

Interim Report **2008**
中期報告



中國澱粉控股有限公司
CHINA STARCH HOLDINGS LIMITED

(Stock Code 股份代號: 3838)

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Financial Highlights

財務摘要

Dollars in RMB'000, except per share amounts;
人民幣千元，惟每股金額除外；

		Period ended 30 June 2008 截至二零零八年 六月三十日 止期間	Period ended 30 June 2007 截至二零零七年 六月三十日 止期間
Income Statement Data	收益表數據		
Turnover	營業額	778,164	603,171
Gross profit	毛利	123,182	108,710
Profit before taxation	除稅前利潤	87,104	70,024
Net profit	純利	74,325	70,024
Earnings per share (Basic)	每股盈利 (基本)	0.0287	0.0534
Gross profit margin	毛利率	15.8%	18.0%
Net profit margin	純利率	9.6%	11.6%

Period ended 30 June
截至六月三十日止期間



- Electricity and Steam 電力及蒸汽
- Lysine 賴氨酸
- Cornstarch 玉米澱粉

Financial Highlights

財務摘要

		As at 30 June 2008 於二零零八年 六月三十日 RMB'000 人民幣千元	As at 31 December 2007 於二零零七年 十二月三十一日 RMB'000 人民幣千元
Balance Sheet and Other Data	資產負債表及其他數據		
Cash and cash equivalents	現金及現金等價物	184,458	362,648
Total assets	總資產	1,150,211	1,112,485
Total debts	總負債	283,414	320,144
Total equity	權益總額	866,797	792,341
Current ratio	流動比率	2.1	2.3
Quick ratio	速動比率	1.5	1.9
Gearing – borrowings to total equity	槓桿比率 – 借款除以權益總額	1.1%	14.1%
		As at 30 June 2008 於二零零八年 六月三十日	As at 31 December 2007 於二零零七年 十二月三十一日
Efficiency ratios	效益比率		
Debtors turnover (days)	應收賬款週轉天數	34	38
Creditors turnover (days)	應付賬款週轉天數	26	23
Inventories (days)	存貨週轉天數	37	39
Cash Conversion (days)	現金轉換天數	45	54

Corporate Information

公司資料

EXECUTIVE DIRECTORS

Mr. Tian Qixiang (*Chairman*)
 Mr. Gao Shijun (*Chief Executive Officer*)
 Mr. Yu Yingquan
 Mr. Liu Xianggang

執行董事

田其祥先生(主席)
 高世軍先生(行政總裁)
 于英全先生
 劉象剛先生

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Dong Yanfeng
 Ms. Yu Shumin
 Mr. Cao Zenggong
 Mr. Yue Kwai Wa, Ken

獨立非執行董事

董延豐女士
 余淑敏女士
 曹增功先生
 余季華先生

COMPANY SECRETARY

Mr. Leung Siu Hong, FCCA, CPA

公司秘書

梁兆康先生 · FCCA, CPA

REGISTERED OFFICE

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 P.O. Box 2681
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 Cayman Islands

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 Wanchai
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總辦事處及香港主要營業地點

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 皇后大道東183號
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AUDITORS

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 Certified Public Accountants
 35th Floor
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 88 Queensway
 Hong Kong

核數師

德勤 • 關黃陳方會計師行
 執業會計師
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LEGAL ADVISERS

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法律顧問

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 香港
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 怡和大廈
 41樓

Corporate Information

公司資料

PRINCIPAL BANKERS

China Construction Bank Corporation
Shouguang Sub-Branch
66 Yingbin Road
Shouguang City
Shandong Province
PRC

Agricultural Bank of China
Shouguang Sub-Branch
116 Shengcheng East Street
Shouguang City
Shandong Province
PRC

Industrial and Commercial Bank of China
Shouguang Sub-Branch
173 Yinghai Road
Shouguang City
Shandong Province
PRC

主要往來銀行

中國建設銀行
壽光支行
中國
山東省
壽光市
迎賓路66號

中國農業銀行
壽光支行
中國
山東省
壽光市
聖城東街116號

中國工商銀行
壽光支行
中國
山東省
壽光市
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CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
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開曼群島股份過戶及登記處

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HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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STOCK CODE: 3838

股份代號：3838

Chairman's Statement 主席報告

Dear shareholders,

On behalf of the board of directors of China Starch Holdings Limited (the "Company"), I am pleased to present the interim report of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2008. The first half of 2008 signified half year of rapid expansion and growth for the Company. Pursuant to our annual plan of development, all of our management and staff aimed at achieving the goal of developing the Company as the leader of the corn processing industry in the PRC through strengthening internal management, increasing market share and expanding business scope.

BUSINESS PERFORMANCE

As of 30 June 2008, turnover and net profit of the Group amounted to RMB778,164,000 and RMB74,325,000, representing an increase of 29.0% and 6.1% over the first half of 2007, respectively. From January up to June 2008, sales volume of cornstarch and lysine reached 175,455 tonnes and 15,822 tonnes, representing an increase of 12.6% and 32.9% over the first half of 2007, respectively. During the first six month, turnover of cornstarch and lysine amounted to RMB547,301,000 and RMB173,871,000, representing an increase of approximately 31.1% and 31.3%, respectively.

BUSINESS REVIEW

Formation of Linqing JV Company. In March 2008, the Group duly established Linqing Deneng Golden Corn Bio Limited ("Deneng Golden Corn"), in which the Group holds an equity interest of approximately 85.94%. Deneng Golden Corn has commenced production as at the date hereof, and the upgrading of its production facilities is being implemented by phases. The upgrading of one of its two production lines is expected to be completed by the end of August 2008, the capacity of which will be expanded from 150,000 tonnes to 200,000 tonnes.

Consummation of technological upgrade and production expansion of lysine. The technological upgrade project of our lysine production was consummated in April 2008 and trial production has commenced. The completion of technological upgrade not only expanded the total annual production capacity of lysine to 55,000 tonnes, but also further enhanced both of its production technology and efficiency. Moreover, such initiative brought favourable conditions and laid a foundation for its next move to producing brand-new amino acid-based products.

致各位股東：

本人謹代表中國澱粉控股有限公司(「本公司」)董事會，欣然提呈本公司及其附屬公司(「本集團」)截至二零零八年六月三十日止六個月的中期業績報告，二零零八年上半年是本公司高速擴張發展的半年，公司全體管理人員及員工依照年度發展計畫，通過深化內部管理，增加市場份額及擴展業務範圍，以發展成為中國玉米深加工行業的龍頭為目標。

業務表現

截至二零零八年六月三十日，本集團的營業額及純利潤分別為人民幣778,164,000元及人民幣74,325,000元，較二零零七年上半年分別上升29.0%及6.1%。二零零八年一至六月份，玉米澱粉及賴氨酸銷量分別達到175,455噸及15,822噸，較二零零七年上半年分別提高12.6%及32.9%。而玉米澱粉及賴氨酸在首六個月營業額分別為人民幣547,301,000元及人民幣173,871,000元，增長分別約為31.1%及31.3%，成績斐然。

工作回顧

組成臨清合營公司。集團於二零零八年三月份正式成立臨清德能金玉米生物有限公司(「德能金玉米」)並持有該公司約85.94%之權益。德能金玉米在本報告日已經進行生產，並且逐步對其生產設施進行改造，預計在二零零八年八月末可以完成改造其中一條生產線(共二條)，由原來的150,000噸提至200,000噸。

賴氨酸技術改造擴產順利完成。賴氨酸技術改造項目於二零零八年四月份順利完成，而且進入試產階段。技術改造的完工，不僅提高了賴氨酸的總產能達到每年55,000噸，而且使生產工藝水準和效率得到了進一步提高，並為下一步生產新的氨基酸產品創造了條件，打下了基礎。

Chairman's Statement 主席報告

Steady improvement of production technology of cornstarch.

With continuous enhancement of cornstarch equipment through technological upgrades by 山東壽光巨能金玉米開發有限公司 (Shandong Shouguang Juneng Golden Corn Development Co., Ltd.), our new technological innovation has passed trial production and been adopted, which has led to rising standard of production technology. Continuous improvements have been made on various standards including product quality, output, corn-to-starch ratio and energy consumption, all of which contribute to the Company's dominant position amongst the industry players.

Further expansion of market network. In order to align with the commencement of production of Linqing project, the Group has reinforced the domestic market network and is poised to maximise its production and sales.

ACHIEVEMENTS

During the first half year, the Company put persistent efforts in strengthening its internal management, promoting its corporate brand, boosting its overall influence and building corporate profile. In the first half of 2008, the Company received various honours and recognitions from the government, regulatory authorities and institutions within the industry:

- In January 2008, the Company was recognised as 「2007年管理體系認證優秀單位」 (“Outstanding Enterprise of Management Systems Certification 2007”) by China Certification Center for Quality Mark.
- In January 2008, the Company was accredited 濰坊市職工優秀技術創新成果二等獎 (“Second Class Award of Wei Fang City's Outstanding Achievement in Technological Innovation by Staff”) by Wei Fang Labor and Social Security Bureau for 聖玉牌 (“Sheng Yu Brand”), a China Top Brand Product (Starch).
- In February 2008, the Company was recognised as 「2007年度十強農業龍頭企業」 (“Ten Best Leading Enterprises in Agricultural Industry 2007”) of Wei Fang City by the Wei Fang City Committee.

玉米澱粉生產工藝技術水準穩步提高。山東壽光巨能金玉米開發有限公司澱粉裝置經過技術改造不斷優化，新的工藝創新通過生產試驗並實施，生產工藝水準不斷提高，產品品質、產量、收得率、能耗等各項指標不斷進步，保持了同行業的領先水準。

市場網絡進一步擴展。為了配合臨清項目的投產，集團加強了國內市場網絡，為產品的增產銷售做好了準備。

工作成果

上半年，公司持續強化內部管理，推廣公司品牌，提升公司整體影響力及知名度，在二零零八年上半年，獲得政府、監管部門及行業各項榮譽及認可。

- 二零零八年一月，被方圓認證中心評為「2007年管理體系認證優秀單位」。
- 二零零八年一月，聖玉牌中國名牌產品（澱粉），被濰坊市勞動和社會保障局濰坊市職工優秀技術創新成果二等獎。
- 二零零八年二月，被濰坊市委評為濰坊市「2007年度十強農業龍頭企業」。

Chairman's Statement 主席報告

- In March 2008, the Company was recognised as 「2007年壽光市食品安全先進單位」 (“Shouguang City Advanced Food Safety Unit 2007”) by the Committee of Food and Drugs Safety of Shouguang City.
- 二零零八年三月，被壽光市食品藥品安全委員會評為「2007年壽光市食品安全先進單位」。

PROSPECT FOR THE SECOND HALF YEAR

The Company has experienced a rapid growth since the listing of its shares on the main board of The Stock Exchange of Hong Kong Limited on 27 September 2007, which has laid a foundation for its future sustainable and healthy development at a fast pace. The Company will continue to pursue its cornstarch focused objectives and development plans and market expansion. In the second half of 2008, the Company will place its emphasis on the technological upgrade of the second cornstarch production line in Deneng Golden Corn, which is expected to be completed by the end of 2008, whereupon, the total annual production capacity of the Company will reach 850,000 tonnes. In addition, the Company will begin the feasibility study and market research on the construction project of a 100,000 tonne glucose-fructose production line. Apart from the foregoing, the Company will continue to examine the feasibility of the subcontracting or acquisition of, or collaboration with, other cornstarch and lysine producers, so as to realise the business goal of the Group.

Tian Qixiang

Chairman

Hong Kong, 29 August 2008

下半年展望

本公司在其股份於二零零七年九月二十七日在香港聯合交易所有限公司主版上市後取得了飛躍性發展，為今後持續、快速、健康發展奠定了基礎，本公司的目標和發展計劃仍然以發展澱粉事業及開拓市場為骨幹。在二零零八年下半年，本公司會著手德能金玉米第二條玉米澱粉生產線的技術改造並計劃在二零零八年底完成，介時本公司的澱粉總年產能將可達850,000噸。另外，本公司亦展開了100,000噸果葡糖漿生產線的可行性研究及市場調查。除此之外，本公司亦將繼續考察其他玉米澱粉及賴氨酸生產商的分包、合作或收購的可行性，以達成本集團的目標。

主席

田其祥

香港，二零零八年八月二十九日

Management Discussion and Analysis

管理層討論及分析

OVERVIEW

Full of opportunity and challenge, 2008 is the transitional period for the Group. Firstly, the Company successfully established a joint venture company, 臨清德能金玉米生物有限公司 (Linqing Deneng Golden Corn Bio Limited) ("Deneng Golden Corn") in March 2008. It is a cornerstone which enables us to extend our sales network in the middle and western China and also provides an opportunity to develop more advanced corn-based products, such as amino acid or starch-based sweeteners in this new production plant. Secondly, 65% lysine has commenced pilot-run and the corresponding new production facility was recognised by 壽光市科學技術局 (Shouguang Technology Bureau).

Turnover for the six months ended 30 June 2008 increased by 29.0% to approximately RMB778,164,000. Profit before taxation for the period increased by 24.4% to approximately RMB87,104,000 (2007: RMB70,024,000).

Although the Group experienced pressure from the surge of coal price and the tax burden from the PRC Enterprise Income Tax (the "PRC EIT") and Deneng Golden Corn was yet to have any profit contribution to the Group because of its limited history, the Group's gross profit and net profit still increased to approximately RMB123,182,000 and RMB74,325,000 respectively.

Basic earnings per share of the Company was RMB0.0287 per share based on the weighted average number of 2,612,500,000 shares in issue during the period (2007: RMB0.0534 per share based on the weighted average number of 1,312,500,000 shares).

REVIEW OF BUSINESS

Profit for the year

Net profit for the six months ended 30 June 2008 increased by 6.1% to approximately RMB74,325,000 (2007: RMB70,024,000). Net profit margin of the Group decreased to 9.6% from 11.6%.

概覽

二零零八年充滿機遇及挑戰，是本集團的過渡期。首先，本公司於二零零八年三月成功成立合資公司臨清德能金玉米生物有限公司（「德能金玉米」），此舉為集團將銷售網絡擴張至華中及華西地區奠下了基石，亦為集團締造機會於這家新廠房開發氨基酸及澱粉糖等更先進的玉米產品。第二，集團已開始65%賴氨酸的試產及該等新生產設施獲得壽光市科學技術局的肯定。

截至二零零八年六月三十日止六個月，營業額增加29.0%至約人民幣778,164,000元。本期除稅前利潤增加24.4%至約人民幣87,104,000元（二零零七年：人民幣70,024,000元）。

雖然本集團承受煤價上漲壓力及承擔繳納中國企業所得稅（「中國企業所得稅」）的義務，而且德能金玉米因經營歷史短淺而尚未為本集團帶來任何利潤進賬，但本集團的毛利及純利依然分別增加至約人民幣123,182,000元及人民幣74,325,000元。

本公司的每股基本盈利為每股人民幣0.0287元，乃根據期內已發行股份的加權平均數2,612,500,000股計算（二零零七年：每股人民幣0.0534元，乃根據股份的加權平均數1,312,500,000股計算）。

業務回顧

本年度利潤

截至二零零八年六月三十日止六個月的純利增長6.1%至約人民幣74,325,000元（二零零七年：人民幣70,024,000元）。本集團的純利率由11.6%降至9.6%。

Management Discussion and Analysis

管理層討論及分析

Turnover

Cornstarch

Turnover of cornstarch and ancillary corn-refinery products increased by 31.1% to approximately RMB547,301,000 (2007: RMB417,334,000). As consistent with past corresponding period, it was the largest business segment which represented about 70.3% (2007:69.2%) of total sales of the Group.

Sales volume of cornstarch for the six months ended 30 June 2008 increased by 12.6%, of which 9.4% was contributed by Deneng Golden Corn, to approximately 175,455 tonnes. Meanwhile, the average selling price of cornstarch and ancillary corn-refinery products increased by 2.4% and 44.8% respectively. The significant increase in the average selling price of ancillary corn-refinery products was mainly due to the robust demand from overseas customers on corn fibre and corn gluten meal.

Cost of goods sold in respect of cornstarch and ancillary corn-refinery products increased by 28.8% to approximately RMB470,307,000. During the period, the averaged purchase price of corn kernel decreased by 7.0% to approximately RMB1,502 per ton from the highest record in 2007. As a result, the gross profit margin increased from 12.5% to 14.1% in this business segment.

Lysine

Turnover of lysine and related products had shown a substantial growth by 31.3% to RMB173,871,000 for the six months ended 30 June 2008. The increase was mainly attributable to both the increase in average selling price of 98.5% lysine by 14.3% and the increase in production capacity. During the period under review, sales volume of lysine was about 15,822 tonnes (2007:11,907 tonnes).

The cost of goods sold of lysine and related products increased significantly by 46.7% to RMB135,930,000 due to (i) the increase in electricity and steam expenses and (ii) the increase in consumables, especially chemicals used for the production of lysine.

營業額

玉米澱粉

玉米澱粉及玉米深加工副產品的營業額增長31.1%至約人民幣547,301,000元(二零零七年：人民幣417,334,000元)，約佔本集團總銷售額70.3%(二零零七年：69.2%)，一如過去同期，是最大的業務分部。

截至二零零八年六月三十日止六個月，玉米澱粉的銷售量增加12.6%至約175,455噸，其中9.4%來自德能金玉米。同時，玉米澱粉及玉米深加工副產品的平均售價分別上升2.4%及44.8%。玉米深加工副產品的平均售價顯著上升，主要原因是海外客戶對玉米糠麩及玉米蛋白粉的需求激增。

玉米澱粉及玉米深加工副產品的銷貨成本增加28.8%至約人民幣470,307,000元。期內，玉米粒的平均購買價由二零零七年的記錄高位下降7.0%至約每噸人民幣1,502元。因此，此業務分部的毛利率由12.5%升至14.1%。

賴氨酸

截至二零零八年六月三十日止六個月，賴氨酸及其相關產品的營業額顯著增長31.3%至人民幣173,871,000元，主要原因是98.5%賴氨酸的平均售價上升14.3%，以及產能增加。於回顧期內，賴氨酸銷量約為15,822噸(二零零七年：11,907噸)。

賴氨酸及相關產品的銷貨成本大幅增加46.7%至人民幣135,930,000元，原因是：(i)發電及蒸汽開支增加；及(ii)消耗品增加，尤其是用於生產賴氨酸的化學品。

Management Discussion and Analysis

管理層討論及分析

As the increase in cost of goods sold exceeded the effect of increase in average selling price and sales volume, the gross profit margin in this business segment reduced to 21.8% from 30.0%.

Electricity and steam

During the period under review, coal price increased by 47.9% as compared to the averaged coal price in 2007. The percentage of coal in the cost of electricity and steam increased from 79.7% to 86.3%.

During the period under review, the Group terminated sales of steam to 山東壽光巨能特鋼有限公司 (Shandong Shouguang Juneng Special Steel Co., Ltd.) ("Juneng Special Steel") for its production because of our increasing internal demand for steam. Turnover of steam for the period was approximately RMB31,887,000 (2007: RMB53,447,000). Subsequent to termination of sales of steam to Juneng Special Steel, we also adjusted our production mix to generate additional electricity for sale. Turnover of electricity for the period was approximately RMB25,105,000 (2007: Nil). Overall, turnover of electricity and steam still increased by 6.6% to approximately RMB56,992,000.

The gross profit margin of this business segment decreased to 14.5% from 31.6% partly because of the increased coal price.

Other income

Other income mainly consisted of sales of scrap of coal and oil, staff quarter rental income, steam connection income, government grants. The increase in other income was attributable to the receipt of government grants amounting to RMB5,000,000 from 壽光市科學技術局 (Shouguang Technology Bureau) in respect of the development of 65% lysine technology.

Interest income

Interest income increased by 96.7% to RMB2,237,000 was mainly due to the increase in bank deposits after the Company's listing in September 2007.

由於銷貨成本的增幅高於平均售價及銷量上升的影響，故此業務分部的毛利率由30.0%下降至21.8%。

電力及蒸汽

於回顧期內，煤價較二零零七年的平均煤價增加47.9%。煤於電力及蒸汽成本所佔百分比由79.7%增加至86.3%。

於回顧期內，由於本集團本身對蒸汽的內部需求日益殷切，故本集團終止向山東壽光巨能特鋼有限公司（「巨能特鋼」）銷售蒸汽以供生產。於本期間，蒸汽的營業額約為人民幣31,887,000元（二零零七年：人民幣53,447,000元）。於終止向巨能特鋼銷售蒸汽後，集團還調節產品組合提高蒸汽發電以供銷售。於本期間，電力的營業額約為人民幣25,105,000元（二零零七年：無）。整體上，電力及蒸汽的營業額仍增加6.6%至約人民幣56,992,000元。

此業務分部的毛利率由31.6%下降至14.5%，部份原因是煤價上漲所致。

其他收入

其他收入主要包括銷售煤屑及廢油、員工宿舍租金收入、蒸汽接駁收入及政府補助。其他收入增加的原因是壽光市科學技術局就開發65%賴氨酸技術而發放政府補助人民幣5,000,000元。

利息收入

利息收入增加96.7%至人民幣2,237,000元，主要原因是本公司於二零零七年九月上市後銀行存款增加。

Management Discussion and Analysis

管理層討論及分析

Distribution and selling expenses

Distribution and selling expenses for the period under review was approximately RMB22,427,000 (2006: RMB17,852,000). The increase in distribution and selling expenses was mainly due to an increase in export expenses, such as export tariff, quality inspection charges and declaration.

Administrative expenses

Administrative expenses increased significantly by 87.8% to approximately RMB25,444,000. Such increase was mainly attributable to (i) the increase in number of employees, (ii) the increase in office expenses, such as rental, travelling and depreciation as a result of the establishment of our Hong Kong office and the formation of Deneng Golden Corn, and (iii) the loss on foreign exchange.

Share of results of an associate

The share of profit from our associate, 壽光金遠東變性澱粉有限公司(Shouguang Golden Far East Modified Starch Co., Ltd.) was approximately RMB2,350,000 (2007: share of loss RMB2,089,000) for the six months ended 30 June 2008.

Taxation

Tax expenses for the period under review mainly represented the PRC EIT which amounted to approximately RMB12,664,000 (2007: Nil).

Our wholly-owned subsidiary, 山東壽光巨能金玉米開發有限公司(Shandong Shouguang Juneng Golden Corn Development Co., Ltd.) ("Golden Corn"), was converted into a wholly foreign owned enterprise on 26 September 2006. Accordingly, it was entitled to exemption from the PRC EIT for two years commencing from its first profit making year, followed by a 50% relief for the next three years (the "2 + 3 tax concession"). Pursuant to the Notice by the PRC State Council on the Implementation of the Grandfathering Preferential Policies under the PRC Enterprise Income Tax Law, (Guofa [2007] No.39), from 1 January 2008, enterprises that have been granted the "2 + 3 tax concession" shall continue to enjoy the tax concessions until the expiry day in accordance with the tax preferences under the old income tax law, regulations and relevant provisions. Therefore, Golden Corn is subject to the PRC EIT with a 50%-relief from 2008 to 2010.

分銷及銷售費用

於回顧期內的分銷及銷售費用約為人民幣22,427,000元(二零零六年: 人民幣17,852,000元)。分銷費用增加的主要原因是出口費用增加, 如出口關稅、質量檢驗費及報關費等。

行政費用

行政費用大幅增加87.8%至約人民幣25,444,000元。主要原因是(i)增聘僱員; (ii)設立香港辦事處及組成德能金玉米增加租金、差旅及折舊等辦公室開支; 及(iii)匯兌虧損。

應佔一間聯營公司業績

截至二零零八年六月三十日止六個月, 應佔聯營公司壽光金遠東變性澱粉有限公司的利潤約為人民幣2,350,000元(二零零七年: 應佔虧損人民幣2,089,000元)。

稅項

於回顧期內的稅項開支主要指中國企業所得稅, 金額約為人民幣12,664,000元(二零零七年: 無)。

本集團的全資附屬公司山東壽光巨能金玉米開發有限公司(「金玉米」)於二零零六年九月二十六日轉制為外商獨資企業, 故其可於首個獲利年度起兩年免繳中國企業所得稅, 其後3年獲50%減免(「兩免三減半」)。根據中國國務院關於實施企業所得稅過渡優惠政策的通知(國發[2007]第39號), 由二零零八年一月一日, 已獲享兩免三減半的企業將繼續按原所得稅法、法規及相關規定的稅務優惠辦法享受稅務優惠至期滿為止。因此, 金玉米於二零零八年至二零一零年可獲享中國企業所得稅減半優惠。

Management Discussion and Analysis

管理層討論及分析

We were not liable for income tax in Hong Kong during the period under review as we did not have any assessable income arising in Hong Kong.

由於集團於香港並無產生任何應課稅收入，故於回顧期內毋須繳納香港所得稅。

HUMAN RESOURCES AND REMUNERATION POLICIES

As at 30 June 2008, the Group had approximately 1,953 full time employees (2006: 1,460, of which 434 were seconded from 山東壽光巨能控股集團有限公司 (Shandong Shouguang Juneng Holding Group Co., Ltd.) ("Juneng Holding Group")). The staff secondment arrangement with Juneng Holding Group has ceased since 1 January 2008 as all such secondment staff were transferred to our Group under our employment. Total staff costs, including Directors' emoluments, of the Group was approximately RMB19,025,000 (2007: RMB17,021,000).

The Group consider the experience, responsibility, and performance devoted by the Directors and employees of the Group to determine their respective remuneration packages. The Company has also adopted a share option scheme with primary purpose of motivating our employees and other eligible persons entitled under the scheme to optimise their contributions to the Group and to reward them for their contribution to the Group. In addition, a remuneration committee is delegated by the Board to review and determine the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management.

As at 30 June 2008, no option has been granted under the share option scheme of the Company.

人力資源及薪酬政策

於二零零八年六月三十日，本集團聘用約1,953名全職僱員(二零零六年：1,460名，其中434名由山東壽光巨能控股集團有限公司(「巨能控股集團」)調派)。與巨能控股集團間的員工調派安排已自二零零八年一月一日起終止，原因是所有該等調派員工已改由本集團聘用。本集團的員工總成本(包括董事酬金)約為人民幣19,025,000元(二零零七年：人民幣17,021,000元)。

本集團考慮其董事及員工的經驗、職責及表現，以釐定彼等的酬金組合。本公司亦已採納一項購股權計劃，主要目的是激勵本集團僱員及該計劃下所界定的其他合資格人士繼續積極為本集團作出貢獻，並對彼等為本集團所作出的貢獻予以獎勵。此外，董事會已轉授權力予薪酬委員會，以審閱及釐定應付董事及高級管理人員的酬金組合、花紅及其他薪金的條款。

截至二零零八年六月三十日，本公司並無根據該購股權計劃授出任何購股權。

REVIEW OF FINANCIAL POSITION

Financial Management and Treasury Policy

The Group adopts a conservative approach for cash management and investment on uncommitted funds. The unutilised portion of the net proceeds from the global offering of its shares in 2007 have been placed on short-term deposits with authorised financial institutions in Hong Kong and/or the PRC.

財務狀況回顧

財務管理及庫務政策

本集團對並無作出承諾的資金採取保守的現金管理及投資策略。於二零零七年進行股份全球發售所得款項淨額尚未動用的部分已存放於香港及／或中國的認可財務機構作短期存款。

Management Discussion and Analysis

管理層討論及分析

Use of net proceeds

The net proceeds received by the Company from the Company's global offering of its shares in 2007 amounted to approximately RMB350,258,000. The net proceeds utilised as at 30 June 2008 is set out as follows:

所得款項淨額用途

本公司從其於二零零七年進行全球股份發售收取的所得款項淨額約為人民幣350,258,000元。截至二零零八年六月三十日止已動用所得款項淨額載列如下：

Intended use 意向用途		Available 可用款額 RMB'000 人民幣千元	Utilised 已動用 RMB'000 人民幣千元
Acquisitions of other manufacturer(s)/capital injections of subsidiary(ies)/joint venture	收購其他生產商／附屬公司／合營企業的注資	177,000	110,000
Acquisition of new machineries/conduct production technology enhancement	購入新機器／進行生產技術改進	73,000	43,716
Acquisition of new machineries for cornstarch and lysine production facilities expansion	購入用於擴展玉米澱粉及賴氨酸生產設施的新機器	20,000	20,000
Purchase of raw materials and general productions expenses of new machineries	購買原材料及新機器的一般生產費用	22,258	22,258
Repayment of borrowing	償還借款	23,000	23,000
General working capital	一般營運資金	35,000	35,000
		350,258	253,974

The unutilised portion of the net proceeds have been deposited on short term basis in licensed financial institutions in Hong Kong and/or the PRC.

所得款項淨額的未動用部分已存入香港及／或中國的持牌金融機構作短期存款。

Foreign currency exposure

The Directors regard that the Group has limited foreign currency exposure because our operation is mainly conducted in the PRC. Sales and purchases are mainly denominated in Renminbi and the foreign currency risk associated with export sales is not material. In view of the minimal foreign currency exchange risk, we monitored the exchange rate closely instead of entering into any foreign exchange hedge arrangement.

外匯風險

董事認為，由於本集團的營運主要在中國進行，因此本集團承受的外幣波動風險有限。買賣主要以人民幣結算，而與出口銷售有關的外幣風險並不重大。由於外匯風險極微，故本集團只密切監察匯率而不訂立任何外匯對沖安排。

Management Discussion and Analysis

管理層討論及分析

Finance costs

Finance cost reduced significantly by 77.2% from approximately RMB10,916,000 to approximately RMB2,494,000 for the six months ended 30 June 2008. As the loan from shareholder, Merry Boom Group Limited, was capitalised upon listing in September 2007, the Company was not required to provide any imputed interest on such loan. In light of the strong financial position after listing, we repaid some bank borrowings and stopped discounting bills during the period.

Liquidity, financial resources and capital structure

The major financial figures and key financial ratios are summarised as follows:

融資成本

截至二零零八年六月三十日止六個月，融資成本由約人民幣10,916,000元大幅減少77.2%至約人民幣2,494,000元。由於已於二零零七年九月上市後資本化股東怡興集團有限公司之貸款，故本公司毋須就有關貸款提供任何估算利息。鑒於上市後財務狀況穩健，集團於期內償還部分銀行借款並停止貼現票據。

流動資金、財務資源及資本架構

主要財務數據及關鍵財務比率概述如下：

		30 June 2008	31 December 2007
		二零零八年 六月三十日	二零零七年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Borrowings (<i>Note</i>):	借款(附註):		
– within one year	– 一年以內	1,108	92,885
– more than one year, but not exceeding two years	– 一年以上，但不超過兩年	886	886
– more than two years, but not exceeding five years	– 兩年以上，但不超過五年	2,659	12,659
– more than five years	– 五年以上	5,097	5,540
Total	總計	9,750	111,970
Debtors turnover (days)	應收賬款週轉天數	34	38
Creditors turnover (days)	應付賬款週轉天數	26	23
Inventories turnover (days)	存貨週轉天數	37	39
Current ratio	流動比率	2.1	2.3
Quick ratio	速動比率	1.5	1.9
Gearing ratio – borrowings divided by total equity	槓桿比率 – 借款除以權益總額	1.1%	14.1%

Note: As at the balance sheet date, the amount represented a fixed rate borrowing (2007: fixed rate borrowings RMB81,970,000; floating rate borrowings: RMB30,000,000).

附註: 於結算日，該款項為定息借款(二零零七年：定息借款人民幣81,970,000元；浮息借款：人民幣30,000,000元)。

Management Discussion and Analysis

管理層討論及分析

Pledge of assets and contingent liabilities

As at 30 June 2008, the Group did not have any pledged assets to secure banking facilities or bank borrowings.

As at 30 June 2008, the Group did not have material contingent liabilities.

FUTURE PLAN AND PROSPECTS

Expansion of production capacity

The Group's annual production capacity of cornstarch as at 31 December 2007 was 450,000 tonnes. In order to consolidate the market and maintain our leading position, we established Deneng Golden Corn in March 2008.

During the period under review, Deneng Golden Corn and its minority shareholder, 臨清德能生物科技有限公司 (Linqing Deneng Bio Technology Limited), reached agreement on 9 April 2008 for the proposed acquisition by Deneng Golden Corn of certain machineries and equipment, and associated land, buildings and ancillary structures for the implementation of a cornstarch production project of the Group as disclosed in the Company's announcements dated 11 April and 6 June 2008 and the circular dated 14 May 2008. Subject to fulfillment of the conditions precedent to the completion of the proposed acquisition, the implementation of the project will enlarge the scale of the existing operation of, and pave the way for sustained capacity growth for, the Group in the long run.

Deneng Golden Corn is operating two cornstarch production lines with a production capacity of 150,000 tonnes each at present. During the period under review, these two production lines were still in pilot-run stage and one of which was temporarily suspended for technological upgrade from 150,000 tonnes to 200,000 tonnes. The upgrade of the first production line has been completed in August 2008, and the upgrade of the second production line will follow immediately thereafter with expected completion by the end of 2008.

After the completion of technological upgrade in Deneng Golden Corn, the Group's total annual production capacity of cornstarch will be increased from 450,000 tonnes to 850,000 tonnes.

資產抵押及或然負債

於二零零八年六月三十日，本集團並無任何抵押資產，以擔保銀行信貸或銀行借貸。

於二零零八年六月三十日，本集團並無重大或然負債。

未來計劃及前景

擴充產能

於二零零七年十二月三十一日，本集團的玉米澱粉年產能為450,000噸。為了整固市場及保持龍頭地位，集團於二零零八年三月成立德能金玉米。

於回顧期內，德能金玉米及其少數股東臨清德能生物科技有限公司於二零零八年四月九日就德能金玉米建議收購若干機器設備及相關土地、樓宇及配套建築物以執行本集團玉米澱粉生產項目（見本公司於二零零八年四月十一日及六月六日刊發之公佈及於二零零八年五月十四日刊發之通函）而達成協議。待完成建議收購事項的先決條件達成後，執行項目將擴大現有業務規模，並為本集團長遠之持續產能增長鋪路。

德能金玉米現經營兩條產能為150,000噸的玉米澱粉生產線。於回顧期內，此兩條生產線仍處於試產階段，其中一條生產線已暫停營運以進行技術升級，將產能由150,000噸提升至200,000噸。首條生產線已於二零零八年八月完成，而第二條生產線亦將隨即進行升級，預期將於二零零八年底前完成。

完成德能金玉米的技術升級後，本集團的玉米澱粉年產能將由450,000噸提升至850,000噸。

Disclosure of Additional Information 其他資料的披露

INTERIM DIVIDENDS

The Board does not recommend the payment of interim dividend for the period ended 30 June 2008 (2007: Nil).

中期股息

董事會建議截至二零零八年六月三十日止期間不派發中期股息(二零零七年:無)。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2008, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") as recorded in the register kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

董事及主要行政人員於本公司或其相聯法團股份、相關股份或債券中的權益及淡倉

於二零零八年六月三十日，董事及本公司主要行政人員於本公司或其任何相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債券中，擁有於根據證券及期貨條例第352條本公司存置的登記冊所記錄或根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄10所載的上市發行人董事進行證券交易的標準守則(「標準守則」)須另行知會本公司及聯交所的權益及淡倉如下：

Name of Director 董事姓名	The Company/ associated corporation 本公司/相聯法團	Capacity/nature of interest 身份/權益性質	Number and class of securities held 持有證券數目及類別 (Note 1) (附註1)	Approximate percentage of shareholding 佔股權概約百分比
Mr. Tian Qixiang ("Mr. Tian") 田其祥先生(「田先生」)	The Company 本公司	Interest of a controlled corporation 受控制法團權益	1,750,000,000 ordinary shares (each, a "Share") of HK\$0.10 each (L) (Note 2) 1,750,000,000每股面值0.10港元 的普通股(各為「股份」)(L)(附註2)	66.99%
	Merry Boom Group Limited 怡興集團有限公司	Beneficial owner 實益擁有人	131 ordinary shares of US\$1 each (L) 131股每股面值1美元的普通股(L)	54.58%
Mr. Gao Shijun 高世軍先生	Merry Boom Group Limited 怡興集團有限公司	Beneficial owner 實益擁有人	60 ordinary shares of US\$1 each (L) 60股每股面值1美元的普通股(L)	25.00%
Mr. Yu Yingquan 于英全先生	Merry Boom Group Limited 怡興集團有限公司	Beneficial owner 實益擁有人	1 ordinary share of US\$1 each (L) 1股每股面值1美元的普通股(L)	0.42%

Disclosure of Additional Information 其他資料的披露

Notes:

- (1) The letter "L" denotes the Directors' long position in the shares of the Company or the relevant associated corporation.
- (2) These Shares were held by Merry Boom Group Limited. Merry Boom Group Limited is owned as to approximately 54.58% by Mr. Tian. Mr. Tian is deemed to be interested in all the Shares held by Merry Boom Group Limited under the SFO.

附註：

- (1) 字母「L」表示董事於本公司或有關相聯法團股份的好倉。
- (2) 此等股份由怡興集團有限公司持有。怡興集團有限公司由田先生擁有約54.58%權益。根據證券及期貨條例，田先生被視為於怡興集團有限公司持有的所有股份中擁有權益。

Save as disclosed above, as at 30 June 2008, none of the Directors and the chief executive of the Company nor their respective associates had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be recorded in the register 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.

除上文所披露者外，於二零零八年六月三十日，董事及本公司主要行政人員或彼等各自的聯繫人士概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中，擁有於根據證券及期貨條例第352條須記錄於本公司存置的登記冊內或根據標準守則須另行知會本公司及聯交所的任何權益或淡倉。

INTERESTS OF THE SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2008, so far as is known to the Directors, the following persons, other than a Director or chief executive of the Company, have an interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

主要股東於本公司股份及相關股份中的權益

於二零零八年六月三十日，據董事所知，按本公司根據證券及期貨條例第336條須存置的登記冊所記錄，以下人士（董事或本公司主要行政人員除外）於本公司股份或相關股份中擁有權益或淡倉：

Name of shareholder 股東名稱	Capacity/nature of interest 身份／權益性質	Number and class of securities 持有證券數目及類別 (Note 1) (附註1)	Approximate percentage of shareholding 佔股權概約百分比
Merry Boom Group Limited 怡興集團有限公司	Beneficial owner 實益擁有人	1,750,000,000 (L) (Note 2) (附註2)	66.99%
Victory Investment China Group Limited	Beneficial owner 實益擁有人	176,000,000 (L)	6.74%
Wang Rui Yun	Interest in controlled corporation, Victory Investment China Group Limited 受控制法團Victory Investment China Group Limited的權益	176,000,000 (L)	6.74%

Disclosure of Additional Information 其他資料的披露

Notes:

- (1) The letter "L" denotes the long position in the shares of the Company.
- (2) These Shares were held by Merry Boom Group Limited. Merry Boom Group Limited is owned as to approximately 54.58% by Mr. Tian, an executive Director and Chairman of the Company. Mr. Tian is deemed to be interested in all the Shares held by Merry Boom Group Limited under the SFO as disclosed under the paragraph headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares or Debentures of the Company or its associated corporations" above.

Save as disclosed above, as at 30 June 2008, other than the directors and chief executive of the Company whose interests or short positions are set out in the paragraph headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares or Debentures of the Company or its associated corporations" above, the Directors and the chief executive of the Company were not aware of any person who had an interest or a short position in the Shares, or underlying Shares of the Company which were required to be recorded in the register kept by the Company pursuant to section 336 of the SFO.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Scheme") on 5 September 2007 for the purpose of motivating our employees and other eligible persons entitled under the scheme to optimise their contributions to the Group and to reward them for their contribution to the Group.

As at 30 June 2008, no share options have been granted under the Scheme of the Company.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the period under review was the Company, its holding company, its subsidiaries or fellow subsidiaries a party to any arrangements whose objects are, or one of whose objects is, to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

附註：

- (1) 字母「L」指於本公司股份的好倉。
- (2) 此等股份由怡興集團有限公司持有。怡興集團有限公司由本公司執行董事兼主席田先生擁有約54.58%權益。如上文「董事及主要行政人員於本公司或其相聯法團股份、相關股份或債券中的權益及淡倉」一段所披露，根據證券及期貨條例，田先生被視為於怡興集團有限公司持有的所有股份中擁有權益。

除上文所披露者外，於二零零八年六月三十日，除權益或淡倉載於上文「董事及主要行政人員於本公司或其相聯法團股份、相關股份或債券中的權益及淡倉」一段的本公司董事及主要行政人員外，董事及本公司主要行政人員概不知悉任何人士於本公司股份或相關股份中擁有根據證券及期貨條例第336條須記錄於本公司存置的登記冊的權益或淡倉。

購股權計劃

本公司於二零零七年九月五日採納一項購股權計劃（「該計劃」），目的為激勵集團的僱員及該計劃項下的其他合資格人士，務求令本集團從彼等的貢獻中得到最大裨益，並回報彼等對本集團所付出的貢獻。

於二零零八年六月三十日，並無根據本公司該計劃而授出的購股權。

董事購入股份或債券的權利

除上文披露者外，於回顧期內任何時間，本公司、其控股公司、其附屬公司或同系附屬公司概無參與任何目的為或其中一個目的為令董事可藉購入本公司或任何其他法人團體的股份或債券而獲益的安排。

Disclosure of Additional Information 其他資料的披露

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the period under review, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

CORPORATE GOVERNANCE

The Directors are of the opinion that the Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2008.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own Securities Dealing Code (the "Dealing Code") on terms no less exacting than the Model Code. The Dealing Code applies to all Directors and to all employees to whom the Code is given and whom are informed that they are subject to its provisions. Having made specific enquiry by the Company, all Directors confirmed that they have complied with the required standard set out in the Dealing Code throughout the period under review.

AUDIT COMMITTEE

The Audit Committee has reviewed and discussed with the management of the Company the unaudited interim results for the six months ended 30 June 2008.

The Audit Committee of the Company comprises Mr Yue Kwai Wa, Ken (Chairman), Ms Dong Yanfeng, Ms Yu Shumin, and Mr Cao Zengong.

The interim results of the Group for the six months ended 30 June 2008 have not been audited, but have been reviewed by the Company's auditors, Deloitte Touche Tohmatsu.

By Order of the Board
Tian Qixiang
Chairman

Hong Kong, 29 August 2008

購買、出售或贖回本公司的上市證券

於回顧期內，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

企業管治

董事認為，截至二零零八年六月三十日止六個月整個期間，本公司一直遵守上市規則附錄14中企業管治常規守則所載的守則條文。

董事進行證券交易的標準守則

本公司已採納其自訂的證券買賣守則（「買賣守則」），其條款不比標準守則寬鬆。買賣守則適用於獲發該守則的所有董事及所有僱員及獲通知須遵守該守則規定的人士。經本公司作出具體查詢後，全體董事確認彼等於整個回顧期間一直遵守買賣守則所載的規定標準。

審核委員會

審核委員會已審閱並與本公司管理層討論截至二零零八年六月三十日止六個月的未經審核中期業績。

本公司審核委員會由余季華先生（主席）、董延豐女士、余淑敏女士及曹增功先生組成。

本集團截至二零零八年六月三十日止六個月的中期業績未經審核，惟已由本公司核數師德勤•關黃陳方會計師行進行審閱。

承董事會命
主席
田其祥

香港，二零零八年八月二十九日

Condensed Consolidated Income Statement

簡明綜合收益表

		Six months ended 30 June 截至六月三十日止六個月	
		2008 二零零八年 RMB'000 人民幣千元 (unaudited) (未經審核)	2007 二零零七年 RMB'000 人民幣千元 (unaudited) (未經審核)
		Notes 附註	
Turnover	營業額	3	778,164
Cost of goods sold	銷貨成本		(654,982)
Gross profit	毛利		123,182
Other income	其他收入		9,700
Interest income	利息收入		2,237
Distribution and selling expenses	分銷及銷售費用		(22,427)
Administrative expenses	行政費用		(25,444)
Finance costs	融資成本		(2,494)
Share of results of an associate	應佔聯營公司業績		2,350
Profit before taxation	除稅前利潤		87,104
Taxation	稅項	4	(12,779)
Profit for the period	期內利潤	5	74,325
Attributable to:	以下各項應佔：		
Equity holders of the Company	本公司權益持有人		75,023
Minority interests	少數股東權益		(698)
			74,325
Dividends	股息	6	17,869
Earnings per share	每股盈利		
Basic (RMB)	基本 (人民幣)	7	0.0287
			0.0534

Condensed Consolidated Balance Sheet

簡明綜合資產負債表

		Notes	30 June 2008 二零零八年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2007 二零零七年 十二月 三十一日 RMB'000 人民幣千元 (audited) (經審核)
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	8	547,566	425,518
Prepaid lease payments	預付租賃款	9	46,038	28,190
Interests in an associate	於聯營公司的權益		32,210	29,643
Deferred tax assets	遞延稅項資產	10	1,068	1,183
			626,882	484,534
Current assets	流動資產			
Inventories	存貨		150,463	117,695
Prepaid lease payments	預付租賃款		1,430	819
Trade and other receivables	貿易及其他應收款	11	186,965	144,559
Amounts due from a related company	應收關連公司款項		13	230
Pledged bank deposits	已抵押銀行存款		–	2,000
Bank balances and cash	銀行結餘及現金		184,458	362,648
			523,329	627,951
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款	12	199,683	133,260
Income tax payable	應付所得稅		18,675	11,379
Employee housing deposits	員工房屋保證金		30,444	30,703
Borrowings	借款	13	1,108	92,885
			249,910	268,227
Net current assets	流動資產淨額		273,419	359,724
Total assets less current liabilities	總資產減流動負債		900,301	844,258

Condensed Consolidated Balance Sheet

簡明綜合資產負債表

		Notes 附註	30 June 2008 二零零八年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2007 二零零七年 十二月 三十一日 RMB'000 人民幣千元 (audited) (經審核)
Non-current liabilities	非流動負債			
Employee housing deposits	員工房屋保證金		7,458	15,409
Borrowings	借款	13	8,642	19,085
Deferred income	遞延收入		17,404	17,423
			33,504	51,917
Net assets	資產淨值		866,797	792,341
Capital and reserves	資本及儲備			
Share capital	股本	14	237,762	50,477
Reserves	儲備		409,077	596,362
Retained earnings	留存盈利		202,656	145,502
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益		849,495	792,341
Minority interests	少數股東權益		17,302	–
Total equity	權益總額		866,797	792,341

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

		Attributable to equity holders of the Company 本公司權益持有人應佔							
		Share capital	Special reserve	Capital reserve	Statutory reserves	Retained earnings	Total	Minority interests	Total
		股本	特別儲備	資本儲備	實繳盈餘	留存盈利	總計	少數股東權益	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2007 (audited)	於二零零七年一月一日 (經審核)	151	60,669	57,424	31,224	34,317	183,785	-	183,785
Profit and total recognised income and expense for the period	本期間利潤及已確認收入及開支總額	-	-	-	-	70,024	70,024	-	70,024
Dividends	股息	-	-	-	-	(20,793)	(20,793)	-	(20,793)
At 30 June 2007 (unaudited)	於二零零七年六月三十日 (未經審核)	151	60,669	57,424	31,224	83,548	233,016	-	233,016
At 1 January 2008 (audited)	於二零零八年一月一日 (經審核)	50,477	27,080	516,317	52,965	145,502	792,341	-	792,341
Profit and total recognised income and expense for the period	本期間利潤及已確認收入及開支總額	-	-	-	-	75,023	75,023	(698)	74,325
Establishment of a subsidiary	成立一間附屬公司	-	-	-	-	-	-	18,000	18,000
Dividends	股息	-	-	-	-	(17,869)	(17,869)	-	(17,869)
Issue of bonus shares	發行紅股	187,285	-	(187,285)	-	-	-	-	-
At 30 June 2008 (unaudited)	於二零零八年六月三十日 (未經審核)	237,762	27,080	329,032	52,965	202,656	849,495	17,302	866,797

Condensed Consolidated Cash Flow Statement

簡明綜合現金流量表

		Six months ended 30 June 截至六月三十日止六個月	
		2008 二零零八年 RMB'000 人民幣千元 (unaudited) (未經審核)	2007 二零零七年 RMB'000 人民幣千元 (unaudited) (未經審核)
Net cash from operating activities	經營活動產生的現金淨額	60,078	119,244
Net cash from (used in) investing activities:	投資活動產生(使用)的現金淨額:		
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款	95	-
Interest received	已收利息	2,319	1,137
Purchases of property, plant and equipment	購置物業、廠房及設備	(126,219)	(4,744)
Investment in an associate	於一家聯營公司投資	-	(9,713)
Decrease in pledged bank deposits	已抵押銀行存款減少	2,000	35,500
Decrease in amount due from a related company	應收一家關連公司款項減少	228	1,904
Other investing cash flows	其他投資現金流量	(230)	119
		(121,807)	24,203
Net cash from (used in) financing activities:	融資活動產生(使用)的現金淨額:		
Interest paid	已付利息	(1,811)	(6,363)
Capital contribution by minority interest	少數股東權益注資	18,000	-
Repayments of borrowings	償還借款	(102,220)	(127,560)
Dividends paid	已付股息	(17,869)	(47,794)
Proceeds from borrowings	借款所得款	-	122,000
Decrease in amount due to a related company	應付一家關連公司款項減少	-	(14,265)
Decrease in employee housing deposits	員工房屋保證金減少	(9,062)	(4,336)
		(112,962)	(78,318)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(174,691)	65,129
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物	362,648	55,976
Effect of foreign exchange rate changes	匯率變動的影響	(3,499)	-
Cash and cash equivalents at 30 June, represented by bank balance and cash	於六月三十日的現金及現金等價物, 列為銀行結餘及現金	184,458	121,105

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

for the six months ended 30 June 2008

截至二零零八年六月三十日止六個月

1. BASIS OF PREPARATION

The Company was incorporated in Cayman Islands under the Companies Law as an exempted company with limited liability on 29 November 2006 and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 27 September 2007. The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section to the interim report.

The condensed consolidated financial statements are presented in Renminbi ("RMB"), which is the same as the functional currency of the Group.

The principal activities of the Group are the manufacture and sale of cornstarch, lysine and its related products and generation and sales of electricity and steam.

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard 34 ("HKAS 34") Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The interim financial information should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2007.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's financial statements for the year ended 31 December 2007.

1. 編製基準

本公司為於二零零六年十一月二十九日根據開曼群島公司法在開曼群島註冊成立的獲豁免有限公司，其股份已自二零零七年九月二十七日起於香港聯合交易所有限公司（「聯交所」）主板上市。本公司的註冊辦事處地址及主要營業地點乃於中期報告「公司資料」一節中披露。

簡明綜合財務報表乃以人民幣（「人民幣」）列值，人民幣亦為本集團的功能貨幣。

本集團的主要業務為製造及銷售玉米澱粉、賴氨酸及其相關產品，以及生產及銷售電力及蒸汽。

簡明綜合財務報表乃根據香港聯合交易所有限公司證券上市規則（「上市規則」）附錄16所載適用的披露規定及香港會計師公會（「香港會計師公會」）頒佈的香港會計準則第34號（「香港會計準則第34號」）「中期財務報告」而編製。

中期財務資料應與本集團截至二零零七年十二月三十一日止年度的年度財務報表一併閱讀。

2. 主要會計政策

簡明綜合財務報表以歷史成本基準編製。

簡明綜合財務報表所採用的會計政策與編製本集團截至二零零七年十二月三十一日止年度的財務報表所採用者一致。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

for the six months ended 30 June 2008

截至二零零八年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

The Group, in the current period, has for the first time applied all of the new interpretations issued by the HKICPA (hereinafter collectively referred to as "new HKFRSs") that are effective for the financial periods beginning on 1 January 2008. The adoption of new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior adjustment has been recognised.

The Group has not early applied the following new Hong Kong Accounting Standards ("HKAS"s) or interpretations that have been issued but are not yet effective for the Group's financial year beginning on 1 January 2008.

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ²
HKAS 32 and 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ¹
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ¹
HKFRS 3 (Revised)	Business Combination ²
HKFRS 8	Operating Segments ¹
HK (IFRIC)* – Int 13	Customer Loyalty Programmes ³

¹ Effective for annual periods beginning on or after 1 January 2009

² Effective for annual periods beginning on or after 1 July 2009

³ Effective for annual periods beginning on or after 1 July 2008

* IFRIC represents the International Financial Reporting Interpretations Committee

2. 主要會計政策(續)

本集團於本期間已首次採用所有由香港會計師公會頒佈於二零零八年一月一日開始的財政期間生效的新訂詮釋(以下合稱為「新香港財務報告準則」)。採納新香港財務報告準則，並無對現時或過往會計期間的業績及財務狀況的編製及呈報方式產生重大影響，故並無確認前期調整。

本集團並未提早採用下列於本集團於二零零八年一月一日開始的財政年度已頒佈但尚未生效的新訂香港會計準則(「香港會計準則」)或詮釋。

香港會計準則第1號(修訂)	財務報表的呈報 ¹
香港會計準則第23號(修訂)	借款成本 ¹
香港會計準則第27號(修訂)	綜合及獨立財務報表 ²
香港會計準則第32號及第1號(修訂本)	可沽售金融工具及清盤時產生的責任 ¹
香港財務報告準則第2號(修訂本)	歸屬條件及註銷 ¹
香港財務報告準則第3號(修訂)	業務合併 ²
香港財務報告準則第8號	經營分部 ¹
香港(國際財務報告詮釋委員會)* – 詮釋第13號	客戶忠誠計劃 ³

¹ 於二零零九年一月一日或之後開始的年度期間生效

² 於二零零九年七月一日或之後開始的年度期間生效

³ 於二零零八年七月一日或之後開始的年度期間生效

* 國際財務報告詮釋委員會指國際財務報告詮釋委員會

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2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other new or revised standards or interpretation will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

Business Segments

For management purposes, the Group is currently organised into three operating divisions – cornstarch, lysine, electricity and steam. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Cornstarch	– the manufacture and sale of cornstarch and its related products
Lysine	– the manufacture and sale of lysine and its related products
Electricity and steam	– the production and sale of electricity and steam

Segment information about these business is presented below:

2. 主要會計政策(續)

若業務合併的收購日期為於二零零九年七月一日或其後開始的首個年度報告期間開始或當日或之後，則採納香港財務報告準則第3號(修訂)或會影響該業務合併的會計處理。若母公司於某附屬公司的股權出現變動但並無導致失去控制權，則香港會計準則第27號(修訂)將影響有關變動的會計處理，並將按股權交易入賬。本公司董事預期，應用其他新訂或修訂準則或詮釋不會對本集團的業績及財務狀況造成重大影響。

3. 分部資料

業務分部

就管理而言，本集團目前以三個經營分部組成－玉米澱粉、賴氨酸、電力及蒸汽。這些分部都是本集團呈報其主要分部資料的基礎。

主要活動如下：

玉米澱粉	– 生產及銷售玉米澱粉及其相關產品
賴氨酸	– 生產及銷售賴氨酸及其相關產品
電力及蒸汽	– 生產及銷售電力及蒸汽

這些業務的分部資料呈列如下：

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3. SEGMENT INFORMATION (Continued)

Business Segments (Continued)

Six months ended 30 June 2008

(Unaudited)

(未經審核)

		Cornstarch 玉米澱粉 RMB'000 人民幣千元	Lysine 賴氨酸 RMB'000 人民幣千元	Electricity and steam 電力及蒸汽 RMB'000 人民幣千元	Eliminations 抵銷 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
TURNOVER	營業額					
External sales	對外銷售	547,301	173,871	56,992	–	778,164
Inter-segment sales	分部間銷售	–	–	58,634	(58,634)	–
Total	合計	547,301	173,871	115,626	(58,634)	778,164
Inter-segment sales are charged at cost.		分部間銷售按成本收取。				
RESULT	業績					
Segment result	分部業績	62,298	35,632	10,709	–	108,639
Unallocated distribution and selling expenses	未分配分銷及銷售費用					(5,422)
Administrative expenses	行政費用					(25,444)
Share of result of an associate	應佔聯營公司業績					2,350
Other income	其他收入					7,238
Interest income	利息收入					2,237
Finance costs	融資成本					(2,494)
Profit before taxation	除稅前利潤					87,104
Taxation	稅項					(12,779)
Profit for the period	期內利潤					74,325

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3. SEGMENT INFORMATION (Continued)

Business Segments (Continued)

Six months ended 30 June 2007

(Unaudited)

(未經審核)

		Cornstarch 玉米澱粉 RMB'000 人民幣千元	Lysine 賴氨酸 RMB'000 人民幣千元	Electricity and steam 電力及蒸汽 RMB'000 人民幣千元	Eliminations 抵銷 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
TURNOVER	營業額					
External sales	對外銷售	417,334	132,390	53,447	-	603,171
Inter-segment sales	分部間銷售	-	-	39,667	(39,667)	-
Total	合計	417,334	132,390	93,114	(39,667)	603,171
Inter-segment sales are charged at cost.		分部間銷售按成本收取。				
RESULT	業績					
Segment result	分部業績	38,541	38,123	17,879	-	94,543
Unallocated distribution and selling expenses	未分配分銷及銷售費用					(1,701)
Administrative expenses	行政費用					(13,550)
Share of result of an associate	應佔聯營公司業績					(2,089)
Other income	其他收入					2,600
Interest income	利息收入					1,137
Finance costs	融資成本					(10,916)
Profit before taxation	除稅前利潤					70,024
Taxation	稅項					-
Profit for the period	期內利潤					70,024

3. 分部資料(續)

業務分部(續)

截至二零零七年六月三十日止六個月

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4. TAXATION

4. 稅項

Six months ended 30 June
截至六月三十日止六個月

		2008 二零零八年 RMB'000 人民幣千元 (unaudited) (未經審核)	2007 二零零七年 RMB'000 人民幣千元 (unaudited) (未經審核)
PRC enterprise income tax	中國企業所得稅	12,664	—
Deferred tax	遞延稅項	115	—
Income tax expense for the period		12,779	—

No provision for Hong Kong Profits Tax has been made as the Group's profit neither arose in, nor derived from Hong Kong during both periods.

由於兩個期間內本集團並無在香港產生或賺取利潤，故並無就香港利得稅作出撥備。

Pursuant to the relevant law and regulations in the People's Republic of China ("PRC"), 山東壽光巨能金玉米開發有限公司(Shandong Shouguang Juneng Golden Corn Development Co., Ltd.) ("Golden Corn"), a subsidiary of the Company, was entitled to exemption from PRC Foreign Enterprise Income Tax for two years in 2006 and 2007, followed by a 50% relief on the income tax rate of 25% for the next three years. The first 50% relief year is claimed for year 2008.

根據中華人民共和國(「中國」)有關法律法規，本公司附屬公司山東壽光巨能金玉米開發有限公司(「金玉米」)，於二零零六年及二零零七年可免繳兩年中國外資企業所得稅，其後三年獲所得稅率25%減半優惠。二零零八年為首個減半優惠年度。

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC. On 6 December 2007, the State Council of the PRC issued Implementation Regulation of the New Law. The New Law and the Implementation Regulation have changed the tax rate from 27% to 25% for the Company's subsidiaries in the PRC from 1 January 2008. The new tax law provides a five-year transitional period from its effective date for those enterprises which were established before the promulgation date of the new tax law and which were entitled to a preferential lower tax rate under the then effective tax laws or regulations. Thus, Golden Corn can still entitle the tax exemption of PRC Foreign Enterprise Income Tax for two years commencing from its first profit-making year, followed by a 50% relief for the next three years. In March 2008, 臨清德能金玉米生物有限公司(Linqing Deneng Golden Corn Bio Limited) ("Deneng Golden Corn"), a subsidiary of the Company was newly established. Deneng Golden Corn is subject to applicable tax rate of 25%.

於二零零七年三月十六日，中國頒佈中國企業所得稅法(主席令第六十三號)(「新法」)。於二零零七年十二月六日，中國國務院頒佈新法的實施條例。新法及實施條例把本公司中國附屬公司的稅率由27%調整至25%，自二零零八年一月一日起生效。對於在新稅法頒佈日期前成立及根據成立當時的有效稅法或規例享有較低稅率優惠的企業，新稅法自生效日期起給予為期五年的過渡期。因此，金玉米仍可於首個獲利年度開始兩年免繳中國外資企業所得稅，其後三年獲享減半優惠。於二零零八年三月，本公司新成立附屬公司臨清德能金玉米生物有限公司(「德能金玉米」)。德能金玉米須按適用稅率25%納稅。

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5. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging the following items:

5. 期內利潤

期內利潤乃經扣除以下項目：

		Six months ended 30 June 截至六月三十日止六個月	
		2008 二零零八年 RMB'000 人民幣千元 (unaudited) (未經審核)	2007 二零零七年 RMB'000 人民幣千元 (unaudited) (未經審核)
Amortisation of prepaid lease payments (included in administrative expenses)	預付租賃款攤銷 (計入行政費用)	507	475
Depreciation of property, plant and equipment	物業、廠房及設備折舊	25,930	23,716
Loss on disposal of properties, plant and equipment	出售物業、廠房及設備的虧損	615	22
Loss on disposal of prepaid lease payments	出售預付租賃款的虧損	-	46
Exchange loss	匯兌虧損	4,217	405

6. DIVIDENDS

On 6 June 2008, a dividend of HK3.83 cents per share was paid to shareholders as the final dividend for 2007.

The directors do not further propose any interim dividend for the six months ended 30 June 2008.

Dividend of RMB20,793,000 was paid by the Company to Merry Boom Group Limited, the ultimate holding company of the Group, on 20 March 2007 before the Company's shares were listed on the Stock Exchange.

6. 股息

於二零零八年六月六日，本公司向股東派付二零零七年末期股息每股3.83港仙。

董事不另行建議就截至二零零八年六月三十日止六個月派發任何中期股息。

於二零零七年三月二十日本公司股份在聯交所上市前，本公司向本集團最終控股公司怡興集團有限公司派付股息人民幣20,793,000元。

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7. EARNINGS PER SHARE

7. 每股盈利

		Six months ended 30 June 截至六月三十日止六個月	
		2008 二零零八年 RMB'000 人民幣千元 (unaudited) (未經審核)	2007 二零零七年 RMB'000 人民幣千元 (unaudited) (未經審核)
Earnings	盈利		
Earnings for the purpose of basic earnings per share for the period attributable to equity shareholders of the Company	就計算本公司權益持有人應佔期內每股基本盈利的盈利	75,023	70,024

		Six months ended 30 June 截至六月三十日止六個月	
		2008 二零零八年 '000 千股 (unaudited) (未經審核)	2007 二零零七年 '000 千股 (unaudited) (未經審核)
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic earnings per share	就計算每股基本盈利的普通股加權平均數	2,612,500	1,312,500

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company of approximately RMB75,023,000 (for the six months ended 30 June 2007: RMB70,024,000) and the weighted average number of shares of 2,612,500,000 (for the six months ended 30 June 2007: 1,312,500,000) ordinary shares in issue during the six months ended 30 June 2008. The weighted average number of ordinary share for the purpose of basic earnings per share has been adjusted for the bonus issue made on 16 May 2008.

每股基本盈利乃根據截至二零零八年六月三十日止六個月本公司權益持有人應佔利潤約人民幣75,023,000元(截至二零零七年六月三十日止六個月: 人民幣70,024,000元)及已發行普通股的加權平均股數2,612,500,000股(截至二零零七年六月三十日止六個月: 1,312,500,000股)計算。就計算每股基本盈利的普通股加權平均數, 已就二零零八年五月十六日進行紅股發行而作出調整。

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截至二零零八年六月三十日止六個月

7. EARNINGS PER SHARE (Continued)

No diluted earnings per share has been presented because no dilutive potential ordinary shares exists for both 6 months ended 30 June 2008 and 2007.

8. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period ended 30 June 2008, the Group incurred capital expenditures of approximately RMB148,688,000 for property, plant and equipment (for the six months ended 30 June 2007: RMB3,229,000) of which an amount of RMB123 million was acquired from a minority shareholder (the "Acquisition"). If the legal title of land use right as set out in note 9 cannot be obtained by 31 December 2008, the minority shareholder agreed to fully refund the amount of acquisition of property, plant and equipment and land use right paid by the Group. No significant disposal of property, plant and equipment was made during the period.

9. PREPAID LEASE PAYMENT

Under the Acquisition, the Group has further agreed to acquire a land use right from the minority shareholder at the lower of the cost incurred by the minority shareholder and RMB20 million. At the balance sheet date, the minority shareholder is in the progress applying for the land use right.

7. 每股盈利(續)

由於截至二零零八年及二零零七年六月三十日止六個月均無可攤薄潛在普通股，故並無呈列每股攤薄盈利。

8. 物業、廠房及設備變動

截至二零零八年六月三十日止期間內，本集團就物業、廠房及設備產生資本開支約人民幣148,688,000元(截至二零零七年六月三十日止六個月：人民幣3,229,000元)，其中人民幣123,000,000元乃向一名少數股東收購(「收購事項」)。若附註9所述的土地使用權的法定所有權未能於二零零八年十二月三十一日前取得，則少數股東同意將本集團就收購物業、廠房及設備及土地使用權而支付的款項全數退還。期內，並無進行重大的物業、廠房及設備出售事項。

9. 預付租賃款

根據收購事項，本集團進一步同意向該名少數股東收購一項土地使用權，代價為該少數股東所產生的成本與人民幣20,000,000元之間的較低者。於結算日，該名少數股東正申領有關土地使用權。

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10. DEFERRED TAXATION

The following are the major deferred tax liabilities and assets recognised and movement thereon during the current and prior periods:

10. 遞延稅項

以下載列本期間及以往期間已確認的主要遞延稅項負債及資產以及其中變動：

		Realised gain on injecting property, plant equipment and land use rights as capital contribution 注入物業、 廠房及設備和 土地使用權 作為注資的 變現收益 RMB'000 人民幣千元	Impairment of property, plant and equipment 物業、 廠房及 設備減值 RMB'000 人民幣千元	Temporary difference on expenses recognition 支出確認的 暫時性差額 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2007 (audited)	於二零零七年一月一日 (經審核)	(1,617)	2,321	664	1,368
Charge to consolidated income statement for the period	於期內綜合收益表扣除	-	-	-	-
At 30 June 2007 (unaudited)	於二零零七年六月三十日 (未經審核)	(1,617)	2,321	664	1,368
At 1 January 2008 (audited)	於二零零八年一月一日 (經審核)	(1,605)	2,167	621	1,183
Charge to consolidated income statement for the period	於期內綜合收益表扣除	(54)	(44)	(17)	(115)
At 30 June 2008 (unaudited)	於二零零八年六月三十日 (未經審核)	(1,659)	2,123	604	1,068

At 30 June 2008, no deferred tax asset has been recognised in respect of the tax losses of Deneng Golden Corn due to the unpredictability of future profit streams.

於二零零八年六月三十日，由於難以預測未來利潤來源，故並無就德能金玉米確認任何遞延稅項資產。

At 30 June 2008, no liability has been recognised in respect of temporary differences associated with undistributed earnings of subsidiaries because the Group is in a position to control the timing of the reversal of temporary differences and it is probable that such differences will not reverse in the foreseeable future.

於二零零八年六月三十日，由於本集團能控制暫時性差額的撥回時間，而有關差額於可見將來可能不予撥回，故並無就附屬公司未分配盈利的相關暫時性差額確認任何負債。

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11. TRADE AND OTHER RECEIVABLES

Trade receivables mainly arise from sales of cornstarch, lysine, their related products and electricity and steam. Credit terms to both third parties and related parties for respective products are as follow:

Cornstarch and its related products	Within 30 days
Lysine and its related products	30 to 60 days
Electricity and steam	Within 30 days

The following is an aging analysis of trade receivables at the balance sheet date:

11. 貿易及其他應收款

貿易應收款主要來自銷售玉米澱粉、賴氨酸及其相關產品以及電力及蒸汽。就各項產品而予以第三方及關連方的信貸期如下：

玉米澱粉及相關產品	30日內
賴氨酸及相關產品	30至60日內
電力及蒸汽	30日內

以下為於結算日貿易應收款的賬齡分析：

		30 June 2008 二零零八年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2007 二零零七年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Trade receivables	貿易應收款		
0-30 days	0 – 30日	66,147	39,337
31-60 days	31 – 60日	17,200	1,134
61-90 days	61 – 90日	397	519
Over 90 days	90日以上	2,737	1,156
Bank acceptance bills	銀行承兌匯票	86,481	42,146
Advance payment for purchase of coal	購煤預付款	67,932	99,734
Other receivables	其他應收款	26,514	–
		6,038	2,679
		186,965	144,559

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

for the six months ended 30 June 2008

截至二零零八年六月三十日止六個月

11. TRADE AND OTHER RECEIVABLES (Continued)

Aging analysis of bank acceptance bills at the balance sheet date:

		30 June 2008 二零零八年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2007 二零零七年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
0-30 days	0 – 30日	39,867	60,381
31-60 days	31 – 60日	17,136	3,354
61-90 days	61 – 90日	8,656	14,882
Over 90 days	90日以上	2,273	21,117
		67,932	99,734

11. 貿易及其他應收款(續)

於結算日銀行承兌匯票的賬齡分析：

12. TRADE AND OTHER PAYABLES

The following is an aging analysis of trade payable at the balance sheet date:

		30 June 2008 二零零八年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2007 二零零七年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Trade payables	貿易應付款		
0-60 days	0 – 60日	94,697	47,831
61-90 days	61 – 90日	2,391	7,567
Over 90 days	90日以上	13,126	23,524
		110,214	78,922
Other payables	其他應付款	89,469	54,338
		199,683	133,260

12. 貿易及其他應付款

以下為於結算日貿易應付款的賬齡分析：

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

for the six months ended 30 June 2008

截至二零零八年六月三十日止六個月

13. BORROWINGS

During the period, the Group did not obtain new bank loans and repaid bank borrowings of RMB72,220,000 upon due dates. The Group also early repaid bank loans of RMB30,000,000 before maturity dates.

13. 借款

期內，本集團並無獲取新銀行貸款，並已償還到期銀行借款人民幣72,220,000元。本集團更於到期日前提早償還銀行貸款人民幣30,000,000元。

14. SHARE CAPITAL

14. 股本

		The Company 本公司	
		Number of shares 股份數目	Share capital 股本
		'000 千股	HK\$'000 千港元
Ordinary shares of HK\$0.1 each Issued and fully paid: At 31 December 2006 and 30 June 2007	每股面值0.1港元的普通股 已發行及繳足： 於二零零六年十二月三十一日及 二零零七年六月三十日	1,500	150
Share issued upon capitalisation on 5 September 2007	於二零零七年九月五日 資本化時發行股份	348,000	34,800
Share issued upon loan capitalisation on 5 September 2007	於二零零七年九月五日 貸款資本化時發行股份	500	50
Share issued upon global offering	全球發售時發行股份	172,500	17,250
At 31 December 2007	於二零零七年十二月三十一日	522,500	52,250
Issue of bonus shares (note)	發行紅股 (附註)	2,090,000	209,000
At 30 June 2008	於二零零八年六月三十日	2,612,500	261,250
Show on balance sheet as (RMB'000)	於資產負債表列示 (人民幣千元)		237,762

Note: The bonus issue on the basis of four bonus shares for every one existing share held by the shareholders, was approved by the extraordinary general meeting of the Company on 16 May 2008 and a total of 2,090,000,000 shares were issued at nil consideration.

附註：按股東每持有一股現有股份獲發四股紅股股份的基準進行紅股發行，乃於二零零八年五月十六日本公司股東特別大會上獲得批准，已無償發行合共2,090,000,000股股份。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

for the six months ended 30 June 2008

截至二零零八年六月三十日止六個月

15. COMMITMENTS

15. 承擔

		30 June 2008 二零零八年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2007 二零零七年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Capital expenditure contracted for but not provided for in the consolidated financial statements in respect of acquisition of property, plant and equipment	有關購置物業、廠房及設備的已訂約但未在綜合財務報表內撥備的資本開支	88,606	455

16. RELATED PARTY TRANSACTIONS

16. 關連方交易

During the period, the Group entered into the following transactions with the related parties:

於本期間，本集團與關連方訂立以下交易：

(i) Sales

(i) 銷售

		Trade sales 貿易銷售額 Six month ended 30 June 截至六月三十日止六個月	
		2008 二零零八年 RMB'000 人民幣千元 (unaudited) (未經審核)	2007 二零零七年 RMB'000 人民幣千元 (unaudited) (未經審核)
An associate	聯營公司	85,626	52,701
		85,626	52,701

Sales were based on contracted price.

銷售額根據合約價格計算。

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

for the six months ended 30 June 2008

截至二零零八年六月三十日止六個月

16. RELATED PARTY TRANSACTIONS (Continued)

(ii) Sales of electricity and steam

		Six months ended 30 June 截至六月三十日止六個月	
		2008 二零零八年 RMB'000 人民幣千元 (unaudited) (未經審核)	2007 二零零七年 RMB'000 人民幣千元 (unaudited) (未經審核)
An associate	聯營公司	2,564	1,367
Related companies (note)	關連公司 (附註)	19,400	30,352
		21,964	31,719

Sales of electricity and steam are based on contracted price.

電力及蒸汽銷售額根據合約價格計算。

(iii) Salary expense

		Six months ended 30 June 截至六月三十日止六個月	
		2008 二零零八年 RMB'000 人民幣千元 (unaudited) (未經審核)	2007 二零零七年 RMB'000 人民幣千元 (unaudited) (未經審核)
A related company	關連公司	–	3,944

Salary was paid at cost at a rate determined with reference to the average monthly salary of the staff of Golden Corn engaging in similar position.

(iii) 薪金支出

薪金乃根據參考於金玉米從事類似職務的僱員的平均月薪而釐定，按成本支付。

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

for the six months ended 30 June 2008

截至二零零八年六月三十日止六個月

16. RELATED PARTY TRANSACTIONS (Continued)

(iv) Interest expense

		Six months ended 30 June 截至六月三十日止六個月	
		2008 二零零八年 RMB'000 人民幣千元 (unaudited) (未經審核)	2007 二零零七年 RMB'000 人民幣千元 (unaudited) (未經審核)
Merry Boom Group Limited	怡興集團有限公司	–	4,049
		–	4,049

(v) Accounts receivables from related party

		2008 二零零八年 RMB'000 人民幣千元 (unaudited) (未經審核)	2007 二零零七年 RMB'000 人民幣千元 (unaudited) (未經審核)
Amounts receivable from an associate	應收聯營公司款項	29,360	11,903
Amounts receivable from related companies (note)	應收關連公司款項 (附註)	2,105	1,869
		31,465	13,772

The amounts outstanding are unsecured and will be settled within the credit term granted. No guarantees have been received. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts due from related parties.

尚未償還款項乃無抵押並將於所授予的信貸期內支付。概無獲得任何擔保。於期內並無就應收關連方款項相關的呆壞賬確認任何開支。

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

for the six months ended 30 June 2008

截至二零零八年六月三十日止六個月

16. RELATED PARTY TRANSACTIONS (Continued)

(vi) Compensation of key management personnel

The remuneration of key management during the period was as follows:

16. 關連方交易(續)

(vi) 主要管理層人員的報酬

主要管理人員於期內的薪酬如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2008 二零零八年 RMB'000 人民幣千元 (unaudited) (未經審核)	2007 二零零七年 RMB'000 人民幣千元 (unaudited) (未經審核)
Short-term benefits	短期福利	973	308
Retirement benefits scheme contribution	退休金計劃供款	35	15
		1,008	323

Note: Those related companies are companies on which Mr. Tian Qixiang, the director and shareholder of the Company, has significant influence.

附註：該等關連公司為本公司董事兼股東田其祥先生擁有重大影響力的公司。

Report on Review of Interim Financial Information

中期財務資料審閱報告

To the Board of Directors of China Starch Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

致：中國澱粉控股有限公司董事會

(於開曼群島註冊成立的有限公司)

Introduction

We have reviewed the interim financial information set out on pages 21 to 42, which comprises the condensed consolidated balance sheet of China Starch Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") as of 30 June 2008 and the related condensed consolidated income statement, statement of changes in equity and cash flow statement for the six months then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

引言

本核數師已審閱載於第二十一至四十二頁的中期財務資料。此中期財務資料包括中國澱粉控股有限公司(「貴公司」)及其附屬公司(下文統稱「貴集團」)於二零零八年六月三十日的簡明綜合資產負債表與截至該日止六個月的相關簡明綜合收益表、權益變動表和現金流量表及若干說明附註。香港聯合交易所有限公司主板證券上市規則規定，就中期財務資料編製的報告必須符合當中有關條文以及香港會計師公會頒佈的香港會計準則(「香港會計準則」)第34號「中期財務報告」。董事須對根據香港會計準則第34號編製及呈列此中期財務資料負責。本核數師的責任是根據審閱對此中期財務資料作出結論，並按照委聘的協定條款僅向作為實體的閣下報告結論，且並無其他目的。本核數師不會就本報告的內容向任何其他人士負上或承擔任何責任。

審閱範圍

本核數師已根據香港會計師公會頒佈的香港審閱委聘準則第2410號「由實體獨立核數師審閱中期財務資料」進行審閱。審閱中期財務資料包括主要向負責財務和會計事務的人員作出查詢，並應用分析性和其他審閱程序。審閱範圍遠少於根據香港核數準則進行審核的範圍，故不能令本核數師保證本核數師將知悉在審核中可能發現的所有重大事項。因此，本核數師不會發表審核意見。

Report on Review of Interim Financial Information 中期財務資料審閱報告

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
29 August 2008

結論

按照本核數師的審閱，本核數師並無發現任何事項，令本核數師相信中期財務資料在各重大方面未有根據香港會計準則第34號編製。

德勤•關黃陳方會計師行
執業會計師
香港
二零零八年八月二十九日

China Starch Holdings Limited
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