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# Fufeng Group Limited 阜豐集團有限公司

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

(Stock code: 546)

(股份代號：546)

## ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022 截至二零二二年六月三十日止六個月的中期業績公佈

### HIGHLIGHTS OF 2022 INTERIM RESULTS

#### 二零二二年中期業績摘要

- The Group's revenue increased by 35.8% to approximately RMB12,930.8 million in the Period, as compared to the Corresponding Period, primarily due to increased revenue contribution from the business segments of food additives, animal nutrition and colloid.  
本集團期內的收入較同期增加35.8%至約人民幣12,930,800,000元，主要由於食品添加劑、動物營養及膠體業務分部的收入貢獻增加所致。
- The Group's overall gross profit increased by 102.8% to approximately RMB3,580.6 million in the Period, as compared to the Corresponding Period, primarily due to the increases in the gross profit of food additives, animal nutrition and colloid.  
本集團期內的整體毛利較同期增加102.8%至約人民幣3,580,600,000元，主要由於食品添加劑、動物營養及膠體的毛利增加所致。
- Profit attributable to the Shareholders increased by 242.8% to approximately RMB2,026.0 million in the Period, as compared to the Corresponding Period.  
期內股東應佔溢利較同期增加242.8%至約人民幣2,026,000,000元。
- Earnings per share-basic and diluted for the Period were RMB79.96 cents and RMB79.96 cents, respectively (Corresponding Period: RMB23.33 cents and RMB23.33 cents).  
期內每股基本及攤薄盈利分別為人民幣79.96分及人民幣79.96分（去年同期：人民幣23.33分及人民幣23.33分）。
- Return on equity for the Period was 28.0%\* (Corresponding Period: 9.7%\*).\*  
期內的股本回報率為28.0%\*（去年同期：9.7%\*）。
- Interim dividend of HK32.0 cents per share and a special interim dividend of HK4.6 cents per share declared by the Board, with the dividend payout ratios of 35% and 5%, respectively.  
董事會宣派中期股息每股32.0港仙及特別中期股息每股4.6港仙，派息率分別為35%及5%。

\* calculated on an annualised basis  
按全年基準計算

## INTERIM FINANCIAL RESULTS

## 中期財務業績

The Board is pleased to announce the unaudited interim financial results of the Group for the Period. The interim financial results have been reviewed by the Company's Audit Committee.

董事會欣然宣佈，本集團於期內的未經審核中期財務業績。中期財務業績已經本公司審核委員會審閱。

## INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

### 中期簡明合併資產負債表

As at 30 June 2022 於二零二二年六月三十日

		<b>30 June</b>	31 December
		<b>2022</b>	2021
		二零二二年	二零二一年
		六月三十日	十二月三十一日
	<i>Note</i>	<b>RMB'000</b>	RMB'000
	<i>附註</i>	人民幣千元	人民幣千元
<b>ASSETS</b>	<b>資產</b>		
<b>Non-current assets</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	<b>9,033,289</b>	9,284,867
Right-of-use assets	使用權資產	<b>842,131</b>	794,761
Intangible assets	無形資產	<b>45,624</b>	48,323
Investments accounted for using the equity method	採用權益法列賬的投資	<b>719</b>	9,090
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	<b>10,000</b>	5,000
Prepayment	預付款項	<b>144,334</b>	59,929
Deferred income tax assets	遞延所得稅資產	<b>95,542</b>	107,578
<b>Total non-current assets</b>	<b>非流動資產總值</b>	<b>10,171,639</b>	10,309,548
<b>Current assets</b>	<b>流動資產</b>		
Inventories	存貨	<b>6,323,287</b>	4,592,966
Trade, other receivables and prepayments	應收貿易賬款、其他應收款項及預付款項	<b>2,411,301</b>	2,553,446
Cash and bank balances	現金及銀行結餘	<b>7,969,924</b>	4,054,846
<b>Total current assets</b>	<b>流動資產總值</b>	<b>16,704,512</b>	11,201,258
<b>Total assets</b>	<b>資產總值</b>	<b>26,876,151</b>	21,510,806

			<b>30 June</b>	31 December
			<b>2022</b>	2021
			二零二二年	二零二一年
			六月三十日	十二月三十一日
		<i>Note</i>	<b>RMB'000</b>	RMB'000
		<i>附註</i>	人民幣千元	人民幣千元
<b>LIABILITIES</b>	<b>負債</b>			
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Other payables	其他應付款項		<b>71,783</b>	69,948
Deferred income	遞延收益		<b>766,336</b>	776,426
Borrowings	借貸	8	<b>2,795,600</b>	2,504,790
Lease liabilities	租賃負債		<b>812</b>	1,203
Deferred income tax liabilities	遞延所得稅負債		<b>46,650</b>	16,650
Derivative financial instruments	衍生金融工具		<b>20,911</b>	90,370
<b>Total non-current liabilities</b>	<b>非流動負債總值</b>		<b>3,702,092</b>	3,459,387
<b>Current liabilities</b>	<b>流動負債</b>			
Trade, other payables and accruals	應付貿易賬款、其他應付款項 及應計費用	9	<b>2,846,066</b>	2,780,278
Contract liabilities	合約負債		<b>697,834</b>	685,866
Current income tax liabilities	即期所得稅負債		<b>286,721</b>	158,409
Borrowings	借貸	8	<b>4,866,944</b>	1,722,254
Lease liabilities	租賃負債		<b>783</b>	774
Derivative financial instruments	衍生金融工具		<b>12,529</b>	26,084
<b>Total current liabilities</b>	<b>流動負債總值</b>		<b>8,710,877</b>	5,373,665
<b>Total liabilities</b>	<b>負債總值</b>		<b>12,412,969</b>	8,833,052
<b>EQUITY</b>	<b>權益</b>			
<b>Capital and reserves attributable to the Shareholders</b>	<b>股東應佔股本及儲備</b>			
Share capital	股本		<b>243,261</b>	243,261
Share premium	股份溢價		<b>259,434</b>	259,434
Other reserves	其他儲備		<b>856,918</b>	852,483
Retained earnings	保留收益		<b>13,103,569</b>	11,322,576
<b>Total equity</b>	<b>權益總值</b>		<b>14,463,182</b>	12,677,754
<b>Total equity and liabilities</b>	<b>權益及負債總值</b>		<b>26,876,151</b>	21,510,806

# INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

## 中期簡明合併利潤表

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

		Half-year 半年度	
		2022 二零二二年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元
	Note 附註		
Revenue	收入	5	12,930,797
Cost of sales	銷售成本		(9,350,177)
<b>Gross profit</b>	<b>毛利</b>		<b>3,580,620</b>
Selling and marketing expenses	銷售及市場推廣開支		(867,131)
Administrative expenses	行政開支		(482,067)
Reversal of/(provision for) impairment losses on financial assets	金融資產減值虧損撥回/ (撥備)		3,347
Other operating expenses	其他經營開支		(24,923)
Other income	其他收入	10	131,878
Other gains/(losses) – net	其他收益/(虧損)–淨額		380,176
<b>Operating profit</b>	<b>經營溢利</b>	11	<b>2,721,900</b>
Finance income	財務收入		22,371
Finance costs	財務成本		(256,057)
Finance costs – net	財務成本–淨額	12	(233,686)
Share of net loss of investments accounted for using the equity method	採用權益法列賬的應佔投資淨虧損		(888)
<b>Profit before income tax</b>	<b>除所得稅前溢利</b>		<b>2,487,326</b>
Income tax expense	所得稅開支	13	(461,320)
<b>Profit attributable to the Shareholders</b>	<b>股東應佔溢利</b>		<b>2,026,006</b>
<b>Earnings per share for profit attributable to the Shareholders during the period</b>	<b>期內股東應佔溢利每股盈利</b>		
(expressed in RMB cents per share)	(以每股人民幣分呈列)		
– basic	–基本	14	79.96
– diluted	–攤薄	14	79.96

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### 中期簡明合併綜合收益表

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

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

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 中期簡明合併財務報表附註

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

### 1. GENERAL INFORMATION

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

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

The Company has its shares listed on the Stock Exchange.

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

This condensed consolidated interim financial statements have not been audited.

### 2. BASIS OF PREPARATION

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

### 1. 一般資料

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

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

本公司股份在聯交所上市。

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

本簡明合併中期財務報表尚未經審核。

### 2. 編製基準

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

### 3. ACCOUNTING POLICIES

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

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

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

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

### 3. 會計政策

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

#### (a) 本集團所採納的新訂及經修訂會計準則

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

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

**(b) New accounting standards and interpretations not yet adopted**

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

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

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

**4. ESTIMATES**

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

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

**(b) 尚未採納之新訂會計準則及詮釋**

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

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

本集團正評估該等準則及詮釋的影響。

**4. 估計**

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

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



## 5. SEGMENT INFORMATION

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

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

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

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

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

## 5. 分部資料

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

執行董事根據以下產品分部評估本集團的業務表現：

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

執行董事基於上述五種產品分部毛利評估業務分部表現。

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

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

截至二零二二年六月三十日止六個月的分部資料如下：

		<b>Food additives</b> 食品添加劑	<b>Animal nutrition</b> 動物營養	<b>High-end amino acid</b> 高檔氨基酸	<b>Colloid</b> 膠體	<b>Others</b> 其他	<b>Group</b> 本集團
		<b>RMB'000</b> 人民幣千元	<b>RMB'000</b> 人民幣千元	<b>RMB'000</b> 人民幣千元	<b>RMB'000</b> 人民幣千元	<b>RMB'000</b> 人民幣千元	<b>RMB'000</b> 人民幣千元
Revenue	收入	<b>6,065,473</b>	<b>4,754,189</b>	<b>534,843</b>	<b>940,228</b>	<b>636,064</b>	<b>12,930,797</b>
Cost of sales	銷售成本	<b>(4,795,317)</b>	<b>(3,356,351)</b>	<b>(321,665)</b>	<b>(464,923)</b>	<b>(411,921)</b>	<b>(9,350,177)</b>
Gross profit	毛利	<b>1,270,156</b>	<b>1,397,838</b>	<b>213,178</b>	<b>475,305</b>	<b>224,143</b>	<b>3,580,620</b>

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

截至二零二一年六月三十日止六個月的分部資料如下：

		<b>Food additives</b> 食品添加劑	<b>Animal nutrition</b> 動物營養	<b>High-end amino acid</b> 高檔氨基酸	<b>Colloid</b> 膠體	<b>Others</b> 其他	<b>Group</b> 本集團
		<b>RMB'000</b> 人民幣千元	<b>RMB'000</b> 人民幣千元	<b>RMB'000</b> 人民幣千元	<b>RMB'000</b> 人民幣千元	<b>RMB'000</b> 人民幣千元	<b>RMB'000</b> 人民幣千元
Revenue	收入	4,494,970	3,462,376	688,912	395,507	478,797	9,520,562
Cost of sales	銷售成本	(3,892,468)	(2,850,564)	(380,172)	(244,736)	(386,665)	(7,754,605)
Gross profit	毛利	602,502	611,812	308,740	150,771	92,132	1,765,957

## 6. TRADE, OTHER RECEIVABLES AND PREPAYMENTS

## 6. 應收貿易賬款、其他應收款項及預付款項

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

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

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

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

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

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

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

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

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

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

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

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

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

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

按公平值計入其他綜合收益的所有金融資產均以人民幣計值。

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

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

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

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

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

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

## 7. CASH AND BANK BALANCES

## 7. 現金及銀行結餘

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

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

(b) As at 30 June 2022, restricted bank deposits comprise of (i) amounts of RMB62,000,000 (31 December 2021: nil) was pledged as security for bank borrowings of the Group; and (ii) amounts of RMB89,500,000 (31 December 2021: 3,000,000) was pledged as security for issuing notes payable of the Group.

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

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

## 8. BORROWINGS

## 8. 借貸

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

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

非流動借貸的賬面值及公平值如下：

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

Movements in borrowings were analysed as follows:

借貸變動分析如下：

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

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

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

**(a) Loan covenants**

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

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

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

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

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

**(a) 貸款契諾**

根據主要非即期借貸融資條款，本集團須遵守以下財務契諾：

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

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

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

「利息償付率」綜合 EBITDA 與利息開支的比率。



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

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

「合併有形資產淨值」為通過權益總值減無形資產及遞延所得稅資產而計算得出。

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

## 9. TRADE, OTHER PAYABLES AND ACCRUALS

## 9. 應付貿易賬款、其他應付款項及應計費用

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

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

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

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

(a) 應付貿易賬款的賬齡分析如下：

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

## 10. OTHER INCOME

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

## 10. 其他收入

## 11. OPERATING PROFIT

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

## 11. 經營溢利

下文所載為財務資料中呈列為經營項目的金額分析。

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

## 12. FINANCE INCOME AND COSTS

## 12. 財務收入及成本

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

### 13. INCOME TAX EXPENSE

### 13. 所得稅開支

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

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

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

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

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

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

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

本集團於英屬處女群島的附屬公司獲豁免英屬處女群島所得稅。

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

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

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

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

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

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

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

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

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

## 14. EARNINGS PER SHARE

## 14. 每股盈利

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

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

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

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

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

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

## 15. DIVIDENDS

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

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

## 16. CONTINGENT LIABILITIES

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

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

## 15. 股息

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

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

## 16. 或然負債

於二零二二年六月三十日，本集團並無重大或然負債。

## MANAGEMENT REVIEW

### 管理層回顧

#### Market Overview

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

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

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

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

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

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

#### 市場概覽

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

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

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

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

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

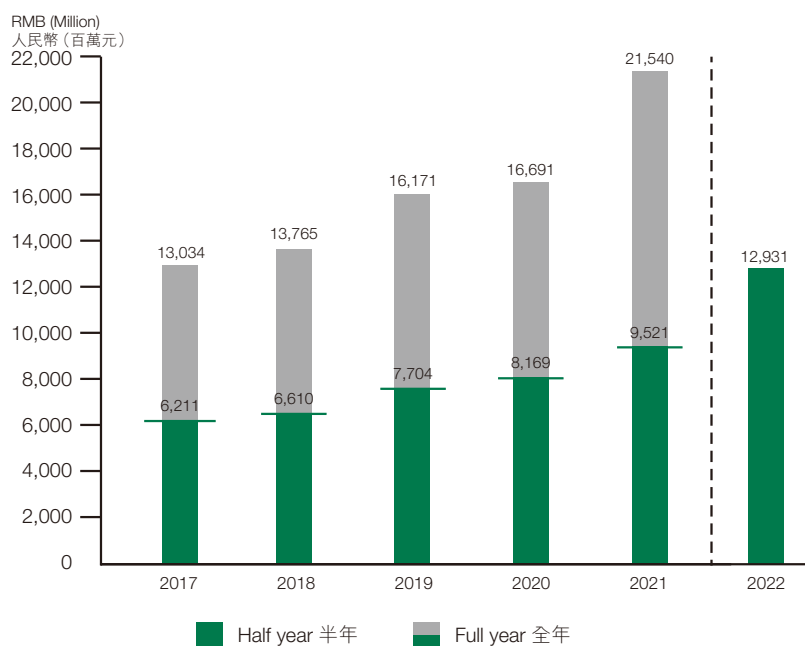
由於養豬業復甦，國內對蘇氨酸及賴氨酸的需求走穩。海外對蘇氨酸及賴氨酸的需求亦保持穩定。據市場信息顯示，二零二二年上半年蘇氨酸及賴氨酸的出口量分別約為310,000噸及530,000噸。



## Business and Financial Review

### Overall Performance

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



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

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

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

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

## 業務及財務回顧

### 整體表現

下圖說明本集團的收入增長：

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

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

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

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

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

## Analysis of Five Product Segments

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

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

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

### For the six months ended 30 June 2022

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

### For the six months ended 30 June 2021

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

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

## 五個產品分部分析

本集團的產品分類為五個產品分部：

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

按分部劃分的期內及去年同期詳細銷售及毛利分析：

### 截至二零二二年六月三十日止六個月

### 截至二零二一年六月三十日止六個月

## 1. Food additives segment

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

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

### *Key products:*

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

## 2. Animal nutrition segment

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

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

## 1. 食品添加劑分部

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

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

### *主要產品：*

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

## 2. 動物營養分部

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

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

#### Key products:

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

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

### 3. High-end amino acid segment

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

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

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

#### 主要產品：

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

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

### 3. 高檔氨基酸分部

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

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

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

#### 4. Colloid segment

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

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

#### 5. Others

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

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

#### 4. 膠體分部

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

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

#### 5. 其他

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

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

## Analysis of Key Production Costs

### Production costs

## 主要生產成本分析

### 生產成本

#### Six months ended 30 June

截至六月三十日止六個月

		2022		2021		Change 變動
		二零二二年		二零二一年		
		% of total production costs		% of total production costs		%
		RMB'000	佔總生產成本 的百分比	RMB'000	佔總生產成本 的百分比	
		人民幣千元		人民幣千元		
<b>Major raw materials</b>	<b>主要原材料</b>					
• Corn kernels	• 玉米顆粒	<b>5,640,421</b>	<b>55.5</b>	5,328,868	62.4	5.8
<b>Energy</b>	<b>能源</b>					
• Coal	• 煤炭	<b>1,638,971</b>	<b>16.1</b>	1,174,687	13.8	39.5

#### Corn kernels

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

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

#### 玉米顆粒

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

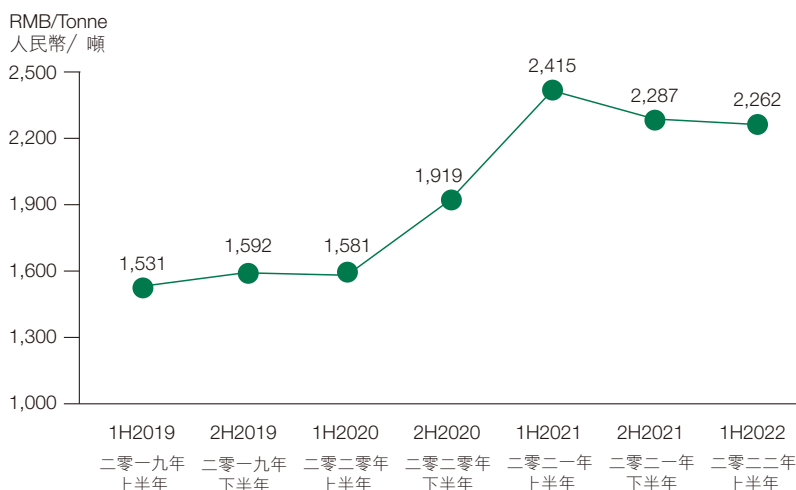
期內，玉米顆粒的總成本增加5.8%，主要由於玉米消費量較去年同期有所增長。

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

下圖列示自二零一九年上半年至期內玉米顆粒的價格趨勢：

### Price Trend of Corn Kernels

#### 玉米顆粒價格趨勢



### Coal

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

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

### 煤炭

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

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

## Production

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

## 生產

主要產品的年設計產能如下：

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

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

附註：年設計產能按比例基準呈列。

### Analysis of Capacity Usage of Major Products

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

### 主要產品產能使用分析

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



## Other Financial Information

### Other income

In the Period, other income amounted to approximately RMB131.9 million, which was mainly comprised of the income from the sales of waste products, amortisation of deferred income and government grants.

### Other gains

It mainly represents net foreign exchange gains generated from operating activities and fair value gains on change in fair value of foreign exchange swap contracts, which was for hedging the foreign exchange risk of our USD bank borrowings.

### Selling and marketing expenses

Selling and marketing expenses increased by approximately RMB233.8 million, or 36.9%, in the Period, mainly due to the significant increase of the transportation costs.

### Administrative expenses

Administrative expenses increased by approximately RMB71.4 million, or 17.4%, in the Period. The increase was due to the increases in research and development expenses and employee benefit expenses.

### Finance income

Finance income mainly represented interest income from bank deposits. The interest income from bank deposits and bank balance amounted to approximately RMB22.1 million, representing an increase of 102.2%. This was mainly due to the increase in our working capital during the Period. On the other hand, the Group recorded an exchange loss on financing activities of approximately RMB162.8 million (1H 2021: an exchange gain of RMB42.4 million), mainly due to the exchange difference of bank borrowings denominated in USD in the Period. The exchange loss on financing activities are classified in Finance costs, which resulted a decrease of RMB34.4 million, or 60.6% in finance income.

### Finance costs

Finance costs mainly represent the interest expenses of bank borrowings and foreign exchange loss from our USD syndicated bank loan. The finance costs of the Group in the Period increased, mainly as the exchange loss on bank borrowings denominated in USD. On the other hand, interest expense decreased by approximately RMB5.0 million, as the 3-year USD bonds issued on 28 August 2018 was refinanced by a syndicated loan of lower financing cost in August 2021.

## 其他財務資料

### 其他收入

期內，其他收入約為人民幣131,900,000元，主要包括廢料產品銷售收入、遞延收益攤銷及政府補助。

### 其他收益

其他收益主要指產生自經營活動的外匯收益淨額及外匯掉期合約（乃用於對沖我們美元銀行借貸的外匯風險）公平值變動的公平值收益。

### 銷售及市場推廣開支

期內，銷售及市場推廣開支增加約人民幣233,800,000元或36.9%，主要由於運輸成本大幅上漲。

### 行政開支

行政開支於期內增加約人民幣71,400,000元或17.4%。該增加是由於研發開支及僱員福利開支增加。

### 財務收入

財務收入主要是銀行存款的利息收入。銀行存款及銀行結餘的利息收入約為人民幣22,100,000元，增加102.2%。此主要由於期內我們的營運資金增加所致。另一方面，期內，本集團錄得融資活動匯兌虧損達約人民幣162,800,000元（二零二一年上半年：匯兌收益人民幣42,400,000元），主要由於以美元計值的銀行借貸的匯兌差額。融資活動的匯兌虧損分類為財務成本，以致財務收入減少人民幣34,400,000元或60.6%。

### 財務成本

財務成本主要指銀行借款的利息開支及美元銀團貸款的外匯虧損。期內本集團財務成本增加，主要由於以美元計值的銀行借款的外匯虧損。另一方面，由於在二零一八年八月二十八日發行的三年期美元債券於二零二一年八月由一筆較低融資成本的銀團貸款進行再融資，利息開支減少約人民幣5,000,000元。

## Depreciation

Depreciation expense of the Group was approximately RMB579.4 million in the Period, representing a decrease of RMB35.9 million, or 5.8%, as compared to the Corresponding Period.

## Income tax expense

Please refer to the note 13 of interim condensed consolidated financial statement.

## Dividend

The Board has resolved to pay an interim dividend of HK32.0 cents per Share and a special interim dividend of HK4.6 cents per Share for the Period, payable on or before 7 October 2022 to the Shareholders whose names appear on the register of members of the Company on 16 September 2022.

## Syndicated bank facilities

On 9 March 2021, the Company (as borrower) and certain of its subsidiaries (as guarantors) entered into a facilities agreement with certain major banks (as lenders) pursuant to which a USD term and revolving loan facilities up to USD400 million with a term of 36 months from initial funding has been granted to the Company at the rate of interest equivalent to the aggregate of a margin rate of 1.80% per annum plus the London interbank offered rate administered by ICE Benchmark Administration Limited on the relevant date in respect of the USD loan. The purpose of the loan is mainly to refinance the USD bonds and part of bank loan of the Company and for the Group's general corporate purposes. The utilisation drawdown of the syndicated bank facilities, amounted to USD400 million, was made on 24 August 2021. The balance of syndicated bank loan was USD400 million as at 30 June 2022 and subsequently we have repaid the revolving portion of the syndicated bank loan amount of USD160 million on 29 July 2022. Furthermore, as disclosed in the announcement made by the Company on 4 June 2021, as per the facilities agreement, it would constitute a change of control event if Mr. Li Xuechun, being the controlling Shareholder of the Group, ceases to beneficially own at least 35% of the issued share capital of the Company or ceases to be the single largest Shareholder. On and at any time after the occurrence of a change of control event, (i) the Lender shall not be obliged to fund the utilisation of the term loan facility, and (ii) if the lenders so required, the lenders shall, by not less than five days notice to the Company, require all outstanding loans, together with accrued interest and all other amounts accrued under the finance documents in connection with the loan facilities immediately due and payable.

Except for the above, the Group had no other committed banking facilities as at 30 June 2022. The Directors believe that the Group's liquidity position is relatively stable and that the Group has sufficient banking facilities to repay or renew existing short term bank loans and other borrowings.

## 折舊

本集團的折舊開支於期內約為人民幣579,400,000元，較去年同期減少人民幣35,900,000元，或5.8%。

## 所得稅開支

請參閱中期簡明合併財務報表附註13。

## 股息

期內，董事會已議決派付中期股息每股32.0港仙及特別中期股息每股4.6港仙，於二零二二年十月七日或之前支付予於二零二二年九月十六日名列本公司股東名冊的股東。

## 銀團貸款

於二零二一年三月九日，本公司（作為借款人）及其若干附屬公司（作為擔保人）與若干主要銀行（作為貸款人）訂立貸款協議，據此本公司獲授最高400,000,000美元的美元定期及循環貸款融資，自初始撥資起為期36個月，利率相當於每年1.80%的保證金率加ICE Benchmark Administration Limited於相關日期就美元貸款實施的倫敦銀行同業拆息總和。貸款的目的主要為對本公司美元債券及部分銀行貸款進行再融資，及作本集團的一般企業用途。銀團貸款400,000,000美元已於二零二一年八月二十四日取出動用。於二零二二年六月三十日，銀團貸款結餘為400,000,000美元，其後我們已於二零二二年七月二十九日償還銀團貸款的循環部分160,000,000美元。此外，誠如本公司於二零二一年六月四日刊發的公告所披露，根據貸款協議，倘本集團控股股東李學純先生不再實益擁有本公司已發行股本至少35%或不再成為單一最大股東，則其將構成控制權變動事件。於發生控制權變動事件時及其後任何時間，(i)貸款人並無義務為定期貸款融資的使用提供資金，及(ii)倘貸款人如此要求，貸款人須向本公司發出不少於五日的通知要求所有未償還貸款，連同應計利息及有關貸款融資的融資文件項下的應計利息及所有其他應計金額即時到期及償付。

除上述情況外，於二零二二年六月三十日，本集團並無其他已承諾銀行融資。董事相信，本集團的流動資金狀況相對穩定，且本集團有充足銀行融資以償還或重續現有短期銀行貸款及其他借貸。

## Liquidity and Financial Resources

As at 30 June 2022, the Group's cash and bank balances were approximately RMB7,969.9 million (31 December 2021: RMB4,054.8million) whereas total bank borrowings were approximately RMB7,662.5 million (31 December 2021: RMB4,227.0 million) which represented short term bank borrowings of approximately RMB4,866.9 million (31 December 2021: RMB1,722.3 million) and long term bank borrowings of approximately RMB2,795.6 million (31 December 2021: RMB2,504.8 million). The Group's cash and bank balances and borrowings are mainly denominated in RMB and USD.

Net cash after short term bank borrowings were approximately RMB3,103.0 million (31 December 2021: RMB2,332.6 million).

## Gearing ratio

As at 30 June 2022, the total assets of the Group amounted to approximately RMB26,876.2 million (31 December 2021: RMB21,510.8 million) whereas the total borrowings amounted to RMB7,662.5 million (31 December 2021: RMB4,227.0 million). The gearing ratio was approximately 28.5% (31 December 2021: 19.7%), which is calculated based on the Group's total interest-bearing borrowings over total assets.

## Foreign exchange exposure

The Company entered into a USD200,000,000 foreign exchange swap agreement on 24 August 2021. Such foreign exchange swap agreement was mainly for hedging part of the exposure to foreign exchange risk of the USD400 million syndicated loan facility entered into by the Company on 9 March 2021, and of which the utilisation of the full USD400 million was made on 24 August 2021.

The Company entered into one USD38,000,000 foreign exchange swap agreement on 3 November 2019. It was for hedging the full exposure to foreign exchange risk of the Company's USD bank loan amounted to USD38,000,000 which are partially repaid based on the terms of loan agreement. As at 30 June 2022, the outstanding balance of the USD bank loan reduced to USD30,400,000. The corresponding foreign exchange swap agreement was amount to USD30,400,000 as at 30 June 2022.

## 流動資金及財務資源

於二零二二年六月三十日，本集團的現金及銀行結餘約為人民幣7,969,900,000元（二零二一年十二月三十一日：人民幣4,054,800,000元），而銀行借貸總額約為人民幣7,662,500,000元（二零二一年十二月三十一日：人民幣4,227,000,000元），其中短期銀行借貸約為人民幣4,866,900,000元（二零二一年十二月三十一日：人民幣1,722,300,000元）及長期銀行借貸約為人民幣2,795,600,000元（二零二一年十二月三十一日：人民幣2,504,800,000元）。本集團的現金及銀行結餘以及借貸主要以人民幣及美元計值。

扣除短期銀行借款後的淨現金約為人民幣3,103,000,000元（二零二一年十二月三十一日：人民幣2,332,600,000元）。

## 資產負債比率

於二零二二年六月三十日，本集團的資產總值約為人民幣26,876,200,000元（二零二一年十二月三十一日：人民幣21,510,800,000元），而借貸總額則為人民幣7,662,500,000元（二零二一年十二月三十一日：人民幣4,227,000,000元）。資產負債比率約為28.5%（二零二一年十二月三十一日：19.7%），其乃按本集團計息借貸總額除以資產總值計算。

## 外匯風險

本公司於二零二一年八月二十四日訂立200,000,000美元外匯掉期協議。該外匯掉期協議主要用於對沖部分本公司於二零二一年三月九日訂立的400,000,000美元銀團貸款的部分外匯風險，400,000,000美元已於二零二一年八月二十四日悉數動用。

本公司已於二零一九年十一月三日訂立一份38,000,000美元的外匯掉期協議。該協議完全用於對沖本公司獲提供38,000,000美元之美元銀行貸款的外匯風險，部分貸款乃根據貸款協議的條款償還。於二零二二年六月三十日，美元銀行貸款的未償還結餘減至30,400,000美元。同期外匯掉期協議於二零二二年六月三十日的金額為30,400,000美元。

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

### Contingent Liabilities

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

### Charges on assets

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

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

### Significant investment held

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

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

### 或然負債

於二零二二年六月三十日，本集團並無重大或然負債。

### 資產抵押

於二零二二年六月三十日，人民幣800,000,000元的定期存款（二零二一年十二月三十一日：人民幣500,000,000元）及人民幣62,000,000元的受限制銀行存款（二零二一年十二月三十一日：零）已抵押予若干銀行，以取得本集團的銀行借款人民幣1,058,400,000元（二零二一年十二月三十一日：人民幣500,000,000元），人民幣24,000,000元的定期存款（二零二一年十二月三十一日：無）及人民幣89,500,000元的受限制銀行存款（二零二一年十二月三十一日：人民幣3,000,000元）已抵押，以開具銀行承兌匯票。

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

### 持有的重大投資

期內，本集團並無持有任何重大投資。

## Outlook and Future Plan

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

## Other Information

### Material acquisition or disposal of subsidiary and associated company

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

### Employees

As at 30 June 2022, the Group had approximately 15,000 employees. Employees' remuneration was paid in accordance with relevant policies in the PRC. Appropriate salaries and bonuses were paid which were commensurate with the actual practices of the Group. Other corresponding benefits include pension, unemployment insurance, housing allowance, etc.

### Closure of register of members

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

## 展望及未來計劃

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

## 其他資料

### 附屬公司及聯營公司的重大收購或出售

本集團於期內並無進行任何附屬公司或聯營公司的重大收購或出售事項。

### 僱員

於二零二二年六月三十日，本集團僱用約15,000名僱員。僱員薪酬根據中國有關政策支付。本集團按實際常規支付適當薪金及花紅。其他相關福利包括退休金、失業保險及住房津貼等。

### 暫停辦理股份過戶登記手續

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

## Corporate governance

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

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

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

## Event after the reporting period

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

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

## 企業管治

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

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

本公司審核委員會已審閱本集團於期內的未經審核中期簡明合併財務報表。

## 報告期後事項

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

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

### **Model Code for securities transactions by Directors**

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

### **Purchase, redemption or sale of securities of the Company**

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

By order of the Board  
**Fufeng Group Limited**  
**Li Xuechun**  
*Chairman*

Hong Kong, 30 August 2022

*As at the date of this announcement, the executive Directors of the Company are Mr. Li Xuechun, Mr. Li Deheng and Mr. Li Guangyu and the independent non-executive Directors of the Company are Mr. Lau Chung Wai, Mr. Zhang Youming and Ms. Li Ming.*

### **董事進行證券交易的標準守則**

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

### **購買、贖回或出售本公司的證券**

期內，本公司及其任何附屬公司並無購買、贖回或出售本公司上市證券。

承董事會命  
**阜豐集團有限公司**  
*董事長*  
**李學純**

香港，二零二二年八月三十日

於本公告日期，本公司的執行董事為李學純先生、李德衡先生及李廣玉先生；而本公司的獨立非執行董事為劉仲緯先生、張友明先生及李銘女士。

## GLOSSARY

### 詞彙

Absolute Divine Absolute Divine	Absolute Divine Limited, a wholly-owned subsidiary of the Company Absolute Divine Limited，本公司全資附屬公司
Acquest Honour Acquest Honour	Acquest Honour Holdings Limited, a wholly-owned subsidiary of the Company Acquest Honour Holdings Limited，本公司全資附屬公司
ASP 平均售價	average selling price(s) of the products of the Group 本集團產品的平均售價
Audit Committee 審計委員會	audit committee of the Board 董事會審計委員會
Board 董事會	the board of Directors 董事會
BVI 英屬處女群島	The British Virgin Islands 英屬處女群島
CG Code 企業管治守則	Code on Corporate Governance Practice under Appendix 14 of the Listing Rules 上市規則附錄十四項下企業管治常規守則
Company 本公司	Fufeng Group Limited 阜豐集團有限公司
Corresponding Period 去年同期	six months ended of 30 June 2021 截至二零二一年六月三十日止六個月
Director(s) 董事	the director(s) of the Company 本公司董事
EBITDA EBITDA	earnings before interest, taxes, depreciation and amortisation 扣除利息、稅費、折舊及攤銷前利潤
Expand Base Expand Base	Expand Based Limited, a wholly-owned subsidiary of the Company Expand Based Limited，本公司全資附屬公司
FVOCI 按公平值計入其他綜合收益	fair value through other comprehensive income 按公平值計入其他綜合收益
FVPL 按公平值計入損益	fair value through profit or loss 按公平值計入損益
Group 本集團	the Company and its subsidiaries 本公司及其附屬公司
HKAS 香港會計準則	Hong Kong Accounting Standard issued by HKICPA 香港會計師公會頒佈的香港會計準則



HKFRS 香港財務報告準則	Hong Kong Financial Reporting Standards issued by HKICPA 香港會計師公會頒佈的香港財務報告準則
HKICPA 香港會計師公會	Hong Kong Institute of Certified Public Accountants 香港會計師公會
Hong Kong 香港	the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區
Listing Rules 上市規則	the Rules Governing the Listing of Securities on the Stock Exchange 聯交所證券上市規則
Model Code 標準守則	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules 上市規則附錄十所載上市發行人董事進行證券交易的標準守則
MSG 味精	monosodium glutamate, a salt of glutamic acid which is commonly used as a flavour enhancer and additive in the food industry, restaurant and household application 谷氨酸鈉，為食品業、食肆及家庭普遍用作調味劑及添加劑的谷氨酸鹽
Period 期內	six months ended of 30 June 2022 截至二零二二年六月三十日止六個月
PRC 中國	the People's Republic of China, which for the purpose of this report exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan 中華人民共和國，就本報告而言，不包括香港、中國澳門特別行政區及台灣
Share(s) 股份	share(s) in the share capital of the Company 本公司股本中的股份
Shareholder(s) 股東	holder(s) of the Share(s) 股份持有人
Stock Exchange 聯交所	the Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
Summit Challenge Summit Challenge	Summit Challenge Limited, a wholly-owned subsidiary of the Company Summit Challenge Limited，本公司全資附屬公司
Trans-Asia 環亞	Trans-Asia Capital Resources Ltd., a wholly-owned subsidiary of the Company 環亞資本有限公司，本公司全資附屬公司
U.S. 美國	the United States of America 美利堅合眾國
HKD 港元	Hong Kong dollars, the lawful currency of Hong Kong 香港法定貨幣港元
RMB 人民幣	Renminbi, the lawful currency of the PRC 中國法定貨幣人民幣

USD  
美元

United States dollars, the lawful currency of the U.S.  
美國法定貨幣美元

%  
%

per cent  
百分比