日

		As at 31 December 於十二月三十一日	
		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 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	11,644,954	9,455,464
Right-of-use assets	使用權資產	892,752	832,747
Intangible assets	無形資產	51,329	45,446
Deferred income tax assets	遞延所得稅資產	8,602	41,926
Investments accounted for using the equity method	採用權益法列賬的投資	-	194
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	10,000	10,000
Other receivables and prepayments	其他應收款項及預付款項	237,987	150,398
Total non-current assets	非流動資產總值	12,845,624	10,536,175
Current assets	流動資產		
Inventories	存貨	6,123,216	5,846,373
Trade, other receivables and prepayments	應收貿易賬款、其他應收款項及預付款項	2,711,829	2,366,589
Cash and cash equivalents	現金及現金等值物	6,856,177	7,008,116
Restricted bank balances	受限制的銀行結餘	4,024,041	631,371
Total current assets	流動資產總值	19,715,263	15,852,449
Total assets	資產總值	32,560,887	26,388,624
EQUITY	權益		
Capital and reserves attributable to the shareholders	股東應佔股本及儲備		
Share capital	股本	243,510	243,460
Share premium	股份溢價	267,716	266,285
Treasury shares	庫存股份	(44,241)	-
Other reserves	其他儲備	1,276,731	1,214,114
Retained earnings	保留收益	15,580,498	13,769,765
Total equity	權益總值	17,324,214	15,493,624

As at 31 December

於十二月三十一日

			2023	2022
			二零二三年	二零二二年
		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	60,381	73,618
Deferred income	遞延收益	13	893,009	756,723
Borrowings	借貸	12	147,000	584,500
Lease liabilities	租賃負債		73	514
Deferred income tax liabilities	遞延所得稅負債		91,650	91,650
			1,192,113	1,507,005
Total non-current liabilities	非流動負債總額		1,192,113	1,507,005
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	3,699,073	2,967,232
Contract liabilities	合同負債	3	537,011	786,389
Current income tax liabilities	即期所得稅負債		230,484	264,909
Borrowings	借貸	12	9,577,500	5,368,575
Lease liabilities	租賃負債		492	890
			14,044,560	9,387,995
Total current liabilities	流動負債總額		14,044,560	9,387,995
Total liabilities	負債總額		15,236,673	10,895,000
Total equity and liabilities	權益及負債總值		32,560,887	26,388,624

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

For the year ended 31 December 2023 截至二零二三年十二月三十一日止年度

1. BASIS OF PREPARATION

(i) Compliance with HKFRS and the disclosure requirements of Hong Kong Companies Ordinance

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

HKFRS comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards
- Hong Kong Accounting Standards
- Interpretations developed by the HKICPA.

Accounting policies applied in the preparation of these consolidated financial statements have been consistently applied, unless otherwise stated.

(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.

1. 編製基準

(i) 符合香港財務報告準則及香港公司條例的披露規定

本公司的合併財務報表是根據香港會計師公會頒佈的香港財務報告準則及香港公司條例第622章的披露規定編製。

香港財務報告準則包括以下權威文獻：

- 香港財務報告準則
- 香港會計準則
- 香港會計師公會制定之詮釋。

除另有說明外，編製該等合併財務報表所應用的會計政策一貫適用。

(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。

2. CHANGES IN ACCOUNTING POLICIES

(i) New and amended standards adopted by the Group

The Group has applied the following new and amended standards for its annual reporting period commencing 1 January 2023:

- *HKFRS 17 Insurance Contracts*
- *Definition of Accounting Estimates – amendments to HKAS 8*
- *International Tax Reform – Pillar Two Model Rules – amendments to HKAS 12*
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to HKAS 12*
- *Disclosure of Accounting Policies – Amendments to HKAS 1 and HKFRS Practice Statement 2.*

The Group also elected to adopt the following amendments early:

- *Amendments to HKAS 1 – Classification of Liabilities as Current or Non-current and Amendments to HKAS 1 – Non-current Liabilities with Covenants.*

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.

2. 會計政策變動

(i) 本集團採納的新訂及已修訂準則

本集團在二零二三年一月一日開始的年度報告期間採用了下列新訂及經修訂準則：

- 香港財務報告準則第17號保險合同
- 會計估計的定義—香港會計準則第8號之修訂本
- 國際稅收改革—支柱二立法模板—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—香港會計準則第12號之修訂本
- 會計政策之披露—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。

本集團亦選擇提早採納以下修訂本：

- 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及香港會計準則第1號之修訂本—有契約之非流動負債。

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。

(ii) New and amended standards and interpretations not yet adopted

Certain amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group. These amendments 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			於以下日期或之後起的年度期間生效
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024	香港財務報告準則第16號之修訂本	售後租回之租賃負債	二零二四年一月一日
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements	1 January 2024	香港會計準則第7號及香港財務報告準則第7號之修訂本	供應商融資安排	二零二四年一月一日
HK Int 5 (Revised)	Presentation of Financial Statements- Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2024	香港詮釋第5號 (經修訂)	財務報表呈列一借款人對含有按要求償還條款的定期貸款的分類	二零二四年一月一日
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025	香港會計準則第21號之修訂本	缺乏可兌換性	二零二五年一月一日
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture	To be determined	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	有待釐定

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 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
- Other segment: 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.

(ii) 尚未採納之新訂及經修訂準則及詮釋

本集團並未提前採用已發佈但在二零二三年十二月三十一日的報告期間尚未強制生效的若干會計準則之修訂本及詮釋。該等修訂本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。

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
- 其他分部：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 2023 and 2022 are set out as follows:

本集團截至二零二三年及二零二二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	2023	2022
		二零二三年 RMB'000 人民幣千元	二零二二年 RMB'000 人民幣千元
Food additives	食品添加劑		
MSG	味精	10,337,894	10,780,277
Starch sweeteners	澱粉甜味劑	2,556,369	1,809,654
Glutamic acid	谷氨酸	508,983	631,381
Compound seasoning	複合調味品	90,327	77,605
Corn oil	玉米油	1,429	1,631
		13,495,002	13,300,548
Animal nutrition	動物營養		
Corn refined products	玉米提煉產品	4,607,344	5,104,056
Threonine	蘇氨酸	2,121,043	2,469,558
Lysine	賴氨酸	2,172,615	2,007,584
		8,901,002	9,581,198
High-end amino acid	高檔氨基酸		
High-end amino acid products	高檔氨基酸產品	1,972,812	1,201,208
Colloid	膠體		
Xanthan gum	黃原膠	2,790,797	2,169,489
Gellan gum	結冷膠	36,707	69,258
		2,827,504	2,238,747
Others	其他		
Fertilisers	肥料	615,115	860,947
Synthetic ammonia	合成氨	92,360	140,894
Pharmaceuticals	藥品	87,923	133,674
Others	其他	15,157	17,423
		810,555	1,152,938
		28,006,875	27,474,639

The segment information for the year ended 31 December 2023 is as follows:

截至二零二三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	13,495,002	8,901,002	1,972,812	2,827,504	810,555	28,006,875
Cost of sales	銷售成本	(11,329,081)	(7,375,395)	(1,192,382)	(1,157,543)	(705,089)	(21,759,490)
Gross profit	毛利	2,165,921	1,525,607	780,430	1,669,961	105,466	6,247,385

The segment information for the year ended 31 December 2022 is as follows:

截至二零二二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	13,300,548	9,581,198	1,201,208	2,238,747	1,152,938	27,474,639
Cost of sales	銷售成本	(10,706,010)	(6,909,647)	(817,002)	(1,017,197)	(812,316)	(20,262,172)
Gross profit	毛利	2,594,538	2,671,551	384,206	1,221,550	340,622	7,212,467

The Group's revenue from its external customers in the PRC amounted to RMB 20,482,261,000 (2022: RMB19,517,420,000) and the total revenue from external customers overseas amounted to RMB 7,524,614,000 (2022: RMB7,957,219,000).

本集團來自中國外部客戶的收入為人民幣20,482,261,000元(二零二二年：人民幣19,517,420,000元)，來自海外客戶的合共收入則為人民幣7,524,614,000元(二零二二年：人民幣7,957,219,000元)。

The Group's total non-current assets located in the PRC other than deferred income tax assets amounted to RMB12,588,866,000 (2022: RMB10,260,333,000), and the total non-current assets located in Hong Kong, the United States of America and Europe other than deferred income tax assets amounted to RMB248,156,000 (2022: RMB233,916,000).

不計及遞延所得稅資產，本集團位於中國的非流動資產總值為人民幣12,588,866,000元(二零二二年：人民幣10,260,333,000元)。不計及遞延所得稅資產，位於香港、美利堅合眾國及歐洲的非流動資產總值則為人民幣248,156,000元(二零二二年：人民幣233,916,000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

本集團在某個時間點在以下區域內通過轉讓商品獲得的收入：

2023	二零二三年	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	7,524,614	20,482,261	28,006,875
Timing of revenue recognition At a point in time	確認收入的時間 於某個時間點	7,524,614	20,482,261	28,006,875

2022	二零二二年	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	7,957,219	19,517,420	27,474,639
Timing of revenue recognition At a point in time	確認收入的時間 於某個時間點	7,957,219	19,517,420	27,474,639

Approximately 73% (2022: 71%) of the Group's revenue is generated from sales to customers in the PRC. The remaining 27% (2022: 29%) of the Group's revenue is generated from the sales to overseas including Europe, Latin America, U.S., North America, South Africa, the Middle East, Southeast Asia and Japan.

本集團約73% (二零二二年：71%) 的收入來自向中國客戶的銷售。本集團餘下27% (二零二二年：29%) 的收入來自向海外的銷售，包括歐洲、拉丁美洲、美國、北美、南非、中東、東南亞及日本。

No customer contributes 10% or more to the Group's revenue for the years ended 31 December 2023 and 2022.

於截至二零二三年及二零二二年十二月三十一日止年度，概無客戶佔本集團收入的10%或以上。

Liabilities related to contracts with customers

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

		31 December 2023	31 December 2022
		二零二三年 十二月三十一日	二零二二年 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	537,011	786,389

(i) Changes in contract liabilities

The decrease in 2023 was due to the decrease in sales orders to customers at the year end. The increase in 2022 was due to the increase in sales to customers.

In 2023 and 2022, all the contract liabilities at the beginning of respective periods were recognised as revenue.

Accounting policies of revenue recognition

Sales of goods

The Group manufactures and sells a range of fermentation-based food additives, biochemical products and starch-based products in the worldwide market. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been delivered to the specified location or have been picked up by carriers designated by customers for domestic sales, or have been shipped on board for overseas sales, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The products is often sold with retrospective volume discounts based on aggregate sales over a 12 month period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discount, using expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

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 2023	31 December 2022
		二零二三年 十二月三十一日	二零二二年 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	537,011	786,389

(i) 合同負債的變動

二零二三年的減少是由於年底向客戶的銷售訂單減少。二零二二年的增加是由於向客戶的銷售增加。

於二零二三年及二零二二年，於期初計入的所有合同負債已分別確認為收入。

收益確認的會計政策

銷售貨品

本集團在全球市場製造及銷售一系列發酵食品添加劑、生化產品及澱粉產品。當產品控制權已轉讓（即產品交付予客戶之時）、客戶對銷售產品的渠道及價格有完全決定權、且不存在可能影響客戶接收產品的未履行義務時，確認銷售。當產品交付到指定地點或由客戶指定的承運人收貨（就境內銷售而言）或已裝船（就海外銷售而言），產品毀損及滅失的風險已轉移給客戶，及客戶已根據銷售合約接納產品，接納條文已失效，或本集團有客觀證據證明已達成接納之所有條件時即交付。

產品經常以可追溯批量折扣方式出售，並以12個月的總銷售為基準。銷售收益根據合約載述的價格確認，並扣除估計批量折扣。累計經驗用於估計及撥備折扣，採用預期價值方式，而收益僅在極可能未發生大幅回撥情況下方才確認。

As receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Group does not expect to have any contract containing financing components. As a consequence, the Group does not adjust any of the transition prices for the time value of money.

應收款項於交付貨品時確認，因為此時收回對價的權利是無條件的，僅需等待客戶付款。

本集團並無預期擁有包含金融部分的任何合約。因此，本集團並未調整貨幣時間價值的任何過度價格。

4. OTHER INCOME

4. 其他收益

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Amortisation of deferred income (i) (Note 13)	攤銷遞延收益(i)(附註13)	79,585	90,154
Government grants related to expenses (ii)	與開支有關的政府補助(ii)	113,884	74,137
Sales of waste products and raw materials	銷售廢料產品及原材料	69,133	64,528
Others	其他	36,215	32,227
		298,817	261,046

(i) Government grants relating 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.

(ii) Government grants relating to costs or expenses are recognised in the profit or loss over the period necessary to match them with the costs or expenses that they are intended to compensate.

(i) 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。

(ii) 與成本或開支有關的政府補助將予按配合擬補償的成本或開支所需期間於損益內確認。

5. OTHER GAINS – NET

5. 其他利得－淨額

		2023	2022
		二零二三年	二零二二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Gain on disposal of subsidiaries	出售附屬公司的利得	166,413	-
Net foreign exchange gains	淨匯兌利得	160,747	483,560
Penalty for land occupation (a)	佔地處罰(a)	(80,269)	-
Contractual expenses (b)	合約開支(b)	(43,687)	-
Loss on disposal of property, plant and equipment – net	出售物業、廠房及設備 虧損－淨額	(5,659)	(11,532)
Investment gains from cross currency and interest rate swaps	交叉貨幣與利率掉期產生的 投資利得	-	123,449
Impairment charge for an investment accounted for using equity method	採用權益法列賬的一項投資的 減值支出	-	(7,483)
Others	其他	12,932	20,307
		210,477	608,301

(a) During the Year, a subsidiary of the Group paid penalty of RMB80,269,000 to the local natural resources bureaus for illegal occupation of parcels of land.

(b) During the Year, the development agreement entered into by the Group and the City of Grand Forks, North Dakota, U.S. (the “City”) for building an animal nutrition products factory (“Grand Forks Project”) was terminated. The contractual expenses with respective amounts of RMB17,779,000 and RMB25,908,000 were paid to the City and a supplier of Grand Forks Project for their preliminary expenses occurred.

(a) 於本年度，本集團附屬公司因違法佔用土地向當地自然資源局繳納罰款人民幣80,269,000元。

(b) 於本年度，由本集團與美國北達科他州大福克斯市（「該市」）訂立以建造一間動物營養產品工廠（「大福克斯項目」）的開發協議終止。已因產生的前期費用向該市及大福克斯項目供應商支付分別為人民幣17,779,000元及人民幣25,908,000元的合約開支。

6. FINANCE INCOME AND COSTS

6. 財務收入及成本

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
<i>Finance income:</i>	<i>財務收入：</i>		
Interest income	利息收入		
– bank deposits and bank balances	– 銀行存款及銀行結餘	328,057	100,205
– other receivables	– 其他應收款項	2,447	565
		330,504	100,770
 <i>Finance costs:</i>	 <i>財務成本：</i>		
Interest expenses	利息開支		
– Bank borrowings	– 銀行借貸	(185,888)	(234,763)
– Other payables	– 其他應付款項	(3,863)	(3,670)
Interest charges paid for lease liabilities	與租賃負債有關的 利息開支	(51)	(71)
Net foreign exchange losses on financing activities	融資活動的匯兌虧損淨額	(14,485)	(251,429)
		(204,287)	(489,933)
Amounts capitalised (a)	資本化金額(a)	24,749	–
		(179,538)	(489,933)
Finance income/(costs) – net	財務收入／(成本) – 淨額	150,966	(389,163)

(a) Capitalised borrowing costs

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowings during the Year, in this case 2.43% (2022: nil).

(a) 資本化借貸成本

用於釐定將予資本化的借貸成本的金額的資本化率為年內適用於本集團一般借貸的加權平均利率，就此而言為2.43% (二零二二年：無)。

7. TAXATION

(a) Income tax expense

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Current income tax	即期所得稅		
- PRC	- 中國		
- EIT	- 企業所得稅	486,896	586,613
- Withholding tax	- 預扣稅	125,228	264,500
- US EIT	- 美國企業所得稅	54,916	6,425
- Hong Kong profit tax	- 香港利得稅	5,650	1,041
Total current income tax	即期所得稅總額	672,690	858,579
Deferred income tax	遞延所得稅	33,431	140,652
		706,121	999,231

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 profit tax at a rate of 8.25% (2022: 8.25%) on assessable profits up to HKD2,000,000; and 16.5% (2022: 16.5%) on any part of assessable profits over HKD2,000,000 for the Year.

The Group's subsidiaries in the PRC are subject to PRC EIT which is calculated based on the applicable tax rate of 25% (2022: 25%) on the assessable profits of the subsidiaries in accordance with PRC tax laws and regulations except for those as discussed below:

Seven subsidiaries of the Group including Hulunbeier 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% (2022: 15%). The qualification of new and high-technology enterprises is subject to renewal for each three years interval.

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。

於本年度，本集團的香港附屬公司須就最多2,000,000港元的應課稅溢利按稅率8.25%（二零二二年：8.25%）繳納利得稅，而超過2,000,000港元的應課稅溢利的任何部分則按稅率16.5%（二零二二年：16.5%）繳納利得稅。

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%（二零二二年：25%）計算，下文所討論者除外：

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%（二零二二年：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。

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 Hulunbeier 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% (2022: 15%).

The Group's subsidiary in Singapore is subject to income tax at a rate of 17% (2022: 17%) for the Year.

The Group's subsidiaries in the United States are subject to state income tax at a rate of approximately 8.84% and 9.5% (2022: 8.84% and 9.5%) and federal income tax at a rate of approximately 21% (2022: 21%) on the estimated assessable profit for the Year.

The Group's subsidiary in Vietnam is subject to income tax at a rate of 20% (2022: nil) for the Year.

The Group's subsidiary in Netherlands is subject to income tax at a rate of 19% (2022: nil) on assessable profits up to EUR200,000; and 25.8% (2022: nil) on any part of assessable profits over EUR200,000 for the Year.

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二零二一年第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（二零二二年：15%）。

於本年度，本集團的新加坡附屬公司須按稅率17%（二零二二年：17%）繳納所得稅。

於本年度，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%（二零二二年：8.84%和9.5%）繳納州所得稅及按稅率約21%（二零二二年：21%）繳納聯邦所得稅。

於本年度，本集團的越南附屬公司須按稅率20%（二零二二年：無）繳納所得稅。

於本年度，本集團在荷蘭的附屬公司須就應課稅溢利不超過200,000歐元按稅率19%（二零二二年：無）繳納所得稅；而應課稅溢利超過200,000歐元的部分按稅率25.8%（二零二二年：無）繳納所得稅。

(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

		2023	2022
		二零二三年	二零二二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit before income tax expense	除所得稅前溢利	3,850,245	4,860,309
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	916,470	1,275,163
Preferential tax of certain subsidiaries	若干附屬公司的優惠稅項	(364,817)	(506,528)
Lump-sum deduction of qualified asset additions of new and high-technology enterprise	一次性扣除高新技術企業合資格資產添置	-	(61,757)
Research and development tax credit	研發稅項抵免	(44,540)	(36,298)
Unrecognised tax losses and temporary differences	未確認稅項虧損及暫時性差額	50,527	393
Withholding tax on dividends from PRC subsidiaries	中國附屬公司股息的預扣稅	102,750	339,500
Withholding tax on the gain from disposal of subsidiaries	出售附屬公司的利得的預扣稅	22,478	-
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	-	(12,509)
Expenses not deductible for tax purposes	不可扣稅開支	23,439	1,437
Income not subject to tax	毋須課稅收入	(186)	(170)
		706,121	999,231

The Group has operation in Mainland China and Hong Kong. It is within the scope of the OECD Pillar Two model rules. As of the reporting date, there is no public announcement in Mainland China. Hong Kong has announced that it plans to implement the Global Minimum Tax and Hong Kong Domestic Minimum Top-up Tax starting from 2025 onwards but it is still under public consultation with the expectation that draft legislation will be published in the second half of 2024.

Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to HKAS 12 issued in November 2023.

本集團於中國大陸及香港均有業務，屬於OECD支柱二模型規則之範圍。截至報告日期，中國大陸並無發佈任何公告。香港已宣佈其計劃自二零二五年起實施全球最低稅制及本地最低補足稅制，惟仍在徵詢公眾意見，預期立法草案將於二零二四年下半年公佈。

由於支柱二立法於報告日期尚未生效，本集團並無相關現行稅務風險。根據二零二四年十一月發佈的香港會計準則第12號之修訂所規定，本集團應用確認及披露與支柱二所得稅有關的遞延稅項資產及負債資料的例外情況。

In addition, since the Pillar Two legislation in the jurisdictions that the Group operates in was not enacted or substantively enacted as at the reporting date, and due to the uncertainty of the announcement of the legislation and the complexities in applying the legislation and calculating Global Anti-Base Erosion Proposal ('GloBE') income, the Group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect.

此外，由於支柱二立法於報告日期在本集團業務所在司法權區尚未頒佈或實質頒佈，以及因該立法公告的不確定性及應用該立法及計算全球反稅基侵蝕方案（「GloBE」）收入的複雜性，本集團正評估支柱二立法生效時所承受的風險。

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 treasury shares.

	2023 二零二三年 RMB cents 人民幣分	2022 二零二二年 RMB cents 人民幣分
Basic earnings per share attributable to the Shareholders 股東應佔每股基本盈利	124.02	152.34

(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.

	2023 二零二三年 RMB cents 人民幣分	2022 二零二二年 RMB cents 人民幣分
Diluted earnings per share attributable to the Shareholders 股東應佔每股攤薄盈利	123.99	152.30

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（不包括庫存股份）。

(b) 每股攤薄盈利

每股攤薄盈利對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在外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

		2023	2022
		二零二三年	二零二二年
		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	3,144,124	3,861,078
<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	3,144,124	3,861,078

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

(d) 用作分母的股份加權平均數

		2023	2022
		二零二三年	二零二二年
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)	2,535,208	2,534,590
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)	– 假設行使購股權(千股)	570	621
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)	2,535,778	2,535,211

(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，根據發行在外的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 2,000,000 outstanding share options issued in July 2022 (2022: 2,000,000 outstanding share options issued in July 2022) are not included in the calculation of diluted earnings per share because the average market price of ordinary shares for the Year did not exceed the exercise prices of each tranche of the share options, hence the share options have no dilution for the Year. These options could potentially dilute basic earnings per share in the future.

由本年度普通股的平均市價並未超過各批次購股權的行使價，故於二零二二年七月發行的2,000,000份尚未行使購股權（二零二二年：二零二二年七月發行的2,000,000份尚未行使購股權）於計算每股攤薄盈利時未計算在內，因此購股權於本年度不具有攤薄效應。該等購股權日後可能會攤薄每股基本盈利。

9. DIVIDENDS

9. 股息

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Interim, paid	已付中期股息	534,954	810,067
Final	末期股息	802,604	734,807
		1,337,558	1,544,874

The final dividends paid in 2023 amounted to HKD839,396,000 (equivalent to RMB748,943,000) (2022: HKD296,436,000 (equivalent to RMB253,301,000)), representing HKD33.10 cents (equivalent to RMB29.00 cents) (2022: HKD11.70 cents (equivalent to RMB10.00 cents)) per ordinary share of the Company. The difference between the proposed and paid final dividends was due to the impact of exchange rate fluctuation.

二零二三年支付的末期股息為839,396,000港元（相當於人民幣748,943,000元）（二零二二年：296,436,000港元（相當於人民幣253,301,000元）），即本公司每股普通股33.10港仙（相當於人民幣29.00分）（二零二二年：11.70港仙（相當於人民幣10.00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 27 March 2024, the Board proposed a final dividend of HKD 554,389,000 (equivalent to RMB504,494,000) (2022: HKD735,422,000 (equivalent to RMB643,789,000)), representing HKD22.0 cents (equivalent to RMB20.0 cents) (2022: HKD29.0 cents (equivalent to RMB25.4 cents)) per share, a special final dividend of HKD176,396,000 (equivalent to RMB160,521,000) (2022: HKD103,974,000 (equivalent to RMB91,018,000)), representing HKD7.0 cents (equivalent to RMB6.4 cents) (2022: HKD4.1 cents (equivalent to RMB3.6 cents)) per share and a special dividend for the partial distribution of the gain from disposal of subsidiaries ("special dividend") with amount of HKD151,197,000 (equivalent to RMB137,589,000) (2022: nil), representing HKD6.0 cents (equivalent to RMB5.5 cents) (2022: nil) to be distributed from the retained earnings account. The amount of final dividend, special final dividend and special dividend are calculated based on 2,519,948,037 Shares in issued as at 27 March 2024. These proposed dividends are subject to the approval by the shareholders at the annual general meeting of the Company and are 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 2024.

於二零二四年三月二十七日舉行的會議上，董事會建議從保留收益賬中分派末期股息554,389,000港元（相當於人民幣504,494,000元）（二零二二年：735,422,000港元（相當於人民幣643,789,000元）），即每股22.0港仙（相當於人民幣20.0分）（二零二二年：29.0港仙（相當於人民幣25.4分））及特別末期股息176,396,000港元（相當於人民幣160,521,000元）（二零二二年：103,974,000港元（相當於人民幣91,018,000元）），即每股7.0港仙（相當於人民幣6.4分）（二零二二年：4.1港仙（相當於人民幣3.6分））以及出售附屬公司所得收益部分分派特別股息（「特別股息」）金額為151,197,000港元（相當於人民幣137,589,000元）（二零二二年：無），即6.0港仙（相當於人民幣5.5分）（二零二二年：無）。末期股息、特別末期股息及特別股息的金額以截至二零二四年三月二十七日已發行2,519,948,037股股份計算。該等擬派股息須待股東於本公司股東週年大會上批准方可作實，且並無於該等合併財務報表列作應付股息，惟將就截至二零二四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

		2023	2022
		二零二三年	二零二二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade receivables (a)	應收貿易賬款(a)	1,083,530	1,094,634
Less: provision for impairment loss allowance (b)	減：計提減值虧損撥備(b)	(34,538)	(33,297)
Trade receivables – net	應收貿易賬款－淨額	1,048,992	1,061,337
Deposits and others	押金及其他	102,150	74,679
Consideration receivables (c)	應收代價(c)	140,265	–
Loan to a related party (e)	給予一名關連方的貸款(e)	9,698	10,658
Loan to a third party (d)	給予一名第三方的貸款(d)	50,000	50,000
Less: provision for impairment loss allowance	減：計提減值虧損撥備	(50,000)	(50,000)
Loan to a third party – net	給予一名第三方的貸款－淨額	–	–
Loans to employees	給予僱員的貸款	5,211	3,566
Value-added tax for future deduction	用於日後扣減的增值稅	94,976	74,197
Prepaid current income tax	預付即期所得稅	1,498	13,818
Interest receivables	應收利息	14,103	7,958
Notes receivable (g)	應收票據(g)	1,416,893	1,246,213
		1,079,888	654,942
Trade and other receivables (f)	應收貿易賬款及其他應收款項(f)	2,496,781	1,901,155
Prepayments to suppliers	供應商預付款項	453,035	615,832
		2,949,816	2,516,987
Less: non-current portion	減：非即期部分		
Prepayments for non-current assets (h)	非流動資產預付款項(h)	(149,222)	(150,398)
Consideration receivables (c)	應收代價(c)	(88,765)	–
		2,711,829	2,366,589

(a) As at 31 December 2023 and 2022, the ageing analysis of trade receivables based on invoice date was as follows:

		2023	2022
		二零二三年	二零二二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 3 months	三個月內	1,051,258	1,076,025
3 to 12 months	三至十二個月	27,427	13,920
Over 12 months	超過十二個月	4,845	4,689
		1,083,530	1,094,634

The Group generally sells its products to domestic customers and receives settlement either in cash or in the form of bank acceptance notes (Note (g)) 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) Consideration receivables

The consideration receivables arose from the disposal of wholly-owned subsidiaries during the Year.

(d) The loan to a third party was arranged via a financial trust company during 2019. During the year ended 31 December 2021, the loan was past due for collection as the third party was in financial difficulties. A full 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.

(a) 於二零二三年及二零二二年十二月三十一日，應收貿易賬款按發票日期的賬齡分析如下：

	2023	2022
	二零二三年	二零二二年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Within 3 months	1,051,258	1,076,025
3 to 12 months	27,427	13,920
Over 12 months	4,845	4,689
	1,083,530	1,094,634

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(g)）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) 應付代價

應收代價乃因於本年度出售全資附屬公司而產生。

(d) 於二零一九年，該給予第三方的貸款是通過一間金融信託公司貸出。於截至二零二一年十二月三十一日止年度，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。

- (e) Except for the consideration receivables as discussed above in Note(c) and the loan to a related party, trade and other receivables are unsecured and interest-free. The carrying amounts of trade and other receivables were approximately at their fair values as at the balance sheet date.
- (f) The carrying amounts of the Group's trade and other receivables excluding notes receivable were denominated in the following currencies:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
- RMB	- 人民幣	890,736	735,532
- USD	- 美元	523,826	509,834
- EUR	- 歐元	1,948	847
- VND	- 越南盾	383	-
		1,416,893	1,246,213

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.

- (g) As at 31 December 2023, notes receivable were all bank acceptance notes aged less than one year, and included a total amount of RMB896,382,000 (2022: RMB574,650,000) 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) 除上述附註(c)所討論之應付代價和貸款予關聯方外，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。
- (f) 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。

- (g) 於二零二三年十二月三十一日，應收票據均為賬齡少於一年的銀行承兌票據，包括總額為人民幣896,382,000元（二零二二年：人民幣574,650,000元）已背書予供應商的票據。由於應收票據持作收合同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 2023 二零二三年 十二月三十一日 RMB'000 人民幣千元	31 December 2022 二零二二年 十二月三十一日 RMB'000 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	1,079,888	654,942

On endorsing these notes receivable, there is no related balance within the FVOCI reserve that needs to be reclassified to other losses within profit or loss as the fair value is approximate to its face amount and no premium is recognised.

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

- (h) As at 31 December 2023, the prepayments for non-current assets comprised of RMB89,222,000 for purchase of property, plant and equipment and amounts of RMB60,000,000 for purchase of land-use rights.

於該等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，原因為公平值與其面值相若且未確認溢價。

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。

- (h) 於二零二三年十二月三十一日，非流動資產的預付款項包括購置物業、廠房及設備的人民幣89,222,000元及購置土地使用權的款項人民幣60,000,000元。

11. TRADE, OTHER PAYABLES AND ACCRUALS

11. 應付貿易賬款、其他應付款項及應計費用

		2023	2022
		二零二三年	二零二二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade payables (a, b)	應付貿易賬款(a、b)	1,341,310	1,374,599
Payables for property, plant and equipment (b)	物業、廠房及設備應付款項(b)	1,319,060	585,354
Salaries, wages and staff welfares payables	應付薪金、工資及員工福利	471,371	426,451
Notes payable	應付票據	70,000	90,000
Interest payable	應付利息	7,325	7,523
Other payables and accruals	其他應付款項及應計費用	550,388	556,923
		3,759,454	3,040,850
Less: non-current portion	減：非流動部分		
Other payables (c)	其他應付款項(c)	(60,381)	(73,618)
		3,699,073	2,967,232

(a) As at 31 December 2023 and 2022, the ageing analysis of trade payables based on invoice date was as follows:

		2023	2022
		二零二三年	二零二二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 3 months	三個月內	1,218,236	1,241,157
3 to 6 months	三至六個月	58,816	53,903
6 to 12 months	六至十二個月	20,213	19,354
1 to 2 years	一至兩年	20,081	35,909
Over 2 years	兩年以上	23,964	24,276
		1,341,310	1,374,599

(b) As disclosed in Note 10(g), notes receivable amounted to RMB896,382,000 (2022: RMB574,650,000) were endorsed to the suppliers of trade payables and payables for purchase of property, plant and equipment amounting to RMB595,787,000 and RMB300,595,000 respectively (2022: RMB472,185,000 and RMB102,465,000, respectively).

(c) The non-current portion of other payables is a borrowing from certain third parties, which is repayable in 3 years from the balance sheet date. The interest rate on such other payables during the Year is 5.25% per annum (2022: 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.

(a) 於二零二三年及二零二二年十二月三十一日，應付貿易賬款按發票日期的賬齡分析如下：

(b) 如附註10(g)所披露，應收票據人民幣896,382,000元（二零二二年：人民幣574,650,000元）均已背書給供應商，用於支付分別為人民幣595,787,000元及人民幣300,595,000元（二零二二年：分別為人民幣472,185,000元及人民幣102,465,000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3年內償還。該其他應付款項於本年度的年利率為5.25%（二零二二年：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

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Non-current	非流動		
Bank borrowings, unsecured	銀行借貸(無抵押)	147,000	584,500
Current	流動		
Bank borrowings, unsecured	銀行借貸(無抵押)	5,931,000	4,488,575
Bank borrowings, secured (a)	銀行借貸(有抵押)(a)	3,646,500	880,000
		9,577,500	5,368,575
Total borrowings	借貸總額	9,724,500	5,953,075

At 31 December 2023, the Group's borrowings were repayable as follows:

於二零二三年十二月三十一日，本集團需償還的借貸情況如下：

		Bank borrowings 銀行借貸	
		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Within 1 year	一年內	9,577,500	5,368,575
Between 1 and 2 years	一至兩年內	147,000	584,500
		9,724,500	5,953,075

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

於資產負債表日的加權平均實際利率如下：

		2023 二零二三年	2022 二零二二年
Borrowings	借貸	2.10%	2.81%

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	
		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Bank borrowings	銀行借貸	147,000	584,500	143,647	584,466

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貸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。

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

即期借貸的公平值與其賬面值相若，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：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
RMB	人民幣	9,724,500	5,953,075

(a) As at 31 December 2023, the secured current bank borrowings were secured by restricted bank balances of RMB3,390,000,000 (2022: RMB590,000,000).

(a) 於二零二三年十二月三十一日，有抵押的流動銀行借貸乃以受限制銀行結餘人民幣3,390,000,000元（二零二二年：人民幣590,000,000元）作為擔保。

13. DEFERRED INCOME

13. 遞延收益

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Government grants related to the acquisition of environmental protection and technology improvement equipment (a)	與購買環保及技術改善設備有關的政府補助(a)	893,009	756,723

The movements of the above government grants for the years ended 31 December 2023 and 2022 are as follows:

於截至二零二三年及二零二二年十二月三十一日止年度上述政府補助變動如下：

		2023	2022
		二零二三年	二零二二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At beginning of the year	於年初	756,723	776,426
Granted during the year	於年內獲得的補助	215,871	70,451
Amortised as income (Note 4)	攤銷列作收益(附註4)	(79,585)	(90,154)
At end of the year	於年終	893,009	756,723

(a) Government grants related to the 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.

(a) 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

於年終已訂約但仍未產生的資本開支如下：

		2023	2022
		二零二三年	二零二二年
		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	– 已訂約但仍未產生	82,489	114,592

15. EVENTS AFTER THE BALANCE SHEET DATE

(a) Details of the final dividend proposed are described in Note 9.

Save as disclosed above, no significant event of the Group occurred after the balance sheet date.

15. 結算日後事項

(a) 建議派發末期股息詳情載於附註9。

除上文所披露者外，本集團於結算日後並無發生重大事項。

MANAGEMENT REVIEW

管理層回顧

Market Overview

Economic Environment

According to the data of the World Bank, the global economic growth was 2.6% in 2023. According to the National Bureau of Statistics of China, China reported a GDP growth of 5.2% on a year-on-year basis in 2023.

Major Raw Materials

In 2023, China's corn planting area increased, with an abundant corn harvest during the Year. According to the National Bureau of Statistics of China, China reported corn production of approximately 288.8 million tonnes in 2023, representing an increase of 4.2% as compared to 2022. According to the data of General Administration of Customs of the People's Republic of China, China imported approximately 27.1 million tonnes of corn in 2023, representing a growth of approximately 31.6% as compared to 2022.

According to the data of Chinese media, the corn price was weak in China in 2023 due to weak demand. Corn price dropped from RMB2,938 per tonne (as at the start of 2023) to RMB2,566 per tonne (as at the end of 2023), representing a decrease of 12.7% or RMB372 per tonne during the Year.

In order to keep the coal prices within a reasonable range, the PRC government made efforts to ensure a stable supply of coal. China also increased coal import from overseas. According to the National Bureau of Statistics of China, China reported coal production of approximately 4,700.0 million tonnes in 2023, representing an increase of 3.4% as compared to 2022. According to the data of General Administration of Customs of the People's Republic of China, China imported approximately 474.0 million tonnes of coal in 2023, representing a growth of 61.8% as compared to 2022.

Major Products

In the first half of the Year, MSG maintained its off-season, and prices formed a downward trajectory. In the second half of the Year, under the influence of the bullish mentality of leading enterprises, the enthusiasm of the downstream market to take goods and stock up was improved. Coupled with the drive of summer tourism consumption and the stocking period of the Golden September and Silver Ten holidays, the consumption of MSG in offline consumption scenarios such as catering and dine-in gradually rebounded, which further promoted the consumption growth of the MSG industry, and the price of MSG continued to rise in the third quarter of the Year with the increase in consumption. Supply was normal in the fourth quarter of the Year, but the downstream market demand did not catch up enough, resulting in oversupply in the market, and prices fell again, and at the end of December, prices fell to the lowest point of the Year. According to the data of Sublime China Information, the highest and lowest prices of MSG in 2023 were RMB9,580 per tonne and RMB8,570 per tonne respectively.

The price of xanthan gum reached historical high in the first half of 2023, exceeding RMB40,000 per tonne. However, the price of xanthan gum started to decline in the second half of 2023 due to the launch of new capacity in the industry and the execution of high-priced orders in the early stage was completed one after another. Downstream customers had weak acceptance of high prices. According to the data of Sublime China Information, price of xanthan gum dropped to approximately RMB30,000 per tonne in November 2023.

市場概覽

經濟環境

根據世界銀行的數據，二零二三年全球經濟增長2.6%。據中國國家統計局資料顯示，中國在二零二三年國內生產總值按年增長5.2%。

主要原材料

於二零二三年，中國玉米種植面積有所增加，年內玉米豐收。據中國國家統計局資料顯示，中國在二零二三年玉米產量約為288,800,000噸，較二零二二年增長4.2%。根據中國海關總署數據，中國在二零二三年進口玉米約27,100,000噸，同比增加約31.6%。

根據中國媒體數據，由於需求不振，中國二零二三年玉米價格表現較弱，由年初每噸人民幣2,938元下跌至年底每噸人民幣2,566元，全年下跌每噸人民幣372元，跌幅達12.7%。

為促使煤炭價格在合理區間浮動，中國政府努力確保煤炭穩定供應。中國亦增加海外的煤炭進口量。據中國國家統計局資料顯示，中國在二零二三年煤炭產量約為4,700,000,000噸，較二零二二年增長3.4%。根據中國海關總署數據，中國在二零二三年進口煤炭約474,000,000噸，同比增加61.8%。

主要產品

本年度上半年，味精保持其淡季，價格形成下降軌道。本年度下半年，在頭部企業的挺價看漲心態影響下，下遊市場拿貨和備貨的積極性得到了提升。加上暑期旅遊消費的帶動以及金九銀十節假日的備貨期，使得餐飲、堂食等線下消費場景的味精消耗量逐步回升，進一步推動了味精行業的消費增長，隨著消費量增加本年度第三季度味精價格連續攀升。本年度第四季度供應正常，但下遊市場需求跟進不足，導致市場供大於求，價格再度回落，十二月底，價格降至年度最低點。根據卓創資訊的數據，二零二三年味精最高及最低價格分別為每噸人民幣9,580元及每噸人民幣8,570元。

二零二三年上半年黃原膠價格創歷史新高，突破每噸人民幣40,000元。然而，由於行業新產能投產以及前期高價訂單陸續執行完畢，下游客戶對高價接受度較弱。黃原膠價格於二零二三年下半年開始下行。根據卓創資訊的數據，黃原膠價格於二零二三年十一月跌至每噸約人民幣30,000元。

Supply of threonine increased in 2023 due to the new capacity launched by a major player. In the first half of 2023, export demand was weak due to destocking of the overseas customers. However, export demand improved in the second half of 2023. According to the data of Boyar (博亞和訊), the price of threonine was RMB10,740 per tonne in 2023.

Overall supply of lysine increased. In the first half of 2023, export demand was weak due to destocking of the overseas customers. Price of 98% lysine rebounded in the second half of 2023 due to improved export demand. Price of 70% lysine decreased in 2023 due to increased supply. According to the data of Boyar, the price of 98% lysine was RMB9,410 per tonne in 2023, a drop of 13.3% as compared with 2022. The price of 70% lysine was RMB5,810 per tonne in 2023, representing a drop of 11.2% as compared to 2022.

Business and Financial Review

Overall Performance

With a diversified product development plan, the business structure of multiple growth drivers has been established, enhancing the core competitiveness of the Group.

Facing the challenging market situation, the Group maintained stable revenue leveraging on a diversified product portfolio.

The Group's revenue growth in the Year was mainly due to the increases in the food additives, high-end amino acid and colloid segments. The decrease of gross profit was mainly due to the decreased gross profit contribution from the food additives, animal nutrition and others segments.

Profit attributable to the Shareholders decreased by 18.6% to approximately RMB3,144.1 million in 2023, as compared to 2022.

The profit for the year is analysed below:

		2023	2022
		二零二三年	二零二二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit for the year	年內溢利	3,144,124	3,861,078
Add: Contractual expenses and Impairment from US Production Base	加：美國生產基地合約開支及減值	122,769	-
Less: Gain on disposal of subsidiaries	減：出售附屬公司的收益	(143,935)	-
Profit for the year after special items	扣除特別項目後的年內溢利	3,122,958	3,861,078

由於主要參與者新產能投產，二零二三年蘇氨酸供應量增加。二零二三年上半年，由於海外客戶去庫存，出口需求疲軟。然而，二零二三年下半年出口需求有所改善。根據博亞和訊的數據，二零二三年蘇氨酸價格為每噸人民幣10,740元。

賴氨酸整體供應量增加。於二零二三年上半年，由於海外客戶去庫存，出口需求疲軟。由於出口需求改善，二零二三年下半年98%賴氨酸價格反彈。由於供應增加，二零二三年70%賴氨酸價格下降。根據博亞和訊的數據，二零二三年98%賴氨酸價格為每噸人民幣9,410元，較二零二二年下降13.3%。二零二三年70%賴氨酸價格為每噸人民幣5,810元，較二零二二年下降11.2%。

業務及財務回顧

整體表現

本集團通過多元化產品開發規劃，建立了多個增長動力的業務結構，提升本集團的核心競爭力。

面對嚴峻的市場形勢，本集團憑藉多元化產品組合，仍能保持穩定的收入。

於本年度，本集團的收入增長主要來自食品添加劑、高檔氨基酸及膠體分部。毛利下降主要是食品添加劑、動物營養及其他分部毛利貢獻下降所致。

二零二三年股東應佔溢利較二零二二年減少18.6%至約人民幣3,144,100,000元。

年內溢利分析如下：

Selling and marketing expenses and Administrative expenses increased by 2.7% and 14.1% respectively, as compared to 2022.

銷售及市場推廣開支以及行政開支較二零二二年分別增長2.7%及14.1%。

Finance income increased by 228.0% to approximately RMB330.5 million in 2023, as compared to 2022.

二零二三年財務收入較二零二二年增加228.0%至約人民幣330,500,000元。

Finance costs decreased by 63.4% to approximately RMB179.5 million in 2023, as compared to 2022.

二零二三年財務成本較二零二二年減少63.4%至約人民幣179,500,000元。

Analysis of Five Product Segments

The Group's products are organised into five product segments:

五個產品分部分析

本集團的產品分類為五個產品分部：

Segment	Key products of the segment	分部	分部主要產品
Food additives	MSG	食品添加劑	味精
Animal nutrition	Threonine, lysine, corn refined products	動物營養	蘇氨酸、賴氨酸、 玉米提煉產品
High-end amino acid	Tryptophan, valine, leucine, isoleucine, glutamine, hyaluronic acid	高檔氨基酸	色氨酸、纈氨酸、亮氨酸、 異亮氨酸、谷氨醯胺及 透明質酸
Colloid	Xanthan gum	膠體	黃原膠
Others	Fertilisers	其他	肥料

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

		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	Total 總計 RMB'000 人民幣千元
Revenue	收入	13,495,002	8,901,002	1,972,812	2,827,504	810,555	28,006,875
Gross profit	毛利	2,165,921	1,525,607	780,430	1,669,961	105,466	6,247,385
Gross profit margin (%)	毛利率(%)	16.0%	17.1%	39.6%	59.1%	13.0%	22.3%

For the year ended 31 December 2022

截至二零二二年十二月三十一日止年度

		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	Total 總計 RMB'000 人民幣千元
Revenue	收入	13,300,548	9,581,198	1,201,208	2,238,747	1,152,938	27,474,639
Gross profit	毛利	2,594,538	2,671,551	384,206	1,221,550	340,622	7,212,467
Gross profit margin (%)	毛利率(%)	19.5%	27.9%	32.0%	54.6%	29.5%	26.3%

1. Food additives segment

Revenue of food additives segment increased by 1.5% to approximately RMB13,495.0 million in the Year, as compared to 2022, mainly due to stable revenue contribution from MSG and increased revenue contribution from starch sweeteners. Revenue of starch sweeteners increased due to higher demand in the Year.

Gross profit of food additives segment decreased by 16.5% to approximately RMB2,165.9 million in the Year, as compared to 2022, mainly due to decreased gross profit contribution from MSG. Gross profit margin of food additives segment was 16.0% in the Year, representing a decrease of 3.5 percentage points, as compared to 2022.

Key products:

MSG: Revenue of MSG was relatively stable and was approximately RMB10,337.9 million in the Year. The ASP of MSG was approximately RMB8,006 per tonne in the Year, representing a decrease of approximately 6.9% as compared to 2022. The sales volume of MSG was approximately 1,291,309 tonnes in the Year, representing an increase of approximately 3.0%, as compared to 2022. Please refer to the “Market Overview” for the analysis of the MSG market. Although ASP of MSG dropped, we still managed to increase our market share in the Year.

2. Animal nutrition segment

Revenue of animal nutrition segment dropped by 7.1% to approximately RMB8,901.0 million in the Year, as compared to 2022. Please refer to the “Market Overview” for the analysis of threonine and lysine.

1. 食品添加劑分部

年內，食品添加劑分部的收入較二零二二年增加1.5%至約人民幣13,495,000,000元，主要由於味精的收入貢獻穩定以及澱粉甜味劑的收入貢獻增加所致。澱粉甜味劑收入增加是由於年內需求增加。

年內，食品添加劑分部的毛利較二零二二年減少16.5%至約人民幣2,165,900,000元，主要由於味精毛利貢獻下降。年內食品添加劑分部的毛利率為16.0%，較二零二二年減少3.5個百分點。

主要產品：

味精：年內，味精的收入相對穩定，約為人民幣10,337,900,000元。年內，味精的平均售價每噸約為人民幣8,006元，較二零二二年減少約6.9%。年內，味精的銷量約為1,291,309噸，較二零二二年增加約3.0%。請參考「市場概覽」中味精市場的分析。儘管味精的平均售價有所下降，我們在年內的市場份額仍然有所增加。

2. 動物營養分部

年內，動物營養分部的收入較二零二二年下降7.1%至約人民幣8,901,000,000元。請參考「市場概覽」中蘇氨酸及賴氨酸的分析。

Key products:

Threonine: Revenue of threonine dropped by 14.1% to approximately RMB2,121.0 million in the Year, as compared to 2022, primarily due to the decreased ASP and sales volume of threonine. The ASP of threonine was approximately RMB9,259 per tonne in the Year, representing a decrease of 6.0%, as compared to 2022. Sales volume of threonine was approximately 229,069 tonnes in the Year, representing a decrease of 8.7%, as compared to 2022.

Lysine: Revenue of lysine increased by 8.2% to approximately RMB2,172.6 million in the Year, as compared to 2022. The sales volume was approximately 342,354 tonnes in the Year, representing an increase of approximately 23.9% as compared to 2022.

3. High-end amino acid segment

Revenue of high-end amino acid segment increased by 64.2% to approximately RMB1,972.8 million in the Year, as compared to 2022, mainly due to increased sales volume of high-end amino acid products.

Gross profit of high-end amino acid segment increased by 103.1% to approximately RMB780.4 million in the Year, as compared to 2022. Gross profit margin of high-end amino acid segment was 39.6% in the Year, representing an increase of 7.6 percentage points, as compared to 2022.

We continued our effort to improve the client portfolio and increased the market share of key products, despite the lower ASP. We also launched new high-end amino acid products in the Year, such as citrulline, arginine, shikimic acid and phenylalanine.

4. Colloid segment

Revenue of colloid segment increased by 26.3% to approximately RMB2,827.5 million in the Year, as compared to 2022, mainly due to increased revenue of xanthan gum as the recovery of oil demand boosted the sales volume and ASP of xanthan gum. The ASP of xanthan gum was approximately RMB38,263 per tonne in the Year, representing an increase of 21.8%, as compared to 2022. Please refer to the “Market Overview” for the analysis of xanthan gum.

Gross profit of colloid segment increased by 36.7% to approximately RMB1,670.0 million in the Year, as compared to 2022, mainly due to increased gross profit contribution from xanthan gum. Gross profit margin of colloid segment was 59.1% in the Year, representing an increase of 4.5 percentage points, as compared to 2022,

主要產品：

蘇氨酸：年內蘇氨酸收入較二零二二年下降14.1%至約人民幣2,121,000,000元，主要乃由於蘇氨酸的平均售價及銷量減少。蘇氨酸平均售價於年內每噸約為人民幣9,259元，較二零二二年減少6.0%。蘇氨酸的年內銷量約為229,069噸，較二零二二年減少8.7%。

賴氨酸：年內，賴氨酸的收入較二零二二年增加8.2%至約人民幣2,172,600,000元。年內，銷量約為342,354噸，較二零二二年增加約23.9%。

3. 高檔氨基酸分部

年內，高檔氨基酸分部收入較二零二二年增加64.2%至約人民幣1,972,800,000元，主要由於高檔氨基酸產品的銷量增加所致。

年內，高檔氨基酸分部的毛利較二零二二年增加103.1%至約人民幣780,400,000元。年內，高檔氨基酸分部的毛利率為39.6%，較二零二二年增加7.6個百分點。

儘管平均售價降低，我們繼續努力改善客戶組合，增加主要產品的市場份額。我們亦於年內推出新的高檔氨基酸產品，例如瓜氨酸、精氨酸、莽草酸及苯丙氨酸。

4. 膠體分部

年內，膠體分部收入較二零二二年增加26.3%至約人民幣2,827,500,000元，主要由於石油需求回暖帶動黃原膠的銷量及平均售價上升，令黃原膠收入提高。年內黃原膠平均售價約為每噸人民幣38,263元，較二零二二年增長21.8%。請參考「市場概覽」中黃原膠的分析。

年內膠體分部的毛利較二零二二年增加36.7%至約人民幣1,670,000,000元，主要由於黃原膠的毛利貢獻增加所致。年內膠體分部的毛利率為59.1%，較二零二二年增長4.5個百分點。

5. Others segment

Revenue of others segment dropped by 29.7% to approximately RMB810.6 million in the Year, as compared to 2022, mainly due to decreased revenue of fertilisers and the disposal of Shenhua Pharmaceutical.

Gross profit of others segment dropped by 69.0% to approximately RMB105.5 million in the Year, as compared to 2022, mainly due to decreased gross profit of fertilisers and the disposal of Shenhua Pharmaceutical. Gross profit margin of others segment was 13.0% in the Year, representing a decrease of 16.5 percentage points, as compared to 2022.

5. 其他分部

年內，其他分部產生的收入較二零二二年下降29.7%至約人民幣810,600,000元，乃主要由於肥料的收入減少及出售神華藥業。

年內其他分部的毛利較二零二二年下降69.0%至約人民幣105,500,000元，主要由於肥料的毛利減少及出售神華藥業。年內其他分部的毛利率為13.0%，較二零二二年減少16.5個百分點。

Analysis of Key Production Costs

Production costs

主要生產成本分析

生產成本

		Year ended 31 December 截至十二月三十一日止年度				Change 變動
		2023 二零二三年		2022 二零二二年		
		RMB'000 人民幣千元	% of total production costs 佔總生產 成本的 百分比	RMB'000 人民幣千元	% of total production costs 佔總生產 成本的 百分比	%
Major raw materials	主要原材料					
• Corn kernels	• 玉米顆粒	12,764,673	58.9	11,813,815	56.3	8.0
Energy	能源					
• Coal	• 煤炭	3,602,320	16.6	3,604,690	17.2	(0.1)

Corn kernels

In the Year, corn kernels accounted for approximately 58.9% (2022: 56.3%) of the total cost of production. The average price of corn kernels, the key material cost, in the Year was approximately RMB2,342 per tonne, which increased by 1.3% as compared to 2022.

The total cost of corn kernels increased by 8.0% in the Year, due to the increases in the volume of corn consumption and corn price, as compared to 2022.

玉米顆粒

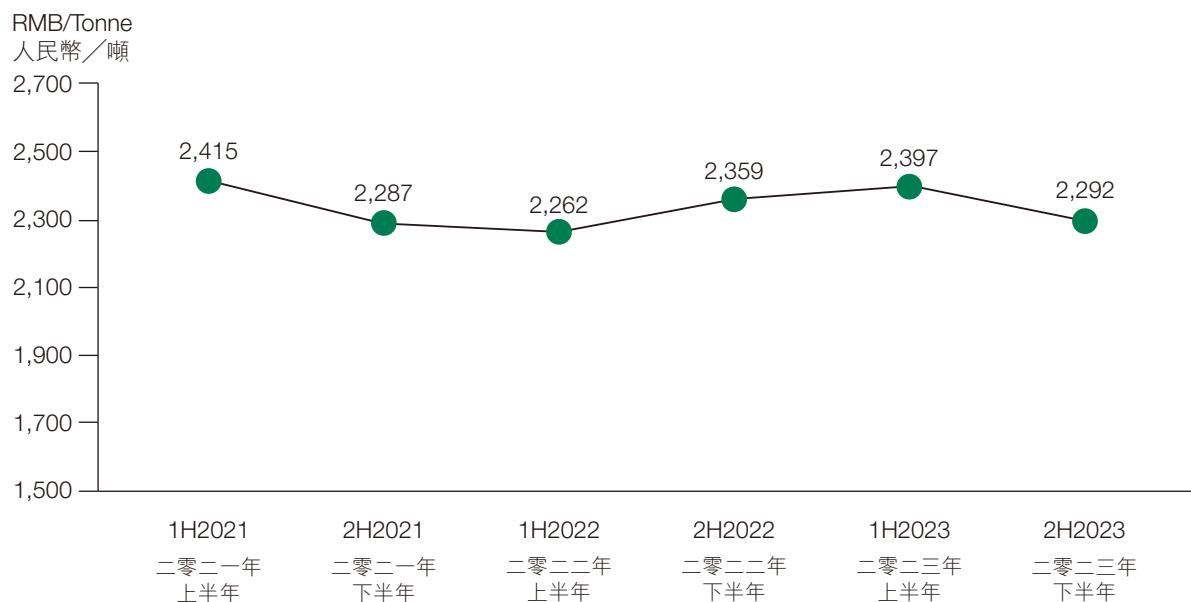
年內，玉米顆粒約佔總生產成本的58.9%（二零二二年：56.3%）。年內玉米顆粒平均價格（主要材料成本）約為每噸人民幣2,342元，較二零二二年上升1.3%。

年內，玉米顆粒的總成本增加8.0%，乃由於玉米消費量及玉米價格較二零二二年有所增長。

The following chart shows the price trend of corn kernels from the first half of 2021 to the second half of 2023:

下圖列示自二零二一年上半年至二零二三年下半年玉米顆粒的價格趨勢：

Price Trend of Corn Kernels 玉米顆粒價格趨勢



Energy cost

The coal cost is the main energy cost. Coal accounted for approximately 16.6% (2022: 17.2%) of the total cost of production in the Year. The average unit cost of coal in the Year was approximately RMB412 per tonne, representing a decrease of 2.1%, as compared to 2022.

The Group's major production bases have our own power plants with access to the low cost coal in the regions by purchasing directly from the local coal mines with long-term contracts to guarantee our coal supply volume. As a result, our production bases were not affected by power shortages.

能源成本

煤炭成本為主要的能源成本。年內，煤炭約佔總生產成本16.6%（二零二二年：17.2%）。年內，煤炭平均單位成本約為每噸人民幣412元，較二零二二年減少2.1%。

本集團的主要生產基地有其自身的發電廠，通過直接自簽訂長期合約的當地煤礦中採購煤炭，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，生產基地並無受到電力短缺的影響。

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

按產品類別劃分的各主要產品的年設計產能如下：

		Annual production capacity as at period end date 截至期末的年產能		
		2023 二零二三年 Tonnes 噸	2022 二零二二年 Tonnes 噸	Change 變動 %
Product	產品			%
<i>Food additives</i> 食品添加劑				
MSG	味精	1,330,000	1,330,000	–
Starch sweeteners	澱粉甜味劑	720,000	720,000	–
<i>Animal nutrition</i> 動物營養				
Threonine	蘇氨酸	243,000	243,000	–
Lysine	賴氨酸	280,000	280,000	–
<i>Colloid</i> 膠體				
Xanthan gum	黃原膠	80,000	65,000	23.1%

Analysis of Capacity Usage of Major Products

Business strategy of production remained unchanged and the Group sets its production volume according to market demand. During the Year, the capacity utilisation rate of MSG remained stable, which was around 97%. The capacity utilisation rate of threonine was around 81% in the Year, mainly due to the oversupply in the market. Lysine reached full capacity in the Year. Xanthan gum, as classified in the Colloid segment, also benefited from the recovery of market demand and reached full capacity in the Year.

主要產品產能使用分析

生產的業務策略維持不變，本集團根據市場需求決定產量。年內味精的產能使用率維持穩定，為97%左右。年內蘇氨酸的產能使用率約為81%，主要是由於市場供應過剩。年內賴氨酸的產能使用率達至滿負荷。黃原膠（分類為膠體分部）亦受益於年內市場需求的恢復，產能達至滿負荷。

Other financial information

Other income

In the Year, other income amounted to approximately RMB298.8 million, which was mainly comprised of the income from the sales of waste products, amortisation of deferred income and government grants related to expenses.

其他財務資料

其他收益

年內，其他收入約為人民幣298,800,000元，主要包括廢料產品銷售收入、遞延收益攤銷及與開支相關的政府補助。

Other gains

It includes net foreign exchange gains generated from operating activities which amounted to approximately RMB160.7 million (2022: RMB483.6 million), as well as the gain on disposal of Shenhua Pharmaceutical during the Year, amounted to approximately RMB166.4 million (2022: RMB nil).

其他利得

其他收益包括產生自經營活動的外匯收益淨額約人民幣160,700,000元（二零二二年：人民幣483,600,000元）及本年度出售神華藥業收益約人民幣166,400,000元（二零二二年：人民幣零元）。

Selling and marketing expenses

Selling and marketing expenses slightly increased by approximately RMB47.6 million, or 2.7%, in the Year.

Administrative expenses

Administrative expenses increased by approximately RMB148.5 million, or 14.1%, in the Year. The increase was due to the increases in employee benefit expenses and the impairment charge of the construction in progress of Fufeng USA.

Finance income

Finance income mainly represented interest income from bank deposits. The interest income from bank deposits and bank balance amounted to approximately RMB328.1 million, representing an increase of 227.4%. This was mainly due to higher USD deposit rate in the Year than that of 2022.

Finance costs

Finance costs mainly represent the interest expenses and foreign exchange loss. The decrease in finance costs was mainly due to the USD syndicated bank loan was fully repaid in the second half of 2022, which resulted in a decrease of RMB310.4 million, or 63.4% in finance costs.

Depreciation

Depreciation expense of the Group was approximately RMB1,116.1 million in the Year, representing a decrease of RMB36.5 million, or 3.2%, as compared to 2022.

Income tax expense

Please refer to the note 7 of the financial statement.

Dividend

The Board recommended the following final dividends, subject to Shareholders' approval at the annual general meeting.

Special dividend for the distribution of the gain on disposal of Shenhua Pharmaceutical

Amount: HKD151,197,000/RMB137,589,000

Per share: HK6.0 cents/RMB5.5 cents

*Basic final dividend: 35% core net profit** net of basic interim dividend paid*

Amount: HKD554,389,000/RMB504,494,000

Per share: HK22.0 cents/RMB20.0 cents

銷售及市場推廣開支

年內，銷售及市場推廣開支輕微增加約人民幣47,600,000元或2.7%。

行政開支

行政開支於年內增加約人民幣148,500,000元或14.1%。該增加由於僱員福利開支及Fufeng USA的在建工程減值支出增加。

財務收入

財務收入主要是銀行存款的利息收入。銀行存款及銀行結餘的利息收入約為人民幣328,100,000元，增加227.4%。此主要由於年內的美元存款利率高於二零二二年。

財務成本

財務成本主要指利息開支及外匯虧損。財務成本減少乃主要由於美元銀團貸款已於二零二二年下半年悉數償還，導致財務成本減少人民幣310,400,000元或63.4%。

折舊

本集團的折舊開支於年內約為人民幣1,116,100,000元，較二零二二年減少人民幣36,500,000元，或3.2%。

所得稅開支

請參閱財務報表附註7。

股息

董事會建議宣派以下末期股息，須於股東週年大會上獲股東批准後方告作實。

出售神華藥業收益派發特別股息

金額： 151,197,000港元／
人民幣137,589,000元

每股： 6.0港仙／人民幣5.5分

*基本末期股息：35%核心淨利潤**減去已付基本中期股息*

金額： 554,389,000港元／
人民幣504,494,000元

每股： 22.0港仙／人民幣20.0分

*Special final dividend: 5% of core net profit**

Amount: HKD176,396,000/RMB160,521,000

Per share: HK7.0 cents/RMB6.4 cents

Total final dividends:

Amount: HKD881,982,000/RMB802,604,000

Per share: HK35.0 cents/RMB31.9 cents

Total dividends for the Year (including interim dividend)

Amount: HKD1,465,374,000/RMB1,337,558,000

Per share: HK58.0 cents/RMB52.9 cents

Note:

* Core net profit = profit for the Year – gain on disposal of Shenhua Pharmaceutical = RMB3,000,189,000

The final dividend will be payable on or about 28 June 2024 to Shareholders whose names appear on the register of members of the Company on 7 June 2024.

U.S. production base

The construction of the U.S. production base is one of the major components of our internationalisation plan. We entered into a development agreement with the City of Grand Forks, North Dakota ("City") in 2022, purchased lands and certain equipment and engaged consultants in the site design and engineering works for the production base. In early 2023, the City terminated the development agreement making it unfeasible to move forward with the construction of our production base there. Due to the City's termination of the development agreement, we incurred contractual expenses and impairment on certain property, plant and equipment under construction in progress as below:

*特別末期股息：5% 核心淨利潤**

金額： 176,396,000 港元／
人民幣 160,521,000 元

每股： 7.0 港仙／人民幣 6.4 分

末期股息總額：

金額： 881,982,000 港元／
人民幣 802,604,000 元

每股： 35.0 港仙／人民幣 31.9 分

全年股息總額(包括中期股息)

金額： 1,465,374,000 港元／
人民幣 1,337,558,000 元

每股： 58.0 港仙／人民幣 52.9 分

附註：

* 核心淨利潤=年內溢利-出售神華藥業收益=人民幣 3,000,189,000 元

末期股息將於二零二四年六月二十八日或前後向於二零二四年六月七日名列本公司股東名冊的股東派付。

美國生產基地

建設美國生產基地是我們國際化計劃的主要組成部分之一。我們於二零二二年與北達科他州大福克斯市(「該市」)訂立開發協議，購買土地及特定設備，並委聘顧問進行生產基地的場地設計及工程作業。於二零二三年初，由於該市終止開發協議，我們無法繼續於此地建設生產基地。由於該市終止開發協議，我們產生合約開支，並對若干在建的物業、廠房及設備作出減值，如下所示：

		RMB'000 人民幣千元
Contractual expenses	合約開支	43,687
Impairment on construction in progress	在建工程減值	79,082
Total	總計	122,769

Disposal of Shenhua Pharmaceutical

Shenhua Pharmaceutical was the pharmaceutical arm of the Group which was acquired by the Group in 2008 in order to diversify our business scope and broaden the source of income. Its principal activities are the manufacture and sale of eubacteria material medicine and reagents. Over the past 15 years, this segment contributed only to a small portion of the Group results. In order to focus on the 5 major segments, the Group planned to dispose of Shenhua Pharmaceutical since the unsuccessful spin-off in 2016.

During the Year, the Group completed the disposal of Shenhua Pharmaceutical to an independent third party at an undiscounted cash consideration of RMB346.9 million. The gain on disposal after tax amounted to RMB143.9 million.

Syndicated bank facilities

On 9 March 2021, the Company (as borrower) and certain of its subsidiaries (as guarantors) entered into a facilities agreement with certain major banks (as lenders) pursuant to which the USD term and revolving loan facilities up to USD400 million with a term of 36 months from initial funding was 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 was mainly to refinance the USD bonds and part of the bank loan of the Company and for the Group's general corporate purposes. The utilisation drawdown of the syndicated bank facilities, amounted to USD400 million, was made on 24 August 2021. We repaid the revolving portion of the syndicated bank loan amount of USD160 million on 29 July 2022. The balance of the syndicated bank loan amount of USD240 million was also repaid on 31 October 2022.

出售神華藥業

神華藥業是本集團的製藥業務部門，於二零零八年由本集團收購，旨在多元化業務範圍並擴大收入來源。其主要業務包括製造及銷售真菌類藥物及試劑。在過去的15年中，該部門僅貢獻本集團業績的一小部分。由於二零一六年未成功分拆，為專注於五個主要分部，本集團計劃出售神華藥業。

年內，本集團完成以未經折現的現金代價人民幣346,900,000元向一名獨立第三方出售神華藥業。除稅後的出售收益為人民幣143,900,000元。

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，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。我們於二零二二年七月二十九日償還銀團貸款循環部分160,000,000美元。銀團貸款結餘240,000,000美元亦已於二零二二年十月三十一日償還。

Capital Structure, Liquidity and Financial Resources

Capital Structure and Financial Resources

The capital structure of the Group comprises share capital and bank borrowings. The Group adopted a prudent treasury policy and thus maintained a healthy liquidity position throughout the Year.

As at 31 December 2023, the Group had total bank borrowings of approximately RMB9,724.5 million (2022: RMB5,953.1 million). Bank borrowings include short term and long term bank borrowings bearing both fixed and floating interest rates. Of the total bank borrowings, approximately RMB9,577.5 million (2022: RMB5,368.6 million) were short term bank borrowings and approximately RMB147.0 million (2022: RMB584.5 million) were long term bank borrowings. The Group's bank borrowings were denominated in RMB at period end date. Depending on the needs and market situation, the Group may issue bonds and/or raise foreign currency bank borrowings for the daily operation and investment of the Group.

As at 31 December 2023, the Group had total cash and bank balances amounting to approximately RMB10,880.2 million (2022: RMB7,639.5 million) which were mainly denominated in RMB and USD.

The Group did not use financial instruments for hedging purposes.

Liquidity

The Group met the working capital requirements by cash generated from operations and bank borrowings during the Year. The Group had a net cash inflow of approximately RMB1,704.9 million from operating activities (2022: RMB3,600.1 million). Taking into account the cash balances together with short term bank borrowings facilities available, the Group was financially sound throughout the Year.

As at 31 December 2023, the Group's net current assets were approximately RMB5,670.7 million (31 December 2022: RMB6,464.5 million) and current ratio (current assets divided by current liabilities) was 1.40 times (2022: 1.69 times).

Gearing ratio

As at 31 December 2023, the total assets of the Group amounted to approximately RMB32,560.9 million (31 December 2022: RMB26,388.6 million) whereas the total debts amounted to RMB9,784.9 million (31 December 2022: RMB6,026.7 million). The gearing ratio was approximately 30.1% (31 December 2022: 22.8%) which was calculated based on the Group's total debts over total assets. Total debts include current and non-current bank borrowings and non-current borrowings from third parties as at 31 December 2023 and 2022.

資本架構、流動資金及財務資源

資本架構及財務資源

本集團的資本架構包括股本及銀行借貸。本集團採納審慎的庫務政策，因此於本年度保持穩健的流動資金狀況。

於二零二三年十二月三十一日，本集團的銀行借貸總額約為人民幣9,724,500,000元（二零二二年：人民幣5,953,100,000元）。銀行借貸包括短期及長期銀行借貸，並按固定及浮動利率計息。於銀行借貸總額中，約人民幣9,577,500,000元（二零二二年：人民幣5,368,600,000元）為短期銀行借貸，約人民幣147,000,000元（二零二二年：人民幣584,500,000元）為長期銀行借貸。本集團銀行借貸於期末結算日以人民幣計值。視乎需要及市況而定，本集團可發行債券及／或籌集外幣銀行借貸，用於本集團日常營運及投資。

於二零二三年十二月三十一日，本集團的現金及銀行結餘總額約為人民幣10,880,200,000元（二零二二年：人民幣7,639,500,000元），主要以人民幣及美元計值。

本集團並無使用金融工具作對沖用途。

流動資金

於本年度，本集團以營運產生的現金及銀行借貸撥付其營運資金需求。本集團經營活動所得現金流入淨額約為人民幣1,704,900,000元（二零二二年：人民幣3,600,100,000元）。經計及現金結餘及可動用短期銀行借款額度，本集團於整個年度均維持財政穩健。

於二零二三年十二月三十一日，本集團的流動資產淨值約為人民幣5,670,700,000元（二零二二年十二月三十一日：人民幣6,464,500,000元），流動比率（流動資產除以流動負債）為1.40倍（二零二二年：1.69倍）。

資產負債比率

於二零二三年十二月三十一日，本集團的資產總值約為人民幣32,560,900,000元（二零二二年十二月三十一日：人民幣26,388,600,000元），而債務總額則為人民幣9,784,900,000元（二零二二年十二月三十一日：人民幣6,026,700,000元）。資產負債比率約為30.1%（二零二二年十二月三十一日：22.8%），其乃按本集團債務總額除以資產總值計算。於二零二三年及二零二二年十二月三十一日，債務總額包括流動和非流動銀行借貸以及來自第三方的非流動借貸。

Foreign exchange exposure

Foreign currencies of the Group are received from the export sales and bank borrowings. Such proceeds are subject to foreign exchange risk before receiving and converting them into RMB. The foreign currencies received from export sales are converted into RMB depending on needs and market conditions.

During the Year, the Group recorded a net foreign exchange gains as follow:

外匯風險

本集團的外幣乃來自出口銷售及銀行借貸。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。自出口銷售收取的外幣按需要及市況兌換為人民幣。

年內，本集團錄得外匯收益淨額如下：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Foreign exchange gains/(losses):	外匯收益／(損失)：		
– From operating activities classified under other gains – net (Note 5)	– 來自經營活動，分類為其他利得－淨額(附註5)	160,747	483,560
– From financing activities classified under finance costs (Note 6)	– 來自融資活動，分類為財務成本(附註6)	(14,485)	(251,429)
– Investment gains/(losses) from cross currency and interest rate swaps (Note 5)	– 來自交叉貨幣與利率掉期產生的投資利得／(損失)(附註5)	–	123,449
Net foreign exchange gains	外匯收益淨額	146,262	355,580

- a. During the Year, the Group recorded a net foreign exchange gains from operating activities amounted to approximately RMB160.7 million (2022: RMB483.6 million). The decrease in the gains from operating activities was mainly due to the appreciation of USD to RMB was lower in the Year than that of 2022.
- b. The USD syndicated bank loan was fully repaid in the second half of 2022, which resulted in a decrease of RMB236.9 million, or 94.2% in the exchange losses on financing activities.
- c. The derivative financial instruments were settled in the second half of 2022, which resulted in a decrease of RMB123.4 million in the investment gain on derivative financial instruments.

- a. 年內，本集團錄得經營活動外匯收益淨額約人民幣160,700,000元(二零二二年：人民幣483,600,000元)。經營活動收益減少，主要是由於年內美元兌人民幣升值幅度低於二零二二年所致。
- b. 美元銀團貸款已於二零二二年下半年悉數償還，導致融資活動匯兌虧損減少人民幣236,900,000元或94.2%。
- c. 衍生金融工具於二零二二年下半年結算，導致衍生金融工具投資收益減少人民幣123,400,000元。

Contingent Liabilities

As at 31 December 2023, the Group had no material contingent liabilities.

Charges on assets

As at 31 December 2023, RMB3,390.0 million of term deposits (31 December 2022: RMB590.0 million) were pledged to certain banks to secure bank borrowings of RMB3,610.0 million (31 December 2022: RMB880.0 million) of the Group.

As at 31 December 2023, RMB31.0 million restricted bank balances were pledged as security for issuing notes payable (31 December 2022: RMB28.5 million) and no restricted bank balances were pledged as security for issuing letter of guarantee (31 December 2022: RMB12.9 million) of the Group.

或然負債

於二零二三年十二月三十一日，本集團並無重大或然負債。

資產抵押

於二零二三年十二月三十一日，人民幣3,390,000,000元的定期存款（二零二二年十二月三十一日：人民幣590,000,000元）已抵押予若干銀行，以取得本集團的銀行借款人民幣3,610,000,000元（二零二二年十二月三十一日：人民幣880,000,000元）。

於二零二三年十二月三十一日，受限制的銀行結餘人民幣31,000,000元已抵押為發行應付票據（二零二二年十二月三十一日：人民幣28,500,000元）的抵押品，且本集團並無受限制的銀行結餘已抵押為出具擔保函（二零二二年十二月三十一日：人民幣12,900,000元）的抵押品。

Outlook

According to the International Monetary Fund's (IMF) forecast, global economic growth is projected to stay at 3.1 percent in 2024. Global headline inflation is expected to fall and major central banks are expected to cut the rates.

China set a growth target of around 5% for 2024, according to the "Government Work Report".

In addition to the geopolitical tension and the possible reduction in interest rate by USA, 2024 will be a challenging year in terms of macro factors.

According to the forecast of Sublime China Information (卓創資訊), corn production volume in China is expected to reach 247.5 million tonnes in 2024, a decrease of 2.94% as compared to 2023. It is expected that the corn price may be lower than that in 2023 in consideration of weaker demand from the feed industry and corn processing sector.

Being the major energy source, it is expected that the Chinese government will keep stable coal prices in 2024.

As a conclusion, the prices of key raw materials will be lower or remain stable.

Future Plan

We will continue the "Dual High-quality Objectives" as our strategic mission, including (1) high-quality internationalisation by accelerating the establishment of a more complete international production and sales network; and (2) high-quality operation of the existing production capacity to maintain and consolidate our leading position in the domestic market:

1. Breakthrough of the Internationalisation Plan – Target to confirm the site locations in the U.S. and Eastern Europe in 2024
2. Further upgrade our production technology
3. Further improvement in sales and marketing
4. Further enhancement in the supply chain
5. Further improvement in operational management

展望

根據國際貨幣基金組織(IMF)的預測，二零二四年全球經濟增長預計保持在3.1%。全球總體通脹率預計下降，主要央行預計將降息。

根據「政府工作報告」，中國將二零二四年的增長目標定為5%左右。

除地緣政治緊張局勢及美國可能降息外，就宏觀因素而言，二零二四年將會是充滿挑戰的一年。

根據卓創資訊的預測，二零二四年中國玉米產量預計將達2.475億噸，較二零二三年減少2.94%。考慮到飼料行業及玉米加工行業需求疲軟，預計玉米價格可能低於二零二三年。

作為主要能源，預計二零二四年中國政府將保持煤炭價格穩定。

總而言之，主要原材料價格將走低或保持穩定。

未來計劃

我們將繼續將「雙高」作為戰略任務，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：

1. 國際化計劃實現突破—目標是二零二四年確定美國及東歐的廠址
2. 進一步提升我們的生產技術
3. 進一步改善銷售及營銷
4. 進一步加強供應鏈
5. 進一步改進運營管理

Other Information

Material acquisition or disposal of subsidiary and associated company

The Group disposed Shenhua Pharmaceutical during the Year which is not a notifiable transaction under the Listing Rules as one or more of the percentage ratios in respect of the disposal did not exceed 5%, and is not considered as a material disposal of subsidiary. Save as disclosed above, the Group had no material acquisition or disposal of subsidiaries or associated companies for the Year.

Employees

As at 31 December 2023, the Group had approximately 17,000 employees. Employees' remuneration was paid in accordance with relevant policies in the PRC. Appropriate salaries and bonuses were paid which commensurated with the actual practices of the Group. Other corresponding benefits include pension, unemployment insurance, housing allowance, etc..

Uyghur Forced Labor Prevention Act

Based on the Uyghur Forced Labor Prevention Act implemented by the U.S. in June 2022, the U.S. Customs and Border Protection ("CBP") requires non-Xinjiang-related and non-forced-labour supporting materials to be submitted and approved for clearance of the Group's exported products into the U.S. market.

The Group confirmed that no "forced labour" is used in our production. The Group provides supporting materials of the exported products to CBP for approval and then the products are continuously cleared and released into the U.S. market.

其他資料

附屬公司及聯營公司的重大收購或出售

本集團於本年度出售神華藥業，根據上市規則，該出售為非須予公佈交易，因有關出售的一項或多於一項的百分比率不超過5%，故不視為重大出售附屬公司。除上文所披露者外，本集團於本年度並無進行任何附屬公司或聯營公司的重大收購或出售事項。

僱員

於二零二三年十二月三十一日，本集團僱用約17,000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。

《防止強迫維吾爾人勞動法》

基於美國於二零二二年六月執行《防止強迫維吾爾人勞動法》後，美國海關與邊境保護局（「CBP」）要求提交非涉疆和非涉及強迫勞動的證明資料並經批准，以便本集團的出口產品通關進入美國市場。

本集團確認，我們的生產中並無使用「強迫勞動」。本集團向CBP提供出口產品的證明資料以供批准，其後產品不斷通關並進入美國市場。

Purchase, redemption or sales of listed securities of the Company

During the Year, the Company repurchased a total of 11,742,000 Shares (the “Shares Repurchased”) on the Stock Exchange at an aggregate consideration of approximately HKD48.3 million before expenses. As at 31 December 2023, Shares Repurchased remained outstanding and has not been cancelled. Subsequent to 31 December 2023, the Company has repurchased a total of 4,799,000 Shares on the Stock Exchange at the aggregate consideration of approximately HKD20.0 million before expenses between January 2024 and February 2024. Details of the Shares Repurchased are as follows:

Month of repurchase in 2023 二零二三年購回月份		Total number of shares Repurchased 購回股份總數	Purchase price paid per share 已付每股股份購買價		Aggregate consideration paid 已付代價總額
			Highest 最高 HKD 港元	Lowest 最低 HKD 港元	HKD 港元
November	十一月	6,171,000	4.20	3.84	25,107,650
December	十二月	5,571,000	4.19	4.13	23,194,520
Total	總額	11,742,000			48,302,170

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Year.

Corporate governance report

The Company's corporate governance practices are based on the principles and code provisions set out in the CG Code. During the Year, the Company had complied with the CG Code.

Audit Committee

The Company established the 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.

購買、贖回或出售本公司上市證券

於本年度，本公司於聯交所購回合共 11,742,000 股股份（「購回股份」），總代價約為 48,300,000 港元（扣除開支前）。於二零二三年十二月三十一日，購回股份仍在外流通及尚未註銷。於二零二三年十二月三十一日後，本公司於二零二四年一月至二零二四年二月期間在聯交所購回合共 4,799,000 股股份，總代價約為 20,000,000 港元（扣除開支前）。購回股份的詳情如下：

除上文所披露外，於本年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

企業管治報告

本公司之企業管治常規乃以企業管治守則所載之原則及守則條文為基準。於本年度，本公司已遵守企業管治守則。

審計委員會

本公司已根據上市規則成立審計委員會。審計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控制制度。審計委員會已審閱本集團於本年度的合併財務報表。

Closure of register of members

The register of members of the Company will be closed from 24 May 2024 to 30 May 2024 (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 30 May 2024, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on 23 May 2024.

The register of members of the Company will be closed from 5 June 2024 to 7 June 2024 (both dates inclusive), during which no transfer of shares will be registered. In order to qualify for the proposed final dividend and special 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on 4 June 2024.

Annual general meeting

The annual general meeting is expected to be held on 30 May 2024. 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, 27 March 2024

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. Zhang Youming and Ms. Li Ming.

暫停辦理股份過戶登記手續

本公司將於二零二四年五月二十四日至二零二四年五月三十日(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。為決定有權出席將於二零二四年五月三十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二零二四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，地址為香港夏慤道16號遠東金融中心17樓。

本公司將於二零二四年六月五日至二零二四年六月七日(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。為符合資格獲派建議末期股息及特別末期股息，所有股份過戶文件連同有關股票最遲須於二零二四年六月四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，地址為香港夏慤道16號遠東金融中心17樓。

股東週年大會

預期股東週年大會將於二零二四年五月三十日舉行。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，二零二四年三月二十七日

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、張友明先生及李銘女士。

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
Audit Committee 審計委員會	audit committee of the Board 董事會審計委員會
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
EIT 企業所得稅	enterprise income tax 企業所得稅
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
HKAS 香港會計準則	Hong Kong Accounting Standard issued by HKICPA 香港會計師公會頒佈之香港會計準則
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
Hulunbeier Fufeng 呼倫貝爾阜豐	呼倫貝爾東北阜豐生物科技有限公司 (Hulunbeier 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股份有限公司 (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股份有限公司，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/China 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	ordinary share(s) in the share capital of the Company 本公司股本中的普通股股份
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.), an 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
Year 本年度	year ended 31 December 2023 截至二零二三年十二月三十一日止年度
U.S. 美國	United States of America 美利堅合眾國
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