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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 2023 截至二零二三年六月三十日止六個月的中期業績公佈

HIGHLIGHTS OF 2023 INTERIM RESULTS

二零二三年中期業績摘要

- The Group's revenue increased by 5.0% to approximately RMB13,580.1 million in the Period, as compared to the Corresponding Period, primarily due to increased revenue contribution from the business segments of food additives, colloid and high-end amino acid.
本集團期內的收入較同期增加5.0%至約人民幣13,580,100,000元，主要由於食品添加劑、膠體及高檔氨基酸產品業務分部的收入貢獻增加所致。
- The Group's overall gross profit decreased by 17.4% to approximately RMB2,956.8 million in the Period, as compared to the Corresponding Period, primarily due to the decreases in the gross profit of food additives and animal nutrition segments.
本集團期內的整體毛利較同期減少17.4%至約人民幣2,956,800,000元，主要由於食品添加劑及動物營養分部的毛利下降所致。
- Profit attributable to the Shareholders decreased by 24.1% to approximately RMB1,537.9 million in the Period, as compared to the Corresponding Period.
期內股東應佔溢利較同期減少24.1%至約人民幣1,537,900,000元。
- Earnings per share – basic and diluted for the Period were RMB60.70 cents and RMB60.68 cents, respectively (Corresponding Period: RMB79.96 cents and RMB79.96 cents).
期內每股基本及攤薄盈利分別為人民幣60.70分及人民幣60.68分（去年同期：人民幣79.96分及人民幣79.96分）。
- Return on equity for the Period was 18.9%* (Corresponding Period: 28.0%*).*
期內的股本回報率為18.9%*（去年同期：28.0%*）
- Interim dividend of HK23.0 cents per share declared by the Board, with the dividend payout ratios of 35%.
董事會宣派中期股息每股23.0港仙，派息率為35%。

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

INTERIM FINANCIAL RESULTS

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.

中期財務業績

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計委員會審閱。

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

中期簡明合併利潤表

For the six months ended 30 June 2023 截至二零二三年六月三十日止六個月

			Half-year 半年度	
		Note 附註	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Revenue	收入	5	13,580,093	12,930,797
Cost of sales	銷售成本		(10,623,333)	(9,350,177)
Gross profit	毛利		2,956,760	3,580,620
Selling and marketing expenses	銷售及市場推廣開支		(884,831)	(867,131)
Administrative expenses	行政開支		(555,850)	(482,067)
(Provision for)/reversal of impairment losses on financial assets	金融資產減值虧損 (撥備)/撥回		(33,637)	3,347
Other operating expenses	其他經營開支		(22,410)	(24,923)
Other income	其他收入	6	107,080	131,878
Other gains – net	其他收益 – 淨額		164,849	380,176
Operating profit	經營溢利	7	1,731,961	2,721,900
Finance income	財務收入		135,283	22,371
Finance costs	財務成本		(109,714)	(256,057)
Finance income/(costs) – net	財務收入/(成本) – 淨額	8	25,569	(233,686)
Share of net loss of associates accounted for using the equity method	採用權益法列賬的 應佔聯營公司淨虧損		(194)	(888)
Profit before income tax	除所得稅前溢利		1,757,336	2,487,326
Income tax expense	所得稅開支	9	(219,432)	(461,320)
Profit for the half-year and attributable to the shareholders	股東應佔半年度溢利		1,537,904	2,026,006
Earnings per share for profit attributable to the shareholders during the period (expressed in RMB cents per share)	期內股東應佔溢利每股盈利 (以每股人民幣分呈列)			
– basic	– 基本	10	60.70	79.96
– diluted	– 攤薄	10	60.68	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 2023 截至二零二三年六月三十日止六個月

		Half-year 半年度	
		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Profit for the half-year	半年度溢利	1,537,904	2,026,006
Other comprehensive loss for the half-year	半年度其他綜合虧損		
<i>Items that may be reclassified to profit or loss</i>	<i>可能重新分類至損益的項目</i>		
Exchange differences on translation of foreign operations	海外業務的匯兌折算差額	(2,860)	-
Total comprehensive income for the half-year attributable to the Shareholders	股東應佔半年度綜合收益總額	1,535,044	2,026,006

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

中期簡明合併資產負債表

As at 30 June 2023 於二零二三年六月三十日

		30 June	31 December
		2023	2022
		二零二三年	二零二二年
		六月三十日	十二月三十一日
	<i>Note</i>	RMB'000	RMB'000
	<i>附註</i>	人民幣千元	人民幣千元
ASSETS	資產		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	9,777,369	9,455,464
Right-of-use assets	使用權資產	902,843	832,747
Intangible assets	無形資產	45,371	45,446
Investments accounted for using the equity method	採用權益法列賬的投資	-	194
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	10,000	10,000
Prepayments	預付款項	365,781	150,398
Deferred income tax assets	遞延所得稅資產	35,673	41,926
Total non-current assets	非流動資產總值	11,137,037	10,536,175
Current assets	流動資產		
Inventories	存貨	5,824,712	5,846,373
Trade, other receivables and prepayments	應收貿易賬款、其他應收款項及預付款項	<i>11</i> 2,493,191	2,366,589
Cash and cash equivalents	現金及現金等價物	<i>12</i> 6,899,650	7,008,116
Restricted bank balances	受限制銀行結餘	<i>12</i> 533,500	631,371
Total current assets	流動資產總值	15,751,053	15,852,449
Total assets	資產總值	26,888,090	26,388,624

			30 June	31 December
			2023	2022
			二零二三年	二零二二年
			六月三十日	十二月三十一日
		<i>Note</i>	RMB'000	RMB'000
		<i>附註</i>	人民幣千元	人民幣千元
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Other payables	其他應付款項		58,450	73,618
Deferred income	遞延收益		770,081	756,723
Borrowings	借貸	13	948,000	584,500
Lease liabilities	租賃負債		117	514
Deferred income tax liabilities	遞延所得稅負債		16,650	91,650
Total non-current liabilities	非流動負債總值		1,793,298	1,507,005
Current liabilities	流動負債			
Trade, other payables and accruals	應付貿易賬款、其他應付款項 及應計費用	14	2,850,689	2,967,232
Contract liabilities	合約負債		758,471	786,389
Current income tax liabilities	即期所得稅負債		225,000	264,909
Borrowings	借貸	13	4,965,368	5,368,575
Lease liabilities	租賃負債		865	890
Total current liabilities	流動負債總值		8,800,393	9,387,995
Total liabilities	負債總值		10,593,691	10,895,000
EQUITY	權益			
Capital and reserves attributable to the shareholders	股東應佔股本及儲備			
Share capital	股本		243,460	243,460
Share premium	股份溢價		266,285	266,285
Other reserves	其他儲備		1,217,529	1,214,114
Retained earnings	保留收益		14,567,125	13,769,765
Total equity	權益總值		16,294,399	15,493,624
Total equity and liabilities	權益及負債總值		26,888,090	26,388,624

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 2023 截至二零二三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 Shandong Province, 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 condensed consolidated interim financial report is presented in RMB, unless otherwise stated, and was approved for issue on 30 August 2023 by the Board.

This condensed consolidated interim financial report has not been audited.

2. BASIS OF PREPARATION

This condensed consolidated interim financial report for the Period has been prepared in accordance with HKAS 34 “Interim Financial Reporting”. The condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this announcement is to be read in conjunction with the annual report for the year ended 31 December 2022, which have been prepared in accordance with HKFRSs.

1. 一般資料

阜豐集團有限公司及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。本集團於中國山東省、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，本簡明合併中期財務報告以人民幣列示，及已於二零二三年八月三十日獲董事會批准刊發。

本簡明合併中期財務報告尚未經審核。

2. 編製基準

於期內的簡明合併中期財務報告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告不包括年度財務報告一般所包括類別之所有附註。因此，本公告應與按照香港財務報告準則所編製截至二零二二年十二月三十一日止年度的全年報告一併閱讀。

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies in this condensed interim financial report applied are consistent with those of the annual financial statements for the year ended 31 December 2022 except for the adoption of new and amended standards as set out below.

(a) New and amended standards adopted by the Group

A number of new or amended 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 except amendments to HKAS 12.

		Effective for annual periods beginning on or after	
HKFRS 17	Insurance Contracts	1 January 2023	
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies	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	

The amendments to HKAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.

3. 重要會計政策

本簡明中期財務報告應用的會計政策與截至二零二二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準則之採納除外。

(a) 本集團所採納的新訂及經修訂準則

若干新訂或經修訂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，惟香港會計準則第12號修訂本除外。

		於以下日期 或之後起的 年度期間 生效
香港財務報告準則 保險合同 第17號		二零二三年 一月一日
香港會計準則第1號 會計政策之披露 及香港財務 報告準則應用 指引第2號之 修訂本		二零二三年 一月一日
香港會計準則第8號 會計估計的定義 之修訂本		二零二三年 一月一日
香港會計準則第12號之修訂本	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12號之修訂本所得稅要求公司對以下交易確認遞延稅項，即在初始確認時，產生等值的應納稅和可抵扣的暫時性差異。其通常適用於承租人的租賃及停用責任等交易，並將要求確認額外延遲稅項資產及負債。

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- i. right-of-use assets and lease liabilities, and
- ii. decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments as of 31 December 2022 was not material and hence no adjustment was made to the beginning retained earnings, or another component of equity.

(b) New standards and interpretations not yet adopted

The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning on 1 January 2023 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendments to HKAS 1	Classification of Liabilities as current or non-current	1 January 2024
Amendments to HKAS 1	Non-current liabilities with covenants	1 January 2024
Amendments to HKFRS 16	Lease liability in sale and leaseback	1 January 2024
HK Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2024
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 full impact of the new standards, new interpretations and amendments to standards and interpretations.

此修訂本適用於所呈列最早可比較期間開始時或之後已發生的交易。此外，實體須在最早可比較期間開始時對所有與以下交易相關的扣減及應課稅暫時性差額確認遞延稅項資產（在可能可使用的範圍內）及遞延稅項負債：

- i. 使用權資產及租賃負債，及
- ii. 停用、恢復及相似負債以及確認為相關資產的成本一部分的相應金額。

截至二零二二年十二月三十一日確認該等調整的累計影響並不重大，因此並無對期初保留盈利或權益的其他部分作出調整。

(b) 尚未採納之新訂準則及詮釋

以下是已頒佈但於二零二三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準則及新詮釋：

		於以下日期 或之後起的 年度期間 生效
香港會計準則第1號之修訂本	將負債分類為流動或非流動	二零二四年一月一日
香港會計準則第1號之修訂本	有契約之非流動負債	二零二四年一月一日
香港財務報告準則第16號之修訂本	售後租回之租賃負債	二零二四年一月一日
香港詮釋第5號（經修訂）	財務報表呈列—借入人對含有按要項還條款的定期貸款的分類	二零二四年一月一日
香港財務報告準則第10號及香港會計準則第28號之修訂本	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

本集團現正在評估新準則、新詮釋以及對準則及詮釋之修訂本的全面影響。

4. ESTIMATES

The preparation of interim 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 condensed consolidated interim 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 2022.

5. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors of the Company. 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 71% (30 June 2022: 66%) of the Group's revenue are generated from sales to the customers in the PRC.

No customer contributes 10% or more to the Group's revenue for the Period and the Corresponding Period.

4. 估計

於編製中期財務報表時，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。

於編製本簡明合併中期財務報表時，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二零二二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. 分部資料

已確定最高營運決策者為本公司執行董事。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71%（二零二二年六月三十日：66%）的收入來自向中國客戶出售商品。

於期內及去年同期，概無客戶佔本集團收入的10%或以上。

The segment information for the six months ended 30 June 2023 is as follows:

截至二零二三年六月三十日止六個月的分部資料如下：

		Food additives 食品添加劑 RMB'000 人民幣千元	Animal nutrition 動物營養 RMB'000 人民幣千元	High-end amino acid 高檔氨基酸 RMB'000 人民幣千元	Colloid 膠體 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Group 本集團 RMB'000 人民幣千元
Revenue	收入	6,558,505	4,090,697	827,369	1,632,283	471,239	13,580,093
Cost of sales	銷售成本	(5,586,710)	(3,496,160)	(528,550)	(634,866)	(377,047)	(10,623,333)
Gross profit	毛利	971,795	594,537	298,819	997,417	94,192	2,956,760

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：

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

6. OTHER INCOME

6. 其他收入

		Half-year 半年度	
		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Amortisation of deferred income	遞延收益攤銷	34,512	46,470
Government grants relating to expenses	與開支有關的政府補助	27,311	31,870
Sales of waste products	廢料產品銷售	26,874	38,199
Others	其他	18,383	15,339
		107,080	131,878

7. OPERATING PROFIT

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

7. 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	
		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Amortisation of intangible assets	無形資產攤銷	3,681	3,041
Depreciation of property, plant and equipment	物業、廠房及設備折舊	558,913	568,630
Depreciation of right-of-use assets	使用權資產折舊	11,033	10,783
Provision for/(reversal of) impairment losses on financial assets	金融資產減值虧損撥備/(撥回)	33,637	(3,347)
Provision for value on employee services for the share option schemes	購股權計劃的僱員服務價值撥備	538	187
Provision for inventory write-down – net	存貨撇減撥備—淨值	30,410	10,356
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	–	7,483
Impairment charge for property, plant and equipment	物業、廠房及設備減值支出	–	4,603
Net foreign exchange gains	外匯收益淨額	(211,677)	(306,215)
Investment gains from derivative financial instruments	衍生金融工具產生的投資收益	–	(68,963)
Compensation for project termination	項目終止補償金	44,132	–

8. FINANCE INCOME AND COSTS

8. 財務收入及成本

		Half-year 半年度	
		2023	2022
		二零二三年	二零二二年
		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	135,001	22,109
– financial assets at amortised cost	– 按攤餘成本計量的金融資產	282	262
		135,283	22,371
<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	(93,614)	(91,379)
– lease liabilities	– 租賃負債	(34)	(43)
– other payables	– 其他應付款項	(1,931)	(1,835)
Net foreign exchange losses on financing activities	融資活動的外匯虧損淨額	(14,135)	(162,800)
		(109,714)	(256,057)
Net finance income/(costs)	財務收入／(成本)淨額	25,569	(233,686)

9. INCOME TAX EXPENSE

9. 所得稅開支

		Half-year 半年度	
		2023	2022
		二零二三年	二零二二年
		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	205,691	332,980
– Withholding tax	– 預扣稅	77,750	80,000
– U.S. enterprise income tax	– 美國企業所得稅	4,738	6,303
Total current income tax	即期所得稅總額	288,179	419,283
Deferred income tax	遞延所得稅	(68,747)	42,037
		219,432	461,320

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 payment of the Cayman Islands income tax.

The Group's subsidiaries in BVI are exempted from payment of 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 foreign immediate holding companies, including those incorporated in Hong Kong. Trans-Asia Capital Resources Ltd., Full Profit Investment (Group) Ltd. and Full Health (Hong Kong) Limited, three subsidiaries of the Company, acquired qualification for the lower tax rate of 5% for dividend received from its subsidiaries in mainland China while the withholding tax rate for other subsidiaries in Hong Kong were based on 10%.

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.

During the Period, withholding tax of RMB75,000,000 has been paid as a subsidiary of the Company has distributed the retained earnings of RMB1,500,000,000 as of 31 December 2022 and withholding tax of RMB2,750,000 has been provided and paid as another subsidiary of the Company distributed the retained earnings of RMB55,000,000 as of 31 December 2022. No withholding tax has been provided as the Group does not expect Mainland China subsidiaries to distribute the retained earnings for the Period (for the Corresponding Period: withholding tax of RMB30,000,000 has been provided as the Group expects Mainland China subsidiaries to distribute the retained earnings of RMB600,000,000) in the foreseeable future.

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，並獲豁免繳交開曼群島所得稅。

本集團於英屬處女群島的附屬公司獲豁免繳交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。環亞資本有限公司、豐盈投資(集團)有限公司及康滿(香港)有限公司(本公司的三家附屬公司)自中國大陸附屬公司收取的股息享有較低的5%稅率繳稅的資格，而其他香港附屬公司的預扣稅率為10%。

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。

於期內，由於本公司一間附屬公司已分派截至二零二二年十二月三十一日的保留收益人民幣1,500,000,000元，故已支付預扣稅人民幣75,000,000元，而本公司的另一間附屬公司已分派截至二零二二年十二月三十一日的留存收益人民幣55,000,000元，故已計提及支付預扣稅人民幣2,750,000元。於期內，由於本集團預期中國大陸附屬公司於可見未來不會分派保留收益，故並無計提預扣稅撥備(去年同期：由於本集團預期中國大陸附屬公司分派保留收益人民幣600,000,000元，故計提預扣稅撥備人民幣30,000,000元)。

10. EARNINGS PER SHARE

10. 每股盈利

		Half-year 半年度	
		2023 二零二三年	2022 二零二二年
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	60.70	79.96
- diluted	- 攤薄	60.68	79.96

Basic earnings per share is calculated by dividing the profit attributable to the Shareholders 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 2,000,000 outstanding share options issued in July 2022 is 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 options have no dilution for the Period. These options could potentially dilute basic earnings per share in the future.

Earnings per share – basic and diluted for the Period was RMB60.70 cents and RMB60.68 cents respectively (equivalent to HK68.67 cents and HK68.65 cents) (Corresponding Period: RMB79.96 cents and RMB79.96 cents respectively (equivalent to HK 96.53 cents and HK 96.53 cents)).

每股基本盈利乃按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，不計及於二零二二年七月發行的2,000,000份尚未行使購股權，原因為期內普通股平均市價並未超過購股權的行使價，因此於期內，並無相關購股權具有攤薄作用。相關購股權日後可能會攤薄每股基本盈利。

期內每股基本及攤薄盈利分別為人民幣60.70分及人民幣60.68分(相當於68.67港仙及68.65港仙)(去年同期：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))。

11. TRADE, OTHER RECEIVABLES AND PREPAYMENTS

11. 應收貿易賬款、其他應收款項及預付款項

		As at 於	
		30 June 2023 二零二三年 六月三十日 RMB'000 人民幣千元	31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元
Trade receivables (a)	應收貿易賬款(a)	1,067,800	1,094,634
Less: provision for impairment loss allowance	減：計提減值虧損撥備	(66,934)	(33,297)
Trade receivables – net	應收貿易賬款－淨額	1,000,866	1,061,337
Deposits and others	按金及其他	120,682	74,679
Loan to a related party	給予一名關聯方的貸款	22,007	10,658
Loan to a third party (b)	給予一名第三方的貸款(b)	50,000	50,000
Less: provision for impairment loss allowance	減：計提減值虧損撥備	(50,000)	(50,000)
Loan to a third party – net	給予一名第三方的貸款－淨額	–	–
Loans to employees	給予僱員的貸款	322	3,566
Value-added tax for future deduction	用於日後扣減的增值稅	70,871	74,197
Prepaid current income tax	預付即期所得稅	358	13,818
Interest receivables	應收利息	2,814	7,958
		1,217,920	1,246,213
Notes receivable (c)	應收票據(c)	850,121	654,942
Trade and other receivables	應收貿易賬款及其他應收款項	2,068,041	1,901,155
Prepayments to suppliers	預付供應商款項	790,931	615,832
		2,858,972	2,516,987
Less: non-current portion	減：非即期部分		
Prepayments for non-current assets (d)	非流動資產預付款項(d)	(365,781)	(150,398)
		2,493,191	2,366,589

- (a) At 30 June 2023 and 31 December 2022, the ageing analysis of the trade receivables based on invoice date was as follows:

		As at 於	
		30 June 2023 二零二三年 六月三十日 RMB'000 人民幣千元	31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元
Within 3 months	三個月內	990,279	1,076,025
3 to 12 months	三至十二個月	72,044	13,920
Over 12 months	超過十二個月	5,477	4,689
		1,067,800	1,094,634

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 the PRC and overseas with good payment history are offered credit terms of not more than three months.

- (b) The loan to a third party was arranged via a financial trust company during 2019. During the year ended 31 December 2021, the loan was past due for collection as the third party was in financial difficulties. A full 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) 於二零二三年六月三十日及二零二二年十二月三十一日，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會獲得不多於三個月的信貸期。

- (b) 於二零一九年內，給予一名第三方的貸款是通過一間金融信託公司貸出。截至二零二一年十二月三十一日止年度，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 2023, notes receivable were all bank acceptance notes aged less than one year, including a total amount of RMB753,922,000 (31 December 2022: RMB574,650,000) that have been endorsed to the suppliers. As the notes receivable 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) 於二零二三年六月三十日，應收票據均為賬齡少於一年的銀行承兌票據，包括總額為人民幣753,922,000元（二零二二年十二月三十一日：人民幣574,650,000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	31 December
		2023	2022
		二零二三年	二零二二年
		六月三十日	十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current assets	流動資產		
Notes receivable measured at FVOCI	按公平值計入其他綜合收益計量的應收票據	850,121	654,942

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

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

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) As at 30 June 2023, the prepayments for non-current assets amounting to RMB 365,781,000 (31 December 2022: RMB150,398,000) were payments for purchase of property, plant and equipment.

(d) 於二零二三年六月三十日，非流動資產的預付款項人民幣365,781,000元（二零二二年十二月三十一日：人民幣150,398,000元）為購買物業、廠房及設備的款項。

12. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK BALANCES

12. 現金及現金等價物及受限制銀行結餘

		As at 於	
		30 June 2023 二零二三年 六月三十日 RMB'000 人民幣千元	31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元
Cash and cash equivalents	現金及現金等價物		
– Cash on hand	– 手頭現金	884	2,964
– Cash in bank	– 銀行現金	6,898,766	7,005,152
		6,899,650	7,008,116
Restricted bank balances	受限制銀行結餘		
– 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)	491,000	631,371
– Restricted bank deposits (b)	– 受限制銀行存款(b)	42,500	–
		533,500	631,371
Total cash and bank balances	現金及銀行結餘總額	7,433,150	7,639,487

(a) As at 30 June 2023, amounts of RMB490,000,000 of the term deposits over 3 months and within one year was pledged as security for bank borrowings of the Group.

As at 31 December 2022, term deposits over 3 months and within one year comprised of (i) amounts of RMB590,000,000 was pledged as security for bank borrowings of the Group; (ii) amounts of RMB28,500,000 was pledged as security for issuing notes payable of the Group; and (iii) amounts of RMB12,871,000 was pledged as security for issuing letter of guarantee.

(b) As at 30 June 2023, restricted bank deposits comprised of (i) amounts of RMB30,000,000 (31 December 2022: nil) was pledged as security for bank borrowings of the Group and (ii) amounts of RMB12,500,000 (31 December 2022: nil) was pledged as security for issuing notes payable of the Group.

(a) 於二零二三年六月三十日，超過三個月但於一年內的定期存款人民幣490,000,000元已抵押為本集團銀行借貸的抵押品。

於二零二二年十二月三十一日，超過三個月但於一年內的定期存款包括(i)人民幣590,000,000已抵押為本集團銀行借貸的抵押品；(ii)人民幣28,500,000元已抵押為本集團發行應付票據的抵押品；及(iii)人民幣12,871,000元已抵押為出具擔保函的抵押品。

(b) 於二零二三年六月三十日，受限制銀行存款包括(i)人民幣30,000,000元(二零二二年十二月三十一日：無)已抵押為本集團銀行借貸的抵押品；及(ii)人民幣12,500,000元(二零二二年十二月三十一日：無)已抵押為本集團發行應付票據的抵押品。

13. BORROWINGS

13. 借貸

		As at 於	
		30 June 2023 二零二三年 六月三十日 RMB'000 人民幣千元	31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元
Non-current	非流動		
- Bank borrowings, unsecured	- 銀行借貸(無抵押)	948,000	584,500
Current	流動		
- Bank borrowings, secured	- 銀行借貸(有抵押)	880,000	880,000
- Bank borrowings, unsecured	- 銀行借貸(無抵押)	4,085,368	4,488,575
		4,965,368	5,368,575
Total Borrowings	借貸總額	5,913,368	5,953,075

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 2023 二零二三年 六月三十日 RMB'000 人民幣千元	31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元	30 June 2023 二零二三年 六月三十日 RMB'000 人民幣千元	31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元
Bank borrowings, unsecured	銀行借貸(無抵押)	948,000	584,500	926,711	584,466

Movements in borrowings were analysed as follows:

借貸變動分析如下：

		RMB'000 人民幣千元
Six months ended 30 June 2022		
Opening amount as at 1 January 2022	截至二零二二年六月三十日止六個月 於二零二二年一月一日的期初金額	4,227,044
New borrowings	新造借貸	4,646,648
Repayments of bank borrowings	償還銀行借貸	(1,368,819)
Amortisation of transaction cost	交易成本攤銷	10,141
Exchange differences	匯兌差額	147,530
Closing amount as at 30 June 2022	於二零二二年六月三十日的期末金額	7,662,544
Six months ended 30 June 2023		
Opening amount as at 1 January 2023	截至二零二三年六月三十日止六個月 於二零二三年一月一日的期初金額	5,953,075
New borrowings	新造借貸	4,769,368
Repayments of bank borrowings	償還銀行借貸	(4,809,075)
Closing amount as at 30 June 2023	於二零二三年六月三十日的期末金額	5,913,368

Interest expenses on borrowings for the Period were RMB93,614,000 (Corresponding Period: RMB91,379,000).

期內借貸利息開支為人民幣93,614,000元(去年同期：人民幣91,379,000元)。

(a) Loan covenants

The Group's certain bank borrowings are subject to the fulfilment of covenants relating to certain debt servicing financial indicators. The Group regularly monitors its compliance with these covenants. As at 30 June 2023 and 31 December 2022, none of these covenants had been breached.

(a) 貸款契諾

本集團的若干銀行借款須遵守與若干償債財務指標有關的契約條款。本集團定期監察其遵守該等契約的情況。於二零二三年六月三十日及二零二二年十二月三十一日，本集團並無違反該等契約條款。

14. TRADE, OTHER PAYABLES AND ACCRUALS

14. 應付貿易賬款、其他應付款項及應計費用

		As at 於	
		30 June 2023 二零二三年 六月三十日 RMB'000 人民幣千元	31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元
Trade payables (a)	應付貿易賬款(a)	1,134,502	1,374,599
Payables for property, plant and equipment	物業、廠房及設備應付款項	631,873	585,354
Salaries, wages and staff welfares payables	應付薪金、工資及員工福利	442,102	426,451
Notes payable	應付票據	62,500	90,000
Interest payables	應付利息	6,803	7,523
Other payables and accruals	其他應付款項及應計費用	631,359	556,923
		2,909,139	3,040,850
Less: non-current portion	減：非流動部分		
Other payables (b)	其他應付款項(b)	(58,450)	(73,618)
		2,850,689	2,967,232

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

(a) 應付貿易賬款的賬齡分析如下：

		As at 於	
		30 June 2023 二零二三年 六月三十日 RMB'000 人民幣千元	31 December 2022 二零二二年 十二月三十一日 RMB'000 人民幣千元
Within 3 months	三個月內	967,849	1,241,157
3 to 6 months	三至六個月	51,535	53,903
6 to 12 months	六至十二個月	23,970	19,354
1 to 2 years	一至兩年	61,806	35,909
Over 2 years	兩年以上	29,342	24,276
		1,134,502	1,374,599

(b) The non-current portion of other payables is a borrowing from certain third parties, which is repayable in 3 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).

(b) 其他應付款項的非流動部分是來自若干第三方借款，將於資產負債表日後3年內償還。該其他應付款項於期內的利率為每年5.25%（去年同期：每年5.25%）。

15. DIVIDENDS

On 30 March 2023, the Board proposed a final dividend in respect of the year ended 31 December 2022 of HKD735,422,000 (equivalent to RMB643,789,000), representing HKD29.0 cents (equivalent to RMB25.4 cents) per share and a special final dividend of HKD103,974,000 (equivalent to RMB91,018,000) representing HK4.1 cents (equivalent to RMB3.6 cents) per share. The final dividend paid in June 2023 amounted to HKD839,396,000 (equivalent to RMB748,943,000). The difference between proposed and paid final dividends was due to the impact of exchange rate fluctuation.

At a meeting held on 30 August 2023, the Board proposed an interim dividend of HKD583,392,000 (equivalent to RMB534,953,000) (Corresponding Period: HKD811,265,000 (equivalent to RMB708,105,000)), representing HK23.0 cents (equivalent to RMB21.0 cents) (Corresponding Period: HK32.0 cents (equivalent to RMB27.9 cents)) per share.

At a meeting held on 30 August 2022, in addition to the interim dividend, the Board proposed 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 interim dividend has not been recognised as a dividend payable in this interim financial information, but will be recognised as an appropriation from the retained earnings for the year ending 31 December 2023.

16. CONTINGENT LIABILITIES

As at 30 June 2023, the Group had no material contingent liabilities.

17. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On 7 July 2023, Full Health (Hong Kong) Limited, a wholly-owned subsidiary of the Company entered into agreement with an independent third party for the disposal of 100% share holdings of Jiangsu Shenhua Pharmaceutical Co., Ltd. and its subsidiaries at a cash consideration of RMB346,900,000. The disposal was completed on 19 July 2023.

15. 股息

於二零二三年三月三十日，董事會建議就截至二零二二年十二月三十一日止年度派付末期股息735,422,000港元（相當於人民幣643,789,000元），即每股29.0港仙（相當於人民幣25.4分）以及特別末期股息103,974,000港元（相當於人民幣91,018,000元），即每股4.1港仙（相當於人民幣3.6分）。二零二三年六月派付的末期股息為839,396,000港元（相當於人民幣748,943,000元）。建議與已派付末期股息之間的差額乃由於匯率波動影響所致。

於二零二三年八月三十日召開的會議上，董事會建議派發中期股息583,392,000港元（相當於人民幣534,953,000元）（去年同期：811,265,000港元（相當於人民幣708,105,000元）），即每股23.0港仙（相當於人民幣21.0分）（去年同期：32.0港仙（相當於人民幣27.9分））。

於二零二二年八月三十日舉行的會議上，除中期股息外，董事會建議派付特別中期股息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）。

中期股息並無於本中期財務資料中確認為應付股息，惟將就截至二零二三年十二月三十一日止年度確認為保留收益撥款。

16. 或然負債

於二零二三年六月三十日，本集團並無重大或然負債。

17. 資產負債表日後事項

於二零二三年七月七日，本公司全資附屬公司康滿（香港）有限公司與獨立第三方訂立協議，內容有關以現金代價人民幣346,900,000元出售江蘇神華藥業有限公司及其附屬公司全部股權。出售已於二零二三年七月十九日完成。

MANAGEMENT REVIEW

管理層回顧

Market Overview

Economic Environment

In the Period, the economy in China rebounded due to the end of the COVID-19 restrictions. According to the National Bureau of Statistics of China, China recorded GDP growth of 4.5% in the first quarter of 2023 and 6.3% in the second quarter of 2023 respectively, or 5.5% in the six-month period. However, the GDP growth was lower than expected. According to the International Monetary Fund forecast, China's GDP is expected to grow at 5.2% for 2023.

Major Raw Materials

According to the data of Sublime China Information (卓創資訊), corn price fluctuated between the price range of RMB2,636 to RMB2,816 per tonne (including VAT). Corn supply and demand in China were approximately 188 million tonnes and 116 million tonnes respectively in the Period.

The PRC government has made the efforts to secure stable supply of coal. China has also increased coal import from overseas. According to the data of China National Coal Association (中國煤炭工業協會), coal supply in China increased by 4.4% to approximately 2.3 billion tonnes and coal import increased by 93% to approximately 222 million tonnes in the Period, as compared to the Corresponding Period.

Major Products

MSG price maintained at a high level in the first quarter of 2023 due to strong demand. According to the data of Sublime China Information, MSG supply and demand were approximately 620,000 tonnes and 630,000 tonnes respectively, with ASP of approximately RMB9,435 per tonne (including VAT) in the first quarter of 2023 in China. However, MSG price dropped in the second quarter of 2023 due to increased supply of MSG and weak demand. MSG supply and demand were approximately 654,000 tonnes and 587,000 tonnes respectively in the second quarter of 2023. ASP of MSG was approximately RMB8,667 per tonne (including VAT) as at 30 June 2023.

Xanthan gum is classified into food grade and industrial grade, of which the industrial grade is mainly applied for oil extraction. Due to the strong demand from overseas, particularly from the oil extraction sector, xanthan gum recorded strong growth in export sales and price.

市場概覽

經濟環境

期內，中國經濟因新冠限制措施結束而出現反彈。根據中國國家統計局的資料，中國於二零二三年第一季度及二零二三年第二季度的國內生產總值分別增長4.5%及6.3%，或於六個月期間增長5.5%。然而，國內生產總值增長低於預期。據國際貨幣基金組織預測，中國二零二三年的國內生產總值增速預計為5.2%。

主要原材料

卓創資訊數據顯示，玉米價格於每噸人民幣2,636元至人民幣2,816元（含增值稅）的價格區間波動。期內，中國玉米供應量及需求量分別約為188,000,000噸及116,000,000噸。

中國政府努力確保煤炭穩定供應。中國亦增加海外的煤炭進口量。中國煤炭工業協會數據顯示，期內中國煤炭供應量較去年同期增加4.4%至約23億噸，而煤炭進口量較去年同期增加93%至約222,000,000噸。

主要產品

由於需求強勁，二零二三年第一季度味精價格維持在高位。根據卓創資訊的數據，於二零二三年第一季度，中國味精的供應量及需求量分別約為620,000噸及630,000噸，平均售價約為每噸人民幣9,435元（含增值稅）。然而，由於味精供應增加但需求疲軟，二零二三年第二季度味精價格下跌。二零二三年第二季度味精供應量及需求量分別約為654,000噸及587,000噸。於二零二三年六月三十日，味精的平均售價約為每噸人民幣8,667元（含增值稅）。

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。由於海外（特別是石油開採行業）的需求暢旺，黃原膠出口銷售及價格均錄得強勁增長。

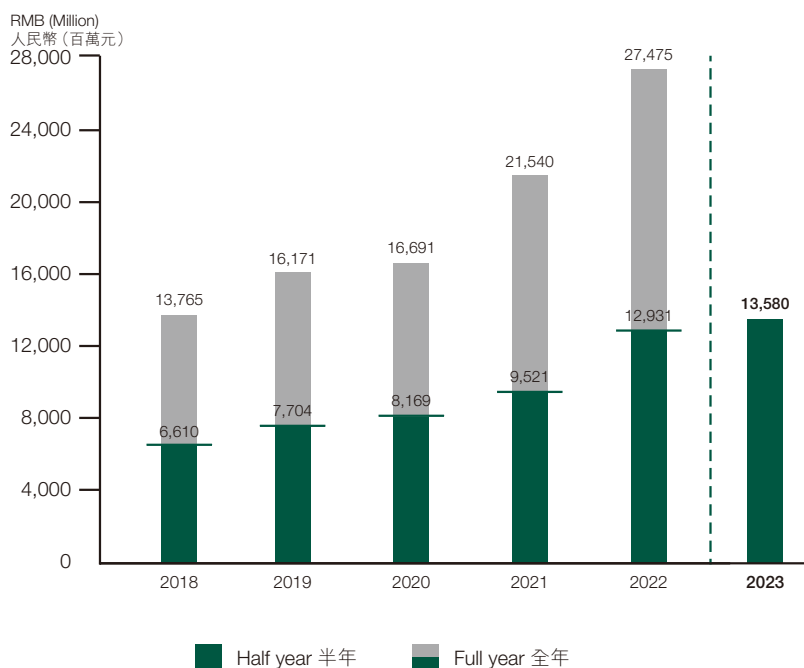
For the animal nutrition products, threonine and lysine were in challenging conditions due to the oversupply situation. However, ASP of threonine and lysine increased in the second quarter of 2023 due to the production inspection and maintenance of some suppliers, which limited the supply in the market.

對於動物營養產品，蘇氨酸及賴氨酸因供應過剩而面臨嚴峻挑戰。然而，由於部分供應商進行生產檢驗及維護，限制了市場供應，二零二三年第二季度蘇氨酸及賴氨酸的平均售價有所上升。

Business and Financial Review

Overall Performance

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



The Group's revenue increased by 5.0% to approximately RMB13,580.1 million in the Period, as compared to the Corresponding Period, primarily due to increased revenue contribution from the business segments of food additives, colloid and high-end amino acid.

期內，本集團的收入較去年同期增加5.0%至約人民幣13,580,100,000元，主要由於食品添加劑、膠體及高檔氨基酸業務分部的收入貢獻增加所致。

The Group's overall gross profit decreased by 17.4% to approximately RMB2,956.8 million in the Period, as compared to the Corresponding Period, primarily due to the decreases in the gross profit of food additives and animal nutrition segments.

期內，本集團的整體毛利較去年同期減少17.4%至約人民幣2,956,800,000元，主要由於食品添加劑及動物營養分部的毛利下降。

Facing the challenging market situation, the Group maintained the growth momentum by increasing the sales volume in major products, despite the lower ASP.

面對嚴峻的市場形勢，儘管平均售價較低，但本集團通過提升主要產品的銷量保持增長勢頭。

The average price of corn kernels, the key material cost, in the Period was approximately RMB2,397 per tonne, which maintained a stable price trend as compared to the second half of 2022 (increased by 1.6% as compared to 2H 2022). It increased by 6.0% as compared to the Corresponding Period.

期內玉米顆粒(主要材料成本)平均價格約為每噸人民幣2,397元，與二零二二年下半年相比維持穩定的價格趨勢(較二零二二年下半年增加1.6%)。其較去年同期增加6.0%。

Profit attributable to the Shareholders decreased by 24.1% to approximately RMB1,537.9 million in the Period, as compared to the Corresponding Period.

期內，股東應佔溢利較去年同期減少24.1%至約人民幣1,537,900,000元。

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 2023

		Food additives 食品添加劑 RMB'000 人民幣千元	Animal nutrition 動物營養 RMB'000 人民幣千元	High-end amino acid 高檔氨基酸 RMB'000 人民幣千元	Colloid 膠體 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue	收入	6,558,505	4,090,697	827,369	1,632,283	471,239	13,580,093
Gross profit	毛利	971,795	594,537	298,819	997,417	94,192	2,956,760
Gross profit margin	毛利率	14.8%	14.5%	36.1%	61.1%	20.0%	21.8%

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：

截至二零二三年六月三十日止六個月

For the six months ended 30 June 2022

		Food additives 食品添加劑 RMB'000 人民幣千元	Animal nutrition 動物營養 RMB'000 人民幣千元	High-end amino acid 高檔氨基酸 RMB'000 人民幣千元	Colloid 膠體 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue	收入	6,065,473	4,754,189	534,843	940,228	636,064	12,930,797
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%

截至二零二二年六月三十日止六個月

1. Food additives segment

Revenue of food additives segment increased by 8.1% to approximately RMB6,558.5 million in the Period, as compared to the Corresponding Period, mainly due to stable revenue contribution from MSG and increased revenue contribution from starch sweeteners. Revenue of starch sweeteners increased due to higher demand in the Period.

Gross profit of food additives segment decreased by 23.5% to approximately RMB971.8 million in the Period, as compared to the Corresponding Period, mainly due to decreased gross profit contribution from MSG. Gross profit margin of food additives segment was 14.8% in the Period, representing a decrease of 6.1 percentage points, as compared to the Corresponding Period.

Key products:

MSG: Revenue of MSG was relatively stable and was approximately RMB4,996.0 million in the Period. The ASP of MSG was approximately RMB8,168 per tonne in the Period, representing a decrease of approximately 3.6% as compared to the Corresponding Period. The sales volume of MSG was approximately 611,681 tonnes in the Period, representing an increase of approximately 3.6%, as compared to the Corresponding Period. Demand recovery of MSG in the Period was lower than expected. Although ASP of MSG dropped, we still managed to increase our market share in the Period. We sold 611,681 tonnes of MSG in the Period, which accounted for approximately 50% of the market share referring to the data of Sublime China Information (total demand of 1,217,000 tonnes in 1H 2023).

2. Animal nutrition segment

Revenue of animal nutrition segment dropped by 14.0% to approximately RMB4,090.7 million in the Period, as compared to the Corresponding Period. In the Corresponding Period, overseas customers purchased a lot of animal nutrition products due to the supply chain disruption caused by COVID-19, which caused significant increases of ASP of threonine and lysine in the Corresponding Period. However, the ASP of threonine and lysine dropped in the second half of 2022 due to the ease of supply chain disruption. The animal nutrition market was in oversupply situation due to the increase of capacity of the competitors in the Period.

Gross profit of animal nutrition segment decreased by 57.5% to approximately RMB594.5 million in the Period, as compared to the Corresponding Period, mainly due to decreased gross profit contribution from threonine and lysine. Gross profit margin of animal nutrition segment was 14.5% in the Period, representing a decrease of 14.9 percentage points, as compared to the Corresponding Period.

1. 食品添加劑分部

期內，食品添加劑分部的收入較去年同期增加8.1%至約人民幣6,558,500,000元，主要由於味精的收入貢獻穩定以及澱粉甜味劑的收入貢獻增加所致。澱粉甜味劑收入增加是由於期內需求增加。

期內，食品添加劑分部的毛利較去年同期減少23.5%至約人民幣971,800,000元，主要由於味精毛利貢獻下降。期內食品添加劑分部的毛利率為14.8%，較去年同期減少6.1個百分點。

主要產品：

味精：期內，味精的收入相對穩定且約為人民幣4,996,000,000元。期內，味精的平均售價每噸約為人民幣8,168元，較去年同期減少約3.6%。期內，味精的銷量約為611,681噸，較去年同期增加約3.6%。期內味精需求回升幅度低於預期。儘管味精的平均售價有所下降，我們在期內的市場份額仍然有所增加。我們於期內售出味精611,681噸，根據卓創資訊的數據所述，佔市場份額約50%（二零二三年上半年總需求量為1,217,000噸）。

2. 動物營養分部

期內，動物營養分部的收入較去年同期下降14.0%至約人民幣4,090,700,000元。於去年同期，由於新冠造成供應鏈中斷，海外客戶購買大量動物營養產品，導致去年同期蘇氨酸及賴氨酸的平均售價大幅增加。然而，由於供應鏈中斷改善，蘇氨酸及賴氨酸的平均售價在二零二二年下半年有所下降。於期內，由於競爭對手產能的增加，動物營養市場處於供過於求的局面。

期內，動物營養分部的毛利較去年同期減少57.5%至約人民幣594,500,000元，主要由於蘇氨酸及賴氨酸的毛利貢獻減少。期內，動物營養分部的毛利率為14.5%，較去年同期減少14.9個百分點。

Key products:

Threonine: Revenue of threonine dropped by 36.0% to approximately RMB884.6 million in the Period, as compared to the Corresponding Period, primarily due to the decreased ASP and sales volume of threonine. The ASP of threonine was approximately RMB8,424 per tonne in the Period, representing a decrease of 20.2%, as compared to the Corresponding Period. Sales volume of threonine was approximately 105,012 tonnes in the Period, representing a decrease of 19.8%, as compared to the Corresponding Period.

Lysine: Revenue of lysine dropped by 11.2% to approximately RMB907.6 million in the Period, as compared to the Corresponding Period. The sales volume was approximately 153,311 tonnes in the Period, representing an increase of approximately 16.5% as compared to the Corresponding Period.

3. High-end amino acid segment

Revenue of high-end amino acid segment increased by 54.7% to approximately RMB827.4 million in the Period, as compared to the Corresponding Period, mainly due to increased sales volume of high-end amino acid products.

Gross profit of high-end amino acid segment increased by 40.2% to approximately RMB298.8 million in the Period, as compared to the Corresponding Period. Gross profit margin of high-end amino acid segment was 36.1% in the Period, representing a decrease of 3.8 percentage points, as compared to the Corresponding Period.

We continued our effort to improve the client portfolio and increased the market share of key products, despite the lower ASP and gross profit margin. We also launched new high-end amino acid products in the Period, such as citrulline, arginine, shikimic acid and phenylalanine.

4. Colloid segment

Revenue of colloid segment increased by 73.6% to approximately RMB1,632.3 million in the Period, as compared to the Corresponding Period, mainly due to increased revenue of xanthan gum as the recovery of oil demand boosted the sales volume and ASP of xanthan gum. The ASP of xanthan gum was approximately RMB40,864 per tonne in the Period, representing an increase of 44.2%, as compared to the Corresponding Period. We provided tailor-made solutions for our industrial clients with stable demand.

主要產品：

蘇氨酸：期內蘇氨酸收入較去年同期下降36.0%至約人民幣884,600,000元，主要乃由於蘇氨酸的平均售價及銷量減少。蘇氨酸平均售價於期內每噸約為人民幣8,424元，較去年同期減少20.2%。蘇氨酸的期內銷量約為105,012噸，較去年同期減少19.8%。

賴氨酸：期內，賴氨酸的收入較去年同期下降11.2%至約人民幣907,600,000元。期內，銷量約為153,311噸，較去年同期增加約16.5%。

3. 高檔氨基酸分部

期內，高檔氨基酸分部收入較去年同期增加54.7%至約人民幣827,400,000元，乃主要由於高檔氨基酸產品的銷量增加所致。

期內，高檔氨基酸分部的毛利較去年同期增加40.2%至約人民幣298,800,000元。期內，高檔氨基酸分部的毛利率為36.1%，較去年同期減少3.8百分點。

儘管平均售價及毛利率降低，我們繼續努力改善客戶組合，增加主要產品的市場份額。我們亦於期內推出新的高檔氨基酸產品，例如瓜氨酸、精氨酸、莽草酸及苯丙氨酸。

4. 膠體分部

期內，膠體分部收入較去年同期增加73.6%至約人民幣1,632,300,000元，主要由於石油需求回暖帶動黃原膠的銷量及平均售價上升，令黃原膠收入提高。期內黃原膠平均售價約為每噸人民幣40,864元，較去年同期增長44.2%。我們為工業客戶提供量身定制的解決方案，產品需求穩定。

Gross profit of colloid segment increased by 109.8% to approximately RMB997.4 million in the Period, as compared to the Corresponding Period, mainly due to increased gross profit contribution from xanthan gum. Gross profit margin of colloid segment was 61.1% in the Period, representing an increase of 10.5 percentage points, as compared to the Corresponding Period.

期內膠體分部的毛利較去年同期增加109.8%至約人民幣997,400,000元，主要由於黃原膠的毛利貢獻增加所致。期內膠體分部的毛利率為61.1%，較去年同期增長10.5個百分點。

5. Others

Revenue of other products dropped by 25.9% to approximately RMB471.2 million in the Period, as compared to the Corresponding Period, mainly due to decreased revenue of fertilisers.

Gross profit of other products dropped by 58.0% to approximately RMB94.2 million in the Period, as compared to the Corresponding Period, mainly due to decreased gross profit of fertilisers. Gross profit margin of other products was 20.0% in the Period, representing a decrease of 15.2 percentage points, as compared to the Corresponding Period.

5. 其他

期內，其他產品產生的收入較去年同期下降25.9%至約人民幣471,200,000元，乃主要由於肥料的收入減少。

期內其他產品的毛利較去年同期下降58.0%至約人民幣94,200,000元，主要由於肥料的毛利減少。期內其他產品的毛利率為20.0%，較去年同期減少15.2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				Change 變動
		2023		2022		
		二零二三年		二零二二年		
		% 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		
Major raw materials	主要原材料					
• Corn kernels	• 玉米顆粒	6,194,431	57.9	5,640,421	55.5	9.8
Energy	能源					
• Coal	• 煤炭	1,889,907	17.6	1,638,971	16.1	15.3

Corn kernels

In the Period, corn kernels accounted for approximately 57.9% (Corresponding Period: 55.5%) of the total cost of production. The average price of corn kernels, the key material cost, in the Period was approximately RMB2,397 per tonne, which maintained a stable price trend as compared to the second half of 2022 (increased by 1.6% as compared to 2H 2022). It increased by 6.0% as compared to the Corresponding Period.

The total cost of corn kernels increased by 9.8% in the Period, due to the increases in the volume of corn consumption and corn price, as compared to the Corresponding Period.

The following chart shows the price trend of corn kernels from the first half of 2020 to the Period:

玉米顆粒

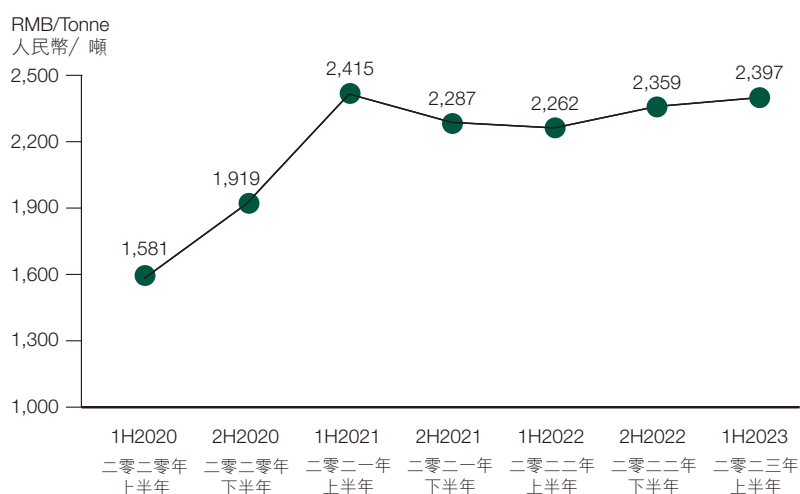
期內，玉米顆粒約佔總生產成本的57.9%（去年同期：55.5%）。期內玉米顆粒（主要材料成本）平均價格約為每噸人民幣2,397元，與二零二二年下半年相比維持穩定的價格趨勢（較二零二二年下半年增加1.6%）。其較去年同期增加6.0%。

期內，玉米顆粒的總成本增加9.8%，乃由於玉米消費量及玉米價格較去年同期有所增長。

下圖列示自二零二零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



Energy cost

The coal cost is the main energy cost. Coal accounted for approximately 17.6% (Corresponding Period: 16.1%) of the total cost of production in the Period. The average unit cost of coal in the Period was approximately RMB421 per tonne, representing an increase of 3.2%, as compared to the Corresponding Period.

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

能源成本

煤炭成本為主要的能源成本。期內，煤炭約佔總生產成本17.6%（去年同期：16.1%）。期內，煤炭平均單位成本約為每噸人民幣421元，較去年同期增加3.2%。

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當地煤礦中採購煤炭，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 capacity of each of the major products by product categories were as follows:

生產

按產品類別劃分的各主要產品的年設計產能如下：

Annual production capacity as at period end date 截至期末日的年產能

Product	產品	2023	2022	Change
		二零二三年 Tonnes 噸	二零二二年 Tonnes 噸	變動 %
Food additives	食品添加劑			
MSG	味精	1,330,000	1,330,000	—
Starch sweeteners	澱粉甜味劑	720,000	720,000	—
Animal nutrition	動物營養			
Threonine	蘇氨酸	243,000	243,000	—
Lysine	賴氨酸	280,000	200,000	40.0%
Colloid	膠體			
Xanthan gum	黃原膠	80,000	65,000	23.1%

Analysis of Capacity Usage of Major Products

Business strategy of production remained unchanged and the Group set production volume according to market demand. During the Period, the capacity utilisation rate of MSG remained stable, which was around 96%. The capacity utilisation rate of threonine was around 74% in the Period, mainly due to the oversupply in the market. Lysine reached full capacity in the Period. Xanthan gum, as classified in the Colloid segment, also benefited from the recovery of market demand and reached full capacity in 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。期內味精的產能使用率維持穩定，為96%左右。期內蘇氨酸的產能使用率約為74%，主要是由於市場供應過剩。期內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 RMB107.1 million, which was mainly comprised of the income from the sales of waste products, amortisation of deferred income and government grants.

其他財務資料

其他收入

期內，其他收入約為人民幣107,100,000元，主要包括廢料產品銷售收入、遞延收益攤銷及政府補助。

Other gains

It mainly represents net foreign exchange gains generated from operating activities amounted to approximately RMB211.7 million (Corresponding Period: RMB306.2 million).

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約人民幣211,700,000元（去年同期：人民幣306,200,000元）。

Selling and marketing expenses

Selling and marketing expenses slightly increased by approximately RMB17.7 million, or 2.0%, in the Period.

銷售及市場推廣開支

期內，銷售及市場推廣開支輕微增加約人民幣17,700,000元或2.0%。

Administrative expenses

Administrative expenses increased by approximately RMB73.8 million, or 15.3%, 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 RMB135.0 million, representing an increase of 510.6%. This was mainly due to higher USD deposit rate in the Period than that of the Correspond Period.

Finance costs

Finance costs mainly represent the interest expenses and foreign exchange loss. The decrease in finance costs was mainly due to the USD syndicated bank loan was fully repaid in the second half of 2022, which resulted in a decrease of RMB148.7 million, or 91.3% in the exchange losses on financing activities.

Depreciation

Depreciation expense of the Group was approximately RMB569.9 million in the Period, representing a decrease of RMB9.5 million, or 1.6%, as compared to the Corresponding Period.

Income tax expense

Please refer to the note 9.

Dividend

The Board has resolved to pay an interim dividend of HK23.0 cents per Share for the Period, payable on or before 13 October 2023 to the Shareholders whose names appear on the register of members of the Company on 22 September 2023.

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 the USD term and revolving loan facilities up to USD400 million with a term of 36 months from initial funding was 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 was mainly to refinance the USD bonds and part of the 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. We repaid the revolving portion of the syndicated bank loan amount of USD160 million on 29 July 2022. The balance of the syndicated bank loan amount of USD240 million was also repaid on 31 October 2022.

行政開支

行政開支於期內增加約人民幣73,800,000元或15.3%。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135,000,000元，增加510.6%。此主要由於期內的美元存款利率高於去年同期。

財務成本

財務成本主要指利息開支及外匯虧損。財務成本減少乃主要由於美元銀團貸款已於二零二二年下半年悉數償還，導致融資活動匯兌虧損減少人民幣148,700,000元或91.3%。

折舊

本集團的折舊開支於期內約為人民幣569,900,000元，較去年同期減少人民幣9,500,000元，或1.6%。

所得稅開支

請參閱附註9。

股息

期內，董事會已議決派付中期股息每股23.0港仙，於二零二三年十月十三日或之前支付予於二零二三年九月二十二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。我們於二零二二年七月二十九日償還銀團貸款循環部分160,000,000美元。銀團貸款結餘240,000,000美元亦已於二零二二年十月三十一日償還。

Except for the above, the Group had no other committed banking facilities as at 30 June 2023. 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.

Liquidity and Financial Resources

Liquidity

The Group met the working capital requirements by cash generated from operations and bank borrowings during the Period. The Group had a net cash inflow of approximately RMB1,332.0 million from operating activities (Corresponding Period: RMB1,149.7 million). Taking into account the cash balances together with short term bank borrowings facilities available, the Group was financially sound throughout the Period.

Net unrestricted cash after short term bank borrowings were approximately RMB1,934.3 million (31 December 2022: RMB1,639.5 million).

As at 30 June 2023, the Group's net current assets were approximately RMB6,950.7 million (31 December 2022: RMB6,464.5 million) and current ratio (current assets divided by current liabilities) was 1.79 times (31 December 2022: 1.69 times).

Cash and Bank Balances

As at 30 June 2023, the Group had total cash and bank balances amounting to approximately RMB7,433.2 million (31 December 2022: RMB7,639.5 million) which were mainly denominated in RMB and USD.

Bank Borrowings

As at 30 June 2023, the Group had total bank borrowings of approximately RMB5,913.4 million (31 December 2022: RMB5,953.1 million). Bank borrowings include short term and long term bank borrowings bearing both fixed and floating interest rates. Of the total bank borrowings, approximately RMB4,965.4 million (31 December 2022: RMB5,368.6 million) were short term bank borrowings and approximately RMB948.0 million (31 December 2022: RMB584.5 million) were long term bank borrowings. The Group's bank borrowings were denominated in RMB at period end date.

除上述情況外，於二零二三年六月三十日，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。

流動資金及財務資源

流動資金

於本期間，本集團以營運產生的現金及銀行借款撥付其營運資金需求。本集團經營活動所得現金流入淨額約為人民幣1,332,000,000元（去年同期：人民幣1,149,700,000元）。經計及現金結餘及可動用短期銀行借款額度，本集團於整個期間均維持財政穩健。

扣除短期銀行借款後的淨不受限制現金約為人民幣1,934,300,000元（二零二二年十二月三十一日：人民幣1,639,500,000元）。

於二零二三年六月三十日，本集團的流動資產淨值約為人民幣6,950,700,000元（二零二二年十二月三十一日：人民幣6,464,500,000元），流動比率（流動資產除以流動負債）為1.79倍（二零二二年十二月三十一日：1.69倍）。

現金及銀行結餘

於二零二三年六月三十日，本集團的現金及銀行結餘總額約為人民幣7,433,200,000元（二零二二年十二月三十一日：人民幣7,639,500,000元），主要以人民幣及美元計值。

銀行借貸

於二零二三年六月三十日，本集團的銀行借貸總額約為人民幣5,913,400,000元（二零二二年十二月三十一日：人民幣5,953,100,000元）。銀行借貸包括短期及長期銀行借款，並按固定及浮動利率計息。於銀行借貸總額中，約人民幣4,965,400,000元（二零二二年十二月三十一日：人民幣5,368,600,000元）為短期銀行借款，約人民幣948,000,000元（二零二二年十二月三十一日：人民幣584,500,000元）為長期銀行借款。本集團銀行借貸於期末結算日以人民幣計值。

Gearing ratio

As at 30 June 2023, the total assets of the Group amounted to approximately RMB26,888.1 million (31 December 2022: RMB26,388.6 million) whereas the total debts amounted to RMB5,971.8 million (31 December 2022: RMB6,026.7 million). The gearing ratio was approximately 22.2% (31 December 2022: 22.8%) which was calculated based on the Group's total debts over total assets. Total debts include current and non-current bank borrowings and non-current borrowings from third parties as at 30 June 2022 and 31 December 2022.

Foreign exchange exposure

Foreign currencies of the Group are received from the export sales and bank borrowings. Such proceeds are subject to foreign exchange risk before receiving and converting them into RMB. The foreign currencies received from export sales are converted into RMB depending on needs and market conditions.

During the Period, the Group recorded a net foreign exchange gains/(losses) as follow:

資產負債比率

於二零二三年六月三十日，本集團的資產總值約為人民幣26,888,100,000元（二零二二年十二月三十一日：人民幣26,388,600,000元），而債務總額則為人民幣5,971,800,000元（二零二二年十二月三十一日：人民幣6,026,700,000元）。資產負債比率約為22.2%（二零二二年十二月三十一日：22.8%），其乃按本集團債務總額除以資產總值計算。於二零二二年六月三十日及二零二二年十二月三十一日，債務總額包括流動和非流動銀行借貸以及來自第三方的非流動借貸。

外匯風險

本集團的外幣乃來自出口銷售及銀行借貸。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。自出口銷售收取的外幣按需要及市況兌換為人民幣。

期內，本集團錄得外匯收益／（損失）淨額如下：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Foreign exchange gains/(losses):	外匯收益／（損失）：		
– From operating activities classified under other gains/(losses) (a)	– 來自經營活動，分類為其他收益／（損失）(a)	211,677	306,215
– From financing activities classified under finance costs (b)	– 來自融資活動，分類為財務成本(b)	(14,135)	(162,800)
– Investment gains from derivative financial instruments (c)	– 衍生金融工具產生的投資收益(c)	–	68,963
Net foreign exchange gains/(losses)	外匯收益／（損失）淨額	197,542	212,378

- a. During the Period, the Group recorded a net foreign exchange gains from operating activities amounted to approximately RMB211.7 million (Corresponding Period: RMB306.2 million). The decrease in the gains from operating activities was mainly due to the appreciation of USD to RMB was lower in the Period than that of the Corresponding Period.
- b. The USD syndicated bank loan was fully repaid in the second half of 2022, which resulted in a decrease of RMB148.7 million, or 91.3% in the exchange losses on financing activities.

- a. 期內，本集團錄得經營活動外匯收益淨額約人民幣211,700,000元（去年同期：人民幣306,200,000元）。經營活動收益減少，主要是由於期內美元兌人民幣升值幅度低於去年同期所致。
- b. 美元銀團貸款已於二零二二年下半年悉數償還，導致融資活動匯兌虧損減少人民幣148,700,000元或91.3%。

c. The derivative financial instruments were settled in the second half of 2022, which resulted in a decrease of RMB69.0 million in the investment gain on derivative financial instruments.

Contingent Liabilities

As at 30 June 2023, the Group had no material contingent liabilities.

Charges on assets

As at 30 June 2023, RMB490.0 million of term deposits (31 December 2022: RMB590.0 million) were pledged to certain banks to secure bank borrowings of RMB790.0 million (31 December 2022: RMB880.0 million) of the Group.

As at 30 June 2023, no term deposits were pledged as security for issuing notes payable (31 December 2022: RMB28.5 million) and security for issuing letter of guarantee (31 December 2022: RMB12.9 million) of the Group.

As at 30 June 2023, restricted bank deposits comprised of (i) amounts of RMB30.0 million (31 December 2022: nil) were pledged as security for bank borrowings of RMB100.0 million (31 December 2022: nil) of the Group and (ii) amounts of RMB12.5 million (31 December 2022: nil) were pledged as security for issuing notes payable of the Group.

Significant investment held

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

c. 衍生金融工具於二零二二年下半年結算，導致衍生金融工具投資收益減少人民幣69,000,000元。

或然負債

於二零二三年六月三十日，本集團並無重大或然負債。

資產抵押

於二零二三年六月三十日，人民幣490,000,000元的定期存款(二零二二年十二月三十一日：人民幣590,000,000元)已抵押予若干銀行，以取得本集團的銀行借款為人民幣790,000,000元(二零二二年十二月三十一日：人民幣880,000,000元)。

於二零二三年六月三十日，本集團並無已抵押定期存款作為發行應付票據(二零二二年十二月三十一日：人民幣28,500,000元)的抵押品及出具擔保函(二零二二年十二月三十一日：人民幣12,900,000元)的抵押品。

於二零二三年六月三十日，受限制銀行存款包括(i)已抵押人民幣30,000,000元(二零二二年十二月三十一日：無)作為本集團銀行借款人民幣100,000,000元(二零二二年十二月三十一日：無)的抵押品及(ii)已抵押人民幣12,500,000元(二零二二年十二月三十一日：無)作為本集團發行應付票據的抵押品。

持有的重大投資

期內，本集團並無持有任何重大投資。

Future Plan and Progress

1. We will continue the “Dual High-quality Objectives” as our strategic mission for 2023, including (1) high-quality internationalisation by accelerating the establishment of a more complete international production and sales network; and (2) high-quality operation of the existing production capacity to maintain and consolidate our leading position in the domestic market so that we will advance our business expansion and become a global industrial powerhouse.

Progress: We are planning to expand MSG capacity in China in order to fully utilize our advantage in the chemical cost and further strengthening our market leadership. We are also doing the feasibility studies in the U.S. and Europe for the construction of production bases.

2. We will continue to improve our production technology in order to reduce the unit production cost.

Progress: It's in continuous enhancement.

3. We will adjust our regional marketing strategy and establish three regional marketing centers in America, Europe and Southeast Asia to serve our overseas customers directly.

Progress: We have launched the three regional marketing centers in the U.S., Netherlands and Vietnam.

4. We will improve the logistics system, further optimise the logistics process and reduce the logistics cost.

Progress: It's in continuous enhancement.

5. We are revamping the plant acquired in 2020 to produce chemicals used in our products to reduce production costs. We will also consider increasing the production capacity of key products to reinforce our market position.

Progress: It is expected that the chemical plant will start the production in Q4 2023. In order to fully utilise the advantage of our chemical cost, we will add 400,000 tonnes of MSG capacity in our Hulunbeier Base. It is expected the new MSG capacity can be launched in Q4 2023.

6. Despite the delay in the construction of the U.S. project, we are continuing our internationalisation plan by conducting feasibility studies to establish a production base in another location.

Progress: We are doing the feasibility studies in the U.S. and Europe for the construction of production bases.

未來計劃及進展

1. 我們將繼續將「雙高」作為二零二三年的戰略任務，包括(1)高質量實施國際化，加快落實更為完善的國際化生產及銷售網絡；及(2)確保現有產能的高質量運行，繼續鞏固我們於國內市場的領導地位，同步推進「做大」和「做強」。

進展：我們計劃擴大中國的味精產能，以充分利用我們在化工成本方面的優勢，並進一步加強我們的市場領導地位。我們亦於美國及歐洲進行生產基地建設的可行性研究。

2. 我們將繼續改進生產技術，以降低單位生產成本。

進展：持續改進中。

3. 我們將調整區域營銷戰略，並將於美洲、歐洲及東南亞成立三大區域營銷中心，旨在直接服務我們的海外客戶。

進展：我們已於美國、荷蘭及越南設立三個區域營銷中心。

4. 我們將完善物流體系、進一步優化物流流程及將物流成本降低。

進展：持續完善中。

5. 我們正在改造二零二零年收購的廠房，生產我們產品中使用的化學品，以降低生產成本。我們還將考慮增加主要產品的產能，以鞏固我們的市場地位。

進展：預計該化工廠將於二零二三年第四季度投產。為充分利用化學品成本優勢，我們將於呼倫貝爾基地增加400,000噸味精產能。預計新的味精產能可於二零二三年第四季度推出。

6. 儘管美國項目建設有所推遲，但我們仍在進行在其他地點建立生產基地的可行性研究，以繼續推進我們的國際化計劃。

進展：我們正於美國及歐洲進行生產基地建設的可行性研究。

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 2023, the Group had approximately 16,500 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, 20 September 2023 to Friday, 22 September 2023 (both dates inclusive), during which period no transfer of Shares will be registered. In order to qualify for the 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 19 September 2023.

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:

All Directors attended the annual general meeting of the Company held on 27 May 2023, except Li Guangyu, an Executive Director due to other job engagement. 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.

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

於二零二三年六月三十日，本集團僱用約16,500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

本公司將於二零二三年九月二十日(星期三)至二零二三年九月二十二日(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，所有股份過戶文件連同有關股票最遲須於二零二三年九月十九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。

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：

除執行董事李廣玉因並其他工作安排外，全體董事已出席本公司於二零二三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。

本公司審計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。

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 2023

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，二零二三年八月三十日

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

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 30 June 2022 截至二零二二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
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
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	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
標準守則	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	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
味精	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	six months ended 30 June 2023
期內	截至二零二三年六月三十日止六個月
PRC	the People's Republic of China, which for the purpose of this announcement exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
中國	中華人民共和國，就本公告而言，不包括香港、中國澳門特別行政區及台灣
Share(s)	share(s) in the share capital of the Company
股份	本公司股本中的股份
Shareholder(s)	holder(s) of the Share(s)
股東	股份持有人
Stock Exchange	the Stock Exchange of Hong Kong Limited
聯交所	香港聯合交易所有限公司
U.S.	the United States of America
美國	美利堅合眾國
HKD	Hong Kong dollars, the lawful currency of Hong Kong
港元	香港法定貨幣港元
RMB	Renminbi, the lawful currency of the PRC
人民幣	中國法定貨幣人民幣
USD	United States dollars, the lawful currency of the U.S.
美元	美國法定貨幣美元
%	per cent
%	百分比