



China Starch Holdings Limited
中國澱粉 控股有限公司

(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 : 3838



2019

INTERIM REPORT 中期報告

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Report on Review of Interim Financial Information

中期財務資料之審閱報告



SHINEWING (HK) CPA Limited
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Causeway Bay, Hong Kong

信永中和(香港)
會計師事務所有限公司
香港銅鑼灣
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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之有限公司)

Introduction

We have reviewed the condensed consolidated financial statements of China Starch Holdings Limited (the "Company") and its subsidiaries set out on pages 4 to 17, which comprise the condensed consolidated statement of financial position as of 30 June 2019 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and other explanatory notes.

The 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 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34.

Our responsibility is to express a conclusion on these condensed consolidated financial statements 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 HKICPA. A review of these condensed consolidated financial statements consists of making inquiries, 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.

緒言

本核數師(以下簡稱「我們」)已審閱載於第4至17頁中國澱粉控股有限公司(「貴公司」)及其附屬公司的簡明合併財務報表。此簡明合併財務報表包括於二零一九年六月三十日的簡明合併財政狀況表及截至該日止六個月期間的相關簡明合併損益及其他綜合收益表、權益變動表及現金流量表，以及其他說明附註。

香港聯合交易所有限公司證券上市規則規定，須就中期財務資料編製符合上述規則的有關條文及香港會計師公會(「香港會計師公會」)頒佈的香港會計準則第34號「中期財務報告」(「香港會計準則第34號」)的報告。貴公司董事須負責根據香港會計準則第34號編製和呈報該等簡明合併財務報表。

我們的責任為根據審閱的結果，對該等簡明合併財務報表作出結論，並按照協定的委任條款僅向閣下報告我們的結論，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

審閱範圍

我們已按照香港會計師公會頒佈的香港審閱應聘服務準則第2410號「實體的獨立核數師對中期財務資料的審閱」進行審閱工作。該等簡明合併財務報表審閱工作主要包括向負責財務和會計事務的人員作出查詢，以及應用分析性和其他審閱程序。審閱的範圍遠小於根據香港審計準則進行審核的範圍，故不能令我們保證我們將知悉在審計中可能被發現的所有重大事項。因此，我們不會發表審核意見。

Report on Review of Interim Financial Information

中期財務資料之審閱報告

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

SHINEWING (HK) CPA LIMITED

Certified Public Accountants

Kwan Chi Fung

Practising Certificate Number: P06614

Hong Kong
21 August 2019

結論

根據我們的審閱結果，我們並無發現有任何事項導致我們相信簡明合併財務報表在各重大方面未有按照香港會計準則第34號編製。

信永中和(香港)會計師事務所有限公司

執業會計師

關志峰

執業證書號碼：P06614

香港
二零一九年八月二十一日

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明合併損益及其他綜合收益表

		Six months ended 30 June	
		截至六月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
	Notes		
	附註		
Revenue	2	2,872,208	2,405,631
Cost of sales		(2,717,941)	(2,212,155)
Gross profit		154,267	193,476
Distribution expenses		(70,640)	(44,768)
Administrative expenses		(79,357)	(65,344)
Impairment losses on financial assets		(5,807)	-
Other gains and losses	3	37,035	32,309
Operating profit		35,498	115,673
Finance income		11,418	18,783
Finance expenses		(260)	(225)
Profit before income tax	4	46,656	134,231
Income tax expenses	5	(9,907)	(27,596)
Profit and total comprehensive income for the period		36,749	106,635
Attributable to:			
Owners of the Company		38,293	104,906
Non-controlling interests		(1,544)	1,729
		36,749	106,635
Basic and diluted earnings per share (RMB)	6	0.0064	0.0175

Condensed Consolidated Statement of Financial Position

簡明合併財務狀況表

			30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
		Notes 附註		
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	8	1,918,150	1,781,270
Right-of-use assets	使用權資產	9	403,347	201,132
Deposits for acquisition of right-of-use assets	收購使用權資產的保證金		-	30,896
Deposits for acquisition of property, plant and equipment	收購物業、廠房及設備的保證金		116,610	119,621
Deferred tax assets	遞延稅項資產		74,436	77,957
Total non-current assets	非流動資產總值		2,512,543	2,210,876
Current assets	流動資產			
Inventories	存貨		609,166	409,822
Trade and other receivables	貿易及其他應收款	10	740,503	462,391
Pledged bank deposits	已抵押銀行存款		5,812	6,062
Fixed deposits	定期存款		210,000	340,000
Cash and cash equivalents	現金及現金等價物		168,931	782,904
Total current assets	流動資產總值		1,734,412	2,001,179
Total assets	資產總值		4,246,955	4,212,055

Condensed Consolidated Statement of Financial Position

簡明合併財務狀況表

			30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
	Notes 附註			
EQUITY		權益		
Equity attributable to owners of the Company		本公司擁有人應佔權益		
Share capital	11	股本	532,656	532,656
Other reserves		其他儲備	362,122	401,491
Retained earnings		保留盈利	1,867,908	1,853,538
			2,762,686	2,787,685
Non-controlling interests		非控股股東權益	137,114	138,658
Total equity		權益總額	2,899,800	2,926,343
LIABILITIES		負債		
Non-current liabilities		非流動負債		
Deferred income		遞延收入	377,849	342,142
Deferred tax liabilities		遞延稅項負債	29,823	23,944
Total non-current liabilities		非流動負債總額	407,672	366,086
Current liabilities		流動負債		
Trade and other payables	12	貿易及其他應付款	609,535	694,036
Advances from customers		客戶墊款	191,285	113,294
Income tax payable		應付所得稅	19,651	83,559
Borrowings	13	借款	31,701	4,432
Employee housing deposits		員工房屋保證金	23,768	23,768
Lease liabilities		租賃負債	251	537
Dividend payable		應付股息	63,292	-
Total current liabilities		流動負債總額	939,483	919,626
Total liabilities		負債總額	1,347,155	1,285,712
Total equity and liabilities		權益及負債總額	4,246,955	4,212,055

Condensed Consolidated Statement of Changes in Equity

簡明合併權益變動表

		Attributable to owners of the Company 本公司擁有人應佔						Non-controlling interests 非控股股東權益		Total equity 權益合計
		Share capital 股本	Share premium 股份溢價	Special reserve 特別儲備	Capital reserve 資本儲備	Statutory reserve 法定儲備	Retained earnings 保留盈利	Total 總計	Non-controlling interests 非控股股東權益	Total equity 權益合計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	532,656	98,084	27,080	56,196	242,200	1,659,287	2,615,503	131,520	2,747,023
Profit and total comprehensive income for the period	期內利潤及綜合收益總額	-	-	-	-	-	104,906	104,906	1,729	106,635
2017 final dividend	二零一七年末期股息	-	(58,715)	-	-	-	-	(58,715)	-	(58,715)
At 30 June 2018 (unaudited)	於二零一八年六月三十日 (未經審核)	532,656	39,369	27,080	56,196	242,200	1,764,193	2,661,694	133,249	2,794,943
At 1 January 2019	於二零一九年一月一日	532,656	39,369	27,080	56,196	278,846	1,853,538	2,787,685	138,658	2,926,343
Profit and total comprehensive income for the period	期內利潤及綜合收益總額	-	-	-	-	-	38,293	38,293	(1,544)	36,749
2018 final dividend	二零一八年末期股息	-	(39,369)	-	-	-	(23,923)	(63,292)	-	(63,292)
At 30 June 2019 (unaudited)	於二零一九年六月三十日 (未經審核)	532,656	-	27,080	56,196	278,846	1,867,908	2,762,686	137,114	2,899,800

Condensed Consolidated Statement of Cash Flows

簡明合併現金流量表

Six months ended 30 June

截至六月三十日止六個月

2019

2018

二零一九年

二零一八年

RMB'000

RMB'000

人民幣千元

人民幣千元

(Unaudited)

(Unaudited)

(未經審核)

(未經審核)

(Restated)

(經重列)

Net cash used in operating activities	經營活動使用的現金淨額	(318,866)	(47,884)
Cash flows from investing activities	投資活動的現金流量		
Government grant received	已收政府補助	63,913	171,150
Purchases of property, plant and equipment	購置物業、廠房及設備	(152,299)	(19,872)
Payments for right-of-use assets	使用權資產付款	(191,660)	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款	40,259	473
Deposit paid for acquisition of property, plant and equipment	收購物業、廠房及設備已付按金	(212,549)	(133,222)
Decrease in fixed deposits	定期存款減少	130,000	180,000
Decrease/(increase) in pledged bank deposits	已抵押銀行存款減少/(增加)	250	(2,840)
Net cash (used in)/generated from investing activities	投資活動(使用)/產生的現金淨額	(322,086)	195,689
Cash flows from financing activities	融資活動的現金流量		
Proceed from bank borrowing	來自銀行借款所得款	27,269	-
Lease liabilities payment	租賃負債付款	(286)	(263)
Interest on lease liabilities	租賃負債利息	(4)	(8)
Net cash generated from/(used in) financing activities	融資活動產生/(使用)的現金淨額	26,979	(271)
Net (decrease)/increase in cash and cash equivalent	現金及現金等價物(減少)/增加淨額	(613,973)	147,534
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物	782,904	1,103,160
Cash and cash equivalents at 30 June	於六月三十日的現金及現金等價物	168,931	1,250,694

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

1. Basis of preparation

The condensed consolidated interim financial statements of China Starch Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) for the six months ended 30 June 2019 have been prepared in accordance with the disclosure requirements of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies adopted in the audited financial statements for the year ended 31 December 2018 (the “2018 Financial Statements”), except for the accounting policy changes that are expected to be reflected in the 2019 annual financial statements. The adoption of the changes has no material financial effect on the Group’s results and financial position for the current or prior periods.

The condensed consolidated interim financial statements should be read in conjunction with the 2018 Financial Statements, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

Unless otherwise stated, these condensed consolidated interim financial statements are presented in Renminbi (“RMB”). The condensed consolidated interim financial statements have been prepared on the historical basis except for financial assets at fair value through profit or loss.

During the six months ended 30 June 2019, the Group reported net cash used in operating activities of approximately RMB318,866,000. In view of the above, the directors (the “Directors”) of the Company have reviewed the Group’s cash flow projections and the available banking facilities covering a period of twelve months from 30 June 2019. In the opinion of the Directors, the Group will have sufficient working capital to fulfill its financial obligations as and when they fall due in the coming twelve months from 30 June 2019. Accordingly, the Directors are satisfied that it is appropriate to prepare these condensed consolidated interim financial statements on a going concern basis.

Should the going concern assumption be inappropriate, adjustments may need to be realised at the amounts other than which they are currently recorded in the condensed consolidated statement of financial position.

These unaudited condensed consolidated interim financial statements were authorised for issue by the board (the “Board”) of Directors of the Company on 21 August 2019.

1. 編製基準

中國澱粉控股有限公司(「本公司」，連同其附屬公司，「本集團」)截至二零一九年六月三十日止六個月的簡明合併中期財務報表乃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」)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(「香港會計準則」)第34號「中期財務報告」而編製。簡明合併中期財務報表乃根據截至二零一八年十二月三十一日止年度的經審核財務報表(「二零一八年財務報表」)所採用之相同會計政策而編製，惟預期於二零一九年全年財務報表反映的會計政策變動則除外。所採用的變動對本集團目前或早前期間的業績及財務狀況並無重大財務影響。

簡明合併中期財務報表應與按照香港財務報告準則(「香港財務報告準則」)編製的二零一八年財務報表一併閱讀。

除另有說明外，此等簡明合併中期財務報表以人民幣(「人民幣」)列賬。簡明合併中期財務報表乃按歷史成本法編製，惟按公平值計入損益的金融資產除外。

截至二零一九年六月三十日止六個月，本集團錄得經營活動所用現金淨額約人民幣318,866,000元。由上文所見，本公司董事(「董事」)已審閱本集團涵蓋自二零一九年六月三十日起計十二個月期間的現金流量預測及可動用銀行信貸。董事認為，本集團將有充足的營運資金以履行其截至二零一九年六月三十日起未來十二個月之所有到期的財務責任。因此，董事信納按持續經營基準編製該等簡明合併中期財務報表屬恰當。

倘持續經營假設並不適用，則可能須就金額作出調整，而非目前記錄在簡明合併財務狀況表之金額。

此等未經審核簡明合併中期財務報表已於二零一九年八月二十一日獲本公司董事會(「董事會」)授權發行。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

2. Segment information

2. 分部資料

		Upstream products 上游產品 RMB'000 人民幣千元	Fermented and downstream products 發酵及下游產品 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
2019	二零一九年			
Sales to external customers	向外來客戶銷售	2,227,610	644,598	2,872,208
Inter-segment sales	分部間銷售	100,983	–	100,983
Reportable segment results	可報告分部業績	114,121	27,545	141,666
Unallocated income	未分配收入			22,536
Unallocated expenses	未分配開支			(128,704)
Finance income	融資收入			11,418
Finance expenses	融資費用			(260)
Profit before income tax	除所得稅前利潤			46,656

		Upstream products 上游產品 RMB'000 人民幣千元	Fermented and downstream products 發酵及下游產品 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
2018	二零一八年			
Sales to external customers	向外來客戶銷售	1,672,371	733,260	2,405,631
Inter-segment sales	分部間銷售	117,667	97	117,764
Reportable segment results	可報告分部業績	105,019	90,162	195,181
Unallocated income	未分配收入			17,032
Unallocated expenses	未分配開支			(96,540)
Finance income	融資收入			18,783
Finance expenses	融資費用			(225)
Profit before income tax	除所得稅前利潤			134,231

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

3. Other gains and losses

3. 其他收益及虧損

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Government grants (note)	政府補助(附註)	2,343	4,585
Amortisation of government grants	政府補助的攤銷	28,206	24,333
Gain on sale of scrap materials	銷售廢料收益	5,892	4,974
Gain/(loss) on disposal of property, plant and equipment	出售物業、廠房及設備之 收益/(虧損)	4,195	(439)
Net foreign exchange (loss)/gain	外匯(虧損)/收益淨額	(1,322)	462
Others	其他	(2,279)	(1,606)
		37,035	32,309

Note:

During the six month ended 30 June 2019, the government grants mainly represented a subsidy of approximately RMB2,136,000 (2018: RMB4,510,000) from local government for supporting business development.

附註：

截至二零一九年六月三十日止六個月，政府補助主要指地方政府為支持業務發展而給予的津貼約人民幣2,136,000元(二零一八年：人民幣4,510,000元)。

4. Profit before income tax

4. 除所得稅前利潤

The major expenses of the Group are as follows:

本集團的主要開支如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Employee benefits expenses (including directors' emoluments)	僱員福利開支(包括董事酬金)	96,789	86,147
Depreciation of property, plant and equipment	物業、廠房及設備折舊	78,861	79,750
Depreciation of right-of-use assets	使用權資產折舊	2,763	2,744
Transportation expenses	運輸開支	59,730	34,246
Research and development expenses (note)	研究及開發開支(附註)	19,101	13,951

Note:

Research and development expenses include staff costs of employees in the Research and Development Department, which are included in the employee benefits expenses as disclosed above.

附註：

研究及開發開支包括研發部僱員之員工成本，並已計入上表所披露之僱員福利開支中。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

5. Income tax expenses

5. 所得稅支出

		Six months ended 30 June 截至六月三十日止六個月	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Current income tax	即期所得稅		
– PRC Enterprise Income Tax (“EIT”)	– 中國企業所得稅 (「企業所得稅」)	507	62,743
– Over-provision in prior years	– 過往年度超額撥備	–	(4,450)
Deferred tax	遞延稅項	9,400	(30,697)
		9,907	27,596

The Group's major business is in the PRC. Under the law of the PRC on EIT and its implementation regulation, the tax rate of the PRC subsidiaries is 25% in normal circumstances. However, one of the subsidiaries in the PRC is recognised as high technology enterprise and obtains a preferential EIT rate of 15%.

No provision for Hong Kong profits tax has been made as the Group entities' profit neither arose in nor was derived from Hong Kong during both periods.

6. Earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2019 is based on earnings of RMB38,293,000 (2018: RMB104,906,000) and on the weighted average number of 5,995,892,000 ordinary shares (2018: 5,995,892,000 ordinary shares) in issue.

No diluted earnings per share has been presented because no dilutive potential ordinary shares exist for both six months ended 30 June 2019 and 2018.

7. Dividends

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2019 (2018: nil).

A final dividend of HK1.20 cents per share for the year ended 31 December 2018 has been approved at the annual general meeting of the Company held on 21 May 2019.

本集團之主要業務於中國進行。根據中國有關企業所得稅法之法律及其實施細則，中國附屬公司於正常情況下之稅率均為25%。然而，其中一間位於中國的附屬公司獲確認為高技術企業，並享有15%的優惠企業所得稅率。

由於本集團的實體於兩個期間內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。

6. 每股盈利

截至二零一九年六月三十日止六個月的每股基本盈利乃按照盈利人民幣38,293,000元(二零一八年：人民幣104,906,000元)及加權平均股數5,995,892,000股已發行普通股(二零一八年：5,995,892,000股普通股)計算。

由於截至二零一九年及二零一八年六月三十日止六個月均無具潛在攤薄效應的普通股，故並無呈列每股攤薄盈利。

7. 股息

董事會不建議就截至二零一九年六月三十日止六個月派發中期股息(二零一八年：無)。

截至二零一八年十二月三十一日止年度的末期股息每股1.20港仙已於本公司於二零一九年五月二十一日舉行的股東週年大會上獲批准。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

8. Property, plant and equipment

8. 物業、廠房及設備

		RMB'000 人民幣千元
Net book value:	賬面淨值：	
At 1 January 2019	於二零一九年一月一日	1,781,270
Additions	添置	246,730
Disposals	出售	(30,989)
Depreciation	折舊	(78,861)
<hr/>		
At 30 June 2019	於二零一九年六月三十日	1,918,150

9. Right-of-use assets

9. 使用權資產

		RMB'000 人民幣千元
Net book value:	賬面淨值：	
At 1 January 2019	於二零一九年一月一日	201,132
Additions	添置	204,978
Depreciation	折舊	(2,763)
<hr/>		
At 30 June 2019	於二零一九年六月三十日	403,347

10. Trade and other receivables

10. 貿易及其他應收款

		30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Trade receivables	貿易應收款	245,453	86,565
Less: Impairment losses	減：減值虧損	(15,505)	(9,698)
<hr/>			
		229,948	76,867
Bank acceptance bills	銀行承兌票據	270,807	246,316
Prepayments and other tax receivables	預付款及其他應收稅項	223,577	137,868
Others	其他	16,171	1,340
<hr/>			
		740,503	462,391

The carrying amounts of trade and other receivables are mainly denominated in RMB.

貿易及其他應收款的賬面值主要以人民幣計值。

During the six months ended 30 June 2019, impairment losses of RMB5,807,000 were recognised as expense in accordance with the expected credit loss model.

截至二零一九年六月三十日止六個月，根據預期信貸虧損模型，減值虧損人民幣5,807,000元獲確認為開支。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

10. Trade and other receivables (Continued)

(a) Trade receivables

The Group normally grants credit period ranging from 0 to 150 days (2018: 0 to 150 days) to customers.

An ageing analysis of trade receivables based on the invoice date and net of impairment losses of trade receivables presented at the end of the reporting period is shown as follows:

		30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
0 – 30 days	零至三十日	202,742	57,169
31 – 60 days	三十一至六十日	16,776	5,418
61 – 90 days	六十一至九十日	2,157	1,564
Over 90 days	九十日以上	8,273	12,716
		229,948	76,867

(b) Bank acceptance bills

		30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Endorsed bills	背書票據	161,399	198,742
Bills on hand	手頭票據	109,408	47,574
		270,807	246,316

The bank acceptance bills are normally with maturity period of 180 days (31 December 2018: 180 days). There is no recent history of default on bank acceptance bills.

As at 30 June 2019, bank acceptance bills of RMB2,615,000 (31 December 2018: RMB4,338,000) were pledged to banks for securing bills payables.

10. 貿易及其他應收款(續)

(a) 貿易應收款

本集團一般給予客戶的信貸期由零至一百五十日(二零一八年: 零至一百五十日)不等。

以下為於報告期末呈列之貿易應收款根據發票日期及扣除貿易應收款減值虧損後的賬齡分析:

(b) 銀行承兌票據

銀行承兌票據一般到期期限為一百八十日(二零一八年十二月三十一日: 一百八十日)。銀行承兌票據近期並無違約紀錄。

於二零一九年六月三十日, 人民幣2,615,000元(二零一八年十二月三十一日: 人民幣4,338,000元)的銀行承兌票據已抵押予銀行, 作為應付票據的抵押。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

11. Share capital

As at 30 June 2019 and 31 December 2018, the total number of issued ordinary shares of the Company was 5,995,892,043.

11. 股本

於二零一九年六月三十日及二零一八年十二月三十一日，本公司共有5,995,892,043股已發行普通股。

12. Trade and other payables

12. 貿易及其他應付款

		30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Trade payables	貿易應付款	100,226	116,319
Bills payables	應付票據	8,427	10,394
Total trade and bills payables		108,653	126,713
Payable for construction and equipment	建築及設備應付款	330,683	446,737
Deposits	訂金	52,849	46,940
Accrued expenses	應計費用	71,127	21,643
Payroll and welfare payables	應付薪金及福利	29,266	24,729
Sales commission	銷售佣金	5,435	3,474
Other tax payables	其他應付稅項	6,938	18,548
Others	其他	4,584	5,252
		609,535	694,036

As at 30 June 2019, bills payables are secured by bank acceptance bills of RMB2,615,000 (31 December 2018: RMB4,338,000) (note 10(b)) and pledged bank deposits of RMB5,812,000 (31 December 2018: RMB6,062,000).

於二零一九年六月三十日，應付票據分別以人民幣2,615,000元(二零一八年十二月三十一日：人民幣4,338,000元)(附註10(b))的銀行承兌票據及人民幣5,812,000元(二零一八年十二月三十一日：人民幣6,062,000元)的已抵押銀行存款作抵押。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

12. Trade and other payables (Continued)

The following is the ageing analysis for the trade and bills payables based on invoice date at the end of the reporting period:

		30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
0 – 60 days	零至六十日	76,144	88,106
61 – 90 days	六十一至九十日	5,435	12,536
Over 90 days	九十日以上	27,074	26,071
		108,653	126,713

The average credit period on purchases is 80 days (31 December 2018: 80 days). The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

The carrying amounts of trade and other payables are mainly denominated in RMB.

13. Borrowings

		30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Bank borrowing	銀行借款	27,269	-
Government loan	政府貸款	4,432	4,432
		31,701	4,432

The bank borrowing was secured by a pledged bank deposit provided by Merry Boom Group Limited (the controlling shareholder of the Company) and carried at a fixed rate of 2.5% per annum. The government loan was unsecured and interest-free.

12. 貿易及其他應付款(續)

以下為報告期末貿易應付款及應付票據根據發票日期的賬齡分析：

採購的平均信貸期為八十日(二零一八年十二月三十一日：八十日)。本集團已制定財務風險管理政策，以確保所有應付款於有關信貸期內獲得支付。

貿易及其他應付款的賬面值主要以人民幣計值。

13. 借款

銀行借款乃由怡興集團有限公司(本公司控股股東)提供的已抵押銀行存款作抵押，並按固定年利率2.5%計息。政府貸款為無抵押及免息。

Notes to the Condensed Consolidated Interim Financial Statements

簡明合併中期財務報表附註

14. Related party transactions

Excepts as disclosed in note 13 above, the related party transactions including remuneration for key management personnel of the Group are as follows:

		Six months ended 30 June	
		截至六月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Short-term benefits	短期福利	875	875
Retirement benefit scheme contributions	退休福利計劃供款	80	72
		955	947

15. Comparative figures

Certain comparative figures in the condensed consolidated statement of cash flows have been reclassified to conform with the current period's presentation. The reclassification had no financial effect and included the grouping of interest received and payment of finance expenses in cash flows from operating activities.

14. 關連方交易

除上文附註13所披露者外，關連方交易包括本集團主要管理層的薪酬，詳情如下：

15. 比較數字

簡明合併現金流量表中若干比較數字為符合本期間的呈列方式，已重新分類。重新分類概無財務影響，並已包括已收利息的分組及支付經營活動的現金流量中的融資費用。

Management Discussion and Analysis

管理層討論及分析

INDUSTRY OVERVIEW AND COMPANY DEVELOPMENT

Although China's economy grew 6.3% in the first half of 2019 from a year earlier, the growth showed the slowest pace amongst past two decades. Cornstarch industry experienced the first industry consolidation in past few years which small scale manufacturers faded out in the market; and is now facing the second wave industry consolidation which may eliminate inefficient and financially unsound manufacturers in the market. The competition landscape has changed – the industry faces the problems of keen competition under excessive production capacity, low profit margin and high demand of working capital. In the meantime, the industry was indirectly affected by the outbreak of African swine fever (“ASF”) in China. As a result, the business performance of lysine, corn fibre and corn gluten meal (the raw materials which can be produced as animal feeds) worsened during the period under review. A stage victory has yet to come, despite the Chinese government deployment of more resources to eradicate ASF.

We believe risks and opportunity always coexist. Only the strong market players can live in this industry consolidation. As a market leader in the industry, we prepare to fight and win this long battle of industry consolidation and economic slowdown. Our long-term strategies include strengthening cost control, maintaining a healthy balance sheet and looking for opportunity to develop cornstarch-related niche market. Since always, we have positioned ourselves as a market player with sustainable and stable development in the industry.

The production base of Shouguang Golden Corn Biotechnology Limited (“Golden Corn Biotech”) has principally completed the major cornstarch production facilities during the period under review. Certain cornstarch and its related products were produced during its trial-run. It is expected that other related ancillary constructions (such as refinery workshop and warehouses) will be completed by the end of 2019. The cornstarch production scale will then be further increased to its designed annual operation capacity of 800,000 tonnes.

The upgrade of the Group's enterprise resources planning (“ERP”) system is expected to be completed in the final quarter of the year. The management expected the new ERP system will improve the Group's working efficiency and management effectiveness in future.

BUSINESS REVIEW

Upstream products

The Group successfully maintained its market presence and recorded a growth in both sales volume and amount during the period under review. The domestic demands of corn gluten meal and corn fibre were affected by stagnant animal feed and breeding market. The market demand of cornstarch was affected by the general economic environment in China. Therefore, the Group shifted its sales focus to overseas markets.

During the period under review, corn kernel price (the major raw material of cornstarch) was still increasing. In view of the current market atmosphere, the Group had to absorb and share certain cost pressure with its customers.

行業概覽及公司發展

中國二零一九年上半年經濟較去年增長6.3%，然而，增速卻為過去二十年內最慢的一年。玉米澱粉行業於過去數年經歷首次行業整合，小型生產商因而被市場淘汰；而現時則面對第二波行業整合，並可能因而淘汰市場上低效及財務狀況不佳的生產商。競爭環境有所改變，由於產能過剩、利潤率低企且對營運資金需求較高，業內所面臨的競爭仍然激烈。同時，行業亦因中國爆發的非洲豬瘟（「非洲豬瘟」）受間接影響。因此，於回顧期間內，賴氨酸、玉米糠麩及玉米蛋白粉（可加工製成動物飼料的原材料）的業務表現不如以往。儘管中國政府已調動更多資源杜絕非洲豬瘟，但邁向成功仍言之過早。

我們相信有危便有機。在這波行業整合潮中，只有實力雄厚的強者才能脫穎而出。作為行業市場領導者，我們已準備就緒在這波行業整合及經濟放緩的困境中沉著迎戰。我們的長期策略包括加強成本監控，維持穩健的資產負債表及物色商機發展玉米澱粉的相關獨特市場。由始至終，我們一直定位自身為業內可持續及穩定發展的市場參與者。

於回顧期間內，壽光金玉米生物科技有限公司（「金玉米生物科技」）生產基地的主要玉米澱粉生產設施的建設工程已大致完成。若干玉米澱粉及其相關產品乃於其試運期間生產。預期其他相關配套建設（如精煉車間及倉庫）將於二零一九年年底竣工。玉米澱粉的生產規模將進一步提升至其指定年度營運產能800,000噸。

本集團企業資源規劃系統的升級工作預期將於本年度最後一季完成。管理層預期新的企業資源規劃系統將於未來改善本集團的工作效率及管理效率。

業務回顧

上游產品

於回顧期間內，本集團成功維持其市場地位，並於銷量及銷售額均錄得增長。玉米蛋白粉及玉米糠麩的本地需求受動物飼料養殖市場停滯而影響。玉米澱粉的市場需求則受中國整體經濟環境影響。因此，本集團將其銷售重心轉移至海外市場。

於回顧期間內，玉米粒的價格（玉米澱粉的主要原材料）仍然持續上升。考慮到現時的市場氣氛，本集團不得不與其客戶承受及分擔若干成本壓力。

Management Discussion and Analysis

管理層討論及分析

Fermented and downstream products

Both lysine and starch-based sweetener are now facing the excessive production capacity problem. The ordeal has come to the corn deep-processing industry. Our strategies during this industry consolidation period are to maintain an optimal inventory level and work closely with our customers in order to plan our production and delivery schedules.

In respect of the lysine products, the Group shifted its sales focus to overseas markets in order to mitigate the impact of ASF. In respect of the modified starch products, the demand in both domestic and overseas markets were weak.

FINANCIAL PERFORMANCE

OVERVIEW

Revenue of the Group increased substantially to approximately RMB2,872 million (2018: RMB2,406 million) because Golden Corn Biotech had started its trial production in the second quarter of the year. However, the cornstarch and deep-processing industry was subject to the problem of excessive supply due to expanded production capacity. In addition, the increase in corn kernel cost, the major raw material of cornstarch, also affected the profitability of the Group. During the period under review, gross profit of the Group decreased substantially by 20.3% to approximately RMB154 million (2018: RMB 193 million).

Golden Corn Biotech was still in its trial-run stage and recorded operating losses during the period under review. The management believed that the business performance of Golden Corn Biotech will not materially affect the balance sheet of the Group.

Profit after taxation also decreased substantially to approximately RMB37 million (2018: RMB107 million). Basic earnings per share of the Company was RMB0.0064 (2018: RMB0.0175) based on weighted average number of 5,995,892,000 ordinary shares.

SEGMENT PERFORMANCE

Upstream products

For the six months ended 30 June	截至六月三十日止六個月	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Revenue	收入	2,227,610	1,672,371
Gross profit	毛利	106,392	98,488
Gross profit margin	毛利率	4.8%	5.9%

發酵及下游產品

賴氨酸及澱粉糖均面臨產能過剩的問題，而玉米深加工行業亦受同一問題影響。我們於行業整合期間的策略為維持最佳的存貨量，並與客戶緊密合作，以計劃我們的生產及交付的時間表。

就賴氨酸產品而言，本集團已將其銷售重心轉移至海外市場，以減低非洲豬瘟帶來的影響。就變性澱粉產品而言，本地及海外市場的需求均疲弱。

財務表現

概覽

由於金玉米生物科技於本年度第二季度開始進行試產，本集團的收入大幅增加至約人民幣2,872,000,000元（二零一八年：人民幣2,406,000,000元）。然而，玉米澱粉及深加工行業因產能擴大而受供過於求的問題影響。此外，玉米粒成本（玉米澱粉的主要原材料）增加亦影響本集團的盈利能力。於回顧期間內，本集團的毛利大幅下跌20.3%至約人民幣154,000,000元（二零一八年：人民幣193,000,000元）。

於回顧期間內，金玉米生物科技仍處於試運階段，並錄得經營虧損。管理層相信金玉米生物科技的業務表現並不會對本集團的資產負債表產生重大影響。

除稅後溢利亦大幅下跌至約人民幣37,000,000元（二零一八年：人民幣107,000,000元）。根據加權平均股數5,995,892,000股普通股計算，本公司的每股基本盈利為人民幣0.0064元（二零一八年：人民幣0.0175元）。

分部表現

上游產品

Management Discussion and Analysis

管理層討論及分析

Revenue of this business segment increased by significantly 33.2% to approximately RMB2,227,610,000 (2018: RMB1,672,371,000). Benefited from the trial-run of Golden Corn Biotech in the second quarter of 2019, the sale volume increased substantially to 719,823 tonnes (2018: 560,533 tonnes). The average selling price of cornstarch increased mildly by 3.5% to about RMB2,154 (2018: RMB2,082) per tonne.

本業務分部的收入大幅上升33.2%至約人民幣2,227,610,000元(二零一八年：人民幣1,672,371,000元)。於二零一九年第二季度，受惠於金玉米生物科技的試運工作，銷量大增加至719,823噸(二零一八年：560,533噸)。玉米澱粉的平均售價輕微上升3.5%至每噸約人民幣2,154元(二零一八年：人民幣2,082元)。

Fermented and downstream products

發酵及下游產品

For the six months ended 30 June		截至六月三十日止六個月		2019	2018
				二零一九年	二零一八年
				RMB'000	RMB'000
				人民幣千元	人民幣千元
Revenue	收入				
– Lysine	– 賴氨酸			335,141	401,341
– Starch-based sweetener	– 澱粉糖			159,784	146,209
– Modified starch	– 變性澱粉			130,291	161,063
– Others	– 其他			19,382	24,647
Total	總計			644,598	733,260
Gross profit	毛利			47,875	94,988
Gross profit margin	毛利率			7.4%	13.0%

Revenue of this business segment decreased to approximately RMB644,598,000 (2018: RMB733,260,000).

本業務分部的收入下跌至約人民幣644,598,000元(二零一八年：人民幣733,260,000元)。

Revenue of lysine products was approximately RMB335,141,000 (2018: RMB401,341,000). The market price of lysine was seriously affected because the animal feed and breeding market demand was weak. The average selling price of lysine products decreased substantially to approximately RMB5,032 (2018: RMB5,782) per tonne. The sales volume was approximately 66,598 tonnes (2018: 69,416 tonnes). Sales performance of lysine products was mainly affected by the increase in cost of production and the decrease in average selling price of lysine products.

賴氨酸產品的收入約為人民幣335,141,000元(二零一八年：401,341,000元)。由於動物飼料養殖市場需求疲弱，賴氨酸的市價受嚴重影響。賴氨酸產品的平均售價大幅下跌至每噸約人民幣5,032元(二零一八年：人民幣5,782元)。銷量約為66,598噸(二零一八年：69,416噸)。賴氨酸產品的銷售表現主要受生產成本上升及賴氨酸產品的平均售價下跌影響。

Revenue of starch-based sweetener was approximately RMB159,784,000 (2018: RMB146,209,000). The average selling price and sales volume of starch-based sweetener for the period ended 30 June 2019 were approximately RMB2,070 per tonne and 77,181 tonnes (2018: RMB2,125 per tonne and 68,820 tonnes) respectively.

澱粉糖的收入約為人民幣159,784,000元(二零一八年：人民幣146,209,000元)。於截至二零一九年六月三十日止期間，澱粉糖的平均售價及銷量分別約為每噸人民幣2,070元及77,181噸(二零一八年：每噸人民幣2,125元及68,820噸)。

Revenue of modified starch decreased substantially by 19.1% to approximately RMB130,291,000 (2018: RMB161,063,000).

變性澱粉的收入大幅下跌19.1%至約人民幣130,291,000元(二零一八年：人民幣161,063,000元)。

Cost of sales

銷售成本

The major cost components mainly consisted of corn kernel and utilities expenses, which represented about 83.6% and 7.7% (2018: 81.2% and 8.4%) of total cost of sales respectively.

成本的主要組成部分主要為玉米粒及公共事業開支，分別佔總銷售成本約83.6%及7.7%(二零一八年：81.2%及8.4%)。

Management Discussion and Analysis

管理層討論及分析

During the period under review, the average corn kernel price in Shandong region was approximately RMB1,738 (2018: RMB1,618) per tonne. The average cost of electricity and steam was stable during the period under review.

於回顧期間內，山東地區玉米粒的平均價格約為每噸人民幣1,738元(二零一八年：人民幣1,618元)。於回顧期間內，電力及蒸汽的平均成本穩定。

REVIEW OF OTHER OPERATIONS

Other gains and losses

Other gains and losses increased to approximately RMB37,035,000 (2018: RMB32,309,000) during the period under review. Such increase was mainly attributable to an increase in amortisation of government grant and a gain on disposal of property, plant and machinery as well as scrap materials. The increase was partially offset by exchange losses and a decrease in the receipt of government subsidies.

其他營運回顧

其他收益及虧損

於回顧期間內，其他收益及虧損增加至約人民幣37,035,000元(二零一八年：人民幣32,309,000元)。有關增加乃主要由於政府補助的攤銷增加及出售物業、廠房及機器以及廢料之收益。有關增加已因匯兌虧損及獲授政府補助減少而部分抵銷。

Distribution and administrative expenses

An increase in distribution expenses to approximately RMB70,640,000 (2018: RMB44,768,000) during the period under review was mainly due to an increase in transportation expenses, as the sales volume was substantially increased and the distribution radius was expanded.

分銷及行政費用

於回顧期間內，分銷費用增加至約人民幣70,640,000元(二零一八年：人民幣44,768,000元)，主要由於運輸開支上升，因其銷量大為增加，分銷範圍因而擴大。

An increase in administrative expenses to approximately RMB79,357,000 (2018: RMB65,344,000) was mainly due to the increase in (i) headcount and salary, and (ii) research and development expenses.

行政費用增加至約人民幣79,357,000元(二零一八年：65,344,000元)，主要由於(i)員工人數及薪金及(ii)研究及開發開支均有所增加所致。

Liquidity, financial resources and capital structure

The key financial performance indicators are summarised as follows:

流動資金、財務資源及資本架構

關鍵財務表現指標概述如下：

			30 June 2019	31 December 2018
			二零一九年	二零一八年
			六月三十日	十二月三十一日
		Units 單位		
Debtors turnover	應收賬款週轉	days 日	26	22
Creditors turnover	應付賬款週轉	days 日	8	11
Inventories turnover	存貨週轉	days 日	34	25
Current ratio	流動比率	times 倍	1.8	2.2
Quick ratio	速動比率	times 倍	1.2	1.7
Gearing ratio – borrowings to total assets	槓桿比率 – 借款除以總資產	%	0.7	0.1

The Directors are of the opinion that the working capital available to the Group is sufficient for its present requirements. The Group's cash and cash equivalents were mostly denominated in Renminbi.

董事認為，本集團可動用的營運資金足以應付現有所需。本集團之現金及現金等價物大部分以人民幣計值。

During the period under review, the Group obtained a bank borrowing of approximately RMB27,269,000 (denominated in Hong Kong dollar). The bank borrowing was secured by a pledged bank deposit provided by Merry Boom Group Limited (the controlling shareholder of the Company), carried at a fixed interest rate of 2.5% per annum and was payable within one year.

於回顧期間內，本集團獲授一筆約為人民幣27,269,000元(以港元計值)的銀行借款。該銀行借款以怡興集團有限公司(本公司控股股東)提供的已抵押銀行存款作抵押，按固定年利率2.5%計息，並須於一年內償還。

Management Discussion and Analysis

管理層討論及分析

The Group's government loan of approximately RMB4,432,000 (denominated in Renminbi) was unsecured, interest-free, and with a maturity within one year.

Human resources and remuneration policies

As at 30 June 2019, the Group had 2,349 (2018: 2,150) staff. Total staff costs, including directors' emoluments, for the six months ended 30 June 2019 were approximately RMB97 million (2018: RMB86 million). The Company's remuneration policy has remained unchanged since our 2018 Annual Report. As at 30 June 2019, no share options have been granted under the Company's share option scheme.

Financial management, treasury policy and foreign currency exposure

The Group's financial management, treasury policy and foreign currency exposure had not been materially changed since the information disclosed in our 2018 Annual Report.

Pledge of assets

As at 30 June 2019, bills payables were secured by bank acceptance bills and bank deposits in the amount of RMB2,615,000 and RMB5,812,000 respectively.

The Group did not pledge any land use right and building to secure banking facilities as at 30 June 2019.

Contingent liabilities

The Group did not have any significant contingent liabilities as at 30 June 2019.

本集團的政府貸款約為人民幣4,432,000元(以人民幣計值)，為無抵押、免息並於一年內到期。

人力資源及薪酬政策

於二零一九年六月三十日，本集團聘用2,349名(二零一八年：2,150名)員工。於截至二零一九年六月三十日止六個月，總員工成本(包括董事酬金)約為人民幣97,000,000元(二零一八年：人民幣86,000,000元)。本公司的薪酬政策自二零一八年年報以來一直維持不變。於二零一九年六月三十日，概無根據本公司購股權計劃授出購股權。

財務管理、庫務政策及外匯風險

與二零一八年年報內所披露之資料相比，本集團的財務管理、庫務政策及外匯風險並無重大變動。

資產抵押

於二零一九年六月三十日，應付票據分別以人民幣2,615,000元的銀行承兌票據及人民幣5,812,000元的銀行存款作抵押。

於二零一九年六月三十日，本集團並無抵押任何土地使用權及樓宇作為銀行信貸之抵押。

或然負債

於二零一九年六月三十日，本集團並無任何重大或然負債。

Disclosure of Additional Information

其他資料的披露

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2019 (2018: nil).

中期股息

董事會並不建議就截至二零一九年六月三十日止六個月派發中期股息(二零一八年：無)。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 30 June 2019, 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 pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, were as follows:

董事及主要行政人員的權益

於二零一九年六月三十日，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上市規則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 (note 1) 持有證券數目及類別 (附註1)	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 in a controlled corporation 受控制法團權益	3,705,385,194 ordinary shares of HK\$0.1 each (L) (note 2) 3,705,385,194 股每股面值0.1港元的普通股(L)(附註2)	61.79%
	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 于英泉先生	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%

Notes:

附註：

- | | | | |
|-----|---|-----|--|
| (1) | The letter "L" denotes the Directors' long position in the shares of the Company or the relevant associated corporation. | (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) | 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. | (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。 |

Disclosure of Additional Information

其他資料的披露

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS (Continued)

Save as disclosed above, as at 30 June 2019, 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.

INTERESTS OF THE SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 30 June 2019, so far as is known to the Directors, the following person, other than a Director or chief executive of the Company, has 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:

董事及主要行政人員的權益(續)

除上文所披露者外，於二零一九年六月三十日，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。

主要股東及其他人士的權益

於二零一九年六月三十日，據董事所知，按根據證券及期貨條例第336條本公司須存置的登記冊所記錄，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 of shares/ underlying shares (note 1) 股份／相關股份數目 (附註1)	Percentage of issued share capital 佔已發行股本百分比
Merry Boom Group Limited 怡興集團有限公司	Beneficial owner (note 2) 實益擁有人(附註2)	3,705,385,194 (L)	61.79%

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" above.

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。根據證券及期貨條例，如上文「董事及主要行政人員的權益」一段所披露，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。

Disclosure of Additional Information

其他資料的披露

INTERESTS OF THE SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS (Continued)

Save as disclosed above, as at 30 June 2019, there were no any other persons (other than the Directors and chief executives of Company) who had interests or short positions 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.

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

There was no purchase, sale or redemption by the Company or any of its subsidiaries, of the Company's listed securities during the period under review.

CORPORATE GOVERNANCE

During the six months ended 30 June 2019, the Company had complied with the applicable code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules and had applied the principles as laid down with the aim of achieving a high level of governance, except that Mr. Yue Kwai Wa, Ken (the chairman of the Audit Committee) did not attend the 2019 annual general meeting because of his other business engagement.

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 who have received it and are informed that they are subject to its provisions. Having made specific enquiry, all Directors confirmed to the Company that they had complied with the required standard set out in the Dealing Code throughout the period under review.

主要股東及其他人士的權益(續)

除上文所披露者外，於二零一九年六月三十日，並無任何其他人士(董事及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內的權益或淡倉。

購買、出售或贖回本公司的上市證券

於回顧期間內，本公司或其任何附屬公司概無購買、出售或贖回本公司之上市證券。

企業管治

於截至二零一九年六月三十日止六個月，除余季華先生(審核委員會主席)因其他業務活動而並無出席二零一九年股東週年大會外，本公司已遵守上市規則附錄十四所載的企業管治守則載列的適用守則條文，並已應用所訂下的原則，藉以達致高水平的管治。

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。買賣守則適用於所有董事及所有已收到該守則，並獲通知須遵守該守則規定的僱員。經具體查詢後，全體董事向本公司確認彼等於整個回顧期間內一直遵守買賣守則所載的規定標準。

Disclosure of Additional Information

其他資料的披露

REVIEW OF INTERIM FINANCIAL STATEMENTS

The Audit Committee comprises all independent non-executive Directors. The Audit Committee has reviewed and discussed with the management and the auditor of the Company, SHINEWING (HK) CPA Limited (“SHINEWING”) the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2019.

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2019 have been reviewed by SHINEWING 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 HKICPA.

By Order of the Board
Tian Qixiang
Chairman

Shouguang, The People's Republic of China, 21 August 2019

中期財務報表審閱

審核委員會由全體獨立非執行董事所組成。審核委員會已審閱並與本公司管理層及核數師信永中和(香港)會計師事務所有限公司(「信永中和」)討論截至二零一九年六月三十日止六個月的未經審核簡明合併中期財務報表。

信永中和已根據香港會計師公會頒佈之香港審閱委聘準則第2410號「由實體獨立核數師執行之中期財務資料審閱」對本集團截至二零一九年六月三十日止六個月的未經審核簡明合併中期財務報表進行審閱。

承董事會命
主席
田其祥

中華人民共和國·壽光·二零一九年八月二十一日

Corporate Information

公司資料

Executive Directors

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

Independent Non-executive Directors

Professor Hua Qiang
Mr. Sun Mingdao
Mr. Yue Kwai Wa, Ken

Company Secretary

Mr. Leung Siu Hong, FCCA, FCPA, FCIS, FCS

Authorised Representatives

Mr. Leung Siu Hong
Mr. Yu Yingquan

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Cayman Islands

Head Office and Principal Place of Business in Hong Kong

Suite 3312, Tower 1
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Causeway Bay
Hong Kong

Auditor

SHINEWING (HK) CPA Limited

執行董事

田其祥先生(主席)
高世軍先生(行政總裁)
劉象剛先生
于英泉先生

獨立非執行董事

花強教授
孫明導先生
余季華先生

公司秘書

梁兆康先生 · FCCA, FCPA, FCIS, FCS

授權代表

梁兆康先生
于英泉先生

註冊辦事處

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Grand Cayman KY1-1111
Cayman Islands

總辦事處及香港主要營業地點

香港
銅鑼灣
勿地臣街一號
時代廣場
一座3312室

核數師

信永中和(香港)會計師事務所有限公司

Corporate Information 公司資料

Legal Advisers

As to Hong Kong Law:
Chiu & Partners

As to Cayman Islands Law:
Conyers Dill & Pearman

Principal Bankers

Bank of China
China Construction Bank
Industrial and Commercial Bank of China
Industrial Bank Company Limited

Cayman Islands Share Registrar and Transfer Office

SMP Partners (Cayman) Limited
Royal Bank House – 3rd Floor
24 Shedden Road
P. O. Box 1586
Grand Cayman KY1-1110
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
Level 54
Hopewell Centre
183 Queen's Road East
Hong Kong

Website

www.chinastarch.com.hk

法律顧問

香港法律：
趙不渝馬國強律師事務所

開曼群島法律：
康德明律師事務所

主要往來銀行

中國銀行
中國建設銀行
中國工商銀行
興業銀行股份有限公司

開曼群島股份過戶及登記處

SMP Partners (Cayman) Limited
Royal Bank House – 3rd Floor
24 Shedden Road
P. O. Box 1586
Grand Cayman KY1-1110
Cayman Islands

香港股份過戶及登記分處

卓佳證券登記有限公司
香港
皇后大道東 183 號
合和中心
54 樓

網址

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