



2022
INTERIM REPORT
中期報告

Fufeng Group Limited
阜豐集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 546





CONTENTS

目錄

Financial Highlights 財務摘要	2
Management Review 管理層回顧	
Market Overview 市場概覽	3
Business and Financial Review 業務及財務回顧	4
Outlook and Future Plan 展望及未來計劃	17
Other Information 其他資料	17
Financials 財務資料	
Interim Condensed Consolidated Financial Statements 中期簡明合併財務報表	23
Notes to the Interim Condensed Consolidated Financial Statements 中期簡明合併財務報表附註	30
Corporate Information 公司資料	72
Glossary 詞彙	74

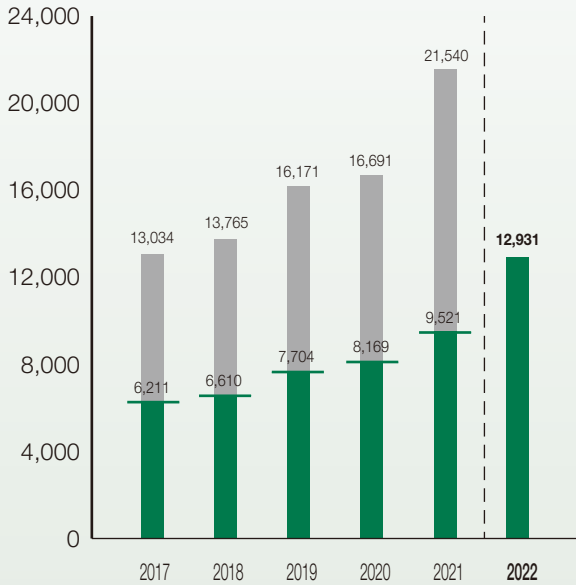


FINANCIAL HIGHLIGHTS

財務摘要

Turnover 營業額

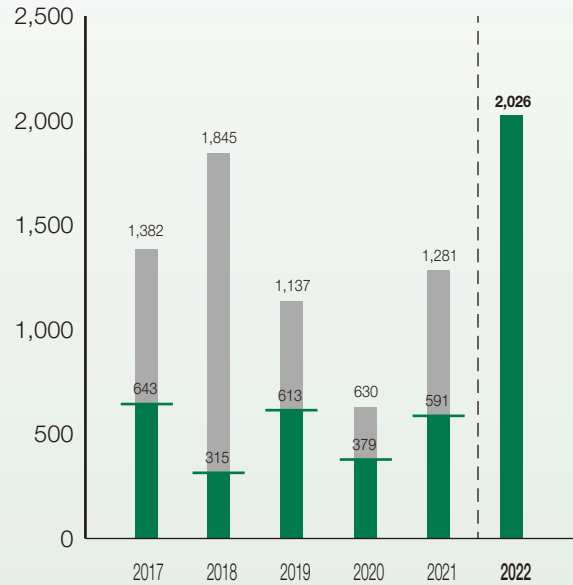
RMB million
人民幣百萬元



■ Half year 半年
■ Full year 全年

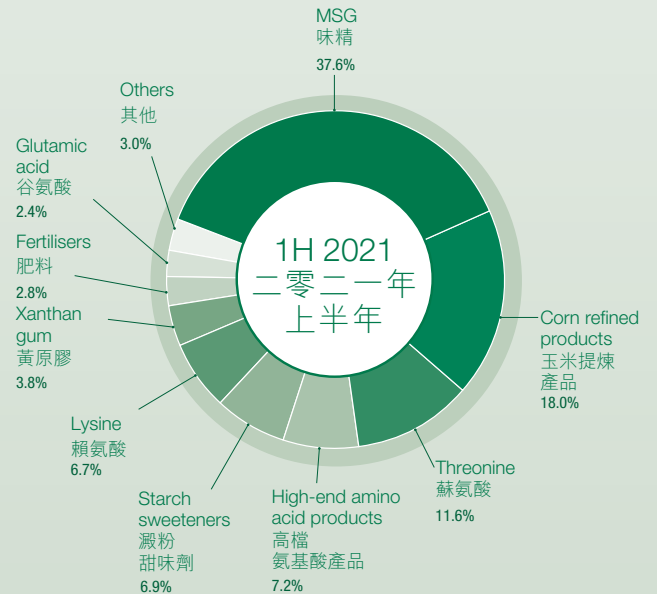
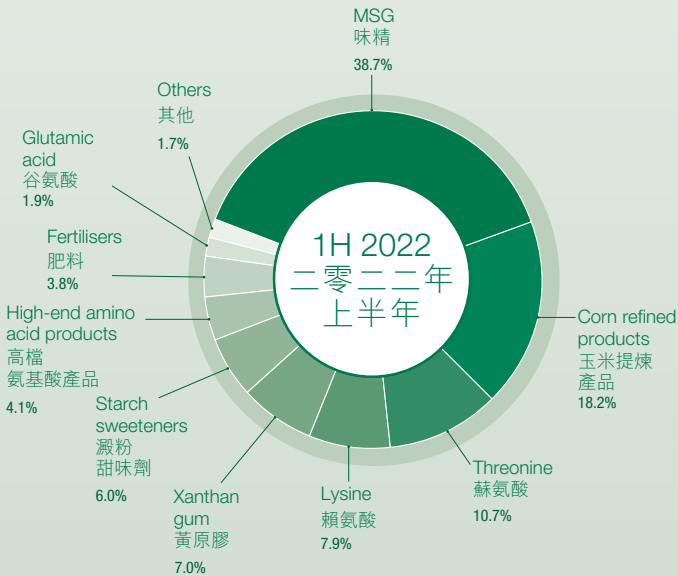
Profit Attributable to Shareholders 股東應佔溢利

RMB million
人民幣百萬元



■ Half year 半年
■ Full year 全年

Revenue Analysis 收入分析



MANAGEMENT REVIEW

管理層回顧

Market Overview

According to the National Bureau of Statistics of China, China reported its GDP growth rate of 2.5% on a year-on-year basis in the first half of 2022 with the global economy showing signs of recovery. However, the recovery faced turbulence due to the resurgence of COVID-19 pandemic in China, the conflict between Russia and Ukraine, as well as the soaring inflation in some developed markets.

In the Period, the conflict between Russia and Ukraine and the effect of extreme weather led to global food shortage, causing an increase in food pricing. China has sufficient corn supply. So, the impact of the foreign environment on domestic corn pricing was limited. The domestic corn price remained comparatively stable.

Coal price during the Period in China continued the price trend of the fourth quarter of 2021 and remained at a relatively high level during the Period. During the Period, the National Development and Reform Commission promulgated some policies for stabilizing the supply and pricing of domestic coal, expressly stating that coal pricing should be maintained within a reasonable range and that timely regulation and supervision will be carried out to stabilize domestic coal pricing and supply in case coal pricing falls out of the reasonable range.

For the MSG sector, major production materials continued the price trend of the fourth quarter of 2021 and were at relatively high levels during the Period. ASP of MSG increased during the Period due to the higher cost level and demand recovery. Although some regions in China affected by the lockdown and control measures due to the resurgence of COVID-19 pandemic, social activities started to recover in an orderly manner, leading to gradual demand recovery in the catering industry and food processing industry.

Xanthan gum is classified into food grade and industrial grade, of which the industrial grade is mainly applied for oil extraction. With oil pricing and extraction volume lingering at high levels due to the recovery of the global oil industry, market demand for xanthan gum increased significantly.

市場概覽

據中國國家統計局資料來看，中國在二零二二年上半年的國內生產總值按年增長2.5%，同時環球經濟亦呈現復蘇跡象。然而，由於國內新冠疫情反復、俄烏衝突事件以及部分發達市場通脹飆升，復蘇面臨動蕩。

期內，俄烏衝突和極端天氣的影響下，令全球糧食緊缺導致食品價格上漲。中國玉米供應充足。因此，國外環境對國內玉米價格影響有限，國內玉米價格相對穩定。

期內中國煤炭價格延續二零二一年第四季度的價格趨勢，並於期內維持在較高水平。期內，國家發改委頒下若干針對國內煤炭穩供穩價政策，明確煤炭價格要在合理區間，當超出價格合理區間將及時調控監管，使國內煤炭價格和供應得以穩定。

味精行業方面，主要生產材料延續二零二一年四季度價格趨勢，期內價格於高位。由於成本水平較高及需求回升，味精的平均售價於期內有所增加。儘管疫情反覆，中國部份地區受封控管理所影響，但社會活動開始有序復甦，帶動餐飲業和食品加工業的需求逐漸回升。

黃原膠分為食品級別和工業級別，其中工業級別主要用於石油開採。受惠於全球石油業的復甦，石油價格及開採量持續高位運行，黃原膠市場需求明顯增加。



MANAGEMENT REVIEW

管理層回顧

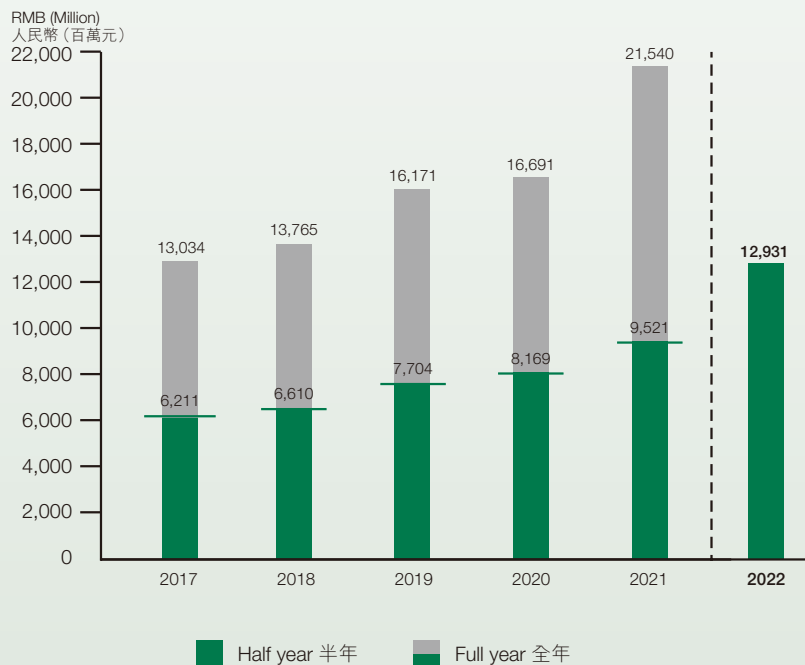
Domestic demand for threonine and lysine has remained stable due to recovery in the swine farming industry. Overseas demand for threonine and lysine was also stable. By the market information shown that the export volume of threonine and lysine in the first half of 2022 amounted to approximately 310,000 tonnes and 530,000 tonnes, respectively.

由於養豬業復甦，國內對蘇氨酸及賴氨酸的需求走穩。海外對蘇氨酸及賴氨酸的需求亦保持穩定。據市場信息顯示，二零二二年上半年蘇氨酸及賴氨酸的出口量分別約為310,000噸及530,000噸。

Business and Financial Review

Overall Performance

The table below illustrates the growth of the Group's revenue:



業務及財務回顧

整體表現

下圖說明本集團的收入增長：



MANAGEMENT REVIEW

管理層回顧

The Group's revenue increased by 35.8% to approximately RMB12,930.8 million in the Period, as compared to the Corresponding Period, primarily due to increased revenue contribution from the business segments of food additives, animal nutrition and colloid.

The Group's overall gross profit increased by 102.8% to approximately RMB3,580.6 million in the Period, as compared to the Corresponding Period, primarily due to the increases in the gross profit of food additives, animal nutrition and colloid.

As the Group continued its strong growth momentum from the second half of 2021, the Group recorded increases in sales volume and ASP in major products, as well as higher profitability. Profit attributable to the Shareholders increased by 242.8% to approximately RMB2,026.0 million in the Period, as compared to the Corresponding Period.

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

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

期內，本集團的收入較去年同期增加35.8%至約人民幣12,930,800,000元，主要由於食品添加劑、動物營養及膠體業務分部的收入貢獻增加所致。

期內，本集團的整體毛利較去年同期增加102.8%至約人民幣3,580,600,000元，主要由於食品添加劑、動物營養及膠體的毛利提高。

由於本集團繼續延續二零二一年下半年的強勁增長勢頭，本集團主要產品銷量及平均售價均錄得增長，盈利能力亦有所提升。期內，股東應佔溢利較去年同期增加242.8%至約人民幣2,026,000,000元。

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

從我們的產品組合角度來看，我們的主要產品可分類為金牛產品及明星產品。我們的金牛產品包括味精及黃原膠，我們是該兩項產品全球市場的最大製造商。我們的策略是在現有市場份額下，實現收入的最大化，並為本集團創造強勁且穩定的現金流量。我們的明星產品包括蘇氨酸、賴氨酸及高檔氨基酸產品，該等產品具備高速增長潛力，市場份額不斷擴大，我們已佔據這些市場分部的領先位置。



MANAGEMENT REVIEW

管理層回顧

Analysis of Five Product Segments

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

Segment	Main products of the segment
Food additives	MSG
Animal nutrition	Threonine, lysine, corn refined products
High-end amino acid	Tryptophan, Valine, leucine, isoleucine, glutamine, hyaluronic acid
Colloid	Xanthan gum
Others	Fertilisers

Detailed sales and gross profit analysis by segment for the Period and Corresponding Period:

For the six months ended 30 June 2022

		Food additives 食品添加劑	Animal nutrition 動物營養	High-end amino acid 高檔氨基酸	Colloid 膠體	Others 其他	Total 總計
Revenue	收入	6,065,473	4,754,189	534,843	940,228	636,064	12,930,797
Gross profit	毛利	1,270,156	1,397,838	213,178	475,305	224,143	3,580,620
Gross profit margin	毛利率	20.9%	29.4%	39.9%	50.6%	35.2%	27.7%

For the six months ended 30 June 2021

		Food additives 食品添加劑	Animal nutrition 動物營養	High-end amino acid 高檔氨基酸	Colloid 膠體	Others 其他	Total 總計
Revenue	收入	4,494,970	3,462,376	688,912	395,507	478,797	9,520,562
Gross profit	毛利	602,502	611,812	308,740	150,771	92,132	1,765,957
Gross profit margin	毛利率	13.4%	17.7%	44.8%	38.1%	19.2%	18.5%

五個產品分部分析

本集團的產品分類為五個產品分部：

分部	分部的主要產品
食品添加劑	味精
動物營養	蘇氨酸、賴氨酸、 玉米提煉產品
高檔氨基酸	色氨酸、纈氨酸、亮氨酸、 異亮氨酸、谷氨醯胺及 透明質酸
膠體	黃原膠
其他	肥料

按分部劃分的期內及去年同期詳細銷售及毛利分析：

截至二零二二年六月三十日止六個月

截至二零二一年六月三十日止六個月



MANAGEMENT REVIEW

管理層回顧

1. Food additives segment

Revenue generated from the sales of food additives segment was approximately RMB6,065.5 million in the Period, representing an increase of approximately RMB1,570.5 million, or 34.9%, as compared to the Corresponding Period, mainly due to increased revenue of MSG. The increased revenue of MSG was primarily due to increased ASP and sales volume of MSG during the Period.

Gross profit of food additives segment was approximately RMB1,270.2 million, representing an increase of 110.8% as compared to the Corresponding Period, mainly due to an increase of profit contribution from MSG. Gross profit margin of food additives segment was 20.9%, representing an increase of 7.5 percentage points as compared to the Corresponding Period.

Key products:

MSG: During the Period, MSG price showed a noticeable upward trend, with the ASP of approximately RMB8,476 per tonne, representing an increase of approximately 18.1% as compared to the Corresponding Period. The increase in ASP was mainly due to the market demand recovery, the increased prices of major raw materials during the Period and the cost pressure was successfully passed on to our downstream customers. The Group led the market by adjusting the MSG price actively and maximised its profitability. The sales volume was approximately 590,574 tonnes, representing an increase of approximately 18.5% as compared to the Corresponding Period.

2. Animal nutrition segment

Revenue generated from the sales of animal nutrition segment was approximately RMB4,754.2 million in the Period, representing an increase of approximately RMB1,291.8 million, or 37.3%, as compared to the Corresponding Period, mainly due to increased ASP and sales volume of segment products.

Gross profit of animal nutrition segment reached approximately RMB1,397.8 million, representing an increase of 128.5% as compared to the Corresponding Period, mainly due to increased gross profit contribution of key products of the segment. Gross profit margin of animal nutrition segment was 29.4%, representing an increase of 11.7 percentage points as compared to the Corresponding Period.

1. 食品添加劑分部

期內，食品添加劑分部銷售產生的收入約為人民幣6,065,500,000元，較去年同期增加約人民幣1,570,500,000元或34.9%，主要由於味精的收入增加。味精的收入增加主要由於期內味精平均售價及銷量增加所致。

食品添加劑分部的毛利約為人民幣1,270,200,000元，較去年同期增加110.8%，主要由於味精溢利貢獻增長。食品添加劑分部的毛利率為20.9%，較去年同期上升7.5個百分點。

主要產品：

味精：期內，味精價格呈明顯上升態勢，平均售價每噸約為人民幣8,476元，較去年同期上升約18.1%。平均售價上升乃主要由於市場需求復甦、於期內主要原材料價格上升，而我們將成本壓力成功轉嫁予下游客戶。本集團通過積極調整味精價格引領市場，並最大限度地提高自身盈利能力。銷量約為590,574噸，較去年同期增加約18.5%。

2. 動物營養分部

期內，動物營養分部銷售產生的收入約為人民幣4,754,200,000元，較去年同期增加約人民幣1,291,800,000元或37.3%，主要由分部產品的平均售價及銷量增加所致。

動物營養分部的毛利約達人民幣1,397,800,000元，較去年同期增加128.5%，主要由於分部的主要產品的毛利貢獻增加。動物營養分部的毛利率為29.4%，較去年同期增加11.7個百分點。



MANAGEMENT REVIEW

管理層回顧

Key products:

Threonine: Threonine is classified as a major type of animal nutrition product, an essential amino acid which maintains body protein balance. Our threonine is mainly used as an animal feed additive. Revenue of threonine was approximately RMB1,381.4 million, representing an increase of 25.2% in the Period, as compared to the Corresponding Period, primarily due to the increased ASP and sales volume of threonine. The ASP of threonine was approximately RMB10,555 per tonne in the Period, representing an increase of RMB1,160 per tonne, or 12.4%, as compared to the Corresponding Period, mainly due to the supply shortage in the international markets caused by the COVID-19 pandemic. The market demand recovery in the PRC and international markets was taken place in 2021 and continued the momentum in the Period. Sales volume of threonine was approximately 130,871 tonnes in the Period, representing an increase of 13,469 tonnes, or 11.5%, as compared to the Corresponding Period.

Lysine: The revenue of lysine was approximately RMB1,021.6 million, representing an increase of approximately 59.1% as compared to the Corresponding Period. The sales volume was approximately 131,628 tonnes, representing an increase of approximately 27.2% as compared to the Corresponding Period. It shared the same reason of increase as threonine.

3. High-end amino acid segment

During the Period, the revenue of high-end amino acid segment reached approximately RMB534.8 million, representing a decrease of approximately 22.4% as compared to the Corresponding Period.

The decreased revenue of high-end amino acid segment was mainly due to our strategy to expand into new markets and the change of client mix. We believe that the high-end amino acid segment will benefit from the new strategy in the longer run.

Gross profit of high-end amino acid segment decreased by 31.0% to approximately RMB213.2 million as compared to the Corresponding Period. Gross profit margin of high-end amino acid segment was 39.9%, representing a decrease of 4.9 percentage points as compared to the Corresponding Period.

主要產品：

蘇氨酸：蘇氨酸被分類為動物營養產品的主要類別之一，其乃一種維持身體蛋白質平衡不可或缺的氨基酸。我們的蘇氨酸乃主要用作動物飼料添加劑。期內蘇氨酸收入約為人民幣1,381,400,000元，較去年同期增長25.2%，主要乃由於蘇氨酸的平均售價及銷量增加。蘇氨酸平均售價於期內每噸約為人民幣10,555元，較去年同期每噸增加人民幣1,160元或12.4%，主要是由於國際市場因新冠疫情造成的供應短缺。二零二一年中國及國際市場需求復甦，此勢頭於期內持續。蘇氨酸的期內銷量約為130,871噸，較去年同期增加13,469噸，或11.5%。

賴氨酸：賴氨酸的收入為約人民幣1,021,600,000元，較去年同期增加約59.1%。銷量為約131,628噸，較去年同期增加約27.2%。增加的原因與蘇氨酸相同。

3. 高檔氨基酸分部

期內，高檔氨基酸分部收入約達人民幣534,800,000元，較去年同期減少約22.4%。

高檔氨基酸分部的收入減少主要是由於我們擴展新市場的策略及客戶結構的變化。我們認為，高檔氨基酸分部從較長遠來看將受益於新策略。

高檔氨基酸分部的毛利較去年同期減少31.0%至約人民幣213,200,000元。高檔氨基酸分部的毛利率為39.9%，較去年同期減少4.9個百分點。



MANAGEMENT REVIEW

管理層回顧

4. Colloid segment

Revenue generated from the colloid segment was approximately RMB940.2 million in the Period, representing an increase of approximately RMB544.7 million, or 137.7%, as compared to the Corresponding Period, mainly due to increased revenue of xanthan gum as the recovery of oil demand which led to increases in the sales volume and ASP of xanthan gum. ASP of xanthan gum has increased continuously as xanthan gum is still in a state of short supply. The ASP of xanthan gum was RMB28,344 per tonne during the Period, representing an increase of 61.5% as compare to the Corresponding Period.

Gross profit of colloid segment was approximately RMB475.3 million, representing an increase of 215.2% as compared to the Corresponding Period, mainly due to increased gross profit contribution from xanthan gum. Gross profit margin of colloid segment was 50.6%, representing an increase of 12.5 percentage points as compared to the Corresponding Period.

5. Others

Revenue generated from the sales of other products was approximately RMB636.1 million in the Period, representing an increase of approximately RMB157.3 million, or 32.8%, as compared to the Corresponding Period, mainly due to increased revenue of fertilisers. Fertilisers are still in high demand due to increased food supply in China.

Gross profit of other products was approximately RMB224.1 million, representing an increase of 143.3% as compared to the Corresponding Period, mainly due to the increased gross profit of fertilisers. Gross profit margin of other products was 35.2%, representing an increase of 16.0 percentage points as compared to the Corresponding Period.

4. 膠體分部

期內，膠體分部收入約為人民幣940,200,000元，較去年同期增加約人民幣544,700,000元，或137.7%，主要由於石油需求回暖帶動黃原膠的銷量及平均售價增加，令黃原膠收入提高。由於黃原膠仍供不應求，黃原膠平均售價持續上漲。期內黃原膠平均售價約為每噸人民幣28,344元，較去年同期增長61.5%。

膠體分部的毛利約為人民幣475,300,000元，較去年同期增長215.2%，主要由於黃原膠的毛利貢獻增加所致。膠體分部的毛利率為50.6%，較去年同期增長12.5個百分點。

5. 其他

期內，銷售其他產品產生的收入約為人民幣636,100,000元，較去年同期增加約人民幣157,300,000元或32.8%，主要由於肥料的收入增加。由於中國的食物供給增加，肥料的需求仍然高企。

其他產品的毛利約為人民幣224,100,000元，較去年同期增長143.3%，主要由於肥料的毛利增加。其他產品的毛利率為35.2%，較去年同期增加16.0個百分點。



MANAGEMENT REVIEW

管理層回顧

Analysis of Key Production Costs

Production costs

主要生產成本分析

生產成本

		Six months ended 30 June 截至六月三十日止六個月				
		2022 二零二二年		2021 二零二一年		Change 變動
		% of total production costs		% of total production costs		
		RMB'000 人民幣千元	佔總生產成本 的百分比	RMB'000 人民幣千元	佔總生產成本 的百分比	%
Major raw materials	主要原材料					
• Corn kernels	• 玉米顆粒	5,640,421	55.5	5,328,868	62.4	5.8
Energy	能源					
• Coal	• 煤炭	1,638,971	16.1	1,174,687	13.8	39.5

Corn kernels

In the Period, corn kernels accounted for approximately 55.5% (1H 2021: 62.4%) of the total cost of production, representing a decrease of 6.9 percentage points, mainly due to the change in the price of corn kernels. The average price of corn kernels in the Period was approximately RMB2,262 per tonne, representing a decrease of 6.3% as compared to the Corresponding Period.

The total cost of corn kernels increased by 5.8% in the Period, which was mainly due to the increase in the volume of corn consumption as compared to the Corresponding Period.

玉米顆粒

期內，玉米顆粒約佔總生產成本的55.5%（二零二一年上半年：62.4%），減幅為6.9個百分點，主要歸因於玉米顆粒價格變動。期內玉米顆粒平均價格約為每噸人民幣2,262元，較去年同期下降6.3%。

期內，玉米顆粒的總成本增加5.8%，主要由於玉米消費量較去年同期有所增長。

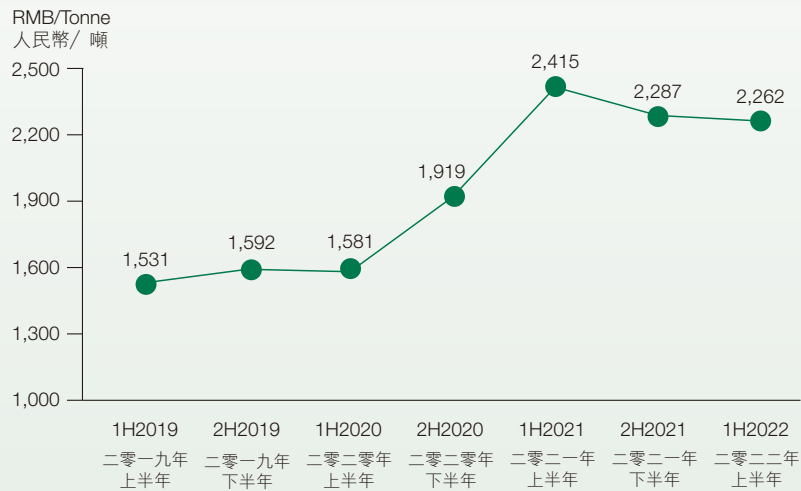


MANAGEMENT REVIEW
管理層回顧

The following chart shows the price trend of corn kernels from the first half of 2019 to the Period:

下圖列示自二零一九年上半年至期內玉米顆粒的價格趨勢：

Price Trend of Corn Kernels
玉米顆粒價格趨勢



Coal

Coal accounted for approximately 16.1% (1H 2021: 13.8%) of the total cost of production in the Period. The average unit cost of coal in the Period was approximately RMB408 per tonne, representing an increase of RMB105 per tonne, or 34.7%, as compared to the Corresponding Period. The coal price continued the price trend in the fourth quarter of 2021. However, it was relatively higher as compared to the Corresponding Period.

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

煤炭

期內，煤炭約佔總生產成本 16.1% (二零二一年上半年：13.8%)。期內，煤炭平均單位成本約為每噸人民幣 408 元，較去年同期每噸增加人民幣 105 元或 34.7%。煤炭價格延續二零二一年第四季度的價格趨勢。但比去年同期則有較大幅度的上升。

本集團的主要生產基地有其自身的發電廠，通過直接自簽訂長期合約的煤礦中採購煤炭，盡享該等地區低成本煤炭之利，以保證我們的煤炭供應量。因此，生產基地並無受到電力短缺的影響。



MANAGEMENT REVIEW

管理層回顧

Production

The annual designed production capacities of the major products were as follows:

生產

主要產品的年設計產能如下：

Product	產品	Six months ended 30 June 截至六月三十日止六個月		Change 變動 %
		2022 二零二二年 Tonnes 噸	2021 二零二一年 Tonnes 噸	
Food additives	食品添加劑			
MSG (Note)	味精 (附註)	665,000	665,000	–
Starch sweeteners (Note)	澱粉甜味劑 (附註)	360,000	360,000	–
Animal nutrition	動物營養			
Threonine (Note)	蘇氨酸 (附註)	121,500	121,500	–
Lysine (Note)	賴氨酸 (附註)	100,000	100,000	–
Colloid	膠體			
Xanthan gum (Note)	黃原膠 (附註)	32,500	32,500	–
Other	其他			
Fertilisers (Note)	肥料 (附註)	540,000	540,000	–

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

附註：年設計產能按比例基準呈列。

Analysis of Capacity Usage of Major Products

Business strategy of production remained unchanged and the Group set production volume according to market demand in order to minimise the risk from pricing competition. During the Period, the capacity utilisation rate of MSG remained stable, which was around 94%. The capacity utilisation rate of starch sweeteners was only around 66% in the Period, mainly due to the oversupply in the market. Threonine and lysine, as classified in the Animal nutrition segment, benefited from the increasing demand in oversea markets. Threonine and lysine reached full capacity during the Period. Xanthan gum, as classified in the Colloid segment, also benefited from the recovery of market demand and reached full capacity during the Period.

主要產品產能使用分析

生產的業務策略維持不變，本集團根據市場需求決定產量，以將價格競爭風險降至最低。期內味精的產能使用率維持穩定，為94%左右。澱粉甜味劑的產能使用率於期內約只有66%，主要由於澱粉甜味劑市場供過於求。分類為動物營養分部的蘇氨酸及賴氨酸受益於海外市場與日俱增的需求。期內蘇氨酸及賴氨酸的產能使用率達至滿負荷。黃原膠（分類為膠體分部）亦受益於期內市場需求的恢復，產能達至滿負荷。

MANAGEMENT REVIEW

管理層回顧

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

Contingent Liabilities

As at 30 June 2022, the Group had no material contingent liabilities.

Charges on assets

As at 30 June 2022, RMB800.0 million of term deposits (31 December 2021: RMB500.0 million) and RMB62.0 million of restricted bank deposit (31 December 2021: nil) were pledged to certain banks to secure bank borrowings of RMB1,058.4 million (31 December 2021: RMB500.0 million) of the Group; and RMB24.0 million of term deposits (31 December 2021: nil) and RMB89.5 million of restricted bank deposits (31 December 2021: RMB3.0 million) were pledged for issuance of bank acceptance notes.

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

Related Party Transactions

The related party transactions set out in Note 22 to the interim condensed financial statements, did not constitute a transaction which fall under the definition of "connected transaction" in Chapter 14A of Listing Rules.

Significant investment held

During the Period, the Group did not hold any significant investment.

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

或然負債

於二零二二年六月三十日，本集團並無重大或然負債。

資產抵押

於二零二二年六月三十日，人民幣800,000,000元的定期存款(二零二一年十二月三十一日：人民幣500,000,000元)及人民幣62,000,000元的受限制銀行存款(二零二一年十二月三十一日：無)已抵押予若干銀行，以取得本集團的銀行借款人民幣1,058,400,000元(二零二一年十二月三十一日：人民幣500,000,000元)，以及人民幣24,000,000元的定期存款(二零二一年十二月三十一日：無)及人民幣89,500,000元的受限制銀行存款(二零二一年十二月三十一日：人民幣3,000,000元)已抵押，以開具銀行承兌滙票。

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

關連方交易

中期簡明財務報表附註22所載的關連方交易並不構成符合上市規則第十四A章「關連交易」定義的交易。

持有的重大投資

期內，本集團並無持有任何重大投資。



MANAGEMENT REVIEW

管理層回顧

Outlook and Future Plan

1. The scientific research facility in Qingdao was launched in May 2022 to enhance systematic research and technical capabilities. We will further expand the research team by adding more researchers.
2. We will strengthen the B2C model and provide industrial customers with tailor-made product solutions.
3. We will continue to implement the internationalisation plan. We purchased a parcel of land in North Dakota, the U.S. We are still in the initial planning stage to build a factory to produce animal nutrition products in the U.S.
4. We completed the acquisition of a third party company in Northeast China. We will turn it into an in-house chemical plant to lower our production costs.

Other Information

Material acquisition or disposal of subsidiary and associated company

The Group had no material acquisition or disposal of subsidiaries or associated companies for the Period.

Employees

As at 30 June 2022, the Group had approximately 15,000 employees. Employees' remuneration was paid in accordance with relevant policies in the PRC. Appropriate salaries and bonuses were paid which were commensurate with the actual practices of the Group. Other corresponding benefits include pension, unemployment insurance, housing allowance, etc. Please refer to the paragraph headed "Share option schemes" under the "Other information" section below for the share options granted to certain Directors and employees of the Group pursuant to the Post-IPO and New share option schemes.

Closure of register of members

The register of members of the Company will be closed from Wednesday, 14 September 2022 to Friday, 16 September 2022 (both dates inclusive), during which period no transfer of shares will be registered. In order to qualify for the interim dividend and the special interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 13 September 2022.

展望及未來計劃

1. 青島科研中心在二零二二年五月開始營運，提升體系化的研發及技術能力。我們將會進一步擴大研發團隊，加入更多的研發人員。
2. 我們將會加強B2C模式，為工業級客戶提供獨家的產品方案。
3. 我們將繼續執行國際化計劃。我們在美國北達科他州買入了一塊土地。我們仍處於初步計劃階段，準備在美國建立一間生產動物營養產品的工廠。
4. 我們完成收購一家位於中國東北的第三方公司。我們將其改造成內部的化工品工廠，從而降低我們的生產成本。

其他資料

附屬公司及聯營公司的重大收購或出售

本集團於期內並無進行任何附屬公司或聯營公司的重大收購或出售事項。

僱員

於二零二二年六月三十日，本集團僱用約15,000名僱員。僱員薪酬根據中國有關政策支付。本集團按實際常規支付適當薪金及花紅。其他相關福利包括退休金、失業保險及住房津貼等。關於根據首次公開招股後及新購股權計劃授予若干董事及本集團僱員的購股權，請參閱下文「其他資料」一節下「購股權計劃」一段。

暫停辦理股份過戶登記手續

本公司將於二零二二年九月十四日(星期三)至二零二二年九月十六日(星期五)(包括首尾兩日)暫停辦理股份過戶登記手續，期間將不會辦理股份過戶登記。為符合資格獲派中期股息及特別中期股息，所有股份過戶文件連同有關股票最遲須於二零二二年九月十三日下午四時三十分前，交回本公司的香港股份過戶登記分處卓佳證券登記有限公司，地址為香港夏慤道16號遠東金融中心17樓。



MANAGEMENT REVIEW

管理層回顧

Change of Directors

On 1 April 2022, Mr. Xu Zhenghong resigned and Ms. Li Ming was appointed as an independent non-executive Director, and a member of Audit Committee, Remuneration Committee, Nomination Committee, and ESG Committee. Please refer to the Company's announcement dated 30 March 2022 for details.

Corporate governance

The listing of the Shares on the Main Board of the Stock Exchange took place on 8 February 2007 and the Directors are of the opinion that the Company's corporate governance practices are based on the principles and code provisions set out in the CG Code contained in Appendix 14 of the Listing Rules. For the Period, the Company has complied with the CG Code except for the following:

Code provision C.1.6 of the CG Code: The Independent non-executive Directors and the non-executive Directors should attend the general meetings of the Company. However, due to other commitments, Mr. Zhang Youming, independent non-executive Director, did not attend the annual general meeting of the Company held on 27 May 2022. All the Directors have given the Board and the committees of which they are members the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. The Directors will also endeavor to attend future general meetings and develop a balanced understanding of the views of Shareholders.

The Audit Committee of the Company has reviewed the Group's unaudited interim condensed consolidated financial statements for the Period.

Model Code for securities transactions by Directors

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules. Specific enquiries have been made with all Directors who have confirmed that they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions during the Period.

Purchase, redemption or sale of securities of the Company

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Period.

董事變更

於二零二二年四月一日，許正宏先生辭任及李銘女士獲委任為獨立非執行董事以及審核委員會、薪酬委員會、提名委員會及ESG委員會成員。有關詳情請參閱本公司日期為二零二二年三月三十日的公告。

企業管治

股份於二零零七年二月八日在聯交所主板上市，董事認為本公司的企業管治常規乃以上市規則附錄十四所載企業管治守則所載的原則及守則條文為基準。本公司於期內一直遵守企業管治守則，惟下列所載者除外：

企業管治守則的守則條文第C.1.6條：獨立非執行董事及非執行董事應出席本公司股東大會。然而，由於獨立非執行董事張友明先生另有公務，故並無出席本公司於二零二二年五月二十七日舉行的股東週年大會。透過定期出席及積極參與董事會及彼等所屬的委員會會議，全體董事的技能、專業知識、不同背景及資歷均有利於董事會及彼等所屬的委員會。董事亦將盡力出席日後召開的股東大會，對股東的意見有均衡的瞭解。

本公司審核委員會已審閱本集團於期內的未經審核中期簡明合併財務報表。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載標準守則。經向全體董事作出具體查詢後，彼等確認，於期內，董事進行證券交易時已遵守標準守則及本公司行為守則的規定標準。

購買、贖回或出售本公司的證券

期內，本公司及其任何附屬公司並無購買、贖回或出售本公司上市證券。



MANAGEMENT REVIEW
管理層回顧

Share option scheme

Under the Post-IPO Share Option Scheme, the Company granted options to subscribe for an aggregate of 14,700,000 Shares and 300,000 Shares on 9 November 2016 and 30 December 2016 respectively to a Director and eligible employees. Moreover, under the New Share Option Scheme, the Company granted options to subscribe for an aggregate of 2,200,000 Shares and 5,000,000 Shares on 31 March 2021 and 4 June 2021 respectively to eligible employees and a Director. Details of the share options granted and outstanding for the Period, are as follows:

購股權計劃

根據首次公開招股後購股權計劃，本公司分別於二零一六年十一月九日及二零一六年十二月三十日向董事及合資格僱員授予購股權以認購合共14,700,000股股份及300,000股股份。此外，根據新購股權計劃，本公司於二零二一年三月三十一日及二零二一年六月四日向合資格僱員及董事授予購股權以認購合共2,200,000股股份及5,000,000股股份。已授出及於期內未行使的購股權詳情如下：

Director and eligible employees	Note	At 1 January 2022 於二零二二年一月一日	Number of share options 購股權數目				At 30 June 2022 於二零二二年六月三十日	Date of grant 授出日期	Exercise price (HKD) 行使價(港元)	Exercise period 行使期限
			Granted during the Period 於期內授出	Exercised during the Period 於期內行使	Forfeited during the Period 於期內沒收	Lapsed during the Period 於期內失效				
Under the Post-IPO Share Option Scheme 根據首次公開招股後購股權計劃										
Zheng Yu <i>(Former Independent non-executive Director)</i> 鄭豫(前獨立非執行董事)	A	300,000	-	-	-	(300,000)	-	9/11/2016	3.50	9/11/2018 – 31/12/2021
Eligible employees 合資格僱員	A	3,000,000	-	-	-	(1,000,000)	2,000,000	9/11/2016	3.50	9/11/2018 – 8/11/2022
Eligible employees 合資格僱員	B	300,000	-	-	-	-	300,000	30/12/2016	3.82	30/12/2018 – 29/12/2022
Under the New Share Option Scheme 根據新購股權計劃										
Eligible employees 合資格僱員	C	2,200,000	-	-	-	-	2,200,000	31/3/2021	2.95	31/3/2023 – 30/3/2027
Su Chen Hung <i>(Former Executive Director)</i> 蘇振宏(前執行董事)	D	5,000,000	-	-	-	(5,000,000)	-	4/6/2021	2.68	4/6/2023 – 3/6/2027
		10,800,000	-	-	-	(6,300,000)	4,500,000			



MANAGEMENT REVIEW

管理層回顧

The fair values, which were determined by an independent qualified appraiser using Binomial Option Pricing Model, of the options granted as at the grant dates are noted in the following table. The following assumptions were adopted to calculate the fair values of the options on the grant dates:

於授出日期授出的購股權的公平值由獨立合資格估值師採用二項式期權定價模式計算，如下表所示。計算於授出日期購股權公平值採納的假設如下：

Date of grant	授出日期	(A)	(B)	(C)	(D)
		9 November 2016 二零一六年 十一月九日	30 December 2016 二零一六年 十二月三十日	31 March 2021 二零二一年 三月三十一日	4 June 2021 二零二一年 六月四日
Fair value as at the grant date	於授出日期的公平值	RMB17,515,000 人民幣 17,515,000 元	RMB414,000 人民幣 414,000 元	RMB1,156,000 人民幣 1,156,000 元	RMB2,459,000 人民幣 2,459,000 元
Assumptions:	假設：				
Average share price	平均股價	HKD3.45 3.45 港元	HKD3.81 3.81 港元	HKD2.80 2.80 港元	HKD2.67 2.67 港元
Exercise price	行使價	HKD3.50 3.50 港元	HKD3.82 3.82 港元	HKD2.95 2.95 港元	HKD2.68 2.68 港元
Expected life of options	購股權預計年期	6.0 years 6.0 年	6.0 years 6.0 年	6.0 years 6.0 年	6.0 years 6.0 年
Expected volatility	預計波幅	44.79%	44.52%	44.35%	43.84%
Expected dividend yield	預計股息率	2.15%	2.18%	6.93%	7.26%
Risk free rate	零風險利率	1.39%	1.70%	1.22%	0.99%

MANAGEMENT REVIEW

管理層回顧

Directors' and Chief Executive's Interests in Shares

The interest and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the SFO) as at 30 June 2022, as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long position

Name of Director	Name of company	Capacity	Number and class of securities	Percentage of interests to total issued share capital (approximate)
董事姓名	公司名稱	身份	證券數目及類別	權益佔已發行股本總數百分比 (約數)
Li Xuechun	The Company	Interests of controlled corporation (Note 1)	1,000,217,461 Shares	39.48%
李學純	本公司	受控制公司權益(附註1)	1,000,217,461 股	39.48%
Li Deheng	The Company	Interests of controlled corporation (Note 2)	35,320,160 Shares	1.39%
李德衡	本公司	受控制公司權益(附註2)	35,320,160 股	1.39%

Notes:

- The interest in these Shares is held by Motivator Enterprises Limited, the entire issued share capital of which is wholly and beneficially owned by Mr. Li Xuechun, an executive Director and the chairman of the Company. Accordingly, Mr. Li Xuechun is deemed to be interested in all Shares held by Motivator Enterprises Limited under the SFO.
- The interest in these Shares is held by Empire Spring Investments Limited, the entire issued shares capital of which is wholly and beneficially owned by Mr. Li Deheng, an executive Director and chief executive of the Company. Accordingly, Mr Li Deheng is deemed to be interested in all Shares held by Empire Spring Investments Limited under the SFO.

Save as disclosed above, as at 30 June 2022, none of the Directors or the chief executive of the Company had an interest or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register of interests required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

董事及最高行政人員的股份權益

於二零二二年六月三十日，董事及本公司最高行政人員在本公司或其任何相聯法團（定義見證券及期貨條例）之股份、相關股份及債券中，擁有須記錄於根據證券及期貨條例第352條規定存置之登記冊，或根據標準守則已另行知會本公司及聯交所之權益及淡倉如下：

好倉

附註：

- 此等股份權益由 Motivator Enterprises Limited 持有，其全部已發行股本由本公司執行董事兼主席李學純先生全資實益擁有，故此，根據證券及期貨條例，李學純先生被視為於 Motivator Enterprises Limited 所持全部股份中擁有權益。
- 此等股份權益由 Empire Spring Investments Limited 持有，其全部已發行股本由執行董事兼本公司最高行政人員李德衡先生全資實益擁有，故此，根據證券及期貨條例，李德衡先生被視為於 Empire Spring Investments Limited 所持全部股份中擁有權益。

除上文披露者外，於二零二二年六月三十日，概無董事或本公司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）之任何股份、相關股份或債券中，擁有須記錄於本公司根據證券及期貨條例第352條存置之權益登記冊之權益或淡倉，或根據標準守則已另行知會本公司及聯交所之權益或淡倉。



MANAGEMENT REVIEW

管理層回顧

Interests of Person Holding 5% or More Interests

As at 30 June 2022, the interests and short positions of the persons, other than a Director or chief executive of the Company, in the Shares and underlying Shares as recorded in the register required to be kept under section 336 of the SFO were as follows:

Long position

持有5%或以上股權之人士之權益

於二零二二年六月三十日，根據證券及期貨條例第336條規定存置之登記冊記錄，下列人士（董事或本公司最高行政人員除外）在股份及相關股份中擁有權益及淡倉：

好倉

Name	Name of Group member	Capacity	Number and class of securities	Percentage of interests to total issued share capital (approximate)
名稱／姓名	本集團成員公司名稱	身份	證券數目及類別	權益佔已發行股本總數百分比（約數）
Motivator Enterprises Limited (Note 1)	The Company	Beneficial interests	1,000,217,461 Shares	39.48%
Motivator Enterprises Limited (附註1)	本公司	實益權益	1,000,217,461 股	39.48%
Shi Guling (Note 2) 侍桂玲 (附註2)	The Company 本公司	Interests of spouse 配偶權益	1,000,217,461 Shares 1,000,217,461 股	39.48% 39.48%
Treetop Asset Management SA	The Company	Beneficial interests	404,364,314 Shares	15.96%
Treetop Asset Management SA	本公司	實益權益	404,364,314 股	15.96%

Notes:

- The interest in these Shares is held by Motivator Enterprises Limited, the entire issued share capital of which is wholly and beneficially owned by Mr. Li Xuechun, an executive Director and the chairman of the Company. Accordingly, Mr. Li Xuechun is deemed to be interested in all Shares held by Motivator Enterprises Limited under the SFO.
- Ms. Shi Guling is the spouse of Mr. Li Xuechun. Accordingly, she is also deemed to be interested in the 1,000,217,461 Shares held by Motivator Enterprises Limited, which in turn is also deemed to be interested by Mr. Li Xuechun under the SFO.

Save as disclosed above, as at 30 June 2022, according to the register of interests required to be kept by the Company under section 336 of the SFO, there was no person who had any interest or short position in the shares or underlying shares of the Company.

附註：

- 此等股份權益由 Motivator Enterprises Limited 持有，其全部已發行股本由本公司執行董事兼主席李學純先生全資實益擁有，故此，根據證券及期貨條例，李學純先生被視為於 Motivator Enterprises Limited 所持全部股份中擁有權益。
- 侍桂玲女士為李學純先生之配偶，故此，根據證券及期貨條例，彼亦被視為於 Motivator Enterprises Limited 所持 1,000,217,461 股股份中擁有權益；而李學純先生亦被視為於該等股份中擁有權益。

除上文披露者外，於二零二二年六月三十日，根據本公司按照證券及期貨條例第336條規定存置之權益登記冊，概無人士於本公司股份或相關股份中擁有任何權益或淡倉。

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

中期簡明合併資產負債表

As at 30 June 2022 於二零二二年六月三十日

			30 June 2022 二零二二年 六月三十日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 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	7	9,033,289	9,284,867
Right-of-use assets	使用權資產	8	842,131	794,761
Intangible assets	無形資產	7	45,624	48,323
Investments accounted for using the equity method	採用權益法列賬的投資	9	719	9,090
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	5.4(a)(i)	10,000	5,000
Prepayment	預付款項	10	144,334	59,929
Deferred income tax assets	遞延所得稅資產		95,542	107,578
Total non-current assets	非流動資產總值		10,171,639	10,309,548
Current assets	流動資產			
Inventories	存貨		6,323,287	4,592,966
Trade, other receivables and prepayments	應收貿易賬款、其他應收款項及預付款項	10	2,411,301	2,553,446
Cash and bank balances	現金及銀行結餘	11	7,969,924	4,054,846
Total current assets	流動資產總值		16,704,512	11,201,258
Total assets	資產總值		26,876,151	21,510,806
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Other payables	其他應付款項	14	71,783	69,948
Deferred income	遞延收益		766,336	776,426
Borrowings	借貸	13	2,795,600	2,504,790
Lease liabilities	租賃負債	8	812	1,203
Deferred income tax liabilities	遞延所得稅負債		46,650	16,650
Derivative financial instruments	衍生金融工具	5.4(a)(i)	20,911	90,370
Total non-current liabilities	非流動負債總值		3,702,092	3,459,387

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

中期簡明合併資產負債表(續)

As at 30 June 2022 於二零二二年六月三十日

			30 June 2022 二零二二年 六月三十日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元
Current liabilities	流動負債			
Trade, other payables and accruals	應付貿易賬款、其他應付款項 及應計費用	14	2,846,066	2,780,278
Contract liabilities	合約負債		697,834	685,866
Current income tax liabilities	即期所得稅負債		286,721	158,409
Borrowings	借貸	13	4,866,944	1,722,254
Lease liabilities	租賃負債	8	783	774
Derivative financial instruments	衍生金融工具	5.4(a)(i)	12,529	26,084
Total current liabilities	流動負債總值		8,710,877	5,373,665
Total liabilities	負債總值		12,412,969	8,833,052
EQUITY	權益			
Capital and reserves attributable to the shareholders	股東應佔股本及儲備			
Share capital	股本	12	243,261	243,261
Share premium	股份溢價	12	259,434	259,434
Other reserves	其他儲備		856,918	852,483
Retained earnings	保留收益		13,103,569	11,322,576
Total equity	權益總值		14,463,182	12,677,754
Total equity and liabilities	權益及負債總值		26,876,151	21,510,806

The above interim condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

上述中期簡明合併資產負債表應與隨附附註一併閱讀。

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

中期簡明合併利潤表

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

		Half-year 半年度		
		2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元	
	Note 附註			
Revenue	收入	6	12,930,797	9,520,562
Cost of sales	銷售成本		(9,350,177)	(7,754,605)
Gross profit	毛利		3,580,620	1,765,957
Selling and marketing expenses	銷售及市場推廣開支		(867,131)	(633,315)
Administrative expenses	行政開支		(482,067)	(410,715)
Reversal of/(provision for) impairment losses on financial assets	金融資產減值虧損撥回/ (撥備)	5.2(ii)	3,347	(42,123)
Other operating expenses	其他經營開支		(24,923)	(7,855)
Other income	其他收入	15	131,878	116,530
Other gains/(losses) – net	其他收益/(虧損) – 淨額		380,176	(50,903)
Operating profit	經營溢利	16	2,721,900	737,576
Finance income	財務收入		22,371	56,741
Finance costs	財務成本		(256,057)	(98,147)
Finance costs – net	財務成本 – 淨額	17	(233,686)	(41,406)
Share of net loss of investments accounted for using the equity method	採用權益法列賬的應佔投資淨虧損		(888)	(5,470)
Profit before income tax	除所得稅前溢利		2,487,326	690,700
Income tax expense	所得稅開支	18	(461,320)	(99,651)
Profit attributable to the shareholders	股東應佔溢利		2,026,006	591,049
Earnings per share for profit attributable to the shareholders during the period (expressed in RMB cents per share)	期內股東應佔溢利每股盈利 (以每股人民幣分呈列)			
– basic	– 基本	19	79.96	23.33
– diluted	– 攤薄	19	79.96	23.33

The above interim condensed consolidated income statement should be read in conjunction with the accompanying notes.

上述中期簡明合併利潤表應與隨附附註一併閱讀。

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

中期簡明合併綜合收益表

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

		Half-year 半年度	
		2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
Profit for the half-year	半年度溢利	2,026,006	591,049
Other comprehensive income for the half-year	半年度其他綜合收益	-	-
Total comprehensive income for the half-year attributable to the shareholders	股東應佔半年度綜合收益總額	2,026,006	591,049

The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

上述中期簡明合併綜合收益表應與隨附附註一併閱讀。

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

中期簡明合併權益變動表

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

		Attributable to the shareholders				Total 總計 RMB'000 人民幣千元
		Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Other reserves 其他儲備 RMB'000 人民幣千元	Retained earnings 保留收益 RMB'000 人民幣千元	
Balance at 1 January 2021	於二零二一年一月一日結餘	243,261	346,437	715,879	10,383,829	11,689,406
Total comprehensive income for the half-year	半年度綜合收益總額	-	-	-	591,049	591,049
Transactions with shareholders, recognised directly in equity	與股東的交易，直接於權益內確認					
Employees share option scheme:	僱員購股權計劃：					
- Value of employee services	- 僱員服務價值	-	-	(1,718)	-	(1,718)
- Expiry of share option issued	- 已發行購股權屆滿	-	-	(4,219)	4,219	-
Provision for safety production fee	安全生產費用撥備	-	-	1,800	-	1,800
Utilisation of safety production fee	使用安全生產費用	-	-	(1,030)	-	(1,030)
Dividends	股息	-	(87,003)	-	-	(87,003)
Total transactions with shareholders	與股東的交易總額	-	(87,003)	(5,167)	4,219	(87,951)
Balance at 30 June 2021	於二零二一年六月三十日結餘	243,261	259,434	710,712	10,979,097	12,192,504
Balance at 1 January 2022	於二零二二年一月一日結餘	243,261	259,434	852,483	11,322,576	12,677,754
Total comprehensive income for the half-year	半年度綜合收益總額	-	-	-	2,026,006	2,026,006
Transactions with shareholders, recognised directly in equity	與股東的交易，直接於權益內確認					
Employees share option scheme:	僱員購股權計劃：					
- Value of employee services	- 僱員服務價值	-	-	187	-	187
Net provision for safety production fee	安全生產費用撥備淨額	-	-	4,248	(4,248)	-
Dividends	股息	-	-	-	(240,765)	(240,765)
Total transactions with shareholders	與股東的交易總額	-	-	4,435	(245,013)	(240,578)
Balance at 30 June 2022	於二零二二年六月三十日結餘	243,261	259,434	856,918	13,103,569	14,463,182

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

上述中期簡明合併權益變動表應與隨附附註一併閱讀。

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

中期簡明合併現金流量表

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

		Half-year 半年度	
		2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
	Note 附註		
Cash flows from operating activities	經營活動所得現金流量		
Cash generated from operations	經營業務所得現金	1,518,681	962,808
Interest paid	已付利息	(78,194)	(94,280)
Income taxes paid	已繳納所得稅	(290,769)	(57,903)
Net cash inflow from operating activities	經營活動的現金流入淨額	1,149,718	810,625
Cash flows from investing activities	投資活動所得現金流量		
Purchases of property, plant and equipment	購買物業、廠房及設備	(347,895)	(371,851)
Purchase of land-use rights	購買土地使用權	(13,092)	-
Payment for investment in an associate	於一間聯營公司投資付款	-	(490)
Payments for financial assets at fair value through profit or loss	按公平值計入損益計量的金融資產付款	(5,000)	(3,000)
Purchases of intangible assets	購買無形資產	(342)	(2,686)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	1,318	219
(Payments for)/proceeds from disposal of derivative financial instruments	出售衍生金融工具(付款)/所得款項	(14,051)	6,077
Loan granted to an associate of the Group	授予本集團一間聯營公司的貸款	(12,000)	(9,510)
Repayment of loan by an associate of the Group	本集團一間聯營公司償還的貸款	-	1,926
Assets-related government grants received	已收資產相關政府補助	36,380	30,060
Interest received	已收利息	12,173	14,220
Proceeds from term deposits	定期存款所得款項	9,389	400,000
Placement of term deposits	存置定期存款	(324,000)	(1,000)
Net cash (outflow)/inflow from investing activities	投資活動所得現金(流出)/流入淨額	(657,120)	63,965

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)
中期簡明合併現金流量表(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

		Half-year 半年度	
		2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
		Note 附註	
Cash flows from financing activities	融資活動所得現金流量		
Proceeds from bank borrowings	銀行借貸所得款項	13	4,646,648
Repayments of bank borrowings	償還銀行借貸	13	(1,368,819)
Principal elements of lease payments	租賃付款的本金部分		(425)
Dividends paid to the Company's shareholders	向本公司股東派付股息	20	(256,035)
Increase in restricted bank balances pledged as security for current bank borrowings	作為流動銀行借貸的抵押的受限制銀行結餘增加	11	(62,000)
Net cash inflow/(outflow) from financing activities	融資活動所得現金流入／(流出)淨額		2,959,369
Net increase in cash and cash equivalents	現金及現金等值物增加淨額		3,451,967
Cash and cash equivalents at beginning of the half-year	於半年度初的現金及現金等值物		759,336
			3,542,457
Cash and cash equivalents at end of the half-year	於半年度末的現金及現金等值物		6,994,424
			1,590,538

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

上述中期簡明合併現金流量表應與隨附附註一併閱讀。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明合併財務報表附註

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

1. GENERAL INFORMATION

Fufeng Group Limited and its subsidiaries manufacture and sell fermentation-based food additive, biochemical products and starch-based products. The Group has manufacturing plants in Shaanxi Province, Jiangsu Province, Heilongjiang Province, Inner Mongolia Autonomous Region and Xinjiang Uygur Autonomous Region of the PRC and sells mainly to customers located in the PRC.

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company has its shares listed on the Stock Exchange.

This interim condensed consolidated financial statements are presented in RMB, unless otherwise stated, and were approved for issue on 30 August 2022 by the Board.

This interim condensed consolidated financial statements have not been audited.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements for the Period have been prepared in accordance with HKAS 34 "Interim Financial Reporting". The condensed consolidated interim financial statements do not include all the notes of the type normally included in an annual financial statements. Accordingly, they should be read in conjunction with the annual report for the year ended 31 December 2021, which have been prepared in accordance with HKFRS.

1. 一般資料

阜豐集團有限公司連同其附屬公司從事製造及銷售發酵食品添加劑、生化產品及澱粉產品。本集團於中國陝西省、江蘇省、黑龍江省、內蒙古自治區及新疆維吾爾自治區設有生產廠房，主要向中國客戶進行銷售。

本公司為於開曼群島註冊成立的有限公司，其註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。

本公司股份在聯交所上市。

除另有註明外，本中期簡明合併財務報表以人民幣列示，及已於二零二二年八月三十日獲董事會批准刊發。

本中期簡明合併財務報表尚未經審核。

2. 編製基準

於期內的中期簡明合併財務報表乃根據香港會計準則第34號「中期財務報告」編製。簡明合併中期財務報表不包括年度財務報表一般所包括類別之所有附註。因此，本報告應與按照香港財務報告準則所編製截至二零二一年十二月三十一日止年度的全年報告一併閱讀。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

3. ACCOUNTING POLICIES

The accounting policies adopted in this interim condensed consolidated financial statements are consistent with those of the annual financial statements for the year ended 31 December 2021 except for the adoption of new and amended accounting standards as set out below.

(a) New and amended accounting standards adopted by the Group

A number of new or amended accounting standards became applicable for the current reporting period. The Group did not have to change its accounting policies and make retrospective adjustments as a result of adopting these standards.

		Effective for annual periods beginning on or after
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before intended use	1 January 2022
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to HKFRS 3	Reference to the Conceptual Framework	1 January 2022
Revised Accounting Guideline 5	Merger Accounting for Common Control Combinations	1 January 2022
Annual Improvements to HKFRS Standards 2018–2020		1 January 2022

3. 會計政策

本中期簡明合併財務報表採納的會計政策與截至二零二一年十二月三十一日止年度的全年財務報表所應用者貫徹一致，惟下文所載新訂及經修訂會計準則之採納除外。

(a) 本集團所採納的新訂及經修訂會計準則

若干新訂或經修訂會計準則適用於本報告期間。本集團毋須因採納該等準則而變更其會計政策或作出追溯調整。

		於下列日期或之後起的年度期間生效
香港會計準則第16號(修訂本)	物業、廠房及設備：擬定用途前的所得款項	二零二二年一月一日
香港會計準則第37號(修訂本)	虧損合約－履行合約的成本	二零二二年一月一日
香港財務報告準則第3號(修訂本)	對概念框架的提述	二零二二年一月一日
會計指引第5號(經修訂)	共同控制合併的合併會計處理	二零二二年一月一日
二零一八年至二零二零年香港財務報告準則的年度改進		二零二二年一月一日

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

3. ACCOUNTING POLICIES (Continued)

(b) New accounting standards and interpretations not yet adopted

The following new and amended accounting standards and interpretations have been issued but are not effective for the financial year beginning on 1 January 2022 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
HKFRS 17	Insurance contracts	1 January 2023
Amendments to HKAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2023
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group is assessing the impact of these standards and interpretations.

3. 會計政策(續)

(b) 尚未採納之新訂會計準則及詮釋

以下是已頒佈但於二零二二年一月一日起的財政年度尚未生效及本集團尚未提前採納的新訂及經修訂會計準則及詮釋：

		於下列日期或之後起的年度期間生效
香港財務報告準則第17號	保險合同	二零二三年一月一日
香港會計準則第8號(修訂本)	會計估計的定義	二零二三年一月一日
香港會計準則第12號(修訂本)	單一交易中產生的資產及負債相關的遞延稅項	二零二三年一月一日
香港會計準則第1號(修訂本)	將負債分類為流動或非流動	二零二三年一月一日
香港詮釋第5號(二零二零年)	財務報表之呈列—借款人對載有按要索償還條款的定期貸款進行分類	二零二三年一月一日
香港會計準則第1號及香港財務報告準則應用指引第2號(修訂本)	會計政策之披露	二零二三年一月一日
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間之資產出售或投入	有待釐定

本集團正評估該等準則及詮釋的影響。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued) 中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

4. ESTIMATES

The preparation of interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2021.

5. FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow interest rate risk and fair value interest rate risk), credit risk and liquidity risk.

The interim condensed consolidated financial statements does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2021.

There have been no changes in the risk management department since 2021 year end or in any risk management policies.

4. 估計

於編製中期簡明合併財務報表時，管理層須作出會影響會計政策應用以及資產及負債與收支呈報金額的判斷、估計及假設。實際結果可能有別於該等估計。

於編製本中期簡明合併財務報表時，管理層於應用本集團會計政策時作出的重大判斷及估計不明朗因素的主要來源與截至二零二一年十二月三十一日止年度的合併財務報表所應用者相同。

5. 財務風險管理

5.1 財務風險因素

本集團的業務承受多種財務風險：市場風險（包括外匯風險、現金流量利率風險及公平值利率風險）、信貸風險及流動資金風險。

中期簡明合併財務報表並不包括全年財務報表須提供的所有財務風險管理資料及披露，並應與本集團於二零二一年十二月三十一日的全年合併財務報表一併閱讀。

自二零二一年年底起，風險管理部門或任何風險管理政策並無任何變動。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

5. FINANCIAL RISK MANAGEMENT (Continued)

5.2 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at FVOCI and at FVPL, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to the customers, including outstanding receivables.

(i) Risk management

Credit risk is managed on a Group basis. Bank deposits and cash at bank are deposited in reputable financial institutions which are considered with low credit risk.

For sales of goods, customers of the Group usually pay in advance before delivery of products. Credit will only be granted to customers with long-term relationship. The Group performs ongoing credit evaluations of its customers' financial conditions and generally does not require collateral on trade receivables. The credit period granted to the customers is usually no more than 90 days and the credit quality of these customers is assessed, which takes into account their financial position, past experience and other factors. In view of the sound collection history of receivables due from them, management believes that the credit risk inherent in the Group's outstanding trade receivables arising from sales of products due from them is not significant.

The Group's investment in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

5. 財務風險管理(續)

5.2 信貸風險

信貸風險來自現金及現金等值物、按攤餘成本、按公平值計入其他綜合收益及按公平值計入損益列賬的債務投資之合約現金流量、有利的衍生金融工具、銀行及金融機構存款，以及客戶的信貸風險（包括未收回應收款項）。

(i) 風險管理

信貸風險以本集團為基礎進行管理。銀行存款及銀行現金存入被視為具低信貸風險之信譽良好的金融機構。

就商品銷售而言，本集團客戶通常在交付產品前提前付款。信貸僅授予擁有長期關係的客戶。本集團持續對客戶的財務狀況進行信貸評估，且一般情況下毋須應收貿易賬款的抵押品。授予客戶的信用期一般不超過90天，並會考慮客戶財務狀況、過往經驗等因素評估該等客戶的信貸質素。鑒於應收客戶款項的收款紀錄良好，管理層認為本集團因產品銷售應收彼等的未償還應收貿易賬款的信貸風險並不大。

本集團於債務工具投資視作低風險投資。投資的信貸評級受監控以防信貸惡化。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued) 中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

5. FINANCIAL RISK MANAGEMENT (Continued)

5.2 Credit risk (Continued)

(ii) Impairment of financial assets

The group has two types of financial assets that are subject to the expected credit loss model:

- trade receivables for sales of inventory, and
- other financial assets carried at amortised cost

While deposit with banks, including term deposits and restricted bank deposits, and notes receivables are also subject to the impairment requirements of HKFRS 9, identified impairment loss was immaterial.

Trade receivables

The Group applies the HKFRS 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 the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 month before 30 June 2022 or 31 December 2021 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. The Group has considered the business, financial or economic conditions of the customers and the performance and behaviour of customers, and accordingly adjusts the historical loss rates based on expected changes in these factors.

5. 財務風險管理(續)

5.2 信貸風險(續)

(ii) 金融資產減值

本集團有兩類受限於預期信用損失模式之金融資產：

- 有關存貨銷售之應收貿易賬款；及
- 按攤餘成本列賬之其他金融資產

儘管銀行存款(包括定期存款及受限制銀行存款)及應收票據亦須遵守香港財務報告準則第9號的減值要求，但已確認的減值損失並不重大。

應收貿易賬款

本集團採用香港財務報告準則第9號的簡化方法計量預期信用損失，即對所有應收貿易賬款確認整個存續期的預期虧損撥備。

為了計量預期信用損失，應收貿易賬款已按相同的信貸風險特徵及逾期天數進行分組。

預期損失率分別基於二零二二年六月三十日或二零二一年十二月三十一日前36個月期間銷售的付款情況及期內出現的相應歷史信用損失確定。歷史信用損失率已作出調整以反映影響客戶結算應收款項能力的當前和前瞻性宏觀經濟因素資料。本集團已對客戶的業務、財務或經濟狀況以及彼等之表現及行動作出考慮，並根據該等因素的預期變動相應地調整歷史信用損失率。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

5. FINANCIAL RISK MANAGEMENT (Continued)

5.2 Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

On that basis, the loss allowance for trade receivables as at 30 June 2022 and 31 December 2021 was determined as follows:

		Within 3 months 3個月內 RMB'000 人民幣千元	3 to 12 months 3至12個月 RMB'000 人民幣千元	Over 12 months 12個月以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
30 June 2022					
二零二二年六月三十日					
Expected loss rate	預期損失率	3.65%	21.01%	99.40%	
Gross carrying amount	總賬面值	870,445	24,840	4,195	899,480
Loss allowance provision	虧損撥備	31,811	5,218	4,170	41,199
31 December 2021					
二零二一年十二月三十一日					
Expected loss rate	預期損失率	3.50%	20.39%	98.67%	
Gross carrying amount	總賬面值	1,076,622	13,822	4,065	1,094,509
Loss allowance provision	虧損撥備	37,717	2,818	4,011	44,546

5. 財務風險管理(續)

5.2 信貸風險(續)

(ii) 金融資產減值(續)

應收貿易賬款(續)

按此基準，於二零二二年六月三十日及二零二一年十二月三十一日的應收貿易賬款的虧損撥備釐定如下：

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

5. FINANCIAL RISK MANAGEMENT (Continued)

5.2 Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

The closing loss allowances for trade receivables as at 30 June 2022 and 31 December 2021 reconcile to the opening loss allowances as follows:

		Trade receivables 應收貿易賬款 RMB'000 人民幣千元
Opening loss allowance at 1 January 2021	於二零二一年一月一日之 期初虧損撥備	28,225
Provision for impairment loss allowances	計提減值虧損撥備	16,709
Receivables written off during the year as uncollectible	年內撇銷為不可收回款項之應收款項	(388)
Closing loss allowance at 31 December 2021	於二零二一年十二月三十一日之 期末虧損撥備	44,546
Reversal of impairment loss allowances	減值虧損撥備撥回	(3,347)
Closing loss allowance at 30 June 2022	於二零二二年六月三十日之 期末虧損撥備	41,199

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 for a period greater than 360 days past due.

Impairment losses on trade receivables are presented within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

5. 財務風險管理(續)

5.2 信貸風險(續)

(ii) 金融資產減值(續)

應收貿易賬款(續)

於二零二二年六月三十日及二零二一年十二月三十一日之應收貿易賬款之期末虧損撥備與期初虧損撥備的對賬如下：

應收貿易賬款於並無合理可收回預期時被撇銷。概無合理可收回預期的跡象包括(其中包括)債務人未能與本集團訂立還款計劃,以及於逾期後超過360天的期間未能作出合約付款。

應收貿易賬款的減值損失於經營溢利內呈列。先前已撇銷款項的後續收回記入同一明細項目。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

5. FINANCIAL RISK MANAGEMENT (Continued)

5.2 Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Other financial assets at amortised cost

Other financial assets at amortised cost include other receivables. Impairment on other receivables 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. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

The closing loss allowances for other financial assets at amortised cost as at 30 June 2022 and 31 December 2021 reconcile to the opening loss allowances as follows:

5. 財務風險管理(續)

5.2 信貸風險(續)

(ii) 金融資產減值(續)

按攤餘成本計量的其他金融資產

按攤餘成本計量的其他金融資產包括其他應收款項。其他應收款項減值按12個月預期信用損失或整個存續期的預期信用損失計量，視乎自初步確認起是否出現重大信貸風險增加。倘應收款項的信貸風險自初次確定以後已顯著增加，減值以整個存續期預期信用損失計量。

按攤餘成本計量的其他金融資產於二零二二年六月三十日及二零二一年十二月三十一日之期末虧損撥備與期初虧損撥備的對賬如下：

		Other receivables 其他應收款項 RMB'000 人民幣千元
Opening loss allowance at 1 January 2021	於二零二一年一月一日之 期初虧損撥備	-
Provision for impairment loss allowances	計提減值虧損撥備	50,000
Closing loss allowance at 31 December 2021	於二零二一年十二月三十一日之 期末虧損撥備	50,000
Opening loss allowance at 1 January 2022	於二零二二年一月一日之 期初虧損撥備	50,000
Provision for impairment loss allowances	計提減值虧損撥備	-
Closing loss allowance at 30 June 2022	於二零二二年六月三十日之 期末虧損撥備	50,000

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

5. FINANCIAL RISK MANAGEMENT (Continued)

5.2 Credit risk (Continued)

(ii) **Impairment of financial assets (Continued)**

Reversal of/(provision for) impairment losses on financial assets recognised in profit and loss

During the Period and the Corresponding Period, the following gains/(losses) were recognised in “Reversal of/(provision for) impairment losses on financial assets” in the interim condensed consolidated income statement in relation to impaired financial assets:

		Half-year 半年度	
		2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
Reversal of/(provision for) impairment losses	減值虧損撥回/(撥備) losses		
- reversal of loss allowance for trade receivables	- 撥回應收貿易賬款虧損撥備	3,347	7,877
- loss allowance for other receivables	- 其他應收款項虧損撥備	-	(50,000)
		3,347	(42,123)

5.3 Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and available credit facilities to meet obligations when they arise.

Management monitors the funding requirements of the Group and the availability of credit facilities in order to ensure the liquidity of the Group.

The table below analyses the Group’s financial liabilities into relevant maturity groupings based on their contractual maturities for:

- (a) non-derivative financial liabilities, and
- (b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flow.

5. 財務風險管理(續)

5.2 信貸風險(續)

(ii) **金融資產減值(續)**

已確認於損益的金融資產減值虧損撥回/(撥備)

於期內及去年同期，以下收益/(虧損)乃就已減值金融資產於中期簡明合併利潤表「金融資產減值虧損撥回/(撥備)」內確認：

		Half-year 半年度	
		2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
Reversal of/(provision for) impairment losses	減值虧損撥回/(撥備) losses		
- reversal of loss allowance for trade receivables	- 撥回應收貿易賬款虧損撥備	3,347	7,877
- loss allowance for other receivables	- 其他應收款項虧損撥備	-	(50,000)
		3,347	(42,123)

5.3 流動資金風險

審慎流動資金風險管理包括維持充足現金及可用信貸融資以在責任產生時履行責任。

管理層監控本集團的資金需要及可用信貸融資以確保本集團資金流動性。

下表根據合約到期日按相關到期組別分析本集團的金融負債：

- (a) 非衍生金融負債；及
- (b) 以淨額和總額結算的衍生金融工具，對於此類金融工具而言，合同期限對於了解現金流量時間很重要。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

5. FINANCIAL RISK MANAGEMENT (Continued)

5.3 Liquidity risk (Continued)

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

5. 財務風險管理(續)

5.3 流動資金風險(續)

表中披露的金額為合約未貼現現金流量。由於有關貼現影響並不重大，故於12個月內到期的結餘相當於其賬面結餘。

Contractual maturities of financial liabilities	金融負債合約到期日	Less than	Between	Between	Total
		1 year	1 and 2 years	2 and 5 years	contractual cash flows
		少於1年	1年至2年	2年至5年	合約現金
		RMB'000	RMB'000	RMB'000	流量總計
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 30 June 2022	於二零二二年六月三十日				
Non-derivatives	非衍生				
Borrowings	借貸	4,867,482	550,684	2,281,876	7,700,042
Interests payables on borrowings (i)	應付借貸利息 (i)	114,819	51,144	7,192	173,155
Lease liabilities	租賃負債	881	842	31	1,754
Trade and other payables (excluding non-financial liabilities)	應付貿易賬款及其他應付款項 (不包括非金融負債)	2,512,525	-	82,230	2,594,755
Total non-derivatives	非衍生總計	7,495,707	602,670	2,371,329	10,469,706
Derivatives	衍生				
Gross settled cross currency swaps	以總額結算的交叉貨幣掉期				
- (inflow)	-(流入)	(266,779)	(62,783)	(9,849)	(339,411)
- outflow	-流出	263,924	44,777	51,685	360,386
		(2,855)	(18,006)	41,836	20,975
Total	總計	7,492,852	584,664	2,413,165	10,490,681

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

5. FINANCIAL RISK MANAGEMENT (Continued)

5.3 Liquidity risk (Continued)

5. 財務風險管理(續)

5.3 流動資金風險(續)

		Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total contractual cash flows
Contractual maturities of financial liabilities		少於1年	1年至2年	2年至5年	合約現金 流量總計
		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
At 31 December 2021	於二零二一年 十二月三十一日				
Non-derivatives	非衍生				
Borrowings	借貸	1,724,403	127,514	2,422,766	4,274,683
Interests payables on borrowings (i)	應付借貸利息(i)	74,244	47,290	28,145	149,679
Lease liabilities	租賃負債	849	831	418	2,098
Trade and other payables (excluding non-financial liabilities)	應付貿易賬款及 其他應付款項 (不包括非金融負債)	2,432,523	-	82,230	2,514,753
Total non-derivatives	非衍生總計	4,232,019	175,635	2,533,559	6,941,213
Derivatives	衍生				
Gross settled cross currency swaps	以總額結算的交叉貨幣 掉期				
- (inflow)	-(流入)	(247,763)	(30,468)	(20,613)	(298,844)
- outflow	-流出	295,769	44,732	26,589	367,090
		48,006	14,264	5,976	68,246
Total	總計	4,280,025	189,899	2,539,535	7,009,459

(i) The interests on borrowings are calculated based on bank borrowings held as at 30 June 2022 and 31 December 2021 without taking into account of future issues. Floating-rate interests are estimated using current interest rate as at 30 June 2022 and 31 December 2021 respectively.

(i) 借貸利息根據於二零二二年六月三十日及二零二一年十二月三十一日所持銀行借貸計算，而不計及日後事項。浮動利息分別按二零二二年六月三十日及二零二一年十二月三十一日的現行利率估計。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

5. FINANCIAL RISK MANAGEMENT (Continued)

5.4 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 condensed consolidated 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.

5. 財務風險管理(續)

5.4 公平值估算

(a) 金融資產及負債

(i) 公平值層級

本節闡釋於釐定簡明合併財務報表中按公平值確認及計量的金融工具的公平值時所作的判斷及估計。為說明用於釐定公平值所用輸入數據的可靠性，本集團已將其金融工具分類為會計準則下規定的三個級別。各級別的闡釋如下表所示。

Recurring fair value measurements	經常性公平值計量		Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 總計
		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
At 30 June 2022	於二零二二年 六月三十日					
Financial assets	金融資產					
Financial assets measured at FVPL	按公平值計入損益計量的金融資產					
– Equity investment*	– 權益投資*		-	-	10,000	10,000
Notes receivable measured at FVOCI	按公平值計入其他綜合收益計量的應收票據	10(c)	-	-	754,175	754,175
Total financial assets	金融資產總額		-	-	764,175	764,175
Financial liabilities	金融負債					
Derivative financial instruments	衍生金融工具					
Current	流動		-	-	12,529	12,529
Non-current	非流動		-	-	20,911	20,911
			-	-	33,440	33,440

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

5. FINANCIAL RISK MANAGEMENT (Continued)

5.4 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 附註	Level 1	Level 2	Level 3	Total
			第一級	第二級	第三級	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
At 31 December 2021	於二零二一年十二月三十一日					
Financial assets	金融資產					
Financial assets measured at FVPL	按公平值計入損益計量的金融資產					
– Equity investment*	– 權益投資*		–	–	5,000	5,000
Notes receivable measured at FVOCI	按公平值計入其他綜合收益計量的應收票據	10(c)	–	–	728,596	728,596
Total financial assets	金融資產總額		–	–	733,596	733,596
Financial liabilities	金融負債					
Derivative financial instruments	衍生金融工具					
Current	流動		–	–	26,084	26,084
Non-current	非流動		–	–	90,370	90,370
			–	–	116,454	116,454

* During the Period, the Group has subscribed further capital contribution of RMB5,000,000 to a third party (Corresponding Period: RMB3,000,000). As at 30 June 2022, the accumulated contributed capital was RMB10,000,000 (31 December 2021: RMB5,000,000). This third party is private company and there is no quoted market price available for its shares.

* 於期內，本集團已進一步向第三方認繳出資人民幣5,000,000元(去年同期：人民幣3,000,000元)。於二零二二年六月三十日，累計認繳出資為人民幣10,000,000元(二零二一年十二月三十一日：人民幣5,000,000元)。該第三方為私人公司，其股份並無可獲得的市場報價。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

5. FINANCIAL RISK MANAGEMENT (Continued)

5.4 Fair value estimation (Continued)

(a) Financial assets and liabilities (Continued)

(i) Fair value hierarchy (Continued)

The carrying value less impairment provision of trade and other receivables, cash and cash equivalents and short-term bank deposits approximated their fair values. The fair value of financial assets and liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

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.

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 calculate the fair value of an instrument are observable, the instrument is included in level 2.

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.

5. 財務風險管理(續)

5.4 公平值估算(續)

(a) 金融資產及負債(續)

(i) 公平值層級(續)

應收貿易賬款及其他應收款項、現金及現金等值物及短期銀行存款的賬面值減減值撥備與其公平值相若。作披露用途的金融資產及負債公平值乃透過按現行市場利率(適用於本集團相若金融工具)貼現未來合約現金流的方式進行估計。

本集團政策旨在確認於報告期末公平值等級水平的轉入及轉出情況。

第一級：在活躍市場上買賣的金融工具(如公開買賣衍生工具及股本證券)的公平值乃按於報告期末的市場報價釐定。本集團所持有金融資產採用的市場報價為當時買盤價。該等工具計入第一級。

第二級：未在活躍市場上買賣的金融工具(例如場外衍生工具)的公平值採用估值技術釐定。該等估值技術盡量採用可觀察市場數據，並盡可能不倚賴實體特定估計。倘計算工具公平值所需的重大輸入數據均可觀察，則該工具計入第二級。

第三級：倘一項或多項重大輸入數據並非以可觀察市場數據為基礎，則該工具計入第三級。對於非上市股本證券而言便是如此。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

中期簡明合併財務報表附註 *(續)*

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

5. FINANCIAL RISK MANAGEMENT *(Continued)*

5.4 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:

- for interest rate swaps – the present value of the estimated future cash flows based on observable yield curves
- for forward currency forwards – present value of future cash flows based on forward exchange rates at the balance sheet date
- for foreign currency options – option pricing models (e.g. Black Scholes model)

All of the resulting fair value estimates are included in level 3.

5. 財務風險管理 *(續)*

5.4 公平值估算 *(續)*

(a) 金融資產及負債 *(續)*

(ii) 釐定公平值所用估值方法

評估金融工具所用特定估值方法包括：

- 就利率掉期而言－基於可觀察收益曲線的估計未來現金流量的現值
- 就外匯遠期合同而言－於資產負債表日根據遠期匯率的未來現金流量現值
- 就外匯期權而言－期權定價模式（例如布萊克•斯科爾斯模型）

所有所產生的公平值估計計入第三級。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

6. SEGMENT INFORMATION

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

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

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

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

Approximately 66% (30 June 2021: 66%) of the Group's revenue are generated from sales to the customers in the PRC.

6. 分部資料

已確定最高營運決策者為執行董事。執行董事審閱本集團的內部呈報過程，以評核表現及分配資源。

執行董事根據以下產品分部評估本集團的業務表現：

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

執行董事基於上述五種產品分部毛利評估業務分部表現。

本集團約66%（二零二一年六月三十日：66%）的收入來自向中國客戶出售商品。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

6. SEGMENT INFORMATION (Continued)

The segment information for the six months ended 30 June 2022 is as follows:

		Food additives 食品添加劑	Animal nutrition 動物營養	High-end amino acid 高檔氨基酸	Colloid 膠體	Others 其他	Group 本集團
		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
Revenue	收入	6,065,473	4,754,189	534,843	940,228	636,064	12,930,797
Cost of sales	銷售成本	(4,795,317)	(3,356,351)	(321,665)	(464,923)	(411,921)	(9,350,177)
Gross profit	毛利	1,270,156	1,397,838	213,178	475,305	224,143	3,580,620

6. 分部資料(續)

截至二零二二年六月三十日止六個月的分部資料如下：

The segment information for the six months ended 30 June 2021 is as follows:

截至二零二一年六月三十日止六個月的分部資料如下：

		Food additives 食品添加劑	Animal nutrition 動物營養	High-end amino acid 高檔氨基酸	Colloid 膠體	Others 其他	Group 本集團
		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
Revenue	收入	4,494,970	3,462,376	688,912	395,507	478,797	9,520,562
Cost of sales	銷售成本	(3,892,468)	(2,850,564)	(380,172)	(244,736)	(386,665)	(7,754,605)
Gross profit	毛利	602,502	611,812	308,740	150,771	92,132	1,765,957

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

7. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

7. 物業、廠房及設備以及無形資產

		Property, plant and equipment 物業、廠房及設備 RMB'000 人民幣千元	Intangible assets 無形資產 RMB'000 人民幣千元
Six months ended 30 June 2021	截至二零二一年六月三十日止六個月		
Opening net book amount at 1 January 2021	於二零二一年一月一日的 期初賬面淨值	9,748,815	50,751
Additions	添置	254,190	2,686
Disposals	出售	(1,682)	-
Depreciation and amortisation	折舊及攤銷	(605,864)	(3,767)
Closing net book amount at 30 June 2021	於二零二一年六月三十日的 期末賬面淨值	9,395,459	49,670
Six months ended 30 June 2022	截至二零二二年六月三十日止六個月		
Opening net book amount at 1 January 2022	於二零二二年一月一日的 期初賬面淨值	9,284,867	48,323
Additions	添置	324,759	342
Disposals	出售	(3,104)	-
Depreciation and amortisation	折舊及攤銷	(568,630)	(3,041)
Impairment charge	減值支出	(4,603)	-
Closing net book amount at 30 June 2022	於二零二二年六月三十日的 期末賬面淨值	9,033,289	45,624

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

8. LEASES

This note provides information for leases where the Group is a lessee.

(i) Amounts recognised in the interim condensed consolidated balance sheet

The interim condensed consolidated balance sheet shows the following amounts relating to leases:

8. 租賃

本附註提供本集團作為承租人所訂立租賃的資料。

(i) 確認於中期簡明合併資產負債表的金額

中期簡明合併資產負債表顯示以下與租賃有關的金額：

		As at 於	
		30 June 2022 二零二二年 六月三十日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元
Right-of-use assets	使用權資產		
Leasehold land-use rights (a)	租賃土地使用權(a)	840,558	792,799
Buildings	樓宇	1,558	1,935
Equipment	設備	15	27
		842,131	794,761
Lease liabilities	租賃負債		
Current	流動	783	774
Non-current	非流動	812	1,203
		1,595	1,977

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

8. LEASES (Continued)

(i) Amounts recognised in the interim condensed consolidated balance sheet (Continued)

(a) Leasehold land-use rights

8. 租賃(續)

(i) 確認於中期簡明合併資產負債表的金額(續)

(a) 租賃土地使用權

		Leasehold land-use rights 租賃土地使用權 RMB'000 人民幣千元
Six months ended 30 June 2021		
	截至二零二一年六月三十日 止六個月	
Opening net book amount at 1 January 2021	於二零二一年一月一日的 期初賬面淨值	766,230
Additions	添置	45,475
Depreciation and amortisation	折舊及攤銷	(8,981)
		<hr/>
Closing net book amount at 30 June 2021	於二零二一年六月三十日的 期末賬面淨值	802,724
		<hr/>
Six months ended 30 June 2022		
	截至二零二二年六月三十日 止六個月	
Opening net book amount at 1 January 2022	於二零二二年一月一日的 期初賬面淨值	792,799
Additions	添置	58,153
Depreciation and amortisation	折舊及攤銷	(10,394)
		<hr/>
Closing net book amount at 30 June 2022	於二零二二年六月三十日的 期末賬面淨值	840,558
		<hr/>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

8. LEASES (Continued)

(ii) Amounts recognised in the interim condensed consolidated income statement

The interim condensed consolidated income statement shows the following amounts relating to leases:

8. 租賃(續)

(ii) 確認於中期簡明合併利潤表的金額

中期簡明合併利潤表顯示以下與租賃有關的金額：

		Half-year 半年度	
		2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
Depreciation charge of right-of-use assets	使用權資產折舊支出		
– Leasehold land-use rights	– 租賃土地使用權	10,394	8,981
– Buildings	– 樓宇	377	438
– Equipment	– 設備	12	13
		10,783	9,432
Interest expense (included in finance cost)	利息開支(包括於財務成本)	43	6
Expense relating to short-term leases (included in administrative expenses)	與短期租賃有關的開支(包括於行政開支)	5,164	7,671

The total cash outflow for leases during the Period was RMB5,589,000 (Corresponding Period: RMB8,033,000).

期內租賃現金流出總額為人民幣5,589,000元(去年同期:人民幣8,033,000元)。

(iii) The Group's leasing activities and how these are accounted for

The Group leases various offices, warehouses and equipment. Rental contracts are typically made for fixed periods of 1 to 3 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants. Leased assets may not be used as security for borrowing purposes.

(iii) 本集團租賃活動及該等租賃如何入賬

本集團租賃眾多辦公室、倉庫及設備。租賃合約通常為一至三年的固定期限。

租期可根據個別基準磋商，其中包括各種不同條款及條件。租賃協議並不施加任何約定。租賃資產不得用作借款的抵押品。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

9. INTERESTS IN ASSOCIATES

During the Corresponding Period, the Group subscribed 49% share capital of a company at a cash consideration of RMB490,000. The company is engaged in agricultural techniques research and development. The Group gained significant influence over this investment and the investment was classified as an associate.

The carrying amount of equity-accounted investments has changed as follows in the Period:

9. 於聯營公司的權益

於去年同期，本集團以現金對價人民幣490,000元認購一家公司的49%股本。該公司從事農業技術研發。本集團對該投資產生重大影響，該投資獲分類為聯營公司。

於期內，權益入賬投資的賬面值變動如下：

		Half-year 半年度	
		2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
Beginning of the period	期初	9,090	18,818
Additions	添置	–	490
Loss for the period	期內虧損	(888)	(5,470)
Impairment charge	減值支出	(7,483)	–
End of the period	期末	719	13,838

* As at 30 June 2022, an impairment loss of RMB7,483,000 was recognised for the investment in Jilin COFCO Biomaterial Co., Ltd., reducing the carrying amount of the investment to recoverable amount based on value-in-use calculations.

* 於二零二二年六月三十日，就於吉林中糧生物材料有限公司的投資確認減值虧損人民幣7,483,000元，將投資的賬面值降低至按使用價值計算的可收回金額。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

10. TRADE, OTHER RECEIVABLES AND PREPAYMENTS

10. 應收貿易賬款、其他應收款項及預付款項

		As at 於	
		30 June 2022 二零二二年 六月三十日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元
Trade receivables (a)	應收貿易賬款(a)	899,480	1,094,509
Less: provision for impairment loss allowance	減：計提減值虧損撥備	(41,199)	(44,546)
Trade receivables – net	應收貿易賬款－淨額	858,281	1,049,963
Deposits and others	按金及其他	52,261	43,077
Loan to a third party (b)	給予一名第三方的貸款(b)	50,000	50,000
Less: provision for impairment loss allowance	減：計提減值虧損撥備	(50,000)	(50,000)
Loan to a third party – net	給予一名第三方的貸款－淨額	–	–
Loan to an associate (Note 22(c))	給予一間聯營公司的貸款 (附註22(c))	17,000	5,008
Loans to employees	給予僱員的貸款	462	472
Value-added tax for future deduction	用於日後扣減的增值稅	172,581	308,069
Prepaid current income tax	預付即期所得稅	262	464
Interest receivable	應收利息	13,111	2,913
		1,113,958	1,409,966
Notes receivable (c)	應收票據(c)	754,175	728,596
Trade and other receivables	應收貿易賬款及其他應收款項	1,868,133	2,138,562
Prepayments to suppliers	預付供應商款項	687,502	474,813
		2,555,635	2,613,375
Less: non-current portion	減：非即期部分		
Prepayments to suppliers for non-current assets (d)	就非流動資產預付供應商的款項(d)	(144,334)	(59,929)
		2,411,301	2,553,446

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

10. TRADE, OTHER RECEIVABLES AND PREPAYMENTS (Continued)

- (a) At 30 June 2022 and 31 December 2021, the ageing analysis of the trade receivables based on invoice date was as follows:

		As at 於	
		30 June 2022 二零二二年 六月三十日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元
Within 3 months	三個月內	870,445	1,076,622
3-12 months	三至十二個月	24,840	13,822
Over 12 months	超過十二個月	4,195	4,065
		899,480	1,094,509

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

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

10. 應收貿易賬款、其他應收款項及預付款項(續)

- (a) 於二零二二年六月三十日及二零二一年十二月三十一日，應收貿易賬款按發票日期的賬齡分析如下：

		As at 於	
		30 June 2022 二零二二年 六月三十日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元
Within 3 months	三個月內	870,445	1,076,622
3-12 months	三至十二個月	24,840	13,822
Over 12 months	超過十二個月	4,195	4,065
		899,480	1,094,509

本集團向顧客銷售其產品，乃於送交貨品時以現金或以銀行承兌票據(附註(c))形式收取結算款項。銀行承兌票據一般為六個月內到期。具備良好付款記錄的中國及海外若干主要客戶通常會獲得不多於三個月的信貸期。

- (b) 給予一名第三方的貸款是通過一間金融信託公司貸出。於資產負債表日，該貸款因第三方陷入財政困難已逾期。已於資產負債表錄得全數撥備人民幣50,000,000元，以反映信貸風險的增加。因該貸款信用風險顯著增加，本集團按其於整個存續期內的預期信用損失計量減值。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

10. TRADE, OTHER RECEIVABLES AND PREPAYMENTS (Continued)

- (c) As at 30 June 2022, notes receivables were all bank acceptance notes aged less than six months, including a total amount of RMB591,968,000 (31 December 2021: RMB690,483,000) that have been endorsed to the suppliers. As the notes receivables are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, they are measured at FVOCI.

10. 應收貿易賬款、其他應收款項及預付款項(續)

- (c) 於二零二二年六月三十日，應收票據均為賬齡少於六個月的銀行承兌票據，包括總額為人民幣591,968,000元(二零二一年十二月三十一日：人民幣690,483,000元)已背書予供應商的票據。由於應收票據持作收回合約現金流量及出售金融資產，倘該等資產現金流量僅作為支付本金及利息，則按公平值計入其他綜合收益計量。

		As at 於	
		30 June 2022 二零二二年 六月三十日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元
Current assets	流動資產		
Notes receivable measured at FVOCI	按公平值計入其他綜合收益計量的應收票據	754,175	728,596

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

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

Information about the methods and assumptions used in determining fair value is provided in Note 5.4.

有關釐定其公平值的方法和假設的信息列示於附註5.4。

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

按公平值計入其他綜合收益的所有金融資產均以人民幣計值。

- (d) During the year ended 31 December 2020, the Group won a bid for purchasing a package of the non-current assets owned by a bankrupted third party company at a consideration of RMB51,189,000. A full amount prepayment of RMB51,189,000 has been paid for the aforementioned transaction to the agent as at 31 December 2020. During the Period, the package of assets purchased was entirely handed over to the Group, with amounts of RMB14,531,000 and RMB36,658,000 transferred into leasehold land-use rights and construction in progress, presented as "Right-of-use assets" and "Property, plant and equipment" in the interim condensed consolidated balance sheet respectively.

- (d) 截至二零二零年十二月三十一日止年度，本集團以人民幣51,189,000元的對價中標購買一間破產第三方公司持有的一攬子非流動資產。上述交易的全額人民幣51,189,000元的預付款項已於二零二零年十二月三十一日支付予代理。於期內，購買的一攬子資產已全部移交本集團，轉入租賃土地使用權及在建工程人民幣14,531,000元及人民幣36,658,000元於中期簡明合併資產負債表中分別呈列為「使用權資產」及「物業、廠房及設備」。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

10. TRADE, OTHER RECEIVABLES AND PREPAYMENTS (Continued)

(d) (Continued)

The rest of non-current portion amounting to RMB8,740,000 as of 31 December 2021 are prepayments for purchase of leasehold land-use rights pursuant to agreement with local government during 2021. During the Period, the leasehold land-use rights purchased were handed over to the Group and transferred into right-of-use assets.

As at 30 June 2022, the prepayments for non-current assets amounting to RMB144,334,000 were payments for purchase of property, plant and equipment.

10. 應收貿易賬款、其他應收款項及預付款項(續)

(d) (續)

截至二零二一年十二月三十一日的其餘非流動部分人民幣8,740,000元為二零二一年根據與當地政府的協議購買租賃土地使用權的預付款項。於期內，所購買的租賃土地使用權已移交本集團並轉為使用權資產。

於二零二二年六月三十日，非流動資產的預付款項人民幣144,334,000元為購買物業、廠房及設備的款項。

11. CASH AND BANK BALANCES

11. 現金及銀行結餘

		As at 於	
		30 June 2022 二零二二年 六月三十日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元
Cash and cash equivalents	現金及現金等值物		
– Cash on hand	– 手頭現金	494	380
– Cash in bank	– 銀行現金	6,993,930	3,542,077
		6,994,424	3,542,457
Term deposits over 3 months and within one year (a)	超過三個月但於一年內的定期存款(a)	824,000	509,389
Cash and bank balances	現金及銀行結餘	7,818,424	4,051,846
Restricted bank deposits (b)	受限制銀行存款(b)	151,500	3,000
Total cash and bank balances	現金及銀行結餘總額	7,969,924	4,054,846

(a) As at 30 June 2022, term deposits over 3 months and within one year comprise of (i) amounts of RMB800,000,000 (31 December 2021: RMB500,000,000) was pledged as security for bank borrowings of the Group; and (ii) amounts of RMB24,000,000 (31 December 2021: nil) was pledged as security for issuing notes payable of the Group.

(b) As at 30 June 2022, restricted bank deposits comprise of (i) amounts of RMB62,000,000 (31 December 2021: nil) was pledged as security for bank borrowings of the Group; and (ii) amounts of RMB89,500,000 (31 December 2021: RMB3,000,000) was pledged as security for issuing notes payable of the Group.

(a) 於二零二二年六月三十日，超過三個月及一年內的定期存款包括(i)人民幣800,000,000元(二零二一年十二月三十一日：人民幣500,000,000元)已抵押為本集團銀行借貸的抵押品；及(ii)人民幣24,000,000元(二零二一年十二月三十一日：無)已抵押為本集團發行應付票據的抵押品。

(b) 於二零二二年六月三十日，受限制銀行存款包括(i)人民幣62,000,000元(二零二一年十二月三十一日：無)已抵押為本集團銀行借貸的抵押品；及(ii)人民幣89,500,000元(二零二一年十二月三十一日：人民幣3,000,000元)已抵押為本集團發行應付票據的抵押品。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

12. SHARE CAPITAL AND SHARE PREMIUM

12. 股本及股份溢價

		Amount 金額			
		Number of authorised shares	Number of issued and fully paid shares	Ordinary shares	Share premium
		法定股份 數目 '000 千股	已發行及 繳足股份 數目 '000 千股	普通股 RMB'000 人民幣千元	股份溢價 RMB'000 人民幣千元
Opening balance at 1 January 2021	於二零二一年 一月一日的期初 結餘	10,000,000	2,533,639	243,261	346,437
Dividends	股息	-	-	-	(87,003)
At 30 June 2021	於二零二一年 六月三十日	10,000,000	2,533,639	243,261	259,434
Opening balance at 1 January 2022	於二零二二年 一月一日的期初 結餘	10,000,000	2,533,639	243,261	259,434
Dividends	股息	-	-	-	-
At 30 June 2022	於二零二二年 六月三十日	10,000,000	2,533,639	243,261	259,434

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

13. BORROWINGS

13. 借貸

		As at 於	
		30 June 2022 二零二二年 六月三十日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元
Non-current	非流動		
- Bank borrowings, secured (a)	- 銀行借貸(有抵押)(a)	2,647,600	2,504,790
- Bank borrowings, unsecured	- 銀行借貸(無抵押)	148,000	-
		2,795,600	2,504,790
Current	流動		
- Bank borrowings, secured	- 銀行借貸(有抵押)	1,058,377	500,000
- Bank borrowings, unsecured	- 銀行借貸(無抵押)	3,808,567	1,222,254
		4,866,944	1,722,254
Total Borrowings	借貸總額	7,662,544	4,227,044

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

非流動借貸的賬面值及公平值如下：

		Carrying amount 賬面值		Fair value 公平值	
		As at 於		As at 於	
		30 June 2022 二零二二年 六月三十日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元	30 June 2022 二零二二年 六月三十日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元
Bank borrowings, secured	銀行借貸(有抵押)	2,647,600	2,504,790	2,541,175	2,382,379
Bank borrowings, unsecured	銀行借貸(無抵押)	148,000	-	145,568	-
		2,795,600	2,504,790	2,686,743	2,382,379

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

13. BORROWINGS (Continued)

Movements in borrowings were analysed as follows:

13. 借貸(續)

借貸變動分析如下：

		RMB'000 人民幣千元
Six months ended 30 June 2021		
Opening amount as at 1 January 2021	截至二零二一年六月三十日止六個月 於二零二一年一月一日的期初金額	3,473,228
New borrowings	新造借貸	1,622,717
Repayments of bank borrowings	償還銀行借貸	(1,606,098)
Amortisation of transaction cost	交易成本攤銷	6,881
Exchange differences	匯兌差額	(41,412)
Closing amount as at 30 June 2021	於二零二一年六月三十日的期末金額	3,455,316
Six months ended 30 June 2022		
Opening amount as at 1 January 2022	截至二零二二年六月三十日止六個月 於二零二二年一月一日的期初金額	4,227,044
New borrowings	新造借貸	4,646,648
Repayments of bank borrowings	償還銀行借貸	(1,368,819)
Amortisation of transaction cost	交易成本攤銷	10,141
Exchange differences	匯兌差額	147,530
Closing amount as at 30 June 2022	於二零二二年六月三十日的期末金額	7,662,544

Interest expenses on borrowings for the Period were RMB91,379,000 (Corresponding Period: RMB96,397,000).

期內借貸利息開支為人民幣91,379,000元(去年同期：人民幣96,397,000元)。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

13. BORROWINGS (Continued)

(a) Loan covenants

Under the terms of the major non-current borrowing facilities, the Group is required to comply with the following financial covenants:

- the leverage ratio in respect of each relevant period shall not exceed 2.50:1;
- the interest cover ratio in respect of each relevant period shall not be less than 4.00:1; and
- the consolidated tangible net worth shall not be less than RMB7,500,000,000 at any time.

“Relevant period” means (a) each period of 12 months ended on the last day of each financial year and (b) each period of 12 months ending on the last day of the first half of each financial year.

“Leverage ratio” is the ratio of net debt which is consolidated total borrowings minus cash and cash equivalents to consolidated EBITDA.

“Interest cover ratio” is the ratio of consolidated EBITDA to interest expense.

“Consolidated tangible net worth” was calculated by the total equity minus the intangible assets and deferred income tax assets.

The Group has complied with these covenants throughout the reporting period. As at 30 June 2022, the leverage ratio was 0.14 (31 December 2021: 0.24), the interest cover ratio was 27.66 (31 December 2021: 16.30) and the consolidated tangible net worth was RMB14,322,016,000 (31 December 2021: RMB12,521,853,000).

13. 借貸(續)

(a) 貸款契諾

根據主要非即期借貸融資條款，本集團須遵守以下財務契諾：

- 各有關期間的槓桿率不得超過 2.50 : 1 ;
- 各有關期間的利息償付率不得低於 4.00 : 1 ; 及
- 合併有形資產淨值於任何時候均不得低於人民幣 7,500,000,000 元。

「有關期間」指(a)截至每個財政年度最後一日止十二個月各期間及(b)截至每個財政年度上半年最後一日止十二個月各期間。

「槓桿率」為合併借貸總額減去現金及現金等值物的淨債務與合併 EBITDA 的比率。

「利息償付率」為合併 EBITDA 與利息開支的比率。

「合併有形資產淨值」為通過權益總值減無形資產及遞延所得稅資產而計算得出。

本集團於報告期間內一直遵守該等契諾。於二零二二年六月三十日，槓桿率為 0.14 (二零二一年十二月三十一日：0.24)，利息償付率為 27.66 (二零二一年十二月三十一日：16.30)，而合併有形資產淨值為人民幣 14,322,016,000 元 (二零二一年十二月三十一日：人民幣 12,521,853,000 元)。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

14. TRADE, OTHER PAYABLES AND ACCRUALS

14. 應付貿易賬款、其他應付款項及應計費用

		As at 於	
		30 June 2022 二零二二年 六月三十日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元
Trade payables (a)	應付貿易賬款(a)	1,567,899	1,545,933
Notes payable	應付票據	38,650	-
Payables for property, plant and equipment	物業、廠房及設備應付款項	435,271	490,593
Payables for land-use rights	土地使用權應付款項	21,790	-
Salaries, wages and staff welfares payables	應付薪金、工資及員工福利	331,561	346,755
Interest payables	應付利息	4,193	1,149
Dividends payable	應付股息	407	407
Other payables and accruals	其他應付款項及應計費用	518,078	465,389
		2,917,849	2,850,226
Less: non-current portion	減：非流動部分		
Other payables (b)	其他應付款項(b)	(71,783)	(69,948)
		2,846,066	2,780,278

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

14. TRADE, OTHER PAYABLES AND ACCRUALS (Continued)

(a) The ageing analysis of the trade payables was as follows:

		As at	
		30 June	31 December
		2022	2021
		二零二二年	二零二一年
		六月三十日	十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 3 months	三個月內	1,420,266	1,371,273
3 to 6 months	三至六個月	53,389	73,335
6 to 12 months	六至十二個月	22,778	32,167
1 to 2 years	一至兩年	41,767	36,865
Over 2 years	兩年以上	29,699	32,293
		1,567,899	1,545,933

(b) The non-current portion of other payables is a borrowing from certain third parties, which is repayable in 5 years from the balance sheet date. The interest rate on such other payables during the Period was 5.25% per annum (Corresponding Period: 5.25% per annum).

14. 應付貿易賬款、其他應付款項及應計費用(續)

(a) 應付貿易賬款的賬齡分析如下：

(b) 其他應付款項的非流動部分是來自若干第三方借款，將於資產負債表日後5年內償還。該其他應付款項於期內適用的利率為每年5.25%（去年同期：每年5.25%）。

15. OTHER INCOME

		Half-year	
		2022	2021
		二零二二年	二零二一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Amortisation of deferred income	遞延收益攤銷	46,470	49,237
Government grants relating to expenses	與開支有關的政府補助	31,870	30,482
Sales of waste products	廢料產品銷售	38,199	27,301
Others	其他	15,339	9,510
		131,878	116,530

15. 其他收入

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

16. OPERATING PROFIT

An analysis of the amounts presented as operating items in the financial information is given below.

16. 經營溢利

下文所載為財務資料中呈列為經營項目的金額分析。

		Half-year 半年度	
		2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
Amortisation of intangible assets (Note 7)	無形資產攤銷(附註7)	3,041	3,767
Depreciation of property, plant and equipment (Note 7)	物業、廠房及設備折舊(附註7)	568,630	605,864
Depreciation of right-of-use assets (Note 8)	使用權資產折舊(附註8)	10,783	9,432
(Reversal of)/provision for impairment losses on financial assets (Note 5.2)	金融資產減值虧損(撥回)/撥備(附註5.2)	(3,347)	42,123
Provision for/(reversal of) value on employee services for the share option schemes	購股權計劃的僱員服務價值撥備/(撥回)	187	(1,718)
Provision for inventory write-down – net	存貨撇減撥備–淨值	10,356	13,873
Impairment charge for an investment accounted for using the equity method (Note 9)	採用權益法列賬的一項投資的減值支出(附註9)	7,483	–
Impairment charge for property, plant and equipment (Note 7)	物業、廠房及設備減值支出(附註7)	4,603	–
Net foreign exchange (gains)/losses	外匯(收益)/虧損淨額	(306,215)	17,912
(Gains)/losses from derivative financial instruments	衍生金融工具產生的(收益)/虧損	(68,963)	3,528

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

17. FINANCE INCOME AND COSTS

17. 財務收入及成本

		Half-year 半年度	
		2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
<i>Finance income:</i>	<i>財務收入：</i>		
Interest income from financial assets held for cash management purposes	就現金管理目的所持有的金融資產利息收入		
– bank deposits and bank balances	– 銀行存款及銀行結餘	(22,109)	(10,934)
– financial assets at amortised cost	– 按攤餘成本計量的金融資產	(262)	(3,428)
Foreign exchange gains on financing activities	融資活動的外匯收益	–	(42,379)
		(22,371)	(56,741)
<i>Finance costs:</i>	<i>財務成本：</i>		
Interest and finance charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	就並非按公平值計入損益計量的租賃負債及金融負債已付／應付利息及融資費用		
– bank borrowings	– 銀行借貸	91,379	44,321
– USD bonds	– 美元債券	–	52,076
– leasing liabilities	– 租賃負債	43	6
– other payables	– 其他應付款項	1,835	1,744
Foreign exchange losses on financing activities	融資活動的外匯虧損	162,800	–
		256,057	98,147
Net finance costs	財務成本淨額	233,686	41,406

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

18. INCOME TAX EXPENSE

18. 所得稅開支

		Half-year 半年度	
		2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
Current income tax	即期所得稅		
– PRC	– 中國		
– Enterprise income tax	– 企業所得稅	332,980	67,674
– Withholding tax	– 預扣稅	80,000	10,000
– U.S. enterprise income tax	– 美國企業所得稅	6,303	–
Deferred income tax	遞延所得稅	42,037	21,977
		461,320	99,651

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

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

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

本集團於英屬處女群島的附屬公司獲豁免英屬處女群島所得稅。

Hong Kong Profit Tax is calculated based on the effective tax rate on assessable profit of subsidiaries established in Hong Kong in accordance with Hong Kong tax laws and regulations.

香港利得稅根據香港稅務法律及法規，按於香港成立的附屬公司的應課稅溢利，以實際稅率計算。

PRC enterprise income tax is calculated based on the effective tax rate on assessable profit of subsidiaries established in the PRC in accordance with PRC tax laws and regulations.

中國企業所得稅根據中國稅務法律及法規，按於中國成立的附屬公司的應課稅溢利，以實際稅率計算。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

18. INCOME TAX EXPENSE (Continued)

According to the corporate income tax law, starting from 1 January 2008, a 10% withholding tax will be levied on the immediate holding companies established outside the PRC when their PRC subsidiaries declare dividends out of their profits earned after 1 January 2008. A lower withholding tax rate of 5% may be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the qualified foreign immediate holding companies, including those incorporated in Hong Kong. Trans-Asia acquired qualification for the lower tax rate of 5% for dividend received from its subsidiary in mainland China, while the withholding tax rate for other subsidiaries in Hong Kong were based on 10%.

During the Period, withholding tax of RMB80,000,000 has been provided and paid as a Mainland China subsidiary has distributed the retained earnings of RMB1,600,000,000 as at 31 December 2021. Withholding tax of RMB30,000,000 (Corresponding Period: RMB17,700,000) has been provided as the Group expects Mainland China subsidiaries to distribute the retained earnings of RMB600,000,000 for the Period (Corresponding Period: RMB277,000,000) in the foreseeable future.

The U.S. enterprise income tax is calculated based on the assessable profit of the subsidiary established in the U.S. in accordance with the U.S. tax laws and regulations.

Singapore enterprise income tax is calculated based on the assessable profit of the subsidiary established in Singapore in accordance with Singapore tax laws and regulations.

18. 所得稅開支(續)

根據企業所得稅法，自二零零八年一月一日起，當中國大陸以外地點成立的直接控股公司之中國附屬公司於二零零八年一月一日後自所賺取溢利中宣派股息，將對該等直接控股公司徵收10%預扣稅。倘中國與合資格外國直接控股公司(包括於香港註冊成立的公司)所屬司法權區之間訂有稅務優惠協議，則可按較低的預扣稅稅率5%繳稅。環亞自中國大陸附屬公司收取的股息享有較低的5%稅率繳稅的資格，而其他香港附屬公司的預扣稅率為10%。

於期內，由於中國大陸附屬公司已分派於二零二一年十二月三十一日的保留收益人民幣1,600,000,000元，故已計提及支付預扣稅人民幣80,000,000元。本集團預期中國大陸附屬公司會於可見未來分派於期內的保留收益人民幣600,000,000元(去年同期：人民幣277,000,000元)，故已計提預扣稅人民幣30,000,000元(去年同期：人民幣17,700,000元)。

美國企業所得稅根據美國稅務法律及法規，按於美國成立的附屬公司的應課稅溢利計算。

新加坡企業所得稅根據新加坡稅務法律及法規，按於新加坡成立的附屬公司的應課稅溢利計算。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

19. EARNINGS PER SHARE

19. 每股盈利

		Half-year 半年度	
		2022 二零二二年	2021 二零二一年
Earnings per share for profit attributable to the shareholders (RMB cents per share)	股東應佔溢利之每股盈利 (每股人民幣分)		
- basic	- 基本	79.96	23.33
- diluted	- 攤薄	79.96	23.33

Basic earnings per share is calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue during the period. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding assuming the conversion of all dilutive potential ordinary shares.

During the Period, the 2,300,000 outstanding share options issued in November 2016 and December 2016 are not included in the calculation of diluted earnings per share because the average market price of ordinary shares for the Period did not exceed the exercise prices of the share option, hence the share option are antidilutive for the Period. The option could potentially dilute basic earnings per share in the future.

Earnings per share – basic and diluted for the first half of 2022 was RMB79.96 cents and RMB79.96 cents respectively (equivalent to HK96.53 cents and HK96.53 cents) (1H 2021: RMB23.33 cents and RMB23.33 cents respectively (equivalent to HK27.98 cents and HK27.98 cents)).

每股基本盈利乃按本公司股東應佔溢利除以期內已發行普通股加權平均數計算。每股攤薄盈利乃假設兌換全部具攤薄性的潛在普通股，透過調整發行在外的普通股加權平均數計算。

於期內，於計算每股攤薄盈利時，不計及於二零一六年十一月及二零一六年十二月發行的2,300,000份尚未行使購股權，原因為於期內的普通股平均市價並未超過購股權的行使價，因此於期內，相關購股權具有反攤薄作用。相關購股權日後可能會攤薄每股基本盈利。

於二零二二年上半年，每股基本及攤薄盈利分別為人民幣79.96分及人民幣79.96分（相當於96.53港仙及96.53港仙）（二零二一年上半年：分別為人民幣23.33分及人民幣23.33分（相當於27.98港仙及27.98港仙））。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

20. DIVIDENDS

On 30 March 2022, the Board proposed a final dividend in respect of the year ended 31 December 2021 of HKD296,436,000 (equivalent to RMB240,765,000), representing HK11.7 cents (equivalent to RMB9.5 cents) per share. The final dividend was paid in June 2022 amounted to HKD296,436,000 (equivalent to RMB256,035,000). The difference between proposed and paid final dividends was due to the impact of exchange rate fluctuation.

At a meeting held on 30 August 2022, the Board proposed an interim dividend of HKD811,265,000 (equivalent to RMB708,105,000) (1H2021: HKD248,297,000 (equivalent to RMB206,712,000)), representing HK32.0 cents (equivalent to RMB27.9 cents) (1H2021: HK9.8 cents (equivalent to RMB8.2 cents)) per share and a special interim dividend of HKD116,619,000 (equivalent to RMB101,790,000) representing HK4.6 cents (equivalent to RMB4.0 cents) per share. The amount of interim dividend and special interim dividend are calculated based on 2,535,203,037 Shares in issued as at 30 August 2022. The interim dividend and special interim dividend have not been recognized as a dividend payable in this interim condensed consolidated financial statement, but will be reflected as an appropriation from the retained earnings for the year ending 31 December 2022.

21. CONTINGENT LIABILITIES

As at 30 June 2022, the Group had no material contingent liabilities.

22. RELATED PARTY TRANSACTIONS AND BALANCES

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.

20. 股息

於二零二二年三月三十日，董事會建議就截至二零二一年十二月三十一日止年度派付末期股息296,436,000港元（相當於人民幣240,765,000元），即每股11.7港仙（相當於人民幣9.5分）。二零二二年六月派付的末期股息為296,436,000港元（相當於人民幣256,035,000元）。建議與已派付末期股息之間的差額乃由於匯率波動影響所致。

於二零二二年八月三十日召開的會議上，董事會建議派發中期股息811,265,000港元（相當於人民幣708,105,000元）（二零二一年上半年：248,297,000港元（相當於人民幣206,712,000元）），即每股32.0港仙（相當於人民幣27.9分）（二零二一年上半年：每股9.8港仙（相當於人民幣8.2分））及特別中期股息116,619,000港元（相當於人民幣101,790,000元），即每股4.6港仙（相當於人民幣4.0分）。中期股息及特別中期股息的金額以截至二零二二年八月三十日已發行2,535,203,037股股份計算。中期股息及特別中期股息並無於本中期簡明合併財務報表中確認為應付股息，惟將就截至二零二二年十二月三十一日止年度反映為保留收益撥款。

21. 或然負債

於二零二二年六月三十日，本集團並無重大或然負債。

22. 關連方交易及結餘

倘一方有能力直接或間接控制另一方或可於另一方作出財務及營運決策時施加重大影響，雙方被視為有關聯。倘雙方受共同控制時亦被認為有關聯。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

22. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(a) Transactions with related parties

The following transactions occurred with related parties:

		Half-year 半年度	
		2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
Loans granted to an associate	授予一間聯營公司的貸款	12,000	9,510
Repayment of loan by an associate	一間聯營公司償還貸款	-	1,926
Interest charged from an associate	向一間聯營公司收取的利息	262	142
Purchase of products from an associate	向一間聯營公司採購的商品	722	-

(b) Key management compensation

		Half-year 半年度	
		2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
Salaries and allowances	薪金及津貼	7,604	6,678
Pension costs – defined contribution plan	退休金成本 – 定額供款計劃	334	384
Share options granted	已授出購股權	187	277
		8,125	7,339

Key management are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including directors and executive officer.

22. 關連方交易及結餘(續)

(a) 與關連方的交易

與關連方進行以下交易：

		Half-year 半年度	
		2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
Loans granted to an associate	授予一間聯營公司的貸款	12,000	9,510
Repayment of loan by an associate	一間聯營公司償還貸款	-	1,926
Interest charged from an associate	向一間聯營公司收取的利息	262	142
Purchase of products from an associate	向一間聯營公司採購的商品	722	-

(b) 主要管理層酬金

		Half-year 半年度	
		2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
Salaries and allowances	薪金及津貼	7,604	6,678
Pension costs – defined contribution plan	退休金成本 – 定額供款計劃	334	384
Share options granted	已授出購股權	187	277
		8,125	7,339

主要管理層為直接或間接有權及負責規劃、支配及控制本集團業務的該等人士，包括董事及高級行政人員。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

22. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(c) Period-end/year-end balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Loans due from a related party

		As at 於	
		30 June 2022 二零二二年 六月三十日 RMB'000 人民幣千元	31 December 2021 二零二一年 十二月三十一日 RMB'000 人民幣千元
- Loans to an associate of the Group	- 給予本集團一間聯營公司的 貸款		
Beginning of the period/year	期/年初	5,008	-
Loans advanced	已墊付貸款	12,000	14,510
Loan repayments received	已收貸款還款	-	(9,510)
Interest income	利息收入	262	311
Interest received	已收利息	(270)	(303)
End of period	期末	17,000	5,008

The balance with related party was unsecured, repayable within one year and the weighted average annual interest rate is 3.82%.

22. 關連方交易及結餘(續)

(c) 與關連方的期終/年終結餘

以下有關與關連方交易的結餘於報告期末尚未償付：

應收一名關連方貸款

與關連方結餘為無抵押，須於一年內償還及按加權平均年利率3.82%計息。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued) 中期簡明合併財務報表附註(續)

For the six months ended 30 June 2022 截至二零二二年六月三十日止六個月

23. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

- (1) Based on the Uyghur Forced Labor Prevention Act implemented by the U.S. in June 2022, the U.S. Customs and Border Protection (“CBP”) requires non-Xinjiang-related and non-forced labour supporting materials for Fufeng’s exported products to the U.S.. Until these supporting materials are submitted and approved by CBP, the Group’s products exported to U.S. cannot be successfully cleared into the U.S. market.

The Group confirm that there is no “forced labour” used in the production of our products coming from any of our facilities. The Group’s lawyer team is actively preparing supporting materials with the production plant and marketing team, which involves many aspects and links of the entire procurement and production, so it takes a period of preparation and completion, and the Group also maintain timely communication with CBP, hoping to get their approval and release of this batch of customs clearance products as soon as possible. The U.S. market contributed an insignificant portion of revenue to the Group’s revenue for the Period.

- (2) Details of the interim dividend proposed are described in Note 20.

Other than the above disclosed, there was no significant event of the Group occurred after the balance sheet date.

23. 資產負債表日後事項

- (1) 基於美國於二零二二年六月執行《防止強迫維吾爾人勞動法》後，美國海關與邊境保護局(「CBP」)對於阜豐的輸美產品要求提供非涉疆和非涉及強迫勞動的證明資料。在這些證明資料提交並經過CBP審核批准前，本集團的輸美產品不能順利通關進入美國市場。

本集團確認，本集團任何設施的產品生產並無使用「強迫勞動」。本集團的律師團隊正在跟生產工廠和營銷團隊積極全力地準備證明資料，這些資料的準備涉及到整個採購生產多個方面和環節，因而需要一段時間的準備和完成，同時本集團也跟CBP保持及時溝通，希望能盡快得到其審核批准及放行這批通關產品。美國市場收入佔本集團期間內收入的比例不大。

- (2) 建議派付中期股息的詳情載於附註20。

除上文所披露者外，本集團於資產負債表日後並無發生重大事項。

CORPORATE INFORMATION

公司資料

Executive Directors

Mr. Li Xuechun
Mr. Li Deheng
Mr. Li Guangyu

Independent Non-executive Directors

Mr. Lau Chung Wai
Mr. Zhang Youming
Ms. Li Ming (appointed on 1 April 2022)
Mr. Xu Zhenghong (resigned on 1 April 2022)

Registered Office

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal Place of Business in the PRC

Building 4, Yuanchuang International Blue Bay Creative Park
at the intersection of Torch Road and Juxianqiao Road
Shangma Street, Chengyang District
Qingdao, PRC

Principal Place of Business in Hong Kong

Suite 1204B-7A, 12/F, Tower 3
China Hong Kong City, 33 Canton Road
Tsim Sha Tsui, Kowloon, Hong Kong

Company Secretary

Mr. Lee Wai Yin CPA FCCA

Authorised Representatives

Mr. Li Xuechun
Mr. Lee Wai Yin

Audit Committee

Mr. Lau Chung Wai (*Chairman*)
Mr. Zhang Youming
Ms. Li Ming (appointed on 1 April 2022)
Mr. Xu Zhenghong (resigned on 1 April 2022)

執行董事

李學純先生
李德衡先生
李廣玉先生

獨立非執行董事

劉仲緯先生
張友明先生
李銘女士(於二零二二年四月一日獲委任)
許正宏先生(於二零二二年四月一日辭任)

註冊辦事處

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

中國主要營業地點

中國青島市
城陽區上馬街道
火炬路與聚賢橋路交匯處
遠創國際藍灣創意園4號樓

香港主要營業地點

香港九龍尖沙嘴
廣東道33號中港城
3座12樓1204B-7A室

公司秘書

李偉然先生 CPA FCCA

授權代表

李學純先生
李偉然先生

審核委員會

劉仲緯先生(*主席*)
張友明先生
李銘女士(於二零二二年四月一日獲委任)
許正宏先生(於二零二二年四月一日辭任)

CORPORATE INFORMATION *(Continued)*

公司資料(續)

Remuneration Committee

Mr. Lau Chung Wai (*Chairman*)
 Mr. Zhang Youming
 Ms. Li Ming (appointed on 1 April 2022)
 Mr. Xu Zhenghong (resigned on 1 April 2022)

Nomination Committee

Mr. Li Xuechun (*Chairman*)
 Mr. Lau Chung Wai
 Mr. Zhang Youming
 Ms. Li Ming (appointed on 1 April 2022)
 Mr. Xu Zhenghong (resigned on 1 April 2022)

Principal Bankers in the PRC

China Construction Bank
 Bank of China
 Agriculture Bank of China
 China Merchants Bank
 Shanghai Pudong Development Bank
 China Minsheng Bank

Principal Bankers in Hong Kong

Bank of China (Hong Kong) Limited
 MUFG Bank Ltd., Hong Kong Branch
 Mizuho Bank Limited
 Hang Seng Bank Limited

Independent Auditor

PricewaterhouseCoopers

Principal Share Registrar

Suntera (Cayman) Limited

Branch Share Registrar

Tricor Investor Services Limited

Stock Code

Hong Kong Stock Exchange: 00546

Website

www.fufeng-group.com

薪酬委員會

劉仲緯先生(主席)
 張友明先生
 李銘女士(於二零二二年四月一日獲委任)
 許正宏先生(於二零二二年四月一日辭任)

提名委員會

李學純先生(主席)
 劉仲緯先生
 張友明先生
 李銘女士(於二零二二年四月一日獲委任)
 許正宏先生(於二零二二年四月一日辭任)

中國主要往來銀行

中國建設銀行
 中國銀行
 中國農業銀行
 招商銀行
 上海浦東發展銀行
 中國民生銀行

香港主要往來銀行

中國銀行(香港)有限公司
 三菱UFJ銀行香港分行
 瑞穗銀行
 恒生銀行有限公司

獨立核數師

羅兵咸永道會計師事務所

股份過戶登記總處

Suntera (Cayman) Limited

股份過戶登記分處

卓佳證券登記有限公司

股份代號

香港聯合交易所：00546

網址

www.fufeng-group.com

GLOSSARY

詞彙

In this interim report, the following expressions shall have the following meanings unless the context otherwise requires:

於本中期報告內，除非文義另有所指，否則下列詞彙具有以下涵義：

Absolute Divine Absolute Divine	Absolute Divine Limited, wholly-owned subsidiary of the Company Absolute Divine Limited，本公司全資附屬公司
Acquest Honour Acquest Honour	Acquest Honour Holdings Limited, a wholly-owned subsidiary of the Company Acquest Honour Holdings Limited，本公司全資附屬公司
ASP 平均售價	average selling price(s) of the products of the Group 本集團產品的平均售價
Audit Committee 審計委員會	audit committee of the Board 董事會審計委員會
Board 董事會	the board of Directors 董事會
BVI 英屬處女群島	The British Virgin Islands 英屬處女群島
CG Code 企業管治守則	Code on Corporate Governance Practice under Appendix 14 of the Listing Rules 上市規則附錄十四項下企業管治常規守則
Company 本公司	Fufeng Group Limited 阜豐集團有限公司
Corresponding Period 去年同期	six months ended of 30 June 2021 截至二零二一年六月三十日止六個月
Director(s) 董事	the director(s) of the Company 本公司董事
EBITDA EBITDA	earnings before interest, taxes, depreciation and amortisation 扣除利息、稅費、折舊及攤銷前利潤
ESG Committee ESG委員會	environment, social and governance committee 環境、社會及管治委員會
Expand Base Expand Base	Expand Based Limited, wholly-owned subsidiary of the Company Expand Based Limited，本公司全資附屬公司

GLOSSARY *(Continued)*
詞彙(續)

FVOCI 按公平值計入其他綜合收益	fair value through other comprehensive income 按公平值計入其他綜合收益
FVPL 按公平值計入損益	fair value through profit or loss 按公平值計入損益
Group 本集團	the Company and its subsidiaries 本公司及其附屬公司
HKAS 香港會計準則	Hong Kong Accounting Standard issued by HKICPA 香港會計師公會頒佈之香港會計準則
HKFRS 香港財務報告準則	Hong Kong Financial Reporting Standards issued by HKICPA 香港會計師公會頒佈之香港財務報告準則
HKICPA 香港會計師公會	Hong Kong Institute of Certified Public Accountants 香港會計師公會
Hong Kong 香港	the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區
Listing Rules 上市規則	the Rules Governing the Listing of Securities on the Stock Exchange 聯交所證券上市規則
Model Code 標準守則	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules 上市規則附錄十所載上市發行人董事進行證券交易的標準守則
MSG 味精	monosodium glutamate, a salt of glutamic acid which is commonly used as a flavour enhancer and additive in the food industry, restaurant and household application 谷氨酸鈉，為食品業、食肆及家庭普遍用作調味劑及添加劑的谷氨酸鹽
New Share Option Scheme 新購股權計劃	the share option scheme adopted by the Company on 12 May 2017 for granting the share options to certain Directors and employees of the Company 本公司於二零一七年五月十二日採納的購股權計劃，以向若干董事及本公司僱員授出購股權
Nomination Committee 提名委員會	nomination committee of the Board 董事會提名委員會
Period 期內	six months ended of 30 June 2022 截至二零二二年六月三十日止六個月

GLOSSARY (Continued)

詞彙(續)

Post-IPO Share Option Scheme 首次公開招股後購股權計劃	the share option scheme adopted by the Company on 10 January 2007 for granting the share options to certain Directors and employees of the Company after IPO 本公司於二零零七年一月十日所採納購股權計劃，以向若干董事及本公司僱員於首次公開招股後授出購股權
PRC 中國	the People's Republic of China, which for the purpose of this report exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan 中華人民共和國，就本報告而言，不包括香港、中國澳門特別行政區及台灣
Remuneration Committee 薪酬委員會	remuneration committee of the Board 董事會薪酬委員會
SFO 證券及期貨條例	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) 香港法例第571章證券及期貨條例
Share(s) 股份	share(s) in the share capital of the Company 本公司股本中的股份
Shareholder(s) 股東	holder(s) of the Share(s) 股份持有人
Stock Exchange 聯交所	the Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
Summit Challenge Summit Challenge	Summit Challenge Limited, wholly-owned subsidiary of the Company Summit Challenge Limited，本公司全資附屬公司
Trans-Asia 環亞	Trans-Asia Capital Resources Ltd., wholly-owned subsidiary of the Company 環亞資本有限公司，本公司全資附屬公司
U.S. 美國	the United States of America 美利堅合眾國
HKD 港元	Hong Kong dollars, the lawful currency of Hong Kong 香港法定貨幣港元
RMB 人民幣	Renminbi, the lawful currency of the PRC 中國法定貨幣人民幣
USD 美元	United States dollars, the lawful currency of the U.S. 美國法定貨幣美元
% %	per cent 百分比



Fufeng Group Limited
阜豐集團有限公司



MIX
Paper from
responsible sources
FSC® C116866