



颐海國際控股有限公司

YIHAI INTERNATIONAL HOLDING LTD.

(於開曼群島註冊成立的有限公司)
(Incorporated in the Cayman Islands with limited liability)
股份代號 Stock Code: 1579



2018

Annual Report 年度報告



CONTENTS 目錄

Definitions	釋義	2
Corporate Information	公司資料	8
Five-Year Performance Review	五年業績回顧	11
Chairman's Statement	董事長報告書	12
Management Discussion and Analysis	管理層討論與分析	16
Profiles of Directors and Senior Management	董事及高級管理層簡介	38
Corporate Governance Report	企業管治報告	44
Directors' Report	董事會報告	73
The Environmental, Social and Governance Report	環境、社會及管治報告	109
Independent Auditor's Report	獨立核數師報告	142
Consolidated Balance Sheet	綜合資產負債表	150
Consolidated Statement of Comprehensive Income	綜合全面收益表	152
Consolidated Statement of Changes in Equity	綜合權益變動表	153
Consolidated Statement of Cash Flows	綜合現金流量表	154
Notes to the Consolidated Financial Statements	綜合財務報表附註	155

Definitions

釋義

“AGM”	the annual general meeting of the Company to be held in Beijing on Tuesday, 21 May 2019 at 2:00 p.m. or any adjournment thereof	「股東週年大會」	指	將於2019年5月21日(星期二)下午二時正於北京舉行的本公司股東週年大會或其任何續會
“Articles of Association”	the articles of association of the Company, as amended from time to time	「組織章程細則」	指	本公司的組織章程細則(經不時修訂)
“associate(s)”	has the meaning ascribed thereto under the Listing Rules	「聯繫人」	指	具有上市規則所賦予的涵義
“Audit Committee”	the audit committee of the Board	「審計委員會」	指	董事會轄下的審計委員會
“Board”	the board of Directors of the Company	「董事會」	指	本公司董事會
“Chengdu Yueyihai”	Chengdu Yueyihai Co., Ltd.* (成都悅頤海商貿有限公司), a limited liability company incorporated in the PRC on 28 April 2014 and an indirectly wholly-owned subsidiary of the Company	「成都悅頤海」	指	成都悅頤海商貿有限公司，一家於2014年4月28日在中國註冊成立的有限公司，為本公司的間接全資附屬公司
“Chengdu Lease Agreement”	the lease agreement dated 6 July 2018 entered into between Chengdu Yueyihai and Sichuan Haidilao in connection with the lease of a parcel of land with the properties and fixtures thereon by Sichuan Haidilao to Chengdu Yueyihai	「成都租賃協議」	指	成都悅頤海與四川海底撈於2018年7月6日訂立的租賃協議，內容有關四川海底撈向成都悅頤海租賃一幅土地連同其上的物業及裝置物
“China” or “PRC”	the People’s Republic of China and, except where the context requires, references in this annual report to the PRC or China exclude Hong Kong, Macau and Taiwan	「中國」	指	中華人民共和國，除非文義另有所指外，否則本年報對中國的提述不包括香港、澳門及台灣
“Company”	YIHAI INTERNATIONAL HOLDING LTD. (頤海國際控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands on 18 October 2013	「本公司」	指	頤海國際控股有限公司，一家於2013年10月18日在開曼群島註冊成立的獲豁免有限公司
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time	「公司條例」	指	香港法例第622章《公司條例》，經不時修訂、補充或以其他方式修改
“Controlling Shareholders”	has the meaning ascribed thereto under the Listing Rules, and unless the context otherwise requires, refers to Mr. Zhang Yong, the non-executive Director, Ms. Shu Ping, (the executive Director and spouse of Mr. Zhang Yong) and ZYSP YIHAI Ltd	「控股股東」	指	具有上市規則所賦予的涵義，除非文義另有所指外，否則指張勇先生(非執行董事)、舒萍女士(執行董事及張勇先生的配偶)及ZYSP YIHAI Ltd
“Corporate Governance Code”	Corporate Governance Code as set out in Appendix 14 to the Listing Rules	「企業管治守則」	指	上市規則附錄十四所載《企業管治守則》
“Director(s)”	director(s) of the Company	「董事」	指	本公司董事

Definitions 釋義

“Financial Statements”	the consolidated financial statements of the Group for the year ended 31 December 2018 as audited by PricewaterhouseCoopers	「財務報表」	指 經羅兵咸永道會計師事務所審核，本集團截至2018年12月31日止年度的綜合財務報表
“Framework Sales and Purchase Agreements”	collectively, the hot pot soup flavouring products sales agreement dated 6 July 2018 entered into between Yihai Shanghai and the Joint Venture in relation to the sales of hot pot soup flavouring products from Yihai Shanghai and its subsidiaries to the Joint Venture, and self-serving small hot pot products sales agreement dated 6 July 2018 entered into between the Joint Venture and Yihai Shanghai in relation to the sales of Small Hot Pot Products by the Joint Venture to Yihai Shanghai and its subsidiaries	「產品互供 框架協議」	指 頤海上海與合資公司於2018年7月6日訂立的火鍋底料產品銷售協議(內容有關頤海上海及其附屬公司向合資公司出售火鍋底料產品)及合資公司與頤海上海於2018年7月6日訂立的自加熱小火鍋產品銷售協議(內容有關合資公司向頤海上海及其附屬公司出售小火鍋產品)的統稱
“Group”	the Company and its subsidiaries	「本集團」	指 本公司及其附屬公司
“Haidilao Customized Products”	the hot pot soup flavoring and Chinese-style compound condiment products manufactured by the Group using formulas owned by Haidilao Group for use in its hot pot restaurants	「海底撈定製產品」	指 使用海底撈集團擁有的配方製成並在其火鍋餐廳使用的火鍋底料及中式複合調味品
“Haidilao Group”	Haidilao International Holding Ltd., whose shares are listed on the Stock Exchange (stock code: 6862), and its subsidiaries	「海底撈集團」	指 海底撈國際控股有限公司(股份代號：6862，其股份於聯交所上市)及其附屬公司
“Haidilao Retail Products”	the retail hot pot soup flavoring, hot pot dipping sauce and Chinese-style compound condiment products manufactured by the Group using formulas the Group owns for display and sale to consumers in Haidilao Group hot pot restaurants, which are the same products as those sold by the Group through independent third party distributors	「海底撈零售產品」	指 本集團使用本集團擁有的配方製成的零售火鍋底料，火鍋蘸料及中式複合調味品，在海底撈集團火鍋餐廳向消費者展示及銷售，與本集團通過獨立第三方經銷商銷售的產品相同
“Haidilao Warehouse Storage Service Agreement”	warehouse storage service agreement dated 24 June 2016, entered into between Sichuan Haidilao and Yihai Shanghai, each for itself and on behalf of its subsidiaries, Sichuan Haidilao Group agreed to provide warehousing facilities and related services, including sorting process management, stocktaking and other logistics services, to the Group for products we sell to Haidilao Group	「海底撈倉儲服務協議」	指 四川海底撈與頤海上海(各自為其本身及代表其附屬公司)於2016年6月24日訂立的倉儲服務協議，四川海底撈集團同意向本集團提供倉儲設施及相關服務，包括分類程序管理、庫存盤點及其他物流服務，以供我們售予海底撈集團的產品之用。
“HK\$”, “HKD” or “HK dollars” and “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong	「港元」及「港仙」	分別指 香港法定貨幣港元及港仙

Definitions

釋義

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC	「香港」	指	中國香港特別行政區
“Investment Cooperation Agreement”	the investment cooperation agreement dated 11 July 2017 entered into between Yihai Shanghai and Xinpai Shanghai in relation to the formation of the Joint Venture	「投資合作協議」	指	頤海上海與新派上海於2017年7月11日就成立合資公司訂立的投資合作協議
“Jingyuan Investment”	Jiayang City Jingyuan Investment Co., Ltd.* (簡陽市靜遠投資有限公司), a limited liability company incorporated in the PRC on 13 March 2009, which is held as to 68% by Mr. Zhang and Ms. Shu (the Controlling Shareholders), 32% by Mr. Shi Yonghong (the executive Director) and his wife	「靜遠投資」	指	簡陽市靜遠投資有限公司，一家於2009年3月13日在中國成立的有限責任公司，由張勇先生及舒洋女士(控股股東)持有68%，由施永宏先生(執行董事)及其妻子持有32%
“Joint Venture”	Fuhai (Shanghai) Food Technology Co., Ltd.* (馥海(上海)食品科技有限公司), a company incorporated in the PRC and a 60% owned subsidiary of the Company	「合資公司」	指	馥海(上海)食品科技有限公司，一家在中國成立的公司，為本公司擁有60%股權的附屬公司
“Latest Practicable Date”	4 April 2019, being the latest practicable date prior to the printing of this annual report for the purpose of ascertaining the information contained herein	「最後實際可行日期」	指	2019年4月4日，即本年報付印前確定其中所載若干資料的最後實際可行日期
“Listing Date”	13 July 2016, the date on which the Shares were listed on the main board of the Stock Exchange	「上市日期」	指	2016年7月13日，股份於聯交所主板上市的日期
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited	「上市規則」	指	香港聯合交易所有限公司證券上市規則
“Macau”	the Macau Special Administrative Region of the PRC	「澳門」	指	中國澳門特別行政區
“Master Sales Agreement”	the master sales agreement dated 24 June 2016, entered into among Yihai Shanghai, Sichuan Haidilao and Singapore Haidilao, each for itself and on behalf of its subsidiaries, in relation to the supply of Haidilao Customized Products and Haidilao Retail Products by the Group to the Haidilao Group	「總銷售協議」	指	日期為2016年6月24日的總銷售協議，由頤海上海、四川海底撈及新加坡海底撈(各自為其本身及代表其附屬公司)就本集團向海底撈集團供應海底撈定製產品及海底撈零售產品而訂立
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules	「標準守則」	指	上市規則附錄十所載《上市發行人董事進行證券交易的標準守則》
“Nomination Committee”	the nomination committee of the Board	「提名委員會」	指	董事會轄下的提名委員會
“Non-competition Undertaking”	the non-competition undertaking entered into between the Company and the Controlling Shareholders on 25 June 2016	「不競爭承諾」	指	本公司與控股股東於2016年6月25日訂立的不競爭承諾
“Prospectus”	the prospectus being issued by the Company on 30 June 2016	「招股章程」	指	本公司於2016年6月30日刊發的招股章程

Definitions 釋義

“Remuneration Committee”	the remuneration committee of the Board	「薪酬委員會」	指	董事會轄下的薪酬委員會
“Renminbi” or “RMB”	Renminbi yuan, the lawful currency of the PRC	「人民幣」	指	中國法定貨幣人民幣元
“RSU”	the restricted share units granted to RSU participants pursuant to the RSU Scheme	「受限制股份單位」	指	根據受限制股份單位計劃向受限制股份單位參與者授出的受限制股份單位
“RSU Scheme”	the RSU scheme approved and adopted by the Company on 24 February 2016 for the grant of RSUs to RSU participants, a summary of the principal terms of which is set forth in the section headed “Appendix IV–Statutory and General Information–D. RSU Scheme” of the Prospectus	「受限制股份單位計劃」	指	本公司就向受限制股份單位參與者授出受限制股份單位而於2016年2月24日批准及採納的受限制股份單位計劃，其主要條款概要載於招股章程「附錄四—法定及一般資料—D.受限制股份單位計劃」一節
“Second Supplemental Master Sales Agreement”	the second supplemental master sales agreement dated 22 March 2018 entered into between Singapore Haidilao and Yihai Shanghai to revise certain terms of the Master Sales Agreement	「第二份補充總銷售協議」	指	新加坡海底撈與頤海上海訂立日期為2018年3月22日的第二份補充總銷售協議，以修訂總銷售協議的若干條款
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time	「證券及期貨條例」	指	香港法例第571章《證券及期貨條例》，經不時修訂、補充或以其他方式修改
“Share(s)”	ordinary share(s) in the share capital of the Company with nominal value of US\$0.00001 each	「股份」	指	本公司股本中每股面值0.00001美元的普通股
“Shareholder(s)”	shareholder(s) of the Company	「股東」	指	本公司股東
“Shuhai Sales Agreement”	the sales agreement dated 6 July 2018 entered into between Yihai Shanghai and Shuhai Supply Chain in relation to the sale of hot pot soup flavoring products, hot pot dipping sauce products and other compound condiment products by the Group to Shuhai Supply Chain Group	「蜀海銷售協議」	指	頤海上海與蜀海供應鏈之間訂立的日期為2018年7月6日的銷售協議，內容有關本集團向蜀海供應鏈集團銷售火鍋底料產品、火鍋蘸料產品及其他複合調味品
“Shuhai Supply Chain”	Shuhai (Beijing) Supply Chain Management Co., Ltd.* (蜀海(北京)供應鏈管理有限責任公司), a limited liability company established in the PRC on 3 June 2014 and is indirectly held as to approximately 52.17% by the controlling shareholders, Mr. Zhang Yong and Ms. Shu Ping, and their associate and 24.65% by Mr. Shi Yonghong and his wife	「蜀海供應鏈」	指	蜀海(北京)供應鏈管理有限責任公司，一家於2014年6月3日在中國成立的有限責任公司，間接由控股股東張勇先生及舒萍女士及其聯繫人持有約52.17%及由施永宏先生及其妻子持有約24.65%
“Shuhai Warehouse Storage Service Agreement”	the warehouse storage service agreement dated 6 July 2018 entered into between Yihai Shanghai and Shuhai Supply Chain in relation to the provision of warehousing facilities and related services by Shuhai Supply Chain Group to the Group	「蜀海倉儲服務協議」	指	頤海上海與蜀海供應鏈之間訂立的日期為2018年7月6日的倉儲服務協議，內容有關蜀海供應鏈集團向本集團提供倉儲設施及相關服務

Definitions

釋義

“Sichuan Haidilao”	Sichuan Haidilao Catering Corporation Ltd.* (四川海底撈餐飲股份有限公司), a joint stock limited liability company established in the PRC on 25 June 2009, or its predecessor, Sichuan Jianyang Haidilao Catering Co., Ltd.* (四川省簡陽市海底撈餐飲有限責任公司), which was incorporated in the PRC on 16 April 2001. Sichuan Haidilao is directly held as to approximately 33.5% by Mr. Zhang Yong and Ms. Shu Ping (Controlling Shareholders), 50% by Jingyuan Investment and 16% by Mr. Shi Yonghong (the executive Director) and his wife	「四川海底撈」	指	四川海底撈餐飲股份有限公司，為於2009年6月25日在中國成立的股份有限責任公司，或其前身四川省簡陽市海底撈餐飲有限責任公司(於2001年4月16日在中國成立)。四川海底撈直接由張勇先生及舒萍女士(控股股東)持有約33.5%、由靜遠投資持有約50%及由施永宏先生(執行董事)及其妻子持有16%
“Sichuan Haidilao Group”	Sichuan Haidilao and its subsidiaries	「四川海底撈集團」	指	四川海底撈及其附屬公司
“Singapore Haidilao”	HAI DI LAO HOLDING PTE. LTD., a private company limited by shares incorporated in Singapore and is a wholly-owned subsidiary of Haidilao International Holding Ltd. (stock code: 6862)	「新加坡海底撈」	指	HAI DI LAO HOLDING PTE. LTD.，一家於新加坡註冊成立的私人股份有限公司，並為海底撈國際控股有限公司(股份代號：6862)的全資附屬公司
“Small Hot Pot Products”	the self-serving small hot pot products manufactured and sold by the Joint Venture	「小火鍋產品」	指	合資公司將予生產及銷售的自加熱小火鍋產品
“Stock Exchange”	The Stock Exchange of Hong Kong Limited	「聯交所」	指	香港聯合交易所有限公司
“subsidiary” or “subsidiaries”	has the meaning ascribed thereto under the Listing Rules	「附屬公司」	指	具有上市規則所賦予的涵義
“Supplemental Master Sales Agreement”	the supplemental master sales agreement dated 18 September 2017 entered into between Sichuan Haidilao, Singapore Haidilao and Yihai Shanghai, to regulate the sale of Small Hot Pot Products by the Group to the Haidilao Group	「補充總銷售協議」	指	四川海底撈、新加坡海底撈及頤海上海之間訂立的日期為2017年9月18日的補充總銷售協議，乃為規管本集團向海底撈集團銷售小火鍋產品
“Xinpai Shanghai”	Xinpai (Shanghai) Catering Management Co., Ltd.* (新派(上海)餐飲管理有限公司), a company established in the PRC with limited liability and is controlled as to approximately 62.70% by Mr. Zhang Yong and Ms. Shu Ping, and 29.7% by Mr. Shi Yonghong (the executive Director) and his wife	「新派上海」	指	新派(上海)餐飲管理有限公司，一家於中國成立的有限公司，由張勇先生及舒萍女士控制約62.70%股權及由施永宏先生(執行董事)及其妻子控制約29.7%股權
“Yihai (China)”	Yihai (China) Food Co., Limited (頤海(中國)食品有限公司), a company with limited liability incorporated in Hong Kong on 6 December 2013 and an indirectly wholly-owned subsidiary of the Company	「頤海(中國)」	指	頤海(中國)食品有限公司，一家於2013年12月6日在香港註冊成立的有限公司，為本公司的間接全資附屬公司

Definitions 釋義

“Yihai Shanghai”	Yihai (Shanghai) Food Co., Ltd. (頤海(上海)食品有限公司), a foreign investment enterprise established in the PRC on 1 December 2014 and an indirectly wholly-owned subsidiary of the Company	「頤海上海」	指 頤海(上海)食品有限公司，一家於2014年12月1日在中國註冊成立的外資企業，為本公司的間接全資附屬公司
“Youdingyou”	Beijing Youdingyou Catering Co., Ltd.* (北京優鼎優餐飲股份有限公司), (formerly known as Beijing Youdingyou Catering Management Co., Ltd.*). a company with limited liability incorporated in the PRC on 30 July 2012, which is indirectly held as to approximately 31.76% by Mr. Zheng Yong and Ms. Shu Ping, 15.71% by Mr. Shi Yonghong and his wife and 0.86% by Mr. Gou Yiqun ^(Note)	「優鼎優」	指 北京優鼎優餐飲股份有限公司(前稱為北京優鼎優餐飲管理有限公司)，一家於2012年7月30日在中國成立的有限責任公司，由張勇先生及舒萍女士間接控制約31.76%股權、施永宏先生及其妻子間接控制約15.71%股權及苟軼群先生 ^(註) 間接控制約0.86%股權
“Youdingyou Sales Agreement”	the sales agreement dated 24 June 2016 and entered into between Youdingyou and Yihai Shanghai, each for itself and on behalf of its subsidiaries, pursuant to which we agreed to sell hot pot soup flavoring products, hot pot dipping sauce products and other compound condiment products to Youdingyou for use at spicy mixed stew restaurants it operates	「優鼎優銷售協議」	指 優鼎優及頤海上海各自為本身及代表其附屬公司訂立的日期為2016年6月24日的銷售協議，據此，我們同意向優鼎優出售火鍋底料產品、火鍋蘸料產品及其他複合調味品，在其營運的辣味混合燉菜餐廳使用
“ZYSP YIHAI Ltd”	a business company with limited liability incorporated in the British Virgin Islands on 10 October 2013, one of the Controlling Shareholders	「ZYSP YIHAI Ltd」	指 一家於2013年10月10日在英屬處女群島註冊成立的商業有限公司，為控股股東之一
“US dollars”, “USD” or “US\$”	United States dollars, the lawful currency of the United States	「美元」	指 美國法定貨幣美元
“%”	percentage	「%」	指 百分比
Note:	Mr. Gou Yiqun has resigned from the post of non-executive Director with effect from 21 March 2018.	註：	苟軼群先生已辭任非執行董事，自2018年3月21日生效。

Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Shi Yonghong (*Chairman*)^(Note 1)

Ms. Dang Chunxiang^(Note 1)

Mr. Sun Shengfeng

Ms. Shu Ping

Mr. Guo Qiang^(Note 2)

Non-executive Directors

Mr. Zhang Yong

Mr. Pan Di^(Note 3)

Independent Non-executive Directors

Mr. Yau Ka Chi

Mr. Qian Mingxing

Ms. Ye Shujun

AUDIT COMMITTEE

Mr. Yau Ka Chi (*Chairman*)

Mr. Qian Mingxing^(Note 4)

Ms. Ye Shujun

REMUNERATION COMMITTEE

Ms. Ye Shujun (*Chairman*)

Ms. Shu Ping

Mr. Qian Mingxing

Note 1: Mr. Shi Yonghong has been re-designated as an executive Director from the post of a non-executive Director and has been appointed as the chief executive officer and resigned from being a member of the audit committee with effect from 9 December 2018. Ms. Dang Chunxiang has been re-designated to vice president from the post of chief executive officer with effect from 9 December 2018.

Note 2: Mr. Guo Qiang has been appointed as an executive Director with effect from 26 March 2019.

Note 3: Mr. Pan Di has resigned from the post of non-executive Director with effect from 26 March 2019.

Note 4: Mr. Qian Mingxing has been appointed as a member of the audit committee with effect from 9 December 2018.

董事會

執行董事

施永宏先生(*主席*)^(註1)

黨春香女士^(註1)

孫勝峰先生

舒萍女士

郭強先生^(註2)

非執行董事

張勇先生

潘迪先生^(註3)

獨立非執行董事

邱家賜先生

錢明星先生

葉蜀君女士

審計委員會

邱家賜先生(*主席*)

錢明星先生^(註4)

葉蜀君女士

薪酬委員會

葉蜀君女士(*主席*)

舒萍女士

錢明星先生

註1：施永宏先生已由非執行董事調任為執行董事，並已獲委任為首席執行官及辭任審計委員會成員，自2018年12月9日生效。黨春香女士已由首席執行官調任為副總裁，自2018年12月9日生效。

註2：郭強先生已獲委任為執行董事，自2019年3月26日起生效。

註3：潘迪先生已辭任非執行董事一職，自2019年3月26日起生效。

註4：錢明星先生已獲委任為審計委員會成員，自2018年12月9日生效。

NOMINATION COMMITTEE

Mr. Shi Yonghong (*Chairman*)
Mr. Qian Mingxing
Ms. Ye Shujun

JOINT COMPANY SECRETARIES

Mr. Sun Shengfeng
Ms. Chan Yin Wah (Note 5)

AUTHORIZED REPRESENTATIVES

Mr. Sun Shengfeng
Ms. Chan Yin Wah (Note 5)

AUDITOR

PricewaterhouseCoopers

LEGAL ADVISER

Davis Polk & Wardwell

REGISTERED OFFICE

P. O. Box 31119 Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman
KY1 - 1205 Cayman Islands

CORPORATE HEADQUARTERS

1st and 2nd Floors, Building 6
Songlei Office Building
Heng Song Yuan
Middle Road of South 3rd Ring Road
Fengtai District
Beijing, PRC

Note 5: Ms. Chan Yin Wah has been appointed as the joint company secretary and the authorized representative with effect from 31 May 2018. Mr. Wong Yat Tung has resigned as the joint company secretary and the authorized representative with effect from 31 May 2018.

提名委員會

施永宏先生(主席)
錢明星先生
葉蜀君女士

聯席公司秘書

孫勝峰先生
陳燕華女士(註5)

授權代表

孫勝峰先生
陳燕華女士(註5)

核數師

羅兵咸永道會計師事務所

法律顧問

達維香港律師事務所

註冊辦事處

P. O. Box 31119 Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman
KY1 - 1205 Cayman Islands

公司總部

中國
北京市
豐台區南三環中路
恒松園松雷寫字樓
6號樓1樓及2樓

註5：陳燕華女士已獲委任為聯席公司秘書及授權代表，自2018年5月31日生效。黃日東先生已辭任聯席公司秘書及授權代表，自2018年5月31日生效。

Corporate Information

公司資料

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Sunlight Tower
No. 248 Queen's Road East
Wan Chai, Hong Kong

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai,
Hong Kong

INVESTOR RELATIONS

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WEBSITE

www.yihchina.com

STOCK CODE

The Stock Exchange of Hong Kong Limited: 1579

香港主要營業地點

香港灣仔
皇后大道東248號
陽光中心40樓

香港證券登記處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心17樓
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投資者關係

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股份代號

香港聯合交易所有限公司：1579

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(RMB' 000)

簡明綜合全面收入表

(人民幣千元)

Twelve months ended 31 December
截至12月31日止12個月

		2018 2018年	2017 2017年	2016 2016年	2015 2015年	2014 2014年
Revenue	收入	2,681,373	1,646,221	1,088,014	847,339	498,231
Gross Profit	毛利	1,038,897	611,806	416,942	294,233	119,478
Profit before income tax	除所得稅前溢利	730,501	369,080	255,089	166,920	57,156
Profit for the period	期內溢利	547,904	261,090	186,720	124,547	42,510
Profit attributable to: – Owners of the Company	以下人士應佔全面收入總額： – 本公司擁有人	517,793	260,670	186,720	124,547	42,510

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(RMB' 000)

簡明綜合財務狀況表

(人民幣千元)

Twelve months ended 31 December
截至12月31日止12個月

		2018 2018年	2017 2017年	2016 2016年	2015 2015年	2014 2014年
Non-current assets	非流動資產總額	580,875	288,071	165,874	136,089	153,384
Current assets	流動資產總額	1,881,164	1,518,620	1,257,792	453,275	132,253
Total Asset	資產總額	2,462,039	1,806,691	1,423,666	589,364	285,637
Equity attributable to owners of the company	本公司擁有人應佔權益	2,005,190	1,501,389	1,266,205	141,924	45,738
Total Equity	權益總額	2,039,721	1,505,809	1,266,205	141,924	45,738
Non-current liabilities	非流動負債總額	—	—	—	186,667	—
Current liabilities	流動負債總額	422,381	300,882	157,461	260,773	239,899
Total liabilities	負債總額	422,381	300,882	157,461	447,440	239,899
Total equity and liabilities	權益及負債總額	2,462,039	1,806,691	1,423,666	589,364	285,637

Chairman's Statement

董事長報告書

In 2018, the economy of China was reasonably on track, being generally stable whilst developing continuously and progressing steadily. The basic role of product consumption was further strengthened. The growth trend in the catering industry continued with optimism which made outstanding contributions to economic growth and social development.

With the continuous growth of the catering industry and the continuous upgrade of the consumption trend, the compound condiment market, especially the hot pot condiment market in China, also showed a strong growth trend. As the largest mid/high-end hot pot condiment manufacturer in China, the Group continued to leverage on its strong brand, accurate market sensitivity, diversified product portfolio, nationwide sales network, unique personnel incentives mechanism and continuously increasing supply capabilities, to maintain its position as a leader in the mid/high-end hot pot condiment industry.

2018年，我國國民經濟運行在合理區間，總體平穩、穩中有進的態勢持續顯現。消費的基礎性作用進一步增強。餐飲行業持續向好，對經濟增長和社會發展做出了突出貢獻。

隨著餐飲業的持續增長以及消費升級趨勢的延續，中國複合調味料市場尤其是火鍋調味料市場亦呈強勢增長趨勢。本集團作為中國最大的中高端火鍋調味料生產商，依託於強大的品牌、敏銳的市場敏感度、多元化的產品組合、全國性的銷售網絡以及獨特的人員激勵機制和不斷增強的供應能力，繼續保持我們在中高端火鍋調味料行業的領導者地位。

BUSINESS REVIEW

In 2018, the Group's major businesses focused on actively developing the multi-brand strategy, continuously expanding product portfolio, continuing to deepen its national sales network, and innovate personnel incentives, and constantly complementing supply capabilities.

The Group adhered to the mission of "Easy & Tasty" and actively adopted the multi-brand operation strategy. During the year, we created a number of original brands adopting the product characteristics from different brands, to meet the individual needs of different consumers.

Under the multi-brand strategy, the Group continued to expand and optimize its product portfolio. In addition to strengthening our leading position in the existing flagship products (hot pot condiment, Chinese-style compound condiment and convenient ready-to-eat food products) markets, we developed and launched various new products during the year, including crawfish condiments in a variety of flavors, self-serving small hot pot products and ready-to-eat sauce products. In 2018, for operation management, the Group introduced the project-based system for products, to promote employees with new product ideas and coordination and management capabilities as project managers and let them lead the implementation and development of such projects. Such project managers developed and promoted new products by integrating internal and external advantages and resources and leveraging on the strong R&D platform and channel support of the Company.

業務回顧

2018年，本集團的業務重點為積極發展多品牌戰略，不斷擴充產品組合，繼續深耕全國銷售網絡，持續創新人員激勵機制，陸續補充供應能力。

本集團秉承「讓美味變輕鬆」的定位，積極採用多品牌運營策略。本年度，我們打造了多個原創品牌，借用不同品牌的產品特性，滿足了不同消費者的個性化需求。

在多品牌的戰略思維下，本集團不斷擴充並優化產品組合。除鞏固現有主打產品——火鍋調味料、中式複合調味料及方便速食類產品的市場領導者地位外，我們於年內研發並推出了多款新產品，包括多種口味的小龍蝦調料產品、自加熱小火鍋產品及即食醬產品。在運營管理方面，2018年，本集團創新引入了產品項目制，通過提拔有新品創意及具備統籌管理能力的員工作為項目負責人，領導項目的實施和發展，並整合內外部優勢資源，依靠公司強大的研發平台和渠道支持，進行新產品的開發及推廣。

Chairman's Statement

董事長報告書

In 2018, the Group continued to deepen its national sales network, improve the sales efficiency of third-party retail channels, strengthen online marketing efforts, and accelerate the expansion of third-party catering customers. As of 31 December 2018, our distributors covered 31 provincial areas in China, and the regions of Hong Kong, Macau and Taiwan, as well as 42 overseas countries and regions. For the year of 2018, the Group's revenue generated by sales to distributors was RMB1,263.2 million, representing a year-on-year increase of 115.2%. The Group's online channels continued to be focused on enhancing brand communication and consumer experience. As of 31 December 2018, online sales revenue increased 105.2 % from RMB105.9 million in 2017 to RMB217.4 million.

In 2018, in addition to the introduction of innovative project-based system for products, the Group also launched a "partner" incentive mechanism in the sales system. The introduction of the two innovative incentive mechanisms enabled the Group to improve its product development success rate, enrich new product stocks and improve market penetration rate in a faster, wider and deeper way.

In 2018, the Group continued to expand its production capabilities and enhance its supply capabilities in accordance with the growing market demand and its strategic development plan. At the beginning of 2018, the first phase of the plant in Maanshan, Anhui Province was put into operation. During 2018, the Group commenced the construction of the second phase of the new production base in Maanshan Anhui Province. Moreover, at the end of the year, the Group basically completed the construction of the first phase of the plant in Bazhou, Hebei Province. It is expected that the construction and commencement of production of the new plants will ease the pressure on production capacity utilization rate brought by the rapid development of the Group's business. The Group will also increase its overall production efficiency and lower the labor cost by introducing fully automated production lines to the new production bases. Meanwhile, the new plants can also provide guarantee for the launch of new product types in future.

2018年，本集團繼續深耕全國銷售網絡，提升第三方零售渠道的銷售效率，加強線上營銷力度，加快拓展第三方餐飲客戶。截至2018年12月31日，我們的經銷商覆蓋了中國31個省級地區及港澳台地區與42個海外國家和地區。於2018年，本集團向經銷商銷售的收入達到人民幣1,263.2百萬元，同比增長115.2%。本集團的線上渠道仍以加強品牌傳播、提升消費者體驗為主，截至2018年12月31日，線上銷售收入從2017年的人民幣105.9百萬元，增長105.2%至人民幣217.4百萬元。

2018年，本集團除創新性引入產品項目制外，還啟動了對銷售系統的「合夥人」激勵機制，兩項激勵機制的創新性引入，使得本集團產品開發的成功率得以提高、新產品的儲備得以豐富、市場的滲透率得以更快更廣更深的提升。

2018年，本集團根據日益增長的市場需求及自身戰略發展規劃，繼續擴充產能，提升供應能力。於本年度初期，本集團投產了位於安徽省馬鞍山的第一期工廠。於本年度內，本集團又啟動了位於安徽省馬鞍山的第二期新生產基地的建設。並且，於本年度末期，本集團基本完成位於河北省霸州的第一期廠房的建設。新工廠的陸續建設投產預計將會緩解本集團業務快速發展帶來的產能利用率壓力。本集團還將通過在新生產基地內逐步引入全自動化生產線，提升總體生產效率，降低人員成本；同時，新工廠亦可為未來新品類產品的推出提供保障。

FINANCIAL REVIEW

In 2018, the Group maintained steady growth in its results. The Group recorded a sales revenue of RMB2,681.4 million, representing a year-on-year increase of 62.9%; and a net profit of RMB547.9 million, representing a year-on-year increase of 109.9%. The Group's gross profit increased from RMB611.8 million in 2017 to RMB1,038.9 million in 2018, and the gross profit margin increased from 37.2% in 2017 to 38.7% in 2018.

OUTLOOK

Looking forward to 2019, with the sustainable and healthy development of China's economy, the gradual stimulation of the vitality of the catering industry market, and the continuous upgrading of the consumption trends, the Group will continue to uphold its corporate mission of "Easy & Tasty", focusing on product innovation, distribution channel moving closer to consumer and management efficiency improvement. The Group will deploy plant constructions according to the needs of the Company, further stabilize our leadership in the mid/high-end hot pot condiment and Chinese-style compound condiment products markets.

First, in terms of our brands and products, we will continue to strengthen our brand and implement the multi-brand strategy. Meanwhile, we will continue to upgrade and improve existing products, expand and supplement the offerings of our existing products, and develop more diversified and differentiated new products in pace with the market trend, to meet and guide market demands.

Secondly, in terms of sales network construction, we will further deepen channel construction and elevate channel penetration rate. On the basis of continuous expansion of existing third-party retail channels, we will expand product offerings while developing new retail channels suitable for different categories of products. We will also expand new sales channels and enrich the ways by which our existing products can be consumed. Moreover, we will continue to deepen and explore the sales staff management model and product innovation model.

Third, in terms of supply capabilities, we will continue to build new production bases, supplement and expand existing production capabilities, and enhance our supply capabilities.

The Group will collaborate with all of our colleagues to continue our progression and innovation, to capture market opportunities and respond promptly to market trends, so as to provide higher-quality services to consumers, thereby actively creating more value for Shareholders.

財務回顧

2018年，本集團業績穩健增長，銷售收入錄得人民幣2,681.4百萬元，同比增長62.9%；淨利潤錄得人民幣547.9百萬元，同比增長109.9%，毛利潤亦由2017年的人民幣611.8百萬元增長至2018年的人民幣1,038.9百萬元，毛利率則由2017年的37.2%提升至2018年的38.7%。

未來展望

展望2019年，隨著中國經濟的持續健康發展、餐飲業市場活力的逐漸激發，以及消費升級趨勢的不斷顯現，本集團將繼續圍繞「讓美味變輕鬆」的企業使命，聚焦產品創新、渠道下沉、和管理效率的提升，根據公司需求佈局廠房建設，進一步鞏固我們在中高端火鍋調味料及中式複合調味料的市場領導者地位。

首先，在品牌與產品方面，我們將繼續加強品牌建設，實施多品牌策略。同時，我們將繼續對現有產品進行升級改良、對現有品類進行擴大補充，並緊隨市場趨勢，開發更多元化、更具差異化的新產品，滿足及引導市場的消費需求。

其次，在銷售網絡布建方面，我們將進一步深耕渠道建設，提升渠道滲透率。在持續拓展已有第三方零售渠道的基礎上，在擴充產品品類的同時，我們將開拓適合不同品類的新零售渠道，並擴張新的銷售渠道及豐富現有產品的消費場景。同時，在銷售人員管理模式和產品創新模式上，我們也將繼續不斷深化和探索。

第三，在供應能力方面，我們將繼續佈局新的生產基地的建設，補充及擴大現有產能，提升我們的供應能力。

本集團全體同仁將繼續砥礪前進，堅持創新，抓住市場機遇，緊跟市場趨勢變化，努力為消費者提供更好的服務，積極為股東創造更大的價值。

Management Discussion and Analysis

管理層討論與分析

2018 PERFORMANCE REVIEW

In 2018, the national economy was stable in general. The pace of the upgrading in the consumption structure was accelerated, the momentum of consumption growth continued to strengthen, and the percentage of online retail sales increased remarkably. During the year, the catering market recorded a steady growth, and the overall trend of the condiment industry was upward and optimistic.

In 2018, the Group continued to deepen the development of operating strategies for various business segments. In relation to branding, the Group introduced a variety of original sub-brands for the first time during the year, and continuously expanded its business boundaries by classifying product categories with brands. In terms of channels, in addition to deeper penetration in low-tier market segments in the regions, the Group also developed and innovated channels according to the different characteristics of the respective product categories. Together with the effective contribution to the Group's performance by internal sales personnel and the new product development incentive system launched at the beginning of the year, the Group recorded revenue of RMB2,681.4 million for the year ended 31 December 2018, representing a year-on-year increase of 62.9%; net profit amounted to RMB547.9 million, representing a year-on-year increase of 109.9%.

For sales to distributors, the Group continued to develop lower-tier channels and innovations, through effective incentives for internal sales staff, and the close cooperation with distributors, effective enhancement was achieved in the number of distributors, the density of points of sale and the scope of city coverage. As of 31 December 2018, the Group's distributors had covered over a total of 31 provincial regions in China, the regions of Hong Kong, Macau and Taiwan, as well as 42 overseas countries and regions.

For sales through e-commerce, the self-operated online flagship store was a major platform for brand dissemination, pilot sales of new products and display of products. Through various types of featured and thematic marketing and customer service activities, the Group's brand awareness among consumers and brand reputation were enhanced. In 2018, the Group continued to develop third-party e-commerce channels with dedicated efforts. Apart from its self-operated flagship store, the Group also sold its products actively through other prominent online sales platforms with abundant traffic such as Tmall.com supermarket and JD.com self-operated stores, the overall online sales performance was encouraging. For the year ended 31 December 2018, the amount of online sales of the Group increased by 105.2% year-on-year from RMB105.9 million in 2017 to RMB217.4 million.

2018年業績回顧

2018年，國民經濟總體平穩。消費結構升級步伐加快，消費增長動力不斷增強，網上零售佔比明顯提高。本年度，餐飲市場增長平穩，調味料行業總體趨勢向好。

2018年度，本集團持續深化發展各個業務板塊經營策略。品牌方面，本集團於本年度首次引入了多個原創子品牌，並以品牌區隔產品品類，持續擴展業務邊界。渠道方面，除了持續進行區域的下沉深耕，本集團也根據各個產品品類的不同特徵對渠道進行了開拓和創新，加上於本年初推行的內部銷售人員及新品開拓激勵制度對本集團業績表現作出有效貢獻，截至2018年12月31日止年度，本集團的收入達到人民幣2,681.4百萬元，同比增長62.9%；淨利潤達到人民幣547.9百萬元，同比增長109.9%。

經銷商銷售方面，本集團持續推進渠道下沉和創新，通過對內部銷售人員的有效激勵，以及與經銷商的緊密合作，經銷商數量、銷售終端的密度和覆蓋城市範圍均得到有效提升。截至2018年12月31日，本集團的經銷商共覆蓋了中國31個省級地區與港澳台地區，以及42個海外國家和地區。

電商銷售方面，線上自營旗艦店作為品牌傳播、新品試銷和產品展示的主要平台，通過各類特色主題營銷和客戶服務活動，增加了消費者對本集團品牌的認知和美譽度。2018年，集團持續大力發展第三方電商渠道，除自營旗艦店外，也積極通過例如天貓超市及京東自營等流量龐大的強勢線上銷售平台銷售旗下產品，總體線上銷售表現喜人。截至2018年12月31日年度，本集團的線上銷售額從2017年的人民幣105.9百萬元，同比增長105.2%至人民幣217.4百萬元。

In terms of products, the Group further expanded the product categories in 2018. Based on the three main categories of the existing key products, namely, hot pot condiments, Chinese-style compound condiment products and convenient ready-to-eat products, the Group actively developed new product categories. Motivated by the unique “project-based system for products”, the Group developed 16 new products during the year, including different flavorings of crawfish condiments, different types of self-serving small hot pot products and ready-to-eat sauces, all of which received favorable market feedback. For sales of products to related parties, by combining with the demand for personalized soup-base condiments under “Thousand People Thousand Flavors” series in the restaurants of Haidilao Group, the Group has researched, developed and supplied several types of basic-version hot pot soup bases under the series of “Thousand People Thousand Flavors” suitable for use of the automatic hot pot soup-base mixing machine. Meanwhile, the Group continued to research, develop and innovate soup bases with various special flavors for different localities and successfully launched the first soup base of foreign style series in the restaurants of Haidilao Group. In future, the Group will launch more flavors under this thematic series.

Regarding staff incentives, the Group actively innovated an incentive system in line with its own features in 2018, including the project-based system for new products and partner incentive mechanism. Under the incentives of these two mechanisms, remarkable performance was achieved in the breakthrough of product innovation boundaries and deepening the management for lower-tier channel penetration.

On production capacities, the Group continued to expand production capacities in 2018 based on the market demand and its own development needs. Not only the new plant located in Maanshan commenced operation at the beginning of the year, the construction project for the Phase II new production base at Maanshan also started during the year, and the plant construction for Phase I Factory at Bazhou, Hebei, was basically completed by the end of 2018. It is expected that the construction and commencement of production of the new plants will ease the pressure on production capacity caused by the rapid development of the Group’s business. The Group will also increase its overall production efficiency and lower the labor cost by introducing fully automated production lines to the new production bases. Apart from that, in the future, with the launch of new types of products, the new plants can also satisfy the demand for the Group to introduce the corresponding new types of production lines.

在產品方面，本集團於2018年進一步擴充產品類別。在現有主打產品火鍋調味料、中式複合調味料、方便速食三個大類的基礎上，本集團積極開發新的產品品類。在特有的「產品項目制」的激勵下，本集團於年內開發了16種新品，包含多種口味的小龍蝦調味料、多種自加熱小火鍋及即食醬等產品，均收穫了不俗的市場反饋。在向關聯方產品銷售方面，結合海底撈集團餐廳「千人千味」的個性化底料需求，本集團研發並供應了多款適合自動配鍋機使用的基礎版千人千味鍋底；同時，本集團持續研發並創新各式地方特色風味的鍋底，成功在海底撈集團餐廳推出了首款異域風情系列鍋底。未來本集團將會在此系列主題下推出更多口味。

在人員激勵方面，本集團於2018年積極創新符合自身特色的激勵機制，包含產品項目制及合夥人激勵機制，在這兩個機制的激勵之下，產品創新邊界的突破和渠道下沉管理的深化都獲得了不俗的成績。

於產能方面，根據市場需求及自身發展需要，本集團於2018年持續擴充產能。不僅於年初投產了位於中國安徽省馬鞍山的新工廠，還在年內啟動了安徽馬鞍山的二期新生產基地建設項目，並且於2018年底基本完成了位於河北省的霸州工廠一期的廠房建設。新工廠的陸續建設投產預計將會緩解本集團業務快速發展帶來的產能壓力。本集團還將通過在新生產基地內逐步引入全自動化生產線的，提升總體生產效率，降低人員成本。不僅如此，未來隨著新品類產品的推出，新工廠也可滿足本集團引入相應的新類型生產線的需求。

Management Discussion and Analysis

管理層討論與分析

BUSINESS REVIEW

Throughout the year of 2018, the national economy of China was reasonably on track, and being generally stable whilst developing continuously and progressing steadily. As the supply-side structural reform was further implemented, the trend of economic transformation and upgrading continued. Against the background of steady growth in the catering industry and retail sales, the growth trend of the condiment industry continued with optimism. For the year ended 31 December 2018, the Group recorded revenue of RMB2,681.4 million, representing a year-on-year increase of 62.9%; net profit amounted to RMB547.9 million, representing a year-on-year increase of 109.9%.

Sales Channels

The Group not only provides hot pot condiment products to the Haidilao Group, one of our related parties, it also acts as a solution provider of cooking flavorings for Chinese family cooking customers, catering service providers and food industry companies, while selling hot pot condiments, Chinese style compound condiments and convenient ready-to-eat food product through third party channels like distributors, e-commerce and catering clients.

In 2018, enhancing the sales capabilities of third-party retail channels remained one of the key strategies of the Group. In addition to the steady growth in the number of distributors and the further coverage of low-tier cities, the internal sales staff of the Group being “partners” were granted more direct incentives and sufficient authorization to adopt measures with innovative ideas that were consistent with local conditions in developing new channels and enhancing sales efficiency of individual points of sales such that sales efficiency of terminal points of sales was enhanced. Moreover, we strictly controlled inventories and adopted screening methods in the selection of distributors to manage the healthy expansion of channels.

During the year, the Group started to implement the “partnership” incentive system to replace the previous appraisal method of achieving sales target ratio. The result performance of each sales staff will be linked to the operating profit of the business unit managed by him/her, and they will be given sufficient authorization on the right and ways to use channel fees. With this strategy, the passion to work of sales staff was greatly encouraged, the growth in sales amount and utilization efficiency of fees were notably enhanced.

業務回顧

2018年全年，國民經濟運行保持在合理區間，總體平穩、穩中有進態勢持續顯現，隨著供給側結構性改革深入推進，經濟轉型升級態勢持續。在餐飲行業及零售穩步增長的大背景下，調味料行業增長趨勢持續向好。截至2018年12月31日止年度，本集團的收入達到人民幣2,681.4百萬元，同比增長62.9%；淨利潤達到人民幣547.9百萬元，同比增長109.9%。

銷售渠道

本集團不僅向關聯方海底撈集團提供火鍋調味料產品，亦為中國家庭烹飪客戶、餐飲服務供應商以及食品行業公司的烹飪調味料解決方案提供商，通過經銷商，電商、餐飲客戶等第三方渠道銷售火鍋調末料，中式複合味料和方便速食等產品。

2018年，提升第三方零售渠道銷售能力依然是本集團的策略重點之一。除了經銷商數量的穩定增長及覆蓋城市繼續下沉之外，本集團內部銷售人員作為「合夥人」獲得更加直接的激勵和充分授權，在開發新渠道和提升單個售點銷售效率上，以具有創新精神及符合當地情況的舉措，提升終端售點銷售效率。除此之外，我們通過對於庫存的嚴格把控，以及對經銷商擇優篩選等方式，管理渠道的健康擴張。

本年度，本集團開始推行「合夥人」激勵機制，取代了此前的銷售目標達成率考核方式，把每個銷售人員的業績提成轉變為與其負責業務單元的經營利潤掛鉤，並給與渠道費用使用權限和方式的充分授權。在此策略下，銷售人員工作熱情得到極大鼓勵，銷售額增速及費用使用效率也得到了明顯提升。

The convenient ready-to-eat food products launched by us in 2017 also expanded from online to offline channels during the first half of 2018. In addition to replenishing inventories through the increasingly mature existing condiment sales channels, we also focused on the convenient ready-to-eat characteristics of self-serving products to open new channels at convenience stores, highway service stations and new retail outlets which were not previously available for various condiments.

E-commerce channels remained one of the key focus points for development of the Group's business segments. In 2018, with continuous launches of new products and elimination of old products, the online flagship store acted as a major platform for pilot sales of new products, which was helpful for us to collect feedback from consumers and make timely adjustment to the positioning and ingredients of new products. Meanwhile, the self-operated flagship store, being an important brand dissemination and consumer experience platform, aimed to increase brand awareness among consumers and enhance brand reputation thus establishing the industry status of an online platform brand. In optimizing the shopping experience of consumers, the Group established not just a number of e-commerce logistic branch warehouses to enhance the timeliness of goods collection by consumers in various regions, but also conducted diversified tests on the scope of membership services at the self-operated flagship store to enhance the frequency of visits and satisfaction of consumers through innovation of gifts, eating trials of new products, redemption of reward points and other methods. For online marketing, the Group formulated targeted marketing campaigns based on different festivals and promotional events, sound performance was recorded during key promotional periods such as New Year Goods Festival, "Foodaholic Festival", November 11, Hot Pot Festival, etc. In 2018, according to the relevant data from Taobao.com and Tmall.com, the amounts of sales of self-serving small hot pots products and hot pot soup flavorings under the Haidilao brand were ranked top of that sub-category respectively. For the year ended 31 December 2018, the Group had 6 flagship stores on e-commerce platforms such as Tmall.com and JD.com. The Group's sales revenue from e-commerce channels in 2018 was RMB217.4 million, representing a year-on-year increase of 105.2%.

我們於2017年推出的方便速食產品，也於2018年上半年從線上拓展到線下渠道，除了利用日益成熟的已有調味料銷售渠道進行鋪貨外，我們還針對自加熱產品作為方便速食的特點，開闢了便利店、公路服務站、新零售等各類調味料之前並未進入的新渠道。

電商渠道持續作為本集團業務板塊發展重點之一。2018年，隨著本集團對產品持續推陳出新，線上旗艦店作為新品試銷的主要平台，有助於我們快速收集消費者反饋，並及時對新產品定位及配方進行調整。與此同時，自營旗艦店作為重要品牌傳播和消費者體驗平台，旨在增加消費者對品牌的認知度和美譽度，樹立線上平台品牌行業地位。在優化消費者購物體驗方面，本集團不僅設立了多個電商物流分倉，以提升各個區域消費者的收貨時效，還在自營旗艦店對會員服務範疇進行了多樣化嘗試，通過贈品創新、新品試吃、積分兌換等方式，提高消費者的進店頻次及滿意度。在線上營銷方面，本集團根據不同的節日及促銷節點，制定具有針對性的營銷方案，年貨節、吃貨節、雙十一、火鍋節等重點促銷期間均獲得不俗表現。2018年，淘寶和天貓的相關數據顯示，海底撈品牌的自熱小火鍋產品及火鍋底料銷售額表現均位於該子品類首位。截至2018年12月31日止年度，本集團在天貓、京東等電商平台擁有6家旗艦店。本集團2018年電商渠道的銷售收入為人民幣217.4百萬元，同比增長105.2%。

Management Discussion and Analysis

管理層討論與分析

Benefited from providing services to Haidilao Group and its associated companies over the years, the Group accumulated extensive experience in the catering service industry in China. The Group continued to provide customized and standard packaged catering products to third-party catering customers during the year. As at 31 December 2018, we had 94 customized catering customers. For sales of standard packaged catering products, the Group continued to focus on developing products in line with demand of the catering market, expanding the product portfolio for catering products and increasing the number of catering distributors, and promoting our brand and products through various forms of activities such as eating trials and exhibitions. For the year ended 31 December 2018, revenue from third-party customized catering clients reached RMB21.6 million, representing a year-on-year decrease of 7.8% as compared to 2017.

For sales to related parties (referring to the Haidilao Group and its associated companies), with the background of the steady growth in the catering industry and hot pot catering consumption market, the Haidilao Group recorded not only stable growth in same store revenue but also rapid growth in the number of stores in its store expansion for this year. For the year ended 31 December 2018, the Group's revenue of sales to related parties was RMB1,176.1 million, representing a year-on-year increase of 28.4% as compared to 2017.

Products

The strategy of product research and development for this year was changed due to the introduction of a number of sub-brands. On the basis of multi-brand strategy, the Group determined the positioning of products under each sub-brand in detail and started to break through the existing boundaries of product categories to develop more new product categories suitable for the market trend. Meanwhile, we had been improving the recipes and upgrading the packaging for existing core products continuously to further reinforce their market leading position.

受益於多年服務海底撈集團及其關聯公司，本集團積累了對中國餐飲服務行業的豐富經驗。本年度本集團持續為第三方餐飲客戶提供定制及標準化餐飲裝產品。截至2018年12月31日止，我們擁有定制餐飲客戶94家。在標準化餐飲裝產品銷售方面，本集團持續致力於開發符合餐飲市場需求的產品，擴充餐飲產品庫，並增加餐飲經銷商數量，並通過進行各類試吃及展會活動的形式推廣品牌及產品。截至2018年12月31日止年度，第三方定制餐飲客戶收入達人民幣21.6百萬元，較2017年全年同比下降7.8%。

在關聯方銷售方面(指向海底撈集團及其關聯公司)，在中國餐飲行業及火鍋餐飲消費市場穩步增長的背景，本年度海底撈集團在門店擴展方面不僅取得同店收入的穩定增長，更在門店數量擴張上錄得較快增速。截至2018年12月31日止年度，本集團向關聯方的銷售收入為人民幣1,176.1百萬元，較2017年同比增長28.4%。

產品

本年度產品研發策略因引入了多個子品牌而有所改變，在多品牌戰略基準下，本集團對每個子品牌所歸屬的產品定位進行明確細分，並開始打破固有品類邊界，開發更多符合市場趨勢的新品類。與此同時，我們對已有的核心產品進行不斷的配方改良和包裝升級，進一步穩固核心產品的市場領先地位。

In 2018, in order to fully consolidate internal and external resources, strongly develop products in line with customer and market needs, enhance development efficiency and the success rate of new products, and further activate the motivations of staff, the Group has introduced the project-based system for product innovation. Under this incentive system, the responsible person of the project will be the person who advocates the creative idea of the new product and possesses the capabilities of coordination and management. He will lead the team to complete the project throughout the whole process from inception to market launch. By relying on the Group's strong research and development platform and channels to support the development and sales of new products, the project team will receive the corresponding incentive rewards upon realization of profit after the product is launched on the market. The implementation of this strategy has enhanced the development efficiency of new products and the motivation of staff in market exploration.

For the portfolio of retail products, 3 new flavors of crawfish condiments launched in the first half of 2018 had received overwhelming market response. This product series not only grasped the seasonality and regional demand of crawfish products, but also effectively alleviated the changes in seasonal sales of retail hot pot soup products. During the year, the Group conducted the ingredients and packaging of tomato-flavored hot pot soup flavorings and hot pot dipping sauces of all flavors. Also, due to positive market feedback on tomato flavors, several tomato-flavored hot pot soup flavorings and Chinese-style compound condiments were developed during the year. In the convenient ready-to-eat category, the Group conducted many optimizations and upgrades on the packaging and condiments of all self-serving small hot pot products during the year, and developed many self-serving products in many new flavors and forms. Ready-to-eat sauce, being our brand new product category, went through many pilot sales through a number of online and offline channels. While the ingredients and packaging were upgraded according to feedback of consumers, we kept on conducting research and development actively for new flavors with special local tastes and creative elements.

2018年，為充分整合內外部資源，大力開發符合客戶及市場需求的產品，提升新產品開發效率和成功率，以及進一步調動員工積極性，本集團創新引入了產品項目制。在該管理機制下，項目負責人為提出新產品創意並具備統籌管理能力的員工，他們將帶領團隊完成該項目包括從立項到上市的整個流程。依靠本集團強大的研發平台和渠道支持進行新產品的開發和銷售，項目組在產品上市盈利後即可得到相應獎勵。該政策的實施提升了新產品開發效率和員工探索市場的積極性。

在零售產品組合方面，2018年上半年推出的3款小龍蝦調味料新口味獲得了市場的熱烈反響，此系列產品不僅適時的抓住了小龍蝦產品的季節性及區域性需求，也有效的緩解了火鍋底料零售產品的季節性銷售變動。本年度，本集團不僅對番茄口味火鍋底料以及所有口味的火鍋蘸料在配方和包裝上進行了升級，也因番茄口味的市場反饋良好，於年內開發了若干款以番茄口味為基底的火鍋底料及中式複合調味料；在方便速食類別中，本集團已於年內對所有自加熱小火鍋產品的包裝和配料進行了多次的優化和升級，並且開發了多個新口味及形式的自加熱產品。即食醬作為我們的全新品類產品，本年度已進入多個線上及線下渠道進行試銷，在不斷根據消費者反饋進行配方和包裝升級的同時，積極研發更多擁有獨特地方風味及創新元素的新口味。

Management Discussion and Analysis

管理層討論與分析

As at 31 December 2018, the Company had new additions of a total of 5 Chinese-style compound condiment products, 3 hot pot soup flavoring products, 5 self-serving small hot pot products, 3 ready-to-eat sauce products and 12 standardized catering pack products. As at 31 December 2018, the Company had a total of 52 hot pot condiment products, 19 Chinese-style compound condiment products (including 3 ready-to-eat sauce), 7 convenient ready-to-eat food products.

The table below sets forth the data on the Group's revenue, sales volume and average selling price by product categories and distribution channels for the periods as indicated:

截至2018年12月31日，本公司共新增了5款中式複合調味料產品，3款火鍋底料產品，5款自加熱小火鍋產品，3款即食醬產品及12款標準化餐飲裝產品。截至2018年12月31日，本公司共擁有52款火鍋調味料產品，19款中式複合調味料產品（包含3款即食醬），7款方便速食產品。

下表載列於所示期間本集團按產品類別及經銷渠道劃分的收入、銷量及平均售價數據：

		For the year ended 31 December 截至12月31日止年度					
		2018 2018年			2017 2017年		
		Revenue 收入 (RMB' 000) (人民幣千元)	Sales Volume (Tons) (噸)	Average Selling Price per Kg 每公斤 平均售價 (RMB) (人民幣元)	Revenue 收入 (RMB' 000) (人民幣千元)	Sales Volume (Tons) (噸)	Average Selling Price per Kg 每公斤 平均售價 (RMB) (人民幣元)
Hot pot condiment⁽¹⁾	火鍋調味料⁽¹⁾						
Third parties	第三方	812,277	28,153	28.9	523,845	19,955	26.3
Related parties	關聯方	1,143,243	43,772	26.1	871,563	31,914	27.3
Subtotal	小計	1,955,520	71,925	27.2	1,395,408	51,869	26.9
Chinese-style compound condiment⁽²⁾	中式複合調味料⁽²⁾						
Third parties	第三方	228,731	8,851	25.8	142,860	6,007	23.8
Related parties	關聯方	26,784	963	27.8	43,413	1,908	22.8
Subtotal	小計	255,515	9,814	26.0	186,273	7,915	23.5
Convenient ready-to-eat food products⁽³⁾	方便速食⁽³⁾						
Third parties	第三方	444,569	10,749	41.4	61,341	1,359	45.1
Related parties	關聯方	4,704	89	52.9	104	2	52.0
Subtotal	小計	449,273	10,838	41.5	61,445	1,361	45.1
Others⁽⁴⁾	其他⁽⁴⁾	21,065	2,985	7.1	3,095	872	3.5
Total	總計	2,681,373	95,562	28.1	1,646,221	62,017	26.3

Management Discussion and Analysis 管理層討論與分析

Notes:

- (1) Mainly including the sales of products in 2018 such as hot pot soup flavoring and hot pot dipping sauce
- (2) Mainly including the sales of products in 2018 such as Chinese-style compound condiment and ready-to-eat sauce
- (3) Mainly including the sales of products in 2018 such as self-serving small hot pot
- (4) Mainly including the sales of certain products in 2018 such as golden popcorn and snail rice noodle

The table below sets forth the revenue in absolute terms and the percentage in total revenue of the Company, by product categories, in the periods as indicated:

附註：

- (1) 主要包含2018年銷售的火鍋底料及火鍋蘸料各產品
- (2) 主要包含2018年銷售的中式複合調味料及即食醬產品
- (3) 主要包含2018年銷售的自加熱小火鍋等產品
- (4) 主要包括2018年銷售的若干產品，如黃金玉米豆、螺螄粉等

下表載列所示期間本集團按產品類別劃分的收入的絕對值及佔本公司收入的百分比：

For the year ended 31 December 截至12月31日止年度

		2018 2018年		2017 2017年	
		Revenue RMB' 000 收入 人民幣千元	% of revenue 佔收入 百分比	Revenue RMB' 000 收入 人民幣千元	% of revenue 佔收入 百分比
Revenue from hot pot condiment	火鍋調味料收入	1,955,520	72.9%	1,395,408	84.7%
Revenue from Chinese-style compound condiment	中式複合調味料收入	255,515	9.5%	186,273	11.3%
Revenue from convenient ready-to-eat food	方便速食產品收入	449,273	16.8%	61,445	3.7%
Other revenue	其它收入	21,065	0.8%	3,095	0.3%
Total revenue	總收入	2,681,373	100.0%	1,646,221	100.0%

For the year ended 31 December 2018, the three major product categories of the Group, including hot pot condiments, Chinese-style compound condiments and convenient ready-to-eat food products, realized faster growth when compared with the corresponding period in 2017. As at 31 December 2018, the Company had new additions of a total of 5 Chinese-style compound condiment products, 3 hot pot soup flavoring products, 5 self-serving small hot pot products, 3 ready-to-eat sauce products and 12 standardized catering pack products. As at 31 December 2018, the Company had a total of 52 hot pot condiments, 19 Chinese-style compound condiments (including 3 ready-to-eat sauce) and 7 convenient ready-to-eat food products.

截至2018年12月31日止年度，本集團的三類主要產品：火鍋調味料、中式複合調味料及方便速食，較2017年同期均呈現較快增長。截至2018年12月31日，本公司共新增了5款中式複合調味料產品，3款火鍋底料產品，5款自加熱小火鍋產品，3款即食醬產品及12款標準化餐飲裝產品。截至2018年12月31日，本公司共擁有52款火鍋調味料產品，19款中式複合調味料產品(包含3款即食醬)，及7款方便速食產品。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2018, the revenue of the Group increased by 62.9% from RMB1,646.2 million for the year ended 31 December 2017 to RMB2,681.4 million for the same period in 2018.

Revenue by product

		For the year ended 31 December 截至12月31日止年度			
		2018 2018年		2017 2017年	
		% of revenue from hot pot condiment		% of revenue from hot pot condiment	
		Revenue (RMB'000)	Revenue (RMB'000)	Revenue (RMB'000)	Revenue (RMB'000)
		收入 (人民幣千元)	佔火鍋調味料 收入百分比	收入 (人民幣千元)	佔火鍋調味料 收入百分比
Revenue from hot pot condiment	火鍋調味料收入				
Revenue from third parties	來自第三方收入	812,277	41.5%	523,845	37.5%
Revenue from related parties	來自關聯方收入	1,143,243	58.5%	871,563	62.5%
Total revenue from hot pot condiment	火鍋調味料產品總收入	1,955,520	100.0%	1,395,408	100.0%

Revenue from hot pot condiment products increased by 40.1% from RMB1,395.4 million for the year ended 31 December 2017 to RMB1,955.5 million for the same period in 2018, accounting for 72.9% of the revenue for the year ended 31 December 2018. Of these, revenue from sales of hot pot condiment products to related parties increased by 31.2%, while revenue from sales of hot pot condiment products to third parties increased by 55.1%. The increase in revenue from sales of hot pot condiment products to related parties was mainly due to the effects of steady growth in the same store revenue of Haidilao Group and an increase in the number of restaurants. With further refined management of third-party distributor channels by the Group in 2018, innovation of the incentive mechanism for internal sales staff, development of lower-tier sales regions, effective innovation of channel marketing, enhancement in efficiency of terminal points of sales, and the launching of new products, continuous rapid growth was recorded in third-party sales.

財務回顧

收入

於截至2018年12月31日止年度內，本集團的收入由截至2017年12月31日止年度的人民幣1,646.2百萬元增加62.9%至2018年年度的人民幣2,681.4百萬元。

按產品劃分的收入

For the year ended 31 December
截至12月31日止年度

火鍋調味料產品所得收入由截至2017年12月31日止年度的人民幣1,395.4百萬元增加40.1%至2018年同期的人民幣1,955.5百萬元，佔截至2018年12月31日止年度收入的72.9%。其中，向關聯方銷售火鍋調味料產品收入增長31.2%，向第三方銷售火鍋調味料產品收入增長55.1%。向關聯方銷售火鍋調味料產品收入增長主要受到海底撈集團同店業績穩定增長、餐廳門店數量增長等方面影響。隨著本集團在2018年對第三方經銷商渠道管理的進一步深化，內部銷售人員激勵機制的創新，銷售區域的下沉，渠道營銷的有效創新，以及終端售點銷售效率的提振，再加上新產品的推出，第三方銷售增速持續錄得較快速增長。

Management Discussion and Analysis 管理層討論與分析

For the year ended 31 December
截至12月31日止年度

		2018 2018年		2017 2017年	
		Revenue (RMB' 000) 收入 (人民幣千元)	% of Chinese- style compound condiment revenue 估中式複合 調味料收入 百分比	Revenue (RMB' 000) 收入 (人民幣千元)	% of Chinese- style compound condiment revenue 估中式複合 調味料收入 百分比
Revenue from Chinese-style compound condiment	中式複合調味料收入				
Revenue from third parties	來自第三方收入	228,731	89.5%	142,860	76.7%
Revenue from related parties	來自關聯方收入	26,784	10.5%	43,413	23.3%
Total revenue from Chinese-style compound condiment	中式複合調味料總收入	255,515	100.0%	186,272	100.0%

Revenue from Chinese-style compound condiments increased by 37.2% from RMB186.3 million for the year ended 31 December 2017 to RMB255.5 million for the same period in 2018, accounting for 9.5% of the revenue for the year ended 31 December 2018. Of these, revenue from sales of Chinese-style compound condiment products to related parties decreased by 38.3%, while revenue from sales of Chinese-style compound condiment products to third parties increased by 60.1%. In respect of sales to related parties, the Group supplied products and services to certain catering customers in the Shuhai (Beijing) Supply Chain Management Co., Ltd. on continuous basis. During the year, the Group continued to develop and improve existing individual products with strong performance in the third-party business of Chinese-style compound condiment products, researching and developing new products to satisfy the trend of market tastes, and coordinating various types of marketing activities with consistent product characteristics and market positioning, so that product innovative properties were maintained while continuous growth in sales amount was recorded.

中式複合調味料所得收入由截至2017年12月31日止年度的人民幣186.3百萬元增加37.2%至2018年度的人民幣255.5百萬元，佔截至2018年12月31日止年度收入的9.5%。其中，向關聯方銷售中式複合調味料收入下降38.3%，向第三方銷售中式複合調味料收入增長60.1%。在關聯方銷售方面，本集團持續和蜀海(北京)供應鏈管理有限責任公司的部分餐飲客戶提供產品和服務。本年度集團在第三方中式複合調味料業務方面，繼續持續改良現有強勢單品，研發符合市場口味趨勢的新產品，並結合各類符合產品特點及市場定位的營銷活動，在保持產品創新性的同時錄得持續銷售額增長。

Management Discussion and Analysis

管理層討論與分析

		Twelve months ended 31 December 截至12月31日止年度			
		2018 2018年		2017 2017年	
		% of revenue from convenient ready-to-eat food		% of revenue from convenient ready-to-eat food	
		Revenue (RMB' 000) 收入 (人民幣千元)	佔方便 速食收入 百分比	Revenue (RMB' 000) 收入 (人民幣千元)	佔方便 速食收入 百分比
Revenue from convenient ready-to-eat food	方便速食產品收入				
Revenue from third parties	來自第三方收入	444,569	99.0%	61,341	99.8%
Revenue from related parties	來自關聯方收入	4,704	1.0%	104	0.2%
Total revenue from convenient ready-to-eat food	方便速食產品總收入	449,273	100.0%	61,445	100.0%

For the year ended 31 December 2018, the Group continued to upgrade the formula and optimize the flavoring of self-serving small hot pot products, and a number of new self-serving products in different flavorings and forms were launched in 2018. Benefited from the fast expansion of distributors' offline channels and new channels such as convenience stores and retail, along with featured promotional activities and sales promotion plans during holiday seasons, revenue from convenient ready-to-eat food products, primarily consisting of self-serving small hot pot products, increased substantially as a result. Revenue from convenient ready-to-eat food products increased by 631.2% from RMB61.4 million for the year ended 31 December 2017 to RMB449.3 million for the same period in 2018, accounting for 16.8% of revenue for the year ended 31 December 2018.

截至2018年12月31日止年度，本集團持續對自加熱小火鍋產品進行配方升級和口味優化，並於2018年推出了多款不同口味及形式的自加熱產品，得益於經銷商線下渠道以及例如便利店、新零售等新渠道的快速擴展，並配合具有特色的推廣活動和節日促銷計劃，使自加熱小火鍋為主要產品的方便速食類產品收入獲得了喜人增速。方便速食產品所得收入由截至2017年12月31日止年度的人民幣61.4百萬元增加631.2%至2018年年度的人民幣449.3百萬元。佔截至2018年12月31日止年度收入的16.8%。

Revenue by distribution network

按經銷網絡劃分的收入

For the year ended 31 December
截至12月31日止年度

		2018 2018年		2017 2017年	
		Revenue (RMB' 000) 收入 (人民幣千元)	% of total revenue 佔總收入 百分比	Revenue (RMB' 000) 收入 (人民幣千元)	% of total revenue 佔總收入 百分比
Related party customers	關聯方客戶				
Haidilao Group and its affiliates	海底撈集團及其聯屬公司	1,176,095	43.9%	915,911	55.6%
Third party customers	第三方客戶				
Distributors	經銷商	1,263,248	47.1%	587,076	35.7%
E-commerce	電商	217,398	8.1%	105,942	6.4%
Others	其他				
Third party catering enterprises	第三方餐飲企業	21,597	0.8%	23,434	1.4%
One-off sales activities	一次性銷售活動	3,035	0.1%	13,858	0.9%
Total revenue	總收入	2,681,373	100.0%	1,646,221	100.0%

With continuous stable growth and consumption upgrade in the hot pot catering industry in China, the sales amount of Haidilao catering business of the Company continued to record a stable growth in 2018. Benefited from rapid growth in the number of Haidilao Group restaurants, the Group recorded sales revenue of RMB1,176.1 million in the sales to related parties (mainly referring to sales to the Haidilao Group) for the year ended 31 December 2018, representing a year-on-year increase of 28.4%.

隨著中國火鍋餐飲行業的穩定增長和消費升級的持續，本公司向海底撈集團的銷售額在2018年持續錄得穩定增長。得益於海底撈集團餐廳門店數量的快速增長，本集團截至2018年12月31日止年度向關聯方（主要指向海底撈集團銷售）銷售的銷售收入為人民幣1,176.1百萬元，同比增長28.4%。

Management Discussion and Analysis

管理層討論與分析

For sales to third parties, the Group continued to implement the existing distributor network, effective incentive mechanism and distributor management system to enhance the sales capability of terminal points of sales. Innovative channels were created in line with the positioning of new products to further expand the scope of coverage by points of sales. In e-commerce, while advantages of the flagship store continued to take effect, self-operated strong online platforms such as Tmall.com and JD.com were also relied upon to maintain rapid growth in sales amount. For the year ended 31 December 2018, sales revenue derived from sales generated by distributor channels amounted to RMB1,263.2 million, representing a year-on-year increase of 115.2%. Sales revenue from e-commerce channels amounted to RMB217.4 million, representing a year-on-year increase of 105.2%. Sales revenue from third party catering enterprises amounted to RMB21.6 million, representing a decrease of 7.8% as compared to the same period in 2017.

Revenue by geographic region

The table below sets forth the revenue by geographic regions of the Company for the periods as indicated:

在第三方銷售方面，本集團持續夯實已有經銷商網絡，以行之有效的激勵機制和經銷商管理制度，持續提振終端售點的銷售能力。結合新品類產品的定位開闢創新渠道，進一步擴展售點覆蓋水平。在電商方面，持續發揮旗艦店優勢的同時，借助天貓超市及京東自營等線上強勢平台，銷售額維持高速增長。截至2018年12月31日止年度向經銷商銷售的銷售收入為人民幣1,263.2百萬元，同比增長115.2%；電商渠道的銷售收入為人民幣217.4百萬元，同比增長105.2%；第三方餐飲企業銷售收入人民幣21.6百萬元，較2017年同期下降7.8%。

按地域劃分的收入

下表列示了本公司於所示期間以地域劃分的收入：

		For the year ended 31 December 截至12月31日止年度			
		2018 2018年		2017 2017年	
		(RMB'000) 收入 (人民幣千元)	% of total revenue 佔收入 百分比	(RMB'000) 收入 (人民幣千元)	% of total revenue 佔收入 百分比
North China ⁽⁵⁾	華北 ⁽⁵⁾	1,339,493	50.0%	874,665	53.2%
South China ⁽⁶⁾	華南 ⁽⁶⁾	1,255,998	46.8%	715,674	43.4%
Overseas markets	海外市場	85,882	3.2%	55,882	3.4%
Total	合計	2,681,373	100.0%	1,646,221	100.0%

Management Discussion and Analysis 管理層討論與分析

Notes:

- (5) Including Heilongjiang, Jilin, Liaoning, Inner Mongolia, Beijing, Tianjin, Hebei, Shandong, Shanxi, Henan, Ningxia, Shaanxi, Gansu, Qinghai, Xinjiang and Tibet.
- (6) Including Jiangsu, Shanghai, Zhejiang, Anhui, Jiangxi, Fujian, Hubei, Hunan, Guangdong, Chongqing, Guizhou, Guangxi, Sichuan, Yunnan and Hainan.

附註：

- (5) 包括黑龍江、吉林、遼寧、內蒙古、北京、天津、河北、山東、山西、河南、寧夏、陝西、甘肅、青海、新疆及西藏。
- (6) 包括江蘇、上海、浙江、安徽、江西、福建、湖北、湖南、廣東、重慶、貴州、廣西、四川、雲南及海南。

Cost of sales

The Group's cost of sales, including raw materials, employee benefit expenses, depreciation and amortization and utilities, increased by 58.8% from RMB1,034.4 million for the year ended 31 December 2017 to RMB1,642.5 million for the same period in 2018.

銷售成本

本集團的銷售成本(包括原材料、僱員福利開支、折舊及攤銷及公用事業)由截至2017年12月31日止年度的人民幣1,034.4百萬元增加58.8%至2018年同期的人民幣1,642.5百萬元。

Gross profit and gross profit margin

毛利及毛利率

For the year ended 31 December
截至12月31日止年度

		2018 2018年		2017 2017年	
		Gross profit		Gross profit	
		Gross profit	margin	Gross profit	margin
		毛利	毛利率	毛利	毛利率
		RMB' 000	%	RMB' 000	%
		人民幣千元	%	人民幣千元	%
Hot pot condiments	火鍋調味料	768,809	39.3%	509,075	36.5%
Third parties	第三方	455,567	56.1%	265,859	50.8%
Related parties	關聯方	313,242	27.4%	243,216	27.9%
Chinese-style compound condiment	中式複合調味料	125,423	49.1%	79,157	42.5%
Third parties	第三方	117,592	51.4%	66,649	46.7%
Related parties	關聯方	7,831	29.2%	12,508	28.8%
Convenient ready-to-eat food	方便速食	138,715	30.9%	21,260	34.6%
Third parties	第三方	136,927	30.8%	21,217	34.6%
Related parties	關聯方	1,788	38.0%	43	41.6%
Others	其它	5,950	28.2%	2,314	74.7%
Total	總計	1,038,897	38.7%	611,806	37.2%

Management Discussion and Analysis

管理層討論與分析

The Group's gross profit increased by 69.8% from RMB611.8 million for the year ended 31 December 2017 to RMB1,038.9 million for the same period of 2018, while the gross profit margin increased from 37.2% for the year ended 31 December 2017 to 38.7% for the same period of 2018. The increase in gross profit margin was mainly due to two main reasons: firstly the percentage of sales from third parties with higher gross profit margin increased significantly compared to the same period of 2017; secondly, cost of production was reduced due to lower raw material price, higher production volume and optimization of production process.

Distribution expenses

The Group's distribution expenses increased by 46.7% from RMB164.6 million for the year ended 31 December 2017 to RMB241.5 million for the year of 2018. The Group's distribution expenses as a percentage of the Group's revenue decreased from 10.0% for 2017 to 9.0% for the same period of 2018. The increase in distribution expenses was mainly due to the increase in operating expenses brought by the development of the Group's business and further deepening in channel construction and terminal promotions.

Administrative expenses

The Group's administrative expenses increased by 113.4% from RMB76.4 million for the year ended 31 December 2017 to RMB163.2 million for the same period of 2018. The Group's administrative expenses as a percentage of the Group's revenue increased from 4.6% for 2017 to 6.1% for 2018. The increase in administrative expenses was mainly due to the following reasons: the company approved and granted 1,510,000 RSUs pursuant to the RSU Scheme on 9 December 2018, and such RSUs have been vested in the current period; the preparation of Bazhou factory and the formal commencement of operations of 2 factories in Maanshan.

Other income and gains

The net amount of Group's other income and gains increased by 29.1% from RMB43.7 million for the year ended 31 December 2017 to RMB56.5 million for the same period of 2018, mainly due to government subsidies received by the Group.

本集團的毛利潤由截至2017年12月31日止全年的人民幣611.8百萬元增加69.8%至2018年年度的人幣1,038.9百萬元，而毛利率由截至2017年12月31日止年度的37.2%上升至2018年同期的38.7%。毛利率有上升的原因主要是，第一，毛利率較高的第三方銷售收入佔總收入比例與2017年同期有明顯提升；第二，在原材料價格下降，產量提高和生產流程優化等因素的影響下，生產成本亦有所降低

經銷開支

本集團的經銷開支由截至2017年12月31日止全年的人民幣164.6百萬元增加46.7%至2018年的人幣241.5百萬元。本集團的經銷開支佔本集團收入的百分比由2017年的10.0%降低至2018年的9.0%。經銷開支增加主要原因是隨著集團業務的發展，渠道建設、終端推廣加強深化，帶來經營開支的增加。

行政開支

本集團的行政開支由截至2017年12月31日止全年的人民幣76.4百萬元增加113.4%至2018年年度的人幣163.2百萬元。本集團行政開支佔本集團收入的百分比由2017年的4.6%增加至2018年的6.1%，行政開支增加主要歸於以下原因：第一，本公司於2018年12月9日根據受限制股份單位計劃批准授予151萬份受限制股份單位，並於當期歸屬；第二，霸州工廠籌備及馬鞍山兩家工廠正式開業運營。

其他收入及收益

本集團的其他收入及收益淨額由截至2017年12月31日止年度的人幣43.7百萬元增加29.1%至2018年度的人幣56.5百萬元，主要是由於本集團收到的政府補貼所致。

Finance income - net

The Group's net amount of finance income recorded a net loss of RMB45.4 million for the year ended 31 December 2017, and for the same period of 2018 the Group recorded a net gain of RMB39.8 million, which was mainly due to the exchange gains arising from the appreciation of Hong Kong dollar and US dollar.

Profit before tax

As a result of the foregoing, the Group's profit before income tax increased by 97.9% from RMB369.1 million for the year ended 31 December 2017 to RMB730.5 million for the same period of 2018.

Income tax expense

The Group's income tax expense increased by 69.1% from RMB108.0 million for the year ended 31 December 2017 to RMB182.6 million for the same period of 2018. The effective tax rate decreased from 29.3% for 2017 to 25.0% for the year of 2018, mainly due to the exchange losses arising from the depreciation of Hong Kong dollar and US dollar in the same period of 2017 which could not be deducted before tax.

Net profit for the year

As a result of the foregoing, net profit of the Group increased by 109.9% from RMB261.1 million for the year ended 31 December 2017 to RMB547.9 million for 2018. Basic earnings per share increased from RMB0.269 for 2017 to RMB0.534 for the same period of 2018, and net profit margin increased from 15.9% for the same period of 2017 to 20.4% for 2018.

Capital liquidity and financial resources

For the year ended 31 December 2018, the Group's operations were mainly funded by cash generated from operating activities. The Group intended to apply internal resources, through organic and sustainable development, to provide financing funds for its expansion and business operations.

融資收益－淨額

本集團的融資收入淨額由截至2017年12月31日止年度的人民幣45.4百萬元融資虧損，至2018年度的人民幣39.8百萬元的融資收益，主要是由於港幣和美元升值產生的匯兌收益所致。

除稅前利潤

由於上文所述內容，本集團的除所得稅前利潤由截至2017年12月31日止年度的人民幣369.1百萬元增加97.9%至2018年度的人民幣730.5百萬元。

所得稅開支

本集團的所得稅開支由截至2017年12月31日止年度的人民幣108.0百萬元增加69.1%至2018年度的人民幣182.6百萬元。有效稅率由2017年的29.3%減少至2018年的25.0%，主要是由於2017年同期港幣貶值的匯兌損失不能稅前列支所致。

年內淨利潤

由於上文所述內容，本集團淨利潤由截至2017年12月31日止年度的人民幣261.1百萬元增加109.9%至2018年的人民幣547.9百萬元。每股基本盈利由2017年年度的人民幣0.269元增加至2018年度的人民幣0.534元。而淨利率由截至2017年年度的15.9%增加至2018年度的20.4%。

資金流動性及財政資源

截至2018年12月31日止年度，本集團主要通過經營所得現金為營運提供資金。本集團擬動用內部資源、通過自然且可持續發展為其擴展及業務營運提供資金。

Management Discussion and Analysis

管理層討論與分析

Cash and cash equivalents

As at 31 December 2018, the Group's cash and cash equivalents mainly comprised Renminbi, Hong Kong dollars and US dollars. The amount of cash and cash equivalents was approximately RMB1,179.9 million (31 December 2017: RMB1,130.2 million).

Asset-liability ratio

As at 31 December 2018, the asset-liability ratio⁽⁷⁾ of the Group was 17.2% (31 December 2017: 16.7%). The increase was mainly due to an increase in trade payables, contract liabilities and other tax payables. The Group did not have any bank borrowings.

Note:

(7) The asset-liability ratio is calculated by dividing total liabilities by total assets as at the end of the financial period.

Inventories

The Group's inventories consist primarily of raw materials, work-in-progress and finished goods. As at 31 December 2018, the Group had inventories of approximately RMB275.8 million (31 December 2017: RMB147.6 million). The turnover days of inventories decreased from 49.1 days for the year ended 31 December 2017 to 46.4 days for the year ended 31 December 2018. The decrease in the turnover days of inventories was mainly due to the fact that the Group increased its control over the efficiency of inventories in 2018.

Trade receivables

Trade receivables represent amounts due from customers in respect of sales of goods in the ordinary course of business. As at 31 December 2018, we had trade receivables of approximately RMB206.9 million (31 December 2017: RMB131.5 million). The change was mainly due to an increase in sales by the Group to related parties and certain third parties (such as e-commerce platforms) during 2018. The turnover days of trade receivables increased slightly from 22.0 days for the year ended 31 December 2017 to 22.7 days for the year ended 31 December 2018.

現金及現金等價物

截至2018年12月31日止，本集團的現金及現金等價物主要是由人民幣，港元和美金組成，現金及現金等價物約為人民幣1,179.9百萬元(2017年12月31日：人民幣1,130.2百萬元)。

資產負債比率

截至2018年12月31日止，本集團的資產負債比率⁽⁷⁾為17.2%(2017年12月31日：16.7%)，上升的主要原因是貿易應付款、預收客戶款項及應付稅項上升所致。本集團並無任何銀行借款。

附註：

(7) 資產負債比率按財政期末的總負債除以總資產計算。

存貨

存貨主要包括原材料、在產品與產成品。截至2018年12月31日止存貨約為人民幣275.8百萬元(2017年12月31日：人民幣147.6百萬元)，存貨周轉天數從截至2017年12月31日止年度的49.1天下降到截至2018年12月31日止年度的46.4天。存貨周轉天數得以減少的主要原因是本集團在2018年對庫存效率的把控得以提升。

貿易應收賬款

貿易應收賬款為日常業務過程中就銷售的商品而應收客戶的款項。截至2018年12月31日止貿易應收賬款約為人民幣206.9百萬元(2017年12月31日：人民幣131.5百萬元)，變動的主要原因是2018年本集團與關聯方及部分第三方(如電商平台)銷售額增加所致。貿易應收賬款周轉天數從截至2017年12月31日止年度的22.0天略微上升到截至2018年12月31日止年度的22.7天。

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. As at 31 December 2018, we had trade payables of approximately RMB188.7 million (31 December 2017: RMB136.6 million), which was due to the effects of low and peak seasons for production and sales and the seasonal procurement cycle. The turnover days of trade payables decreased from 37.0 days for the year ended 31 December 2017 to 35.6 days for the year ended 31 December 2018.

Contingent liabilities

As at 31 December 2018, the Company did not have any contingent liabilities.

Charge of assets

As at 31 December 2018, the Company did not charge any fixed assets as securities for borrowings.

Borrowings

As at 31 December 2018, the Company did not have any bank borrowings.

Debt-to-equity ratio

As at 31 December 2018, the debt-to-equity ratio⁽⁸⁾ of the Company was zero.

Note

(8): Debt-to-equity ratio is calculated by dividing total debt by total equity. Total debt is defined as including interest-bearing liabilities which are not incurred during the routine process of business.

貿易應付賬款

貿易應付賬款為日常業務過程中向供應商購買商品或服務而應支付的款項。受產銷淡旺季及季節性採購週期的影響，截至2018年12月31日止貿易應付賬款約為人民幣188.7百萬元(2017年12月31日：人民幣136.6百萬元)。貿易應付賬款周轉天數從截至2017年12月31日止年度的37.0天減少到截至2018年12月31日止年度的35.6天。

或然負債

截至2018年12月31日止，本公司並無任何或然負債。

資產押記

截至2018年12月31日止，本公司並無抵押任何固定資產作為借款擔保。

借貸

截至2018年12月31日止，本公司並無任何銀行借款。

資本負債比率

截至2018年12月31日止，本公司的資本負債比率⁽⁸⁾為零。

附註

(8)：資本負債比率按總債務除以總權益計算。總債務界定為包括並非於日常業務過程中產生的計息負債。

Management Discussion and Analysis

管理層討論與分析

Foreign exchange risk and hedging

The Group mainly operates in the PRC with most of the transactions denominated and settled in RMB. However, the Group has certain cash in hand denominated in Hong Kong dollars and United States dollars, and is so exposed to foreign exchange risk. The Group has not hedged against its foreign exchange risk. However, the Group will closely monitor the exposure and will take specific measures when necessary to make sure the foreign exchange risks are within a manageable range.

Employees and remuneration policy

As at 31 December 2018, the Group had a total of 1,976 employees (including temporary workers), comprising of 1,531 employees in production, 346 employees in marketing and 99 employees in administration and management functions, respectively.

For the year ended 31 December 2018, the total staff costs (including salaries, wages, allowance, benefits and costs of equity incentive plan) incurred by the Group amounted to RMB308.2 million.

The Group follows closely the demand of business development and continuously improves its incentive system, and implements competitive remuneration policy.

Material acquisitions and disposals

For the year ended 31 December 2018, the Group had no material acquisitions nor any disposals of subsidiaries, associate and joint ventures.

匯率波動風險及相關對沖

本集團主要在中國經營，大部分交易乃以人民幣列值及結算。然而，本集團持有若干以港元及美元列值的現金，面臨外匯匯兌風險。本集團並無對沖外匯風險。然而，本集團將密切監控有關情況並於必要時採取一定措施，確保外匯風險處於可控範圍。

僱員及薪酬政策

截至2018年12月31日止，本集團員工總人數為1,976人(含臨時工)，其中包括了生產體系員工1,531人，營銷體系員工346人，行政和管理相關職能體系員工99人。

截至2018年12月31日止年度，本集團的總員工成本為人民幣308.2百萬元，包括薪金、工資、津貼、福利以及股票激勵計劃成本。

本集團緊貼業務發展需求，不斷優化激勵體系，實施具有競爭力的薪酬政策。

重大收購及出售事項

截至2018年12月31日止年度，本集團暫無附屬公司、聯營公司及合營企業的重大收購及出售情況。

FUTURE PROSPECTS

Industry and Business Outlook

In 2019, it is expected that China's economy will make steady growth while facing challenges. The National Bureau of Statistics predicts that the economy will still operate within a reasonable range and economic fundamentals will remain positive in the long run.

In terms of product development, the Group defined its multi-branding strategy for the first time during the year. A number of sub-brands were created to have a more refined breakdown of scenarios and product categories, and the thematic slogan "Easy & Tasty" was adopted when building products, brands and corporate image. Through structural innovation of products, the business boundaries were further widened. New products were launched and old products were eliminated on an ongoing basis for the product categories of hot pot condiments, Chinese-style compound condiments, and convenient ready-to-eat products. While reinforcing the market position of existing individual products with strong trends, the Group's research and development and market exploration capabilities were also utilized to enrich the matrix of product portfolio. In developing new products, we will continue to adopt the "project-based system" as incentive strategy. Special and unique local recipes and foreign flavors will be used as a guidance for introducing differentiated products continuously. A strict product delisting system will also be adopted to adjust the product portfolio in a timely manner, for cultivating large individual products and eliminating non-performing products, so as to enhance comprehensive product competitiveness.

In terms of channel development, the Group will continue optimizing lower-tier sales channels, strengthening sales capabilities of sale points and developing wholly new channel models through internal organic growth and outward extension development in order to increase the market share and industrial position of the Group continuously. Meanwhile, staff incentive policies will be further optimized and improved to encourage internal sales staff and external distributors, and increase the coverage density by points of sales and sales efficiency of individual locations. For e-commerce platforms, through addition of AI customer service robots and strengthening further cooperation with third-party logistics customer service experience will be optimized and customer service staff will be streamlined to enhance the departmental operational efficiency. In terms of third-party catering channels, by enhancing service standards and introducing more standardized product distributors, sales volume may be expanded rapidly.

未來前景

行業及業務展望

2019年，我國經濟危中有機、穩中趨進，國家統計局預計經濟運行仍將處於合理區間，經濟長期向好的基本面沒有改變。

在產品開發方面，本集團本年度首次明確了多品牌發展戰略，以多個子品牌細分應用場景及產品類別，並將以「讓美味變輕鬆」為主題標語打造產品、品牌及企業形象。通過產品的結構化創新，進一步拓寬業務邊界，圍繞火鍋調味料、中式複合調味料、方便速食等品類持續推陳出新，在穩固現有強勢單品市場地位的同時，發揮本集團研發及探尋市場的能力，豐富產品矩陣。在新品開發上，我們也將繼續運用「產品項目制」激勵策略，以獨特地方風味和異域風情為方向，持續引入差異化新品。也將配合嚴格的產品下市制度，及時調整產品組合，培育大單品，淘汰表現不佳的產品，提升產品的綜合競爭力。

在渠道建設方面，本集團將繼續通過內生增長和外延發展的方式積極優化並下沉銷售渠道、加強終端銷售能力、開拓全新渠道模式，以持續提升本集團的市場佔有率和行業地位。與此同時，將繼續優化和改進人員激勵政策，切實鼓勵內部銷售人員以及外部經銷商，提高售點覆蓋密度及單點銷售效率。在電商平台方面，將通過增加人工智能客服機器人和加強與第三方物流的深度合作，優化客戶服務體驗，精簡客服人員，提升部門的運營效率。在第三方餐飲渠道方面，通過提高服務水平及引入更多標準化產品經銷商的方式迅速擴大銷量。

Management Discussion and Analysis

管理層討論與分析

In terms of marketing, the Group will continue to pursue active online and offline promotions. By considering the product features of each sub-brand and combining with the “partnership” incentive system, and through innovative marketing approaches at various sales terminals, such as measures to show affection to the owners of sale points, which have effectively and practically improved the impression and passion that the sales terminals have on our brands, and so the sales efficiency is enhanced. The Group will continue to deepen the cooperation with distributors, in order to explore more channel space and more diversified categories of points of sales.

For overseas business, the Group will start planning the expansion of overseas business, expecting to establish several overseas companies during 2019 and gradually transfer some foreign trade products to overseas factories for production or processing to reduce production and transportation costs, as well as for making regional adjustments to flavors of our product, and in line with the objective to research and develop local products.

In terms of supply chains, we will introduce two fully automatic production lines for the first time in the newly constructed factory at Bazhou. In the next few years, several factories will be built and commenced for operation. We expect to continue investing in refining our production as well as research and development of automatic equipment.

Material Investments and Prospects

In order to ease the pressure from continuously increasing production capacity utilization rate, the Group mainly adopted the following measures in 2018:

Firstly, the factory construction for new plants located in Bazhou, Hebei province, China was basically completed. The factory plant of Phase I in the Bazhou project was basically completed in 2018. As at the first quarter of 2019, the project is still in the equipment installation and commissioning stage. It is expected that the south workshop and north workshop included in Phase I of the Bazhou factory project will commence mass production in May and September of 2019, respectively. More than 70,000 tonnes of production capacity is expected to be provided, including the special production line for developing soup flavorings for the “Thousand People Thousand Flavors” series of Haidilao Group restaurants and the production line for retail products of hot pot soup flavorings. The project is located at the central area of Northern China, which will be helpful to the Group in controlling and managing logistic costs and the pressure on production capacity during peak seasons.

在終端營銷方面，本集團將持續進行積極的線上及線下推廣，根據各個子品牌的產品特點，並結合「合夥人」激勵機制，通過各類終端創新營銷方式，例如售點老闆親情化等舉措，切實有效地影響終端對於我們產品和品牌的好感度和銷售熱情，有效提升銷售效率。本集團將持續深化與經銷商的合作關係，以挖掘更多渠道空間及更加多樣化的售點類型。

在海外業務方面，本集團將啟動海外業務擴展規劃，預計將於本年度設立多個海外公司，並逐漸把部分外貿產品轉為海外工廠生產加工，減少生產和運輸成本的同時，有助於產品口味的區域化調整及符合當地產品的研發。

在供應鏈方面，我們將在新建成的霸州工廠中首次引入兩條全自動化生產線，未來幾年，我們也將有多個工廠陸續建成投產。預計我們將持續在精益生產和自動化設備研發上進行投入。

重大投資的情況與前景

為舒緩日益增長的產能利用率的壓力，本集團在2018年主要採取了以下措施：

其一：基本完成位於中國河北省霸州的新工廠廠房建設項目。霸州一期工程廠房於2018年基本竣工，截至2019年一季度，該項目仍處於設備安裝調試階段，預計霸州工廠一期工程包含的南車間和北車間將分別於2019年5月及9月投入量產。預期將帶來超過7萬噸產能，將包含配合海底撈集團餐廳「千人千味」底料產品開發的專用生產線以及火鍋底料零售產品生產線。該項目位於華北中心地區，將有助於本集團更好地把控和管理物流成本和旺季產能壓力。

Secondly, a contract was entered into for the new construction of Phase II Maanshan condiment production base located in Anhui province, China. The Group entered into a land acquisition agreement with the local government of Maanshan in Anhui province in August 2018, the project is expected to be completed and will commence production in 2021 to provide an addition of approximately 200,000 tonnes of production capacity. The factory will be equipped with condiment production equipment and quality monitoring devices at advanced technological level in terms of local and overseas standards to enhance the overall production line efficiency of the Company.

Future Plans for Material Investments

The Group will continue to extensively identify potential strategic investment opportunities and seek to acquire potential high-quality target businesses that create synergies for the Group in relation to aspects including product research and development, product portfolio, channel expansion or cost control.

其二：新簽訂的位於中國安徽省的馬鞍山調味料生產基地二期項目的建設。本集團於2018年8月於安徽馬鞍山與當地政府簽訂了土地購買協議，預計此項目2021年可建成投產，並將貢獻約20萬噸的新增產能。該工廠將配備具有國內外先進工藝技術水平的調味料生產設備及質量檢測儀器等，以提升公司整體生產線效率。

未來重大投資計劃

本集團將繼續廣泛尋找潛在的策略性投資機會，持續尋求可為集團在產品研發、產品組合、渠道擴張抑或成本控制等方面，帶來協同效應的潛在優質標的。

Profiles of Directors and Senior Management

董事及高級管理層簡介

EXECUTIVE DIRECTORS

Mr. Shi Yonghong (施永宏), aged 49, was re-designated as an executive Director of the Company and appointed as the Chief Executive Officer of the Company, respectively, on 9 December 2018. Mr. Shi is one of the founders of the Haidilao Group and has over 20 years of food industry and management experience within the Haidilao Group. He was appointed as a non-executive Director of the Company on 7 March 2016 (appointed as the Chairman of the Company on 14 November 2017), and has been a Director since December 2015, primarily responsible for participating in making major decisions for the Company. Mr. Shi has held various positions at Sichuan Haidilao since April 1994. Mr. Shi was the vice general manager at Sichuan Haidilao between April 1994 and March 2001, before assuming the role of supervisor at Sichuan Haidilao between April 2001 and June 2009. Since July 2009, Mr. Shi has been a director at Sichuan Haidilao. Mr. Shi also serves as an executive director of associates of the Company's Controlling Shareholders. He is currently an executive director of Haidilao International Holding Ltd. (stock code: 6862). Mr. Shi completed his study in mechanics at Sichuan Kongfen Group Technical School (四川空分技工學校) in June 1988.

Ms. Dang Chunxiang (黨春香), aged 46, was appointed as the Vice President of the Company on 9 December 2018. She has been a Director since December 2015 and is primarily responsible for the overall management of the Company, implementation of the decisions of the Board. Ms. Dang has been the general manager of Yihai Shanghai since December 2015, and was appointed as an executive Director, the chief executive officer and general manager of the Company on 7 March 2016. Prior to this, Ms. Dang worked as a sales manager of Kebao Boloni Home Furnishing Co. Ltd. (科寶博洛尼家居有限公司) from August 1998 to April 2002. From May 2002 to September 2008, she joined Beijing Yuanzhou Decoration Co., Ltd. (北京元洲裝飾有限公司) as a manager of the kitchen cabinet department and was later promoted to director of the home furnishing management department. Ms. Dang was the vice general manager of Huawei Leren (Beijing) Trading Co., Ltd. (華威樂仁(北京)貿易有限公司), a company engaging in construction materials trading from January 2009 to November 2010. Ms. Dang then joined Sichuan Haidilao and served as the head of the operations department from January 2011 to December 2014. Ms. Dang served as the head of the operations department and a standing deputy general manager of Yihai Shanghai from December 2014 to January 2015 and from January 2015 to December 2015, respectively. Ms. Dang completed her graduate study in business administration at Renmin University of China (中國人民大學) in May 2010, and completed EMBA professional programme at Guanghua School of Management in July 2017.

執行董事

施永宏先生，49歲，於2018年12月9日分別獲調任為本公司執行董事及獲委任為本公司首席執行官。施先生為海底撈集團的創辦人之一並於海底撈集團積累逾20年食品行業及管理經驗。其於2016年3月7日獲委任為本公司非執行董事（於2017年11月14日獲委任為本公司董事長），彼自2015年12月起擔任本公司的董事，主要負責參與作出本公司的重要決策。施先生自1994年4月起於四川海底撈擔任多個職位。施先生於1994年4月至2001年3月擔任四川海底撈的副總經理，之後於2001年4月至2009年6月擔任四川海底撈的監事。施先生自2009年7月起為四川海底撈的董事。施先生亦於本公司控股股東連絡人擔任執行董事。彼目前為海底撈國際控股有限公司(股份代號：6862)的執行董事。施先生於1988年6月於四川空分技工學校完成機械課程。

黨春香女士，46歲，於2018年12月9日獲委任為本公司副總裁。彼自2015年12月起為本公司董事，主要負責本公司的整體管理、執行董事會的決定。黨女士自2015年12月起擔任頤海上海的總經理，並於2016年3月7日獲委任為執行董事、首席執行官兼總經理，在此之前，黨女士於1998年8月至2002年4月擔任科寶博洛尼家居有限公司的銷售經理。於2002年5月至2008年9月，彼加入北京元洲裝飾有限公司擔任櫥櫃部門經理，其後獲擢升為家居管理部門總監。於2009年1月至2010年11月，黨女士為華威樂仁(北京)貿易有限公司(一家從事建材貿易的公司)的副總經理。黨女士其後加入四川海底撈，並於2011年1月至2014年12月擔任營運管理部門部長。於2014年12月至2015年1月及2015年1月至2015年12月，黨女士分別擔任頤海上海的營運管理部門部長及常務副總經理。黨女士於2010年5月在中國人民大學完成工商管理專業研究生課程，並於2017年7月在北大光華管理學院完成高級工商管理碩士專業課程。

Profiles of Directors and Senior Management 董事及高級管理層簡介

Mr. Sun Shengfeng (孫勝峰), aged 39, was appointed as an executive Director and the chief financial officer on 7 March 2016. He is primarily responsible for overseeing matters relating to the financial, investment and risk management of the Company, including budgeting, disclosure and reporting. Mr. Sun has also served as the chief financial officer of Yihai Shanghai since August 2015. Mr. Sun served as the head of finance in Xi'an Yinqiao Biotechnology Co., Ltd. (西安銀橋生物科技有限公司) from September 2003 to August 2007. He joined Sichuan Haidilao in September 2007 and has held various positions successively: he worked as assistant to the chief financial officer from September 2007 to November 2011, the chief accountant from November 2011 to December 2012, deputy head of the finance management department from December 2012 to August 2013, and deputy head of the asset management department from August 2013 to August 2015. Mr. Sun passed the self-taught higher education examination for undergraduate study in business administration with Xi'an University of Technology (西安理工大學) and obtained a graduation certificate in June 2009. He completed his graduate study in business administration at Tsinghua University in September 2010. He was accredited as an accountant by the Ministry of Finance of the People's Republic of China (中華人民共和國財政部) in May 2005.

Ms. Shu Ping (舒萍), aged 48, was appointed as an executive Director of the Company on 21 March 2018. She has been the director of Sichuan Haidilao Catering Corporation Ltd.* (四川海底撈餐飲股份有限公司) since November 2014. She has been the non-executive director of Xinpai International Investment Limited* (新派國際投資有限公司) (renamed as Haidilao International Holding Ltd.* (海底撈國際控股有限公司)) since July 2015. She is currently a non-executive director of Haidilao International Holding Ltd. (stock code: 6862). Ms. Shu has completed the EMBA (China) programme and the FMBA programme run jointly by Cheung Kong Graduate School of Business, London Business School, Columbia Business School, Graduate School of International Corporate Strategy of Hitotsubashi University, European School of Management and Technology, International Institute for Management Development in Switzerland in November 2015, and completed the EMBA programme run jointly by Shanghai Jiao Tong University and Nanyang Technological University in Singapore in July 2016. Ms. Shu is the spouse of Mr. Zhang Yong, a non-executive director of the Company.

孫勝峰先生，39歲，於2016年3月7日獲委任為執行董事兼財務總監。彼主要負責監督與本公司的財務、投資及風險管理相關事宜，包括財務預算、資訊披露及報告。孫先生亦自2015年8月起擔任頤海上海的財務總監。於2003年9月至2007年8月，孫先生擔任西安銀橋生物科技有限公司的財務主管。彼於2007年9月加入四川海底撈並先後擔任多個職務，包括於2007年9月至2011年11月擔任財務總監助理，於2011年11月至2012年12月擔任總會計師，於2012年12月至2013年8月擔任財務管理部門的副部長，及於2013年8月至2015年8月擔任資產管理部門副部長。孫先生通過西安理工大學工商企業管理本科高等教育自學考試並於2009年6月取得畢業證書。彼於2010年9月在清華大學完成工商管理專業研究生課程。彼於2005年5月獲中華人民共和國財政部認可為會計師。

舒萍女士，48歲，於2018年3月21日獲委任為本公司執行董事。由2014年11月至今擔任四川海底撈餐飲股份有限公司的董事。2015年7月起擔任新派國際投資有限公司(更名為海底撈國際控股有限公司)的非執行董事。彼目前為海底撈國際控股有限公司(股份代號：6862)的非執行董事。舒女士於2015年11月完成長江商學院、倫敦商學院、哥倫比亞商學院、日本一橋大學國際企業戰略研究學院、歐洲管理和技術學院及瑞士國際管理發展學院聯合開設的高級管理人員中國企業工商管理碩士課程以及金融工商管理碩士課程，並於2016年7月完成上海交通大學與新加坡南洋理工大學合作舉辦的高級工商管理碩士課程。舒女士為本公司非執行董事張勇先生的配偶。

Profiles of Directors and Senior Management

董事及高級管理層簡介

INFORMATION OF NEWLY APPOINTED DIRECTOR

Mr. Guo Qiang (郭強), aged 50, was appointed as an executive Director of the Company on 26 March 2019. He was appointed as the head of marketing and sales of the Company on 10 December 2018 and is responsible for the branding, sales and marketing business of the Company while striving to optimise the construction of the marketing system of the Company. Mr. Guo joined the Company since 20 January 2016 and served as the head of sales management division of the Company from 1 March. Since 1 August 2017, he served as the Company's head of sales division in the southern region and is responsible for the implementation of the construction, operation management and strategic planning of the Company's marketing system in the southern region. Prior to the aforementioned, Mr. Guo served as a mechanical engineer of a tractor factory in Shenyang from September 1992 to April 1997; a national sales director of Lotte (China) Investment Co., Ltd. from May 1997 to August 2010; a sales director of Henan Kedi Frozen Food Co., Ltd.* (河南科迪速凍食品有限公司) from August 2010 to July 2013; and a sales director of national hypermarket division of Haixin Foods Co., Ltd. from April 2014 to December 2015. Mr. Guo graduated from Shenyang Agricultural University in 1992 with a bachelor's degree in mechanical design.

NON-EXECUTIVE DIRECTOR

Mr. Zhang Yong (張勇), aged 48, was appointed as a non-executive Director on 7 March 2016. Mr. Zhang is one of the founders of the Haidilao Group and has over 20 years of food industry and management experience within the Haidilao Group. He has been a Director since December 2015 and is primarily responsible for participating in making major decisions for the Company. Mr. Zhang served as the general manager of Sichuan Haidilao from April 1994 to March 2001. Between April 2001 and June 2009, Mr. Zhang served as both the executive director and the general manager of Sichuan Haidilao. Since July 2009, Mr. Zhang has served as the director and chairman of Sichuan Haidilao. Mr. Zhang also serves as a director and member of senior management of associates of the Company's Controlling Shareholders. He is currently an executive director of Haidilao International Holding Ltd. (stock code: 6862). Mr. Zhang completed the executive master of business administration program and completed the finance master of business administration program from Cheung Kong Graduate School of Business (長江商學院) in October 2011 and August 2012, respectively. Mr. Zhang is the spouse of Ms. Shu Ping, an executive director of the Company.

新委任董事的資料

郭強先生，50歲，於2019年3月26日獲委任為本公司執行董事。他於2018年12月10日獲委任為公司營銷總監，負責公司的品牌、銷售和市場業務，致力於優化公司營銷體系的建設。郭先生於2016年1月20日加入公司，並於3月1日起任職公司銷售管理部總監。彼自2017年8月1日起擔任公司南區銷售部總監，負責公司南區營銷體系建設、運營管理及戰略規劃的執行。於此之前，郭先生於1992年9月至1997年4月在瀋陽拖拉機製造廠擔任機械工程師，於1997年5月至2010年8月在樂天(中國)投資有限公司擔任全國銷售總監，於2010年8月至2013年7月在河南科迪速凍食品有限公司擔任銷售總監，於2014年4月至2015年12月在海欣食品股份有限公司擔任全國商超部銷售總監。郭先生於1992年畢業於瀋陽農業大學，取得機械設計學士學位。

非執行董事

張勇先生，48歲，於2016年3月7日獲委任為本公司非執行董事。張先生為海底撈集團的創辦人之一並於海底撈集團積累逾20年食品行業及管理經驗。自2015年12月起擔任本公司董事，主要負責參與作出本公司的重要決策。張先生於1994年4月至2001年3月擔任四川海底撈的總經理。2001年4月至2009年6月，張先生擔任四川海底撈的執行董事兼總經理。自2009年7月起，張先生擔任四川海底撈的董事兼董事長。張先生亦於本公司控股股東連絡人擔任董事及高級管理層成員。彼目前為海底撈國際控股有限公司(股份代號：6862)的執行董事。張先生分別於2011年10月及2012年8月分別完成長江商學院高級管理人員工商管理碩士課程及長江商學院金融工商管理碩士課程。張先生為本公司執行董事舒萍女士的配偶。

Profiles of Directors and Senior Management 董事及高級管理層簡介

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yau Ka Chi (邱家賜), aged 61, was appointed as an independent non-executive director of the Company on 20 June 2016. Mr. Yau has over 30 years of professional accounting experience including 20 years in serving China enterprises. He had worked for Ernst & Young for over 20 years in its Hong Kong, Toronto and Beijing offices with primary focus in providing professional services in accounting and audit, initial public offering, and corporate restructuring before retiring in September 2015. During his professional career with Ernst & Young, Mr. Yau was appointed as the Professional Practice Director of Greater China from July 2007 to June 2009, the Assurance Leader for China North Region from July 2010 to June 2014, the Oil & Gas Industry Leader of Greater China from May 2012 to June 2015 and the Assurance Leader of the Energy & Resources Markets Segment of Greater China from July 2013 to June 2015. Mr. Yau is an independent non-executive director of China Mengniu Dairy Company Limited (中國蒙牛乳業有限公司) (Stock code: 2319) since October 2016 and China Power International Development Limited (中國電力國際發展有限公司) (Stock code: 2380) since December 2016, both companies listed on the main board of The Stock Exchange of Hong Kong Limited. Mr. Yau holds a professional diploma in company secretaryship and administration from the Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University) and is a member of the American Institute of Certified Public Accountants, the Illinois Certified Public Accountants Society and the Hong Kong Institute of Certified Public Accountants. Mr. Yau also holds a certified public accountant license issued by the Illinois Department of Financial and Professional Regulation, the United States.

Mr. Qian Mingxing (錢明星), aged 56, was appointed as an independent non-executive Director on 20 June 2016. He is primarily responsible for participating in making major decisions for the Company and advising on issues relating to corporate governance, nomination of Directors and remuneration of Directors and senior management. Mr. Qian has been a professor at Peking University Law School (北京大學法學院) since August 1999. He worked as a teaching assistant and a lecturer of the law department at Peking University from August 1986 to August 1988 and August 1988 to August 1993, respectively. From August 1993 to August 1999, Mr. Qian was an associate professor at Peking University Law School. Mr. Qian obtained a bachelor's degree in law and a master's degree in law from Peking University in July 1983 and July 1986, respectively. In June 2001, Mr. Qian obtained a doctoral degree of laws from Peking University.

獨立非執行董事

邱家賜先生，61歲，於2016年6月20日獲委任為本公司獨立非執行董事。邱先生擁有逾30年的專業會計服務經驗，包括20年服務中國企業經驗。彼於2015年9月自安永會計師事務所退休前，先後於其香港、多倫多及北京辦公室任職，主要從事會計與審計、首次公開發售及公司重組專業服務。於安永會計師事務所任職期間，邱先生於2007年7月至2009年6月期間任大中華區專業標準技術部主管合夥人，於2010年7月至2014年6月期間任中國華北區審計服務主管合夥人，於2012年5月至2015年6月期間任大中華區石油及天然氣業務主管合夥人，及於2013年7月至2015年6月期間任大中華區能源和資源業審計主管合夥人。邱先生自2016年10月起任中國蒙牛乳業有限公司(股份代號：2319)的獨立非執行董事及自2016年12月起任中國電力國際發展有限公司(股份代號：2380)的獨立非執行董事，兩家公司均在香港聯合交易所有限公司的主機板上市。邱先生持有香港理工學院(現稱為香港理工大學)公司秘書及行政管理專業文憑，並為美國註冊會計師協會、伊利諾州註冊會計師協會及香港會計師公會的會員。邱先生亦持有美國伊利諾州財政及專業監管部頒發的執業會計師執照。

錢明星先生，56歲，於2016年6月20日獲委任為本公司獨立非執行董事。彼主要負責參與作出本公司的重要決策以及就公司管治、提名董事以及董事及高級管理層薪酬有關事宜提供意見。錢先生自1999年8月起一直在北京大學法學院擔任教授。錢先生於1986年8月至1988年8月期間及1988年8月至1993年8月期間分別在北京大學法律系擔任助教及講師。於1993年8月至1999年8月，錢先生擔任北京大學法學院副教授。錢先生分別於1983年7月及1986年7月取得北京大學的法律學士學位及法律碩士學位。錢先生於2001年6月取得北京大學法律博士學位。

Profiles of Directors and Senior Management

董事及高級管理層簡介

Ms. Ye Shujun (葉蜀君), aged 57, was appointed as an independent non-executive Director on 20 June 2016. She is primarily responsible for participating in making major decisions for the Company and advising on issues relating to corporate governance, remuneration of Directors and senior management, nomination of Directors and audit. Ms. Ye has been an independent director of Beijing New Universal Science and Technology Co., Ltd (北京萬向新元科技股份有限公司) (stock code: 300472) since June 2011, and an independent director of Anhui Guozhen Environment Protection Technology Joint Stock Co., Limited (安徽國禎環保節能科技股份有限公司) (stock code: 300388) since August 2016, both being companies listed on the Shenzhen Stock Exchange (深圳證券交易所). Ms. Ye has been serving as independent director of Anhui Telit Science and Technology Co., Ltd. (stock code: 831918), a company listed on National Equities Exchange and Quotation System, since July 2017, and as independent director of Wuhu Fuchun Dye And Weave Co., Ltd. (stock code: 870898), a company listed on the New Third Board, since November 2017. Ms. Ye also served as lecturer, associate professor and professor successively at the economic management college of Beijing Jiaotong University (北京交通大學) since December 1994. Ms. Ye completed a program in international accounting and international tax at Xiamen University in January 1990. Ms. Ye then obtained a master's degree in economics from Tsinghua University in July 1994. She obtained a doctoral degree in management from Beijing Jiaotong University in July 2007.

SENIOR MANAGEMENT

Mr. Shi Yonghong (施永宏), an executive Director and the Chief Executive Officer of the Company. See “– Board of Directors – Executive Directors” in this section for his biographical details.

Ms. Dang Chunxiang (黨春香), an executive Director and the Vice President of the Company. See “– Board of Directors – Executive Directors” in this section for her biographical details.

Mr. Sun Shengfeng (孫勝峰), an executive Director, the chief financial officer and joint company secretary of the Company. See “– Board of Directors – Executive Directors” in this section for his biographical details.

Mr. Guo Qiang (郭強), an executive Director of the Company. See “Information of Newly Appointed Director” in this section for his biographical details.

葉蜀君女士，57歲，於2016年6月20日獲委任為本公司獨立非執行董事。彼主要負責參與作出本公司的重要決策以及就公司管治、董事及高級管理層薪酬、提名董事及審計有關事宜提供意見。葉女士自2011年6月起一直出任北京萬向新元科技股份有限公司(股份代號：300472)的獨立董事，自2016年8月起出任安徽國禎環保節能科技股份有限公司(股份代碼：300388)的獨立董事，兩家公司均為深圳證券交易所上市公司。葉女士自2017年7月起擔任在全國中小企業股份轉讓系統掛牌上市的企業安徽天立泰科技股份有限公司(股票代碼831918)之獨立董事，自2017年11月起任新三板掛牌企業蕪湖富春染織股份有限公司(股票代碼870898)獨立董事。葉女士亦自1994年12月起任教於北京交通大學經濟管理學院，先後任職講師、副教授及教授。葉女士於1990年1月在廈門大學完成國際會計與國際稅收班課程。葉女士其後於1994年7月取得清華大學經濟學碩士學位。彼於2007年7月取得北京交通大學管理工程學博士學位。

高級管理層

施永宏先生，本公司執行董事及首席執行官。有關其履歷詳情，請參閱本節「– 董事會 – 執行董事」。

黨春香女士，本公司執行董事及副總裁。有關其履歷詳情，請參閱本節「– 董事會 – 執行董事」。

孫勝峰先生，本公司執行董事、財務總監及聯席公司秘書。有關其履歷詳情，請參閱本節「– 董事會 – 執行董事」。

郭強先生，本公司執行董事。有關其履歷詳情，請參閱本節「新委任董事的資料」。

Profiles of Directors and Senior Management 董事及高級管理層簡介

Mr. Du Zhuang (杜壯), aged 43, has served as the sales director of the Company since 1 August 2017, primarily responsible for sales operation and market development in Southeast Asia. Mr. Du has over 15 years of sales and marketing experience in the fast-moving consumer goods sector. He has been a marketing director of Yihai Shanghai since January 2015. He worked as the head of the chain store department of Tianjin Dingjin Food Co., Ltd. (天津頂津食品有限公司) from June 2001 to October 2008. Mr. Du joined Sichuan Haidilao in October 2008 and held various positions successively including marketing manager from October 2008 to August 2009, sales manager from August 2009 to August 2010 and senior sales manager from September 2010 to June 2011. From June 2011 to November 2014, Mr. Du served as a deputy head of the operation department of Shuhai (Beijing) Investment Co., Ltd.* (蜀海(北京)投資有限公司), a wholly owned subsidiary of Sichuan Haidilao. Mr. Du completed his study for undergraduate program in husbandry at Beijing College of Agriculture (北京農學院) in July 1996.

* For identification purpose only

杜壯先生，43歲，自2017年8月1日起任本公司銷售總監，主要負責東南亞銷售業務及市場拓展。杜先生於快速消費品行業擁有逾15年銷售及營銷經驗。彼自2015年1月起擔任頤海上海的市場營銷總監。彼於2001年6月至2008年10月擔任天津頂津食品有限公司連鎖科科長。杜先生於2008年10月加入四川海底撈並先後擔任多個職務，包括於2008年10月至2009年8月擔任市場營銷經理、於2009年8月至2010年8月擔任銷售經理及於2010年9月至2011年6月擔任高級銷售經理。於2011年6月至2014年11月，杜先生擔任蜀海(北京)投資有限公司(四川海底撈的全資附屬公司)營運管理部副部長。杜先生於1996年7月於北京農學院完成畜牧業本科課程。

* 僅供識別

Corporate Governance Report 企業管治報告

The Board of the Company presents this corporate governance report in the Group's annual report for the year ended 31 December 2018.

CORPORATE GOVERNANCE PRACTICES OF THE COMPANY

The Group is committed to achieving high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability.

The Company has applied the principles as set out in the Corporate Governance Code and also the corporate governance report as contained in Appendix 14 to the Listing Rules.

The Corporate Governance Code sets out the principles of good corporate governance and two levels of corporate governance practices, as follows:

- (a) code provisions, which listed issuers are expected to comply with or to give considered reasons for deviation; and
- (b) recommended best practices for guidance only, which listed issuers are encouraged to comply with.

The Company's corporate governance practices are based on the principles and the code provisions as set out in the Corporate Governance Code.

Except for the deviation from the Corporate Governance Code provision A.2.1, the Company regularly reviews its compliance with corporate governance codes and the Company was in compliance with the code provisions of the Corporate Governance Code during the year ended 31 December 2018.

Please refer to the Corporate Governance Report of this annual report for details.

本公司董事會提呈本集團截至2018年12月31日止年度的年報內所載的本企業管治報告。

本公司的企業管治常規

本集團致力達致高水準的企業管治，務求保障股東權益及提高企業價值及問責性。

本公司已應用上市規則附錄十四所載企業管治守則的原則及企業管治報告。

企業管治守則訂明的良好企業管治原則及兩個層面的企業管治常規如下：

- (a) 守則條文，期望上市發行人遵守或就偏離行為提供審慎考慮的理由；及
- (b) 建議最佳常規，僅屬指引，鼓勵上市發行人遵守。

本公司的企業管治常規乃以企業管治守則所載原則及守則條文為依據。

除僅偏離企業管治守則條文A.2.1條外，本公司定期審閱遵守企業管治守則的情況且本公司於截至2018年12月31日止年度內已遵守企業管治守則的守則條文除僅。

有關詳情，請參閱本年報企業管治報告。

A. THE BOARD

1. Responsibilities

The Board is responsible for the leadership and control of the Company and is responsible for promoting the success of the Company by directing and supervising its affairs. The Board also reviews the policies and practices on compliance with legal and regulatory requirements. The Board has established Board committees and has delegated to these Board committees' various responsibilities as set out in their respective terms of reference which are published on the websites of the Stock Exchange and the Company.

All of the Directors have carried out their duties in good faith and in compliance with the standards of applicable laws and regulations, and have acted in the best interests of the Company and its Shareholders at all times.

2. Delegation of Management Function

The Board is responsible for making all major decisions of the Company including: the approval and monitoring of all major policies of the Group and overall strategies, risk management and internal control systems, notifiable and connected transactions, nomination of the Directors and joint company secretaries, and other significant financial and operational matters.

All of the Directors have full and timely access to all relevant information as well as the advice and services of the joint company secretaries, with a view to ensuring that Board procedures and all applicable rules and regulations are followed. Each Director is entitled to seek independent professional advice in appropriate circumstances at the Company's expense.

The day-to-day management, administration and operation of the Company are delegated to the senior management. The delegated functions are periodically reviewed. Approval has to be obtained from the Board before any significant transaction is entered into.

A. 董事會

1. 責任

董事會負責領導和控制本公司及負責統籌及監督本公司的事務進而促使本公司達致成功。董事會亦審閱遵守法律及法規規定方面的政策及常規。董事會下設董事委員會，並向該等董事委員會轉授其各自職權範圍載列的各項責任。該等董事會委員會各自的職權範圍刊載於聯交所及本公司網站。

全體董事已真誠地依據適用法律及規例的標準履行職責，並時刻為本公司及其股東的最佳利益行事。

2. 管理層職能授權

董事會負責制定本公司所有重大決策，包括：批准及監督本集團所有主要政策和整體策略、風險管理及內部控制系統、須予公佈的交易及關連交易、董事及聯席公司秘書的提名以及其他重要財務及營運事項。

全體董事均可全面及適時地獲取所有相關資料以及獲得聯席公司秘書的意見與服務，以確保董事會程序及所有適用規則及規例均獲遵從。各董事有權於適當情況下尋求獨立專業意見，有關開支由本公司承擔。

本公司的日常管理、行政及營運均已委派予高級管理層。其獲授權的職能會定期予以檢討。訂立任何重大交易前必須取得董事會批准。

Corporate Governance Report

企業管治報告

3. Board Composition

The Board of the Company comprised the following Directors throughout 2018:

Executive Directors	Mr. Shi Yonghong (Chairman) (Note 1)
	Ms. Dang Chunxiang (Note 1)
	Mr. Sun Shengfeng Ms. Shu Ping (Note 2)
Non-executive Directors	Mr. Zhang Yong Mr. Gou Yiqun (Note 3)
	Mr. Pan Di (Note 4)
Independent non-executive Directors	Mr. Yau Ka Chi Mr. Qian Mingxing (Note 5)
	Ms. Ye Shujun

Note 1: Mr. Shi Yonghong has been re-designated as an executive Director and has been appointed as the chief executive officer and resigned from being a member of the audit committee with effect from 9 December 2018. Ms. Dang Chunxiang has been re-designated to vice president from the post of chief executive officer.

Note 2: Ms. Shu Ping was appointed as an executive Director and a member of the remuneration committee with effect from 21 March 2018.

Note 3: Mr. Gou Yiqun has resigned from his position as a non-executive Director and member of the remuneration committee with effect from 21 March 2018.

Note 4: Mr. Pan Di has resigned from the post of non-executive Director with effect from 26 March 2019. Mr. Guo Qiang has been appointed as an executive Director with effect from 26 March 2019.

Note 5: Mr. Qian Mingxing was appointed as a member of the audit committee with effect from 9 December 2018.

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

3. 董事會組成

在2018年本公司董事會由以下董事組成：

執行董事	施永宏先生 (主席) (附註1)
	黨春香女士 (附註1)
	孫勝峰先生 舒萍女士 (附註2)
非執行董事	張勇先生 苟軼群先生 (附註3)
	潘迪先生 (附註4)
獨立 非執行董事	邱家賜先生 錢明星先生 (附註5)
	葉蜀君女士

附註1：施永宏先生自2018年12月9日起已獲調任為執行董事，並已獲委任為首席執行官，並辭任審核委員會成員。黨春香女士已由首席執行官調任為副總裁。

附註2：舒萍女士自2018年3月21日起獲委任為執行董事兼薪酬委員會成員。

附註3：苟軼群先生自2018年3月21日起已辭任執行董事兼薪酬委員會成員。

附註4：潘迪先生已辭任非執行董事一職，自2019年3月26日起生效。郭強先生已獲委任為執行董事，自2019年3月26日起生效。

附註5：錢明星先生自2018年12月9日起獲委任為審核委員會成員。

董事名單(按分類)亦根據上市規則於本公司不時公佈的所有公司通訊內予以披露。獨立非執行董事亦根據上市規則於所有公司通訊內明確列出。

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

During the period from the Listing Date to 31 December 2018, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing at least one-third of the Board and at least one independent non-executive Director with appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received written annual confirmation from each independent non-executive Director of his or her independence pursuant to the requirements of the Listing Rules. The Company considers all the independent non-executive Directors to be independent in accordance with the independence requirements set out in the Listing Rules.

4. Appointment, Re-election and Removal of Directors

The procedures and process of appointment, re-election and removal of the Directors are laid down in the Articles of Association. The primary duties of the Nomination Committee include, but are not limited to, reviewing the structure, size and composition of the Board, assessing the independence of the independent non-executive Directors and making recommendations to the Board on matters relating to the appointment of the Directors.

Each of the executive Directors and non-executive Directors has entered into a service contract with the Company pursuant to which each of them has agreed to act as an executive Director or a non-executive Director (as the case may be) for an initial term of three years from 7 March 2016 (or from 21 March 2018 for Ms. Shu Ping, 9 December 2018 for Mr. Shi Yonghong and from 26 March 2019 for Mr. Guo Diang) (subject to re-election as and when required under the Articles of Association) until it is terminated in accordance with the terms and conditions of the service contract or by either party giving to the other not less than one month's prior notice in writing. Each of the independent non-executive Directors has signed a letter of appointment with the Company and has been appointed for a term of three years from 20 June 2016. The appointment may be terminated by either party giving to the other not less than one month's prior notice in writing.

除招股章程及本年報所披露者外，據本公司所知，董事會成員之間概無財務、業務、家庭或其他重大／相關關係。

於上市日期至2018年12月31日止期間內，董事會一直遵守上市規則有關規定，委任至少三名獨立非執行董事，佔董事會成員人數至少三分之一，以及其中至少一名獨立非執行董事須擁有適當專業資格或會計或相關財務管理專長。

本公司已收到各獨立非執行董事根據上市規則的規定發出確認本身獨立性的年度確認函。本公司認為，根據上市規則所載的獨立性規定，所有獨立非執行董事均屬獨立人士。

4. 董事的委任、重選及免職

董事的委任、重選及免職程序及過程已載於組織章程細則。提名委員會的主要職責包括但不限於審閱董事會架構、規模及組成、評估獨立非執行董事的獨立性及就有關委任董事的事宜向董事會提出建議。

執行董事及非執行董事各自已與本公司訂立服務合約，據此，彼等分別同意擔任執行董事或非執行董事（視乎情況而定），任期自2016年3月7日起（或就舒萍女士而言，自2018年3月21日起、就施永宏先生而言，自2018年12月9日起及就郭強先生而言，自2019年3月26日起）初步為期三年（可根據組織章程細則於需要時重選），直至根據服務合約的條款及條件終止或由其中一方向另一方發出不少於一個月的事先書面通知予以終止。各獨立非執行董事已與本公司簽立委任函並已獲委任，任期自2016年6月20日起為期三年。委任可由其中一方向另一方發出不少於一個月的事先書面通知予以終止。

In accordance with the Articles of Association, all of the Directors are subject to retirement by rotation at least once every three years and the Board has power from time to time and at any time to appoint any new Director to fill a causal vacancy or as an addition to the Board. Any Director so appointed shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting.

5. Induction and Continuing Development for Directors

Each newly appointed Director receives formal, comprehensive and tailored induction on the first occasion of his appointment, so as to ensure that he or she understands the business and operations of the Company and that he or she is fully aware of his or her responsibilities and obligations under the Listing Rules and other relevant regulatory requirements.

The Directors are continually provided with information relating to the developments in the legal and regulatory regime and the business and market environments to facilitate the execution of their responsibilities. Continuing briefings and professional development for the Directors were arranged by the Company and its professional advisers.

During the year ended 31 December 2018, apart from Mr. Gou Yiqun (who resigned as a non-executive Director since 21 March 2018), each Director has attended training sessions arranged by the Stock Exchange regarding the “Independent Non-executive Directors’ Role in Corporate Governance”. In addition, Mr. Sun Shengfeng has also attended the training courses arranged by The Hong Kong Institute of Chartered Secretaries on “Risk Management and Governance”.

根據組織章程細則，全體董事須至少每三年輪值告退一次，而董事會有權不時及隨時委任任何新董事以填補臨時空缺或加入董事會。任何按上述方式獲委任的董事任期僅至本公司下屆股東週年大會，惟屆時可於股東週年大會上膺選連任。

5. 董事的就任導引及持續發展

本公司於每名新委任董事首次獲委任時向其作出正式、全面及特設的就任導引，以確保其了解本公司的業務及運作，並完全知悉其於上市規則及其他有關監管規例下的職責及責任。

董事持續獲提供有關法律及規管制度以及業務及市場環境最新發展的資料，以協助彼等履行職責。本公司及其專業顧問已為董事安排持續性簡介及專業知識介紹。

截至2018年12月31日止年度，除苟軼群先生(彼自2018年3月21日起辭任非執行董事)外，每名董事均已參加由聯交所安排的培訓課程，該等課程內容有關「獨立非執行董事在企業管治中的角色」。此外，孫勝峰先生還參加了由香港特許秘書公會安排的培訓課程，該等課程內容有關「風險管理及治理」。

According to records provided by the Directors, a summary of training received by the Directors for the year ended 31 December 2018 is as follows:

Name of Director	Training*
Mr. Shi Yonghong	✓
Ms. Dang Chunxiang	✓
Mr. Sun Shengfeng	✓
Ms. Shu Ping	✓
Mr. Zhang Yong	✓
Mr. Gou Yiqun	0
Mr. Pan Di	✓
Mr. Yau Ka Chi	✓
Mr. Qian Mingxing	✓
Ms. Ye Shujun	✓

* Apart from Mr. Gou Yiqun (who resigned as a non-executive Director since 21 March 2018), each Director has attended training sessions arranged by the Stock Exchange regarding the “Independent Non-executive Directors’ Role in Corporate Governance”. In addition, Mr. Sun Shengfeng has also attended the training courses arranged by The Hong Kong Institute of Chartered Secretaries on “Risk Management and Governance”. On top of the above-mentioned trainings, each of the Directors has also read materials prepared by external professional advisers on “Main Regulations in Hong Kong and Regulatory Update”.

根據董事提供的記錄，董事於截至2018年12月31日止年度獲得的培訓概要如下：

董事姓名	培訓*
施永宏先生	✓
黨春香女士	✓
孫勝峰先生	✓
舒萍女士	✓
張勇先生	✓
苟軼群先生	0
潘迪先生	✓
邱家賜先生	✓
錢明星先生	✓
葉蜀君女士	✓

* 除苟軼群先生(彼自2018年3月21日起辭任非執行董事)外，每名董事均已參加由聯交所安排的培訓課程，該等課程內容有關「獨立非執行董事在企業管治中的角色」。此外，孫勝峰先生還參加了由香港特許秘書公會安排的培訓課程，該等課程內容有關「風險管理及治理」。除上述培訓外，各董事亦已研讀由外部專業顧問就「香港主要規則及監管更新」提供的資料。

6. Attendance Record of Board Meetings

a. Number of Meetings and Directors' Attendance

Code provision A.1.1 of the Corporate Governance Code prescribes that at least four regular Board meetings should be held in each year at approximately quarterly intervals with active participation of majority of directors, either in person or through electronic means of communication.

The Board met nine times during the year ended 31 December 2018 for reviewing and approving the audited annual results for the year ended 31 December 2017, unaudited interim results for the six months ended 30 June 2018, the amendment of terms of continuing connected transactions, the renewal of continuing connected transactions for 2019 and 2020 and the change of the members of the Board.

The chairman of the Company held meeting with the non-executive Directors (including independent non-executive Directors) once during the year ended 31 December 2018 without the executive Directors present.

The Company held three general meetings on 27 April 2018 and 8 August 2018 respectively during the year ended 31 December 2018. All proposed Shareholders' resolutions put to the above general meetings were resolved by poll vote and were duly passed. The vote tally of each such resolution was set out in the Company's announcements released on the day of the general meetings.

6. 董事會會議出席記錄

a. 會議次數及董事出席率

企業管治守則守則條文 A.1.1 條規定，每年至少召開四次定期董事會會議，至少每季度召開一次，且大多數董事須積極參與會議（無論親身或通過電子通信方式）。

於截至2018年12月31日止年度內，董事會已召開九次會議，以審閱及批准截至2017年12月31日止年度的經審核年度業績、截至2018年6月30日止六個月的未經審核中期業績、持續關聯交易條款的修改、2019-2020年持續關聯交易的更新及董事會成員變更等。

於截至2018年12月31日止年度內，本公司主席曾與非執行董事（包括獨立非執行董事）進行一次會議，而執行董事未有出席是次會議。

於截至2018年12月31日止年度，本公司分別於2018年4月27日及2018年8月8日舉行三次股東大會。於上述股東大會上提交的所有建議股東決議案已通過投票方式得以表決並獲得正式通過。各項決議案的表決情況載於本公司於股東大會當日發佈的公告。

The attendance records of each Director at the Board meetings and general meetings of the Company during the year ended 31 December 2018 are set out below:

於截至2018年12月31日止年度內，各董事出席董事會會議和本公司的股東大會的記錄載列如下：

Name of Director	董事姓名	Attendance/ Number of Board Meetings 出席次數/ 董事會會議次數	Attendance/ Number of General Meetings 出席次數/ 股東大會次數*
Mr. Shi Yonghong	施永宏先生	9/9	3/3
Ms. Dang Chunxiang	黨春香女士	9/9	3/3
Mr. Sun Shengfeng	孫勝峰先生	9/9	3/3
Ms. Shu Ping	舒萍女士	8/9	3/3
Mr. Zhang Yong	張勇先生	9/9	3/3
Mr. Gou Yiqun	苟軼群先生*	1/9	0/3
Mr. Pan Di	潘迪先生	9/9	3/3
Mr. Yau Ka Chi	邱家賜先生	9/9	3/3
Mr. Qian Mingxing	錢明星先生	9/9	3/3
Ms. Ye Shujun	葉蜀君女士	9/9	3/3

b. Practices and Conduct of Meetings

Annual meeting schedules and draft agenda of each meeting are made available to the Directors in advance.

Notices of regular Board meetings are served to all of the Directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notices were generally given.

b. 會議常規及指引

年度會議時間表及每次會議的草擬議程會事先向董事提供。

定期董事會會議通知均至少提前14日送交所有董事。就其他董事會及委員會會議而言，在一般情況下將給予合理通知。

* Mr. Gou Yiqun has resigned as a non-executive Director with effect from 21 March 2018.

* 苟軼群先生於2018年3月21日起辭任非執行董事。

Corporate Governance Report 企業管治報告

Board papers together with all appropriate, complete and reliable information were sent to all of the Directors at least three days before each Board meeting or committee meeting to keep the Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions.

Each Director also had separate and independent access to the senior management of the Company whenever necessary.

The senior management of the Company attend all regular Board meetings and where necessary, other Board and committee meetings, to advise on business developments, financial and accounting matters, statutory and regulatory compliance, corporate governance and other major aspects of the Company.

The joint company secretaries are responsible for taking and keeping minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to the Directors for comment within a reasonable time after each meeting and the final version is open for the Directors' inspection.

The Articles of Association contain provisions requiring the Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

董事會會議材料連同所有適當、完整及可靠資料於每次董事會會議或委員會會議前至少提前三日寄發予所有董事，以便董事了解本公司最新發展動態及財務狀況及使董事在知情情況下作出決定。

於需要時，各董事亦可單獨及獨立地聯絡本公司高級管理層。

本公司高級管理層出席所有定期董事會會議並於需要時出席其他董事會及委員會會議，以就本公司業務發展、財務及會計事項、法律及法規合規事宜、企業管治及其他重大事項提供意見。

聯席公司秘書負責記錄所有董事會會議及委員會會議，並保存有關記錄。記錄草稿一般於每次會議後的合理時間內交予董事傳閱以便其提出意見，定稿可供董事隨時查閱。

組織章程細則載有規定，要求有關董事於批准彼等或其任何聯繫人士擁有重大利益的交易時放棄投票且不計入會議法定人數。

B. CHAIRMAN AND CHIEF EXECUTIVE

Code provision A.2.1 of the Corporate Governance Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

With effect from 9 December 2018, Ms. Dang Chunxiang resigned as chief executive officer of the Company and Mr. Shi Yonghong, the existing chairman was appointed as the chief executive officer of the Company. As such, the roles of the chairman and the chief executive officer of the Company are performed by the same individual and constitute a deviation from Code provision A.2.1 of the Corporate Governance Code.

Mr. Shi Yonghong had assumed both the roles of the chairman and the chief executive officer of the Company as he has extensive experience and knowledge in the food and the catering service industry and management experience within the Haidilao Group and in order to improve the efficiency of the operations of the Company.

In view of the ever-changing business environment in which the Group operates, the chairman and the chief executive officer must be proficient in the Chinese condiment market and be sensitive to market changes in order to promote the businesses of the Group. The Board thus considers a segregation of the role of the chairman and chief executive officer may create unnecessary costs for the daily operations of the Group.

The Board considers that vesting two roles in Mr. Shi Yonghong enables the Company to promptly and efficiently make and implement decisions and will not impair the balance of power and authority between the Board and the management of the Company. The Company has established board committees, namely, the Audit Committee, the Remuneration Committee, and the Nomination Committee, with their members mainly comprising of independent non-executive Directors and which are responsible for the important corporate governance functions. The three independent non-executive Directors who possess balance of skills and experience appropriate to the business of the Company also contribute valuable independent views to the Board. All major decisions have been made in consultation with members of the Board and appropriate committees, as well as the senior management team. The Board is therefore of the view that there are adequate balance of power and safeguards in place. Nevertheless, the Board will continue to regularly monitor and review the Company's current structure and to make necessary changes at an appropriate time.

B. 主席及行政總裁

企業管治守則守則條文A.2.1條訂明，主席及行政總裁的職位應予區分，並不應由同一人兼任。

自2018年12月9日起，黨春香女士辭任本公司行首席執行官，現任主席施永宏先生獲委任為本公司首席執行官。因此，本公司主席及首席執行官的職位由同一人兼任，並構成偏離企業管治守則守則條文A.2.1條。

由於施永宏先生在海底撈集團的食品和餐飲服務行業以及管理經驗方面擁有豐富的經驗和知識，及為提高本公司營運效率，故彼兼任本公司主席及首席執行官。

鑒於本集團經營的業務環境不斷變化，主席及首席執行官必須精通中國調味品市場，並對市場變化敏感，以促進本集團的業務。因此，董事會認為，主席及首席執行官的角色分離可能會為本集團的日常營運帶來不必要的成本。

董事會認為，施永宏先生擔任兩個職位，可使本公司迅速有效地制定及實施決策，且不會損害董事會與本公司管理層之間的權力及權限平衡。本公司已成立董事委員會，即審計委員會、薪酬委員會及提名委員會，其成員主要由獨立非執行董事組成，並負責重要的企業管治職能。擁有適合本公司業務的技能及經驗平衡的三名獨立非執行董事亦為董事會提供寶貴的獨立意見。所有重大決策都是在與董事會成員和相關委員會以及高級管理團隊協商後作出。因此，董事會認為，已有適當的權力平衡和保障措施。然而，董事會將繼續定期監察及檢討本公司目前的架構，並於適當時候作出必要的變更。

To facilitate discussion of all key and appropriate issues by the Board in a timely manner, the chairman of the Company coordinates with the senior management of the Company to provide adequate, complete and reliable information to all of the Directors for consideration and review.

C. BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee, and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All of these three committees are established with defined written terms of reference which are available at the websites of the Stock Exchange and the Company.

The majority of the members of the Audit Committee, the Remuneration Committee, and the Nomination Committee are independent non-executive Directors.

The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

1. Audit Committee

We have established the Audit Committee with terms of reference in compliance with Rule 3.21 of the Listing Rules as well as paragraphs C.3 and D.3 of the Corporate Governance Code. The Audit Committee consists of three Directors, namely, the independent non-executive Directors Mr. Yau Ka Chi, Ms. Ye Shujun and Mr. Qian Mingxing (who was appointed as member of the audit committee with effect from 9 December 2018). The executive Director, Mr. Shi Yonghong was re-designated from a non-executive Director to an executive Director and resigned from his position as member of the audit committee with effect from 9 December 2018. The chairman of the Audit Committee is Mr. Yau Ka Chi, who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

為方便董事會及時討論所有重要及合適的事項，本公司董事會主席與本公司高級管理層合作，向全體董事提供充足、完整及可靠的資料以供考慮和審閱。

C. 董事委員會

董事會已成立三個委員會，即審計委員會、薪酬委員會及提名委員會，以監察本公司特定事務。三個委員會均訂有明確書面職權範圍，且該等職權範圍於聯交所及本公司網站上可供查閱。

審計委員會、薪酬委員會及提名委員會的成員大多數為獨立非執行董事。

董事委員會擁有充足資源履行彼等職責，並可於提出合理要求時在適當情況下尋求獨立專業意見，費用由本公司承擔。

1. 審計委員會

我們已按照上市規則第3.21條及企業管治守則第C.3及D.3段成立具職權範圍的審計委員會。審計委員會由三名董事組成，即獨立非執行董事邱家賜先生、葉蜀君女士及錢明星先生(彼自2018年12月9日起獲委任為審計委員會成員)。執行董事施永宏先生由非執行董事調任為執行董事，並辭任其審計委員會成員職務，自2018年12月9日起生效。審計委員會的主席為邱家賜先生，其持有上市規則第3.10(2)及3.21條項下規定的適當專業資格。

The Audit Committee meets at least twice a year. The primary duties of the Audit Committee include, but are not limited to, assisting the Board by (i) reviewing and monitoring the relationship of the external auditor and the Group, particularly the independence, objectivity and effectiveness of the external auditor; (ii) providing an independent view of the effectiveness of the financial reporting process, internal control, compliance and risk management systems of the Group; (iii) overseeing the audit process and performing other duties and responsibilities as assigned by the Board; (iv) developing and reviewing the Company's policies and practices on corporate governance, compliance with legal and regulatory requirements and requirements under the Listing Rules; (v) reviewing the financial information of the Company and ensuring compliance with accounting standards and reviewing significant adjustments resulting from audit; and (vi) developing, reviewing and monitoring the code of conduct applicable to the Company's employees and Directors.

The Audit Committee held four meetings during the year ended 31 December 2018 and its main work involved the following:

- reviewing the audited annual results and financial report for the year ended 31 December 2017;
- reviewing the unaudited interim results and financial report for the six months ended 30 June 2018;
- reviewing the financial reporting and the compliance procedures;
- reviewing the policies and practices on corporate governance;
- reviewing the compliance with the Corporate Governance Code and the disclosure requirement in the corporate governance report as contained in Appendix 14 to the Listing Rules;

審計委員會每年進行至少兩次會議。審計委員會的主要職責包括(但不限於)在以下方面協助董事會：(i) 檢討及監控外聘核數師與本集團之間的關係，尤其是外聘核數師的獨立性、客觀性及有效性；(ii) 就本集團的財務報告過程、內部控制、合規及風險管理制度的有效性提供獨立意見；(iii) 監察審核過程以及履行董事會指派的其他職務與職責；(iv) 制訂及檢討本公司的企業管治政策及常規，以及法律和法規要求及上市規則要求的合規情況；(v) 審閱本公司財務資料，確保遵守會計標準及檢討因核數而出現的重大調整；及(vi) 制訂、檢討及監控適用於本公司僱員及董事的行為守則。

於截至2018年12月31日止年度內，審計委員會已舉行四次會議，其主要工作涉及以下各項：

- 審閱截至2017年12月31日止年度的經審核年度業績及財務報告；
- 審閱截至2018年6月30日止六個月的未經審核中期業績及財務報告；
- 審閱財務申報及合規程序；
- 審閱企業管治政策及常規；
- 審閱遵守上市規則附錄十四所載企業管治守則及企業管治報告的披露規定；

Corporate Governance Report 企業管治報告

- reviewing the code of conduct and the compliance manuals for employees and the Directors, the financial, operational and compliance monitoring;
- reviewing the risk management and internal control systems;
- reviewing the internal audit work of the risk management and internal audit department;
- reviewing the work of the external auditor; and
- revising the terms of reference to reflect the latest changes to the Corporate Governance Code.

The Audit Committee met with the external auditor of the Company in the absence of management of the Company once in relation to the provision of audit service to the Company for the year ended 31 December 2018.

The attendance records of the Audit Committee Meetings are set out below:

Name of Committee Member	委員會成員姓名	Attendance/ Number of Meeting(s) 出席次數/ 會議次數
Mr. Yau Ka Chi	邱家賜先生	4/4
Mr. Shi Yonghong	施永宏先生	4/4
Ms. Ye Shujun	葉蜀君女士	4/4
Mr. Qian Mingxing	錢明星先生	0/4*

The Company's annual results for the year ended 31 December 2018 have been reviewed by the Audit Committee on 24 March 2019. The Audit Committee considers that the annual financial results for the year ended 31 December 2018 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

- 審閱僱員及董事操守準則及合規手冊、財務、運作及合規監控；
- 審閱風險管理及內部控制系統；
- 審閱風控審計審計部的內部審計工作；
- 審閱外聘核數師的工作；及
- 修訂職權範圍以反映企業管治守則的最新變動。

截至2018年12月31日止年度，審計委員會曾與本公司外聘核數師進行一次有關為本公司提供核數服務的會議，而本公司管理層未有出席是次會議。

審計委員會會議的出席記錄載列如下：

本公司截至2018年12月31日止年度的年度業績已由審計委員會於2019年3月24日審閱。審計委員會認為截至2018年12月31日止年度的年度財務業績符合有關會計標準、規則及規定，並已正式作出適當披露。

* Mr. Qian Mingxing was appointed as a member of the audit committee with effect from 9 December 2018.

* 錢明星先生於2018年12月9日起獲委任為審計委員會成員。

2. Remuneration Committee

The Company has established the Remuneration Committee with terms of reference in compliance with paragraph B.1 of the Corporate Governance Code. The Remuneration Committee consists of three Directors, namely, the independent non-executive Directors Ms. Ye Shujun and Mr. Qian Mingxing and the non-executive Director Mr. Gou Yiqun, the executive Directors Ms. Shu Ping (who was appointed as member of the remuneration committee with effect from 21 March 2018). The non-executive Director, Mr. Gou Yiqun resigned from his position as member of the remuneration committee with effect from 21 March 2018. Ms. Ye Shujun serves as the chairman of the Remuneration Committee.

The Remuneration Committee meets at least once a year. The primary duties of the Remuneration Committee include, but are not limited to, the following: (i) making recommendations to the Board on the Company's policy and structure for remuneration of all the Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy; (ii) reviewing and approving senior management's remuneration proposals with reference to the Board corporate goals and objectives; and (iii) making recommendations to the Board on the remuneration packages of individual Directors and senior management.

The Remuneration Committee held two meetings during the year ended 31 December 2018 to review the remuneration policy and structure of the Company, and consider and make recommendation to the Board on the remuneration packages of the Directors and the senior management of the Company.

2. 薪酬委員會

本公司已按照企業管治守則第B.1段成立具職權範圍的薪酬委員會。薪酬委員會由三名董事組成，即獨立非執行董事葉蜀君女士及錢明星先生，以及非執行董事苟軼群先生、執行董事舒萍女士（彼自2018年3月21日起獲任薪酬委員會成員）。非執行董事苟軼群先生自2018年3月21日辭任薪酬委員會成員。葉蜀君女士擔任薪酬委員會的主席。

薪酬委員會每年進行至少一次會議。薪酬委員會的主要職責包括（但不限於）下列各項：(i) 就全體董事及高級管理層的薪酬政策及架構以及就制定薪酬政策的正規及透明度程序向董事會提出建議；(ii) 因應董事會所訂立的企業方針目標檢討及批准高級管理層的薪酬建議；及(iii) 就個別董事及高級管理層的薪酬待遇向董事會提出建議。

於截至2018年12月31日止年度內，薪酬委員會已舉行兩次會議，以檢討本公司的薪酬政策及架構，以及考慮本公司董事及高級管理層的薪酬待遇並就此向董事會提出建議。

Corporate Governance Report 企業管治報告

The attendance records of the Remuneration Committee Meetings are set out below:

薪酬委員會會議的出席記錄載列如下：

Name of Committee Member	委員會成員姓名	Attendance/ Number of Meeting(s) 出席次數/ 會議次數
Ms. Ye Shujun	葉蜀君女士	2/2
Mr. Gou Yiqun	苟軼群先生	1/2
Mr. Qian Mingxing	錢明星先生	2/2
Ms. Shu Ping	舒萍女士	1/2

Details of the Directors' remuneration are set out in note 37 to the Financial Statements. In addition, the remuneration payable to the senior management of the Company (who are not the Directors) by band for the year ended 31 December 2018 are set out in the section headed "Corporate Governance Report – D. Remuneration of Senior Management" of this annual report.

董事酬金詳情載列於財務報表附註37。此外，應付本公司高級管理層(無兼任董事)於截至2018年12月31日止年度的薪酬按等級載列於本年報中「企業管治報告—D. 高級管理層的薪酬」一節。

3. Nomination Committee

The Company has established the Nomination Committee with terms of reference in compliance with paragraph A.5 of the Corporate Governance Code. The Nomination Committee consists of three Directors, namely, the executive Director Mr. Shi Yonghong (who was re-designated from a non-executive Director to an executive Director with effect from 9 December 2018), and the independent non-executive Directors Ms. Ye Shujun and Mr. Qian Mingxing. Mr. Shi Yonghong serves as the chairman of the Nomination Committee.

The Nomination Committee meets at least once a year. The primary duties of the Nomination Committee include, but are not limited to, (i) reviewing the structure, size and composition of the Board (ii) assessing the independence of the independent non-executive Directors and (iii) making recommendations to the Board on matters relating to the appointment of Directors.

3. 提名委員會

本公司已按照企業管治守則第A.5段成立具職權範圍的提名委員會。提名委員會由三名董事組成，即執行董事施永宏先生(彼自2018年12月9日起由非執行董事調任為執行董事)以及獨立非執行董事葉蜀君女士及錢明星先生。施永宏先生擔任提名委員會的主席。

提名委員會每年進行至少一次會議。提名委員會的主要職責包括(但不限於)(i)審閱董事會架構、規模及組成；(ii)評估獨立非執行董事的獨立性；及(iii)就有關委任董事的事宜向董事會提出建議。

The Nomination Committee held two meetings during the year ended 31 December 2018 to review the structure, size, composition and diversity (including the skills, knowledge, experience, gender, age, cultural and educational background, ethnicity, professional experience and length of service) of the Board to ensure that the Board has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company, to review the training and continuous professional development of the Directors and senior management, and to assess the independence of the independent non-executive Directors. The terms of reference had also been revised to reflect the latest changes to the Corporate Governance Code.

The attendance records of the Nomination Committee Meetings are set out below:

Name of Committee Member	委員會成員姓名	Attendance/ Number of Meeting(s) 出席次數/ 會議次數
Mr. Shi Yonghong	施永宏先生	2/2
Ms. Ye Shujun	葉蜀君女士	2/2
Mr. Qian Mingxing	錢明星先生	2/2

Where vacancies on the Board arise, the Nomination Committee will carry out the selection process by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, the Company's needs and other relevant statutory requirements and regulations.

於截至2018年12月31日止年度內，提名委員會已召開兩次會議，以檢討董事會的架構、規模、組成及成員多元化(包括技能、知識、經驗、性別、年齡、文化及教育背景、種族、專業經驗及服務任期方面)，從而確保董事會成員在專業知識、技能及經驗各方面均衡，以配合本公司業務所需，審閱董事及高級管理人員的培訓及持續專業發展，並評核獨立非執行董事的獨立性。職權範圍亦已作出修訂以反映企業管治守則守的最新變動。

提名委員會會議的出席記錄載列如下：

倘董事會出現空缺，提名委員會將參照提名人選的技能、經驗、專業知識、個人誠信及時間付出，本公司的需要及其他相關法定規定及規例，啟動甄選程序。

Corporate Governance Report 企業管治報告

Prior to the Listing Date, the composition and diversity of the Board were considered by adopting the Board Diversity Policy including the necessary balance of skills and experience appropriate for the requirements of the business development of the Company and for effective leadership. All the executive and non-executive Directors possess extensive and diversified experience in management and broad industrial experience. The three independent non-executive Directors possess professional knowledge in management, finance, accountancy and legal, respectively with broad and extensive experience in business advisory and management, respectively. A summary of the Board Diversity Policy is set out below:

Purpose:

The Board Diversity Policy aims to set out the approach to achieve diversity of the Board and enable the Board to comply with the Corporate Governance Code.

**Board Diversity
Policy statement:**

The Company considers increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

於上市日期前，通過採納董事會成員多元化政策，我們已考慮董事會之組成及多元化，包括本公司業務發展要求及有效領導所適用技能與經驗的必要平衡。全體執行及非執行董事均擁有豐富及多元化的管理經驗以及廣泛行業經驗。三名獨立非執行董事分別具備管理、財務、會計及法律專業知識，並分別在商務諮詢及管理方面擁有廣泛而豐富的經驗。董事會成員多元化政策的概要載列如下：

目的：

董事會成員多元化政策旨在訂明實現董事會成員多元化的方法，及使董事會符合企業管治守則。

**董事會成員多元化
政策聲明：**

本公司視董事會層面的日益多元化為支持其達到策略目標及可持續發展的必要元素。於設計董事會之組成時，本公司已從多方面（包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識以及服務任期）考慮董事會成員多元化。所有董事會成員之任命將按精英制度而定，而候選人將按照目標標準，並適當顧及董事會成員多元化的裨益予以考慮。

Measurable Objectives:

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

In reviewing the structure, size, composition and diversity of the Board, the Nomination Committee has taken into account the measurable objectives as set out in the Board Diversity Policy. The Nomination Committee is of the view that the diversity level of the Board is appropriate in terms of knowledge, experience and skills of the directors. However, the Nomination Committee will continue to observe the Board Diversity Policy and consider potential candidates against the objective criteria set out in the Board Diversity Policy in order to achieve increasing diversity at the Board level.

D. REMUNERATION OF SENIOR MANAGEMENT

The remuneration (including salary only) payable to the senior management of the Company (who are not the Directors) is shown in the following table by band:

(RMB) (人民幣)	2018 2018年 (members of senior management of the Company) (本公司高級 管理層成員)	2017 2017年 (members of senior management of the Company) (本公司高級 管理層成員)
1-1,000,000	—	2
2,000,000-3,000,000	2	—

可計量目標：

候選人的篩選將基於多個方面(包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識以及服務任期)。最終決定將基於獲選的候選人可為董事會帶來的價值及貢獻而定。

於檢討董事會的架構、人數、組成及多元化時，提名委員會已考慮董事會成員多元化政策所載的可計量目標。提名委員會認為，董事會成員的多元化水平就董事的知識、經驗及技能而言乃屬合適。然而，提名委員會將繼續遵守董事會成員多元化政策及按董事會成員多元化政策所載的目標準則考慮潛在候選人，以令董事會成員日益多元化。

D. 高級管理層的薪酬

應付本公司高級管理層(無兼任董事)的薪酬(只包括薪金)按等級如下圖列示：

Corporate Governance Report 企業管治報告

E. MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code during the year ended 31 December 2018.

The Company's relevant employees, who are likely to be in possession of inside information of the Company, have also been subject to the Model Code for securities transactions. No incident of non-compliance of the Model Code by the Company's relevant employees was noted by the Company during the year ended 31 December 2018.

F. DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2018.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other financial disclosures required by the Listing Rules and other regulatory requirements.

The senior management of the Company has provided such explanation and information to the Board as necessary to enable the Board to carry out an informed assessment of the financial information and position of the Company in order to put forward such information to the Board for approval.

E. 證券交易的標準守則

本公司已採納標準守則。本公司已向所有董事作出具體查詢，而董事均已確認彼等已於截至2018年12月31日止年度內一直遵守標準守則。

可能掌握本公司內幕消息的本公司相關僱員亦已遵守證券交易的標準守則。截至2018年12月31日止年度，本公司並無注意到出現本公司相關僱員不遵守標準守則的事件。

F. 董事進行財務申報的責任

董事確認彼等編製本公司截至2018年12月31日止年度財務報表的責任。

董事會負責對年度及中期報告、內幕消息公佈及按上市規則及其他監管要求規定的其他財務披露作出平衡、清晰而可理解的評估。

本公司高級管理層已在需要時向董事會提供該等解釋及資料，以便董事會對本公司財務資料及狀況作出知情評估，以提呈該等資料予董事會批准。

G. EXTERNAL AUDITOR AND AUDITOR REMUNERATION

Pursuant to the resolution of the 2018 Shareholders' annual general meeting, PricewaterhouseCoopers was re-appointed by the Company as the auditor of financial statements prepared under International Financial Reporting Standards.

The statement of the external auditor of the Company about their reporting responsibilities for the financial statements is set out under the section headed "Independent Auditor's Report" in this annual report.

The external auditor of the Company will be invited to attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report and auditor's independence.

During the year ended 31 December 2018, the remuneration paid/payable to the external auditor of the Company for the provision of audit services for the year ended 31 December 2018 amounted to RMB2.1 million.

During the year ended 31 December 2018, the remuneration paid/payable to the external auditor of the Company in respect of non-audit services for the year ended 31 December 2018 amounted to RMB0.3 million. The nature of such non-audit services is to provide advisory services.

G. 外聘核數師及核數師酬金

根據2018年的股東週年大會決議案，本公司已重新委聘羅兵咸永道會計師事務所作為根據國際財務報告準則編製財務報表的核數師。

本公司外聘核數師就財務報表的申報責任作出的聲明載於本年報「獨立核數師報告」一節。

本公司將邀請外聘核數師出席股東週年大會，回答有關審核工作、核數師報告的編製及內容以及核數師的獨立性等問題。

截至2018年12月31日止年度，本公司就截至2018年12月31日止年度獲提供的審核服務向本公司外聘核數師支付／應支付的酬金為人民幣2.1百萬元。

於截至2018年12月31日止年度內，就截至2018年12月31日止年度的非審核服務向本公司外聘核數師支付／應支付的酬金為人民幣0.3百萬元。該等非審核服務的性質為諮詢服務。

H. RISK MANAGEMENT AND INTERNAL CONTROLS

The Board of Directors is responsible for the establishment and maintenance of sound and effective risk management and internal control systems that are in line with the strategic objective of the Group. The Group established risk management and internal control systems to protect the interests of the Group and shareholders, ensure the Group is in compliance with relevant laws and regulations, effectively identify and manage significant risks in achieving its strategic objectives, protect the safety of the Group's assets, and ensure the maintenance of proper compliance accounting records and financial reports.

The Board of Directors is responsible for evaluating the nature and extent of the risks the Group is willing to take in achieving strategic objectives and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems as well as overseeing management of the Group in the design, implementation and monitoring of the risk management and internal control systems.

The Board periodically receives (at least once a year) reports from the Group's management regarding financial, operational and compliance controls, as well as the establishment, review and assessment of the internal control and risk management functions of the Group. All significant risks are reported to the Board. The Board will also evaluate the corresponding risks and the response plan. The Group would review, among other things, adequacy of resources, staff's qualifications and experience, training programs and budget of our accounting, internal control and financial reporting functions.

The Group's management is authorized by the Board to be in charge of the organization and implementation of the risk management and internal control of the Group and be responsible for establishing the risk management and internal control systems, standardizing the organization, authorization, responsibilities, procedures and methods of the risk management and internal control systems and also responsible for ongoing monitoring of the risk management and internal control systems of the Group, and makes periodic reports to the Board regarding the status of the risk management and internal control systems of the Group.

H. 風險管理及內部控制

公司董事會負責建立和維持與本集團戰略目標相匹配的、健全有效的風險管理及內部監控系統。本集團建立風險管理及內部監控系統，旨在保障本集團和股東利益，確保本集團遵守相關法律法規，有效識別和管理影響公司戰略目標實現的重大風險，保護本集團資產的安全，保證恰當合規的會計記錄和財務報告。

公司董事會負責評估本集團達成戰略目標時所願意接納的風險性質及程度，並確保本集團設立及維持合適及有效的風險管理及內部監控系統，同時，負責監督本集團管理層對風險管理及內部監控系統的設計、實施與監察。

公司董事會定期(至少每年一次)收到本集團管理層關於本集團的財務、運作及合規監控，以及內部監控及風險管理建立、審閱及評估的報告。所有重大的風險均會向董事會匯報。董事會亦對相應風險和應對計劃做出評估。本集團會審核其在會計、內部監控及財務匯報職能方面的資源、員工資歷及經驗是否足夠，以及培訓課程及有關預算是否充足。

本集團管理層被董事會授權，負責本集團風險管理工作和內部監控的組織和實施，負責制定風險管理及內部監控制度，規範本集團實施風險管理及內部監控的組織機構、授權、責任、流程和方法，負責持續監督本集團風險管理及內部監控的工作，並定期向審計委員會並由其向董事會報告本集團風險管理和內控建設情況。

The risk management and internal audit department of the Group assists the Board and the Audit Committee in their analysis and independent appraisal of the adequacy and effectiveness of the Group's risk management and internal control systems. The risk management and internal audit department adopts an audit approach based on risk and control. The annual work plan of the risk management and internal audit department covers the major activities and processes of the Group's operations, businesses and service units. Special reviews are also performed at the management's request. The results of these audit activities are communicated to the Audit Committee. The risk management and internal audit department provides independent assurance to the Board, the Audit Committee and the management of the Company as to whether the Group's internal controls are adequate and effective.

With respect to risk management, the Group has chosen and adopted the risk management framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in the United States of America ("COSO"), and established a risk management system covering design, implementation, monitoring, assessment and continuous improvement based on the ISO 31000:2009 "Risk Management – Principles and Guidelines". The Group's management established the overall targets and policies of the risk management system which are in line with the strategic objectives, and identified, analysed and assessed the overall risk of the Company, especially the risks in making major decisions, important events and key business processes. The Group's management is also responsible for reviewing and approving the response plans to major risks, as well as following-up and periodically reviewing the implementation of such response plans of risks identified, in order to make sure that sufficient attention, monitor and responses will be paid to all key risks of the Company. The risk management reports are submitted to the Board periodically.

本集團風控審計部協助董事會及審計委員會，對本集團的風險管理與內部監控系統是否足夠以及其有效性進行分析及獨立評估。風控審計部採用以風險及控制為本的審核方法。風控審計部的全年工作計劃，涵蓋本集團營運、業務及服務單位各項主要工作及過程，並按照管理層的要求進行特別檢討，而審核工作的結果會交予審計委員會。風控審計部就本集團內部監控是否足夠及有效向董事會、審計委員會及本公司管理層提供獨立保證。

在風險管理方面，本集團選用美國 Committee of Sponsoring Organizations of the Treadway Commission (「COSO」) 制定的企業風險管理框架，並以 ISO 31000 : 2009 標準《風險管理－原則與指南》作為重要參考，形成一套設計、實施、監控、評審和持續改進的風險管理體系。本集團管理層根據戰略制定風險管理總體目標和策略，識別、分析及評估本公司綜合風險，重點是重大決策、重大事件和重要業務流程方面，亦負責審查和批准對重大風險的應對方案，同時跟蹤與定期回顧已識別風險的應對方案實施情況，以確保本公司各類重大風險能得到足夠的關注、監控與應對。風險管理報告定期向董事會呈交。

With respect to internal control, the Group has chosen and adopted the internal control framework issued by COSO, established an internal control system and mechanism over financial, operational and compliance controls and conducted continuing review and evaluation of the internal control system of the Group to ensure the timeliness, accuracy and completeness of all information reported.

- The management has evaluated the design and operating effectiveness of its internal control regarding the financial report as of 31 December 2018, did not identify any material weakness as a result of the evaluation, was not aware of any areas of concern that would have a material impact on the Company's financial position or results of operations, and considered the risk management and internal control systems to be generally adequate and effective, including with respect to the adequacy of resources, staff qualifications and experience, training programs and budget of the accounting, and internal audit and financial reporting functions. On the basis of such evaluation, the Board considers that as of 31 December 2018, risk management and internal control systems of the Group in relation to financial reporting were effective and adequate.
- At the same time, the Group has established a mechanism for remediating internal control deficiency under which the person in charge of each unit is assigned clear responsibilities relating to remediating internal control deficiency of the unit.
- The Group has formulated an inside information policy and regularly reminds its Directors and employees to comply with all inside information policies.
- The Group established an open channel to handle and discuss internal and external whistle-blowing regarding financial irregularities, internal control deficiencies and fraud, and to ensure that every accusation receives sufficient attention. Significant internal control deficiencies or accusations will be reported directly to the Audit Committee.

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

For details of the nature and extent of the principal risks faced by the Group, please refer to the section headed "e. Principal Risk and Uncertainties" in the Directors' Report of this annual report.

在內部監控方面，本集團選用美國COSO委員會制定的內部監控框架，建立有關財務監控、營運監控和合規監控的內部監控系統及機制，對本集團的內部監控進行持續審視與評估，以確保各項報告信息的及時、準確和完整。

- 管理層已經對本公司截至2018年12月31日財務報告內部監控的設計和運行有效性進行了評估，通過評估未發現任何實質性漏洞，未發現任何將對本公司的財務狀況或經營業績造成重大影響而需多加關注的事項，亦認為風險管理及內部監控系統整體而言充足並具成效，包括具備充足資源、適當的員工資歷及經驗和員工培訓課程，並在會計、內部審計及財務匯報職能方面有足夠的預算。在此評估基礎上，董事會認為截至2018年12月31日，本集團與財務報告相關的風險管理及內部監控系統是有效及充足的。
- 同時，本集團建立了一套內部監控缺陷整改機制，各單位的負責人對本單位的內部監控缺陷負有明確的整改責任。
- 本集團已制定了內幕消息政策，並定期提醒董事及僱員妥善遵守所有有關內幕消息的政策。
- 本集團設立了公開的渠道以處理及討論關於財務違規、內部監控缺陷和舞弊等方面的內部和外部舉報，並確保各項舉報得到足夠的關注，重大內部監控缺陷或舉報可直達審計委員會。

本集團的風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險，而且只能就重大失實陳述或損失作出合理而非絕對的保證。

有關本集團面對主要風險的性質及程度，請參閱本年報董事會報告「e. 主要風險及不確定性」一節。

I. COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with the Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognizes the importance of transparency and timely disclosure of corporate information, which will enable the Shareholders and investors to make the best investment decisions.

The general meetings of the Company are expected to provide a forum for communication between the Board and the Shareholders. The chairman of the Board as well as chairmen of the Audit Committee, the Remuneration Committee, and the Nomination Committee and, in their absence, other members of the respective committees and, where applicable, the chairman of the independent Board committee, will be available to answer questions at the general meetings. The chairman of a meeting will provide the detailed procedures for conducting a poll and answer any questions from the Shareholders on voting by poll.

To promote effective communication, the Company maintains a website at www.yihchina.com, where information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are available for public access.

J. AMENDMENTS OF THE ARTICLES OF ASSOCIATION

For the year ended 31 December 2018, no change had been made to the articles of association of the Company.

I. 與股東及投資者的溝通

本公司認為，與股東有效溝通對於促進投資者關係及投資者了解本集團業務表現及策略至關重要。本公司亦認識到公司資料的透明度以及及時披露公司資料以便股東及投資者能夠作出最佳投資決定的重要性。

本公司股東大會有望為董事會及股東提供溝通平台。董事會主席以及審計委員會、薪酬委員會及提名委員會主席(如彼等未能出席，則有關委員會其他成員)及(如適用)獨立董事委員會主席將會出席股東大會，並回答提問。會議主席將提供進行投票的詳細程序及就投票表決回答股東的任何提問。

為促進有效溝通，本公司設有網站 www.yihchina.com，該網站載有本公司業務發展及營運的資料及最新情況、財務資料、企業管治常規及其他資料，以供公眾人士查閱。

J. 修訂組織章程細則

截至2018年12月31日止年度，並無就本公司的組織章程細則作出變更。

K. SHAREHOLDERS' RIGHTS

To safeguard the Shareholders' interests and rights, separate resolutions are proposed at general meetings on each substantial issue, including the re-election of individual Directors. Meanwhile, procedures are in place for the Shareholders to (i) convene an extraordinary general meeting; (ii) direct their enquiries to the Board; and (iii) put forward proposals at general meetings.

In accordance with Article 13.5 of the Articles of Association, all resolutions put forward at a general meeting will be taken by poll save that the chairman may, in good faith, allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Listing Rules to be voted on by a show of hands.

In addition, the poll results will be posted on the websites of the Company and the Stock Exchange after the relevant general meeting.

1. Convening an Extraordinary General Meeting by Shareholders

Pursuant to Article 12.3 of the Articles of Association, any two or more Shareholders or any one Shareholder which is a recognised clearing house (or its nominee(s)) (the "Requisitionist(s)") holding at the date of deposit of the requisition (deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists) not less than one-tenth of the paid-up capital of the Company and carrying the right of voting at general meetings of the Company shall at all times have the right, on written requisition, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition.

K. 股東權利

為保障股東權益及權利，各重大事宜(包括重選個別董事)以獨立決議案形式於股東大會上提呈，而且股東可根據有關程序提出(i)召開股東特別大會；(ii)向董事會查詢；及(iii)在股東大會上提呈議案。

根據組織章程細則第13.5條，所有在股東大會上提呈的決議案均將以投票方式表決，惟主席秉誠決定容許如上市規則所規定純粹關於程序或行政事宜之決議案以舉手方式表決則除外。

此外，投票表決結果將於相關股東大會後登載於本公司及聯交所網站上。

1. 股東召開股東特別大會

根據組織章程細則第12.3條，任何兩名或以上股東或獲結算所認可(或其代名人)的任何一名股東(「請求人士」)於遞呈請求(遞呈本公司於香港的主要辦事處，或倘本公司不再設有該主要辦事處，則遞呈註冊辦事處，當中列明會議事項並由請求人士簽署)當日持有不少於本公司有權於本公司股東大會上投票的繳足股本十分之一，則於任何時候均有權提呈書面請求，要求董事會就該請求所指定的任何事務交易召開股東特別大會。

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the Requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

According to Article 12.4 of the Articles of Association, any extraordinary general meeting shall be called by not less than 14 days' notice in writing. Subject to the requirement under the Listing Rules, the notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place, and agenda of the meeting, particulars of the resolutions and the general nature of the business to be considered at the meeting. The notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the auditors of the Company and to all the Shareholders other than those who, under the provisions hereof or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company.

2. Putting Forward Proposals at General Meetings

There is no single provision in the Articles of Association or the Cayman Islands Companies Law for the Shareholders to put forward proposals at general meetings. The Shareholders who wish to propose a resolution may request the Company to convene a general meeting in accordance with the procedures set out in the preceding section.

倘自遞呈請求日期起21日內董事會未有恰當地召開須於另外21日內舉行的大會，則請求人士或任何請求人士持有當中請求人士總投票權的過半數，則可以以董事會召開股東大會同等方式盡快召開股東大會，惟該有關大會必須由遞呈請求日期起計三個月內舉行，及因董事會的不合作而令請求人士所有產生的合理開支可向本公司報銷。

根據組織章程細則第12.4條，召開任何股東特別大會須發出不少於14日的書面通知。根據上市規則的規定，通知期不包括送達日期或視為送達日期及所通知日期，並須註明舉行會議的時間、地點及議程以及將於會議上討論的決議案詳情及該事項的一般性質。為通過特別決議案而召開大會的通告須註明擬提呈的決議案為特別決議案的目的。各股東大會通告須交予本公司核數師及全體股東，惟按照組織章程細則條文或所持有股份的發行條款的規定無權從本公司收取通告者除外。

2. 在股東大會上提呈議案

組織章程細則或開曼群島公司法對於股東在股東大會上提呈決議案並無單一規定。有意願提呈決議案的股東可按照上節所載程序請求本公司召開股東大會。

3. Putting Forward Enquiries to the Board

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

Shareholders may send their enquiries, concerns or requests to the Company at 40th Floor, Sunlight Tower, No. 248 Queen's Road East, Wanchai, Hong Kong.

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

L. USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company's net proceeds from the Global Offering amounted to approximately HK\$720.2 million.

The net proceeds have been used in a manner consistent with those disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus. As of 31 December 2018, the unused net proceeds were RMB402.2 million.

3. 向董事會作出查詢

向本公司董事會提出任何查詢時，股東可向本公司發出書面查詢。本公司通常不會處理口頭或匿名查詢。

股東可向本公司發出其查詢、關注或請求，地址為香港灣仔皇后大道東248號陽光中心40樓。

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

L. 全球發售所得款項用途

本公司於全球發售的所得款項淨額約為720.2百萬港元。

所得款項淨額已按與招股章程「未來計劃及所得款項用途」一節所披露者一致的方式使用。截至2018年12月31日止尚未使用的所得款項淨額為人民幣402.2百萬元。

For the year ended 31 December 2018, the Group had used the net proceeds from the Global Offering for the following purposes:

截至2018年12月31日止年度，本集團已將全球發售所得款項淨額用於下列用途：

	Use of proceeds in the same manner and proportions as stated in the Prospectus (in RMB million)	The cumulative amount of proceeds utilized as of 31 December 2017 (in RMB million)	The cumulative amount of proceeds utilized as of 31 December 2018 (in RMB million)
	以按招股章程所列者相同的方式及比例使用所得款項 (人民幣百萬元)	截至2017年12月31日累計使用所得款項金額 (人民幣百萬元)	截至2018年12月31日累計使用所得款項金額 (人民幣百萬元)
30% used to construct Phase I of our Bazhou Production Base located in Bazhou, Hebei Province	30% 用於建設位於河北省霸州的霸州生產基地一期	216.1	53.1
25% used for potential strategic acquisition opportunities in the future	25% 用於潛在的策略性收購機會	180.0	0.0
25% used to promote our products and brand	25% 用於推廣我們的產品和品牌	180.1	9.2
10% used to enhance our research and development capabilities	10% 用於提高我們的研發實力	72.0	9.0
10% used for working capital and general corporate purposes	10% 用於運營資金及一般企業用途	72.0	4.7
Total	合計	720.2	76.0

For the year ended 31 December 2018, the Company had unused net proceeds from the Global Offering of approximately RMB402.2 million. Regarding the net proceeds that had not been utilized as of 31 December 2018, the Company intends to use them in the same manner and proportions as stated in the Prospectus. The completion time of using the net proceeds will be determined based on the future business development of the Company.

於截至2018年12月31日止年度，本公司尚未使用的全球發售所得款項淨額約為人民幣402.2百萬元。關於截至2018年12月31日尚未使用的所得款項淨額，本公司擬按招股章程所述的相同方式及比例使用。所得款項淨額的使用完成時間視本公司未來業務發展情況確定。

M. JOINT COMPANY SECRETARIES

Mr. Wong Yat Tung (“**Mr. Wong**”) of SWCS Corporate Services Group (Hong Kong) Limited (formerly known as SW Corporate Services Group Limited), external service provider, and Mr. Sun Shengfeng (“**Mr. Sun**”), the executive Director and chief financial officer of the Company, have been engaged by the Company as joint company secretaries effective on 12 March 2016. Mr. Wong resigned as joint company secretary of the Company and ceased to act as authorized representative of the Company effective on 31 May 2018. Ms. Chan Yin Wah (“**Ms. Chan**”) of SWCS Corporate Services Group (Hong Kong) Limited, has been engaged by the Company as joint company secretary effective on 31 May 2018. Ms. Chan has been engaged by the Company as one of the authorized representatives effective on 31 May 2018.

During the year ended 31 December 2018, Mr. Sun and Ms. Chan have undertaken over 15 hours of professional training to update their skill and knowledge.

N. PRIMARY CORPORATE CONTACT PERSON

Mr. Sun Shengfeng, the executive Director and chief financial officer, is the primary corporate contact person of the joint company secretary, Ms. Chan.

O. GOING CONCERN

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to the Shareholders through the optimization of the debt and equity balance.

There are no material uncertainties relating to events or conditions that cast significant doubt upon the Company’s liability to continue as a going concern.

M. 聯席公司秘書

外部服務供應商方圓企業服務集團(香港)有限公司(前稱信永方圓企業服務集團有限公司)的黃日東先生(「黃先生」)及本公司執行董事兼財務總監孫勝峰先生(「孫先生」)已獲委任為本公司聯席公司秘書，此委任於2016年3月12日生效。黃先生已辭任本公司之聯席公司秘書及不再擔任本公司之授權代表，自2018年5月31日生效。方圓企業服務集團(香港)有限公司的陳燕華女士(「陳女士」)已獲本公司委任為聯席公司秘書，自2018年5月31日起生效。陳女士已獲本公司委任為授權代表之一，自2018年5月31日起生效。

於截至2018年12月31日止年度內，孫先生及陳女士已參加15小時以上的相關專業培訓，以提高技能及知識。

N. 公司主要聯絡人

孫勝峰先生(執行董事兼財務總監)為聯席公司秘書陳女士的公司主要聯絡人。

O. 持續經營能力

本集團會對資本進行管理，以確保本集團旗下公司能夠持續經營，同時透過優化債務與資本間的平衡最大限度地提高股東回報。

概無有關任何事件或情況的重大不明朗因素可能對本公司的持續經營能力構成重大疑問。

The Board of the Company presents this directors' report in the Group's annual report for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

We are a leading and fast-growing compound condiment manufacturer in China primarily focused on the hot pot condiment market. We are the sole supplier of hot pot soup flavoring products for Haidilao Group in China. We employ a distributor model to sell our products, and our physical distribution network is supplemented by e-commerce channels and third-party catering companies, which have recently experienced significant development. The Group is also expanding its sales network in overseas markets.

The principal activities of the Group are researching and developing, manufacturing, distributing and selling high-quality hot pot condiments, Chinese-style compound condiments and convenient ready-to-eat food products. There were no significant changes in the nature of the Group's principal activities during the year ended 31 December 2018.

RESULTS

The results of the Group for the year ended 31 December 2018 are set out in the Consolidated Statement of Comprehensive Income of this annual report.

FINAL DIVIDEND

The Board resolved to propose to the Shareholders in the forthcoming AGM on Tuesday, 21 May 2019 for the distribution of a final dividend of RMB14.83789 cents per share for the year ended 31 December 2018. The final dividend is expected to be paid on or about Friday, 14 June 2019 to the Shareholders whose names are listed in the register of members of the Company on Wednesday, 29 May 2019, in an aggregate amount of RMB155.3 million. Subject to the consideration and approval of the Shareholders at the AGM, the final dividend will be paid in Hong Kong dollars based on the average benchmark exchange rate of Renminbi against Hong Kong Dollars as announced by the People's Bank of China in the five working days prior to but excluding the date of the Board Meeting, that is HK\$17.378 cents per Share.

本公司董事會提呈本集團截至2018年12月31日止年度的年報內所載的董事會報告。

主要業務

我們是中國領先且高速發展的複合調味料生產商，主要專注於火鍋調味料市場。我們是海底撈集團在中國的火鍋底料產品的獨家供應商。我們採用經銷商模式銷售我們的產品，且我們的實體經銷網絡由近期顯著發展的電商渠道及第三方餐飲渠道所補充。本集團亦繼續拓展海外市場的銷售網絡。

本集團的主要業務是研發、生產、經銷及銷售優質火鍋調味料、中式複合調味料及方便速食產品。截至2018年12月31日止年度，本集團的主要業務性質並無重大變動。

業績

本集團截至2018年12月31日止年度的業績載於本年報的綜合全面收益表內。

末期股息

董事會決議於2019年5月21日(星期二)舉行的應屆股東週年大會上向本公司股東建議分派截至2018年12月31日止年度的末期股息每股人民幣14.83789分。末期股息預期於2019年6月14日(星期五)或前後派付予於2019年5月29日(星期三)名列本公司股東名冊的股東，金額合共為人民幣155.3百萬元。待股東於股東週年大會上考慮及批准後，末期股息將根據董事會會議日期前五個工作日(但不包括董事會會議日期)中國人民銀行公佈的人民幣兌換港元的匯率中間價以港元派付，即每股股份17.378港仙。

Directors' Report

董事會報告

SHARE CAPITAL

Details of the issued shares of the Group during the year ended 31 December 2018 are set out in note 18 to the Financial Statements.

RESERVES

Details of the movements in reserves of the Group during the year ended 31 December 2018 are set out in the Consolidated Statement of Changes In Equity of this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2018, the Company has distributable reserves of RMB1,014.9 million in total available for distribution.

CHARITABLE DONATIONS

During the year ended 31 December 2018, the Group made charitable donations of RMB0.2 million.

FINANCIAL SUMMARY

The Group's financial summary for the last five financial years is set out in the section headed "Five-Year Performance Review" of this annual report.

BANK LOANS AND OTHER BORROWINGS

As at 31 December 2018, the Group has recorded no bank loans and other borrowings.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 December 2018 are set out in note 8 to the Financial Statements.

股本

有關本集團於截至2018年12月31日止年度的已發行股份詳情載於財務報表附註18。

儲備

有關本集團於截至2018年12月31日止年度的儲備變動詳情載於本年報綜合權益變動表內。

可分派儲備

截至2018年12月31日，本公司可供分派的可供分派儲備合共為人民幣1,014.9百萬元。

慈善捐贈

截至2018年12月31日止年度，本公司慈善捐贈額為人民幣0.2百萬元。

財務概要

本集團於過去五個財政年度的財務概要載於本年報「五年業績回顧」一節。

銀行貸款及其他借款

截止2018年12月31日，本集團並無銀行貸款及其他借款。

物業、廠房及設備

有關本集團於截至2018年12月31日止年度的物業、廠房及設備變動詳情載於財務報表附註8。

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the amount of public float as required under the Listing Rules as at the Latest Practicable Date.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association and there is no restriction against such rights which would oblige the Company to offer new shares on a pro-rata basis to the existing Shareholders.

TAX RELIEF

The Directors are not aware of any tax relief available to the shareholders of the Company by reason of their holding of the Company's securities.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The net proceeds from the Global Offering amounted to approximately HK\$720.2 million. For details, please refer to the section headed "Corporate Governance Report – Use of Proceeds from the Global Offering" of this annual report.

足夠的公眾持股量

根據本公司所獲之公開資料以及據本公司董事所知，本公司截至最後實際可行日期一直維持上市規則規定之公眾持股量。

優先購買權

本公司的章程細則並無載列優先購買權條文，且並無對有關權利的限制要求本公司須按比例基準向現有股東發售新股份。

稅務寬免

董事並不知悉本公司股東基於持有本公司證券為理由而可獲任何稅務寬免。

全球發售所得款項

全球發售所得款項淨額約為720.2百萬港元。詳情請參閱本年報中「企業管治報告 – 全球發售所得款項用途」一節。

BUSINESS REVIEW

a. Overview and performance of the Year

Business review and financial review are provided in the Management's Discussion and Analysis section of this annual report.

b. Environmental Policies and Performance

It is our corporate and social responsibility to promote a sustainable and environmental-friendly environment. We strive to minimize our environmental impact by saving electricity and to build our corporation in a sustainable way.

The Group has undergone a series of effective energy-saving and pollutant-reducing measures such as conserving water and electricity, reducing the creation and emission of pollutants during the production process and optimizing production lines.

Additionally, we have adopted a set of emergency planning, response and control procedures as countermeasures for unexpected environmental pollution accidents to minimize our impact on the environment and the adverse effect on our business. We incurred RMB2.92 million (2017: RMB1.34 million) in environmental compliance costs for the year ended 31 December 2018. Such environmental compliance costs relate to expenditures in implementing environmental protection policies, and for the year ended 31 December 2018, the Group has not incurred any fines as a result of environmental pollution.

業務回顧

a. 年度回顧及表現

有關本集團業務回顧及財務回顧分析刊載於本年報的管理層討論與分析章節。

b. 環境政策及表現

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

本集團已進行一系列有效的節能及防污措施(例如節水節電、於生產工序中減少製造及排放污染物以及優化生產線)。

此外，我們採納一套緊急規劃、應變及控制程序，作為發生出乎意料環境污染意外時的抵禦措施，儘量減少對環境的衝擊及我們業務的不利影響。截至2018年12月31日止年度，我們錄得環境合規成本人民幣2.92百萬元(2017年：人民幣1.34百萬元)。環境合規成本為推行環境保護政策的支出，而截至2018年12月31日止年度本集團沒有因為環境污染而導致須繳付罰款。

c. Compliance with Relevant Laws and Regulations

The Group has complied with the requirements under the Companies Ordinance, the Listing Rules, the SFO and the Corporate Governance Code for, among other things, the disclosure of information and corporate governance. The Group has also complied with other relevant laws and regulations that have a significant impact on the operations of the Group. Please refer to the section headed “Regulations” in the Prospectus for details.

d. Key Relationships with Stakeholders

Relationship with Haidilao Group and its Affiliates

One group of the primary customers of the Company is Haidilao Group and its affiliates. We are the sole supplier of hot pot soup flavoring products to Haidilao Group in China. The hot pot soup flavoring products that we sell to Haidilao Group for use in its hot pot restaurants are customized products meeting Haidilao Group's specific requirements. In addition, our retail products are displayed and sold directly to consumers in Haidilao hot pot restaurants. In general, Haidilao Group makes purchase orders based on customer demands. We have the right to arrange production ahead of time and stock the finished products in anticipation of peak seasons. We also sell retail and customized condiment products to Shuhai Supply Chain and Youdingyou, our affiliated companies.

c. 遵守相關法律法規

本集團就(其中包括)資料披露及企業管治一直遵守公司條例、上市規則、證券及期貨條例及企業管治守則規定。本集團亦一直遵守對其營運有重大影響的有關法律及規例。有關詳情請參閱招股章程「法規」一節。

d. 與利益相關人士的主要關係

與海底撈集團及其聯屬公司的關係

本公司其中一組主要客戶為海底撈集團及其聯屬公司。我們是海底撈集團在中國的火鍋底料產品獨家供應商。我們向海底撈集團銷售供其火鍋餐廳使用的火鍋底料產品主要是滿足海底撈集團具體要求的定製產品。此外，我們的零售產品於海底撈的火鍋餐廳展示並直接向消費者出售。整體而言，海底撈集團根據客戶需要發出購買訂單。我們可預計旺季而安排提早生產及儲存製成品，但我們過往並無陳舊存貨。我們亦向我們的聯屬公司蜀海供應鏈及優鼎優銷售零售及定製調味品。

Relationship with our distributors

The other group of the Company's primary customers is the distributors, who in turn resell our products to sub-distributors and retailers, including hypermarkets, supermarkets, grocery stores, neighborhood stores and butcher shops across China. As at 31 December 2018, we had an extensive distribution network covering 31 provincial regions of China and the Hong Kong, Macau and Taiwan regions and 42 overseas countries and markets.

1. Management of Our Distributors

Our distributors are typically regional distributors primarily involved in the distribution of food and condiment products with well-established local distribution networks. We select our distributors in each region based on factors including their business qualifications and distribution capabilities. The distribution capabilities we consider include breadth and quality of sales network, reputation, creditworthiness and financial conditions, and capabilities in personnel, warehousing, logistics, facilities and transportation.

We have a seller-buyer relationship with our distributors. The ownership of the products, as well as all risks and rewards associated therewith are transferred to them upon delivery and acceptance. In general, our sales to our distributors are made on a payment-before-delivery basis according to our distribution agreements with our distributors with certain exceptions during our peak seasons. We formulate a monthly production plan based on historical sales and market demand. Upon receipt of purchase orders, we will first deliver the products previously prepared based on the relatively conservative monthly plan and further produce and deliver the shortfall, if any. Due to our effective production and inventory management, our warehouse time of finished products is approximately 7 days for retail products and 30 days for customized products sold to related parties. Once the products are delivered to the distributors, they cannot be returned except for defective products.

與經銷商的關係

本公司其他組別的主要客戶為經銷商，經銷商轉而將產品轉售予下級經銷商及零售商(包括遍佈全國的大型超市、超市、雜貨店、社區門店及肉食店)。截至2018年12月31日，我們已建立起覆蓋中國31個省級地區與港澳台地區，以及42個外國國家及市場的龐大經銷網絡。

1. 管理我們的經銷商

我們的經銷商一般為區域經銷商，其主要從事經銷食品及調味品，具備成熟地方經銷網絡。我們根據經銷商的業務資格及經銷能力等因素在各個區域甄選經銷商。我們考慮的經銷能力包括銷售網絡的廣度及質量、聲譽、信譽及財務狀況以及人事、倉儲、物流，設備及運輸能力。

我們與經銷商之間是買賣關係。產品的所有權以及與產品有關的所有風險及回報均在經銷商驗收後轉移至經銷商。一般而言，我們對經銷商的銷售均根據我們與經銷商訂立的經銷協議按「交貨前付款」基準作出，惟我們於旺季的若干情況例外。我們根據過往銷售及市場需求制定每月的生產計劃。於接獲購買訂單後，我們首先會根據相對保守的每月計劃交付先前準備好的產品並進一步生產及交付缺少的數量(如有)。由於我們有效的生產及存貨管理，我們的製成品倉儲時間就零售產品而言約為7日，就售予關聯方的定製產品而言約為30日。產品一經送到經銷商時，便不能退回(惟有缺陷產品除外)。

2. Distributors Performance and Inventory Management

We closely monitor the performance of our distributors. For example, our sales personnel conduct inspections of our distributors from time to time to monitor their sales, sales prices, marketing activities, storage conditions, logistics facilities, staff quality, quality control and inventory levels. Generally, we require our distributors to report to us their inventory records every two weeks to cross-check with our internal data base. Our staff also conduct monthly inventory checks at randomly selected distributors. When we notice that our distributors have excessive inventories or their sales volumes drop significantly, we may make inquiries and adopt necessary measures such as suspending the supply of relevant products. We prohibit our distributors from selling any expired products. Through visiting the retailers and sub-distributors and verifying the two-dimensional code that we implanted on our products, we also monitor whether our distributors distribute our products within their designated geographic regions and whether they sell any counterfeit products. Through these activities, we ensure that our sales to distributors reflect genuine market demand and our distributors are complying with the terms and conditions of their distribution agreements. If we discover non-compliance issues, we inform the relevant distributor and request the distributor to cease the non-compliant activities within a specified period of time. Our distributors are also liable for breaches of their distribution agreements, and we can claim compensation from them for relevant breaches. We can terminate the distribution agreements if they breach material provisions stipulated therein.

2. 經銷商表現及存貨管理

我們密切監察經銷商的表現。例如，我們的銷售人員不時檢查經銷商以監察其銷售、銷售價、市場營銷活動、儲存條件、物流設施、員工素質、質量控制及存貨水平。一般而言，我們要求經銷商每兩個星期向我們匯報其存貨記錄，以與我們的內部數據庫進行交叉核對。我們的員工亦每月抽查隨機抽選經銷商的存貨情況。當我們注意到經銷商擁有過多存貨或其銷售量大幅下跌時，我們可進行詢問並採取必要措施（如暫停供應有關產品）。我們禁止我們的經銷商銷售任何到期產品。透過造訪零售商及下級經銷商及核實我們產品上印製的二維碼，我們亦監察經銷商是否在指定地區內經銷產品及有無出售任何假冒產品。透過該等活動，我們確保向經銷商作出的銷售反映真實的市場需求及經銷商遵守經銷協議的條款及條件。倘我們發現不合規事宜，我們將告知相關經銷商並要求經銷商在規定期間內終止此類活動。經銷商亦對違反經銷協議承擔責任，且我們可就相關違規向其申索賠償。倘經銷商違反經銷協議訂明的重大條文，我們可終止經銷協議。

Directors' Report

董事會報告

We provide sales rebate as an incentive to our third-party distributors when they achieve or exceed the sales targets set out in their distribution agreements, which are negotiated and determined based on various factors such as past performance and market conditions. If a distributor achieves or exceeds its sales target, we will grant the rebate by providing certain discount for such distributor's purchases in the next year. Such sales rebates are deducted from our revenue for each of the relevant periods. We do not impose minimum annual purchase requirement in the distribution agreements. If a distributor fails to achieve its sales target, then it will not be entitled to the sales rebate as described above.

Relationship with Third-party Catering Service Providers

Leveraging our experience in providing customized services to Haidilao Group, we provide customized compound condiment products to third-party catering service providers, primarily hot pot restaurants, spicy stir-fry pot restaurants and barbecue restaurants.

We use a standardized agreement for these services. Our customers will discuss their requirements with us before placing orders. Following our agreement on the detailed requirements of the customized condiment products, packaging requirements and purchase prices, our customers will pay an advance payment equal to 50% of the total purchase price for our manufacturing and pay the remainder before delivery. Almost all of our customers are not allowed to return any products after completion of inspection and acceptance. Our customers are required to use the customized condiment products only for their provision of catering services and may not resell the condiment products to other parties. Typically if the third-party catering service providers consume the Company's retail products, then they are the Company's own product formula. But if it is customized condiment, then it will be the same arrangements as the sales to Haidilao Group, i.e., the Company will not own the intellectual property right of the product formula.

As an increasing number of service providers intend to take advantage of the high quality and consistent products offered by large and reputable manufacturers, we believe there is significant growth potential for us in providing customized services to third-party catering service providers.

我們在第三方經銷商達到或超過其經銷協議所載銷售目標時向彼等提供銷售折扣作為獎勵，而經銷協議所載銷售目標乃基於過往表現及市場狀況等多項因素磋商及釐定。倘經銷商達到或超過其銷售目標，我們將為該經銷商下一年度採購提供折扣。有關銷售折扣自我們各有關期間的收入中扣除。我們並無於經銷協議中施加最低年度購買要求。倘經銷商未能達到其銷售目標，其將無權享有上述銷售折扣。

與第三方餐飲服務供應商的關係

憑借我們向海底撈集團提供定製化服務的經驗，我們向第三方餐飲服務供應商(主要為火鍋餐廳、麻辣香鍋餐廳和燒烤餐廳)提供定製的複合調味品。

我們為提供上述服務使用標準化協議。我們的客戶在下達訂單前將與我們討論其要求。在我們協定定製調味品的詳細規定、包裝規定及購買價格後，客戶將預先支付相等於總購買價格50%的金額，以供我們進行製造，並在交貨前支付餘款。幾乎所有客戶在驗收後不得退回任何產品。定製調味品只限於客戶提供餐飲服務，其不得再將調味品轉售其他方。一般而言，倘第三方餐飲服務供應商使用本公司的零售產品，則其為本公司自有的產品配方。但倘其為定製調味料，則將按如向海底撈集團進行銷售的相同安排，即本公司將不會擁有產品配方的知識產權。

由於數目愈來愈多的餐飲服務供應商有意使用信譽良好的大型生產商所提供的一貫質優的產品，我們相信，為餐飲服務供應商提供定製化服務有相當的增長潛力。

Relationship with Our Suppliers

Our raw materials are generally available from various suppliers. To maintain high standards of product quality and food safety, we place strong emphasis on sourcing high-quality raw materials from large suppliers with good reputations. We minimize our reliance on any single source of supply by maintaining at least two suppliers for each type of raw material. We also implement various measures to monitor the performance of our suppliers, including sample examination and on-site inspections.

We usually enter into supply agreements with our suppliers on an annual basis. Our suppliers are required to provide raw materials adhering to the quality requirement under the supply agreements and are responsible for any liabilities caused by product defects. Our supply agreements do not have an automatic renewal clause.

Relationship with Our Employees

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

Relationship with Shareholders

We recognize the importance of protecting the interests of the Shareholders and of having effective communication with them. We believe communication with the Shareholders is a two-way process and have thrived to ensure the quality and effectiveness of information disclosure, maintain regular dialogue with the Shareholders and listen carefully to the views and feedback from the Shareholders. This has been done through general meetings, corporate communications, interim and annual reports and results announcements.

與供應商的關係

我們的原材料一般可從多名供應商採購。為維持高標準的產品質量及食品安全，我們極為重視向聲譽卓著的大型供應商採購優質的原材料。我們盡量減少依賴任何單一的供應來源，就每類原材料維持至少兩名供應商。我們亦實行多種措施監察供應商的表現，包括抽樣檢查及實地檢查。

我們通常每年與供應商訂立供應協議。我們的供應商須提供達到供應協議質量要求的原材料，並對產品瑕疵所導致的任何責任負責。我們的供應協議並無自動續期條款。

與僱員的關係

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

與股東的關係

我們認識到保護股東權益和與其進行有效溝通的重要性。我們相信與股東溝通是一個雙向的過程，並竭力確保信息披露的質量及有效性、保持與股東的定期對話及認真聆聽來自股東的意見與反饋。這已通過股東大會、公司通訊、中期報告與年報及業績公佈實現。

e. Principal Risk and Uncertainties

Risk of Quality and Safety

Food safety and quality control are the top priority in the production and operation for food processing enterprises. If our quality control system is not sufficiently implemented, quality or food safety issues may arise, which will bring a material adverse impact on the company's brand, reputation and financial position.

Response measures: The Group has passed the Hazard Analysis Critical Control Point (HACCP) System Certification and the ISO9001 Quality Assurance System Certification. From the process of raw materials import to products delivery, strict implementation has been made in accordance with the requirements of such systems to ensure food safety and product quality. At the same time, according to our "Food Safety Risk Assessment Criteria", the Group will conduct comprehensive risk assessments for food safety and quality under three major aspects: regulatory risk, product risk and operational risk. The Group will identify risk points through such risk assessments and track the effectiveness of risk rectification to ensure that risk control of the Group's operation is in place.

Risk of New Products

Due to the large number of new products launched by the Group, such new products may face the risk of withdrawing from the market if there are no comprehensive and appropriate marketing strategies and channel support. As certain new products belong to emerging markets, if the standards for such new products are not properly regulated within the industry and the manufacturers are of vastly different qualities, the market environment for such new products may be damaged. Due to the rapid changes in the condiment market, if the Group fails to conduct in-depth analysis and timely response to new competing products and related environment, it may lead to a decline in the market share of the Group's new products, which will in turn affect the results of operations of the Group.

Response measures: The Company will further improve the research mechanism before launching the products, and regularly follow up and analyze the performance of newly launched products, react promptly to market changes, optimize product mix timely, and formulate long-term and effective marketing plans and promotion strategies.

e. 主要風險及不確定性

質量與安全風險

食品安全和質量控制是食品加工企業生產經營的重中之重，一旦我們的質量控制體系出現控制不到位，則有可能出現質量或食品安全問題，從而對公司的品牌、聲譽及財務狀況造成重大不利影響。

應對措施：本集團已經通過危害分析重要控制點(HACCP)體系及ISO9001質量保證體系認證，自原料引入至產品出廠銷售均嚴格按照體系要求執行，以保障食品的安全及確保產品的品質。同時，本集團根據我們的《食品安全風險評估標準》，從法規風險、產品風險、運營風險三個大的方面對食品安全與質量進行全方位的風險評估，通過風險評估識別風險點，並跟蹤評估風險整改的效果，以確保本集團運營的風險控制到位。

新產品風險

由於本集團目前推出的新產品較多，開發的新產品上市後如沒有全面且適當的銷售推廣策略和渠道支持，新產品可能面臨下市的風險；由於部分新產品屬於新興市場，行業內就新產品的標準不規範且生產商資質參差不齊，可能會破壞新產品的市場環境。由於調味品市場變化較快，如本集團未能對新的競品與相關環境做深入分析與及時應對，可能導致本集團新產品的市場佔有率下降，從而影響本集團的經營業績。

應對措施：本公司將進一步完善產品上市前的調研機制，並定期跟蹤及分析新上市產品表現，針對市場變化快速應對，及時優化產品組合，制定長期有效的市場規劃和推廣策略。

Risk of Connected Transactions

As connected transactions account for a relatively high proportion of the Group's revenue, on one hand, the sales revenue of the Group may be negatively affected if the profitability of related parties is substantially declined or the brand is damaged; on the other hand, the Group shall comply with the pricing principles and approved annual caps of the transactions with related parties, otherwise the Group will be exposed to non-compliance risks in corporate governance.

Response measures: At present, the Group has established a comprehensive internal control system to ensure that the terms of connected transactions are fair and reasonable, and the actual amount incurred from connected transactions is controlled within the relevant annual caps. Meanwhile, the Group will also upgrade and develop diversified product portfolio by continuously expanding and deepening its sales channels, and further improving third-party sales revenue in order to reduce the Group's reliance on related parties.

PROSPECTS

A description of the future development in the Company's business is provided in the Chairman's Statement and the Management's Discussion and Analysis section of this annual report.

關聯交易風險

由於關聯交易在本集團收入中佔比較高，一方面如果關聯方盈利能力大幅下降或品牌受損，可能會對本集團的銷售收入產生負面影響；另一方面，本集團需遵守與關聯方交易的定價原則及已獲批准的年度上限，否則本集團的公司治理將面臨不合規的風險。

應對措施：本集團目前已設有較為全面的內部監控系統，以確保關連交易的條款屬公平合理，以及關連交易的實際產生金額控制在相關年度上限之內；本集團同時也將繼續通過拓展並深化銷售渠道，升級並開發多元化產品組合，進一步提升第三方銷售收入，藉以減少本集團對關聯方的依賴。

展望

有關本公司未來業務發展的描述分別載於本年報的主席報告及管理層討論與分析。

Directors' Report 董事會報告

EVENTS AFTER THE END OF 31 DECEMBER 2018

The Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2018 and up to the date of this report.

DIRECTORS

The Directors up to the date of this annual report are:

Executive Directors

Mr. Shi Yonghong (*Chairman and Chief Executive Officer*)
Ms. Dang Chunxiang
Mr. Sun Shengfeng
Ms. Shu Ping
Mr. Guo Qiang

Non-executive Director

Mr. Zhang Yong

Independent Non-executive Directors

Mr. Yau Ka Chi
Mr. Qian Mingxing
Ms. Ye Shujun

Mr. Pan Di has resigned from his positions as a non-executive director of the Company with effect from 26 March 2019 for business affairs which do not compete with the business of the Company.

In accordance with Article 16.18 of the Articles of Association, one-third of the Directors will retire by rotation at every annual general meeting (provided that every Director shall be subject to retirement by rotation at least once every three years) and, being eligible, offer themselves for re-election. Mr. Shi Yonghong, Mr. Sun Shengfeng and Mr. Qian Mingxing will retire from the Board by rotation at the AGM and, being eligible, offer themselves for re-election.

In accordance with Article 16.2 of the Articles of Association, Mr. Guo Qiang, who was appointed to fill up causal vacancy on the Board shall retire from office as Director, and being eligible, offer himself for re-election at the AGM.

No Director proposed for re-election at the AGM has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

截至2018年12月31日後事項

於2018年12月31日後及直至本報告日期，董事概不知悉任何重大事項須予披露。

董事

截至本年報日期的董事為：

執行董事

施永宏先生(主席兼首席執行官)
黨春香女士
孫勝峰先生
舒萍女士
郭強先生

非執行董事

張勇先生

獨立非執行董事

邱家賜先生
錢明星先生
葉蜀君女士

潘迪先生已辭任本公司非執行董事，由二零一九年三月二十六日起生效，以投放更多時間於其與本公司業務並無構成競爭的商業事務。

根據組織章程細則第16.18條，三分之一的董事將於每屆股東週年大會上輪換退任(惟每名董事須至少每三年輪換退任一次)並合資格膺選連任。施永宏先生、孫勝峰先生和錢明星先生將於股東週年大會上自董事會輪換退任並合資格膺選連任。

根據組織章程細則第16.2條，郭強先生獲委任以填補董事會的臨時空缺，彼將於股東週年大會上自董事會退任董事並合資格膺選連任。

概無擬於股東週年大會上膺選連任的董事與本公司或其任何附屬公司訂立如無作出賠償(法定賠償除外)則不能釐定於一年內終止的未屆滿服務合約。

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out in the section headed "Profiles of Directors and Senior Management" of this annual report.

CHANGES IN THE INFORMATION OF THE DIRECTORS

Ms. Shu Ping was appointed as an executive director and became a member of the remuneration committee in place of Mr. Gou Yiqun with effect from 21 March 2018 as Mr. Gou would like to devote more time for business affairs which do not compete with the business of the Company.

Mr. Shi Yonghong was re-designated as an executive director and was appointed as the chief executive officer of the Company in place of Ms. Dang Chunxiang who was in turn appointed as the vice president of the Company with effect from 9 December 2018 as due to internal adjustment of personnel responsibilities of the Group.

Mr. Qian Mingxing became a member of the audit committee in place of Mr. Shi Yonghong with effect from 9 December 2018.

Save as disclosed above and in the section headed "Profiles of Directors and Senior Management", during the year ended 31 December 2018, there has been no change in the information of the Directors as required to be disclosed pursuant to Rule 13.51B of the Listing Rules.

董事及高級管理層的履歷

董事及本集團高級管理層的履歷詳情載於本年報「董事及高級管理層簡介」一節。

董事資料變動

由於苟軼群先生有意投放更多時間於與本公司業務並無構成競爭的商業事務，舒萍女士已獲委任為執行董事並成為薪酬委員會成員，以接替苟軼群先生，自2018年3月21日生效。

由於人事職責方面的內部調整，施永宏先生已調任為執行董事並已獲委任為本公司首席執行官，以接替黨春香女士，黨春香女士繼而獲委任為本公司副總裁，自2018年12月9日生效。

錢明星先生已成為審計委員會成員以接替施永宏先生，自2018年12月9日生效。

除上文及「董事及高級管理層簡介」一節所披露者外，截至2018年12月31日止年度，董事資料概無出現根據上市規則第13.51B條須予披露的任何變動。

Directors' Report

董事會報告

DIRECTORS' SERVICE CONTRACTS

The executive Directors and non-executive Directors have each entered into a service contract with the Company pursuant to which each of them agrees to act as an executive Director or a non-executive Director (as the case may be) for an initial term of three years from 7 March 2016, or from 21 March 2018 for Ms. Shu Ping, 9 December 2018 for Mr. Shi Yonghong and 26 March 2019 for Mr. Guo Qiang (subject to re-election as and when required under the Articles of Association) until terminated in accordance with the terms and conditions of the service contract or by either party giving to the other not less than one month's prior notice in writing.

The independent non-executive Directors have each signed a letter of appointment with the Company and have been appointed for a term of three years from 20 June 2016. The appointment may be terminated by either party giving to the other not less than one month's prior notice in writing.

None of the Directors have an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

CONFIRMATION OF INDEPENDENCE FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS

We have received from each of the independent non-executive Directors, namely Mr. Yau Ka Chi, Mr. Qian Mingxing and Ms. Ye Shujun, the confirmation of their respective independence pursuant to Rule 3.13 of the Listing Rules. The Company has duly reviewed the confirmation of independence of each of these Directors. We consider that the independent non-executive Directors have been independent from the date of their appointments to 31 December 2018 and remain so as of the date of this annual report.

董事服務合約

執行董事及非執行董事各自已與本公司訂立服務合約，據此，彼等同意擔任執行董事或非執行董事(視乎情況而定)，任期自2016年3月7日或舒萍女士的自2018年3月21日或施永宏先生的自2018年12月9日或郭強先生的自2019年3月26日起初步為期三年(可根據組織章程細則於需要時重選)，直至根據服務合約的條款及條件終止或由其中一方向另一方發出不少於一個月的事先書面通知予以終止。

獨立非執行董事各自已與本公司簽立委任函並已獲委任，任期自2016年6月20日起為期三年。委任可由其中一方向另一方發出不少於一個月的事先書面通知予以終止。

概無董事與本公司或其任何附屬公司訂立如無作出賠償(法定賠償除外)則不能釐定於一年內終止的未屆滿服務合約。

獨立非執行董事的獨立性確認

本公司已接獲各名獨立非執行董事(即邱家賜先生、錢明星先生及葉蜀君女士)根據上市規則第3.13條就彼等各自之獨立性發出的確認書。本公司已妥為審閱該等董事各自的獨立性確認書。我們認為，獨立非執行董事自彼等獲委任日期起至2018年12月31日均為獨立人士，且截至本年報日期仍為獨立人士。

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

As at 31 December 2018, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of our associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

董事及最高行政人員於股份、相關股份及債權證中所擁有的權益及淡倉

於2018年12月31日，本公司董事及最高行政人員於本公司或我們任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中所擁有(a)根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益及淡倉(包括根據證券及期貨條例的有關條文被當作或視作擁有的權益及淡倉)；或(b)根據證券及期貨條例第352條須登記於該條所指登記冊的權益及淡倉；或(c)根據標準守則須知會本公司及聯交所的權益及淡倉載列如下：

Name of Director	Capacity/Nature of Interest	Number of Ordinary Shares	Approximate percentage of shareholding in the total issued share capital (%) 於已發行股本總額中的概約 持股比例(%)
董事姓名	身份／權益性質	普通股數目	普通股數目
Mr. Shi Yonghong ⁽¹⁾	Founder of a discretionary trust, interest of controlled corporation, interest of spouse, beneficial owner and Beneficiary of a trust	177,443,492 (L)	16.95% (L)
施永宏先生 ⁽¹⁾	全權信託的創立人、受控制法團權益、配偶的權益、實益擁有人及信託受益人		
Ms. Shu Ping ⁽²⁾	Founder of a discretionary trust, interest of controlled corporation, beneficial owner and Beneficiary of a trust	372,847,021 (L)	35.61% (L)
舒萍女士 ⁽²⁾	全權信託的創立人、受控制法團權益、實益擁有人及信託受益人		
Mr. Zhang Yong ⁽²⁾	Founder of a discretionary trust, interest of controlled corporation, beneficial owner and Beneficiary of a trust	372,847,021 (L)	35.61% (L)
張勇先生 ⁽²⁾	全權信託的創立人、受控制法團權益、實益擁有人及信託受益人		
Ms. Dang Chunxiang ⁽³⁾	Beneficiary of a trust, beneficial owner	1,160,000 (L)	0.11% (L)
黨春香女士 ⁽³⁾	信託的受益人、實益擁有人		
Mr. Sun Shengfeng ⁽⁴⁾	Beneficiary of a trust, beneficial owner	620,000 (L)	0.06% (L)
孫勝峰先生 ⁽⁴⁾	信託的受益人、實益擁有人		

(L) denotes a long position

(L) 代表好倉

Directors' Report

董事會報告

Notes:

- (1) Mr. Shi Yonghong and Ms. Li Haiyan, as the settlors and protectors, established for their own benefit the SL Trust, which indirectly holds the entire share capital of SYH YIHAI Ltd and LHY YIHAI Ltd, which in turn holds a total of 177,243,492 Shares. For the purpose of the SFO, Mr. Shi Yonghong and Ms. Li Haiyan are deemed to be interested in the Shares in which SYH YIHAI Ltd and LHY YIHAI Ltd are interested.

Mr. Shi Yonghong is the spouse of Ms. Li Haiyan and is deemed to be interested in the same number of the Shares in which Ms. Li Haiyan is interested for the purpose of the SFO. Ms. Li Haiyan is the spouse of Mr. Shi Yonghong and is deemed to be interested in the same number of the Shares in which Mr. Shi Yonghong is interested for the purpose of the SFO.

200,000 RSUs were granted to Mr. Shi Yonghong pursuant to the RSU Scheme on 9 December 2018, all of which had been vested.

- (2) Mr. Zhang Yong and Ms. Shu Ping, as the settlors and protectors, established for their own benefit the ZYSP Trust, which holds the entire share capital of ZYSP YIHAI Ltd, which in turn holds 372,547,021 Shares. For the purpose of the SFO, Mr. Zhang Yong and Ms. Shu Ping are deemed to be interested in the Shares in which ZYSP YIHAI Ltd is interested.

Mr. Zhang Yong is the spouse of Ms. Shu Ping and is deemed to be interested in the same number of the Shares in which Ms. Shu Ping is interested for the purpose of the SFO. Ms. Shu Ping is the spouse of Mr. Zhang Yong and is deemed to be interested in the same number of the Shares in which Mr. Zhang Yong is interested for the purpose of the SFO.

100,000 and 200,000 RSUs were granted to Ms. Shu Ping and Mr. Zhang Yong pursuant to the RSU Scheme on 9 December 2018, respectively, all of which had been vested.

- (3) 1,010,000 and 150,000 RSUs were granted to Ms. Dang Chunxiang pursuant to the RSU Scheme on 28 December 2016 and 9 December 2018, respectively. 352,000 shares had been vested.
- (4) 500,000 and 120,000 RSUs were granted to Mr. Sun Shengfeng pursuant to the RSU Scheme on 28 December 2016 and 9 December 2018, respectively. 220,000 shares had been vested.

附註：

- (1) 施永宏先生及李海燕女士(作為財產授予人及保護人)為彼等自身利益成立SL信託，其間接持有SYH YIHAI Ltd及LHY YIHAI Ltd的全部股本，而SYH YIHAI Ltd及LHY YIHAI Ltd則持有合共177,243,492股股份。就證券及期貨條例而言，施永宏先生及李海燕女士被視為於SYH YIHAI Ltd及LHY YIHAI Ltd擁有權益的股份中擁有權益。

施永宏先生為李海燕女士的配偶並就證券及期貨條例而言被視為於李海燕女士擁有權益的相同股份數目中擁有權益。李海燕女士為施永宏先生的配偶並就證券及期貨條例而言被視為於施永宏先生擁有權益的相同股份數目中擁有權益。

200,000份受限制股份單位已根據受限制股份單位計劃於2018年12月9日授予施永宏先生，全部股份已歸屬。

- (2) 張勇先生及舒萍女士(作為財產授予人及保護人)為彼等自身利益成立ZYSP信託，其持有ZYSP YIHAI Ltd的全部股本，而ZYSP YIHAI Ltd則持有372,547,021股股份。就證券及期貨條例而言，張勇先生及舒萍女士被視為於ZYSP YIHAI Ltd擁有權益的股份中擁有權益。

張勇先生為舒萍女士的配偶，就證券及期貨條例而言被視為於舒萍女士擁有權益的相同數目股份中擁有權益。舒萍女士為張勇先生的配偶，就證券及期貨條例而言被視為於張勇先生擁有權益的相同數目股份中擁有權益。

100,000份及200,000份受限制股份單位已分別根據受限制股份單位計劃於2018年12月9日授予舒萍女士及張勇先生，全部股份已歸屬。

- (3) 於2016年12月28日及2018年12月9日，1,010,000份及150,000份受限制股份單位已分別根據受限制股份單位計劃授予黨春香女士。352,000股股份已歸屬。
- (4) 於2016年12月28日及2018年12月9日，500,000份及120,000份受限制股份單位已分別根據受限制股份單位計劃授予孫勝峰先生。220,000股股份已歸屬。

Save as disclosed above, as at 31 December 2018, none of the Directors or chief executives of the Company has or is deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or which will be required to be recorded in the register to be kept by the Company pursuant to Section 352 of the SFO, or which will be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2018, the followings are the persons, other than the Directors or chief executives of the Company, who had interests or short positions in the shares and underlying shares which would be required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO:

除上文所披露者外，截至2018年12月31日，本公司董事或最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中概無擁有或被視為擁有根據證券及期貨條例第XV部第7及8分部將須知會本公司及聯交所的任何權益或淡倉(包括彼等根據證券及期貨條例的有關條文被當作或被視為擁有的權益及淡倉)，或根據證券及期貨條例第352條將須記錄於本公司所存置的登記冊內的任何權益或淡倉，或根據標準守則將須知會本公司及聯交所的任何權益或淡倉。

主要股東於股份及相關股份中所擁有的權益及淡倉

截至2018年12月31日，除本公司董事或最高行政人員外，下列人士為擁有根據證券及期貨條例第XV部第2及第3分部的規定須知會本公司及聯交所的本公司股份或相關股份的權益或淡倉的人士，或根據證券及期貨條例第336條本公司須存置的登記冊所記錄的權益或淡倉的人士：

Directors' Report

董事會報告

Name of Shareholder 股東姓名	Capacity/Nature of Interest 身份／權益性質	Total number of shares 股份總數	Approximate Percentage of Shareholding (%) 概約持股百分比 (%)
UBS Trustees (B.V.I.) Limited ⁽¹⁾	Trustee (other than a bare trustee) 受託人(非無條件受託人)	372,547,021 (L)	35.59% (L)
ZYSP YIHAI Ltd ⁽¹⁾	Beneficial owner 實益擁有人	372,547,021 (L)	35.59% (L)
Cititrust Private Trust (Cayman) Limited ⁽²⁾	Trustee (other than a bare trustee) 受託人(非無條件受託人)	177,243,492 (L)	16.93% (L)
Li Haiyan ⁽²⁾ 李海燕女士 ⁽²⁾	Founder of a discretionary trust, interest of controlled corporation and interest of spouse 全權信託創立人，受控制法團權益及配偶的權益	177,443,492 (L)	16.95% (L)
Twice Happiness Limited ⁽²⁾	Interest of controlled corporation 受控制法團權益	177,243,492 (L)	16.93% (L)
LHY YIHAI Ltd ⁽²⁾	Beneficial owner 實益擁有人	88,621,746 (L)	8.47% (L)
SYH YIHAI Ltd ⁽²⁾	Beneficial owner 實益擁有人	88,621,746 (L)	8.47% (L)
JLJH YIHAI Ltd ⁽³⁾	Beneficial owner and nominee for another person 實益擁有人及另一名人士的代名人	76,148,000 (L)	7.27% (L)
Vistra Trust (HK) Limited ⁽³⁾	Trustee (other than a bare trustee) 受託人(非無條件受託人)	76,148,000 (L)	7.27% (L)
UBS Group AG ⁽⁴⁾	Person having a security interest in share 於股份持有擔保權益的人士	2,461,000 (L)	0.24% (L)
	Interest of controlled corporation 受控制法團權益	63,050,895 (L)	6.02% (L)
	Unlisted derivatives 非上市衍生工具	7,000 (L)	0.00% (L)

(L) denotes a long position

(L)代表好倉

Notes:

附註：

(1) ZYSP Trust is a discretionary trust set up by Mr. Zhang Yong and Ms. Shu Ping as the settlors and protectors on 1 June 2016 for their own benefit. The entire share capital of ZYSP YIHAI Ltd is wholly owned by UBS Trustees (B.V.I.) Limited as the trustee of the ZYSP Trust. Mr. Zhang Yong and Ms. Shu Ping (as founders of the ZYSP Trust) and UBS Trustees (B.V.I.) Limited are taken to be interested in the Shares held by ZYSP YIHAI Ltd for the purpose of the SFO.

(1) ZYSP信託為張勇先生及舒萍女士以財產授予人及保護人的身份為其自身利益於2016年6月1日成立的全權信託。ZYSP YIHAI Ltd的全部股本由UBS Trustees (B.V.I.) Limited以ZYSP信託的受託人身份全資擁有。張勇先生及舒萍女士(作為ZYSP信託的創立人)及UBS Trustees (B.V.I.) Limited就證券期貨條例而言被當作於ZYSP YIHAI Ltd持有的股份擁有權益。

(2) *SL Trust is a discretionary trust set up by Mr. Shi Yonghong and Ms. Li Haiyan as the settlors and protectors on 2 June 2016 for their own benefit. The entire share capital of SYH YIHAI Ltd and LHY YIHAI Ltd is wholly owned by Twice Happiness Limited and ultimately owned by Cititrust Private Trust (Cayman) Limited as the trustee of the SL Trust. Mr. Shi Yonghong and Ms. Li Haiyan (as founders of the SL Trust), Twice Happiness Limited and Cititrust Private Trust (Cayman) Limited are taken to be interested in the Shares held by SYH YIHAI Ltd and LHY YIHAI Ltd for the purpose of the SFO. Mr. Shi Yonghong is the spouse of Ms. Li Haiyan and is deemed to be interested in the same number of the Shares in which Ms. Li Haiyan is interested for the purpose of the SFO. Ms. Li Haiyan is the spouse of Mr. Shi Yonghong and is deemed to be interested in the same number of the Shares in which Mr. Shi Yonghong is interested for the purpose of the SFO.*

(3) *Vistra Trust (HK) Limited is the trustee and JLJH YIHAI Ltd is the nominee to administer the RSU Scheme. JLJH YIHAI Ltd holds the Shares underlying the RSU granted by us for the benefit of eligible participants pursuant to the RSU Scheme.*

During the reporting period, 3,214,000 Shares were vested pursuant to the RSU Scheme. Among which, 1,072,000 Shares were vested and transferred to the respective grantees, and 2,142,000 Shares were vested but the transfer to the respective grantees was not completed as at 31 December 2018. As at 31 December 2018, 76,148,000 Shares were at hand by JLJH YIHAI Ltd.

(4) *UBS Group AG is interested in 2,461,000 shares as person having a security in share and 63,050,895 shares as interest of corporation controlled by it via secured wholly owned subsidiaries. UBS Group AG is also interested in 7,000 Shares as unlisted derivatives.*

Save as disclosed above, as at 31 December 2018, the Directors and the chief executives of the Company are not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the shares or underlying shares of the Company which would be required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

(2) *SL 信託為施永宏先生及李海燕女士以財產授予人及保護人的身份為其自身利益於2016年6月2日成立的全權信託。SYH YIHAI Ltd及LHY YIHAI Ltd的全部股本由Twice Happiness Limited全資擁有及由Cititrust Private Trust (Cayman) Limited以SL信託的受託人身份最終擁有。施永宏先生及李海燕女士(作為SL信託的創立人)、Twice Happiness Limited及Cititrust Private Trust (Cayman) Limited就證券及期貨條例而言被當作於SYH YIHAI Ltd及LHY YIHAI Ltd持有的股份擁有權益。施永宏先生為李海燕女士的配偶並就證券及期貨條例而言被視為於李海燕女士擁有權益的相同股份數目中擁有權益。李海燕女士為施永宏先生的配偶並就證券及期貨條例而言被視為於施永宏先生擁有權益的相同股份數目中擁有權益。*

(3) *Vistra Trust (HK) Limited為受託人及JLJH YIHAI Ltd為管理受限制股份單位計劃的代名人。JLJH YIHAI Ltd根據受限制股份單位計劃為合資格參與者的利益持有由我們授出涉及受限制股份單位的相關股份。*

於報告期間，3,214,000股股份根據受限制股份單位計劃歸屬，當中1,072,000股股份已歸屬及轉讓予各自的承授人，而2,142,000股股份已歸屬但轉讓予各自的承授人於二零一八年十二月三十一日並未完成。於二零一八年十二月三十一日，JLJH YIHAI Ltd持有76,148,000股股份。

(4) *UBS Group AG以作為於股份中擁有擔保權益的人士於2,461,000股股份擁有權益，其亦透過有擔保全資附屬公司於其控制的法團權益中擁有63,050,895股股份權益。UBS Group AG亦以非上市衍生工具形式於7,000股股份擁有權益。*

除上文所披露者外，截至2018年12月31日，本公司董事及最高行政人員並不知悉任何其他人士(除本公司董事或最高行政人員外)擁有根據證券及期貨條例第XV部第2及第3分部的規定須知會本公司及聯交所的股份及相關股份的權益或淡倉，或根據證券及期貨條例第XV部第336條本公司須存置的登記冊所記錄的權益或淡倉。

Directors' Report 董事會報告

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed “Directors, and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures” above, at no time during the year ended 31 December 2018 and up to the date of this annual report was the Company or any of its subsidiaries, a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of the shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

DIRECTORS AND CONTROLLING SHAREHOLDERS’ INTERESTS IN COMPETING BUSINESS

Save as disclosed in the section headed “Our History, Reorganization and Corporate Structure — Reorganization” in the Prospectus and save for their respective interests in the Group, none of the Directors and the Controlling Shareholders was interested in any business which competes or is likely to compete with the businesses of the Group for the year ended 31 December 2018.

We have received annual written confirmations from the Controlling Shareholders, consisting of Mr. Zhang Yong, Ms. Shu Ping and ZYSP YIHAI Ltd, of the compliance with the provisions of the Non-competition Undertaking by such Controlling Shareholders and their close associates.

The independent non-executive Directors have reviewed the compliance with the Non-competition Undertaking during the year ended 31 December 2018 based on the information and confirmation provided by or obtained from the Controlling Shareholders, and were satisfied that our Controlling Shareholders have duly complied with the Non-competition Undertaking.

CONVERTIBLE BONDS

As at the date of this annual report, the Company has not issued any convertible bonds.

董事收購股份或債權證的權利

除上文「董事及最高行政人員於股份、相關股份及債權證中所擁有的權益及淡倉」一節所披露者外，於截至2018年12月31日止年度及至本年報日期期間，本公司或其任何附屬公司均非任何安排的其中一方以讓董事通過收購本公司或任何其他法人團體的股份或債權證的方式收取利益，亦概無董事或任何彼等的配偶或18歲以下的子女獲授任何權利以認購本公司或任何其他法人團體的股本或債務證券或已行使任何該等權利。

董事及控股股東於競爭性業務的權益

除招股章程中「歷史、重組及公司架構—重組」一節所披露者及彼等各自於本集團的權益外，截至2018年12月31日止年度，董事及控股股東概無在任何與本集團業務產生競爭或可能產生競爭之業務中擁有權益。

我們已接獲控股股東(包括張勇先生、舒萍女士及ZYSP YIHAI Ltd)就控股股東及其緊密聯繫人對不競爭承諾條文之合規情況而發出的年度書面確認書。

獨立非執行董事已根據控股股東所提供或其給予的資料及確認書，審閱於截至2018年12月31日止年度不競爭承諾的合規情況，並信納控股股東已妥為遵守不競爭承諾。

可換股債券

截至本年報日期，本公司並無發行任何可換股債券。

LOAN AGREEMENT WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDERS

As at the date of this annual report, the Company has not entered into any loan agreement which contain covenants requiring specific performance of the Controlling Shareholders.

CONNECTED AND CONTINUING CONNECTED TRANSACTIONS

Among the related party transactions disclosed in note 35 to the Financial Statements, the following transactions constitute continuing connected transactions for the Company under Rule 14A.31 of the Listing Rules and are required to be disclosed in this annual report in accordance with Rule 14A.71 of the Listing Rules. The Company confirmed that for the related party transactions falling under the definition of “connected transaction” or “continuing connected transaction” (as the case may be) in Chapter 14A of the Listing Rules, it had complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules. Please see below the information required to be disclosed in compliance with Chapter 14A of the Listing Rules.

1. Chengdu Lease Agreement

On 1 December 2015 and 5 January 2016, Sichuan Haidilao and Chengdu Yueyihai, our wholly owned subsidiary, entered into the Chengdu Lease Agreement, including the supplemental agreement, pursuant to which Chengdu Yueyihai agreed to lease from Sichuan Haidilao a parcel of land together with properties and fixtures thereon to be used for production and warehousing. Sichuan Haidilao is our connected person and therefore the transactions under the Chengdu Lease Agreement constitute continuing connected transactions under Chapter 14A of the Listing Rules.

The Chengdu Lease Agreement has an initial term of three years commencing from 1 January 2016 and is renewable for a further term of three years from time to time, subject to compliance with the Listing Rules and applicable laws and regulations. Please refer to the section headed “Connected Transaction” in the Prospectus for details.

附有涉及控股股東履行特定責任之契諾的貸款協議

截至本年報日期，本公司並無訂立任何載有要求控股股東履行特定責任之契諾的貸款協議。

關連及持續關連交易

於財務報表附註35中披露的關連方交易中，下列交易根據上市規則第14A.31條構成本公司的持續關連交易，且根據上市規則第14A.71條的要求須於本年報中披露。本公司確認就關聯方交易歸入上市規則第十四A章有關「關連交易」或「持續關連交易」的定義（視屬何情況而定），其已符合上市規則第十四A章的披露規定。請見下列就遵守上市規則第十四A章的規定而須披露的資料。

1. 成都租賃協議

於2015年12月1日及2016年1月5日，四川海底撈與我們的全資附屬公司成都悅頤海訂立成都租賃協議（包括補充協議），據此，成都悅頤海同意從四川海底撈租用一幅土地連同其上的物業及裝置以作生產及倉庫使用。四川海底撈為我們的關連人士，因此根據上市規則第十四A章，成都租賃協議項下的交易構成持續關連交易。

成都租賃協議的初始年期為自2016年1月1日起計為期三年，並可不時另行續期三年，惟須符合上市規則及適用法律法規。有關詳情請參閱招股章程「關連交易」一節。

Directors' Report

董事會報告

As the Chengdu Lease Agreement has expired on 31 December 2018, Sichuan Haidilao and Chengdu Yueyihai entered into the new Chengdu Lease Agreement on 6 July 2018 for a term of two years from 1 January 2019 to 31 December 2020. The nature of the new Chengdu Lease Agreement is similar to the Chengdu Lease Agreement, including the supplemental agreement. Please refer to the announcement of the Company dated 6 July 2018 for details.

The annual caps for the rental payable under the Chengdu Lease Agreement for the years ended 31 December 2016, 2017 and 2018 are RMB4,000,000, RMB4,300,000 and RMB4,500,000, respectively. Please also refer to note 35 to the Financial Statements for details. The aggregate transaction amount incurred in accordance with the Chengdu Lease Agreement for the year ended 31 December 2018 was RMB2,869,000.

2. Sichuan Haidilao Warehouse Storage Service Agreement

On 24 June 2016, Sichuan Haidilao and Yihai Shanghai, our wholly owned subsidiary, each for itself and on behalf of its subsidiaries, entered into the Sichuan Haidilao Warehouse Storage Service Agreement, pursuant to which Sichuan Haidilao Group agreed to provide warehousing facilities and related services, including warehouse storage, sorting process management, stock-taking, and other logistics services, to the Group in connection with storage of our products. Sichuan Haidilao is our connected person and therefore the transactions under the Haidilao Warehouse Storage Service Agreement constitute continuing connected transactions under Chapter 14A of the Listing Rules.

由於成都租賃協議已於2018年12月31日到期，四川海底撈及成都悅頤海於2018年7月6日訂立新成都租賃協議，自2019年1月1日至2020年12月31日為期兩年。新成都租賃協議的性質類似成都租賃協議(包括補充協議)。有關詳情，請參閱本公司日期為2018年7月6日的公告。

截至2016年、2017年及2018年12月31日止年度，根據成都租賃協議應付租金的年度上限分別為人民幣4,000,000元、人民幣4,300,000元及人民幣4,500,000元。有關詳情亦請參閱財務報表附註35。截至2018年12月31日止年度，根據成都租賃協議產生的總交易金額為人民幣2,869,000元。

2. 四川海底撈倉儲服務協議

於2016年6月24日，四川海底撈與我們的全資附屬公司頤海上海(各自為其本身及代表其附屬公司)訂立四川海底撈倉儲服務協議，據此，四川海底撈集團同意就我們產品的儲存向本集團提供倉儲設施及相關服務(包括倉儲、分類加工管理、盤點及其他物流服務)。四川海底撈為我們的關連人士，因此根據上市規則第十四A章，海底撈倉儲服務協議項下的交易構成持續關連交易。

The Sichuan Haidilao Warehouse Storage Service Agreement has an initial term of three years commencing from 1 January 2016 and is renewable for further term of three years from time to time, subject to compliance with the Listing Rules and applicable laws and regulations. Please refer to the section headed "Connected Transaction" in the Prospectus for details.

As the Sichuan Haidilao Warehouse Storage Service Agreement has expired on 31 December 2018, Yihai Shanghai and Sichuan Haidilao entered into the new Sichuan Haidilao Warehouse Storage Service Agreement on 6 July 2018 for a term of two years from 1 January 2019 to 31 December 2020. The nature of the new Sichuan Haidilao Warehouse Storage Service Agreement is similar to the Haidilao Warehouse Storage Service Agreement. Please refer to the announcement of the Company dated 6 July 2018 for details.

The annual caps for the rental payable under the Haidilao Warehouse Storage Service Agreement for the years ended 31 December 2016, 2017 and 2018 are RMB2,200,000, RMB2,800,000 and RMB3,600,000, respectively. Please also refer to note 35 to the Financial Statements for details. The aggregate transaction amount incurred in accordance with the Haidilao Warehouse Storage Service Agreement for the year ended 31 December 2018 was RMB163,000.

四川海底撈倉儲服務協議的初始年期為自2016年1月1日起計為期三年，並可不時另行續期三年，惟須符合上市規則及適用法律法規。有關詳情請參閱招股章程「關連交易」一節。

由於四川海底撈倉儲服務協議已於2018年12月31日到期，頤海上海與四川海底撈於2018年7月6日訂立新四川海底撈倉儲服務協議，自2019年1月1日至2020年12月31日為期兩年。新四川海底撈倉儲服務協議的性質類似海底撈倉儲服務協議。有關詳情，請參閱本公司日期為2018年7月6日的公告。

截至2016年、2017年及2018年12月31日止年度，根據海底撈倉儲服務協議應付租金的年度上限分別為人民幣2,200,000元、人民幣2,800,000元及人民幣3,600,000元。有關詳情亦請參閱財務報表附註35。截至2018年12月31日止年度，根據海底撈倉儲服務協議產生的總交易金額為人民幣163,000元。

3. Shuhai Warehouse Storage Service Agreement

On 24 June 2016, Shuhai Supply Chain and Yihai Shanghai, our wholly owned subsidiary, each for itself and on behalf of its subsidiaries, entered into the Shuhai Warehouse Storage Service Agreement, pursuant to which Shuhai Supply Chain Group agreed to provide warehousing facilities and related services, including warehouse storage, sorting process management, stock-taking, and other logistics services, to the Group in connection with storage of our products. Shuhai Supply Chain is our connected person and therefore the transactions under the Shuhai Warehouse Storage Service Agreement constitute continuing connected transactions under Chapter 14A of the Listing Rules.

The Shuhai Warehouse Storage Service Agreement has an initial term of three years commencing from 1 January 2016 and is renewable for further term of three years from time to time, subject to compliance with the Listing Rules and applicable laws and regulations. Please refer to the section headed "Connected Transaction" in the Prospectus for details.

As the Shuhai Warehouse Storage Service Agreement has expired on 31 December 2018, Shuhai Supply Chain and Yihai Shanghai entered into the new Shuhai Warehouse Storage Service Agreement on 6 July 2018 for a term of two years from 1 January 2019 to 31 December 2020. The nature of the new Shuhai Warehouse Storage Service Agreement is similar to the Shuhai Warehouse Storage Service Agreement. Please refer to the announcement of the Company dated 6 July 2018 for details.

The annual caps for the rental payable under the Shuhai Warehouse Storage Service Agreement for the years ended 31 December 2016, 2017 and 2018 have been revised to RMB3,000,000, RMB6,000,000 and RMB9,000,000, respectively. Please also refer to note 35 to the Financial Statements and the Company's announcement dated 18 September 2017 for details. The aggregate transaction amount incurred in accordance with the Shuhai Warehouse Storage Service Agreement for the year ended 31 December 2018 was RMB5,390,000.

3. 蜀海倉儲服務協議

於2016年6月24日，蜀海供應鏈與我們的全資附屬公司頤海上海(各自為其本身及代表其附屬公司)訂立蜀海倉儲服務協議，據此蜀海供應鏈集團同意就儲存我們的產品向本集團提供倉庫設施及相關服務(包括倉儲、分類加工管理、盤點及其他物流服務)。蜀海供應鏈為我們的關連人士，因此根據上市規則第十四A章，蜀海倉儲服務協議項下的交易構成持續關連交易。

蜀海倉儲服務協議的初始年期為自2016年1月1日起計為期三年，並可不時另行續期三年，惟須符合上市規則及適用法律法規。有關詳情請參閱招股章程「關連交易」一節。

由於蜀海倉儲服務協議已於2018年12月31日到期，蜀海供應鏈與頤海上海於2018年7月6日訂立新蜀海倉儲服務協議，自2019年1月1日至2020年12月31日為期兩年。新蜀海倉儲服務協議的性質類似蜀海倉儲服務協議。有關詳情，請參閱本公司日期為2018年7月6日的公告。

截至2016年、2017年及2018年12月31日止年度，根據蜀海倉儲服務協議應付租金的年度上限分別修訂為人民幣3,000,000元、人民幣6,000,000元及人民幣9,000,000元。有關詳情亦請參閱財務報表附註35及本公司日期為2017年9月18日的公告。截至2018年12月31日止年度，根據蜀海倉儲服務協議產生的總交易金額為人民幣5,390,000元。

4. Master Sales Agreement and Supplemental Master Sales Agreements

On 24 June 2016, Sichuan Haidilao, Singapore Haidilao and Yihai Shanghai, our wholly owned subsidiary, each for itself and on behalf of its subsidiaries, entered into the Master Sales Agreement, pursuant to which we agreed to supply to Haidilao Group both Haidilao Customized Products and Haidilao Retail Products. Sichuan Haidilao and Singapore Haidilao are our connected persons and therefore the transactions under the Master Sales Agreement constitute continuing connected transactions under Chapter 14A of the Listing Rules.

The Master Sales Agreement has an initial term of three years commencing from 1 January 2016 and is renewable for further term of three years from time to time, subject to compliance with the Listing Rules and applicable laws and regulations. Please refer to the section headed "Connected Transaction" in the Prospectus and the circular of the Company dated 18 October 2017 for details.

On 18 September 2017, Sichuan Haidilao, Singapore Haidilao and Yihai Shanghai, each for itself and on behalf of its subsidiaries, entered into the Supplemental Master Sales Agreement, pursuant to which we agreed to sell Small Hot Pot Products to the Haidilao Group. The transactions under the Supplemental Master Sales Agreement therefore constitute connected transactions under Chapter 14A of the Listing Rules.

On 22 March 2018, (i) Sichuan Haidilao and Yihai Shanghai entered into a termination agreement, pursuant to which the rights and obligations between Yihai Shanghai and Sichuan Haidilao under the Master Sales Agreement were discharged and terminated, and (ii) Yihai Shanghai and Singapore Haidilao entered into the Second Supplemental Master Sales Agreement pursuant to which, among others, the Group remains to be the sole supplier of Haidilao Customized Products to the Haidilao Group for use in its hot pot restaurants in the PRC. Upon fulfillment of certain requirements relating to mass production and standardization and upon confirmation of the types of products required, the Group shall be recognized as the sole supplier of the Haidilao Customized Products to the Haidilao Group for use in its overseas hot pot restaurants (including those in Hong Kong, Macau and Taiwan). However, if the Group is unable to satisfy the quantity of the products demanded, or the quality of the Haidilao Customized Products supplied by the Group does not fulfil the specifications of the Haidilao Group, and the matter cannot be resolved within a reasonable period (not longer than 30 days) after consultation with the Group, the Haidilao Group may engage other suppliers.

4. 總銷售協議及補充總銷售協議

於2016年6月24日，四川海底撈、新加坡海底撈及我們的全資附屬公司頤海上海(各自為其本身及代表其附屬公司)訂立總銷售協議，據此，我們同意向海底撈集團供應海底撈定製產品及海底撈零售產品。四川海底撈及新加坡海底撈為我們的關連人士，因此根據上市規則第十四A章，總銷售協議項下的交易構成持續關連交易。

總銷售協議的初始年期為自2016年1月1日起計為期三年，並可不時另行續期三年，惟須符合上市規則及適用法律法規。有關詳情請參閱招股章程「關連交易」一節及本公司日期為2017年10月18日的通函。

於2017年9月18日，四川海底撈、新加坡海底撈及頤海上海(各自為其本身及代表其附屬公司)訂立補充總銷售協議，據此，我們同意向海底撈集團銷售小火鍋產品。因此根據上市規則第十四A章，補充總銷售協議項下的交易構成關連交易。

於2018年3月22日，(i)四川海底撈與頤海上海訂立一項終止協議，據此，頤海上海與四川海底撈之間於總銷售協議項下的權利及義務獲解除及終止，及(ii)頤海上海與新加坡海底撈之間訂立第二份補充總銷售協議，據此(其中包括)本集團仍為海底撈集團用於其中國火鍋餐廳的海底撈定製產品的獨家供應商。於符合有關大規模生產及標準化的若干規定後及於確認其所需產品類型後，本集團將獲確認為海底撈集團用於其海外火鍋餐廳(包括香港、澳門、台灣的火鍋餐廳)的海底撈定製產品的獨家供應商。然而，倘本集團未能滿足所要求的產品數量或本集團所供應海底撈定製產品的質量不符合海底撈集團的要求，與本集團協商且在合理期限(不超過30天)內未得到解決的情況下，海底撈集團可委聘其他供應商。

The Supplemental Master Sales Agreement commenced from 6 November 2017 and would expire on 31 December 2018. Please refer to the circulars of the Company dated 18 October 2017 and 12 April 2018 for details.

As the Master Sales Agreement, Supplemental Master Sales Agreement and Second Supplemental Master Sales Agreement have expired on 31 December 2018, Singapore Haidilao and Yihai Shanghai entered into the new Haidilao Master Sales Agreement on 6 July 2018 for a term of two years from 1 January 2019 to 31 December 2020. The nature of the new Master Sales Agreement is similar to the Master Sales Agreement, the Supplemental Master Sales Agreement and Second Supplemental Master Sales Agreement, the Served Supplemental Master Sales Agreement. Please refer to the announcement and circular of the Company dated 6 July 2018 and 19 July 2018, respectively, for details.

The annual caps receivable under the Master Sales Agreement (as supplemented by the Supplemental Master Sales Agreement) for the years ended 31 December 2016, 2017 and 2018 have been revised to RMB598,000,000, RMB994,800,000 and RMB1,569,700,000, respectively. Please also refer to note 35 to the Financial Statements and the Company's circular dated 18 October 2017 for details. The aggregate transaction amount incurred in accordance with the Master Sales Agreement and Supplemental Master Sales Agreement for the year ended 31 December 2018 was RMB1,163,828,000.

5. Shuhai Sales Agreement

On 24 June 2016, Shuhai Supply Chain and Yihai Shanghai, our wholly owned subsidiary, each for itself and on behalf of its subsidiaries, entered into the Shuhai Sales Agreement, pursuant to which we agreed to sell hot pot soup flavoring products, hot pot dipping sauce products and other compound condiment products to Shuhai Supply Chain Group for sales and distribution to its customers who are catering service providers. Shuhai Supply Chain is our connected person and therefore the transactions under the Shuhai Sales Agreement constitute continuing connected transactions under Chapter 14A of the Listing Rules.

補充總銷售協議自2017年11月6日起生效並於2018年12月31日屆滿。有關詳情請參閱本公司日期為2017年10月18日及2018年4月12日的通函。

由於總銷售協議、補充總銷售協議及第二份補充總銷售協議已於2018年12月31日到期，新加坡海底撈及頤海上海於2018年7月6日訂立新海底撈總銷售協議，自2019年1月1日至2020年12月31日為期兩年。新總銷售協議的性質類似總銷售協議、補充總銷售協議及第二份補充總銷售協議。有關詳情，請分別參閱本公司日期為2018年7月6日及2018年7月19日的公告及通函。

截至2016年、2017年及2018年12月31日止年度，根據總銷售協議（經補充總銷售協議補充）應收的年度上限分別修訂為人民幣598,000,000元、人民幣994,800,000元及人民幣1,569,700,000元。有關詳情亦請參閱財務報表附註35及本公司日期為2017年10月18日的通函。截至2018年12月31日止年度，根據總銷售協議及補充總銷售協議產生的總交易金額為人民幣1,163,828,000元。

5. 蜀海銷售協議

於2016年6月24日，蜀海供應鏈與我們的全資附屬公司頤海上海（各自為其本身及代表其附屬公司）訂立蜀海銷售協議，據此，我們同意向蜀海供應鏈集團銷售火鍋底料產品、火鍋蘸料產品及其他複合調味品，以供向其餐飲服務供應商客戶進行銷售及經銷。蜀海供應鏈為我們的關連人士，因此根據上市規則第十四A章，蜀海銷售協議項下的交易構成持續關連交易。

The Shuhai Sales Agreement has an initial term of three years commencing from 1 January 2016 and is renewable for further term of three years from time to time, subject to compliance with the Listing Rules and applicable laws and regulations. Please refer to the section headed "Connected Transaction" in the Prospectus for details.

As the Shuhai Sales Agreement has expired on 31 December 2018, Shuhai Supply Chain and Yihai Shanghai entered into the new Shuhai Sales Agreement on 6 July 2018 for a term of two years from 1 January 2019 to 31 December 2020. The nature of the new Shuhai Sales Agreement is similar to the Shuhai Sales Agreement. Please refer to the announcement and circular of the Company dated 6 July 2018 and 19 July 2018, respectively, for details.

The annual caps for the transactions under the Shuhai Sales Agreement for the years ended 31 December 2016, 2017 and 2018 are RMB7,210,000, RMB9,630,000 and RMB12,680,000, respectively. Please also refer to note 35 to the Financial Statements for details. The aggregate transaction amount incurred in accordance with the Shuhai Sales Agreement for the year ended 31 December 2018 was RMB12,232,000.

6. Youdingyou Sales Agreement

On 24 June 2016, Youdingyou and Yihai Shanghai, our wholly owned subsidiary, each for itself and on behalf of its subsidiaries, entered into the Youdingyou Sales Agreement, pursuant to which we agreed to sell hot pot soup flavoring products, hot pot dipping sauce products and other compound condiment products to Youdingyou for use at spicy mixed stew restaurants it operates. Youdingyou is our connected person and therefore the transactions under the Youdingyou Sales Agreement constitute continuing connected transactions under Chapter 14A of the Listing Rules.

蜀海銷售協議的初始年期為自2016年1月1日起計為期三年，並可不時另行續期三年，惟須符合上市規則及適用法律法規。有關詳情請參閱招股章程「關連交易」一節。

由於蜀海銷售協議已於2018年12月31日到期，蜀海供應鏈與頤海上海於2018年7月6日訂立新蜀海銷售協議，自2019年1月1日至2020年12月31日為期兩年。新蜀海銷售協議的性質類似蜀海銷售協議。有關詳情，請分別參閱本公司日期為2018年7月6日及2018年7月19日的公告及通函。

截至2016年、2017年及2018年12月31日止年度，根據蜀海銷售協議的交易的年度上限分別為人民幣7,210,000元、人民幣9,630,000元及人民幣12,680,000元。有關詳情亦請參閱財務報表附註35。截至2018年12月31日止年度，根據蜀海銷售協議產生的總交易金額為人民幣12,232,000元。

6. 優鼎優銷售協議

於2016年6月24日，優鼎優與我們的全資附屬公司頤海上海(各自為其本身及代表其附屬公司)訂立優鼎優銷售協議，據此，我們同意向優鼎優銷售火鍋底料產品、火鍋蘸料產品及其他複合調味品，以供其經營的辣味混合燉菜餐廳使用。優鼎優為我們的關連人士，因此根據上市規則第十四A章，優鼎優銷售協議項下的交易構成持續關連交易。

Directors' Report

董事會報告

The Youdingyou Sales Agreement has an initial term of three years commencing from 1 January 2016 and is renewable for further term of three years from time to time, subject to compliance with the Listing Rules and applicable laws and regulations. Please refer to the section headed “Connected Transaction” in the Prospectus for details.

The parties renewed the Youdingyou Sale Agreement for a further term of three years after the expiry of the initial term on 31 December 2018. However, it is anticipated that the sales of products to Youdingyou pursuant to the Youdingyou Sales Agreement after 31 December 2018 would not exceed the de minimis threshold under Chapter 14A of the Listing Rules.

The annual caps for the transactions under the Youdingyou Sales Agreement for the years ended 31 December 2016, 2017 and 2018 are RMB8,900,000, RMB16,300,000 and RMB26,400,000, respectively. Please also refer to note 35 to the Financial Statements for details. The aggregate transaction amount incurred in accordance with the Youdingyou Sales Agreement for the year ended 31 December 2018 was RMB35,000.

優鼎優銷售協議的初始年期為自2016年1月1日起計為期三年，並可不時另行續期三年，惟須符合上市規則及適用法律法規。有關詳情請參閱招股章程「關連交易」一節。

訂約方於2018年12月31日首個期限屆滿後重續優鼎優銷售協議，為期三年。然而，根據優鼎優銷售協議，預期於2018年12月31日後向優鼎優銷售的產品將不超過上市規則第14A章下的最低限額。

截至2016年、2017年及2018年12月31日止年度，根據優鼎優銷售協議的交易的年度上限分別為人民幣8,900,000元、人民幣16,300,000元及人民幣26,400,000元。有關詳情亦請參閱財務報表附註35。截至2018年12月31日止年度，根據優鼎優銷售協議產生的總交易金額為人民幣35,000元。

7. Framework Sales and Purchase Agreements

On 18 September 2017, the Joint Venture and Yihai Shanghai, our wholly owned subsidiary and for itself and on behalf of its subsidiaries, entered into the Framework Sales and Purchase Agreements, pursuant to which (i) we agreed to sell hot pot soup flavouring products to the Joint Venture as raw materials for the manufacture of Small Hot Pot Products; and (ii) the Joint Venture agreed to sell Small Hot Pot Products to us. The Joint Venture is our connected subsidiary and therefore transactions under the Framework Sales and Purchase Agreements constitute continuing connected transactions under Chapter 14A of the Listing Rules.

The Framework Sales and Purchase Agreements have an initial term of three years from 6 November 2017 to 31 August 2020 and is renewable for further term of three years from time to time, subject to compliance with the Listing Rules and applicable laws and regulations. Please refer to the announcement of the Company dated 18 September 2017 and 6 November 2017 for details.

As the Framework Sales and Purchase Agreement will expire on 31 August 2020, the Joint Venture and Yihai Shanghai entered into a new Framework Sales and Purchase Agreement on 6 July 2018 for a term of four months from 1 September 2020 to 31 December 2020. The nature of the new Framework Sales and Purchase Agreement is similar to the Framework Sales and Purchase Agreement. Please refer to the announcement and circular of the Company dated 6 July 2018 and 19 July 2018, respectively, for details.

The annual caps for the transactions under the Framework Sales and Purchase Agreements for the years ended 31 December 2017, 2018 and 2019 and the eight months ended 31 August 2020 are RMB50,700,000, RMB141,300,000, RMB205,500,000 and RMB178,333,000, respectively. Please also refer to note 35 to the Financial Statements for details. The aggregate transaction amount incurred in accordance with the Framework Sales and Purchase Agreements for the year ended 31 December 2018 was RMB104,668,000.

7. 產品互供框架協議

於2017年9月18日，合資公司與我們的全資附屬公司頤海上海(為其本身及代表其附屬公司)訂立產品互供框架協議，據此，(i)我們同意向合資公司出售火鍋底料產品，用作生產小火鍋產品的原材料；及(ii)合資公司同意向我們出售小火鍋產品。合資公司為我們的關連附屬公司，因此根據上市規則第十四A章，產品互供框架協議項下的交易構成持續關連交易。

產品互供框架協議初步為期三年，自2017年11月6日起 至2020年8月31日止，可不時另外續期三年，惟須符合上市規則及適用法律法規的要求。有關詳情請參閱本公司日期為2017年9月18日及2017年11月6日的公告。

由於產品互供框架協議將於2020年8月31日屆滿，合營公司與頤海上海於2018年7月6日訂立新產品互供框架協議，自2020年9月1日至2020年12月31日為期四個月。新產品互供框架協議的性質類似產品互供框架協議。有關詳情，請分別參閱本公司日期為2018年7月6日及2018年7月19日的公告及通函。

截至2017年、2018年及2019年12月31日止年度以及截至2020年8月31日止八個月，根據產品互供框架協議的交易的年度上限分別為人民幣50,700,000元、人民幣141,300,000元、人民幣205,500,000元及人民幣178,333,000元。有關詳情亦請參閱財務報表附註35。截至2018年12月31日止年度，根據產品互供框架協議產生的總交易金額為人民幣104,668,000元。

Directors' Report

董事會報告

The Group has followed policies and guidelines when determining the price and terms of the continuing connected transactions conducted for the year ended 31 December 2018.

The auditor of the Group has reviewed the continuing connected transactions referred to above and confirmed to the Board that the continuing connected transactions: (i) have received the approval of the Board; (ii) were in accordance with the pricing policies of the Group; (iii) were entered into in accordance with the relevant agreement governing the transaction; and (iv) have not exceeded the caps.

The independent non-executive Directors have confirmed that the above continuing connected transactions were entered into by the Group: (i) in the ordinary and usual course of its business; (ii) on normal commercial terms or better; and (iii) in accordance with the relevant agreement (including the pricing principle and guidelines set out therein) governing them and on terms that were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company has designated a team of senior management from business operation, legal, risk control and finance departments and Board office to monitor the continuing connected transactions and ensure that the continuing connected transactions with the abovementioned connected persons are on arm's length basis and that the annual caps are not exceeded. Such team of senior management continuously traces and regularly monitors the progress of the continuing connected transactions and reports to management of the Company. They review the continuing connected transactions with the finance department to ensure that annual caps are not exceeded. They will also communicate with the Audit Committee, management and the Board of Directors, monthly or as needed, to report the progress of the continuing connected transactions, and request for approval of new changes of existing transaction terms. The heads of different departments of the Company will be informed on a periodic basis in relation to the terms and pricing policies of the continuing connected transactions as well. The Audit Committee has also assigned the independent internal audit team the task to ensure that the Company's internal control measures in respect of the continuing connected transactions remain effective and complete. With these measures, the independent non-executive Directors could therefore assess and give the confirmations in the preceding paragraph.

本集團於釐定截至2018年12月31日止年度進行的持續關連交易的價格及條款時已遵守政策及指引。

本集團核數師已審閱上述持續關連交易，並向董事會確認，該等持續關連交易：(i)已獲董事會批准；(ii)符合本集團的定價政策；(iii)根據規管交易的相關協議訂立；及(iv)並無超出上限。

獨立非執行董事確認，本集團乃(i)於其日常及一般業務過程中；(ii)根據正常或更佳商業條款；及(iii)根據規管交易的相關協議(包括其中規定的定價原則及指引)並按公平、合理及符合本公司及股東整體利益之條款訂立上述持續關連交易。

本公司已指定一支由業務經營、法律、風險控制及財務部門以及董事會辦公室組成的高級管理層團隊以監察持續關連交易及確保與上文所提及關連人士進行的持續關連交易乃按公平磋商釐定，且並無超出年度上限。有關高級管理層團隊持續追蹤及定期監察持續關連交易進程，並向本公司管理層報告。彼等與財務部審閱持續關連交易以確保並無超出年度上限。彼等亦將會每月或(如需要)與審計委員會、管理層及董事會進行溝通，以報告持續關連交易進程，並要求批准現有交易條款的新變動。本公司不同部門主管將會獲定期知會持續關連交易條款及定價政策。審計委員會亦指派獨立內部審計團隊任務，確保有關持續關連交易的本公司內部控制措施保持有效及完整。隨著該等措施，獨立非執行董事因而可評估於上一段給予確認。

Save for disclosed above, during the year ended 31 December 2018, we have not entered into any connected transaction or continuing connected transaction which should be disclosed pursuant to the Rules 14A.49 and 14A.71 of the Listing Rules.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Connected and Continuing Connected Transactions" above, there were no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director or its connected entity (within the meaning of Section 486 of the Companies Ordinance) had a material interest, whether directly or indirectly, and subsisting during the year ended 31 December 2018 or as of 31 December 2018.

CONTRACT OF SIGNIFICANCE

Save as disclosed in the section headed "Connected and Continuing Connected Transactions" above, no contract of significance was entered into between the Company, or one of its subsidiary companies, and any of its Controlling Shareholders or subsidiaries during the year ended 31 December 2018.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2018 and up to the date of this annual report.

DIRECTORS' PERMITTED INDEMNITY PROVISION

Pursuant to Article 33 of the Articles of Association and subject to Cayman Islands Companies Law, each Director shall be indemnified, out of the assets of the Company, against all losses or liabilities incurred or sustained by him as a Director in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favor, or in which he/she is acquitted.

The Company has arranged appropriate directors' liability insurance coverage for the Directors of the Group during the year ended 31 December 2018.

除上文所披露者外，我們於截至2018年12月31日止年度並無訂立任何根據上市規則第14A.49條及第14A.71條須予披露之關連交易或持續關連交易。

董事於重要交易、安排或合約中的重大權益

除上文「關連及持續關連交易」一節所披露者外，並無本公司的或其附屬公司屬其中一名訂約方且董事或其關連實體(如《公司條例》第486條所定義)於其中直接或間接擁有重大權益以及於截至2018年12月31日止年度或於2018年12月31日仍然存續之重要交易、安排或合約。

重大合約

除上文「關連及持續關連交易」一節所披露者外，於截至2018年12月31日止年度，本公司或其中一間附屬公司與其任何控股股東或附屬公司之間概無訂立任何重大合約。

管理合約

於截至2018年12月31日止年度及直至本年報日期為止，概無訂立或存在任何有關本公司全部或重大部分業務之管理及行政的合約。

董事獲准許的彌償條文

根據組織章程細則第33條及受開曼群島公司法約束，各董事有權從本公司的資產中獲得彌償，以彌償其作為董事在勝訴或無罪的任何民事或刑事法律訴訟中進行抗辯而招致或蒙受的一切損失或法律責任。

於截至2018年12月31日止年度，本公司已為本集團的董事安排適當的董事責任保險。

Directors' Report 董事會報告

REMUNERATION POLICY, DIRECTORS' REMUNERATION AND PENSION SCHEME

As at 31 December 2018, we had 1,976 employees. The remuneration of our employees includes salaries and allowances. We provide training to our staff to enhance technical and product knowledge. The Group's remuneration policies are formulated based on the performance of individual employees and are reviewed regularly. The Group follows closely the demand of business development and continuously improves its incentive system and implements competitive remuneration policy.

The Group offers competitive remuneration packages to the Directors. Other emoluments are determined by the Board with reference to the Directors' duties, responsibilities and performance and the results of the Group. Details of the Directors' remuneration during the year ended 31 December 2018 are set out in note 37 to the Financial Statements.

In accordance with the laws and regulations in the PRC, the Group has arranged for its PRC employees to join defined contribution plans, including pension, medical, housing and other welfare benefits, organised by the PRC government. No forfeited contribution under this scheme is available to reduce the contribution payable in future years. The Group also provides social insurance, including pension insurance, unemployment insurance, work-related injury insurance and medical insurance for the employees of the Group.

SHARE OPTION SCHEME

During the year ended 31 December 2018, the Company did not have any share option scheme which was required to be disclosed.

薪酬政策、董事薪酬及退休金計劃

截至2018年12月31日，我們擁有1,976名僱員。僱員的薪酬包括薪金及津貼。我們亦為員工提供培訓，以提升其技術及產品知識。本集團的薪酬政策乃基於僱員個人的表現制定，並會定期予以檢討。本集團緊貼業務發展需求，不斷優化激勵體系，實施具有競爭力的薪酬政策。

本集團為董事提供具競爭力的薪酬待遇。其他酬金由董事會經參照董事職務、職責及表現以及本集團的業績而釐定。於截至2018年12月31日止年度董事酬金的詳情載於財務報表附註37。

根據中國法律及法規，本集團已安排其中國僱員加入由中國政府組織的界定供款計劃，當中包括退休金、醫療、住房及其他福利。本計劃並無可供沒收供款以供削減未來年度應付供款。本集團亦為本集團僱員提供社保，當中包括退休金保險、失業保險、工傷保險及醫療保險。

購股權計劃

於截至2018年12月31日止年度，本公司並無任何須予披露的購股權計劃。

THE RESTRICTED SHARE UNIT SCHEME

The Company has approved and adopted a RSU Scheme by a resolution of the Shareholders on 24 February 2016 and a resolution of the Board on 24 February 2016. The RSU Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as the RSU Scheme does not involve the grant of options by the Company to subscribe for new Shares.

The RSUs do not carry any right to vote at general meetings of the Company. No RSU grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an award of RSUs (the "Award") pursuant to the RSU Scheme, unless and until such Shares underlying the Award are actually transferred to the RSU grantee upon vesting of the RSU. Unless otherwise specified by the Board in its entire discretion, the RSU grantees do not have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any Shares underlying an Award. Please refer to the section headed "Appendix IV – Statutory and General Information" of the Prospectus for details.

The Company approved and granted 9,140,000 RSUs among which 1,510,000 were granted to two Directors pursuant to the RSU Scheme on 28 December 2016. Please refer to the announcement of the Company dated 28 December 2016 for details. As at 31 December 2018, 620,000 RSUs out of the 9,140,000 RSUs that were granted on 28 December 2016 have been cancelled due to resignation of our employees and 20% of the remaining RSUs (i.e. 1,704,000 RSUs) have been vested in accordance with the vesting period as set out in the announcement.

The Company approved and granted 1,510,000 RSUs among which 770,000 were granted to five Directors pursuant to the RSU Scheme on 9 December 2018. Please refer to the announcement of the Company dated 10 December 2018 for details. As at 31 December 2018, all of the 1,510,000 RSUs have been vested in accordance with the vesting period as set out in the announcement.

Save as disclosed above, as at 31 December 2018, no RSU had been granted or agreed to be granted by the Company pursuant to the RSU Scheme.

受限制股份單位計劃

本公司已根據股東於2016年2月24日的決議案及董事會於2016年2月24日的決議案批准及採納受限制股份單位計劃。受限制股份單位計劃並不受限於上市規則第十七章的條文，因為受限制股份單位計劃並不涉及由本公司授出可認購新股份的購股權。

受限制股份單位並無附帶任何可於本公司股東大會上投票的權利。除非及直至該等與受限制股份單位獎勵（「獎勵」）相關的股份於受限制股份單位歸屬時實際轉讓予受限制股份單位受託人，否則並無受限制股份單位受託人因根據受限制股份單位計劃授出獎勵而享有任何股東權利。除非董事會全權酌情決定別行指明，否則受限制股份單位受託人並無任何權利分享與獎勵相關的任何股份的任何現金或非現金收入、股息或分派及／或出售非現金及非實物分派的所得款項。有關詳情，請參閱招股章程「附錄四－法定及一般資料」章節。

於2016年12月28日，本公司已根據受限制股份單位計劃批准及授出9,140,000個受限制股份單位，其中1,510,000份乃授予兩名董事。詳情請參閱本公司日期為2016年12月28日的公告。截至2018年12月31日，於2016年12月28日授出的9,140,000個受限制股份單位中的620,000個受限制股份單位，由於我們僱員辭任已被註銷，而其餘20%受限制股份單位（即1,704,000個受限制股份單位）已根據該公告載列的歸屬期予以歸屬。

於2018年12月9日，本公司已根據受限制股份單位計劃批准及授出1,510,000份受限制股份單位，其中770,000份乃授予五名董事。詳情請參閱該本公司日期為2018年12月10日之公告。於2018年12月31日，全部1,510,000個受限制股份單位已根據該公告載列的歸屬期予以歸屬。

除上文所披露者外，截至2018年12月31日，並無受限制股份單位已獲本公司根據受限制股份單位計劃授出或同意授出。

Directors' Report

董事會報告

EQUITY-LINKED AGREEMENT

Save as disclosed in this annual report, there was no equity-linked agreement entered into by the Company during the year ended 31 December 2018.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2018, the respective percentage of purchases attributable to the Group's largest supplier and five largest suppliers in aggregate was 5.2% and 24.0%; and the respective percentage of the total sales attributable to the Group's largest customer and five largest customers in aggregate was 28.4% and 45.4%.

Our largest customer was Xinpai Shanghai and second largest customer was Sichuan Xinpai Catering Management Co., Ltd.* (四川新派餐飲管理有限公司), which is a wholly-owned subsidiary of Haidilao International Holding Ltd (stock code: 6862). Mr. Zhang Yong and Ms. Shu Ping are the controlling shareholders, and Mr. Shi Yonghong and his spouse are the substantial shareholders of Haidilao International Holding Ltd.

Except as disclosed above, none of the Directors or any of their close associates or any Shareholders (which to the best knowledge of the Directors owned more than 5% of the Company's issued share capital) had a material interest in our five largest suppliers or customers.

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

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 2018.

股權掛鈎協議

除本年報披露者外，本公司於截至2018年12月31日止年度並無訂立股權掛鈎協議。

主要客戶及供應商

於截至2018年12月31日止年度，本集團最大供應商及五大供應商應佔相關採購百分比合共為5.2%及24.0%；及本集團最大客戶及五大客戶應佔銷售總額相關百分比為28.4%及45.4%。

我們的最大客戶為新派上海和第二大客戶為四川新派餐飲管理有限公司，其為海底撈國際控股有限公司(股份代號：6862)的全資附屬公司。張勇先生和舒萍女士為海底撈國際控股有限公司的控股股東，而施永宏先生及其配偶為其主要股東。

除上述披露者外，董事或彼等緊密聯繫人或任何股東(據董事所知其擁有本公司超過5%的已發行股本)概無於五大供應商或客戶中擁有重大權益。

收購、出售或贖回本公司上市證券

於截至2018年12月31日止年度，本公司及其任何附屬公司均無購買、贖回或出售本公司任何上市證券。

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code since the Listing Date and up to the date of this annual report.

The Company's employees, who are likely to be in possession of inside information of the Company, have also been subject to the Model Code for securities transactions. No incident of non-compliance of the Model Code by the Company's employees was noted by the Company since the Listing Date and up to the date of this annual report.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company had applied the principles and code provisions as set out in the Corporate Governance Code and has complied with the code provisions in the Corporate Governance Code for the year ended 31 December 2018, except for the deviation from the Corporate Governance Code provision A.2.1. Please refer to the Corporate Governance Report of this annual report for details.

AUDITOR

The consolidated financial statements of the Group for the year ended 31 December 2018 have been audited by PricewaterhouseCoopers, certified public accountants.

PricewaterhouseCoopers will retire and, being eligible, offer themselves for re-appointment. A resolution for their re-appointment as auditor of the Company will be proposed at the AGM.

CLOSURE OF REGISTER OF MEMBERS AND RECORD DATE

The register of members of the Company will be closed from Thursday, 16 May 2019 to Tuesday, 21 May 2019, both days inclusive, in order to determine the eligibility of the Shareholders to attend and vote at the AGM. The Shareholders whose names appear on the register of

證券交易的標準守則

本公司已採納標準守則。已向所有董事作出特別查詢，而董事亦已確認彼等自上市日期起至本報告日期一直遵守標準守則。

可能擁有本公司內幕消息的本公司僱員亦須遵守證券交易的標準守則。自上市日期起至本年報日期，本公司並無注意到出現本公司僱員不遵守標準守則的事件。

遵守企業管治守則

除僅偏離企業管治守則條文A.2.1條外，本公司已採納企業管治守則的原則及守則條文，並於截至2018年12月31日止年度為止一直遵守企業管治守則內之守則條文。有關詳情，請參閱本年報企業管治報告。

核數師

本集團截至2018年12月31日止年度的綜合財務報表乃由執業會計師羅兵咸永道會計師事務所審核。

羅兵咸永道會計師事務所將會退任並合資格應聘續任。該等聘用續任的決議案將於股東周年大會上提呈。

暫停辦理過戶登記及記錄日

本公司將於2019年5月16日(星期四)至2019年5月21日(星期二)(包括首尾兩日)暫停辦理股份過戶登記手續，以釐定合資格出席股東週年大會及於其中投票

Directors' Report

董事會報告

members of the Company at the close of business on Wednesday, 15 May 2019 will be eligible to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Wednesday, 15 May 2019.

The register of members of the Company will also be closed from Monday, 27 May 2019 to Wednesday, 29 May 2019, both days inclusive, in order to determine the entitlement of the Shareholders to the final dividend. The Shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, 29 May 2019 will be entitled to the final dividend. In order to be eligible to entitle to the final dividend, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Friday, 24 May 2019.

By order of the Board
Shi Yonghong
Chairman of the Board

Hong Kong, 16 April 2019

的股東。於2019年5月15日(星期三)營業時間結束時名列在本公司股東名冊上的股東將有資格參加股東週年大會並於其中投票。為符合資格出席股東週年大會並於會上投票，所有過戶文件連同有關股票證書及過戶表格，須於2019年5月15日(星期三)下午四時三十分前送交本公司之香港股份過戶登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712至1716室。

本公司亦將於2019年5月27日(星期一)至2019年5月29日(星期三)(包括首尾兩日)暫停辦理股份過戶登記手續，以釐定合資格領取末期股息之股東。於2019年5月29日(星期三)營業時間結束時名列本公司股東名冊的股東將有資格收取末期股息。為符合資格收取末期股息，所有過戶文件連同有關股票證書及過戶表格，須不遲於2019年5月24日(星期五)下午四時三十分前送交本公司之香港股份過戶登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

承董事會命
施永宏
董事會主席

香港，2019年4月16日

The Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THE REPORT

Yihai International Holding Limited (hereinafter “Yihai”, “the Group” or “we”) is pleased to present our report on Environmental, Social and Governance (ESG) for the year 2018 (“the Report”). This is the third consecutive ESG report we have disclosed to the public regarding our ESG management philosophy and performance of our practices. We hope that the Report will disclose the concepts and practices on sustainable development of the Group in a transparent manner and enhance the mutual understanding and communication of the various stakeholders of the Group.

PREPARATION BASIS OF THE REPORT

The Report is prepared in accordance with Appendix 27 Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) by Hong Kong Exchanges and Clearing Limited (“HKEx”). We follow the principles of importance, quantification, balance and consistency, and strive to fully represent our current management status and performance results in terms of environmental, social and governance for the year. This report should be read together with the “Corporate Governance Report” in the Group’s Annual Report 2018 to get a more comprehensive understanding of the Group’s ESG performance results. This report has complied with the “comply or explain” provisions set out in the ESG Reporting Guide.

關於本報告

頤海國際控股有限公司(下稱「頤海」、「本集團」或「我們」)欣然呈列2018年度之環境、社會及管治報告(「本報告」)。本報告系我們連續第三年向社會發佈本集團在環境、社會及管治(「ESG」)方面的管理理念與實踐績效表現，我們希望本報告披露能以具透明度之方式傳遞本集團的可持續發展理念與實踐，促進各利益相關方對本集團的了解和溝通。

報告編製標準

本報告編製依據為香港交易及結算有限公司發佈的《香港聯合交易所有限公司證券上市規則》(「上市規則」)所載之附錄二十七《環境、社會及管治報告指引》(「《ESG報告指引》」)，遵循重要性、量化、平衡、一致性匯報原則，力求充分反映本集團本年度在ESG方面的管理現狀及績效成果。本報告應與本集團《2018年度報告》「企業管治報告」章節結合閱讀，以幫助讀者更全面地了解本集團ESG表現。本報告已遵守《ESG報告指引》載列的「不遵守就解釋」條文。

The Environmental, Social and Governance Report

環境、社會及管治報告

REPORTING SCOPE

The Report covers the period from 1 January 2018 to 31 December 2018, which is the same as the period covered by the annual report of the Company, and some contents are dated back to previous years. All data involved in the Report are derived from internal documents or statistical reports of the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT

Environmental, Social and Governance Concept

We believe that sustainable and robust ESG performance is essential to the sustainable development of the Group's business and the community where the Group operates. The dynamic combination of commercial and social needs is bound to embrace more influential social effects. We are not only committed to achieving sound financial performance, but also realising greater overall benefits through actively identifying stakeholders' expectations, discovering areas where our business development coheres with environmental and social demands, exercising prudent management over our ESG risks, and fully integrating our existing and potential resources to provide more value-added products and services for the society.

Environmental, Social and Governance Management System

In order to effectively incorporate ESG management concept into the Group's strategic decision-making and guide the implementation of relevant tasks, the Group has set up a management system under which the Board of Directors is in charge of the development of ESG strategy and objective, the senior management is in charge of the implementation of such strategy and objective, and the ESG working team consisting of a number of departments in the headquarters of the Group carries out various ESG tasks under the guidance of the senior management. This management system secures the performance of ESG responsibilities for the Group.

報告範圍

本報告涵蓋期間為2018年1月1日至2018年12月31日，與公司年報內容所涵蓋時間相同，部分內容追溯至以往年份。報告內涉及所有數據均來自本集團內部文件或統計報告。

環境、社會及管治管理

環境、社會及管治理念

我們相信持續穩健的ESG表現對本集團業務與本集團所在社區的可持續發展至關重要。商業和社會需求的有機結合方能產生更具影響的社會效應，我們不僅致力於實現強健的財務業績，亦致力於積極識別各利益相關方的期望，不斷發掘自身業務發展和環境、社會需求的契合點，審慎管理自身的ESG風險，充分整合現有及潛在資源以為社會創造更具價值的產品和服務，實現更大的整體效益。

環境、社會及管治管理體系

為了更有效地將ESG管理理念融入本集團戰略決策，進一步指導相關工作落實，本集團建立了由董事會負責ESG戰略和目標制定，管理層負責ESG戰略和目標的具體實施，本集團總部多個部門組成的環境、社會及管治(ESG)工作小組，在管理層的指導下，開展各項ESG工作的管理體系。ESG管理體系的建立，為本集團履行ESG責任提供了堅實的保障。

The Environmental, Social and Governance Report

環境、社會及管治報告

Communication with Stakeholders and Substantial Analysis

The Group has maintained effective communication with the stakeholders through various channels, in an attempt to fully understand and actively respond to their comments and demands, thus enabling our business and operations better satisfy their needs and expectations through continuous enhancement of internal optimisation and management.

利益相關方溝通及實質性分析

本集團通過多種渠道與各利益相關方進行有效溝通，及時了解並積極回應各利益相關方意見與訴求，不斷加強內部優化與管理，促使本集團業務與運營更好地滿足其需求與期望。

Major Stakeholders 利益相關方	Top Concerns 主要關注議題	Communication Channels 溝通渠道	Our Responses 本集團回應
Governmental regulatory authorities 政府部門	Implementation of energy conservation and emission reduction 落實節能減排	Policy orientation 政策導向	Implementing regulatory policies 落實監督與管制政策
	Improvement of corporate governance 完善集團治理	Legislative and non-legislative documents 立法及非立法性文件	Accepting relevant examinations 接受相關考核
	Lawful operations 合法合規經營	On-site and off-site inspections 實地及非實地查驗	Executing green operations 實行綠色經營
Investors 投資者			Optimising corporate governance system 優化集團治理體系
	The Group's business strategies 集團經營戰略	Disclosure of relevant reports 相關報告披露	Publishing the Group's performance results on a regular basis 定期公示集團業績
	Return on investment 投資回報	Shareholders' Meeting 股東大會	Strengthening management of risk and internal control 強化風險內控管理
	Securing the interests of investors 保障投資者權益	Disclosure of the Group's performance results 集團狀況業績公示	Maintaining and enhancing our brand value 維護提升品牌價值
	Accuracy and transparency of information disclosure 信息披露準確透明		

The Environmental, Social and Governance Report

環境、社會及管治報告

Major Stakeholders 利益相關方	Top Concerns 主要關注議題	Communication Channels 溝通渠道	Our Responses 本集團回應
Employees 僱員	Remuneration and welfare benefits 薪酬福利	Staff activities 員工活動	Providing diversified employees' activities 多元化員工活動
	Occupational health and safety 職業健康安全	Internal communication 內部交流	Developing platforms for learning and development 拓展學習發展平台
	Career development and trainings 員工發展培訓		Fully protecting employees' rights 全面保障員工權益
Consumers 消費者	Product quality and safety 產品質量與安全	The Group's official media platform 集團官方媒體平台	Optimising product quality assurance system 優化產品質量體系
	Precautionary measures for information leakage 防範資料洩露	Customer complaint hotline 客戶投訴電話	Improving service quality 提升服務質量
	Sound customer service 健全客戶服務	Product marketing channels 產品銷售渠道	Protecting consumers' rights and interests 保障消費者各項權益
Suppliers 供應商	Fair cooperation 公平合作	Regular communication 定期溝通	Developing a fair and impartial procurement system 公平公正的採購制度
	Honesty and promise keeping 誠信踐約	Routine return visits 日常回訪	Attaching importance to environmental and social risks 重視環境與社會風險
	Coordinated development 協同發展	Business meetings 商業會談	Realising sustainable partnership 實現可持續合作關係
		Cooperation agreements 合作協定	

The Environmental, Social and Governance Report

環境、社會及管治報告

Major Stakeholders 利益相關方	Top Concerns 主要關注議題	Communication Channels 溝通渠道	Our Responses 本集團回應
Community and the public 社區與公眾	Charity and public welfare 公益與慈善	Charitable activities 公益慈善活動	Carry out charitable and voluntary activities 開展公益及志願者活動
	Community sustainable development 社區可持續發展	Voluntary activities 志願者活動	Caring for returns on community investment 注重社區投資回報
	Community relations 社區關係	Community Investment 社區投資	

We conducted substantial analysis on ESG topics in 11 aspects presented in the *ESG Reporting Guide* and identified the most material topics for the current year by referring to the results of stakeholder surveys in the past two years and considering the Group's strategy and business development direction for the year. The analysis results indicated that topics in relation to "Product Responsibility", "Emissions", "Use of Resources", "Environmental and Natural Resources", and "Health and Safety" had a higher level of materiality; while those in relation to "Employment", "Development and Training", "Labour Standards", "Supply Chain Management", "Anti-corruption" and "Community Investment" had a lower level of materiality. We have provided more targeted responses to these topics of higher materiality, without prejudice to the strict compliance with disclosure requirements in the *ESG Reporting Guide*.

Environmental Management

The Group practices sustainable development concepts of low-carbon, environmental protection, energy saving and emission reduction. While updating the base of applicable laws and regulations in real time by identifying latest environmental protection compliance requirements via official websites and WeChat Official Account of national and local authorities, the Group also makes continuous improvements to our safety and environmental protection systems to ensure the Group's operational activities are legitimate and in line with regulations.

我們參考過去兩年的利益相關方調研結果，結合本年度的戰略和業務發展方向，就《ESG報告指引》所列11個層面的ESG議題進行實質性分析，識別出了本年度重要的議題。評估結果顯示，「產品責任」、「排放物」、「資源使用」、「環境及天然資源」和「健康安全」的重要性程度較高；「員工僱傭」、「發展與培訓」、「勞工準則」、「供應鏈管理」、「反貪污」及「社區投資」的重要性相對較低。我們在嚴格遵守《ESG報告指引》披露要求的前提下，對重要性程度較高的議題予以更具針對性的回應。

環境管理

本集團切實踐行低碳環保、節能減排的可持續發展理念。通過國家及地方政府機構官方網站和微信公眾號等渠道積極識別最新的環保合規要求，實時更新適用於本集團業務的法律法規庫，並在此基礎上不斷完善我們的安全環保管理體系，確保本集團經營活動合法合規。

The Environmental, Social and Governance Report

環境、社會及管治報告

In 2018, we identified environment-concerned laws and regulations newly issued at national and local levels, including the Environmental Protection Tax Law of the People's Republic of China, Energy Conservation Law of the People's Republic of China, and Law of the People's Republic of China on Prevention and Control of Pollution from Environments Noise. While enhancing our environmental compliance management system, we have been exploring feasible energy-saving and emission reduction technologies and procedures during the course of business. Besides, the Group has also attempted to enhance the staff's awareness of environmental protection to minimise the impact of our production and operation activities on the surrounding environment. No violation of laws and regulations or legal actions concerning environmental protection was reported in 2018.

Improving Safety and Environmental Protection Management System

Based on the applicable laws and regulations identified, we developed or revised 19 A-class management policies for safe production and environmental protection, including the Management Policy for Inspection on Safe Production and Environmental Protection, the Management Policy on Reward and Penalty for Safe Production and Environmental Protection and the Environmental Protection Management Policy to clarify the environmental protection management duties of departments at different levels and improve the safe production and environmental protection management system of the Group. To ensure the implementation of the new system in each factory, the Group arranged trainings and assessments for employees at group leader level or above from factories on a regular basis. The Supply Management Department also conducted compliance audits for the operation of safety and environmental protection systems in factories every month, to ensure their production processes are in full compliance with laws and regulations.

Furthermore, we intensified the localised management in factories to escalate the management and control of exhaust, waste water, solid waste and hazardous waste and noise produced by factories and effectively enforced the energy-saving and emission reduction as well as environment protecting management measures made by the Group to further standardise and regulate our practices of environment management.

2018年我們積極識別並嚴格遵守的主要國家及地方層面環境保護的新法律法規包括：《中華人民共和國環境保護稅法》、《中華人民共和國節約能源法》及《中華人民共和國環境噪聲污染防治法》等。我們在強化自身環境合規管理的同時，亦不斷探索生產經營過程中可行的節能減排技術與工藝，提升員工的環境保護意識，降低因本集團生產運營活動對周邊環境造成的影響。在2018年度內，本集團在環境保護領域未發生相關違法違規訴訟事件。

完善安全環保管理體系

在識別適用法律法規的基礎上，我們在本年度對《安全環保檢查管理制度》、《安全環保獎懲制度》和《環境保護管理制度》等在內的19項安全生產和環境保護A類管理制度進行了新編或修訂，以明確各級環保管理責任，完善本集團安全環保管理體系。為了保證各工廠對新制度的貫徹執行，本集團會定期組織各工廠組長以上級別的員工對新制度進行培訓和考核，本集團供應管理部亦每月開展一次針對各工廠安全環保體系的運行情況的合規性審計，以確保工廠生產流程合法合規。

我們亦加強工廠的屬地化管理，優化各工廠生產廢氣、廢水、固廢和危廢及噪聲的管控機制，有效執行本集團規定的各項節能減排與環保管理措施，使得環境管理工作進一步標準化與規範化。

Controlling Emissions

The Group strictly abided by national and local laws, regulations and standards for emissions, such as the Atmospheric Pollution Prevention and Control Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China and the Law on the Prevention and Control of Environment Pollution Caused by Solid Wastes of the People's Republic of China, and continuously enhanced management and control measures for exhaust control, sewage treatment and solid waste management.

Emission Reduction

Regarding the aspect of exhaust emission control, the Group cleaned out old and obsolete equipment and introduced new energy-saving steam boilers that use natural gas as fuel. All factories have been required to install extraction hoods and oil smoke purifiers for better purification of smoke. This year, we successfully upgraded low-NOx emission boilers as planned in factories in Zhengzhou to reduce NOx emission. In addition, we learnt about leading-edge waste gas treatment technologies both at home and abroad by technical visits, attending technology workshops and consulting industry experts and worked with equipment providers to plan and implement upgrade project for gas emission control. The Group applied advanced alkaline solution spray and photolysis equipment to the waste gas treatment facility in Yihai's Maanshan factory that started its operation in 2018 to effectively eliminate the smoke generated during the process of ingredient frying. The upgraded purifier in Zhengzhou factory would be put into use in March 2019.

Wastewater Treatment

Due to our business nature, sewage mainly represent the wok washing water discharged by stir-frying workshops. In this regard, all factories have been equipped with a set of centralised suction and discharge vacuum system and oil-water separation system to treat wok washing water before direct discharge of sewage containing waste oil. In addition, all the factories of the Group have sewage treatment stations. Waste water produced from factory canteen is firstly pre-treated by an oil filter and purification tank, and is then, together with domestic sewage from the factory area, sent to the sewage treatment station in the factory area for further treatment. Finally, the treated waste water is discharged into the municipal sewage treatment plant in the industrial park if it meets the national emission standard.

控制排放

本集團在污染物排放方面嚴格遵守《中華人民共和國大氣污染防治法》、《中華人民共和國水污染防治法》及《中華人民共和國固體廢物污染環境防治法》等國家和地方法律法規和排放標準，並持續推進廢氣、污水處理及固廢管理三方面的各項管控措施。

降低廢氣排放

在降低廢氣排放方面，本集團積極淘汰老舊鍋爐設備，換用以天然氣為燃料的節能蒸汽鍋爐。我們要求各工廠必須安裝抽油煙罩和油煙淨化器，完善油煙廢氣的淨化處理；本年度我們在鄭州的工廠按計劃完成了鍋爐低氮改造，以降低氮氧化物的排放。另外，我們通過技術考察、參加技術研討會以及請教行業專家等方式了解國內外最先進的廢氣處理技術信息，與設備供應商共同策劃和執行廢氣治理升級改造項目。2018年正式投產的馬鞍山頤海工廠的廢氣處理設施採用了最先進的城噴淋+光解設備，高效處理炒料過程中產生的油煙廢氣。鄭州工廠的廢氣淨化設備升級改造預計於2019年3月投入使用。

污水處理

基於本集團的業務特點，污水主要來源與工廠炒制車間產生的炒鍋清洗廢水。對此本集團所有工廠均安裝整套刷鍋水真空集中吸排系統和油水分離系統，以避免含廢油的污水直接排放。此外，每個工廠均設有獨立的污水處理站，廠區食堂餐飲產生的廢水通過隔油淨化池預處理後，與廠區生活污水一起進入工廠污水處理站進行處理，之後按國家排放標準達標後排入工業園區市政污水處理廠。

The Environmental, Social and Governance Report

環境、社會及管治報告

Solid Waste Management

The Group expressly stipulates measures for managing solid waste in the Environmental Protection Management Policy: all factories must set up storage warehouses and garbage bins and garbage must be classified into general solid waste and hazardous waste by designated staff after being collected from the bins. General waste, such as domestic trash from the factories, is collected for centralised treatment every day; solid waste residues waste oil collected by oil smoke purifiers and waste package materials are sent to qualified professional waste treatment companies for processing. All hazardous wastes are kept in specialised warehouses, reported to environmental protection authorities and then treated by qualified third parties as required, including waste chemical reagents, waste toner cartridges and ink cartridges and hazardous waste batteries with special symbols. The Group's monthly compliance audit for the environment protecting management system of safe production includes the audit for solid waste and hazardous waste to ensure compliance. All hazardous wastes produced by factories of the Group have been treated in line with laws and regulations this year.

Promoting Energy Efficiency

We have continued to explore practical energy-saving measures in our production and operation. To integrate energy management and control into the production and operation, we employed lean staff in the Group headquarters and lean engineers in factories to analyse energy usage in each production line as well as guide and support the energy-saving management and control in each production stage to save energy.

固體廢棄物管理

本集團編製的《環境保護管理制度》中明確規定了固體廢棄物的管理措施，規定各工廠必須配置固體廢棄物存儲倉庫及分類存儲垃圾箱，廢棄物在統一收集後由專人分類為一般固體廢棄物與危險廢棄物。一般廢棄物諸如工廠區內的生活垃圾實行日清日結、集中處理；而原料廢渣、油煙淨化器收集的廢油、廢包裝材料等則交由有資質的供應商統一處理。本集團的危險廢棄物諸如廢化學試劑、廢舊硒鼓墨盒及有專門標識的危廢電池等，由工廠專用的危廢倉庫儲存，並在環境保護部門備案，最後交由有資質的第三方處置商進行合規處理。本集團每月的安全環保管理體系的合規性審計過程中，包含對固廢和危廢處理流程的審計，以確保合法合規。本年度本集團各工廠產生的全部危險廢棄物均已實現合法合規的存儲及處置。

推進節能降耗

我們在生產運營中持續探索切實可行的節能降耗措施。為了將能源管控融入到工廠生產經營中，我們在集團層面設置了精益管理崗位，各工廠配置了精益工程師，通過對生產條線每月的能源使用數據展開分析，對各個生產環節的節能管控提供指導與支持，達到降低能耗的目的。

We also explore and invent energy-saving technology with higher efficiency. For example, for the stir-frying process of hotpot condiment in the newly-built Bazhou factory, we heat oil up in a centralised manner using tube heat exchanger, of which the heat exchange medium is changed to condensed water from the vapour system for the initial heating and vapour for second heating. New technology shortens the heating time for salad oil, lowers energy consumption per unit by about 10%, and increases the efficiency of vapour by about 3% through using condensed water for heating in the exchanger, effectively enhancing energy utilisation. To save energy in production lines, the Bazhou factory adopts SCADA (Supervisory Control and Data Acquisition) system to impose centralised control over the production line, enhance automation level, and optimise production process, successfully decreasing the energy consumption per unit by about 10%. The widely used variable voltage and variable frequency technology in this factory also reduces the consumption of electricity.

In terms of the use of water resources, factories of the Group introduce evaporative condensers to improve the recycling rate of indirect cooling water. We also strengthen the routine inspection of major water pipelines and meters, and appoint personnel responsible for the daily maintenance of the equipment. In addition, the Group strengthens efforts on enhancing water-saving, energy-saving and gas-saving awareness through posting slogans and posters. Through the promotion of various energy-saving measures, comprehensive energy consumption per unit product of each factory has declined, and employees' awareness on energy-saving and environmental protection has been enhanced.

Minimising our Impact on Environmental and Natural Resources

Because of the business characteristics of the Group, we have a limited impact on the environmental and natural resources, but we are still committed to taking effective management measures in day-to-day operations to further reduce such impact. When selecting and procuring raw materials for production, in factories of the Group, particularly the newly-built Bazhou factory and Maanshan factory recently put in operation, the Group purchases raw materials from locations that are as close as possible to the factory or in its vicinity; the Group deliberates on the logistic distance in the transportation network to minimise vehicle fuel consumption and exhaust gas emissions, thus reducing the carbon footprint; the Group also reduces negative impact on the environment by making innovations in production process to lower the comprehensive energy consumption per unit, replacing small packages with big ones, recycling chilli pepper peels for feed, etc.

我們亦不斷創新和探索更有效的節能技術，例如在新建的霸州工廠，我們在炒制火鍋底料過程中，採用管式換熱器對油進行集中加熱和批量加熱，同時對管式換熱器的換熱介質改用蒸汽系統的冷凝水進行初次加熱，再使用蒸汽進行二次加熱。新技術較傳統技術縮短了色拉油的加熱時間，降低約10%單位耗能，對換熱器的冷凝加熱也提高了約3%的蒸汽利用效率，有效提高了能源利用效率。針對工廠生產線的節能優化，霸州工廠採用SCADA系統(即數據採集與監視控制系統)對生產線採取集控手段、提高自動化程度、優化生產流程、有效降低工廠約10%的單位能耗。同時霸州工廠大量採用變頻調速技術，降低電力使用。

在水資源使用方面，本集團各工廠均使用蒸發式冷凝器，提高間接冷卻水循環率。我們亦加強主要水管線和水錶的日常檢查，並設有專人負責設備的日常維護保養。另外，本集團亦通過張貼宣傳標語與宣傳圖案，加大節水、節電、節氣的宣傳力度。通過推進各類節能降耗舉措，各工廠單位產品綜合能耗下降，公司員工的節能環保意識得到強化。

降低對環境和天然資源的影響

基於本集團的業務特點，我們對環境及天然資源造成的影響程度較為有限，但是我們仍然致力於在日常運營中採取各項行之有效的管理措施來進一步減低這部分影響。本集團各工廠，尤其是本年度新建的霸州工廠和已投產的馬鞍山工廠，在選用和採購生產原材料時，盡可能選購在工廠所在地或其鄰近地區出產的原材料；在成品運輸佈局上，也充分考慮物流運距，最大程度減少運輸車輛燃油及尾氣排放，減少運輸對所到環境產生的碳足跡；我們亦通過在生產工藝上的創新探索，降低單位產品綜合能耗，產品包裝採用大包裝替代小包裝、循環利用如辣椒皮作飼料等手段，減少對環境的負面影響。

The Environmental, Social and Governance Report

環境、社會及管治報告

Environmental Performance

環境數據績效表

Emissions and Energy Consumption

排放物及能耗概況

Index 指標	Unit ⁸ 單位 ⁸	2017	2018 ⁹
Annual revenue	Million RMB	1,646.221	2,681.373
全年收入	百萬元人民幣		
Emissions	Tonnes	28.12	4.94
廢氣排放總量	噸		
Stationary sources emission¹	Tonnes	28.12	4.94
固定源廢氣排放 ¹	噸		
NO ₂ emission	Tonnes	0.67	0.89
二氧化氮排放量	噸		
SO ₂ emission	Tonnes	0.27	0.37
二氧化硫排放量	噸		
Fume emission	Tonnes	26.52	2.79
油煙排放量	噸		
Smoke and dust	Tonnes	0.66	0.89
煙塵	噸		
Annual emissions per revenue ²	Tonnes/million RMB	0.0171	0.0018
單位經營收入廢氣排放總量 ²	噸/百萬元人民幣		
Total waste water discharged³	Tonnes	9.07	16.66
廢水排放總量 ³	噸		
COD emission	Tonnes	3.75	6.88
需氧量(COD)	噸		
BOD5 emission	Tonnes	0.93	2.36
5日生化需氧量(BOD5)排放量	噸		
Suspended solids	Tonnes	3.29	5.96
懸浮物	噸		
Ammonia and nitrogen	Tonnes	0.73	1.06
氨氮	噸		
Animal and vegetable oils	Tonnes	0.37	0.40
動植物油	噸		
Annual waste water discharged per revenue	Tonnes/million RMB	0.0055	0.0062
單位經營收入廢水排放總量	噸/百萬元人民幣		
Total hazardous waste⁴	Tonnes	0	0
有害廢棄物總量 ⁴	噸		
Waste chemical reagent	Tonnes	0	0
廢化學試劑	噸		
Waste engine oil	Tonnes	0	0
廢機油	噸		
Waste mineral oil	Tonnes	0	0
廢礦物油	噸		
Waste lead-acid accumulators	Tonnes	0	0
廢鉛蓄電池	噸		

The Environmental, Social and Governance Report 環境、社會及管治報告

Emissions and Energy Consumption (Cont'd)

排放物及能耗概況(續)

Index 指標	Unit ⁸ 單位 ⁸	2017	2018 ⁹
Waste fluorescent lamps 廢熒光燈管	Tonnes 噸	0	0
Others 其他	Tonnes 噸	0	0
Annual hazardous waste per revenue 單位經營收入有害廢棄物總量	Tonnes/million RMB 噸/百萬元人民幣	0	0
Total non-hazardous waste⁵ 無害廢棄物總量 ⁵	Tonnes 噸	5,831.35	6,485.69
Household waste 生活垃圾	Tonnes 噸	198.25	544.60
Sludge at sewage treatment stations 污水站污泥	Tonnes 噸	1,200.00	1,381.00
Production waste 生產廢物	Tonnes 噸	4,433.10	4,560.09
Annual non-hazardous waste per revenue 單位經營收入無害廢棄物排放量	Tonnes/million RMB 噸/百萬元人民幣	3.54	2.42
Total energy consumption⁶ 能源消耗總量 ⁶	MWh 兆瓦時	38,167.97	52,655.19
Direct energy consumption 直接能源消耗	MWh 兆瓦時	30,130.63	40,143.80
Natural gas consumption 天然氣消耗量	MWh 兆瓦時	29,957.82	40,019.73
Petrol consumption 汽油消耗量	MWh 兆瓦時	30.52	42.61
Diesel consumption 柴油消耗量	MWh 兆瓦時	142.29	81.46
Indirect energy consumption 間接能源消耗	MWh 兆瓦時	8,037.34	12,511.39
Electricity consumption 電消耗量	MWh 兆瓦時	8,037.34	12,511.39
Annual energy consumption per revenue 全年每單位收入能源消耗量	MWh/million RMB 兆瓦時/百萬元人民幣	23.19	19.64
Municipal water consumption 市政自來水耗用量	Tonnes 噸	165,529.00	236,680.57
Annual municipal water consumption per revenue 單位經營收入市政自來水耗用量	Tonnes/million RMB 噸/百萬元人民幣	100.55	88.27
Total packaging materials consumption⁷ 包裝材料使用總量 ⁷	Tonnes 噸	4,569.19	6,253.80
Annual packing materials consumption per revenue 單位經營收入包裝材料使用量	Tonnes/million RMB 噸/百萬元人民幣	2.78	2.33

The Environmental, Social and Governance Report

環境、社會及管治報告

Note:

1. Waste gases emitted from stationary sources consisting of nitrogen oxides, sulphur dioxide, fumes and particulates contained in exhausted gases emitted by factories, which mainly come from the burning of natural gas. Among others, the nitrogen dioxide emission is calculated based on the Coefficients on Pollutants Generated from the Combustion of Coal and Natural Gas, sulphur dioxide emission is calculated based on the Practical Data Handbook for Environmental Protection, fume emission is calculated based on the data in monitoring reports prepared by third parties, and smoke and dust emission is calculated based on the Coefficients on Pollutants Generated from the Combustion of Coal and Natural Gas.
2. Our self-owned vehicles did not consume much petrol and diesel, and according to the principle of materiality, the data of mobile source emissions is not disclosed.
3. The data of COD (Chemical Oxygen Demand) emission, BOD5 (5th Biochemical Oxygen Demand) emission, suspended solids, ammonia nitrogen indicator in waste water discharged from stationary sources is calculated based on total waste water discharged at the outlet of sewage treatment stations multiplied respectively by the average concentration of BOD5, total phosphorus, ammonia and nitrogen at the outlet.
4. Hazardous waste is handed over to qualified third parties for treatment, and is calculated based on the data recorded on the hazardous waste transfer manifests or receipts of waste recyclers during the reporting period.
5. Non-hazardous waste includes household waste, sludge at sewage treatment stations and production waste, and is calculated based on the data provided by factories, waste pick-up units, or third-party waste recyclers.
6. Energy consumption data, including electricity consumption, natural gas consumption and fuel consumption of group-financed vehicles, is calculated based on the consumption of electricity and fuel, and the conversion factors provided in the General Principles for Calculation of Total Production Energy Consumption (GB/T 2589-2008).
7. Packaging materials include tabs, inner packaging bags, condiment product packaging boxes, white boxes, sauce product (including box body, transparent cover and cover film), sauce product packaging boxes, trays, small white barrels (including cover, barrel body and handle) and condiment product rolling films.
8. The 2018 environmental density data are disclosed using environmental performance data and the Group's annual revenue. We recalculated the environmental density data for 2017 based on the annual revenue data for 2017.
9. The disclosure scope of environmental performance data in 2018 includes Chengdu Yueyihai factory, Zhengzhou Shuhai factory and Maanshan Yihai factory, among which Maanshan Yihai factory is new disclosure scope as it was officially put into production and operation in 2018.

註：

1. 固定源廢氣由工廠排放的廢氣中氮氧化物、二氧化硫、油煙、顆粒物等組成，主要來源於天然氣燃燒，其中二氧化氮排放根據《煤、天然氣燃燒的污染物產生係數》進行核算，二氧化硫排放根據《環境保護實用數據手冊》進行核算，油煙排放根據第三方監測報告內數據指標進行估算，煙塵排放根據《煤、天然氣燃燒的污染物產生係數》進行核算。
2. 本公司自由交通工具汽油柴油年消耗量較少，根據重要性原則，暫不披露移動源廢氣排放數據。
3. 固定源廢水中，化學需氧量(COD)排放量、5日生化需氧量(BOD5)排放量、懸浮物、氨氮指標根據污水處理站排水口的總排水量分別乘以排水口BOD5的平均濃度、排水口總磷的平均濃度、排水口氨氮的平均濃度計算得出數據。
4. 有害廢棄物交給有資質第三方處理，根據本報告期內危險廢物轉移聯單或廢物回收商回收單據上記錄的數據進行核算。
5. 無害廢棄物包括生活垃圾、污水站污泥、生產廢物，根據工廠或垃圾清運單位、第三方收購單位提供的數據進行核算。
6. 能源消耗量數據是根據電力及燃料的消耗量及《綜合能耗計算通則(GB/T 2589-2008)》提供的相關轉換因子進行計算，包含電力、天然氣和公車耗油。
7. 包裝材料包括標籤、底料內袋、底料箱、白箱、蘸料(盒身、透明蓋、蓋膜)、蘸料包裝箱、託盤使用量、餐飲裝小白桶(面蓋、桶身、提手)及底料卷膜。
8. 2018年密度類數據採用環境數據和集團全年收入進行披露。我們根據2017年全年收入數據，對2017年的環境績效密度數據進行了重新計算。
9. 2018年環境績效數據披露範圍包括成都悅頤海工廠、鄭州蜀海工廠及馬鞍山頤海工廠，其中馬鞍山頤海工廠在2018年正式投入生產運營，為新增披露範圍。

The Environmental, Social and Governance Report 環境、社會及管治報告

Greenhouse Gas Emissions

溫室氣體排放概況

Index 指標	Unit 單位	2017	2018
Total greenhouse emissions (Scope 1 and Scope 2) ¹⁰ 溫室氣體排放總量(範疇一、範疇二) ¹⁰	Tonnes 噸	11,133.02	16,798.93
Direct emissions (Scope 1) 直接排放(範疇一)	Tonnes 噸	5,902.72	7,879.68
Natural gas 天然氣	Tonnes 噸	5,857.84	7,825.30
Petrol and diesel 汽油及柴油	Tonnes 噸	44.88	54.38
Indirect emissions (Scope 2) 間接排放(範疇二)	Tonnes 噸	5,230.30	8,919.25
Outsourced power 外購電力	Tonnes 噸	5,230.30	8,919.25
Annual greenhouse gas emissions per revenue 單位經營收入溫室氣體排放	Tonnes/million RMB 噸/百萬元人民幣	6.76	6.27

Note:

註：

10. Greenhouse gases include carbon dioxide, methane and nitrous oxide, mainly resulted from outsourcing electricity, natural gas consumption, diesel consumption of diesel-powered generators and group-financed vehicles. Greenhouse gas emissions are measured in carbon dioxide equivalents and calculated based on the Baseline Emission Factors for Regional Power Grids in China (2015) issued by National Development and Reform Commission and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories of Intergovernmental Panel on Climate Change.
10. 溫室氣體清單包括二氧化碳、甲烷和氧化亞氮，主要源自外購電力、天然氣消耗、柴油發電機及自有交通工具耗油。溫室氣體核算乃按二氧化碳當量呈列，並根據中國國家發展與改革委員會刊發的《2015中國區域電網基準線排放因子》及政府間氣候變化專門委員會(IPCC)刊發的《2006年IPCC國家溫室氣體清單指南》進行核算。

The Environmental, Social and Governance Report

環境、社會及管治報告

Being People-oriented

Employment

Employees are not only our most valuable asset, but also the key for the planning and long-term development of the Group. When establishing and developing the Group's human resources management system, we have been tracking and referring to national laws and regulations governing employment and employee rights and interests, such as the Labour Law of People's Republic of China, the Labour Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Protection on Minors, the Law of the People's Republic of China on the Protection of Rights and Interests of Women and Children, as well as administrative rules at operating sites. Any discrimination against nationality, age, race, geographical origin or family status in the recruitment process are forbidden pursuant to the Yihai Employee Recruitment Management Policy. In addition, employment of child labour is strictly prohibited, and fool-proof modules have been newly integrated into our human resource information system to ensure that the information of candidates under 16 years old cannot be entered. Further, we have specified the working hours required for the position in the employee labour contract, and the system of flexible working hours was introduced in the Yihai Employee Attendance, Leave and Welfare Policy, to prohibit any forced labour. The Group confirms that it did not engage in any illegal employment in 2018.

The Group currently recruits middle and high-level talents via internal recommendation, website recruitment, head-hunting recommendation, etc. We strictly abide by the legal procedures in the process of signing, renewing, terminating and cancelling labour contracts with employees, in order to guarantee all relevant procedures are implemented in terms of fair, open and justice.

以人為本

員工僱傭

員工是我們最寶貴的資產，也是本集團規劃長遠發展的關鍵。在搭建本集團人事管理體系，編製人事管理制度的過程中，我們持續追蹤並參考與員工僱傭和權益保護相關的國家法律法規，比如《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國未成年人保護法》、《中華人民共和國婦女兒童權益保護法》等，並嚴格遵守運營場所所在地有關的管理條例。我們在《頤海員工招聘管理制度》中進行了明確的規定，不允許由於民族、年齡、膚色、地域、家庭狀況等因素而導致的歧視行為，杜絕招聘過程中任何涉及到歧視的現象。我們也明確規定禁止招聘童工，通過增加人事信息系統的防呆模塊，保證未滿16周歲的求職者信息無法錄入集團系統。我們在員工勞務合同中明確規定了崗位所需的工作時長，並在《頤海員工考勤、休假及福利制度》中增加彈性工時制，禁止出現強迫勞動現象。本集團確認於2018年度內並無非法聘用任何勞工。

本集團目前採用內部推薦、網站招聘、獵頭推薦等多種途徑招納中高端人才，在與員工簽訂、續訂、終止、解除勞動合同等過程中，嚴格遵守法定程序，所有流程保證公平公開公正。

Remuneration and Welfare Benefits

As an equal opportunity employer, the Group abides by the national laws and regulations regarding minimum wage and the basic welfare. Employees are entitled to various social benefits and public holidays according to relevant laws. In order to strengthen the capacity of our talent team, the Group improves the fair and transparent remuneration review and promotion mechanism, providing competitive remuneration based on different businesses and job requirements, as well as employees' personal ability and performances. At the same time, the Group provides rounded welfare benefits, including family visiting vacation, housing subsidies, child care allowance, parental care allowance, child education allowance, congratulatory gifts for birthday/marriage/child-birth, injury allowance, and welfare for grandparents etc., to enhance employee satisfaction and their sense of belonging.

For the sales personnel, we offered vehicle subsidies based on job title, for employees who drive to work with a driver's license, in an attempt to keep them motivated and to increase the frequency of visiting distributors, dealers and points of sales at the same time, thus improving customer satisfaction accordingly.

We regard the staff dispatched by third-party labour service companies as an important part of our human resources framework of the Group. In order to ensure their rights and interests, we record their fingerprints for attendance checking by the Human Resources Department, while the Production Department is responsible for attendance recording in paper sheet. At the end of each month, remuneration specialists review the total working hours reported by all departments.

Due to different demands at different seasons for working force, we have started recruiting contract staff for non-critical positions since around 2014 to meet increasing demand for production personnel in the second half of each year. For qualified contract staff, we provides the same piece rate pay and commercial accident medical insurance as we do for our employees. For those at high-risk positions, they are additionally covered by the employer's liability insurance.

薪酬福利與待遇

作為平等機會的僱主，本集團遵守國家關於各地最低工資標準和基本福利制度的法律法規要求，員工依法享有各類法定福利和法定假期。為了強化人才隊伍建設，本集團完善了公平透明的薪酬考核與晉升機制，根據業務和崗位要求，以及員工個人能力與表現，提供具有競爭力的薪酬待遇同時，本集團制定了全面福利保障，包括：法定假期及其他假期例如探親假、住房補貼、育嬰補貼、父母補貼、子女教育補貼、慶生／結婚／生育賀禮、傷病慰問金、祖父母／外祖父母福利等，提升員工滿意度和歸屬感。

對於從事銷售的員工，我們對擁有自有車輛和駕照的員工按級別增加了相應的車輛補貼，在增加員工的工作積極性的同時，也增加了與經銷商、分銷商、終端售點的拜訪頻次，提高客戶滿意度。

第三方勞務集團員工作為本集團人資架構中重要的組成部分，為了保證這部分員工的權益，我們採取了由人力資源部為臨時工錄入考勤指紋，明確考勤制度，生產部負責紙質版考勤，月底由薪酬績效專員對各部門匯總的工時進行審核。

因工廠生產淡旺季需求不同，每年度下半年生產人員需求增加，我們從2014年左右開始在非關鍵崗位招聘臨時員工滿足生產需求。對於符合崗位要求的臨時員工，我們為其提供的薪酬與正式員工一致，均按照計件方式發放，並統一購買商業意外醫療險；在高危崗位工作的員工，工廠還為其購買僱主責任險。

The Environmental, Social and Governance Report

環境、社會及管治報告

Employment and Employee Turnover

員工僱傭與流失概況

	Year 年度		2017		2018
Total headcount	總僱員	1,919		1,976	
By nature	按性質分類				
Full-time employee	全職	1,314	68%	1,632	83%
Part-time employee	兼職	605	32%	344	17%
By gender	按性別分類				
Male	男性	1,116	58%	1,107	56%
Female	女性	803	42%	869	44%
By age group	按年齡分類				
<30 years old	<30 歲	889	46%	780	40%
30-40 (exclusive) years old	30 歲 – 40 歲	652	34%	715	36%
40-50 (exclusive) years old	40 歲 – 50 歲	343	18%	419	21%
>=50 years old	> = 50 歲	35	2%	62	3%
By region	按地區分類				
East China	華東地區	368	19%	660	33%
Central and South China	中南地區	983	51%	696	35%
North China	華北地區	292	15%	414	21%
Northwest China	西北地區	28	1%	25	1%
Southwest China	西南地區	226	12%	172	9%
Northeast China	東北地區	22	1%	9	1%
Total employee turnover	總離職	349		469	
By gender	按性別分類				
Male	男性	238	68%	301	64%
Female	女性	111	32%	168	36%
By age group	按年齡分類				
<30 years old	<30 歲	175	50%	195	42%
30-40 (exclusive) years old	30 歲 – 40 歲	124	36%	181	39%
40-50 (exclusive) years old	40 歲 – 50 歲	46	13%	77	16%
>=50 years old	> = 50 歲	4	1%	16	3%
By region¹¹	按地區分類¹¹				
East China	華東地區	62	18%	248	53%
Central and South China	中南地區	195	56%	102	22%
North China	華北地區	54	15%	91	19%
Southwest China	西南地區	29	8%	21	4%
Northeast and Northwest China	東北及西北地區	9	3%	7	2%

The Environmental, Social and Governance Report

環境、社會及管治報告

Note:

11. East China covers Shanghai, Jiangsu, Zhejiang, Anhui, Fujian, Jiangxi and Shandong.

Central and South China covers Henan, Hubei, Hunan, Guangdong, Guangxi and Hainan.

North China covers Beijing, Tianjin, Hebei, Shanxi and Inner Mongolia.

Northwest China covers Ningxia, Xinjiang, Qinghai, Shaanxi and Gansu.

Southwest China covers Chongqing, Sichuan, Guizhou, Yunnan and Tibet.

Northeast China covers Liaoning, Jilin and Heilongjiang.

Health and Safety of Employees

The Group has been tracking and strictly complying with national laws and regulations related to health and safety that has a significant impact on production management and day-to-day operations, including the Labour Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Production Safety Law of the People's Republic of China, and the Interim Provisions on Supervision and Administration of Work Safety at Food Production Enterprises, etc. On this basis, and combined with features of its operations, the Group has established a series of safety management policies, including the Safety Inspection Management Policy, the Hidden Safety Risks Identification and Elimination Policy, the Yihai Work-related Injury Management Policy in order to firmly implement production safety management, effectively implement the identification of sources of dangers and risk management, standardise production safety procedures, reduce occupational hazardous risks to our employees, standardise the work-related accident reporting process, hold the management accountable, and thereby gradually perfect the safety management system of the Group. As of the end of 2018, there was no fatality of the Group's employee arising from production safety accidents.

註：

11. 華東地區：上海、江蘇、浙江、安徽、福建、江西、山東

中南地區：河南、湖北、湖南、廣東、廣西、海南

華北地區：北京、天津、河北、山西、內蒙古

西北地區：寧夏、新疆、青海、陝西、甘肅

西南地區：重慶、四川、貴州、雲南、西藏

東北地區：遼寧、吉林、黑龍江

員工健康與安全

本集團持續追蹤並嚴格遵守對生產管理及日常運營有重大影響的健康安全相關法律及規例，包括《中華人民共和國勞動法》、《中華人民共和國職業病防治法》、《中華人民共和國安全生產法》、《食品生產企業安全生產監督管理暫行規定》等。在此基礎上，結合業務特點，本集團進一步完善建立了《安全檢查管理制度》、《安全隱患排查制度》、《頤海工傷安全事故管理制度》等一系列安全管理制度，以扎實推行安全生產管理工作、有效落實危險源辨識與風險管控、規範生產安全作業流程、降低員工遭受職業性危害的風險、落實生產安全事故上報流程與問責制度，逐步完善本集團的安全管理體系。本年度本集團未有員工因生產安全事故而死亡的情況發生。

The Environmental, Social and Governance Report

環境、社會及管治報告

In 2018, the Group improved the occupational health and safety management system continuously through revision of 19 A-class management policies for safe production such as the Safety Training Management Policy, the Environmental Protection, Fire Protection, Occupational Health, Safety Production Responsibility Policy, the Safety Incident Management Policy, and the Warning and Informing Policy for Occupational Hazards. In addition, more than 30 training materials for safety production and occupational health were developed and integrated into the Group's training system, resulted in the average training time reached 100 hours/person in 2018. In order to strengthen the cultural of safety production internally, the Group organised 12 safety cultural events such as "Safety Promotion Month", "Safety Knowledge Contest", and "Safety High-voltage Line" to promote the importance of safety production. Meanwhile, in order to raise employees' awareness of safety production, a total of more than 20 fire and emergency drills were conducted in the past year, with a total of over 1,500 participants.

Every year, the Group regularly organises medical examinations for all employees and new recruits. Relying on the city-level Centres for Disease Control and Prevention, the new recruits and employees with expired health certificate are subject to medical examinations. The Group also cooperates with third-party physical examination companies to arrange for an additional physical examination every year for female employees, employees with a high frequency business trip record, employees at the management level or above and employees over 50 years old, so as to help them recognise their health status comprehensively and reduce occupational health risks. In 2018, the Group organised 326 medical examinations. In addition, the Group organises annual physical examination for health certificate for every employee.

In 2018, the Group suffered a 160-working-day loss arising from six work-related injury accidents. There was neither work-related fatality nor penalty by relevant authorities due to violation of national laws on working safety and hygiene.

本集團在2018年度加強了職業健康安全體系建設，更新了《安全培訓管理制度》、《環保、消防、職業衛生、安全生產責任制度》、《安全事故管理制度》、《職業危害警示與告知制度》等19個A類安全管理制度，制定了30余份安全生產和職業健康方面的培訓教材，並納入本集團培訓體系，年度培訓次數達到100余次，安全培訓平均時長達100時／人以上。為了加強本集團內部安全生產文化建設，本集團共舉辦了12次的「安全宣傳月」、「安全知識競賽」、「安全高壓線」等安全文化活動，宣傳安全生產的重要性。同時，為了提高員工安全生產意識，本年度還開展了共計20餘次消防、安全應急演練，累計參與人數1500餘人次。

本集團每年亦定期組織員工體檢及新員工入職體檢，依託各地市級疾病預防控制中心對新入職員工和健康證到期員工進行體檢。本集團還與第三方體檢管理集團展開合作，對女性員工、長期出差員工、經理級以上員工及50歲以上員工額外組織一次體檢，幫助員工更加全面了解自身健康狀況，降低職業健康風險，本年度針對這部分員工我們共組織了326人次的體檢。另外，本集團亦會組織每人每年參加一次健康證體檢項目。

2018年本集團發生的工傷案例為6例，造成的工時損失時間為160天，無因工死亡案例，亦沒有因違反關於勞動安全衛生的國家法律，而受到相關政府部門的處罰。

The Environmental, Social and Governance Report

環境、社會及管治報告

Employee Health and Safety¹²

員工健康安全概況¹²

	Index/Year 指標／年度	2017	2018
Work-related deaths (persons)	因工死亡人數	0	0
Percentage of work-related deaths (%)	因工死亡比率(%)	0	0
Work-related injuries (persons)	因工受傷人數	2	6
Loss of work time due to work-related injuries (person/day)	因工傷損失工作時間 (人／天)	171	160

Note

12. Data of health and safety is based on the information on attendance sheets and statistics of manual recording.

註

12. 健康與安全數據來源於考勤表及手工台賬統計。

Training and Development of Employees

We are committed to forging an ideal career development platform for our employees and cultivating talents in line with our goals and development strategies through establishing branded and professional talent development system. At the same time, we constantly update our internal strategies on talent cultivation based on the characteristics of condiment industry, in combination with increasing requirements on the comprehensive quality of employees and the tendency of younger, better educated and more professional business teams. In 2018, the Group organised various training programs, including orientation for new recruits, production safety training, training for safety management of chemicals, training for electricity safety, training for warehousing management, management system for warehouses under lease, training for communication skills, training for enhancement of ability to act, and excellent team management. We also held a contest of knowledge and skill to advance employees' business skill and occupational quality.

員工培訓及發展

我們致力於成為員工理想的職業發展平台，通過建立品牌化、專業化的人才發展體系，培養與集團目標及發展戰略一致的人才。同時基於調味品行業特點，對從業人員綜合素質要求日益提高，對業務團隊年輕化、知識化、專業化的要求不斷提升，我們也持續更新內部培養理念。本集團本年度組織了包括新員工入職培訓、生產安全培訓、化學品安全管理培訓、電氣安全培訓、倉儲管理培訓、外租庫管理制度、溝通技巧培訓、執行力提升培訓、卓越管理團隊等多種類型的培訓，我們亦舉辦了一場知識技能大賽，幫助員工有效提升業務技能和職業素質。

The Environmental, Social and Governance Report

環境、社會及管治報告

Employee Training

員工培訓概況

	Year 年度		2017	2018	
Number of trainees	培訓人數	235		1,131	
By gender	按性別分類				
Male	男性	136	58%	676	60%
Female	女性	99	42%	455	40%
By role	按職能分類				
Senior management	高級管理層人員	2	1%	4	1%
Middle management	中級管理層人員	11	5%	56	5%
Employees other than senior or middle management	非管理層	222	94%	1,071	94%
Total hours of training	總培訓時長	4,360		20,697	
By gender	按性別分類				
Male	男性	2,688	62%	12,280	59%
Female	女性	1,672	38%	8,417	41%
By role	按職能分類				
Senior management	高級管理層人員	576	13%	1,280	6%
Middle management	中級管理層人員	264	6%	769	4%
Employees other than senior or middle management	非管理層	3,520	81%	18,648	90%
Average hours of training	平均培訓時長				
By gender	按性別分類				
Male	男性	20		18	
Female	女性	17		18	
By role	按職能分類				
Senior management	高級管理層人員	288		320	
Middle management	中級管理層人員	24		14	
Employees other than senior or middle management	非管理層	16		17	

Product Responsibility

The Group attaches great importance to product quality management and devotes itself to ensuring product safety and quality and the legitimate rights and interests of consumers through the continuous improvement of quality management procedures. In 2018, we are not aware of any violation of laws and regulations governing product responsibility regarding product quality, advertising, labelling, consumer privacy and protection of their rights and interests, as well as any lawsuit with significant impact on the Group.

Focus on Food Quality and Safety

As a responsible food production enterprise, the Group strictly observes food-related laws and regulations and regulatory standards, such as the Food Safety Law of the People's Republic of China and follows and identifies their updates. Through strictly managing and controlling each and every part of the production procedure, we are committed to providing consumers with qualified, safe and assured products and comprehensively enhancing consumer confidence and satisfaction in our products. We further optimise the appearance of raw materials, the production process and quality standards of finished products through risk analysis of the whole supply chain. At the same time, the Group sets up a sensory testing system, under which a product is tasted for feedback on its flavour in simulated consumption scenarios during product release process, in an attempt to provide a direction for improvement on consumers' sensory experience and reduce poor consumer experience due to unstable taste of our products.

To ensure product quality, we enforced product visualisation and requested employees to work with certification, to enhance operators' skill in 2018. We implemented all-round quality verification process from raw materials to finished products in a more rigorous way. For example, we continued to strengthen the examination on supplier access qualification and introduce only the qualified suppliers by sample testing. Each batch of raw materials were verified upon their delivery in accordance with relevant standards. In production process, parameters were determined and controlled based on the work flow. Each batch of finished products were verified before delivery from the factory to ensure every single product was in good quality.

產品責任

本集團非常重視產品的質量管理，通過對質量管理工作流程的不斷改進和完善，確保產品的安全優質與消費者的合法權益。本年度我們未知悉有任何違反產品質量、廣告、標籤、消費者隱私及權益保護等產品責任方面的法律法規並對公司造成重大影響的訴訟案件。

專注食品質量與安全

作為負責任的食品類生產企業，本集團嚴格遵守《中華人民共和國食品安全法》等與食品安全相關的法律法規與規章制度標準，並持續追蹤並識別法律法規的更新情況。通過嚴格管控各個生產環節，我們致力於為消費者提供優質、安全、放心的產品，全面提升消費者對本集團產品的信賴度與滿意度。通過對全供應鏈的風險分析，我們進一步優化原料品相、生產過程和成品質量標準。同時，本集團建立了感官測試制度，在產品放行過程中，通過小組模擬消費場景、品評產品口味，為提高消費者感官體驗提供了改進方向，並減少了因終端產品口味不穩定而造成的消費者不佳體驗。

為進一步確保產品品質，本年度我們推行產品目視化及操作員工持證上崗，提高操作工技能。我們嚴格地執行從原材料到產成品的全方位質量檢定過程，繼續強化供應商准入資質審核，並對其所提供的樣品進行檢測，合格後方可引入該供應商；在每批原材料到貨後，依照相關標準進行檢驗；生產過程中按照生產工藝流程進行參數檢定和控制；產成品出廠前對其每一批次進行檢定，以確保每一件出廠產品都能達到我們的質量要求。

The Environmental, Social and Governance Report

環境、社會及管治報告

In terms of product recall, we revised our Food Recall Management Policy in line with the Measures for the Administration of Food Recall of People's Republic of China. Through such revision, we elaborated and improved relevant categories and emergency measures for product recall, making product recall process more compliant, clear and convenient. If a problem of quality or safety was detected in the products in-stock, the defective products would be isolated in a timely manner to stop delivery. If the delivered products were defective, the Group would look up shipping destinations and communicate with relevant distributors, logistics stations or stores in a timely manner to stop selling, and isolate such products for inspection. Follow-up measures would be taken later in accordance with the Process for Handling Nonconforming Products to prevent defective products flowing into the market. If the sold products were reported to have safety problems, the Group would make internal records according to consumers' feedback in a timely manner, and relevant departments would analyse the causes and put forward schemes for improvement; at the same time, the Quality Assurance Department and Customer Service Centre would coordinate and cooperate to solve the problems of consumers in an effective way. In 2018, we continue to carry out product recall simulation drills in Chengdu factory, Zhengzhou factory and Maanshan factory in accordance with the Administrative Measures for Food Recalls, and implemented the two-way simulation with both forward and reverse simulation, providing a reference for the timely and proper handling of quality accidents emergency. In 2018, there was no product recall due to product safety and health problems.

Consumer Supervision and Feedback

With an attempt to actively respond to consumers' feedback, complaints, opinions and suggestions and provide them reassurance in a timely manner, the Group has established a sophisticated customer service system and customer complaint response mechanism in strict compliance with the Law of the People's Republic of China on Protection of Consumer Rights and Interests and other laws and regulations to protect consumers' legal rights and interests.

另外，在產品召回方面，根據《中華人民共和國食品召回管理辦法》，我們亦修訂了本集團《食品召回管理辦法》，細化完善了相關產品召回類別和應急措施，使得產品召回流程更加合規、清晰、便捷。如發現在庫產品存在質量安全問題，第一時間將問題產品進行隔離，避免出倉發貨；若發現已發貨產品存在異常，則調取產品發貨去向，及時聯繫相關經銷商、物流站或門店停止銷售，隔離待檢，並依照《不合格品處理流程》進行後續跟進處理，切實保證避免問題產品在市面流通；已出售產品發現安全問題的，本集團內部根據消費者反饋進行及時備案，相關部門分析問題產生的原因並提出改進方案，同時本集團品質控制部與客服中心積極溝通合作，切實有效解決消費者問題。本年度我們繼續在成都工廠、鄭州工廠及馬鞍山工廠開展了產品召回模擬演練，該演練均依照《食品召回管理辦法》執行，並推行了正向和反向的雙向模擬，為及時妥善處理質量事故的緊急情況提供了可供參考的方向。本年度內，本集團未發生因安全與健康理由而召回產品的事件。

消費者監督與反饋

為了能夠積極應對消費者反饋投訴意見及建議，及時消除消費者疑慮，本集團嚴格遵守《中華人民共和國消費者權益保護法》等法律法規，並在此基礎上建立了完善的客戶服務體系與客戶投訴應對機制，以保護消費者的合法權益。

Customer complaint staff are designated to record the details of all types of complaints. In accordance with Yihai Customer Complaint Management Measures, such information will then be relayed to relevant departments of the Group to allocate responsibilities and to handle the case directly with the complainant. Meanwhile, we will initiate processes for product verification and recall, in order to solve the problem from its root. In 2018, we made the following targeted adjustments based on the analysis of customer complaints: painting date collection information onto the package to dissolve complaints about missing date information; equipping the packaging device with air blowing tool to dissolve complaints about empty packages; introducing automatic ingredient proportioning system to keep consistent taste; updating production technology and adjusting recipes to dissolve complaints about thin condiment. We added new type of complaints into Yihai Customer Complaint Management Measures and corresponding management and control measures to handle new complaints arising from new self-heating hotpot products; the complaints about foreign matters decreased as a result of our strengthened selection and quality control over agricultural and sideline materials.

At the same time, we continued to enrich the Standard Terms for Product Feature Description and extensively carried out activities to popularise the knowledge of our raw materials among consumers to enhance their cognitive ability and discernment in an effective way. To ensure consistent quality of raw materials, the Group designated special personnel to suppliers of the main materials and product assembly plants to perform on-site monitoring and management to build up confidence to our new products among customers. Customer complaints related to product oil leakage and foreign matters still accounted for the highest proportion this year. In response to oil leakage resulting from the worn filling heads and transportation, we established new standards for filling head replacement and maintenance, and integrated the carrier's responsibility for product protection into the contract of carriage.

本集團特設客戶投訴專員崗位，專門負責記錄各項客訴情況，並根據《頤海客訴管理辦法》將具體信息傳達至本集團有關部門進行明確的責任劃分與後續對接處理。同時我們會及時啟動產品檢定及追溯召回流程，以從根本上解決客訴問題。在2018年，我們在總結分析過往客戶投訴案例的基礎上，針對性的做出以下調整措施：通過在產品包裝增加日期採集信息，杜絕無日期客訴的出現；通過增加包裝設備吹氣功能，杜絕空包客訴產生；通過引進自動配料系統，杜絕包裝口味不一致的投訴；通過更新生產工藝、調整產品配方，降低蘸料發稀類的投訴率；針對新上市的自煮火鍋產品出現的消費者投訴，我們及時調整了《頤海客訴管理辦法》中相關客訴類型，並增加了新的管控方式；通過進一步加強對農副類原料的挑選與品質管控，有效降低異物類客訴。

另一方面，我們不斷完善《產品特性描述之標準話術》，在消費者中廣泛開展原料知識普及活動，有效提升消費者對產品原料的認知能力與辨別水平。為了保證產品原料質量的穩定性，我們會派出專人對主要食材供應商和產品組裝工廠進行駐場式監控管理，進一步提升了消費者對公司新產品的信心。本年度，產品漏油及異物類客訴仍然佔比較高，針對造成漏油問題的灌裝頭磨損及物流運輸等主要原因，我們新制定了灌裝頭更換與維護標準，並在物流運輸合同中完善承運商對產品之防護責任條款。

The Environmental, Social and Governance Report

環境、社會及管治報告

Performance Indicator Related to Customer Complaints

	Index/Year 指標/年度	2016	2017	2018
Customer Complaints (times)	客戶投訴事件(次)	2.36	1.86	1.51

Note: Customer complaints (times) for the year = Total complaints that year/annual production (in millions of packages)

Customer Privacy Protection

As we do not sell goods to consumers directly in the case of distribution, no customer privacy protection is required in such production and sales process. In relation to on-line sales, we have developed the Customer Information Confidentiality Policy for Internet Marketing Department based on the Cybersecurity Law of the People's Republic of China, which specifies data security measures and supervision methods, as well as corresponding punitive measures in case of any violation, to protect the information of relevant departments and customers, standardise on-line store accounts and guard the Group's rights and interests.

Standardising Advertising and Labelling

In the current year, we continued to adhere to the applicable laws and regulations governing advertising and labelling, such as the Advertising Law of the People's Republic of China, and has developed the Yihai Marketing Management Procedures to ensure the compliance of all promotion materials of major marketing activities in an effective way. In order to minimise possible risks of our Internet Marketing Department from committing intriguing publishing pictures, texts, videos and other information in new internet channels, and safeguarding the rights and interests of the Group, we also formulated the Management Procedures for Infringement Avoidance of Internet Marketing Department, which specifies measures and supervision methods to prevent infringement, as well as corresponding punitive measures in case of any violation. The well-established advertising and labelling management mechanism has strongly safeguarded the integrity of our marketing and avoided sending false information to consumers.

客戶投訴相關績效指標數據

	2016	2017	2018
Customer Complaints (times)	2.36	1.86	1.51

註：當年客戶投訴事件(次) = 全年客訴起數 / 全年生產量(以百萬包計)

保護客戶資料與隱私

本集團的銷售模式中經銷商模式下不直接向消費者銷售商品，因此，該部分在生產、銷售過程中不涉及客戶隱私保護事宜。對於線上銷售，我們嚴格遵守《中華人民共和國網絡安全法》等法律法規的要求，制定了《互聯網營銷部保密制度》，明確相關保密措施細則及監察方法，並對各類違反該保密制度的行為做出了相應懲處規定，以保護相關部門及客戶資料信息、規範管理線上店鋪賬號並維護本集團權益。

規範廣告營銷與品牌標識

本年度我們繼續嚴格遵守《中華人民共和國廣告法》等與廣告宣傳營銷及標識規範使用相關的各項法律法規。同時，我們已制定了《頤海市場活動管理辦法》，旨在有效把控所有重大市場活動的宣傳文案之合法合規性。為在最大程度上規避本集團互聯網營銷部在各互聯網新渠道展示圖片、文字與視頻等信息時的可能存在的侵權風險，保障本集團權益，我們亦制定了《互聯網營銷部規避侵權管理辦法》，明確規定了防止相關侵權之措施與監察方法，並對違反此辦法的行為制定了相應的懲處辦法。本集團完善的廣告宣傳與標識使用管理機制在制度上強力保障了我們的誠信營銷，避免向消費者傳遞謬誤信息。

Protection of Patents and Intellectual Property

The Group strictly abides by the Anti-unfair Competition Law of the People's Republic of China, the Trademark Law of the People's Republic of China and other applicable laws and regulations to create and safeguard intellectual properties. To this end, we have systematically sorted and summarised our existing application procedures regarding the different intellectual property the Group owns, and formulated a new version of Administrative Measures for Intellectual Property, which covers detailed and highly operable provisions for establishment and updating of the intellectual property database as well as its supplement, striving to achieve standardised management of all intellectual property related matters within the Group. When applying for a trademark and patent, departments within the Group would complete and submit the Application for Trademark and the Technical Disclosure Statement, etc., in which such information as the background and necessity of the application would be specified. Prior to proceeding with the application flow as planned, the above documents would be approved and signed, and specific personnel responsible for taking over the issue would be assigned by heads of the relevant departments.

Supply Chain Management

An important component of the development strategy of the Group is to "emphasise safe and quality food and prevent risks in the supply of raw materials". The Group has established a series of supply chain management systems to develop a responsible supply chain and to promote the improvement and development of the entire supply chain system.

保障專利與知識產權

本集團遵照《中華人民共和國反不正當競爭法》、《中華人民共和國商標法》及相關法律法規制度，開展知識產權的建立及維護。我們系統梳理並匯總了本集團已有的各項知識產權申請流程，重新制定《知識產權管理辦法》，規範化管理本集團內所有知識產權相關事宜，亦對我們知識產權庫的建立、更新及補充等方面作出詳細且極具可操作性的規定。本集團各部門在申請商標及專利時，需要完整填寫並提交《商標申請書》、《技術交底書》等材料，闡明該申請之背景和必要性等信息，相關部門負責人簽字確認並指定具體對接人後，有計劃地進行申請與實施。

供應鏈管理

「注重食品安全質量，防範原材料供應風險」是本集團發展戰略中的重要組成部分。本集團建立了一系列供應鏈管理制度，力求打造責任供應鏈，推動整個供應鏈體系的進步與發展。

The Environmental, Social and Governance Report

環境、社會及管治報告

Selection Criteria for Suppliers

In strict compliance with requirements of laws and regulations such as the Anti-unfair Competition Law of the People's Republic of China, we require suppliers to submit qualification certificates and licenses when we select suppliers for food or food contact materials. Those who fail to provide satisfactory certificates will not be selected. During the review and assessment process, suppliers will fill in the Supplier Assessment Form as required by the Group, which takes environmental performance and employee health status of the suppliers into account. Only those approved by the Group will win potential cooperation. After establishing partnership, suppliers must sign valid contracts and the Letter of Commitment Relating to Supplier Integrity and agree to abide by Supplier Award Policy, the Supplier Punishment Policy, the Supplier Delivery Rules and the Letter Relating to Spot Check on Supplier Factories prior to setting off on formal business, so as to ensure that the suppliers accept supervision and review from the Group. Requirements for supplier assessment from the ESG perspective was incorporated into the Supplier Assessment Form by the Group in response to relevant national policies this year, which emphasised on assessing environment compliance of suppliers' factories to lower risks arising from environmental issues of suppliers that may affect regular supply.

Daily Management for Suppliers

In the supplier management system, relevant departments of the Group have strictly implemented the Suppliers Management Rules. There are more than one supplier of raw materials for all categories of products in prevention of short supply arising from risky events such as bad weather, unfavourable road conditions, internal management oversight of the suppliers and other unpredictable factors.

供應商准入原則

本集團嚴格遵守《中華人民共和國反不正當競爭法》等法律法規的要求，對食品 and 食品接觸類供貨商進行篩選時，我們要求產品供應商需按照本集團的索證制度提交各類資質證件和牌照，對於證件資質不符合要求的廠家不予准入。在審核評估階段，廠家需按照本集團的要求填寫《供應商評審表》，我們將供應商的環保工作、員工健康狀況納入審核範圍，通過本集團審核的廠家才有可能開展正式合作。在合作關係確定但在正式業務發生前，要求各供貨商必須簽訂有效合同和《供應商廉潔承諾書》、並同意遵守本集團的《供應商獎勵制度》、《供應商處罰制度》、《供應商送貨規定》和《供應商突擊審廠函》，確保供應商接受我們的監督與審核。為了響應國家政策，提高企業社會責任，本集團在供應商評審表裡新增加了ESG範疇審核要求，重點評估供應商工廠的環保合規狀況，降低供應商因環境問題而影響對我司正常供貨的風險。

供應商日常管理

在供貨商管理體系中，本集團各相關部門嚴格執行《供應商管理規定》。為降低本集團原材料供應風險，避免由於風險事件(例如天氣、道路、供應商內部管理失誤、非人為可預判到的因素等)而導致原料無法及時供應的情況出現，全品項的原料不允許有單一供應商的存在。

Meanwhile, the departments also proactively carried out onsite visits and revisits to suppliers to pay close attention to market information regarding raw materials and auxiliary materials, processing and manufacturing conditions, risk resistance capabilities and state of operation of the suppliers, so as to make better decisions as to whether the suppliers can meet subsequent procurement strategies of the Group. Purchasing staff responsible for contacting major production material suppliers are required to revisit these suppliers every half year to ensure material safety and stabilised product prices. After the revisits, the purchasing staff is required to fill in the Suppliers Revisit and Assessment Form and submit to the supplier administrator for documentation. The Group has established a performance evaluation system to regularly assess suppliers according to the Suppliers Performance Assessment and Evaluation Form, where ranking is divided into four grades of A, B, C, and D. For suppliers with excellent evaluation results, the Group would provide them with preferential policies, such as financial support, technical coaching, and guidance to its management personnel and on-site directions from the Group's quality control team. Suppliers rated as D twice in a row will be added to the list of eliminated suppliers. If there is a need to engage such a supplier again, the supplier shall go through the application procedures in the Contract Management System in accordance with the procedures for engaging a new supplier. Suppliers who violate relevant regulations of the Group will be added into the Group's supplier blacklist, and in principle, such suppliers will never be engaged again. If they are needed under special conditions, they must undergo strict assessment, and there must be at least a year in between after the supplier is blacklisted. In addition, such suppliers shall provide a warranty statement, and if similar problems occur again, there will be no chance for future cooperation.

During the field visits, the Group also focused on market information regarding product-related raw materials and future development in the industry. For the industries which lacks standardised management but offers products with characteristics, we provide guidance on operating management and food processing for suppliers. In doing so, characteristics of the products are retained, risks of food safety are lowered, and consequently, enhancing the overall level of the industry. In order to further guarantee the safety of the materials used, the Group issued the Notice to Suppliers on Compulsory Non-GMO Testing of Soybean Oil and Suggestions for Suppliers of Chicken Oil and Beef Tallow to Include Animal Quarantine Certification in the Scope of Review, which clearly set out measures to ensure the raw material safety in the current year. At the same time, in order to strengthen environmental protection, the Group recycled iron packaging materials to have raw materials packed and dispatched at the plant side by side in the current year.

同時積極開展供應商現場觀察、回訪工作，著重了解、關注原輔材料行情、供應商加工生產狀況、抗風險能力以及經營狀況等方面，從而更好的判斷其是否能滿足本集團產品後期採購策略。對於主要生產用原料供應商，要求負責採購的人員需每半年回訪一次，確保供應商產品原料的安全性、產品價格的穩定性。完成後需填寫《供應商回訪考察表》並提報給供應商管理員進行存檔備案。本集團建立了績效評價體系，依據《供應商績效考核評價表》定期對供應商進行考核，評分等級劃分為A、B、C及D共4個等級。對評價結果為優秀的供應商，本集團給予資金支持、技術指導、管理人員指導、品控駐廠指導等優惠政策；對連續兩次評價結果為D的供應商，則將其納入本集團淘汰供應商名單列表，納入淘汰名單的供應商如需重新啟用，一律按照供應商新建流程在供應商管理系統中進行申請；對於違反本集團相關規定的供應商，會被納入本集團供應商黑名單列表，被納入黑名單的供貨商原則上永不啟用，若遇特殊情況需啟用的必須嚴格審批，拉黑時間和啟用時間需至少要間隔一年，同時供貨商應提供保證書，若再次出現類似問題將永不合作。

在實地考察時，本集團也會重點關注產品原材料行情以及其所供產品後期行業的發展大環境；對於行業整體不規範，但是產品具有一定的特色，本集團會成立專門的幫扶小組，對供應商的經營管理和食品工藝提供指導，既能夠保留產品特色性，又可以降低我司食品安全風險，提高行業整體水平。為進一步確保本集團用料的安全性，本集團於今年向供應商發出了《關於供應商須對大豆油進行非轉檢測的通知》、《關於雞油、牛油供應商採購原料加嚴核對動物檢疫合格證明的建議》，明確指出保證原材料安全性的措施。同時，為加強環保工作，本集團今年推行了鐵質包裝物的循環使用、原材料實現工廠封包發包並行的舉措。

The Environmental, Social and Governance Report

環境、社會及管治報告

Communication with Suppliers

The Group has established various communication channels such as e-mail, hotline and WeChat platform to deal with the complaints. Once a complaint is received, the Group will handle the case in accordance with the Suppliers Complaint Response Procedures and reply with a Response Letter to Supplier's Opinion. For true and verified supplier complaints, the Group will reward the supplier in accordance with the Suppliers Award Regulations. The Group conducts opinion surveys for suppliers every half year, gives timely feedback to relevant departments and personnel and replies to the suppliers regarding solutions and their outcomes.

Information About Suppliers

	Index/Year 指標／年度	2017	2018
Total suppliers¹³	供應商總數量 ¹³	383	359
Overseas suppliers	境外供應商數量	0	10
Regional suppliers	地區供應商數量	383	349
Suppliers in East China	華東地區供應商數量	115	108
Suppliers in Central and South China	中南地區供應商數量	100	88
Suppliers in North China	華北地區供應商數量	89	47
Suppliers in Northwest China	西北地區供應商數量	5	16
Suppliers in Southwest China	西南地區供應商數量	73	85
Suppliers in Northeast China	東北地區供應商數量	1	5
Suppliers that have completed risk assessments on environment and society¹⁴	已完成環境、社會風險評估的供應商數量 ¹⁴	137	170

Note:

- The location of a supplier is determined by its place of registration.
- Suppliers that have completed risk assessments on environment and society refer to those which went through the risk assessment initiated by relevant departments of the Group on environment and safety (including environmental protection, human resource management, occupational health and safety, etc.).

供應商溝通

本集團建立了投訴郵箱、熱線電話以及微信平台等多種溝通渠道，接到投訴後，本集團將按《供應商投訴問題處理流程》進行處理並回復《供應商意見反饋回復函》。對於供應商投訴、申訴屬實的，本集團會根據《供應商獎勵制度》落實供應商的獎勵。本集團每半年進行一次供應商意見調查，將供應商反饋的問題及時與相關部門人員溝通，並將處理方案及結果回復給供應商。

供應商情況

註：

- 供應商所在地按其註冊地址確定。
- 已完成環境、社會風險評估的供應商：已由公司相關部門完成對其環境、社會類(主要包括對環護工作、人資管理、職業健康與安全等方面)相關風險評估的供應商。

Compliance Operations

In strict compliance with applicable national laws and regulations related to bribery, extortion, fraud and money laundering, including the Anti-unfair Competition Law of the People's Republic of China, the Interim Provisions on Banning Commercial Bribery and the Anti-money Laundering Law of the People's Republic of China, we have formulated the Yihai International Anti-fraud and Anti-corruption Management Policy to regulate the occupational behaviours of the directors, senior and middle management and the general staff, so that they would strictly comply with the relevant laws, industry standards and norms, occupational ethics, and the Group's regulations. The policy also aims to establish a culture of integrity, diligence and dedication to one's job, and to prevent infringement of the interests of the Group and its shareholders. The following are specified in the Policy:

- Promoting and creating a corporate culture of honesty, integrity, anti-fraud and anti-corruption;
- Estimating the risk of fraud and corruption, and establishing the procedures and mechanisms of control, to lower the possibility of fraud and corruption;
- Risk control audit department is a standing body for anti-fraud and anti-corruption, which is responsible for organizing and implementing the anti-fraud and anti-corruption work within the company, and reports to the audit committee on a regularly basis. Its main responsibilities include assessing and evaluating the establishment and implementation of the company's anti-fraud and anti-corruption control mechanism; carrying out publicity activities in terms of anti-fraud and anti-corruption; accepting reports of corruption and malpractice cases and organizing investigations of reported cases, eventually issuing opinions and report to management.

合規運營

本集團嚴格遵守《中華人民共和國反不正當競爭法》、國家工商行政管理总局《關於禁止商業賄賂行為的暫行規定》和《中華人民共和國反洗錢法》等與防止賄賂、勒索、欺詐及洗錢相關的國家法律法規要求，並制定了《頤海國際反貪污、反舞弊管理制度》，旨在規範董事、高、中級管理層職員和普通職員的職業行為，嚴格遵守相關法律、行業規範和準則、職業道德及集團規章制度，樹立廉潔和勤勉敬業的良好風氣，防止損害本集團及股東利益的行為發生。該制度明確描述了以下內容：

- 倡導誠信正直的企業文化，營造反舞弊、反貪腐的企業文化環境；
- 評估舞弊、貪腐風險並建立具體的控制程序和機制，以降低舞弊、貪腐發生的機會；
- 風控審計部為反舞弊、反貪腐工作的常設機構，負責具體組織及執行公司範圍內的反舞弊和反貪腐工作，並定期向審計委員會匯報。其工作職責主要包括審核及評估公司反舞弊和反貪腐控制機制的建立和實施、開展公司反腐倡廉相關的宣傳活動、接受舞弊和貪腐案件舉報並開展案件的調查、出具處理意見及向管理層報告。

The Environmental, Social and Governance Report

環境、社會及管治報告

Meanwhile, we have also set up a dedicated hotline through which all staff and partners can report on misconduct, fraud and non-compliance matters related to the issues of the Group at any time, such that we could detect and rectify them in a timely manner, and maintain our corporate value.

The Group has systematically established an internal system for anti-corruption. The Code of Discipline for Directors and Employees, for instance, is applicable to all our staff including full-time, part-time and temporary employees. According to the Code, employees are required to strictly observe the applicable rules and regulations on anti-corruption and anti-fraud while performing business on behalf of the Group. Direct/indirect requests, receipts and offers of any benefits are equally prohibited. Besides, prior to accepting other work outside the Group, employees shall apply for a written approval from appropriate approvers, who shall make the decision by considering whether the work is in conflict with the applicant's position in the Group and the Group's interests. In addition, we have been continually implementing the Yihai Misconduct Management Measures which specified six types of non-compliance and misconduct by employees, including corruption, fraud and deception. In terms of high-risk positions, such as procurement, marketing and promotion, we require employees to sign the Letter of Commitment relating to Integrity in Procurement, or the Letter of Commitment Relating to Sales and Promotion, to enable them to get a better understanding of misconduct which is explicitly prohibited in performance of their business, efficiently restraining and regulating their behaviours, and enhancing the awareness of ethical conduct and integrity. At the same time, the Group has established a collective responsibility system for key positions, which expressly states that the management assumes the responsibility for supervising and guiding subordinates to perform their duties with integrity.

The Group has also attached great importance to integrity and honesty in the external business cooperation. The key partners, including suppliers and distributors, are required to sign the Letters of Commitment Relating to Supplier Integrity or the Letters of Commitment Relating to Distributor Integrity, prior to officially signing contracts with us. These letters of commitment explicitly express our integrity requirement for suppliers and distributors and informs them of complaint and reporting channels that aim to prevent possible corruption and fraud to the greatest extent during cooperation. The Group is entitled to terminated partnership with suppliers, distributors or other partners under the contracts, if they violate any clause under their commitment to cooperate with integrity, and to hold them liable to any breach of contract pursuant to the liability clause in the contract. If any partner discloses that an employee of the Group was found breaching any regulation or committing fraud, once the claim is verified, such partner would be rewarded.

同時，為維護企業價值觀，及時發現並糾正與本集團事務有關的失當行為、舞弊情況及違規事件，我們設有專門的舉報熱線，所有員工和合作夥伴均可以通過該熱線隨時舉報。

我們系統化建立起本集團內部的反貪腐管理制度。針對本集團董事及包括全職、兼職及臨時工在內的全部員工，制定了《董事及職員紀律守則》，規定員工在執行任何集團事務時，必須嚴格遵守反賄賂舞弊的相關制度條例，禁止直接或間接索取、接受或向他人提供任何利益；集團職員如欲兼任本集團以外的工作，均須事先申請書面批准，核准人員應在綜合考慮該項工作是否與申請人在本集團職務或本集團利益構成衝突後作出相應批覆。另外，我們繼續堅持執行《頤海禁令管理辦法》，令行禁止包括貪污舞弊、弄虛作假在內的六項違規失當行為。針對採購、銷售推廣等高風險崗位，我們要求崗位從業員工需簽署《採購廉潔承諾書》和《銷售推廣承諾書》，以明確其在從業過程中不得觸碰的高壓線，有效約束並規範其行為，增強道德操守與廉潔從業意識。同時，本集團還建立了針對關鍵崗位的擔保制度，強調了集團管理者對其下屬員工廉潔從業負有相應的監督和指導責任。

本集團亦注重在外部商業合作中的廉潔與誠信。重要商業合作夥伴在與我們正式簽署合同之前，需首先簽署廉潔承諾書，例如供應商需簽訂《供應商廉潔承諾書》、經銷商需簽訂《經銷商廉潔承諾書》。該廉潔承諾書向各供應商與經銷商明確表達了本集團的廉潔要求，並告知其相關投訴和舉報渠道，以最大程度杜絕在合作過程中可能出現的貪腐舞弊事件。另外，若供應商或經銷商等合作方違反廉潔合作承諾之任一條款，本集團有權依照合同約定解除合作關係，亦可執行合同中約定的相應違約責任承擔條款。而合作方如投訴或舉報本集團工作人員有違規、舞弊等行為，相關情況一經查實，我們將對該合作夥伴進行相應獎勵。

The Group's Risk Control and Audit Department, the major responsible department for anti-corruption and anti-fraud, works out annual plans for special audit and audit on internal control, and conducts anti-fraud audits on procedures of main business and critical focus areas of the Group based on such plans and relevant reporting. In addition, the Risk Control and Audit Department also conducts audits on assignment or resignation of personnel in key positions. In 2018, we carried out ten special audits and internal control inspections to find out and improve the management problems in business process actively and timely, protecting the benefits of the company; further, we not only carried out more than two sunshine publicity activities and integrity examinations, but also sent integrity reminders to our partners on public holidays. In this way, we trained and taught all the employees and important partners to follow the Group's integrity policies and further strengthened their understanding of the Group's integrity policies and anti-fraud requirements.

The Group was not involved in any litigation caused either by itself or its employee's misconduct relating to corruption, fraud, extortion and money-laundering with material impact on the Group in the current year. Combating corruption and building a clean governance is increasingly vital to the sustainable development of the Group as our business improves. We will always adhere to and perfect our system for integrity and honesty to further enhance internal control and governance.

Community Welfare

The Group has constantly carried forward the idea for undertaking social responsibility that provides safety and quality food for the market and customers. Efforts are made in giving back to the society by fulfilling its social responsibility and getting more involved in public welfare undertakings. We take the initiative to understand the needs and expectation of local and neighbouring communities where we operate and encourages the staff to participate in community public welfare activities. The Group also takes concrete actions to ensure that it has taken the interests of local communities into consideration when conducting its business activities and to pass on its positive social value to the public.

In 2018, more emphasis was given to community investment. The office of the Board of Directors took the lead in organising various departments to participate in diversified social welfare activities with an investment of RMB 200,000, including RMB 180,000 for education and RMB 20,000 for charity.

作為本集團反貪污舞弊的重要負責部門，風控審計部每年制定專項審計和內控審計的審計計劃，並根據該計劃及相關舉報信息進行反舞弊稽查，範圍覆蓋本集團主要業流程和重點關注領域。同時，風控審計部亦會對集團關鍵崗位人員調動或離職執行離任審計。在2018年，我們開展了10次專項審計及內控檢查，主動及時發現並改進業務流程中存在的管理問題，保障了公司利益；另外我們同樣開展了兩次的陽光宣傳、廉潔制度考試以及節假日對合作夥伴的廉潔提醒，通過以上方式對全體員工和重要合作夥伴進行了本集團的廉潔政策的培訓和宣導，以進一步深化其對公司廉潔政策和反舞弊要求的理解。

本年度內，本集團未發生因集團或僱員提出的貪污、欺詐、勒索及洗黑錢等因素導致、並對本集團造成重大影響的的訴訟案件，亦未發現重大內控缺陷。隨著本集團業務水平的不斷提升，反腐倡廉對企業可持續發展的重要性愈加凸顯，我們將始終堅持並完善廉潔誠信的集團制度體系，將集團內控監督與管治提升到一個新水平。

社區公益

本集團繼續傳承優良的社會責任理念，在為市場和廣大消費者提供安全優質食品的同時，注重履行企業責任，關注公益事業，努力回饋社會。我們主動了解運營所在社區及其周邊的內在需求與期望，鼓勵員工參與各項社區公益活動，以實際行動將社區利益與本集團業務共融，不斷將企業積極的社會價值取向傳遞至社會大眾。

在過去的2018年度，本集團更加重視社區投資，開展了一系列形式多樣的社會公益活動，各項相關事宜由集團董事會辦公室牽頭，公司總部多個業務部門協同參與，共投入資金20萬元人民幣，其中教育事業捐助資金人民幣18萬元，愛心捐贈活動資金投入人民幣2萬元。

The Environmental, Social and Governance Report

環境、社會及管治報告

Funding Under-privileged College Students

As the backbone in the future development of the society, college students are one of the groups that we are most concerned about. We provided financial aid to impoverished students from varied colleges to help them successfully complete school. In 2018, we offered subsidy totalling RMB 60,000 to 36 under-privileged students from Langfang Normal University, Maanshan Teacher's College and the College of Food Science and Technology of Hebei Agricultural University. In terms of the donation for education purposes, the Group made clear its positive attitude and planned to continue to broaden the channels for social funds to support education, improve the student subsidy system and light the path for poor college students to finish the education. At the same time, we exchanged our opinions with the College of Food Science and Technology of Hebei Agricultural University on the university-enterprise cooperation in scientific research, talent training and student internship, and reached preliminary cooperation intentions.

Funding Special Service Centres

This year, we donated RMB 10,000 to HYQZ Centrality. Founded in 2007, HYQZ Centrality launched rehabilitation programmes for disabled children in single-parent families, criminal parent families, under-privileged families or from remote areas in 2012. Its founding philosophy is consistent with the Group's idea of development for public welfare. In June 2018, the Group donated necessary supplies such as benches, rice, flour, meat and fruits to HYQZ Centrality, contributing our share to the public welfare services undertaken by the Service Centre.

In October 2018, we initiated the "Yihai's love to special education" activity in Maanshan Special Education School. The Group paid our respect to the teachers of Maanshan Special Education School, organised a group birthday celebration for students, and offered food, school supplies and other supplies of about RMB 10,000 to the teachers and students to meet their daily living and teaching needs. This activity did not only brought abundant supplies to the teachers and students of Maanshan Special Education School, but also comforted them mentally.

資助高校貧困學生

高校大學生是未來社會發展的中堅力量，亦是我們始終關注的重點群體之一。為助力貧困大學生順利完成學業，我司為多個高校的貧困學子提供助學資金。2018年，我們為廊坊師範學院、馬鞍山師範高等專科學校、河北農業大學食品科技學院分別提供了人民幣60,000元助學金，共計資助36名貧困大學生。在捐助教育的公益事業上，本集團明確表示自身積極的立場，計劃在未來繼續拓寬社會捐資助學渠道，完善學生資助體系，為貧困學子的就學之路增添光亮。同時，我們就高校與企業的科研合作、人才培養、學生實習實踐等方向與河北農業大學食品科技學院展開交流，雙方達成初步合作意向。

資助特殊服務中心

本年度我們為宏遠啟智捐贈人民幣10,000元物資。創立於2007年的宏遠啟智於2012年面向社會發起了救助單親、服刑、貧困家庭、邊遠地區殘疾孩子的康復公益活動，其創辦理念符合本集團公益發展的路線。2018年6月，我司為宏遠啟智捐贈了長椅、大米、麵粉、肉食、水果等所需物資，為該服務中心的公益服務助力。

2018年10月，我們前往馬鞍山特殊教育學校開展「頤海情深溫暖特教」獻愛心活動。本集團向馬鞍山特殊教育學校的師生致以關切的愛心慰問，為學子展開集體慶生活動，同時為師生提供價值約人民幣10,000元的食品、學習用品等物資，滿足師生日常生活及教學需求。此次活動不僅為馬鞍山特殊教育學校的師生們帶去豐富的物質，也讓他們感受到精神的關懷。

Creating Employment Opportunities

Our business development is conducive to creating more jobs, which could effectively relieve the pressure of unemployment issue in the society, specifically in local communities where the Group's production bases are located. In order to actively create employment opportunities for local fresh graduates, the campus recruitment and employment originally managed by the Human Resources Department were transferred to each individual department so they can participate in screening and interviewing fresh graduates according to their own needs. In addition, we offered jobs on customer service to seven disabled people to support the employment of the disabled.

創造就業機會

本集團業務的不斷發展亦有益於為社會創造更多的就業崗位，緩解社會尤其是本集團生產基地所在地的就業壓力。為積極創造本地應屆生的就業機會，本集團將原本由人力資源部統一進行的校園招聘及錄用工作落實到部門需求上，各業務部門根據需求參與篩選及面試應屆生。另外，為照顧殘疾人就業，本年度我們為7名殘疾人士提供了集團客服崗位。

Independent Auditor's Report 獨立核數師報告



羅兵咸永道

To the Shareholders of YIHAI INTERNATIONAL HOLDING LTD.
(incorporated in the Cayman Islands with limited liability)

致頤海國際控股有限公司股東
(於開曼群島註冊成立的有限公司)

OPINION

意見

What we have audited

我們已審計的內容

The consolidated financial statements of YIHAI INTERNATIONAL HOLDING LTD. (the “Company”) and its subsidiaries (the “Group”) set out on pages 150 to 154, which comprise:

頤海國際控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第150至154頁的綜合財務報表，包括：

- the consolidated balance sheet as at 31 December 2018;
 - the consolidated statement of comprehensive income for the year then ended;
 - the consolidated statement of changes in equity for the year then ended;
 - the consolidated statement of cash flows for the year then ended; and
 - the notes to the consolidated financial statements, which include a summary of significant accounting policies.
- 於2018年12月31日的綜合資產負債表；
 - 截至該日止年度的綜合全面收益表；
 - 截至該日止年度的綜合權益變動表；
 - 截至該日止年度的綜合現金流量表及
 - 綜合財務報表附註，包括主要會計政策概要。

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

我們的意見

我們認為，該等綜合財務報表已根據《國際財務報告準則》真實而中肯地反映了貴集團於2018年12月31日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

意見的基礎

我們已根據《國際審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據國際會計師專業操守理事會頒布的《專業會計師道德守則》(以下簡稱「道德守則」)，我們獨立於貴集團，並已履行道德守則中的其他專業道德責任。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter identified in our audit is related to impairment provision for inventory.

Key Audit Matter

關鍵審計事項

Impairment provision for inventory

存貨減值準備

Refer to Note 2 (Summary of significant accounting policies) and Note 11 of the consolidated financial statements.

Inventory is carried at the lower of cost and net realisable value, being selling price less estimated selling costs, where applicable, impairment provision is made to write down the inventory to its net realisable value.

As at 31 December 2018, the Group's balance of gross inventory was RMB275,815,000.

The estimation of impairment provision for each type of inventories involves significant management judgment based on consideration of key factors such as aging profile, prior experiences and estimated future selling price and production costs subsequent to year end.

請參閱財務報表附註2(關鍵會計政策及會計估計)及附註11.

存貨乃按其成本與可變現淨值(即為銷售價格減去預估的銷售成本)孰低者列賬,適用時,撇減存貨的減值準備至其可變現淨值。

於2018年12月31日,貴集團的存貨總額為人民幣275,815,000元,未計提減值準備。

每種類型存貨的減值準備估計涉及管理層重大判斷,該等判斷需考慮庫齡結構、過往經驗、預估未來售價以及年結日後的生產成本等關鍵因素。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷,認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項是關於存貨減值準備。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

Our audit procedures relating to impairment provision for inventory included:

- Obtained and understood the Group's inventory provisioning policy.
- Understood and evaluated the relevant controls over the generation of inventory aging schedule and the process of the estimation of inventory impairment provision.
- In respect of finished goods, on sample basis, we evaluated the assumptions in estimating future sales prices and selling expenses by reference to historical records and sales transactions after year end.

針對存貨減值準備,我們的審計程式包括:

- 獲得並了解了貴集團的存貨準備政策。
- 對存貨庫齡時間表的生成及存貨減值準備的估計過程的相關控制進行了解及評估。
- 針對產成品,我們參考歷史記錄及年結日後的銷售交易,在抽樣的基礎上對預估未來售價及銷售費用的假設進行了評估。

Key Audit Matter

關鍵審計事項

The impairment assessment is an area of focus for us given the inherent uncertainties and the significant amount of the gross inventory balance.

鑒於減值固有的不確定性，且減值金額重大，我們尤為關注減值評估。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

- In respect of raw materials and work in progress, on sample basis, we evaluated the assumptions in estimating future production costs by reference to historical records and production records after year end.
- On sample basis, we tested the aging profile of the year end raw materials and finished goods.
- Observed physical condition of inventories during stocktake to identify if any inventory was slow-moving, damaged, or obsolete.

We found the assumptions adopted and judgment applied by management were supported by the evidence we gathered and consistent with our understanding.

- 針對原材料及在產品，我們參考歷史記錄及年結日後的生產記錄，在抽樣的基礎上對預估未來生產成本的假設進行了評估。
- 在抽樣的基礎上，我們對年結日的原材料及產成品的庫齡結構進行了測試。
- 在存貨盤點期間查看了存貨的物理狀況，以確定存貨是否出現滯銷、損壞或報廢。

我們發現，管理層採取的假設和運用的判斷均有據可依，並與我們的預期一致。

Independent Auditor's Report

獨立核數師報告

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the Five-Year Performance Review and Management Discussion and Analysis, which we obtained prior to the date of this auditor's report, and the Chairman's Statement, Profiles of Directors and Senior Management, Corporate Governance Report, Directors' Report and the Environmental, Social and Governance Report, which are expected to be made available to us after that date.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Chairman's Statement, Profiles of Directors and Senior Management, Corporate Governance Report, Directors' Report and the Environmental, Social and Governance Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee and take appropriate action considering our legal rights and obligations.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

其他信息

貴公司董事須對其他信息負責。其他信息包括我們在本核數師報告日前取得的五年業績回顧和管理層討論與分析，以及預期會在本核數師報告日後取得的董事長報告書、董事及高級管理層簡介、企業管治報告、董事會報告和環境、社會及管治報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們既不也將不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀上述其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們對在本核數師報告日前取得的其他信息所執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

當我們閱讀董事長報告書、董事及高級管理層簡介、企業管治報告、董事會報告和環境、社會及管治報告後，如果我們認為其中存在重大錯誤陳述，我們需要將有關事項與審計委員會溝通，並考慮我們的法律權利和義務後採取適當行動。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據《國際財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

在擬備綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

董事須負責監督貴集團的財務報告過程。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《國際審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《國際審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。

Independent Auditor's Report

獨立核數師報告

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

除其他事項外，我們與董事溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向董事提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

Independent Auditor's Report 獨立核數師報告

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

The engagement partner on the audit resulting in this independent auditor's report is Brian Ming Yan Choi.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26 March 2019

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

出具本獨立核數師報告的審計項目合夥人是蔡明仁。

羅兵咸永道會計師事務所
執業會計師

香港，二零一九年三月二十六日

Consolidated Balance Sheet

綜合資產負債表

		As at 31 December		
		於 12月31日		
		Notes	2018	2017
		附註	2018年	2017年
			RMB' 000	RMB' 000
			人民幣千元	人民幣千元
Assets	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	8	308,616	180,088
Land use rights	土地使用權	6	75,034	35,152
Intangible assets	無形資產	7	5,309	5,182
Deferred tax assets	遞延稅項資產	10	23,889	10,554
Prepayments for property, plant and equipment	物業、廠房及設備預付款項		156,027	57,095
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	17	12,000	—
Total non-current assets	非流動資產總值		580,875	288,071
Current assets	流動資產			
Inventories	存貨	11	275,815	147,617
Other current assets	其他流動資產	13	213,178	—
Trade receivables	貿易應收款項	14, 35	206,893	131,457
Other financial assets at amortised cost	按攤銷成本列賬的其他金融資產	15	5,368	—
Prepayments and other receivables	預付款項及其他應收款項	12	—	76,670
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	17	—	32,671
Cash and cash equivalents	現金及現金等價物	16	1,179,910	1,130,205
Total current assets	流動資產總值		1,881,164	1,518,620
Total assets	資產總值		2,462,039	1,806,691
Current liabilities	流動負債			
Trade payables	貿易應付款項	22, 35	188,659	136,582
Contract liabilities	合約負債	24	45,350	—
Other payables and accruals	其他應付款項及應計費用	23, 35	103,616	115,033
Current income tax liabilities	即期稅項負債		84,693	49,267
Total current liabilities	流動負債總額		422,318	300,882
Total liabilities	負債總額		422,318	300,882

Consolidated Balance Sheet 綜合資產負債表

		As at 31 December 於 12月31日		
		Notes 附註	2018 2018年 RMB' 000 人民幣千元	2017 2017年 RMB' 000 人民幣千元
Equity	權益			
Share capital	股本	18	68	68
Shares held for employee share scheme	就僱員股份計劃持有的股份	19	(5)	(5)
Reserves	儲備	20	2,005,127	1,501,326
Capital and reserves attributable to owners of the Company	歸屬於本公司擁有人的資本及儲備		2,005,190	1,501,389
Non-controlling interests	非控股權益	9	34,531	4,420
Total equity	權益總額		2,039,721	1,505,809
Total equity and liabilities	權益及負債總額		2,462,039	1,806,691

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

The financial statements on pages 150 to 154 were approved by the Board of Directors on 26 March 2019 and were signed on its behalf.

上述綜合資產負債表應與隨附附註一併閱讀。

第150頁至第154頁的財務報表於2019年3月26日獲董事會批准，並由下列董事代為簽署。

SHI YONGHONG

施永宏

Director

董事

SUN SHENGFENG

孫勝峰

Director

董事

Consolidated Statement of Comprehensive Income

綜合全面收益表

		Year ended 31 December 截至12月31日止年度		
		Notes 附註	2018 2018年 RMB' 000 人民幣千元	2017 2017年 RMB' 000 人民幣千元
Revenue	收入	5	2,681,373	1,646,221
Cost of sales	銷售成本	25	(1,642,476)	(1,034,415)
Gross profit	毛利		1,038,897	611,806
Distribution expenses	經銷開支	25	(241,474)	(164,615)
Administrative expenses	行政開支	25	(163,196)	(76,415)
Other incomes and gains – net	其他收入及收益淨額	27	56,475	43,748
Operating profit	經營溢利		690,702	414,524
Finance income	融資收入	28	39,799	6,651
Finance expenses	融資開支	28	—	(52,095)
Finance income/(expenses) – net	融資收入／(開支) – 淨額	28	39,799	(45,444)
Profit before income tax	除所得稅前溢利		730,501	369,080
Income tax expense	所得稅開支	29	(182,597)	(107,990)
Profit for the year	年內溢利		547,904	261,090
Profit is attributable to:	以下人士應佔溢利：			
Owners of the Company	本公司擁有人		517,793	260,670
Non-controlling interests	非控股權益		30,111	420
Other comprehensive income for the year, net of tax	年內其他全面收入 (扣除稅項)		—	—
Total comprehensive income	全面收入總額		547,904	261,090
Total comprehensive income attributable to:	以下人士應佔全面收入總額：			
– Owners of the Company	– 本公司擁有人		517,793	260,670
– Non-controlling interests	– 非控股權益		30,111	420
Earnings per share attributable to equity holders of the Company (expressed in RMB cents per share)	本公司普通權益持有人應佔每股盈利 (以每股人民幣分列示)			
– Basic	– 基本	30	53.4	26.9
– Diluted	– 攤薄	30	53.1	26.7

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

上述綜合全面收益表應與隨附附註一併閱讀。

Consolidated Statement of Changes in Equity 綜合權益變動表

		Attributable to owners of the Company 本公司擁有人應佔					
		Share capital (Note 18)	Shares held for employee share scheme (Note 19) 就僱員 股份計劃 持有的股份 (附註19)	Reserves (Note 20) 儲備 (附註20)	Total	Non- controlling interests	Total equity
Note 附註		RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元
Balance at 1 January 2017	於2017年1月1日結餘	68	(5)	1,266,142	1,266,205	—	1,266,205
Comprehensive income	全面收入						
Profit for the year	年內溢利	—	—	260,670	260,670	420	261,090
Other comprehensive income	其他全面收入	—	—	—	—	—	—
Total comprehensive income	全面收入總額	—	—	260,670	260,670	420	261,090
Transactions with owners in their capacity as owners:	與擁有人(以彼等之擁有人身份)交易:						
Capital injections from non-controlling interests	非控股權益注資	—	—	—	—	4,000	4,000
Share-based payment expense	以股份為基礎的付款開支	21	—	8,510	8,510	—	8,510
Dividends provided for or paid	已計提或已派付股息	31	—	(33,996)	(33,996)	—	(33,996)
Total transactions with owners	與擁有人交易總額	—	—	(25,486)	(25,486)	4,000	(21,486)
Balance at 31 December 2017	於2017年12月31日結餘	68	(5)	1,501,326	1,501,389	4,420	1,505,809
Balance at 1 January 2018	於2018年1月1日結餘	68	(5)	1,501,326	1,501,389	4,420	1,505,809
Comprehensive income	全面收入						
Profit for the year	年內溢利	—	—	517,793	517,793	30,111	547,904
Other comprehensive income	其他全面收入	—	—	—	—	—	—
Total comprehensive income	全面收入總額	—	—	517,793	517,793	30,111	547,904
Transactions with owners in their capacity as owners:	與擁有人(以彼等之擁有人身份)交易:						
Share-based payment expense	以股份為基礎的付款開支	21	—	34,202	34,202	—	34,202
Shares vested under employee share scheme	根據僱員股份計劃歸屬股份	21	—	97	97	—	97
Dividends provided for or paid	已計提或已派付股息	31	—	(48,291)	(48,291)	—	(48,291)
Total transactions with owners	與擁有人交易總額	—	—	(13,992)	(13,992)	—	(13,992)
Balance at 31 December 2018	於2018年12月31日結餘	68	(5)	2,005,127	2,005,190	34,531	2,039,721

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

上述綜合權益變動表應與隨附附註一併閱讀。

Consolidated Statement of Cash Flows

綜合現金流量表

		Year ended 31 December 截至 12 月 31 日止年度		
		Note 附註	2018 2018 年 RMB' 000 人民幣千元	2017 2017 年 RMB' 000 人民幣千元
Cash flows from operating activities				
Cash generated from operations	經營活動所得現金流量 經營所得現金	33(a)	479,006	438,681
Interest received	已收利息		10,071	6,651
Income tax paid	已付所得稅		(160,506)	(92,130)
Net cash inflow from operating activities	經營活動所得現金淨額		328,571	353,202
Cash flows from investing activities				
Purchase of land use right	投資活動所得現金流量 購買土地使用權		(41,017)	(4,187)
Purchase of property, plant and equipment	購買物業、廠房及設備		(252,706)	(127,989)
Purchase of intangible assets	購買無形資產		(1,304)	(3,260)
Proceeds from disposal of property, plant and equipment and intangible assets	出售物業、廠房及設備以及無形資產所得款項	33(b)	3,468	460
Purchase of financial assets at fair value through profit or loss	購買以公平值計入損益的金融資產		(12,000)	(32,934)
Proceeds from disposal of financial assets at fair value through profit or loss	出售以公平值計入損益的金融資產的所得款項		34,396	—
Interest income from financial assets at fair value through profit or loss	來自以公平值計入損益的金融資產的利息收入		8,753	5,241
Net cash outflow from investing activities	投資活動所用現金淨額		(260,410)	(162,669)
Cash flows from financing activities				
Capital injections from non-controlling interests	融資活動所得現金流量 非控股權益注資		—	4,000
Dividends paid to the Company's shareholders	向本公司股東派付股息	31	(48,291)	(33,996)
Net cash outflow from financing activities	融資活動所用現金淨額		(48,291)	(29,996)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額		19,870	160,537
Cash and cash equivalents at beginning of the financial year	財政年初現金及現金等價物	16	1,130,205	1,021,999
Effects of exchange rate changes on cash and cash equivalents	現金及現金等價物匯率變動的影響		29,835	(52,331)
Cash and cash equivalents at end of year	年末現金及現金等價物	16	1,179,910	1,130,205

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

上述綜合現金流量表應與隨附附註一併閱讀。

1. GENERAL INFORMATION

YIHAI INTERNATIONAL HOLDING LTD. (the “Company”) and its subsidiaries (together the “Group”) are principally engaged in the production and sale of hot pot condiment, Chinese-style compound condiment, and convenient ready-to-eat food products in the People’s Republic of China (the “PRC”).

The Company was incorporated in the Cayman Islands on 18 October 2013 as an exempted company with limited liability under the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, KY1-1205, Cayman Islands.

The Company’s global offering of its shares (“the Global Offering”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “HKSE”) was completed on 13 July 2016.

The consolidated financial statements are presented in Renminbi (“RMB”), unless otherwise stated.

These financial statements have been approved for issue by the Board of Directors on 26 March 2019.

1. 一般資料

頤海國際控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)在中華人民共和國(「中國」)主要從事火鍋調料、中式複合調味料及方便速食的生產及銷售(統稱為「上市業務」)。

本公司於2013年10月18日在開曼群島根據開曼群島1961年第3號法例第22章公司法(經綜合及修訂)註冊成立為獲豁免有限公司。本公司的註冊辦事處地址為Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, KY1-1205, Cayman Islands。

本公司股份在香港聯合交易所有限公司(「香港聯交所」)主板的全球發售(「全球發售」)已於2016年7月13日完成。

除非另有指明，否則本綜合財務報表以人民幣(「人民幣」)呈列。

該等財務報表已於2019年3月26日獲董事會批准刊發。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. 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 the Company and its subsidiaries.

2.1 Basis of preparation

(i) *Compliance with IFRS and HKCO*

The consolidated financial statements of the Group has been prepared in accordance with all applicable International Financial Reporting Standards (“IFRS”) and the disclosure requirements of the Hong Kong Companies Ordinance (“HKCO”) Cap. 622.

(ii) *Historical cost convention*

The financial statements have been prepared on a historical cost basis, as modified by revaluation of financial assets at fair value through profit or loss which are carried at fair value.

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

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing from 1 January 2018, which are relevant to its operations:

- *IFRS 9 Financial Instruments, and*
- *IFRS 15 Revenue from Contracts with Customers, and*
- *Classification and Measurement of Share-based Payment Transactions – Amendments to IFRS 2, and*

2. 重大會計政策概要

本附註提供於編製此等綜合財務報表時採納的重大會計政策清單。除另有註明外，此等政策於所有列報年度內貫徹應用。財務報表乃為本集團(由本集團及其附屬公司組成)編製。

2.1 編製基準

(i) *遵守國際財務報告準則及香港公司條例*

本集團的綜合財務報表已按照國際財務報告準則(「國際財務報告準則」)及香港公司條例(第622章)的披露規定編製。

(ii) *歷史成本法*

財務報表已按歷史成本基準編製，並通過重估按公平值計入損益的金融資產作出修訂以及按公平值列賬。

(iii) *本集團採納的新訂及經修訂準則*

本集團就自2018年1月1日起的年度報告期間首次採用下列與其營運相關的準則及修訂：

- *國際財務報告準則第9號金融工具，及*
- *國際財務報告準則第15號來自客戶合約的收入，及*
- *以股份為基礎的付款交易的分類及計量－國際財務報告準則第2號的修訂本，及*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***2.1 Basis of preparation** *(Continued)**(iii) New and amended standards adopted by the Group
(Continued)*

- *Annual Improvements to IFRS Standards 2014-2016 Cycle, and*
- *Transfers of Investment Property – Amendments to IAS 40.*

The impact of the adoption of IFRS 9 and IFRS 15 are disclosed in Note 2.2 below. The other amendments listed above did not have any impact on the amounts recognised in prior period 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 2018 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

2. 重大會計政策概要(續)**2.1 編製基準(續)***(iii) 本集團採納的新訂及經
修訂準則(續)*

- *國際財務報告準則 2014年至2016年週期的年度改進，及*
- *轉讓投資物業 – 國際會計準則第40號的修訂本*

採納國際財務報告準則第9號及國際財務報告準則第15號的影響於下文附註2.2披露。上述其他修訂對過往期間確認的金額並無任何影響且預計對現時或未來期間不會產生重大影響。

(iv) 尚未採納的新準則及註釋

若干新會計準則及詮釋已頒佈但並非於2018年12月31日報告期間強制生效及本集團並無提早採納。本集團對此等新準則及詮釋的影響的評估載列如下。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(iv) New standards and interpretations not yet adopted (Continued)

IFRS 16 Leases

Nature of change

IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

Impact

The Group has set up a project team which has reviewed all of the Group's leasing arrangements over the last year in light of the new lease accounting rules in IFRS 16. The standard will affect primarily the accounting for the Group's operating leases.

As at the reporting date, the Group has non-cancellable operating lease commitments of RMB 23,834,000, see Note 34. Of these commitments, approximately RMB 10,972,000 relate to short-term leases will be recognised on a straight-line basis as expense in profit or loss. For the remaining lease commitments the Group expects to recognise right-of-use assets of approximately RMB 16,665,000 and lease liabilities of RMB 16,665,000 on 1 January 2019.

2. 重大會計政策概要(續)

2.1 編製基準(續)

(iv) 尚未採納的新準則及詮釋(續)

國際財務報告準則第16號租賃

變動性質

國際財務報告準則第16號於2016年1月頒佈，由於經營租賃與融資租賃之間的區分已被刪除，其導致近乎所有租賃將被承租人於資產負債表上確認。根據新準則，一項資產(使用租賃項目的權利)以及支付租金的金融負債乃予以確認。唯一例外的情況為短期及低價值租賃。

影響

根據國際財務報告準則第16號內的新租賃會計規則，本集團已成立一個項目團隊審閱本集團上一年的所有租賃安排。該準則將主要影響本集團對經營租賃的會計處理。

於報告日期，本集團的不可撤銷經營租賃承擔為人民幣23,834,000元(請參閱附註34)。該等承擔中約人民幣10,972,000元與短期租賃有關，將按直線基準於收益或損失內確認為開支。就餘下租賃承擔而言，本集團預期於2019年1月1日確認使用權資產約人民幣16,665,000元，租賃負債人民幣16,665,000元。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.1 Basis of preparation (Continued)

- (iv) *New standards and interpretations not yet adopted (Continued)*

IFRS 16 Leases (Continued)

Impact (Continued)

The Group expects that net profit after tax will have no significant impact for 2019 as a result of adopting the new rules.

The Group's activities as a lessor are not material and hence the Group does not expect any significant impact on the financial statements. However, some additional disclosures will be required from next year.

Date of adoption by the Group

The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right of use assets for property leases will be measured on transition as if the new rules had always been applied.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2. 重大會計政策概要(續)

2.1 編製基準(續)

- (iv) *尚未採納的新準則及詮釋(續)*

國際財務報告準則第16號租賃(續)

影響(續)

集團預期新準則的採納將不會對2019年的稅後淨利潤有重大影響。

本集團作為出租人的業務並不重大，因此本集團預期不會對財務報表產生任何重大影響。然而，下一年度將須作出若干額外披露。

本集團採納日期

本集團將自該準則強制採納日期2019年1月1日起應用該準則。本集團有意採用簡化的過渡方法，且不會就首次採納前的年度重述比較數字。物業租賃的使用權資產將於過渡時計量，猶如已一直應用新規則。

概無其他尚未生效的準則預期會對該實體現時或未來之報告期，以及可預見未來之交易產生重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.2 Changes in accounting policies

This note explains the impact of the adoption of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers on the Group's financial statements.

(a) Impact on the financial statements

As a result of the changes in the entity's accounting policies, with modified retrospective approach used by the Group, prior year financial statements had not be restated.

The reclassification and adjustments arising from the changing in accounting policies are therefore not reflected in the balance sheet as at 31 December 2017, but are recognised in the opening balance sheet on 1 January 2018.

The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more detail by standard below.

2. 重大會計政策概要(續)

2.2 會計政策的變動

本附註解釋了採納國際財務報告準則第9號金融工具及國際財務報告準則第15號來自合約客戶的收益對本集團財務報表的影響。

(a) 對財務報表的影響

由於實體會計政策變動及本集團使用經修訂追溯方法，故無須重述過往年度財務報表。

因此，會計政策變動所產生之重新分類及調整結果並未反映在2017年12月31日的資產負債表中，但於2018年1月1日的期初資產負債表中確認。

下表呈列了每個報表項目的調整，不受變動影響的報表項目不包括在內。因此，所披露的小計及總計不能從已提供的數字重新計算。相關調整在下文中按準則進行了更詳盡的說明。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.2 Changes in accounting policies (Continued)

(a) Impact on the financial statements (Continued)

		31 December 2017			1 January 2018
Balance sheet (extract)		As originally presented	IFRS 9	IFRS 15	Restated
		2017 年 12月31日 初始列報	國際財務 報告準則 第9號	國際財務 報告準則 第15號	2018 年 1月1日 經重列
		RMB' 000	RMB' 000	RMB' 000	RMB' 000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Current assets	流動資產				
Other current assets	其他流動資產	—	—	72,402	72,402
Prepayments and other receivables	預付款及 其他應收款項	76,670	(4,268)	(72,402)	—
Other financial assets at amortised cost	按攤銷成本計的 其他金融資產	—	4,268	—	4,268
Total assets	總資產	1,806,691	—	—	1,806,691
Current liabilities	流動負債				
Other payables and accruals	其他應付款項及 應計費用	115,033	—	(30,823)	84,210
Contract liabilities	合約負債	—	—	30,823	30,823
Total liabilities	總負債	300,882	—	—	300,882
Net assets	淨資產	1,505,809	—	—	1,505,809
Total equity	總權益	1,505,809	—	—	1,505,809

2. 重大會計政策概要(續)

2.2 會計政策的變動(續)

(a) 對財務報表的影響(續)

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.2 Changes in accounting policies (Continued)

(b) IFRS 9 Financial Instruments

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The new accounting policies are set out in Note 2.12 below.

The adoption of IFRS 9 Financial Instruments from 1 January 2018 had no impact on the Group's retained earnings as at 1 January 2018.

(i) Classification and measurement

On 1 January 2018 (the date of initial application of IFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate IFRS 9 categories. There was no significant impact on the classification and measurement of the financial assets held by the Group.

2. 重大會計政策概要(續)

2.2 會計政策的變動(續)

(b) 國際財務報告準則第9號「金融工具」

國際財務報告準則第9號取代了國際會計準則第39號關於金融資產和金融負債的確認、分類與計量、金融工具終止確認、金融資產減值與套期會計處理的相關規定。新會計政策載於下文附註2.12。

自2018年1月1日起採納國際財務報告準則第9號「金融工具」並無對本集團於2018年1月1日的保留盈利產生任何影響。

(i) 分類與計量

於2018年1月1日(國際財務報告準則第9號首次採納日)，本集團管理層評估了本集團所持有金融資產的業務模式類型，並將金融工具分類至國際財務報告準則第9號下的恰當類別。該應用並無對本集團所持金融資產的分類及計量造成任何重大影響。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***2.2 Changes in accounting policies** *(Continued)**(b) IFRS 9 Financial Instruments* *(Continued)**(ii) Impairment of financial assets*

The Group has two types of financial assets that are subject to IFRS 9's new expected credit loss model.

- trade receivables, and
- other financial assets at amortised cost.

The Group was required to revise its impairment methodology under IFRS 9 for each of these classes of assets. The impact of the change in impairment methodology on the Group's retained earnings and equity was immaterial.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

2. 重大會計政策概要 *(續)***2.2 會計政策的變動** *(續)**(b) 國際財務報告準則第9號「金融工具」* *(續)**(ii) 金融資產減值*

本集團擁有兩類金融資產需採用國際財務報告準則第9號的新預期信用損失模型。

- 貿易應收款項，及
- 按攤銷成本計的其他金融資產

本集團須就該等每項類型資產按國際財務報告準則第9號修訂其減值方法。減值方法的變動對本集團的保留盈利及權益的影響並不重大。

雖然現金及現金等價物亦須遵守國際財務報告準則第9號的減值規定，但已識別到的減值虧損並不重大。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.2 Changes in accounting policies (Continued)

(c) IFRS 15 Revenue from Contracts with Customers

The Group has adopted IFRS 15 Revenue from Contracts with Customers from 1 January 2018. The Group has adopted the modified retrospective approach, and the comparatives were not restated. In summary, the following adjustments were made to the amounts recognised in the balance sheet at the date of initial application (1 January 2018).

			IAS 18 carrying amount 31 Dec 2017 國際會計 準則第 18 號 賬面值 2017 年 12 月 31 日 RMB' 000 人民幣千元	Reclassi- fication 重新分類 RMB' 000 人民幣千元	IFRS 15 carrying amount 1 Jan 2018 國際財務報告 準則第 15 號 賬面值 2018 年 1 月 1 日 RMB' 000 人民幣千元
Current assets	流動資產				
Prepayments and other receivables	預付款及 其他應收款項	(i)	76,670	(72,402)	4,268
Other current assets	其他流動資產	(i)	—	72,402	72,402
Current liabilities	流動負債				
Contract liabilities	合約負債	(i)	—	30,823	30,823
Other payables and accruals	其他應付款項及 應計費用	(i)	115,033	(30,823)	84,210

There was no impact of the change in accounting policy in the Group's retained earnings as at 1 January 2018.

會計政策的變動對本集團於 2018 年 1 月 1 日的保留盈利並無影響。

2. 重大會計政策概要(續)

2.2 會計政策的變動(續)

(c) 國際財務報告準則第 15 號來自合約客戶的收益

本集團自 2018 年 1 月 1 日起採納國際財務報告準則第 15 號來自合約客戶的收益。本集團採納經修訂追溯法，並無重列比較數字。綜合而言，已就於首次應用日期(二零一八年一月一日)的資產負債表確認的金額作出下列調整。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.2 Changes in accounting policies (Continued)

(c) IFRS 15 Revenue from Contracts with Customers (Continued)

(i) Presentation of assets and liabilities related to contracts with customers

The Group has voluntarily changed the presentation of certain amounts in the balance sheet to reflect the terminology of IFRS 15 and IFRS 9:

- Contract liabilities in relation to contracts were previously included in other payables and accruals, and
- Other receivables and prepayments were previously presented together with prepayments and other receivables but are now presented as other financial assets at amortised cost (other receivables) and other current assets (prepayments) in the balance sheet, to reflect their different nature.

2. 重大會計政策概要(續)

2.2 會計政策的變動(續)

(c) 國際財務報告準則第15號來自合約客戶的收益(續)

(i) 客戶合約資產及合約負債的呈列

本集團已自動更改資產負債表中若干金額之呈列，以反映國際財務報告準則第15號及國際財務報告準則第9號之詞彙：

- 有關合約之合約負債先前計入其他應付款項及應計款項，及
- 其他應收款項及預付款項先前與預付款項及其他應收款項一併呈列，而現時於資產負債表中列作按攤銷成本計量的其他金融資產(其他應收款項)及其他流動資產(預付款項)，以反映其性質差異。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.3 Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 2.4).

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet respectively.

2. 重大會計政策概要(續)

2.3 合併及權益會計原則

(i) 附屬公司

附屬公司指本集團擁有控制權的所有實體(包括結構性實體)。當本集團透過參與實體業務而享有或有權取得該實體的可變回報且有能力透過其指揮該實體業務的權力影響該等回報時，則本集團控制該實體。附屬公司自控制權轉移至本集團之日起全部併入賬，並自控制終止之日起取消合併。

本集團採用收購會計法將業務合併入賬(請參閱附註2.4)。

集團公司間的公司間交易、結餘及未變現交易收益予以對銷。未變現虧損亦會予以抵銷，除非有關交易顯示所轉讓資產的減值證據。附屬公司的會計政策已按需要調整，以確保與本集團採納的政策貫徹一致。

業績內的非控股權益及附屬公司權益分別獨立呈列於綜合全面收益表、權益變動表及資產負債表。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***2.4 Business combinations**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

2. 重大會計政策概要(續)**2.4 業務合併**

本集團採用收購會計法將所有業務合併入賬，而不論收購股權工具或其他資產。收購附屬公司的已轉讓代價包括：

- 所轉讓資產的公平值
- 所收購業務先前擁有人產生的負債
- 本集團發行的股權
- 或然代價安排產生的任何資產或負債的公平值，及
- 於附屬公司任何已存在股權的公平值。

除少數特殊情況外，在業務合併中所收購的可識別資產、所承擔的負債及或然負債初步按收購日期的公平值計量。本集團按逐項收購基準確認被收購實體任何非控股權益，以公平值或以非控股權益應佔被收購實體可識別資產淨值的比例計量。

收購相關成本於產生時支銷。

- 所轉讓代價，
- 於被收購實體的任何非控股權益金額，及
- 於被收購實體的任何過往股權於收購日期的公平值

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.4 Business combinations (Continued)

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2.5 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2. 重大會計政策概要(續)

2.4 業務合併(續)

高於所收購的可識別資產淨值的公平值時，其差額以商譽列賬。倘該等金額低於所收購業務可識別資產淨值的公平值，其差額將直接在損益內確認為議價購入。

或然代價分類為權益或金融負債。分類為金融負債的金額隨後按公平值重新計量，而公平值變動則於損益內確認。

如業務合併分階段進行，收購方之前在被收購方持有的股權於收購日期的賬面值於收購日期按公平值重新計量。重新計量產生的任何收入或虧損於損益內確認。

2.5 獨立財務報表

於附屬公司的投資按成本扣除減值入賬。成本包括直接應佔投資成本。本公司按已收及應收股息基準將附屬公司的業績入賬。

倘股息超過附屬公司於股息宣派期間的全面收入總額或於獨立財務報表中有關投資的賬面值超過投資對象的淨資產(包括商譽)於綜合財務報表中的賬面值，則於收取該等投資的股息時，須對附屬公司的投資進行減值測試。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***2.6 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers (“CODM”). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief executive officer, vice presidents and directors of the Company.

2.7 Foreign currency translation*(i) Functional and presentation currency*

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The consolidated financial statements are presented in Renminbi (“RMB”), which is the Company’s functional currency and the Company’s and Group’s presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

2. 重大會計政策概要(續)**2.6 分部報告**

經營分部的呈報方式與向主要經營決策者(「主要經營決策者」)作出內部呈報的方式貫徹一致。主要經營決策者負責分配資源及評估經營分部的表現，並已被認定為本公司的最高行政人員、副總裁及董事。

2.7 外幣換算*(i) 功能及呈報貨幣*

計入本集團各實體財務報表的項目均採用該實體經營所在主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表以本公司的功能及本公司及本集團的呈報貨幣人民幣(「人民幣」)呈列。

(ii) 交易及結餘

外幣交易均按交易當日的匯率折算為功能貨幣。結算該等交易以及將以外幣計價的貨幣資產及負債按年終匯率折算產生的匯兌收入及虧損一般於損益內確認。倘其與合資格現金流量對沖及合資格淨投資對沖有關或屬於海外業務淨投資的一部分，則於權益遞延。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.7 Foreign currency translation (Continued)

(ii) Transactions and balances (Continued)

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of comprehensive income within 'finance cost - net'. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within 'Other incomes and gains - net'.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet

2. 重大會計政策概要(續)

2.7 外幣換算(續)

(ii) 交易及結餘(續)

與借款以及現金及現金等價物有關的匯兌收入及虧損乃於綜合全面收益表「融資成本淨額」內呈列。所有其他匯兌收入及虧損乃於綜合全面收益表「其他收入及收益淨額」內呈列。

按外幣公平值計量的非貨幣項目乃按於釐定公平值當日的匯率換算。按公平值列賬的資產及負債的換算差額呈報為公平值收入或虧損的一部分。例如，非貨幣資產及負債(如按公平值計入損益的權益)的換算差額，於損益內確認為公平值收入或虧損的一部分。

(iii) 集團公司

功能貨幣與呈列貨幣不同的海外業務(當中不涉及嚴重通脹經濟體的貨幣)的業績及財務狀況按下列方法換算為呈列貨幣：

- 每份呈報的資產負債表內的資產與負債按該資產負債表日期的收市匯率換算；

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***2.7 Foreign currency translation** *(Continued)**(iii) Group companies (Continued)*

- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

2. 重大會計政策概要(續)**2.7 外幣換算(續)***(iii) 集團公司(續)*

- 各損益及全面收益表的收入及開支按平均匯率換算(除非該匯率並非在交易當日的匯率累計影響的合理估計內，在此情況下，收入及開支於交易日期換算)；及
- 所有由此產生的換算差額於其他全面收入確認。

於合併時，換算海外實體任何投資淨額及借款以及指定為對沖有關投資的其他金融工具產生的匯兌差額均於其他全面收入確認。當出售海外業務或償還構成該投資淨額部分的任何借款，相關匯兌差額於損益重新歸類為出售的部分收入或虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.8 Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

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

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter of lease term and estimated useful lives as follows:

Buildings	20 years
Machinery	5-10 years
Equipment and others	3-5 years
Vehicles and furniture	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.11).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

2. 重大會計政策概要(續)

2.8 物業、廠房及設備

物業、廠房及設備(在建工程除外)按歷史成本減累計折舊及減值列賬。歷史成本包括收購該等項目直接應佔的開支。

後續成本只有在該項目很可能為本集團帶來與之有關的未來經濟利益，且其成本能可靠計量時，才計入資產的賬面值或確認為一項單獨資產(倘適用)。入賬列作獨立資產的任何部分被替換時，其賬面值會終止確認。所有其他維修及保養費用在其產生的報告期間內於損益扣除。

折舊以直線法於其估計可使用年期或(倘為租賃裝修及若干租賃廠房及設備)租賃年期或估計可年期(以較短者為準)分配其成本(扣除其剩餘價值)，詳情如下：

樓宇	20年
機器	5-10年
設備及其他	3-5年
汽車及傢具	5年

資產的剩餘價值及可使用年期在各呈報期末進行檢討，及在適當時調整。

若資產的賬面值高於其估計可收回金額，其賬面值即時撇減至可收回金額(附註2.11)。

出售收入及虧損按所得款項與賬面值的差額釐定，並計入損益。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***2.8 Property, plant and equipment** *(Continued)*

Construction-in-progress (“CIP”) represents buildings, plant and machinery under construction or pending for installation and is stated at cost less accumulated impairment losses (if any). Cost includes the costs of construction and acquisition. No provision for depreciation is made on CIP until such time as the relevant assets are completed and ready for intended use. When the assets concerned are available for use, the costs are transferred to the respective categories of property, plant and equipment and depreciated in accordance with the policy as stated above.

2.9 Land use rights

Land use rights represent upfront prepayments made for the land use rights and are expensed in the consolidated statement of comprehensive income of on a straight-line basis over the periods of the leases or when there is impairment, the impairment is expensed in the consolidated statement of comprehensive income.

2.10 Intangible assets*(i) Trademarks*

Acquired trademarks are shown at historical cost. Trademarks acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

(ii) Software

Acquired computer software are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 years.

2. 重大會計政策概要(續)**2.8 物業、廠房及設備(續)**

在建工程指在建或正在安裝的建築、廠房及機器設備，其價值的呈現為原值與累計減值的差額。原值包括獲取成本與建議成本。在建工程不涉及折舊，直至相關資產建設完成至可使用狀態。當在建工程達到可使用狀態時，將轉換為上述準則提及的物業、廠房及設備。

2.9 土地使用權

土地使用權指就土地使用權作出的前期預付款項，並於租約期內以直線法在綜合全面收益表中支銷，或倘出現減值，則減值在綜合全面收益表中支銷。

2.10 無形資產*(i) 商標*

收購的商標按歷史成本列示。業務合併時收購的商標按收購日期的公平值確認。商標具有確定可使用年期且隨後按成本減累計攤銷及減值虧損列賬。

(ii) 軟件

購買的電腦軟件按購買及投入使用特定軟件所產生的成本資本化。該等成本於其估計使用年期5年攤銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.11 Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.12 Investments and other financial assets

(i) Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI"), or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

2. 重大會計政策概要(續)

2.11 非金融資產減值

可使用年期不限定的無形資產毋須攤銷，但每年須就減值進行測試，或於發生事項或情況出現變化而顯示可能出現減值時作出更頻密的減值測試。其他資產會於發生事項或情況出現變化而顯示其賬面值未必能夠收回時，進行減值測試。減值虧損按有關資產賬面值超逾其可收回金額的數額確認。可收回金額為資產的公平值減出售成本與使用價值兩者的較高者。就減值評估而言，資產按獨立可識別現金流入的最低分類組合(現金產生單位)分類，其所產生的現金流入基本上獨立於其他資產或資產組別。出現減值的非金融資產(商譽除外)於各報告期末檢討是否可能撥回減值。

2.12 投資及其他金融資產

(i) 分類

自2018年1月1日起，本集團按以下計量類別將其金融資產分類：

- 隨後按公平值計量(計入其他全面收入(「計入其他全面收入」)或計入損益)的金融資產，及
- 按攤銷成本計量的金融資產。

分類視乎實體管理金融資產的業務模式及現金流量的合約條款而定。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***2.12 Investments and other financial assets** *(Continued)**(i) Classification (Continued)*

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

2. 重大會計政策概要(續)**2.12 投資及其他金融資產(續)***(i) 分類(續)*

就按公平值計量的資產而言，收益及虧損將計入損益或其他全面收入。就並未持作買賣股本工具投資而言，其將視乎本集團於初步確認時有否作出不可撤回的選擇將股本投資按公平值計入其他全面收入（「按公平值計入其他全面收入」）列賬。

本集團當且僅當其管理該等資產的業務模式變動時重新分類金融資產。

(ii) 確認及終止確認

常規購入及出售的金融資產於交易日（本集團承諾購入或出售該資產的日期）確認。於從該等金融資產收取現金流量的權利屆滿或已轉讓而本集團已實質上轉移一切所有權風險及回報時，終止確認有關金融資產。

(iii) 計量

初步確認時，本集團按公平值加（倘並非按公平值計入損益的金融資產）收購金融資產直接應佔交易成本計量金融資產。按公平值計入損益的金融資產的交易成本於損益支銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.12 Investments and other financial assets (Continued)

(iii) Measurement (Continued)

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income and gains-net together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of comprehensive income.

FVPL: Assets that do not meet the criteria for amortised cost are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other income and gains-net in the period in which it arises.

2. 重大會計政策概要(續)

2.12 投資及其他金融資產(續)

(iii) 計量(續)

在確定具有嵌入衍生工具的金融資產的現金流是否僅為支付本金和利息時，需從金融資產的整體進行考慮。

債務工具

債務工具的后續計量取決於本集團管理資產的業務模式及資產的現金流量特徵。本集團將債務工具分為兩個計量類別：

攤銷成本：就持作收回合同現金流量的資產而言，倘有關資產的現金流量僅為支付本金及利息，則按攤銷成本計量。來自該等金融資產的利息收入按實際利率法計入其他收入。終止確認產生的任何收益或虧損連同外匯收益及虧損於損益直接確認，並於其他收益－淨額呈列。減值虧損於綜合全面收益表作為單獨項目呈列。

按公平值計入損益：不符合攤銷成本標準的資產按公平值計入損益計量。其後按公平值計入損益計量的債務投資的收益或虧損於損益中確認及於其產生期間在其他收益－淨額以淨值呈列。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Investments and other financial assets (Continued)

(iii) Measurement (Continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Changes in the fair value of financial assets at FVPL are recognised in other income and gains-net in the consolidated statement of comprehensive income as applicable.

(iv) Impairment

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 14 for further details.

2. 重大會計政策概要(續)

2.12 投資及其他金融資產(續)

(iii) 計量(續)

股本工具

本集團隨後就所有股本投資按公平值計量。當本集團的管理層已選擇於其他全面收入呈列股本投資的公平值收益及虧損，公平值收益及虧損於終止確認投資後不會重新分類至損益。該等投資的股息於本集團收取款項的權利確立時繼續於損益確認為其他收入。按公平值計入其他全面收入列賬計量的股本投資的減值虧損(及減值虧損撥回)不會與其他公平值變動分開呈報。

按公平值計入損益的金融資產的公平值變動於綜合全面收益表確認為其他收入及收益淨額(如適用)。

(iv) 減值

自2018年1月1日起，本集團按前瞻基準評估與其按攤銷成本及按公平值計入其他全面收入計值的債務工具相關的預期信貸虧損。所應用減值方法視乎信貸風險有否明顯增加。

就貿易應收款項而言，本集團採用國際財務報告準則第9號允許的簡化方法，規定自初步確認應收賬款起確認整個存續期內的預期虧損，詳情請參閱附註14。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.12 Investments and other financial assets (Continued)

(v) *Accounting policies applied until 31 December 2017*

The Group has applied IFRS 9 with modified retrospective approach. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

Until 31 December 2017, the Group classified its financial assets in the following categories:

- financial assets at fair value through profit or loss,
- trade and other receivables

The classification determined on the purpose for which the investments were acquired. Management determined the classification of its investments at initial recognition.

(a) Reclassification

Reclassifications were made at fair value as of the reclassification date. Fair value became the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date were subsequently made. Effective interest rates for financial assets reclassified to trade and other receivables were determined at the reclassification date. Further increases in estimates of cash flows adjusted effective interest rates prospectively.

2. 重大會計政策概要(續)

2.12 投資及其他金融資產(續)

(v) *直至2017年12月31日應用的會計政策*

本集團以經修訂追溯法應用國際財務報告準則第9號，但尚未選擇重述比較資料。因此，已提供的比較資料繼續根據本集團的過往會計政策列賬。

直至2017年12月31日，本集團按以下類別分類其金融資產：

- 按公平值計入損益的金融資產，
- 貿易及其他應收款項

分類取決於收購投資的目的。管理層於初步確認時釐定投資分類。

(a) 重新分類

重新分類以重新分類日當日的公平值計量。如適用，公平值作為新的成本價或攤銷成本價，且重新分類日之前計入的公平值損益在以後期間不可予以回撥。重新分類為貿易及其他應收款項的金融資產的實際利率在重新分類日決定。未來預計現金流量的增加適時調整實際利率。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***2.12 Investments and other financial assets** *(Continued)**(v) Accounting policies applied until 31 December 2017
(Continued)***(b) Subsequent measurement**

The measurement at initial recognition did not change an adoption of IFRS 9, see description above. Subsequent to the initial recognition, trade and other receivables were subsequently carried at amortised cost using the effective interest method.

Financial assets at FVPL were subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised in profit or loss within other income and gains-net.

Details on how the fair value of financial instruments is determined are disclosed in Note 3.3(a).

2. 重大會計政策概要(續)**2.12 投資及其他金融資產(續)***(v) 直至2017年12月31日應用的會計政策(續)***(b) 後續計量**

初步確認的計量並不會因採納國際財務報告準則第9號而改變，見上文描述。經初步確認，貿易及其他應收款項隨後採用實際利率法以攤銷成本計量。

按公平值計入損益的金融資產後續以公平值計量。公平值變動於其他收入及收益淨額的損益內確認。

釐定金融工具公平值方法的詳情於附註3.3(a)披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.12 Investments and other financial assets (Continued)

(v) *Accounting policies applied until 31 December 2017 (Continued)*

(c) Impairment

The Group assessed at the end of each reporting period whether there was objective evidence that a financial asset or group of financial assets was impaired. A financial asset or a group of financial assets was impaired and impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) had an impact on the estimated future cash flows of the financial asset or group of financial assets that could be reliably estimated.

Assets carried at amortised cost

For trade and other receivables, the amount of the loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that had not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset was reduced and the amount of the loss was recognised in profit or loss. As a practical expedient, the Group could measure impairment on the basis of an instrument's fair value using an observable market price.

2. 重大會計政策概要(續)

2.12 投資及其他金融資產(續)

(v) *直至2017年12月31日應用的會計政策(續)*

(c) 減值

本集團於各報告期末評估是否有客觀證據證明某金融資產或某組金融資產出現減值。只有資產在初始確認後發生了某項或多項事件(「虧損事件」)而出現減值的客觀證據，且能夠可靠地估計虧損事件(或事件)對某金融資產或某組金融資產的估計未來現金流量構成影響時，方可確定某金融資產或某組金融資產出現減值並產生減值虧損。

攤銷成本列賬之資產

就貿易及其他應收款項，虧損金額為資產賬面值與按金融資產的原實際利率貼現的估計未來現金流量之現值(不包括仍未產生的未來信用損失)間之差額。資產賬面值予以削減，虧損金額於損益中確認。作為權宜措施，本集團可利用可觀察之市場價格按工具之公平值計量減值。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***2.12 Investments and other financial assets** *(Continued)**(v) Accounting policies applied until 31 December 2017
(Continued)***(c) Impairment** *(Continued)**Assets carried at amortised cost (Continued)*

If, in a subsequent period, the amount of the impairment loss decreased and the decrease could be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss was recognised in profit or loss.

Impairment of trade receivables is described in Note 3.1(b).

2.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

2. 重大會計政策概要(續)**2.12 投資及其他金融資產(續)***(v) 直至2017年12月31日應用的會計政策(續)***(c) 減值(續)***攤銷成本列賬之資產(續)*

倘在後繼期間，減值虧損的數額減少，而此減少可客觀地聯繫至減值在確認後才發生的事件(例如債務人的信用評級有所改善)，則之前已確認的減值虧損可在損益中轉回。

貿易應收款項減值於附註3.1(b)陳述。

2.13 抵銷金融工具

當本集團現有法定可強制執行權力可抵銷已確認金額，且有意圖按其淨額作結算或同時變現資產及結算負債時，有關金融資產與負債可互相抵銷，並在資產負債表報告其淨值。本集團亦已訂立不符合抵銷標準但仍可於某些情況下對銷相關金額(如歸類為破產或中止合約)的安排。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.14 Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.15 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are generally due for settlement within 30-90 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 14 for further information about the Group's accounting for trade receivables and Note 3.1 for a description of the Group's impairment policies.

2. 重大會計政策概要(續)

2.14 存貨

原材料、在產品及產成品按成本與可變現淨值兩者中較低者入賬。成本包括直接材料、直接勞工以及適當比例的可變及固定經常開支(後者按一般運作產能分配)。成本包括自權益重新分類與購買原材料有關的合資格現金流量對沖的任何收益或虧損,但不包括借款成本。成本按加權平均成本分配至個別存貨項目。購買存貨的成本乃經扣減回扣及折讓後釐定。可變現淨值按日常業務過程中的估計售價減完成估計成本及進行銷售所需估計成本計算。

2.15 貿易應收款項

貿易應收款項為在日常業務過程中就銷售的商品或提供的服務而應收客戶的款項。貿易應收款項一般於30至90日內進行結算,因此全部被分類為流動資產。

當貿易應收款項按公平值確認時,初步按無條件的代價金額確認,惟彼等包含重大融資部分除外。本集團持有貿易應收款項旨在收回合約現金流量,從而隨後使用實際利息法按攤銷成本計量。有關本集團貿易應收款項的會計處理的進一步資料請參閱附註14及有關本集團減值政策的描述請參閱附註3.1。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***2.16 Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.17 Share capital and shares held for employee share scheme

Ordinary shares are classified as equity.

Where any group company purchases the Company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

Shares held by the RSU Trustee are disclosed as treasury shares and deducted from contributed equity.

2.18 Trade payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2. 重大會計政策概要(續)**2.16 現金及現金等價物**

就於現金流量表的呈列而言，現金及現金等價物包括手頭現金、金融機構通知存款，以及其他初始到期期限為三個月或以下、可即時轉換為已知金額的現金及價值變動風險微小的短期高流動性投資。

2.17 股本及就僱員股份計劃持有的股份

普通股分類為權益。

倘集團公司購買(例如因股份購回或以股份為基礎支付計劃)本公司的權益工具，已付代價(包括任何直接應佔增支成本，扣除所得稅)從列為庫存股份的本公司擁有人應佔權益中扣除，直至股份被註銷或重新發行為止。倘其後重新發行該等普通股，則任何已收取代價(扣除任何直接應佔增支交易成本及相關所得稅影響)計入本公司擁有人應佔權益。

被信托持有的股權從權益股轉換為庫存股。

2.18 貿易應付款項

該等款項指於財政年度結束前向本集團提供商品及服務的尚未支付負債。該等款項為無抵押，且通常於確認後30日內支付。除非付款並非於報告期後12個月內到期，否則貿易應付款項呈列為流動負債。其初步按公平值確認，隨後使用實際利率法按攤銷成本計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.19 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

2. 重大會計政策概要(續)

2.19 即期及遞延所得稅

本期間的所得稅開支或抵免指就本期間應課稅收入按各司法權區的適用所得稅稅率支付的稅項(就暫時差額及未動用稅項虧損應佔的遞延稅項資產及負債變動作出調整)。

即期所得稅

即期所得稅支出根據本公司附屬公司營運及產生應課稅收入所在的國家於報告期末已頒佈或實質已頒佈的稅法計算。管理層就適用稅務法規須作出詮釋的情況定期評估報稅表的狀況，並須在適用情況下根據預期向稅務機關支付的稅款計提撥備。

遞延所得稅

遞延所得稅採用負債法就資產及負債的稅基與其在綜合財務報表中的賬面值之間的暫時差額計提全額撥備。然而，倘遞延稅項負債於初步確認商譽時產生，則不予確認；倘自初步確認一項交易(業務合併除外)中的資產或負債而產生的遞延所得稅於交易時對會計或應課稅損益並不構成影響，則該遞延所得稅亦不會列賬。遞延所得稅乃使用於報告期末已頒佈或實質已頒佈且預期將於相關遞延所得稅資產變現或遞延所得稅負債結算時適用的稅率(及稅法)釐定。

按公平值計量的投資物業有關的遞延稅項負債乃假設物業將透過出售全部收回而釐定。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***2.19 Current and deferred income tax** *(Continued)*

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2. 重大會計政策概要(續)**2.19 即期及遞延所得稅(續)**

遞延稅項資產僅於可能獲得未來應課稅款項可動用該等暫時差額及虧損的情況下予以確認。

倘本公司能夠控制撥回暫時差額的時間，且該等差額可能不會於可見將來撥回，則不會就海外業務的投資賬面值與稅基之間的暫時差額確認遞延稅項負債及資產。

當存在合法可強制執行的權利將即期稅項資產與負債抵銷，且遞延稅項結餘涉及同一稅務機關，遞延稅項資產與負債互相抵銷。倘實體擁有合法可強制執行的權利抵銷並有意以淨額結算或變現資產及同時償付負債，則即期稅項資產與稅項負債互相抵銷。

除與於其他全面收入或直接於權益確認的項目有關外，即期及遞延稅項於損益內確認。於此情況下，稅項亦分別於其他全面收入或直接於權益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.20 Employee benefits

In accordance with the rules and regulations in the PRC, the Group has arranged for its PRC employees to join defined contribution plans, including pension, medical, housing and other welfare benefits, recognised by the PRC government. According to the relevant regulations, the monthly contributions that should be borne by the PRC subsidiaries of the Company are calculated based on percentages of the total salary of employees, subject to a certain ceiling. The assets of these plans are held separately from those of the Group in independent funds managed by the PRC government.

The Group has no further payment obligations once the above contributions have been paid. The Group's contributions to these plans are charged in the consolidated statement of comprehensive income as incurred.

2.21 Share-based payments

The Group adopted a restricted share unit scheme in 2016 to reward directors and employees. The fair value of the services received in exchange for the grant of the restricted shares is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the restricted shares granted as at date of grant, including any market performance conditions, excluding the impacts of any service and non-market performance vesting conditions as well as including any non-vesting conditions, when applicable. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

For the Company's separate financial statements, fair value of restricted shares granted to its subsidiaries' employees is recognised as increase in investment in subsidiaries and equity.

2. 重大會計政策概要(續)

2.20 僱員福利

根據中國的規則及法規，本集團已安排中國僱員參與中國政府組織的界定供款計劃，包括退休、醫療、住房及其他福利。根據有關規例，每月供款應由本公司的中國附屬公司承擔，供款額按僱員總薪金的百分比計算，但設有若干上限。該等計劃的資產與本集團其他資產分開，由中國政府管理的獨立基金持有。

本集團於支付上述供款後不再承擔支付責任。本集團對上述計劃的供款於產生時計入綜合全面收益表。

2.21 以股份為基礎的付款

本集團於2016年採納受限制股份單位計劃，以獎勵董事及僱員。為獲授受限制股份而提供的服務的公平值確認為開支。將予支銷總額乃參考授出日期授出受限制股份的公平值釐定，包括任何市場表現條件，但不包括任何服務及非市場表現歸屬條件的影響以及包括任何非歸屬條件(如適用)。已支銷總額於歸屬期內確認，期內所有特定歸屬條件將獲達成。

對於母公司財務報表，授予子公司僱員受限制股份時，將按授予日公平值確認對子公司的長期股權投資和權益的增加。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.21 Share-based payments *(Continued)*

At the end of each reporting period, the Group revises its estimates of the number of restricted shares that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision of original estimates, if any, in the consolidated statement of comprehensive income with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the shares are exercised.

2. 重大會計政策概要(續)

2.21 以股份為基礎的付款(續)

於各報告期末，本集團會根據非市場歸屬條件修改其估計預期將予歸屬的受限制股份數目，並於綜合全面收益表內確認修改原來估計數字(如有)的影響，以及對權益作出的相應調整。

倘股份獲行使，所收取的所得款項扣除任何直接應佔交易成本後計入股本(面值)及股份溢價內。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.22 Revenue recognition

(i) *Sale of goods - wholesales*

For wholesale business, Sales of goods are recognised when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Revenue is adjusted for the value of sales discount and rebates. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler have accepted the products in accordance with the sales contracts, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The products of the Group are often sold with sales discounts. Revenue from these sales are recognised based on the price specified in the sales contracts, net of the estimated sales discounts at the time of sale. The sales discounts are estimated based on the terms of agreements. No element of financing is deemed present as the sales are made with a credit term of 30-90 days, which is consistent with the market practice. Under IFRS 15, a liability for the sales rebate to customers is recognised as adjustment to revenue in other payables and accruals.

2. 重大會計政策概要(續)

2.22 收入確認

銷售貨品 – 批發

本集團製造多種火鍋調味品及中式複合調味品並出售予火鍋店及批發商等客戶。當生產商控制權已轉讓(即交付產品予客戶)，及並無不能償付的責任可影響客戶對該等產品的接納時，確認銷售貨品。收入就銷售折扣及回佣的價值進行調整。在產品貨運至特定地點、陳舊過時及虧損風險已轉移予客戶時及客戶按銷售合約規定已接納產品或本集團有客觀憑證顯示接納的所有標準均已達致時方確認交付。

本集團產品往往按銷售折扣出售。該等銷售的收入按銷售合約列明價格確認，當中扣除銷售時的估計銷售折扣，並根據協議條款估計銷售折扣。由於銷售的信貸期介乎30至90日，因此視為不存在融資元素，這與市場慣例一致。根據國際財務報告準則第15號，向客戶提供銷售回扣的責任在其他應付款項及應計費用中確認為調整。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.22 Revenue recognition (Continued)

(i) Sale of goods - wholesales (Continued)

A 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.

(ii) Sale of goods - on-line

Revenue from the sale of goods on the internet is recognised at the point that the control of the products has transferred, being when the products are delivered to the customers and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Transactions are settled by credit or payment card or through on-line payment platforms. Provisions are made for internet credit sales based on the expected level of returns, which in turn is based upon the historical rate of returns.

2. 重大會計政策概要(續)

2.22 收入確認(續)

(i) 銷售貨品－批發(續)

當產品交付後，並從那一刻開始，可以無條件收到代價(到期付款前的時間流逝除外)，便可確認為應收款。

(ii) 銷售貨品－線上

互聯網上銷售貨品所得收益於產品控制權轉移時(即產品交付客戶及沒有可能會影響客戶接受產品的未履行義務)確認。交易以信用卡或支付卡或透過線上支付平台結算。線上信用銷售撥備根據預期退貨水平計提，而預期退貨率則根據過往退貨率計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.22 Revenue recognition (Continued)

(iii) *Accounting policy applied until 31 December 2017*

The Group has applied IFRS 15 with modified retrospective approach. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy. Until 31 December 2017, Revenue is measured at the fair value of the consideration received or receivables, and represents amounts receivables for goods supplied, stated net of discounts and value added taxes. The Group recognise revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities.

2.23 Earnings per share

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares

by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

2. 重大會計政策概要(續)

2.22 收入確認(續)

(iii) *直至2017年12月31日為止應用的會計政策*

本集團以經修訂追溯法應用國際財務報告準則第15號。因此，繼續按照本集團先前的會計政策處理所提供的比較資料。直至2017年12月31日為止，收入按已收或應收代價的公平值計量，並為已提供貨品的應收款項金額，扣除折扣及增值稅後列賬。當收入金額能可靠計量時、當未來經濟利益可能流入實體時，以及當本集團各項活動的具體準則符合時，本集團會確認收入。

2.23. 每股盈利

(i) *每股基本盈利*

每股基本盈利，乃按：

- 本公司擁有人應佔溢利(不包括普通股以外的服務股權的任何成本)

除以財政年度內發行在外普通股加權平均數(就年內已發行普通股的分紅因素而調整且不包括庫存股份)計算。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***2.23 Earnings per share** *(Continued)**(ii) 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.

2.24 Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases (Note 34). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

2.25 Dividends distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2. 重大會計政策概要(續)**2.23. 每股盈利(續)***(ii) 每股攤薄盈利*

每股攤薄盈利透過調整每股基本盈利之金額：

- 每股攤薄盈利有關的利息及其他融資成本的除稅後所得稅影響；及
- 假設所有具潛在攤薄效應之股份獲轉換後，額外普通股份之加權平均數計算。

2.24 租賃

凡擁有權的大部分風險及回報未轉移至本集團(作為承租人)的租賃，皆歸類為經營租賃(附註34)。根據經營租賃支付的款項(扣除出租人給予的任何優惠)，於租期內以直線法自損益扣除。

2.25 股息分派

就於報告期末或之前已宣派但於報告期末並未分派之任何股息金額(已經適當授權及再不由實體酌情決定)作出撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

2.26 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

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

2.27 Interest income

Interest income from financial assets at FVPL is included in the other incomes and gains-net, see Note 27 below.

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in the consolidated statement of comprehensive income as part of other income and other gains-net.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see Note 28 below. Any other interest income is included in other income and other gains-net.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

2. 重大會計政策概要(續)

2.26 政府補助

當能夠合理地保證政府補助將可收取及符合補助的附帶條件時，本集團會把政府補助以其公允價值確認入賬。

與成本有關的政府補助遞延入賬，並於需要匹配擬補償的相關成本期間在損益確認。

2.27 利息收入

產生自按公平值計入損益的金融資產的利息收入計入其他收入及收益淨額，請參閱下文附註27。

採用實際利率法計算的按攤銷成本計量的金融資產之利息收入，作為其他收入及其他收益淨額的一部份於綜合全面收益表確認。

利息收入呈列為持作現金管理用途的金融資產所賺取的融資收入，請參閱下文附註28。任何其他利息收入計入其他收入及其他收益淨額。

利息收入是用實際利率乘以金融資產賬面總額計算得出，惟後續發生信貸減值的金融資產除外。就信貸減值的金融資產而言，其利息收入是用實際利率乘以金融資產賬面淨額(經扣除虧損撥備)得出。

3. FINANCIAL RISK MANAGEMENT

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

Risk 風險	Exposure arising from 風險產生原因	Measurement 計量
Market risk – foreign exchange 市場風險 – 外匯	Financial assets and liabilities denominated in foreign currency different from its functional currency. 以不同於其功能貨幣的外幣計值的 金融資產及負債。	Cash flow forecasting sensitivity analysis 現金流量預測 敏感性分析
Credit risk 信用風險	Cash and cash equivalents, trade receivables and other receivables. 現金及現金等價物、貿易應收款項及 其他應收款項。	Aging analysis credit limit 賬齡分析 信用限額
Liquidity risk 流動資金風險	Financial liabilities 金融負債	Rolling cash flow forecasts 滾動現金流量預測

3.1 Financial risk factors*(a) Market risk**(i) Foreign exchange risk*

The Group's businesses are principally conducted in RMB, which is exposed to foreign currency risk with respect to transactions denominated in currencies other than RMB. Foreign exchange risk arises from recognised assets and liabilities and net investments in foreign operations. The Group did not enter into any forward contract to hedge its exposure to foreign currency risk for the year ended 31 December 2018.

3. 財務風險管理

本附註闡述本集團面臨的財務風險及該等風險對本集團未來財務表現的影響。倘與增加額外內容有關，則載入本年度溢利及虧損資料。

Measurement 計量
Cash flow forecasting sensitivity analysis 現金流量預測 敏感性分析
Aging analysis credit limit 賬齡分析 信用限額
Rolling cash flow forecasts 滾動現金流量預測

3.1 財務風險因素*(a) 市場風險**(i) 外匯風險*

本集團業務主要以人民幣進行，其以人民幣以外貨幣計值的交易需承擔外幣風險。確認外國業務營運的資產及負債及淨投資產生外匯風險。截至2018年12月31日止年度，本集團並無訂立任何遠期合約對沖外幣風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

Exposure

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in RMB, was as follows:

		31 December 2018 2018年12月31日		31 December 2017 2017年12月31日	
		US\$ 美元	HK\$ 港元	US\$ 美元	HK\$ 港元
		RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元
Bank deposits	銀行存款	440,861	295,464	43,364	665,383
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	—	—	32,671	—
Trade receivables	貿易應收款項	522	161	—	154
Trade payables	貿易應付款項	(544)	(32)	(457)	(306)

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外匯風險(續)

風險

本集團於報告期末以人民幣列示的外匯風險如下：

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

Sensitivity

As shown in the table above, the Group is primarily exposed to changes in US\$/RMB and HK\$/RMB exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from the deposits denominated in US\$ and HK\$ in the PRC subsidiaries, the functional currency of which is RMB, and the deposits of the Company which are denominated in RMB.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外匯風險(續)

敏感性

如上表所示，本集團主要承受美元兌人民幣以及港元兌人民幣匯率的變動風險。損益對匯率變動的敏感性主要來自中國附屬公司(該等附屬公司的功能貨幣為人民幣)美元及港元存款及本公司人民幣存款。

Impact on post tax profit
對稅後溢利的影響

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
HK\$/RMB exchange rate – increase 10%	港元兌人民幣匯率 – 上升10%	22,160	41,715
HK\$/RMB exchange rate – decrease 10%	港元兌人民幣匯率 – 下降10%	(22,160)	(41,715)
US\$/RMB exchange rate – increase 10%	美元兌人民幣匯率 – 上升10%	33,065	3,252
US\$/RMB exchange rate – decrease 10%	美元兌人民幣匯率 – 下降10%	(33,065)	(3,252)

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, trade receivable and other financial assets at amortised cost as well as credit exposures to wholesale and retail customers, including outstanding receivables.

(i) Risk management

The Group is exposed to credit risk in relation to its bank balance, trade and other receivables.

The carrying amounts of each class of the above financial assets represent the Group's maximum exposure to credit risk in relation to financial assets. To manage this risk arising from bank balance, the Group only transacts with state-owned financial institutions and reputable commercial banks which are all high-credit-quality financial institutions in the PRC and Hong Kong. There has been no recent history of default in relation to these financial institutions.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險

信用風險產生自現金及現金等價物、銀行及金融機構存款貿易應收款項及按攤銷成本計量的其他金融資產以及批發及零售客戶信用風險，包括尚未收取的應收款項。

(i) 風險管理

本集團面對與銀行結餘、貿易及其他應收款項有關的信用風險。

上述各類金融資產的賬面值為本集團所面對與金融資產有關的最大信用風險。為管理由銀行結餘所引起的風險，本集團僅與國有金融機構及信譽良好的商業銀行（均為中國及香港的高信用質量金融機構）交易。近期並無與該等金融機構有關的違約記錄。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Risk management (Continued)

Trade receivables at the end of each reporting period were mainly due from HAI DI LAO HOLDINGS PTE. LTD. and its subsidiaries, Sichuan Haidilao Catering Corporation Ltd. and its subsidiaries (“Sichuan Haidilao Group”) and the distributors in cooperation with the Group. Both HAI DI LAO HOLDINGS PTE. LTD., and Sichuan Haidilao Group are related parties of the Group (Note 35). As at 31 December 2018, the amounts due from HAI DI LAO HOLDINGS PTE.LTD. and its subsidiaries represented 99%, while the amounts due from Sichuan Haidilao Group represented 1% of total trade receivables of the Group, respectively. The management of the Group believes the credit risk on amounts due from related parties is limited because they continuously monitor the credit quality and financial conditions of the related parties. Ageing analysis of the Group’s trade receivables is disclosed in Note 14. The directors of the Company believe that the credit risk inherent in the Group’s outstanding trade receivables balances due from the distributors is low.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險(續)

(i) 風險管理(續)

各報告期末的貿易應收款項主要為應收HAI DI LAO HOLDINGS PTE. LTD.及其附屬公司、四川海底撈餐飲股份有限公司(「四川海底撈集團」)及與本集團合作的經銷商的款項。HAI DI LAO HOLDINGS PTE. LTD.及四川海底撈集團均為本集團的關聯方(附註35)。於2018年12月31日，應收HAI DI LAO HOLDINGS PTE. LTD.及其附屬公司的款項及應收四川海底撈集團的款項分別佔本集團貿易應收款項總額的99%及1%。本集團管理層認為，應收關聯方款項的信用風險有限，因為彼等持續監察關聯方的信用質量及財務狀況。對本集團貿易應收款項的賬齡分析於附註14中披露。本公司董事認為本集團應收第三方經銷商的未收取貿易應收款項結餘固有的信用風險較低。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Risk management (Continued)

For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The directors of the Company believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables.

(ii) Impairment of financial assets

The Group has two types of financial assets that are subject to IFRS 9's new expected credit loss model.

- trade receivables, and
- other financial assets at amortised cost

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險(續)

(i) 風險管理(續)

就其他應收款項而言，管理層根據過往結算記錄及過往經驗對其他應收款項的可收回性定期進行整體及個別評估。本公司董事認為本集團其他應收款項的未結餘額並無重大固有信用風險。

(ii) 金融資產減值

本集團擁有兩類金融資產需採用國際財務報告準則第9號的新預期信用損失模型。

- 貿易應收款項，及
- 按攤銷成本計的其他金融資產

雖然現金及現金等價物亦須遵守國際財務報告準則第9號的減值規定，但已識別到的減值虧損並不重大。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables

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

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and aging analysis. The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 December 2018 or 1 January 2018 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 31 December 2018 and 1 January 2018 (on adoption of IFRS 9) was immaterial for trade receivables.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險(續)

(ii) 金融資產減值(續)

貿易應收款項

本集團採用國際財務報告準則第9號之簡化方法計量預期信用損失，為所有貿易應收賬款撥備整個存續期的預期虧損。

為計算預期信用損失，已根據共有信用風險特徵及賬齡分析將貿易應收款項分組。預期虧損率乃分別基於2018年12月31日或2018年1月1日之前12個月期間的銷售付款情況及該期間內所錄得之相應過往信貸虧損。過往虧損率已經調整以反映影響客戶結清應收款項能力的宏觀經濟因素的現時及前瞻性資料。

按該基準計算，2018年12月31日及2018年1月1日(採納國際財務報告準則第9號當日)的虧損撥備對於貿易應收款項而言並不重大。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Other financial assets at amortised cost

Other financial assets at amortised cost mainly include deposits, advance to employees. Impairment on other financial assets at amortised cost is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. To assess whether there is a significant increase in credit risk, the Group compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition by considering available, reasonable and supportive forwarding-looking information. Applying the expected credit risk model, no significant increase in the loss allowance as at 1 January 2018.

Receivables for which an impairment provision was recognised were written off against the provision when there was no expectation of recovering additional cash.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險(續)

(ii) 金融資產減值(續)

按攤銷成本計量的其他金融資產

按攤銷成本計量的其他金融資產主要包括押金、僱員墊款。按攤銷成本計量的其他金融資產的減值計量為12個月預期信用損失或整個存續期的預期信用損失，視乎自首次確認以來信貸風險有否大幅增加而定。為評估信貸風險有否大幅增加，本集團透過考慮可取得的合理前瞻性輔助資料，將報告日期發生於資產的違約風險，與首次確認日期的違約風險作比較。應用預期信貸風險模式後，於2018年1月1日的虧損撥備並無大幅增加。

倘預期不會收回額外現金時，將已確認減值撥備的應收款項與該撥備對銷。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Previous accounting policy for impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these receivables, the estimated impairment losses were recognised in a separate provision for impairment. The Group considered that there was evidence of impairment if any of the following indicators were present:

- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or late payments (more than 90 days overdue).

33. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險(續)

(ii) 金融資產減值(續)

貿易應收款項減值虧損的過往會計政策

於上一年度，貿易應收款項減值乃基於已產生損失模型評估。已知不可收回的個別應收款項通過直接削減賬面值的方式撇銷。其他應收款進行集體評估，以釐定是否存在已發生但尚未識別的減值客觀證據。就該等應收款項而言，估計減值虧損於減值的單獨撥備中確認。本集團認為如存在任何以下指標，表明有減值證據：

- 債務人陷入重大財務困境
- 債務人可能進入財務重組破產程序，及
- 支付違約或拖欠(逾期超過90日)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Net impairment losses on financial and contract assets recognised in profit or loss

During the year, the following losses were recognised in profit or loss in relation to impaired financial assets:

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Impairment losses on trade receivables	減值虧損 貿易應收款項減值虧損	(30)	(2)
Impairment losses on financial assets at amortised cost	按攤銷成本計量的 金融資產的減值虧損	(608)	(346)
Reversal of previous impairment losses	過往減值虧損撥回	2	10
Net impairment losses on financial and contract assets	金融及合約資產的 減值虧損淨額	(636)	(338)

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險(續)

(ii) 金融資產減值(續)

在損益確認的金融及合約資產的減值虧損淨額

年內，下列虧損就已減值金融資產於損益中確認：

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying business, the Group's finance department maintains flexibility in funding by maintaining adequate cash and cash equivalents.

Cash flow forecasting is performed by the finance department of the Group. The Group's finance department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs as well as the liabilities to other parties.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

		Less than 1 year 少於1年 RMB'000 人民幣千元
As at 31 December 2018	於2018年12月31日	
Trade payables (Note 22)	貿易應付款項(附註22)	188,659
Other payables and accruals	其他應付款項及應計費用	37,423
Total	總計	226,082
As at 31 December 2017	於2017年12月31日	
Trade payables (Note 22)	貿易應付款項(附註22)	136,582
Other payables and accruals	其他應付款項及應計費用	56,720
Total	總計	193,302

3. 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險

本集團致力保持充裕的現金及現金等價物。由於相關業務屬動態性質，本集團的財務部門持有充足的現金及現金等價物從而維持資金方面的靈活性。

現金流量預測乃由本集團財務部作出。本集團財務部監控對本集團流動資金需求的滾動預測以確保持有充足資金滿足營運需求及對其他方的負債。

下表載列本集團的金融負債按照由資產負債表日期至合約到期日的餘下期間分成相關的到期組別進行的分析。表內所披露金額為合約未貼現現金流量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital risk management

(a) Risk management

The Group's objectives when managing capital are to

- safeguard the Group's ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, or return capital to shareholders, issue new shares or sell assets to reduce debt.

As the Group has no external borrowing in 2018 and 2017, the directors consider that the capital risk is low.

3.3 Fair value estimation

(a) Financial assets and liabilities

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

3. 財務風險管理(續)

3.2 資本風險管理

(a) 風險管理

本集團的資本管理目標為

- 保障本集團的持續運營，以繼續為股東提供回報及為其他股權持有人帶來利益，及
- 保持最優資本架構以降低資本成本。

為維持或調整資本架構，本集團可調整分派予股東的股息金額，或向股東返還資本、發行新股或出售資產以減少債務。

由於本集團於2018年及2017年並無向外借款，董事認為資本風險較低。

3.3 公平值估計

(a) 金融資產及負債

(i) 公平值層級

本節說明於釐定財務報表內按公平值確認及計量的金融工具公平值時作出的判斷及估計。為得出釐定公平值所用輸入數據的可信程度指標，本集團根據會計準則將其金融工具分為三層。各層級的說明如下表所示。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(a) Financial assets and liabilities (Continued)

(i) Fair value hierarchy (Continued)

Recurring fair value measurements	經常性公平值計量	Note	Level 1	Level 2	Level 3	Total
At 31 December 2018	於 2018 年 12 月 31 日	附註	第一層	第二層	第三層	總計
			RMB' 000	RMB' 000	RMB' 000	RMB' 000
			人民幣千元	人民幣千元	人民幣千元	人民幣千元
Financial assets	金融資產					
Financial assets at fair value through profit or loss (FVPL)	按公平值計入損益 (按公平值計入損益) 的金融資產	17				
- Listed equity securities (i)	- 上市股本證券 (i)		—	—	12,000	12,000
Total financial assets	金融資產總值		—	—	12,000	12,000
Recurring fair value measurements	經常性公平值計量	Note	Level 1	Level 2	Level 3	Total
At 31 December 2017	於 2017 年 12 月 31 日	附註	第一層	第二層	第三層	總計
			RMB' 000	RMB' 000	RMB' 000	RMB' 000
			人民幣千元	人民幣千元	人民幣千元	人民幣千元
Financial assets	金融資產					
Financial assets at fair value through profit or loss (FVPL)	按公平值計入損益 (按公平值計入損益) 的金融資產	17				
- Designated (ii)	- 指定 (ii)		—	—	32,671	32,671
Total financial assets	金融資產總值		—	—	32,671	32,671

3. 財務風險管理(續)

3.3 公平值估計(續)

(a) 金融資產及負債(續)

(i) 公平值層級(續)

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(a) Financial assets and liabilities (Continued)

(i) Fair value hierarchy (Continued)

- (i) The financial instruments traded in inactive markets.
- (ii) Balance represented treasury products issued by an unlisted company with guaranteed principal and expected rate of return. Such assets are denominated in US\$, with maturity date in September 2018, and was designated as financial assets at fair value through profit or loss.

3. 財務風險管理(續)

3.3 公平值估計(續)

(a) 金融資產及負債(續)

(i) 公平值層級(續)

- (i) 該金融工具在非活躍市場上交易。
- (ii) 該結餘指非上市公司發行的保本型且擁有預期回報率的產品，該資產以美元計值，到期日為2018年9月，被指定為按公平值計入損益的金融資產。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(a) Financial assets and liabilities (Continued)

(i) Fair value hierarchy (Continued)

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

3. 財務風險管理(續)

3.3 公平值估計(續)

(a) 金融資產及負債(續)

(i) 公平值層級(續)

年內，第一層和第二層之間並無轉撥進行經常性公平值計量。

第一層：對於在市場上交易活躍的金融工具(如公開買賣的衍生工具與股本證券)，其公平值乃根據於報告期末市場報價而計算。本集團持有的金融資產所用市場報價為即期市值報價。該等工具計入第一層。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(a) Financial assets and liabilities (Continued)

(i) Fair value hierarchy (Continued)

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

3. 財務風險管理(續)

3.3 公平值估計(續)

(a) 金融資產及負債(續)

(i) 公平值層級(續)

第二層：對於未有在活躍市場上交易的金融工具(如場外衍生工具)，其公平值乃使用估值技術而釐定。該等估值技術盡量使用可觀察市場數據並盡可能少依賴針對實體的估計。倘工具公平值所需的所有重大輸入數據可觀察，則該工具計入第二層。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(a) Financial assets and liabilities (Continued)

(i) Fair value hierarchy (Continued)

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

3. 財務風險管理(續)

3.3 公平值估計(續)

(a) 金融資產及負債(續)

(i) 公平值層級(續)

第三層：倘一項或多項重大輸入數據並非基於可觀察市場數據，則該工具計入第三層。未上市股本證券則屬此種情況。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(a) Financial assets and liabilities (Continued)

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

3. 財務風險管理(續)

3.3 公平值估計(續)

(a) 金融資產及負債(續)

(ii) 釐定公平值所用的估值技術

評估金融工具所用的特定估值技術包括：

- 使用同類金融工具的市場報價或交易商報價。
- 使用貼現現金流量分析釐定剩餘金融工具的公平值。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(a) Financial assets and liabilities (Continued)

- (iii) Fair value measurements using significant unobservable inputs (Level 3)

The following table presents the changes in level 3 items for the periods ended 31 December 2018 and 31 December 2017:

Opening balance 1 January 2017	於2017年1月1日的期初結餘	—
Addition	添置	32,934
Change in fair value	公平值變動	(263)
Closing balance 31 December 2017	於2017年12月31日的期末結餘	32,671
Addition	添置	12,000
Disposal	出售	(34,396)
Change in fair value	公平值變動	1,725
Closing balance 31 December 2018	於2018年12月31日的期末結餘	12,000

3. 財務風險管理(續)

3.3 公平值估計(續)

(a) 金融資產及負債(續)

- (iii) 使用重大不可觀察輸入數據(第三層)的公平值計量

下表呈列截至2018年12月31日及2017年12月31日止期間第三層工具的變動：

Financial assets at fair value through profit or loss
按公平值計入損益的金融資產
RMB' 000
人民幣千元

Notes to the Consolidated Financial Statements

綜合財務報表附註

4. CRITICAL ESTIMATES, JUDGEMENTS AND ERRORS

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. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates

(a) *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. Management reassesses these estimates at each balance sheet date.

4. 重大估計、判斷及失誤

編製財務報表需要使用會計估計，顧名思義，該等估計甚少符合實際結果。管理層亦須在應用本集團會計政策時作出判斷。

估計及判斷會予以持續評估，且基於歷史經驗及其他因素，包括對未來事件的預期，而該等事件可能對實體造成財務影響且據信在某些情況下屬合理。

4.1 重大會計估計

(a) *存貨的可變現淨值*

存貨的可變現淨值按日常業務過程中的估計售價減估計完成成本及銷售開支計算。該等估計乃基於當前市況以及製造及銷售類似性質產品的過往經驗作出。管理層於各資產負債表日期重估該等估計。

4. CRITICAL ESTIMATES, JUDGEMENTS AND ERRORS

*(Continued)*4.1 Critical accounting estimates *(Continued)**(b) Income taxes and deferred tax*

There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will be reflected in the income tax expense and deferred tax provisions in the period in which such determination is made. In addition, the realisation of future income tax assets is dependent on the Group's ability to generate sufficient taxable income in future years to utilise income tax benefits and tax loss carry-forwards. Deviations of future profitability from estimates or in the income tax rate would result in adjustments to the value of future income tax assets and liabilities that could have a significant effect on the income tax expenses.

(c) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions.

Management will increase the depreciation charge where useful lives are less than previously estimated lives, it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

4. 重大估計、判斷及失誤(續)

4.1 重大會計估計(續)

(b) 所得稅及遞延稅項

於日常業務過程中有若干交易及計算難以明確作出最終的稅務釐定。本集團根據對是否將繳付額外稅項的估計確認負債。倘該等事宜的最終稅務結果與初步記錄的金額有所差異，則有關差異將於作出有關釐定期間內所得稅開支及遞延稅項撥備中反映。此外，未來所得稅資產能否變現視乎本集團於未來年度能否產生足夠應課稅收入，以使用所得稅利益及結轉稅項虧損的能力而定。倘估計的未來盈利能力或所得稅稅率有所偏離，則須對未來所得稅資產及負債價值作出調整，繼而可能對所得稅開支構成重大影響。

(c) 物業、廠房及設備的可使用年期

本集團管理層釐定其物業、廠房及設備的估計可使用年期及相關折舊費用。這項估計乃根據對於類似性質及功能的物業、廠房及設備的實際可使用年期的過往經驗計算。

倘可使用年期較先前估計的年期為短，管理層將會增加折舊費用，將已棄用或售出的技術陳舊或非策略性資產撇銷或撇減。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. REVENUE AND SEGMENT INFORMATION

Management determines the operating segments based on the reports reviewed by the chief operating decision makers (“CODM”) that are used to make strategic decisions. The Group’s revenue, expenses, assets, liabilities and capital expenditure are primarily attributable to the manufacture and sales of hot pot soup flavoring products, Chinese-style compound condiment products, convenient ready-to-eat food products and others to external customers, which are considered as one segment. The Group’s principal market is the PRC and its sales to overseas customers contributed to less than 10% of the total revenues. Accordingly, no geographical information is presented.

5. 收入及分部資料

管理層基於首席經營決策者(「首席經營決策者」)審閱的報告(用來作出戰略決策)釐定經營分部。本集團的收入、開支、資產、負債及資本支出主要來源於製造及向外部客戶銷售火鍋調味料、中式複合調味料、方便速食食品及其他(視作一個分部)。本集團的主要市場在中國，其向海外客戶的銷售額不到總收入的10%。因此，並無呈列地區資料。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5. REVENUE AND SEGMENT INFORMATION (Continued)

Breakdown of revenue by product category is as follows:

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Revenue	收入		
Hot pot condiment	火鍋調味料		
– Related parties	– 關聯方	1,143,243	871,563
– Third parties	– 第三方	812,277	523,845
Subtotal	小計	1,955,520	1,395,408
Chinese-style compound condiment	中式複合調味料		
– Related parties	– 關聯方	26,784	43,413
– Third parties	– 第三方	228,731	142,860
Subtotal	小計	255,515	186,273
Convenient ready-to-eat food products	方便速食食品		
– Related parties	– 關聯方	4,704	104
– Third parties	– 第三方	444,569	61,341
Subtotal	小計	449,273	61,445
Others	其他		
– Related parties	– 關聯方	1,364	831
– Third parties	– 第三方	19,701	2,264
Subtotal	小計	21,065	3,095
Total	總計	2,681,373	1,646,221

Revenue from sales attributable to related parties accounted for 43.9% and 55.6% of the total revenue for the years ended 31 December 2018 and 2017 respectively.

5. 收入及分部資料(續)

按產品系列劃分的收入明細如下：

關聯方應佔銷售收入佔截至2018年及2017年12月31日止年度總收入分別為43.9%及55.6%。

Notes to the Consolidated Financial Statements

綜合財務報表附註

6. LAND USE RIGHTS

6. 土地使用權

		Land use rights
		土地使用權
		RMB' 000
		人民幣千元
At 1 January 2017	於 2017 年 1 月 1 日	
Cost	成本	33,242
Accumulated amortisation	累計攤銷	(1,504)
Net book amount	賬面淨值	31,738
Year ended 31 December 2017	截至 2017 年 12 月 31 日止年度	
Opening net book amount	年初賬面淨值	31,738
Additions	添置	4,187
Amortisation charge	攤銷費用	(773)
Closing net book amount	年末賬面淨值	35,152
At 31 December 2017	於 2017 年 12 月 31 日	
Cost	成本	37,429
Accumulated amortisation	累計攤銷	(2,277)
Net book amount	賬面淨值	35,152
Year ended 31 December 2018	截至 2018 年 12 月 31 日止年度	
Opening net book amount	年初賬面淨值	35,152
Additions	添置	41,017
Amortisation charge	攤銷費用	(1,135)
Closing net book amount	年末賬面淨值	75,034
At 31 December 2018	於 2018 年 12 月 31 日	
Cost	成本	78,446
Accumulated amortisation	累計攤銷	(3,412)
Net book amount	賬面淨值	75,034

Notes to the Consolidated Financial Statements

綜合財務報表附註

6. LAND USE RIGHTS (Continued)

Land use rights represent the net book amount of prepaid operating lease payment. All the land use rights of the Group are located in the PRC and are held on leases from 46-50 years.

Amortisation expenses has been charged to the consolidated statement of comprehensive income as follows:

		2018	2017
		2018年	2017年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Cost of sales	銷售成本	917	773
Distribution expenses	經銷開支	218	—
Total	總計	1,135	773

6. 土地使用權(續)

土地使用權指預付經營租賃付款的賬面淨值。本集團的全部土地使用權乃位於中國，乃按46至50年的租賃持有。

攤銷費用已於綜合全面收益表中扣除，列示如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

7. INTANGIBLE ASSETS

7. 無形資產

		Trademark 商標權 RMB' 000 人民幣千元	Software 軟件 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
At 1 January 2017	於 2017 年 1 月 1 日			
Cost	成本	—	3,237	3,237
Accumulated amortisation	累計攤銷	—	(434)	(434)
Net book amount	賬面淨值	—	2,803	2,803
Year ended 31 December 2017	截至 2017 年 12 月 31 日止年度			
Opening net book amount	年初賬面淨值	—	2,803	2,803
Additions	添置	—	3,260	3,260
Disposals	出售	—	(30)	(30)
Amortisation charge	攤銷費用	—	(851)	(851)
Closing net book amount	年末賬面淨值	—	5,182	5,182
At 31 December 2017	於 2017 年 12 月 31 日			
Cost	成本	—	6,467	6,467
Accumulated amortisation	累計攤銷	—	(1,285)	(1,285)
Net book amount	賬面淨值	—	5,182	5,182
Year ended 31 December 2018	截至 2018 年 12 月 31 日止年度			
Opening net book amount	年初賬面淨值	—	5,182	5,182
Additions	添置	160	1,144	1,304
Amortisation charge	攤銷費用	(11)	(1,166)	(1,177)
Closing net book amount	年末賬面淨值	149	5,160	5,309
At 31 December 2018	於 2018 年 12 月 31 日			
Cost	成本	160	7,611	7,771
Accumulated amortisation	累計攤銷	(11)	(2,451)	(2,462)
Net book amount	賬面淨值	149	5,160	5,309

Notes to the Consolidated Financial Statements

綜合財務報表附註

7. INTANGIBLE ASSETS (Continued)

Amortisation expenses has been charged to the consolidated statement of comprehensive income as follows:

7. 無形資產(續)

攤銷費用已於綜合全面收益表中扣除，列示如下：

		2018 2018年 RMB' 000 人民幣千元	2017 2017年 RMB' 000 人民幣千元
Cost of sales	銷售成本	123	302
Administrative expenses	行政開支	91	72
Distribution expenses	經銷開支	963	477
Total	總計	1,177	851

Notes to the Consolidated Financial Statements

綜合財務報表附註

8. PROPERTY, PLANT AND EQUIPMENT

8. 物業、廠房及設備

		Buildings 樓宇	Machinery 機器	Equipment and other 設備及其他	Vehicles and furniture 車輛及家具	Construction in process 在建工程	Total 總計
		RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元
As at 1 January 2017	於2017年1月1日						
Cost	成本	70,681	80,723	21,429	2,044	1,772	176,649
Accumulated depreciation	累計折舊	(18,450)	(26,440)	(14,365)	(1,253)	—	(60,508)
Net book amount	賬面淨值	52,231	54,283	7,064	791	1,772	116,141
Year ended 31 December 2017	截至2017年12月31日						
	止年度						
Opening net book amount	年初賬面淨值	52,231	54,283	7,064	791	1,772	116,141
Additions	添置	5,153	12,251	11,576	1,345	48,807	79,132
Disposals	出售	—	(628)	(65)	(21)	—	(714)
Depreciation charge	折舊費用	(2,967)	(7,625)	(3,466)	(413)	—	(14,471)
Closing net book amount	年末賬面淨值	54,417	58,281	15,109	1,702	50,579	180,088
As at 31 December 2017	於2017年12月31日						
Cost	成本	75,834	92,346	32,940	3,368	50,579	255,067
Accumulated depreciation	累計折舊	(21,417)	(34,065)	(17,831)	(1,666)	—	(74,979)
Net book amount	賬面淨值	54,417	58,281	15,109	1,702	50,579	180,088
Year ended 31 December 2018	截至2018年12月31日						
	止年度						
Opening net book amount	年初賬面淨值	54,417	58,281	15,109	1,702	50,579	180,088
Additions	添置	2,685	50,587	14,351	2,282	83,869	153,774
Disposals	出售	—	(3,078)	(329)	(664)	(9)	(4,080)
Depreciation charge	折舊費用	(3,654)	(11,337)	(5,481)	(694)	—	(21,166)
Closing net book amount	年末賬面淨值	53,448	94,453	23,650	2,626	134,439	308,616
As at 31 December 2018	於2018年12月31日						
Cost	成本	78,519	139,855	46,962	4,986	134,439	404,761
Accumulated depreciation	累計折舊	(25,071)	(45,402)	(23,312)	(2,360)	—	(96,145)
Net book amount	賬面淨值	53,448	94,453	23,650	2,626	134,439	308,616

Notes to the Consolidated Financial Statements

綜合財務報表附註

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation expenses has been charged to the consolidated statement of comprehensive income as follows:

8. 物業、廠房及設備(續)

折舊開支已於綜合全面收益表中扣除，列示如下：

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Cost of sales	銷售成本	18,938	13,284
Administrative expenses	行政開支	201	199
Distribution expenses	經銷開支	2,027	988
Total	總計	21,166	14,471

Notes to the Consolidated Financial Statements

綜合財務報表附註

9. SUBSIDIARIES

(a) The Group's subsidiaries at 31 December 2018 are set out below:

Name of company 公司名稱	Place of incorporation/ establishment and kind of legal entity 註冊成立/成立地點 及法定實體類型	Principal activities and place of operation 主要活動及經營地點	Particulars of issued share capital 已發行股本詳情	Ownership interest held by the Group 本集團持有的所有權權益		Ownership interest held by non-controlling interests 非控制權益持有的 所有權權益	
				2018 2018年 %	2017 2017年 %	2018 2018年 %	2017 2017年 %
<i>Directly held:</i> 直接持有：							
Yihai Ltd.	British Virgin Islands Limited liability company	Investment holding and consulting in British Virgin Islands	US\$1	100%	100%	—	—
Yihai Ltd.	英屬處女群島有限責任公司	投資控股與諮詢 在英屬處女群島從事	1 美元	100%	100%	—	—
<i>Indirectly held:</i> 間接持有：							
Yihai (China) Food Co., Ltd. 頤海(中國)食品有限公司	Hong Kong Limited liability company 香港有限責任公司	Investment holding and consulting in Hong Kong 在香港從事投資控股與諮詢	HK\$10,000,000 10,000,000 港元	100%	100%	—	—
Yihai (Shanghai) Food Co., Ltd. 頤海(上海)食品有限公司	The PRC Limited liability company 中國有限責任公司	Sales of hot pot condiment in China 在中國銷售火鍋調味料	US\$50,000,000 50,000,000 美元	100%	100%	—	—
Zhengzhou Shuhai Enterprise Co., Ltd. 鄭州蜀海實業有限公司	The PRC Limited liability company 中國有限責任公司	Manufacture and sales of hot pot condiment in China 在中國生產及銷售火鍋調味料	RMB1,000,000 人民幣 1,000,000 元	100%	100%	—	—

9. 附屬公司

(a) 本集團於2018年12月31日的附屬公司載列如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

9. SUBSIDIARIES (Continued)

9. 附屬公司(續)

(a) The Group's subsidiaries at 31 December 2018 are set out below: (Continued)

(a) 本集團於2018年12月31日的附屬公司載列如下：(續)

Name of company 公司名稱	Place of incorporation/ establishment and kind of legal entity 註冊成立/經營地點 及法定實體類型	Principal activities and place of operation 主要活動及經營地點	Particulars of issued share capital 已發行股本詳情	Ownership interest held by the Group 本集團持有的所有權權益		Ownership interest held by non-controlling interests 非控制權益持有的 所有權權益	
				2018 2018年 %	2017 2017年 %	2018 2018年 %	2017 2017年 %
<i>Indirectly held:</i> 間接持有：							
Chengdu Yueyihai Co., Ltd. 成都悅頤海商貿有限公司	The PRC Limited liability company 中國有限責任公司	Manufacture and sales of hot pot condiment in China 在中國生產及銷售火鍋調味料	RMB 1,000,000 人民幣1,000,000元	100%	100%	—	—
Yihai Beijing Trading Co., Ltd. 頤海(北京)商貿 有限責任公司	The PRC Limited liability company 中國有限責任公司	Sales of hot pot condiment in China 在中國銷售火鍋調味料	RMB 1,000,000 人民幣1,000,000元	100%	100%	—	—
Yihai (Bazhou) Food Co., Ltd. 頤海(霸州)食品有限公司	The PRC Limited liability company 中國有限責任公司	Yet to commence operation in China 尚未在中國營運	RMB 10,000,000 人民幣 10,000,000元	100%	100%	—	—
Yihai (Maanshan) Food Co., Ltd 頤海(馬鞍山)食品 有限公司	The PRC Limited liability company 中國有限責任公司	Manufacture and sales of hot pot condiment in China 在中國生產及銷售火鍋調味料	RMB 30,000,000 人民幣 30,000,000元	100%	100%	—	—
Fuhai (Maanshan) Food Co., Ltd 馥海(馬鞍山)食品 有限公司	The PRC Limited liability company 中國有限責任公司	Manufacture and sales of hot pot condiment in China 在中國生產及銷售火鍋調味料	RMB 10,000,000 人民幣 10,000,000元	100%	100%	—	—
Fuhai (Shanghai) Food Technology Co., Ltd 馥海(上海)食品科技 有限公司	The PRC Limited liability company 中國有限責任公司	Manufacture and sales of hot pot condiment in China 在中國生產及銷售火鍋調味料	RMB 10,000,000 人民幣 10,000,000元	60%	60%	40%	40%
Yihai (Chengdu) Food Co., Ltd	The PRC Limited liability company 中國有限責任公司	Yet to commence operation in China 尚未在中國營運	—	100%	—	—	—
Yihai (Chengdu) Food Co., Ltd	中國有限責任公司	尚未在中國營運	—	100%	—	—	—

Notes to the Consolidated Financial Statements

綜合財務報表附註

9. SUBSIDIARIES (Continued)

(b) Non-controlling interests (“NCI”)

Set out below is summarised financial information for Fuhai (Shanghai) Food Technology Co.,Ltd. that has non-controlling interests that are material to the Group, which were immaterial in 2017. The amounts disclosed for the subsidiary are before inter-company eliminations:

Balance sheet 資產負債表		31 Dec 2018 2018 年 12 月 31 日 RMB' 000 人民幣千元	31 Dec 2017 2017 年 12 月 31 日 RMB' 000 人民幣千元
Current assets	流動資產	177,138	21,977
Current liabilities	流動負債	102,431	11,803
Current net assets	流動資產淨值	74,707	10,174
Non-current assets	非流動資產	11,621	877
Non-current liabilities	非流動負債	—	—
Non-current net assets	非流動資產淨值	11,621	877
Net assets	資產淨值	86,328	11,051
Accumulated NCI	累計 NCI	34,531	4,420

9. 附屬公司(續)

(b) 非控制權益 (“NCI”)

以下所載為馥海(上海)食品科技有限公司(擁有對本集團而言屬重大的非控制權益，該權益於2017年屬不重大)的財務資料摘要。就該附屬公司披露的金額尚未進行公司間對銷：

Notes to the Consolidated Financial Statements

綜合財務報表附註

9. SUBSIDIARIES (Continued)

(b) Non-controlling interests (“NCI”) (Continued)

		31 Dec 2018	31 Dec 2017
		2018 年 12月31日 RMB'000 人民幣千元	2017 年 12月31日 RMB'000 人民幣千元
Statement of comprehensive income 全面收益表			
Revenue	收入	425,340	9,665
Profit for the period	期內溢利	75,276	1,050
Other comprehensive income	其他全面收入	—	—
Total comprehensive income	全面收入總額	75,276	1,050
Profit allocated to NCI	分配至 NCI 的溢利	30,111	420
Cash flows 現金流量			
		31 Dec 2018 2018 年 12月31日 RMB'000 人民幣千元	31 Dec 2017 2017 年 12月31日 RMB'000 人民幣千元
Cash flows from operating activities	經營活動所得現金流量	50,594	9,752
Cash flows used in investing activities	投資活動所用現金流量	(10,341)	(812)
Cash flows from financing activities	融資活動所得現金流量	—	10,000
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	40,253	18,940

9. 附屬公司(續)

(b) 非控制權益 (“NCI”) (續)

Notes to the Consolidated Financial Statements

綜合財務報表附註

10. DEFERRED INCOME TAX

(i) Deferred tax assets

The balance comprises temporary differences attributable to:	結餘包括歸屬於下列各項的暫時差異：		
Unrealised profit on intragroup sales	集團內部銷售未變現溢利	12,559	2,682
Sales rebates	銷售返利	5,432	4,046
Tax losses	稅項虧損	4,385	2,065
Provision of trade and other receivables	貿易及其他應收款項撥備	160	87
Depreciation differences	折舊差額	715	867
Payroll and welfare payables	應付薪金及福利	638	807
Total deferred tax assets	遞延稅項資產總值	23,889	10,554
Set-off of deferred tax liabilities pursuant to set-off provisions	根據抵銷規定抵銷遞延稅項負債	—	—
Net deferred tax assets	遞延稅項資產淨值	23,889	10,554

10. 遞延所得稅

(i) 遞延稅項資產

As at 31 December
於 12 月 31 日

	2018 2018 年 RMB'000 人民幣千元	2017 2017 年 RMB'000 人民幣千元
The balance comprises temporary differences attributable to:		
Unrealised profit on intragroup sales	12,559	2,682
Sales rebates	5,432	4,046
Tax losses	4,385	2,065
Provision of trade and other receivables	160	87
Depreciation differences	715	867
Payroll and welfare payables	638	807
Total deferred tax assets	23,889	10,554
Set-off of deferred tax liabilities pursuant to set-off provisions	—	—
Net deferred tax assets	23,889	10,554

Notes to the Consolidated Financial Statements

綜合財務報表附註

10. DEFERRED INCOME TAX (Continued)

(i) Deferred tax assets (Continued)

The movement in deferred income tax assets during the year ended 2018, without taking into consideration of the offsetting of balances within the same tax jurisdiction, is as follows:

Movements	變動	Sales rebates	Depreciation differences	Unrealised profit on intragroup sales	Payroll and welfare payables	Provision of trade and other receivables	Tax losses	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	集團內部銷售 未變現溢利 RMB'000 人民幣千元	應付薪金及福利 RMB'000 人民幣千元	貿易及其他應收款項撥備 RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
As at 1 January 2017	於 2017 年 1 月 1 日	2,189	1,019	2,501	807	68	—	6,584
Credited/(Charged) to the consolidated statement of comprehensive income	於綜合全面收益表計入/(扣除)	1,857	(152)	181	—	19	2,065	3,970
As at 31 December 2017	於 2017 年 12 月 31 日	4,046	867	2,682	807	87	2,065	10,554
Credited/(Charged) to the consolidated statement of comprehensive income	於綜合全面收益表計入/(扣除)	1,386	(152)	9,877	(169)	73	2,320	13,335
As at 31 December 2018	於 2018 年 12 月 31 日	5,432	715	12,559	638	160	4,385	23,889

10. 遞延所得稅(續)

(i) 遞延稅項資產(續)

在不考慮相同稅務司法權區內可抵銷餘額的情況下，於截至 2018 年止年度的遞延所得稅資產變動如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

11. INVENTORIES

		As at 31 December 於 12 月 31 日	
		2018 2018 年 RMB'000 人民幣千元	2017 2017 年 RMB'000 人民幣千元
Raw materials	原材料	61,501	41,519
Work in progress	在產品	3,641	6,889
Finished goods	產成品	210,673	99,209
Total inventories	存貨總額	275,815	147,617

The cost of inventories recognised as expense and included in 'cost of sales' amounted to RMB1,461,547,000 (2017: RMB909,564,000), which included inventory write-down of RMB 165,000 (2017: RMB279,000).

確認為開支並計入「銷售成本」的存貨成本為人民幣1,461,547,000元(2017年：人民幣909,564,000元)，其包括存貨撇減人民幣165,000元(2017年：人民幣279,000元)。

12. PREPAYMENTS AND OTHER RECEIVABLES

		As at 31 December 於 12 月 31 日	
		2018 2018 年 RMB'000 人民幣千元	2017 2017 年 RMB'000 人民幣千元
Prepayments	預付款項		
Prepayments for purchase of raw materials	購買原材料的預付款項	—	46,202
Value added tax recoverable	可收回增值稅	—	11,499
Prepayments for technology and other services expenses	預付科技及其他服務款項	—	8,676
Prepayments for rental and warehouse	租金及倉儲預付款項	—	5,667
Others	其他	—	358
Subtotal	小計	—	72,402
Other receivables	其他應收款項		
Deposit for utilities	公用設施按金	—	3,672
Advance to employees	提供僱員的墊款	—	522
Others	其他	—	420
Subtotal	小計	—	4,614
Less: provision for impairment	減：減值準備	—	(346)
Subtotal	小計	—	4,268
Total	合計	—	76,670

The carrying amounts of prepayments and other receivables above approximate their fair value.

上述預付及其他應收款項的賬面值與其公平值相若。

Notes to the Consolidated Financial Statements

綜合財務報表附註

13. OTHER CURRENT ASSETS

13. 其他流動資產

		As at 31 December 於 12 月 31 日	
		2018 2018 年 RMB' 000 人民幣千元	2017 2017 年 RMB' 000 人民幣千元
Prepayments for purchase of raw materials	購買原材料的預付款項	153,989	—
Value added tax recoverable	可收回增值稅	33,866	—
Prepayments for technology and other services expenses	科技及其他服務費用的預付款項	17,530	—
Prepayments for rental and warehouse	租金及倉儲預付款項	6,666	—
Others	其他	1,127	—
Total	總計	213,178	—

Notes to the Consolidated Financial Statements

綜合財務報表附註

14. TRADE RECEIVABLES

		As at 31 December 於 12 月 31 日	
		2018 2018 年 RMB' 000 人民幣千元	2017 2017 年 RMB' 000 人民幣千元
Third parties	第三方	42,122	21,352
Related parties (Note 35(d))	關聯方 (附註 35(d))	164,801	110,107
Subtotal	小計	206,923	131,459
Less: provision for impairment (a)	減：減值撥備 (a)	(30)	(2)
Trade receivables – net	貿易應收款項 – 淨額	206,893	131,457

(a) The majority of the Group's third party sales are conducted through receiving advances from customers before delivering the goods to customers, with only few customers are granted with credit periods ranged from 30 to 90 days. The related party customers of the Group are granted with 30 days credit period. Ageing analysis based on recognition date of the gross trade receivables at the respective balance sheet dates is as follows:

(a) 本集團的第三方銷售大部分以向客戶交付貨物前收取客戶墊款的方式進行，當中僅有少數客戶獲授出介乎 30 至 90 天的信貸期。本集團的關聯方客戶獲授出 30 天的信貸期。根據總貿易應收款項的確認日期於各結算日的賬齡分析如下：

		As at 31 December 於 12 月 31 日	
		2018 2018 年 RMB' 000 人民幣千元	2017 2017 年 RMB' 000 人民幣千元
Within 3 months	3 個月內	202,929	131,457
3 to 6 months	3 至 6 個月	3,964	—
Total	總計	206,893	131,457

The carrying amounts of trade receivables above approximate their fair values.

上述貿易應收款項的賬面值與其公平值相若。

14. TRADE RECEIVABLES (Continued)

- (b) Movements in the provision for impairment of trade receivables are as follows:

		As at 31 December 於 12 月 31 日	
		2018 2018 年 RMB'000 人民幣千元	2017 2017 年 RMB'000 人民幣千元
As at 1 January	於 1 月 1 日	2	10
Provision for/(Reversal of) impairment allowance	減值撥備/(撥回)	28	(8)
As at 31 December	於 12 月 31 日	30	2

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Note 3.1 provides details about the calculation of the allowance.

The creation and release of provision for impaired receivables have been included in 'Administrative expenses' in the consolidated statement of comprehensive income.

14. 貿易應收款項(續)

- (b) 貿易應收款項減值撥備變動如下：

		As at 31 December 於 12 月 31 日	
		2018 2018 年 RMB'000 人民幣千元	2017 2017 年 RMB'000 人民幣千元
As at 1 January	於 1 月 1 日	2	10
Provision for/(Reversal of) impairment allowance	減值撥備/(撥回)	28	(8)
As at 31 December	於 12 月 31 日	30	2

倘無合理預期可收回貿易應收款項，則予撇銷。無合理預期收回的指標包括(其中包括)債務人未能參予本集團的還款計劃及未能作出合約付款。

本集團採用國際財務報告準則第9號簡化方法計量預期信貸虧損，為所有貿易應收款項撥備整個存續期的預期虧損。附註3.1提供有關撥備的計算方法詳情。

設立及解除已減值應收款項撥備已計入綜合全面收益表的「行政開支」。

Notes to the Consolidated Financial Statements

綜合財務報表附註

15. OTHER FINANCIAL ASSETS AT AMORTISED COST

		As at 31 December 於 12 月 31 日	
		2018 2018 年 RMB' 000 人民幣千元	2017 2017 年 RMB' 000 人民幣千元
Deposit for utilities	公用設施押金	4,063	—
Advance to employees	提供予僱員的墊款	1,109	—
Others	其他	804	—
Subtotal	小計	5,976	—
Less: loss allowance for debt investments at amortised cost	減：按攤銷成本計債務 投資的虧損撥備	(608)	—
Total	總計	5,368	—

See Note 2.2 for the impact of the change in accounting policy following the adoption of IFRS 9 on the classification of financial assets and Note 2.12 for the remaining relevant accounting policies.

The carrying amounts of other financial assets at amortised cost above approximate their fair values.

15. 按攤銷成本列賬的其他金融資產

有關採納國際財務報告準則第9號後的會計政策變動對金融資產分類的影響，請參閱附註2.2，有關其餘相關會計政策，請參閱附註2.12。

上述按攤銷成本列賬的其他金融資產的賬面值與其公平值相若。

Notes to the Consolidated Financial Statements

綜合財務報表附註

16. CASH AND CASH EQUIVALENTS

16. 現金及現金等價物

		As at 31 December 於 12 月 31 日	
		2018 2018 年 RMB' 000 人民幣千元	2017 2017 年 RMB' 000 人民幣千元
Cash at bank and in hand	銀行及手頭現金	1,179,910	1,130,205

		As at 31 December 於 12 月 31 日	
		2018 2018 年 RMB' 000 人民幣千元	2017 2017 年 RMB' 000 人民幣千元
RMB	人民幣	443,585	421,458
US\$	美元	440,861	43,364
HK\$	港元	295,464	665,383
Total	總計	1,179,910	1,130,205

As at 31 December 2018, the balance of RMB20,448,000 (2017: RMB3,462,000) represented deposits held in certain on line payment platforms.

於 2018 年 12 月 31 日，結餘人民幣 20,448,000 元 (2017 年：人民幣 3,462,000 元) 為在若干網絡付款平台持有的存款。

The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government.

將以人民幣列值的結餘換算為外幣及將該等外幣計值的銀行結餘及現金匯出中國，須遵守中國政府頒佈的有關外匯管制規則及法規。

Notes to the Consolidated Financial Statements

綜合財務報表附註

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(i) Classification of financial assets at fair value through profit or loss

The Group classifies the following financial assets at fair value through profit or loss (FVPL):

- debt investments that do not qualify for measurement at either amortised cost or FVOCI,
- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

Financial assets mandatorily measured at FVPL include the following:

17. 按公平值計入損益的金融資產

(i) 按公平值計入損益的金融資產的分類

本集團將下列金融資產分類為按公平值計入損益(按公平值計入損益)：

- 不合資格按攤銷成本或按公平值計入其他全面收益計量的債務投資；
- 持作交易的股本投資；及
- 實體並無選擇透過其他全面收益確認公平值收益及虧損的股本投資。

強制按公平值計入損益計量的金融資產包括以下各項：

As at 31 December
於 12 月 31 日

		2018 2018 年 RMB' 000 人民幣千元	2017 2017 年 RMB' 000 人民幣千元
Non-current assets	非流動資產		
Listed equity securities	上市股本證券	12,000	—
Current assets	流動資產		
Designated (a)	指定 (a)	—	32,671

- a) Balance represented treasury products issued by an unlisted company with guaranteed principal and expected rate of return. Such assets are denominated in US\$, with maturity date in September 2018, and are designated as financial assets at fair value through profit or loss.

- a) 該結餘指非上市公司發行的保本型且擁有預期回報率的財資產品。該資產以美元計值，到期日為2018年9月，被指定為按公平值計入損益的金融資產。

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)
(ii) Amounts recognised in profit or loss

During the year, the following losses were recognised in profit or loss:

	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Fair value losses on FVPL recognised in other income and gains-net (Note 27)	—	263

(iii) Risk exposure and fair value measurements

For information about the methods and assumptions used in determining fair value please refer to Note 3.3

(iv) Previous accounting policy: Classification of financial assets at fair value through profit or loss

In 2017, the Group classified financial assets at fair value through profit or loss if they were acquired principally for the purpose of selling in the short term, i.e. are held for trading. They were presented as current assets if they are expected to be sold within 12 months after the end of the reporting period; otherwise they were presented as non-current assets. The Group had elected to designate some financial assets at fair value through profit or loss. See Note 2.12 for the Group's other accounting policies for financial assets.

17. 按公平值計入損益的金融資產 (續)
(ii) 於損益內確認的金額

年內，下列虧損於損益內確認：

(iii) 風險敞口及公平值計量

有關釐定公平值時所用的方法及假設的資料，請參閱附註3.3。

(iv) 過往會計政策：按公平值計入損益的金融資產的分類

於2017年，如購入金融資產的主要目的是在短期內出售（即持作交易），則本集團將有關金融資產分類為按公平值計入損益的金融資產。若預計有關資產將於報告期末後12個月內出售，則有關資產呈列為流動資產；否則呈列為非流動資產。本集團選擇指定部分金融資產按公平值計入損益計量。請參閱附註2.12了解本集團其他有關金融資產的會計政策。

Notes to the Consolidated Financial Statements

綜合財務報表附註

18. SHARE CAPITAL

		2018 2018年 Shares 股份	2017 2017年 Shares 股份	2018 2018年 US\$' 000 千美元	2017 2017年 US\$' 000 千美元
Ordinary shares of US\$ 0.00001 each	每股 0.00001 美元的普通股				
– Authorised on 1 January 2017, 31 December 2017 and 2018	– 於2017年1月1日、2017年及2018年12月31日獲授權	5,000,000,000	5,000,000,000	50,000	50,000

18. 股本

Issued and fully paid ordinary shares:

已發行及繳足普通股：

		Number of ordinary shares 普通股數目	Nominal value of ordinary shares 普通股面值 US\$ 美元	Equivalent nominal value of ordinary shares 普通股等額面值 RMB' 000 人民幣千元
On 1 January 2017, 31 December 2017 and 2018	於2017年1月1日、2017年及2018年12月31日	1,046,900,000	10,469	68

Notes to the Consolidated Financial Statements

綜合財務報表附註

19. SHARES HELD FOR EMPLOYEE SHARE SCHEME

	2018 2018年 Shares 股份	2017 2017年 Shares 股份	2018 2018年 RMB' 000 人民幣千元	2017 2017年 RMB' 000 人民幣千元
Shares held for employee share scheme 就僱員股份計劃持有的股份	74,006,000	77,220,000	5	5

These shares are held by the Group's RSU Trustee for the purpose of issuing shares under the Group's RSU Scheme. Under the RSU Scheme, in 2016, the Company repurchased 53,680,000 ordinary shares from JLJH YIHAI Ltd., one of the shareholders of the Company, at a total consideration of US\$638,108 (equivalent to RMB4,166,000). The shares under the RSU Scheme have been changed to 77,220,000 after the capitalisation issue on 13 July 2016. (see Note 21 for further information).

19. 就僱員股份計劃持有的股份

該等股份為本集團受限制股份單位受托人所持有的本集團股份，用於本集團受限制股份單位計劃發行股份的用途。根據受限制股份單位計劃，於2016年，本公司自本公司其中一名股東JLJH YIHAI Ltd. 購回53,680,000股普通股，總代價為638,108美元(相等於人民幣4,166,000元)。於2016年7月13日資本化發行後，受限制股份單位計劃中的股份已變更為77,220,000股。(詳細資料請參見附註21)。

Details	詳情	Number of shares 股份數目	RMB' 000 人民幣千元
Balance at 1 January 2017 and 31 December 2017	2017年1月1日及2017年12月31日結餘	77,220,000	5
Shares vested under RSU scheme	受限制股份單位計劃中的已歸屬股份	(3,214,000)	—
Balance 31 December 2018	2018年12月31日結餘	74,006,000	5

Notes to the Consolidated Financial Statements

綜合財務報表附註

20. RESERVES

The following table shows a breakdown of the balance sheet line item 'reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

		Share premium	Merger reserve (Note a)	Statutory reserve (Note b)	Share-based payment reserve (Note c)	Retained earnings	Total
		股份溢價	合併儲備 (附註 a)	法定儲備 (附註 b)	以股份為基礎 付款儲備 (附註 c)	保留盈利	總計
		RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
As at 1 January 2017	於2017年1月1日	956,590	(445)	22,159	102	287,736	1,266,142
Profit for the year	年內溢利	—	—	—	—	260,670	260,670
Appropriation to statutory reserves	撥作法定儲備	—	—	30,339	—	(30,339)	—
Share-based payment expense (Note 21)	以股份為基礎的付款開支 (附註 21)	—	—	—	8,510	—	8,510
Dividends paid (Note 31)	已付股息(附註 31)	(33,996)	—	—	—	—	(33,996)
As at 31 December 2017	於2017年12月31日	922,594	(445)	52,498	8,612	518,067	1,501,326
As at 1 January 2018	於2018年1月1日	922,594	(445)	52,498	8,612	518,067	1,501,326
Profit for the year	年內溢利	—	—	—	—	517,793	517,793
Appropriation to statutory reserves	撥作法定儲備	—	—	20,919	—	(20,919)	—
Share-based payment expense (Note 21)	以股份為基礎的付款開支 (附註 21)	—	—	—	34,202	—	34,202
Shares vested under employee share scheme (Note 21)	僱員股份計劃項下歸屬的股份(附註 21)	28,284	—	—	(28,187)	—	97
Dividends paid (Note 31)	已付股息(附註 31)	(48,291)	—	—	—	—	(48,291)
As at 31 December 2018	於2018年12月31日	902,587	(445)	73,417	14,627	1,014,941	2,005,127

(a) The merger reserve represented the aggregate difference between the considerations paid and the carrying amounts of the acquired Listed Business pursuant to the completion of the Reorganisation.

20. 儲備

下表列示資產負債表項目「儲備」的明細及該等儲備於年內的變化。有關各項儲備性質及目的的說明載於表後。

(a) 合併儲備指已付代價與根據重組完成所收購上市業務的賬面值之間的總差額。

20. RESERVES *(Continued)*

- (b) The Company's subsidiaries incorporated in the PRC are required to make appropriations to statutory reserves from their profit for the year after offsetting accumulated losses carried forward from prior years as determined under the PRC accounting regulations and before distribution to equity holders. The percentages to be appropriated to such statutory reserve are determined according to the relevant regulations in the PRC, and further appropriation is optional when the accumulated fund is 50% or more of the registered capital of the subsidiaries.

20. 儲備(續)

- (b) 本公司於中國註冊成立的附屬公司須自年內溢利中，經抵銷根據中國會計規例釐定的過往年度結轉累計虧損後以及於向股權持有人分派盈利前，提撥法定儲備。向法定儲備撥款的百分比乃按照中國相關規例釐定，而倘累計資金達附屬公司註冊資本的50%或以上，則可選擇是否作進一步提撥。

21. SHARE-BASED COMPENSATION

Restricted Share Unit Scheme

The Company adopted the RSU Scheme on 24 February 2016 with a duration of 10 years commencing from the adoption date. The objective of the RSU Scheme is to encourage and retain selected participants which include directors, employees, officers, and distributors of the Group, to work with the Group and to provide additional incentive for them to achieve performance goals.

Save as disclosed in Note 19, the RSU shares have been held by Vistra Fiduciary (HK) Limited (“RSU Trustee”) in trust for the benefit of the participants to the scheme and will be released to participants upon vesting of each RSU.

The maximum number of ordinary shares that may be awarded by the Board of Directors pursuant to the Share Award Scheme must not, on an aggregate basis, exceed 7.37% of the issued ordinary shares in the share capital of the Company as at 24 February 2016 (being 77,220,000 shares).

The fair value of Restricted Shares based on the market value of the Company’s shares on the grant date is charged as employee expenses in the consolidated statement of comprehensive income statement of the Group.

On 28 December 2016, the Group granted an aggregate of 9,140,000 shares under the Share Award Scheme, according to the vesting conditions approved by the Board of Directors, selected participants complete a period of service in the Group of 24 to 36 months from the date of grant. During the year end 2018, there was 1,704,000 and 620,000 RSU shares vested and forfeited respectively (2017: Nil). The vested shares are transferred to selected participants at the consideration of HKD 0.064, the forfeited shares will be reallocated in subsequent grants.

On 9 December 2018, the Group granted an aggregate of 1,510,000 shares under the Share Award Scheme, amongst which all awarded shares vested during the year. The vested shares are transferred to selected participants at Nil consideration without vesting conditions. Dividends declared for unvested awarded shares shall become part of the trust fund for future grantees.

21. 以股份為基礎的補償

受限制股份單位計劃

本公司於2016年2月24日採納受限制股份單位計劃，自採納日期起計為期10年。受限制股份單位計劃的目的為鼓勵及留住特定參與者(包括本集團董事、僱員、高級職員及經銷商)於本集團工作，並為彼等提供額外獎勵以實現業績目標。

除附註19所披露者外，受限制股份單位股份以信託方式由Vistra Fiduciary (HK) Limited(「受限制股份單位受託人」)就計劃參與者的利益持有，並將於每個受限制股份單位歸屬後發放予參與者。

董事會根據股份獎勵計劃可能獲得的普通股數目上限合共不得超過本公司股本於2016年2月24日已發行普通股的7.37%(即77,220,000股)。

按本公司股份於授出日期的市場價值計算的受限制股份的公平值於本集團綜合全面收益表內作為僱員開支扣除。

於2016年12月28日，本集團根據股份獎勵計劃並按照董事會批准的歸屬條件，向自授出日期起計於本集團服務滿24至36個月期的獲選參與者授出合共9,140,000股股份。於2018年年底，分別已歸屬1,704,000股及沒收620,000股受限制股份單位股份(2017年：零)。已歸屬股份已轉讓予獲選參與者，代價為0.064港元，已沒收股份將於其後授出時予以重新分配。

於2018年12月9日，本集團根據股份獎勵計劃授出合共1,510,000股股份，所有獎勵股份已於年內歸屬。已歸屬股份已在無歸屬條件情況下轉讓予獲選參與者，代價為零。就未歸屬獎勵股份宣派的股息將成為未來受託人的部分信託資金。

21. SHARE-BASED COMPENSATION (Continued)

Restricted Share Unit Scheme (Continued)

Movements in the number of Restricted Shares granted and related fair value at grant date are as follows:

		2018 2018年		2017 2017年	
		Weighted average fair value (per share) 加權平均 公平值 (每股) HK\$ 港元	Number of Restricted Shares granted 已授出 受限制 股份數目 (Thousands) (千股)	Weighted average fair value (per share) 加權平均 公平值 (每股) HK\$ 港元	Number of Restricted Shares granted 已授出 受限制 股份數目 (Thousands) (千股)
As at 1 January	於1月1日	3.18	9,140	3.18	9,140
Granted	已授出	19.94	1,510	—	—
Vested	已歸屬	11.12	(3,214)	—	—
Forfeited	已沒收	3.18	(620)	—	—
As at 31 December	於12月31日	3.18	6,816	3.18	9,140

The fair value of Restricted Shares charged to the consolidated statement of comprehensive income was RMB34,202,000 during the year ended 31 December 2018 (2017: RMB8,510,000).

21. 以股份為基礎的補償(續)

受限制股份單位計劃(續)

已授出受限制股份數目及相關公平值的變動如下：

截至2018年12月31日止年度，扣除自綜合全面收益表的受限制股份公平值為人民幣34,202,000元(2017年：人民幣8,510,000元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

22. TRADE PAYABLES

Trade payables mainly arose from the purchase of materials. The credit terms of trade payables granted by the vendors are usually 30 to 90 days.

At 31 December, the ageing analysis of the trade payables based on invoice date is as follows:

		As at 31 December 於 12 月 31 日	
		2018 2018 年 RMB' 000 人民幣千元	2017 2017 年 RMB' 000 人民幣千元
Within 3 months	3 個月內	172,376	134,084
3 to 6 months	3 個月至 6 個月	9,759	1,582
6 months to 1 year	6 個月至 1 年	6,524	916
Total	總計	188,659	136,582

22. 貿易應付款項

貿易應付款項主要源自購買原材料。賣方授出的貿易應付款項信貸期通常為 30 至 90 天。

於 12 月 31 日，基於發票日期的貿易應付款項賬齡分析如下：

23. OTHER PAYABLES AND ACCRUALS

		As at 31 December 於 12 月 31 日	
		2018 2018 年 RMB' 000 人民幣千元	2017 2017 年 RMB' 000 人民幣千元
Advances from customers	客戶墊款	—	30,823
Other tax payables	其他應付稅項	27,716	27,490
Wages, salaries and other employee benefits	工資、薪金及其他僱員福利	38,477	25,572
Sales rebates	銷售返利	21,728	16,182
Suppliers' deposits	供應商按金	10,268	9,417
Payables for legal and professional fees	應付法律及專業費用	596	3,420
Payables for construction	應付工程款	511	806
Related parties (Note 35(d))	關聯方(附註 35(d))	599	258
Others	其他	3,721	1,065
Total	總計	103,616	115,033

23. 其他應付款項及應計費用

24. CONTRACT LIABILITIES

24. 合約負債

		As at 31 December 於 12 月 31 日	
		2018 2018 年 RMB' 000 人民幣千元	2017 2017 年 RMB' 000 人民幣千元
Advances from customers	預收客戶款項	45,350	—

(i) Revenue recognised in relation to contract liabilities:

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

(i) 就合約負債確認的收益：

下表列示於本報告期確認的與結轉合約負債有關的收益金額。

		As at 31 December 於 12 月 31 日	
		2018 2018 年 RMB' 000 人民幣千元	2017 2017 年 RMB' 000 人民幣千元
Revenue recognised that was included in the contract liability balance at the beginning of the period	計入期初合約負債結餘的已確認收益	30,500	—

The Group changed the presentation of contract liabilities in relation to contracts were previously included in other payables and accruals to reflect the terminology of IFRS 15. The fluctuation of the contract liabilities in 2018 and advances from customers in 2017 is due to the business development and increasing the number of distributors.

本集團更改先前計入其他應付款項及應計費用的合約相關合約負債呈列方式，以反映國際財務報告準則第15號的術語。合約負債於2018年及預收客戶款項於2017年出現波動是由於業務開發及經銷商數目持續增加。

Notes to the Consolidated Financial Statements

綜合財務報表附註

25. EXPENSES BY NATURE

Expenses included in cost of sales, distribution expenses and administrative expenses are analysed as follows:

25. 按性質劃分的開支

計入銷售成本、經銷開支、行政開支的開支分析如下：

		Year ended 31 December 截至12月31日止年度	
		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Changes in inventories of finished goods and work in progress	產成品與在產品的變動	361,034	139,330
Raw materials and consumables used	原材料及消耗品使用	1,100,348	769,955
Employee benefit expenses (Note 26)	僱員福利開支(附註26)	308,169	183,768
Transportation and related charges	運輸及相關支出	70,196	37,469
Advertising and other marketing expenses	廣告及其他營銷開支	42,098	30,110
Non-income taxes and surcharges	非所得稅稅項及附加費	23,831	17,729
Depreciation of property, plant and equipment (Note 8)	物業、廠房及設備折舊(附註8)	21,166	14,471
Utilities	水、電及燃氣費用	24,554	14,108
Rental expenses	租金開支	16,198	14,001
Warehouse expenses	倉儲費用	21,954	12,541
Legal and professional fees	法律及專業費用	14,143	11,674
Travel and entertainment expenses	差旅及招待費	14,627	9,027
Auditor's remuneration	核數師薪酬		
– Audit services	– 核數服務	2,100	2,055
– Non-audit services	– 非核數服務	329	322
Amortisation of intangible assets (Note 7)	無形資產攤銷(附註7)	1,177	851
Amortisation of land use rights (Note 6)	土地使用權攤銷(附註6)	1,135	773
Write-down of inventories (Note 11)	存貨撇減(附註11)	165	279
Net impairment losses on financial assets	金融資產減值虧損淨值	290	77
Other expenses	其他開支	23,632	16,905
Total	總計	2,047,146	1,275,445

Notes to the Consolidated Financial Statements

綜合財務報表附註

26. EMPLOYEE BENEFIT

26. 僱員福利

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Wages, salaries and bonuses	工資、薪金及花紅	273,967	175,258
Restricted share granted to directors and employees	授予董事及僱員的受限制股份	34,202	8,510
Total	總計	308,169	183,768

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2018 include 3 (2017: 2) directors whose emoluments are reflected in the analysis shown in Note 37. The emoluments paid and payable to the remaining 2 (2017: 3) individuals during the year are as follows:

五名最高薪酬人士

本集團截至2018年12月31日止年度的五名最高薪酬人士包括3名董事(2017年: 2名), 其酬金於附註37所示的分析反映。年內已付及應付餘下2名人士(2017年: 3名)的酬金如下:

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Wages, salaries and bonuses	工資、薪金及花紅	4,517	2,456
Restricted share granted to directors and employees	授予董事及僱員的受限制股份	5,143	2,034
Total	總計	9,660	4,490

Notes to the Consolidated Financial Statements

綜合財務報表附註

26. EMPLOYEE BENEFIT (Continued)

The emoluments fell within the following bands:

		Number of individuals 人數	
		2018 2018年	2017 2017年
Emolument bands (in RMB)	酬金範圍(人民幣)		
Nil - RMB3,000,000	零至人民幣3,000,000元	—	3
RMB3,000,000 - RMB6,000,000	人民幣3,000,000元至 人民幣6,000,000元	2	—

None of the above employees were paid by the Group as an inducement to join or upon joining the Group or as a compensation for loss of office. No retirement benefits were paid to or receivable by any of the above employees.

26. 僱員福利(續)

酬金介於以下範圍：

		Number of individuals 人數	
		2018 2018年	2017 2017年
Emolument bands (in RMB)	酬金範圍(人民幣)		
Nil - RMB3,000,000	零至人民幣3,000,000元	—	3
RMB3,000,000 - RMB6,000,000	人民幣3,000,000元至 人民幣6,000,000元	2	—

本集團並無向上述僱員支付款項，作為彼等加入本集團時或加入本集團後的獎勵或作為離職補償。上述任何僱員概無收取或應收取退休福利。

Notes to the Consolidated Financial Statements

綜合財務報表附註

27. OTHER INCOMES AND GAINS – NET

27. 其他收入及收益淨額

		Year ended 31 December 截至12月31日止年度	
		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Government grants (a)	政府補助(a)	40,951	23,008
Interest income from financial assets at fair value through profit or loss	按公平值計入損益的金融資產的利息收入	8,753	5,241
Sales of scrap materials	廢料銷售	3,524	887
Change in fair value of financial assets at fair value through profit or loss	按公平值計入損益的金融資產的公平值變動	1,725	(263)
Loss on disposal of property, plant and equipment and intangible assets	處置物業、廠房、設備及無形資產的虧損	(612)	(284)
Others (b)	其他(b)	2,134	15,159
Total other incomes and gains - net	其他收入及收益淨額總額	56,475	43,748

(a) Government grant is mainly from value added tax refund for growing local economic development. There are no unfulfilled conditions or other contingencies attaching to these grants. The Group did not benefit directly from any other forms of government assistance.

(b) For the year ended 31 December 2017, included on amount of RMB14 million which represented a reward provided by an independent third party, being an authorised operator as approved by the local government for planning and construction of an industrial park in the PRC, in which the Company has incorporated an indirectly wholly-owned subsidiary in 2015.

(a) 政府補助主要來自用於提升地方經濟開發的增值稅退稅。並無有關該等補助的未履行情況或其他或然情況。本集團並無直接受惠於任何其他形式的政府資助。

(b) 截至2017年12月31日止年度，其中人民幣14百萬元為受當地政府授權委託開發建設產業園區的獨立第三方所提供給本公司於2015年在該產業園區成立的全資子公司的籌建獎勵金。

Notes to the Consolidated Financial Statements

綜合財務報表附註

28. FINANCE INCOME/(COST)-NET

		Year ended 31 December 截至12月31日止年度	
		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
<i>Finance Income</i>	融資收入		
– Foreign exchange gains	– 滙兌收入	29,728	—
– Interest income	– 利息收入	10,071	6,651
<i>Finance Costs</i>	融資成本		
– Foreign exchange losses	– 滙兌損失	—	(52,095)
Finance income/(cost) - net	融資收入／(成本)－淨額	39,799	(45,444)

28. 融資收入／(成本)－淨額

Year ended 31 December
截至12月31日止年度

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
<i>Finance Income</i>	融資收入		
– Foreign exchange gains	– 滙兌收入	29,728	—
– Interest income	– 利息收入	10,071	6,651
<i>Finance Costs</i>	融資成本		
– Foreign exchange losses	– 滙兌損失	—	(52,095)
Finance income/(cost) - net	融資收入／(成本)－淨額	39,799	(45,444)

29. INCOME TAX EXPENSE

		Year ended 31 December 截至12月31日止年度	
		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Current income tax	即期所得稅	195,932	111,960
Deferred tax credit (Note 10)	遞延稅項抵免(附註10)	(13,335)	(3,970)
Income tax expense	所得稅開支	182,597	107,990

29. 所得稅開支

Year ended 31 December
截至12月31日止年度

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Current income tax	即期所得稅	195,932	111,960
Deferred tax credit (Note 10)	遞延稅項抵免(附註10)	(13,335)	(3,970)
Income tax expense	所得稅開支	182,597	107,990

29. INCOME TAX EXPENSE (Continued)**(a) Cayman Islands income tax**

The Company was incorporated in Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and, accordingly, is exempted from payment of local income tax.

(b) Hong Kong income tax

Hong Kong profits tax has not been provided as there are no estimated assessable profits arising in or derived from Hong Kong during the year ended 31 December 2018 (2017: Nil).

(c) PRC Corporate Income Tax (“CIT”)

The income tax provision of the Group in respect of operations in the PRC has been calculated at the tax rate of 25% on the estimated assessable profits for the years end 31 December 2018 and 2017, based on the existing legislation, interpretations and practices in respect thereof.

(d) PRC withholding tax (“WHT”)

According to the Corporate Income Tax Law of the PRC as approved by the National People’s Congress on 16 March 2007, the profits of the PRC subsidiaries of the Group derived will be subject to withholding tax at rates of 5% or 10% upon the distribution of such profits to foreign investors based in or companies incorporated in Hong Kong, or for other foreign investors respectively.

According to a shareholder’s resolution of the immediate holding company of the PRC subsidiaries of the Group dated 31 December 2018, the retained earnings of the Group’s subsidiaries incorporated in the PRC as at 31 December 2018 will not be distributed in the foreseeable future. As a result, no deferred tax liability was recognised.

29. 所得稅開支(續)**(a) 開曼群島所得稅**

本公司根據開曼群島公司法於開曼群島註冊成立為獲豁免有限責任公司，故獲豁免繳納當地所得稅。

(b) 香港利得稅

由於截至2018年12月31日止年度，本公司並未在香港產生或賺取估計應課稅盈利，因此毋須繳付香港利得稅。(2017：零)

(c) 中國企業所得稅(「企業所得稅」)。

本集團已根據現行法例、詮釋及有關慣例於截至2018年及2017年12月31日止年度就估計應課稅溢利按25%的稅率計算其中國業務的所得稅撥備。

(d) 中國預扣稅(「預扣稅」)

根據全國人民代表大會於2007年3月16日通過的中國企業所得稅法，本集團中國附屬公司所產生溢利將須於向駐香港外國投資者或香港註冊成立的公司或就其他外國投資者分派該等溢利後繳納5%或10%的預扣稅。

根據日期為2018年12月31日的本集團中國附屬公司的直接控股公司的股東決議案，於2018年12月31日本集團於中國註冊成立的附屬公司的保留盈利將不會於可見未來分派。因此，並無確認遞延稅項負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

29. INCOME TAX EXPENSE (Continued)

(d) PRC withholding tax (“WHT”) (Continued)

The tax on the Group’s profit before tax differs from the theoretical amount that would arise using the statutory tax rate as follows:

		2018 2018年 RMB’000 人民幣千元	2017 2017年 RMB’000 人民幣千元
Profit before income tax	除所得稅前溢利	730,501	369,080
Tax calculated at domestic tax rates applicable to profits in the respective countries	按有關國家適用於溢利的國內稅率計算的稅項	173,851	108,408
Expenses not deductible for tax purposes	不可扣稅開支	8,950	672
Tax losses for which no deferred income tax asset was recognised	並無確認遞延所得稅資產的稅項虧損	1,103	—
Previously unrecognised tax losses now recognised	確認以前年度未確認虧損	(1,307)	—
Income not subject to tax	毋須課稅收入	—	(1,090)
Taxation charge	稅項支出	182,597	107,990

29. 所得稅開支(續)

(d) 中國預扣稅(「預扣稅」)(續)

對本集團除稅前溢利所徵稅款與按法定稅率產生的理論稅款的差額如下：

30. EARNINGS PER SHARE

a. Basic earnings per share

Basic earnings per share for each of the years ended 31 December 2018 and 2017 are calculated by dividing the profit of the Group attributable to the owners of the Company by the weighted average number of ordinary shares in issue less shares held for RSU Scheme during the year.

30. 每股盈利

a. 每股基本盈利

截至2018年及2017年12月31日，每股基本盈利按本公司擁有人應佔本集團溢利除以已發行普通股加權平均數減就受限制股份單位計劃所持股份計算。

Year ended 31 December

截至12月31日止年度

		2018 2018年	2017 2017年
Profit attributable to owners of the Company (RMB' 000)	本公司擁有人應佔溢利(人民幣千元)	517,793	260,670
Weighted average number of ordinary shares in issue less shares held for RSU Scheme (thousands)	已發行普通股的加權平均數減去就受限制股份單位計劃持有的股份(千股)	969,801	969,680
Basic earnings per share (RMB cents)	每股基本盈利(人民幣分)	53.4	26.9

Notes to the Consolidated Financial Statements

綜合財務報表附註

30. EARNINGS PER SHARE (Continued)

b. Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The restricted shares granted and assumed vested (“Restricted Shares”) are the only dilutive potential ordinary shares as at 31 December 2017 and 2018.

30. 每股盈利(續)

b. 每股攤薄盈利

每股攤薄盈利及透過假設所有潛在攤薄普通股均已轉換，從而調整已發行普通股加權平均數計算得出。於2017年及2018年12月31日，已授出及假設歸屬的受限制股份(「受限制股份」)為唯一的潛在攤薄普通股。

		Year ended 31 December 截至12月31日止年度	
		2018 2018年	2017 2017年
Earnings	盈利		
Profit attributable to owners of the Company (RMB'000)	本公司擁有人應佔溢利(人民幣千元)	517,793	260,670
Profit used to determine diluted earnings per share (RMB'000)	用於釐定每股攤薄溢利的溢利(人民幣千元)	517,793	260,670
Weighted average number of ordinary shares in issue for basic earnings per share (thousands)	用於計算每股基本盈利的已發行普通股加權平均數(千股)	969,801	969,680
Adjustments for:	就以下各項作出調整：		
– Restricted Shares granted and assumed vested (thousands)	– 已授出及假設已歸屬的受限制股份(千股)	6,293	5,291
Weighted average number of ordinary shares for diluted earnings per share (thousands)	用於計算每股攤薄盈利的普通股加權平均數(千股)	976,094	974,971
Diluted earnings per share (RMB cents)	每股攤薄盈利(人民幣分)	53.1	26.7

31. DIVIDENDS

(i) Ordinary shares

The total dividends paid in 2018 amounted to RMB48,291,000 or RMB4.9822 cents per share (2017: RMB33,996,000), netting the dividend of RMB3,867,000 (2017: RMB2,646,000) to the shares held for Restricted Share Award Scheme.

(ii) Dividends not recognised at the end of the reporting period

Pursuant to resolution passed on 26 March 2019, the board of directors of the Company proposed a final dividend of RMB14.83789 cents per ordinary share of the Company, amounting to RMB155,338,000 for the year ended 31 December 2018 from the Company's share premium. The final dividend is to be proposed for approval by the shareholders of the Company at the annual general meeting to be held on 21 May 2019.

32. CONTINGENT LIABILITIES

As at 31 December 2018, the Group did not have any contingent liabilities.

31. 股息

(i) 普通股

於2018年已付股息總額為人民幣48,291,000元或每股人民幣4.9822分(2017年：人民幣33,996,000元)，已扣除就為受限制股份獎勵計劃持有的股份派付的股息人民幣3,867,000元(2017年：人民幣2,646,000元)。

(ii) 於報告期末未確認的股息

根據於2019年3月26日通過的決議案，本公司董事會建議以本公司未分配溢利賬派付末期股息每股本公司普通股人民幣14.83789分，其截至2018年12月31日止年度的金額為人民幣155,338,000元。末期股息將於2019年5月21日舉行的股東週年大會上提呈本公司股東批准。

32. 或然負債

於2018年12月31日，本集團並無擁有任何或然負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

33. THE CONSOLIDATED STATEMENT OF CASH FLOWS INFORMATION:

(a) Cash generated from operations:

		Year ended 31 December 截至12月31日止年度	
		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	730,501	369,080
Adjustments for:	就以下各項作出調整：		
Change in fair value of financial assets at fair value through profit or loss	按公平值計入損益的金融資產公平值變動	(1,725)	263
Share-based payment expense (Note 21)	以股份為基礎的付款開支(附註21)	34,202	8,510
Depreciation of property, plant and equipment (Note 8)	物業、廠房及設備折舊(附註8)	21,166	14,471
Amortisation of land use rights (Note 6)	土地使用權攤銷(附註6)	1,135	773
Amortisation of intangible assets (Note 7)	無形資產攤銷(附註7)	1,177	851
Losses on disposal of property, plant and equipment and intangible assets (Note 27)	處置物業、廠房及設備以及無形資產的虧損(附註27)	612	284
Net impairment losses on financial assets	金融資產減值虧損	290	77
Write-down of inventories (Note 11)	撇銷存貨(附註11)	165	279
Finance (income)/cost-net	融資(收入)/成本－淨額	(39,906)	45,680
Interest income from financial assets at fair value through profit or loss	按公平值計入損益的金融資產的利息收入	(8,753)	(5,241)
Changes in working capital:	營運資金變動：		
Inventories	存貨	(128,363)	(17,400)
Trade and other receivables, prepayments and contract liabilities	貿易及其他應收款項，預付款項及合約負債	(217,602)	(102,907)
Trade and other payables and accruals	貿易及其他應付款項及應計費用	86,107	123,961
Cash generated from operations	經營所得現金	479,006	438,681

33. 綜合現金流量表資料：

(a) 經營所得現金：

Year ended 31 December 截至12月31日止年度

2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
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Notes to the Consolidated Financial Statements

綜合財務報表附註

33. THE CONSOLIDATED STATEMENT OF CASH FLOWS INFORMATION: (Continued)

(b) Proceeds from disposal of property, plant and equipment and intangible assets comprise:

33. 綜合現金流量表資料：(續)

(b) 出售物業、廠房及設備所得款項包括：

Year ended 31 December 截至12月31日止年度

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Net book amount - property, plant and equipment and intangible assets (Note 7 and 8)	賬面淨值－物業、廠房及設備以及無形資產（附註7及8）	4,080	744
Loss on disposal of property, plant and equipment and intangible assets (Note 27)	處置物業、廠房及設備以及無形資產的虧損（附註27）	(612)	(284)
Proceeds from disposal of property, plant and equipment and intangible assets	處置物業、廠房及設備以及無形資產所得款項	3,468	460

Notes to the Consolidated Financial Statements

綜合財務報表附註

34. COMMITMENTS

(a) Capital commitments

Significant capital expenditure contracted for at the end of year but not recognised as liabilities is as follow:

		As at 31 December 於 12 月 31 日	
		2018 2018 年 RMB' 000 人民幣千元	2017 2017 年 RMB' 000 人民幣千元
Property, plant and equipment	物業、廠房及設備	21,380	40,186

(b) Non-cancellable operating leases

The Group leases various offices and warehouses under non-cancellable operating lease agreements. The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet dates but not recognised as liabilities, are as follows:

		As at 31 December 於 12 月 31 日	
		2018 2018 年 RMB' 000 人民幣千元	2017 2017 年 RMB' 000 人民幣千元
Within 1 year	一年內	10,972	4,416
Between 1 to 5 years	一至五年間	12,862	2,455
Total	總計	23,834	6,871

34. 承擔

(a) 資本承擔

年末已訂約但尚未確認為負債的重大資本開支如下：

		As at 31 December 於 12 月 31 日	
		2018 2018 年 RMB' 000 人民幣千元	2017 2017 年 RMB' 000 人民幣千元
Property, plant and equipment	物業、廠房及設備	21,380	40,186

(b) 不可撤銷經營租賃

本集團根據不可撤銷經營租賃協議租賃多處辦公室及倉庫。不可撤銷經營租賃項下於結算日已訂約但未確認為負債的未來最低租賃應付款項如下：

		As at 31 December 於 12 月 31 日	
		2018 2018 年 RMB' 000 人民幣千元	2017 2017 年 RMB' 000 人民幣千元
Within 1 year	一年內	10,972	4,416
Between 1 to 5 years	一至五年間	12,862	2,455
Total	總計	23,834	6,871

35. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family member of the Group are also considered as related parties.

Save as disclosed elsewhere in this consolidated financial information, the Group has the following related transactions, and they were carried out in the ordinary course of the Group's business and were determined based on mutually agreed terms.

Name and relationship with related parties:

Names of the related parties

關聯方名稱

Nature of relationship

關係性質

Sichuan Haidilao and its subsidiaries ("Sichuan Haidilao Group") 四川海底撈及其附屬公司(「四川海底撈集團」)	Companies beneficially owned by the ultimate shareholders 由最終股東實益擁有的公司
HAI DI LAO HOLDINGS PTE. LTD. and its subsidiaries ("Singapore Haidilao Group") HAI DI LAO HOLDINGS PTE. LTD. 及其附屬公司 (「新加坡海底撈集團」)	Companies beneficially owned by the ultimate shareholders 由最終股東實益擁有的公司
Shuhai (Beijing) Supply Chain Management Co., Ltd. ("Shuhai Supply Chain") 蜀海(北京)供應鏈管理有限責任公司(「蜀海供應鏈」)	Companies beneficially owned by the ultimate shareholders 由最終股東實益擁有的公司
Youdingyou (Beijing) Food Ltd. ("Youdingyou") 北京優鼎優餐飲管理有限公司(「優鼎優」)	Companies beneficially owned by the ultimate shareholders 由最終股東實益擁有的公司

Sichuan Haidilao Group and Singapore Haidilao Group are collectively referred to as "Haidilao Group".

All the transactions with related parties were conducted in accordance with the terms of contracts entered into between the Group and the related parties.

35. 關聯方交易

如一方有能力直接或間接控制另一方或對另一方作出財務及經營決策行使重大影響力，則各方被視為有關聯。如彼等受共同控制，各方亦被視為有關聯。本集團主要管理層成員及其近親亦被視為關聯方。

除本綜合財務資料其他部分所披露者外，本集團有以下關聯交易，該等交易於本集團日常業務過程中進行及基於相互協定的條款釐定。

關聯方名稱及與關聯方的關係：

Nature of relationship

關係性質

Companies beneficially owned by the ultimate shareholders 由最終股東實益擁有的公司
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Companies beneficially owned by the ultimate shareholders 由最終股東實益擁有的公司

四川海底撈集團及新加坡海底撈集團統稱為海底撈集團。

與關聯方的所有交易乃根據本集團及關聯方之間訂立的合約條款進行。

Notes to the Consolidated Financial Statements

綜合財務報表附註

35. RELATED PARTY TRANSACTIONS (Continued)

(a) Sales of goods

		Year ended 31 December 截至12月31日止年度	
		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Sales of goods to related parties	向關聯方銷售商品	1,176,095	915,911

(b) Warehouse and rental expenses

		Year ended 31 December 截至12月31日止年度	
		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Warehouse expenses	倉庫開支	5,553	4,308
Rental expenses	租賃開支	2,869	2,869
Total	總計	8,422	7,177

All the transactions with related parties were conducted in accordance with the terms of contracts entered into between the Group and the related parties.

與關聯方的所有交易乃根據本集團及關聯方之間訂立的合約條款進行。

(c) Key management personnel compensation

		Year ended 31 December 截至12月31日止年度	
		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Salaries, allowance and other benefits	薪金、津貼及其他福利	11,568	4,422

(c) 主要管理人員薪酬

35. RELATED PARTY TRANSACTIONS (Continued)

(d) Year-end balances with related parties were as follows:

		As at 31 December 於 12 月 31 日	
		2018 2018 年 RMB' 000 人民幣千元	2017 2017 年 RMB' 000 人民幣千元
Assets	資產		
Trade receivables	貿易應收款項	164,801	110,107

		As at 31 December 於 12 月 31 日	
		2018 2018 年 RMB' 000 人民幣千元	2017 2017 年 RMB' 000 人民幣千元
Liabilities	負債		
Trade payables	貿易應付款項	218	218
Other payables and accrual	其他應付款項及應計費用	599	258
Contract liabilities	合約負債	28	—
Total	總計	845	476

All the balances with related parties are unsecured, bear no interest and short-term in nature.

與關聯方的所有結餘的性質均屬於無抵押、免息及短期。

(e) Free trademark license agreement

On 1 December 2015, the Group entered into two trademark license agreements with Sichuan Haidilao in respect of certain trademarks which had been registered by the name of Sichuan Haidilao in the PRC and certain trademarks which are in the process of registration by Sichuan Haidilao in the PRC (collectively, the "Trademark License Agreements"), pursuant to which Sichuan Haidilao agreed to license such trademarks for the Group to use in connection with the Group's operations on an exclusive and royalty-free basis for a perpetual term commencing from 1 January 2007 to the extent permissible under the Listing Rules of The Stock Exchange of Hong Kong Limited (the "HKSE"), relevant laws and regulations.

(e) 免費商標許可協議

於 2015 年 12 月 1 日，本集團與四川海底撈就四川海底撈已在中國以四川海底撈名義註冊的若干商標和正在中國辦理註冊的若干商標訂立兩份商標許可協議（統稱「商標許可協議」），據此，四川海底撈同意按獨家及免特許權使用費基準許可本集團在香港聯合交易所有限公司（「香港聯交所」）上市規則及相關法律法規允許的情況下於其業務營運永久使用該等商標，自 2007 年 1 月 1 日開始。

Notes to the Consolidated Financial Statements

綜合財務報表附註

36. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

Balance sheet of the Company

		As at 31 December 於 12 月 31 日	
		2018 2018 年 RMB' 000 人民幣千元	2017 2017 年 RMB' 000 人民幣千元
Assets	資產		
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司的投資	1,167,448	1,138,510
Current assets	流動資產		
Other receivables	其他應收款項	—	169,570
Other financial assets at amortised cost	按攤銷成本計量 的其他金融資產	143,765	—
Cash and cash equivalents	現金及現金等價物	714,158	700,426
Total current assets	流動資產總值	857,923	869,996
Total assets	資產總值	2,025,371	2,008,506
Equity	權益		
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益		
Share capital	股本	68	68
Share held for employee share scheme (Note 19)	僱員股份計劃持有的股份 (附註 19)	(5)	(5)
Reserves (a)	儲備 (a)	2,024,896	2,005,108
Total equity	權益總額	2,024,959	2,005,171
Liabilities	負債		
Current liabilities	流動負債		
Other payables	其他應付款項	412	3,335
Total liabilities	負債總額	412	3,335
Total equity and liabilities	權益及負債總額	2,025,371	2,008,506

The balance sheet of the Company was approved by the Board of Directors on 26 March 2019 and was signed on its behalf.

本公司資產負債表已於 2019 年 3 月 26 日獲董事會批准，並已代其簽署。

SHI YONGHONG

施永宏

Director

董事

SUN SHENGFENG

孫勝峰

Director

董事

Notes to the Consolidated Financial Statements

綜合財務報表附註

36. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

36. 本公司資產負債表及儲備變動 (續)

(a) Reserve movement of the Company

(a) 本公司儲備變動

		Share premium RMB'000 人民幣千元	Share- based payment reserve RMB'000 以股份為基礎 的付款儲備 人民幣千元	Capital reserve RMB'000 資本儲備 人民幣千元	Retained earnings/ (Accumulated losses) RMB'000 保留盈利/ (累計虧損) 人民幣千元	Total RMB'000 總計 人民幣千元
As at 1 January 2017	於2017年1月1日	959,752	102	1,130,000	2,235	2,092,089
Loss for the year	年內虧損	—	—	—	(58,849)	(58,849)
Share-based payment expense (Note 21)	以股份為基礎的付款開支 (附註21)	—	8,510	—	—	8,510
Dividends declared/paid	已宣派/已付股息	(36,642)	—	—	—	(36,642)
As at 31 December 2017	於2017年12月31日	923,110	8,612	1,130,000	(56,614)	2,005,108
As at 1 January 2018	於2018年1月1日	923,110	8,612	1,130,000	(56,614)	2,005,108
Profit for the year	年內溢利	—	—	—	37,820	37,820
Share-based payment expense (Note 21)	以股份為基礎的付款開支 (附註21)	—	34,202	—	—	34,202
Shares vested under RSU Scheme	根據受限制股份單位 計劃歸屬的股份	28,111	(28,187)	—	—	(76)
Dividends declared/paid	已宣派/已付股息	(52,158)	—	—	—	(52,158)
As at 31 December 2018	於2018年12月31日	899,063	14,627	1,130,000	(18,794)	2,024,896

Notes to the Consolidated Financial Statements

綜合財務報表附註

37. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and chief executives' emoluments

The remuneration of each director and chief executives for the year ended 31 December 2018 is set out below:

Name	姓名	Fees 袍金 RMB' 000 人民幣千元	Salary 薪資 RMB' 000 人民幣千元	Estimated money value of benefits (Note (i)) 福利的 估計金額價值 (附註(i)) RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
Executive directors 執行董事					
Mr. Shi Yonghong (Chairman)	施永宏先生 (主席)	—	800	3,505	4,305
Ms. Dang Chunxiang	黨春香女士	—	3,392	3,780	7,172
Mr. Sun Shengfeng	孫勝峰先生	—	2,358	2,673	5,031
Ms. Shu Ping	舒萍女士	—	—	1,753	1,753
Non-executive directors 非執行董事					
Mr. Zhang Yong	張勇先生	—	—	3,505	3,505
Mr. Pan Di	潘迪先生	—	—	—	—
Independent non-executive directors 獨立非執行董事					
Mr. Yau Ka Chi	邱家賜先生	167	—	—	167
Mr. Qian Mingxing	錢明星先生	167	—	—	167
Ms. Ye Shujun	葉蜀君女士	167	—	—	167
Chief executives 主要行政人員					
Mr. Du Zhuang	杜壯先生	—	2,274	2,869	5,143
Mr. Guo Qiang	郭強先生	—	2,243	2,274	4,517
Total	總計	501	11,067	20,359	31,927

37. 董事利益及權益

(a) 董事及主要行政人員酬金

各董事及主要行政人員截至2018年12月31日止年度的酬金如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

37. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' and chief executives' emoluments (Continued)

The remuneration of each director and chief executives for the year ended 31 December 2017 is set out below:

Name	姓名	Fees 袍金 RMB' 000 人民幣千元	Salary 薪資 RMB' 000 人民幣千元	Estimated money value of benefits (Note (i)) 福利的 估計金額價值 (附註(i)) RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
Executive directors	執行董事				
Ms. Dang Chunxiang	黨春香女士	—	1,285	1,154	2,439
Mr. Sun Shengfeng	孫勝峰先生	—	1,033	571	1,604
Independent non-executive directors	獨立非執行董事				
Mr. Yau Ka Chi	邱家賜先生	173	—	—	173
Mr. Qian Mingxing	錢明星先生	173	—	—	173
Ms. Ye Shujun	葉蜀君女士	173	—	—	173
Chief executives	主要行政人員				
Mr. Du Zhuang	杜壯先生	—	849	1,120	1,969
Mr. Xu Hai	徐海先生	—	736	571	1,307
Total	總計	519	3,903	3,416	7,838

(i) Estimated money value of benefits include the fair value of RSU Scheme at grant date charged to the consolidated statement of comprehensive income during the year.

(ii) Ms. Shu Ping were appointed as executive directors on 21 March 2018.

Mr. Shi Yonghong (Chairman) were appointed as executive directors on 10 December 2018.

Mr. Guo Qiang were appointed as chief executives on 10 December 2018.

(iii) No directors of the Company waived any emoluments and no emoluments were paid by the Group to any of the directors of the Company as an inducement to join or upon joining the Group or as a compensation for loss of office as director.

37. 董事利益及權益(續)

(a) 董事及主要行政人員酬金(續)

各董事及主要行政人員截至2017年12月31日止年度的酬金如下：

Name	姓名	Fees 袍金 RMB' 000 人民幣千元	Salary 薪資 RMB' 000 人民幣千元	Estimated money value of benefits (Note (i)) 福利的 估計金額價值 (附註(i)) RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
Executive directors	執行董事				
Ms. Dang Chunxiang	黨春香女士	—	1,285	1,154	2,439
Mr. Sun Shengfeng	孫勝峰先生	—	1,033	571	1,604
Independent non-executive directors	獨立非執行董事				
Mr. Yau Ka Chi	邱家賜先生	173	—	—	173
Mr. Qian Mingxing	錢明星先生	173	—	—	173
Ms. Ye Shujun	葉蜀君女士	173	—	—	173
Chief executives	主要行政人員				
Mr. Du Zhuang	杜壯先生	—	849	1,120	1,969
Mr. Xu Hai	徐海先生	—	736	571	1,307
Total	總計	519	3,903	3,416	7,838

(i) 福利的估計金額價值包括年內於授出日計入綜合全面收益表的受限制股份單位計劃公平值。

(ii) 舒萍女士於2018年3月21日獲委任為執行董事。

施永宏先生(主席)於2018年12月10日獲委任為執行董事。

郭強先生於2018年12月10日獲委任為主要行政人員。

(iii) 概無本公司任何董事放棄收取酬金，且本集團並無向本公司任何董事支付任何酬金，作為彼等加入本集團時或加入本集團後的獎勵或作為失去董事職位的補償。

Notes to the Consolidated Financial Statements

綜合財務報表附註

37. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(b) Directors' retirement benefits

No retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiary undertaking.

(c) Directors' termination benefits

No payment was made to directors as compensation for the early termination of the appointment during the year ended 31 December 2018.

(d) Consideration provided to third parties for making available directors' service

No payment was made to the former employer of directors for making available the services of them as a director of the Company.

(e) There are no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors during the year ended 31 December 2018.

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of or at any time during the year ended 31 December 2018.

37. 董事利益及權益(續)

(b) 董事的退休福利

概無董事就彼等有關本公司或其附屬公司事務管理的其他服務而收取或應收取任何退休福利。

(c) 董事的離職福利

截至2018年12月31日止年度，本公司並無就提前終止任期向董事作出任何付款作為補償。

(d) 就董事提供董事服務向第三方支付代價

本公司並無就董事提供董事服務而向其前任僱員作出任何付款。

(e) 截至2018年12月31日止年度，概無以董事、有關董事的受控制法人團體及關聯實體為受益人的貸款、準貸款及其他交易。

(f) 董事於交易、安排或合約中的重大權益

截至2018年12月31日止年度結束時或於該年內任何時間，概無本公司參與訂立且本公司董事於其中擁有重大權益(無論是直接或間接)的與本集團業務有關的任何重大交易、安排及合約存續。

