



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

(Incorporated in the Cayman Islands with limited liability) 於開曼群島註冊成立之有限公司)  
Stock Code 股份代號: 3838

玉米澱粉  
CORN STARCH

氨基酸  
LYSINE

澱粉糖  
STARCH-BASED SWEETENER

變性澱粉  
MODIFIED STARCH

澱粉基生物降解材料  
STARCH-BASED BIODEGRADABLE MATERIAL

**2017**

ANNUAL REPORT 年報

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# Directors' Report

## 董事會報告書

The Directors have pleasure in presenting their annual report and the audited consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2017.

### Principal Activities

The principal activity of the Company is investment holding. The Company's subsidiaries are principally engaged in the manufacture and sale of cornstarch, lysine, starch-based sweetener, modified starch and ancillary corn-based and corn-refined products. Details of the principal activities of the Company's subsidiaries are set out in note 33 to the consolidated financial statements.

### Business Review

The Group's revenue is derived from two business segments, namely (i) upstream products and (ii) fermented and downstream products, the production activities of which are carried out in the People's Republic of China (the "PRC").

A fair review of the Group's business during the year is set out in the Management Discussion and Analysis on pages 10 to 16. The Environmental and Sustainability Report set out on pages 17 to 22 provides a review on the Group's environmental policies, compliance by the Group with the relevant laws and regulations that have a significant impact on the Group and key relationships with the major stakeholders to the Group (including its employees, customers and suppliers). The Risk Review Report set out on pages 23 to 26 provides a comprehensive review on principle risks and uncertainties facing the Group.

The Group is committed to complying with all environmental policies and other relevant laws and regulations related to its business operating environment. In addition, the Group also has an internal laboratory to monitor the quality of our products perpetually in order to ensure that our products comply with national standards, including food safety standards.

### Continuing Connected Transaction

Linqing Deneng Golden Corn Bio Limited ("Deneng Golden Corn"), a non-wholly owned subsidiary of the Company located in Linqing, Shandong, used to purchase the electricity and steam from Linqing Deneng Bio Technology Limited (the "JV Partner") for the production and operation of its production plants and offices in Linqing, Shandong.

Prior to 30 June 2017, the JV Partner was not a connected person of the Company as it only had a 9% equity interest in Deneng Golden Corn and it was not otherwise an associate of a connected person of the Company.

On 30 June 2017, the JV Partner and Shandong Shouguang Juneng Golden Corn Development Co., Ltd incorporated a new joint venture company, Shouguang Golden Corn Biotechnology Limited in which the JV Partner had a 45% equity interest. In this regard, the JV Partner became a connected person of the Company at the subsidiary level.

董事欣然提呈其年報及本公司及其附屬公司(統稱「本集團」)截至二零一七年十二月三十一日止年度的經審核合併財務報表。

### 主要業務

本公司的主要業務為投資控股。本公司的附屬公司主要從事製造及銷售玉米澱粉、賴氨酸、澱粉糖、變性澱粉、玉米製副產品及玉米深加工產品。有關本公司附屬公司的主要業務詳情載於合併財務報表附註33。

### 業務回顧

本集團的收入來自兩個業務分部，即(i)上游產品；及(ii)發酵及下游產品，有關業務的生產活動於中華人民共和國(「中國」)進行。

有關本集團年內業務的公平回顧載於第10至16頁的管理層討論及分析。環境及可持續發展報告載於第17至22頁，就本集團的環境政策、本集團遵守對其有重大影響的相關法律及規例的情況及與本集團主要持份者(包括其僱員、客戶及供應商)的主要關係進行檢討。風險審閱報告載於第23至26頁，就本集團所面對的主要風險及不明朗因素進行全面檢討。

本集團承諾遵守與其業務營運環境相關的全部環境政策及其他相關法律及法規。此外，為確保我們的產品遵守國家標準(包括食品安全標準)，本集團擁有內部實驗室以不斷地監控產品質量。

### 持續關連交易

本公司位於山東省臨清市的非全資附屬公司臨清德能金玉米生物有限公司(「德能金玉米」)過往一直向臨清德能生物科技股份有限公司(「合資夥伴」)購買電力及蒸汽，供其位於山東省臨清市的生產廠房及辦事處的生產及營運之用。

於二零一七年六月三十日前，合資夥伴並非本公司關連人士，因其僅擁有德能金玉米9%股權，而其亦並非本公司關連人士之聯繫人士。

於二零一七年六月三十日，合資夥伴及山東壽光巨能金玉米開發有限公司註冊成立一家新合資公司壽光金玉米生物科技股份有限公司，合資夥伴持有其45%股本權益。就此，合資夥伴成為本公司於附屬公司層面的關連人士。

# Directors' Report

## 董事會報告書

Deneng Golden Corn and the JV Partner entered into a utilities supply agreement (the "Agreement") on 25 December 2016. The term of the Agreement had commenced from 1 January 2017 until its termination in accordance with its terms, including, among others, termination by mutual agreement between both parties. The unit price of electricity and steam was RMB0.4374 per kilowatt-hour and RMB130 per tonne (tax inclusive), respectively.

The purchase of electricity and steam by Deneng Golden Corn under the Agreement had ceased since 23 December 2017 upon the cessation of operation of the JV Partner in the supply of electricity and steam upon the request of the local government. During the period from 30 June 2017 to 23 December 2017 (represented the period of which the purchase of electricity and steam by Deneng Golden Corn from the JV Partner constituted a continuing connected transaction of the Company), the purchase amount of electricity and steam under the Agreement was approximately RMB30 million and RMB38 million (net of value-added tax) respectively.

The independent non-executive Directors have reviewed the above continuing connected transaction for the year ended 31 December 2017 and confirmed that the continuing connected transaction was (i) entered into the ordinary and usual course of business of the Group, (ii) entered into on normal commercial terms, and (iii) according to the Agreement governing them on terms that were fair and reasonable and in the interests of the shareholders of the Company as a whole.

The auditor, SHINGWING (HK) CPA Limited, of the Company has also reviewed this continuing connected transaction and confirmed that continuing connected transaction (i) was approved by the Board, and (ii) had been entered into in accordance with the Agreement governing the transaction. The said transaction had ceased at the time when it was approved, confirmed and ratified by the Board at the relevant Board meeting, therefore, the Company did not set the annual cap for the continuing connected transaction. Other than the announcement dated 22 January 2018 in relation to the continuing connected transaction which should have been announced as soon as possible as that required under Chapter 14A of the Listing Rules, the Company has complied with the disclosure requirement under Chapter 14A of the Listing Rules. Please refer to the announcement for further details of the reasons.

Save as disclosed above, the related party transactions set out in note 29 to the consolidated financial statements did not constitute connected/continuing connected transactions as defined under the Listing Rules.

### Dividends

The Board is pleased to recommend the payment of a final dividend of HK1.20 cents per share for the year ended 31 December 2017 to shareholders whose names appear on the register of members of the Company on 8 June 2018. The proposed final dividend, if approved at the forthcoming annual general meeting of the Company ("AGM"), is expected to be paid on or about 9 July 2018 in cash.

德能金玉米及合資夥伴於二零一六年十二月二十五日訂立公用服務供應協議(「該協議」)。該協議之年期由二零一七年一月一日開始，直至根據其條款終止為止，包括(其中包括)由雙方相互協議終止。電力及蒸汽之單位價格分別為每千瓦時人民幣0.4374元及每噸人民幣130元(連稅)。

自合資夥伴於二零一七年十二月二十三日應地方政府要求停止供應電力及蒸汽業務起，德能金玉米已停止根據該協議購買電力及蒸汽。於二零一七年六月三十日至二零一七年十二月二十三日止期間(指德能金玉米向合資夥伴購買電力及蒸汽而構成本公司持續關連交易的期間)，根據該協議所購買的電力及蒸汽金額分別約為人民幣30,000,000元及人民幣38,000,000元(扣除增值稅)。

獨立非執行董事已截至二零一七年十二月三十一日止年度審閱上述持續關連交易，並確認持續關連交易為(i)於本集團日常及一般業務過程中訂立；(ii)按正常商業條款訂立；及(iii)按照規管該等交易的協議以屬公平合理，且符合本公司股東整體利益的條款進行。

本公司核數師信永中和(香港)會計師事務所有限公司已審閱是項持續關連交易，並確認持續關連交易(i)已獲董事會批准；及(ii)乃根據監管交易的該協議進行。前述交易於董事會在相關董事會會議上批准、確認及追認時經已中止，因此，本公司並無為該持續關連交易設定年度上限。除日期為二零一八年一月二十二日有關持續關連交易的公佈應按照上市規則第十四A章規定盡快公佈外，本公司一直遵守上市規則第十四A章的披露規定。有關理由的詳情請參閱該公佈。

除上文所披露者外，綜合財務報表附註29所載之關連方交易並不構成上市規則所界定的關連/持續關連交易。

### 股息

董事會欣然建議向於二零一八年六月八日名列本公司股東名冊之股東派發截至二零一七年十二月三十一日止年度的末期股息每股1.20港仙。擬派末期股息如於本公司應屆股東週年大會(「股東週年大會」)獲批准，預期將於二零一八年七月九日以現金派發。

# Directors' Report

## 董事會報告書

### Directors

The Directors of the Company during the year and up to the date of this report are:

#### Executive Directors:

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

#### Independent non-executive Directors:

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

By virtue of Article 108(A) of the Articles of Association of the Company (the "Articles"), Mr. Tian Qixiang, Mr. Liu Xianggang and Professor Hua Qiang will retire and, being eligible, offer themselves for re-election at the forthcoming AGM.

None of the above Directors proposed for re-election has entered into any service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and considers that all of them are independent.

### Directors' Interest in Transaction, Arrangement or Contract of Significance

No transaction, arrangement or contract of significance in relation to the Group's business to which the Group was a party and in which a Director or his connected entity had a material interest, whether directly or indirectly, subsisted during or at the end of the financial year.

### Permitted Indemnity

Pursuant to Article 191 of the Articles, the Directors and other officers of the Company shall be indemnified out of the Company's assets from and against all losses and liabilities which they may incur or sustain in the execution of their duties, excluding any losses and liabilities that may arise from fraud and dishonesty. The above indemnity provision was in force during the course of the year and remained in force as of the date of this annual report. In addition, the Company has maintained appropriate directors and officers liability insurance for the purpose of indemnifying for losses in respect of relevant legal actions against the Directors and other officers of the Company.

### 董事

年內及直至本報告日期止，本公司董事如下：

#### 執行董事

田其祥先生(主席)  
高世軍先生(行政總裁)  
劉象剛先生  
于英泉先生

#### 獨立非執行董事

花強教授  
孫明導先生  
余季華先生

根據本公司章程細則(「章程細則」)第108(A)條，田其祥先生、劉象剛先生及花強教授將退任，惟彼等均符合資格並願於應屆股東週年大會膺選連任。

以上建議重選連任的董事並無與本公司訂立任何不可由一年內毋須支付賠償(除法定賠償外)之情況下終止之服務合約。

本公司已收到每位獨立非執行董事根據上市規則第3.13條發出的年度獨立性確認函，並認為彼等全部具獨立性。

### 董事於重大交易、安排或合約中的權益

於本財政年度內或年度結束時，本集團並無參與與董事或其關連實體直接或間接擁有重大權益而有關本集團業務的重大交易、安排或合約。

### 獲准彌償

根據章程細則第191條，本公司董事及其他高級人員於執行職務時產生或蒙受的任何虧損及責任應以本公司資產作出彌償，惟由欺瞞及失實引致的任何虧損及責任除外。上述彌償條文於年內有效，且於本年報日期仍然具有效力。此外，本公司已就針對本公司董事及其他高級人員的相關法律行動所導致的彌償損失保留適當的董事及高級人員責任險。

# Directors' Report

## 董事會報告書

### Directors' And Chief Executive's Interests

As at 31 December 2017, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, were as follows:

Name of Director 董事姓名	The Company/ associated corporation 本公司／相聯法團	Capacity/ nature of interest 身份／權益性質	Number and class of securities held 持有證券數目及類別 (note 1) (附註1)	Percentage of shareholding 佔股權百分比 (note 3) (附註3)
Mr. Tian Qixiang 田其祥先生	The Company 本公司	Interest in a controlled corporation 受控制法團權益	3,705,385,194 ordinary shares of HK\$0.10 each (L) (note 2) 3,705,385,194 股每股面值 0.10 港元 的普通股(L)(附註2)	61.79%
	Merry Boom Group Limited 怡興集團有限公司	Beneficial owner 實益擁有人	131 ordinary shares of US\$1 each (L) 131 股每股面值 1 美元的普通股(L)	54.58%
Mr. Gao Shijun 高世軍先生	Merry Boom Group Limited 怡興集團有限公司	Beneficial owner 實益擁有人	60 ordinary shares of US\$1 each (L) 60 股每股面值 1 美元的普通股(L)	25.00%
Mr. Yu Yingquan 于英泉先生	Merry Boom Group Limited 怡興集團有限公司	Beneficial owner 實益擁有人	1 ordinary shares of US\$1 each (L) 1 股每股面值 1 美元的普通股(L)	0.42%

Notes:

- (1) The letter "L" denotes the Directors' long position in the shares of the Company or the relevant associated corporation.
- (2) These shares were held by Merry Boom Group Limited. Merry Boom Group Limited is owned as to approximately 54.58% by Mr. Tian Qixiang. Mr. Tian is deemed to be interested in all the shares held by Merry Boom Group Limited under the SFO.
- (3) The percentage of shareholding is calculated on the basis of 5,995,892,043 issued shares of the Company as at 31 December 2017.

### 董事及主要行政人員的權益

於二零一七年十二月三十一日，董事及本公司主要行政人員於本公司或其任何相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債券中，擁有根據證券及期貨條例第352條須記錄於本公司存置的登記冊內或根據上市規則所載的上市發行人董事進行證券交易的標準守則(「標準守則」)須另行知會本公司及聯交所的權益及淡倉如下：

附註：

- (1) 字母「L」表示董事於本公司或有關相聯法團股份的好倉。
- (2) 此等股份由怡興集團有限公司持有。怡興集團有限公司由田其祥先生擁有約54.58%權益。根據證券及期貨條例，田先生被視為於怡興集團有限公司持有的所有股份中擁有權益。
- (3) 持股百分比乃根據二零一七年十二月三十一日5,995,892,043股已發行股份計算。

Save as disclosed above, as at 31 December 2017, none of the Directors and the chief executive of the Company nor their respective associates had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be recorded in the register kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零一七年十二月三十一日，董事及本公司主要行政人員或彼等各自的聯繫人概無於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中，擁有根據證券及期貨條例第352條須記錄於本公司存置的登記冊內或根據標準守則須另行知會本公司及聯交所的任何權益或淡倉。

### Share Option Scheme

The original share option scheme adopted by the Company on 5 September 2007 expired on 4 September 2017 (the "Expired Share Option Scheme"). Therefore, the Company adopted a new share option scheme (the "New Share Option Scheme") on 19 May 2017.

The major terms of the New Share Option Scheme are as follows:

1. The purpose of the New Share Option Scheme is to enable the Group to grant options to eligible persons as incentives or rewards for their contribution to the Group and to enable the Group to attract, recruit and retain senior management, key employees and human resources that are valuable or potentially valuable to the Group.
2. Eligible participants of the New Share Option Scheme are (a) any employee (whether full-time or part-time including any executive director but excluding any non-executive director) of the Company, any of its subsidiaries or any entity ("Invested Entity") in which any member of the Group holds an equity interest; (b) any non-executive directors (including independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity; (c) any supplier of goods or services to any member of the Group or any Invested Entity; (d) any customer of any member of the Group or any Invested Entity; (e) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; (g) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; (h) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.
3. The maximum number of shares of the Company (the "Shares") which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 30% of the number of issued Shares from time to time. The total number of the Shares which may be allotted and issued upon the exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the New Share Option Scheme and any other share option scheme of the Group) to be granted under the New Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the issued Shares as at the date of approval of the New Share Option Scheme.

### 購股權計劃

本公司於二零零七年九月五日採納的原有購股權計劃(「已屆滿購股權計劃」)已於二零一七年九月四日屆滿。因此，本公司於二零一七年五月十九日採納一項新購股權計劃(「新購股權計劃」)。

新購股權計劃的主要條款如下：

1. 新購股權計劃的目的為讓本集團可向合資格人士授出購股權，作為彼等對本集團所作貢獻的激勵或獎勵，以及讓本集團可吸引、招聘及挽留高級管理層、主要僱員及對本集團有價值或潛在價值的人力資源。
2. 新購股權計劃的合資格參與者為：(a)本公司、其任何附屬公司或本集團任何成員公司擁有股權的任何實體(「投資實體」)的任何僱員(無論全職或兼職，包括執行董事，但不包括非執行董事)；(b)本公司、其任何附屬公司或任何投資實體的任何非執行董事(包括獨立非執行董事)；(c)向本集團任何成員公司或任何投資實體提供貨物或服務的供應商；(d)本集團任何成員公司或任何投資實體的任何客戶；(e)向本集團任何成員公司或任何投資實體提供研究、開發或其他技術支援的任何人士或實體；(f)本集團任何成員公司或任何投資實體的任何股東或本集團任何成員公司或任何投資實體所發行的任何證券的任何持有人；(g)本集團任何成員公司或投資實體的任何業務領域或業務發展的任何顧問(專業或其他)或諮詢人；(h)任何其他已經或可能透過合資、業務聯合或其他業務安排而對本集團的發展及增長作出貢獻的參與者小組或類別。
3. 因行使根據新購股權計劃和本集團採納的其他購股權計劃授出而尚未行使的購股權而可能發行的本公司股份(「股份」)上限，合計不得超過不時已發行股份數目的30%。因行使根據新購股權計劃和本集團任何其他購股權計劃授出的全部購股權(就此而言，不包括根據新購股權計劃及本集團任何其他購股權計劃的條款已失效的購股權)而可能配發及發行的股份數目總額，合計不得超過股份於批准新購股權計劃當日已發行股份的10%。

# Directors' Report

## 董事會報告書

4. The total number of Shares issued and which may fall to be issued upon the exercise of the options granted under the New Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each grantee in any 12-month period shall not exceed 1% of the issued Share for the time being ("Individual Limit"). Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant must be separately approved by the shareholders of the Company in general meeting with such grantee and his associates abstaining from voting.
  5. Any grant of options under the New Share Option Scheme to a director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by independent non-executive directors of the Company (excluding independent non-executive director of the Company who or whose associates is the proposed grantee of the options). In addition, any grant of options to a substantial shareholder or an independent non-executive director of the Company or any of their respective associates, in excess of 0.1% of the issued Shares at any time or with an aggregate value (based on the closing price of the Shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval of the Company in a general meeting.
  6. The exercise period of the share options granted under the New Share Option Scheme is determined by the directors of the Company, which period may commence from the date of the offer for the grant of options is made, but shall end in any event not later than 10 years from the date of the offer for the grant of the option or the expiry date of the New Share Option Scheme, whichever is earlier, subject to the provisions for early termination as stated in the New Share Option Scheme.
  7. The acceptance of an offer of the grant of the option must be made within 28 days from the date of the offer for the grant with a non-refundable payment of HK\$1.00 from the grantee.
  8. The exercise price of the share option is determined by the Board but shall not be less than the higher of (a) the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (c) the nominal value of the Shares.
  9. The New Share Option Scheme shall be valid and effective till 18 May 2027.
4. 於任何十二個月期間因行使根據新購股權計劃及本集團任何其他購股權計劃所授出的購股權(同時包括已行使或尚未行使購股權兩者)已向各承授人發行及可能發行的股份總數,不得超過當時已發行股份1%(「個別上限」)。倘於直至再授出購股權之日(包括該日)止之任何十二個月期間進一步授出超逾個別上限的購股權,須待於股東大會上另行取得本公司股東的批准,而承授人及其聯繫人須於會上放棄投票。
  5. 根據新購股權計劃授予本公司董事、主要行政人員或主要股東或彼等任何各自的聯繫人的購股權必須經本公司獨立非執行董事(不包括身為購股權建議承授人或其聯繫人為購股權建議承授人的本公司獨立非執行董事)的批准。此外,倘於十二個月期間內向本公司主要股東或獨立非執行董事或彼等任何各自的聯繫人授出購股權,但超過任何時間已發行股份0.1%,或按授出日期股份的收市價計算總值超過5,000,000港元,則須待股東於本公司股東大會上批准,方可作實。
  6. 根據新購股權計劃授出的購股權的行使期限由本公司董事釐定,該期間可由授出購股權建議日期起計,惟無論如何不遲於授出購股權建議日期後十年止,或新購股權計劃屆滿日期止(以較早者為準),惟可根據新購股權計劃所載有關條文提早終止。
  7. 授出購股權建議須於授出建議日期起計二十八日內接納,而承授人於接納時須支付不可退回款項1.00港元。
  8. 購股權的行使價由董事會釐定,但不得少於以下較高者:(a)股份於授出日期在聯交所日報表上所列的收市價;(b)股份於緊接授出日期前五個營業日在聯交所日報表上所列的平均收市價;及(c)股份面值。
  9. 新購股權計劃有效至二零二七年五月十八日止。

As at 31 December 2017, no share option had been granted under the New Share Option Scheme and the Expired Share Option Scheme of the Company.

於二零一七年十二月三十一日,概無根據本公司新購股權計劃及已屆滿購股權計劃而授出購股權。

# Directors' Report

## 董事會報告書

### Interests of the Substantial Shareholders and Other Persons

As at 31 December 2017, so far as is known to the Directors, the following persons, other than a Director or chief executive of the Company, have an interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

### 主要股東及其他人士的權益

於二零一七年十二月三十一日，據董事所知，按本公司根據證券及期貨條例第336條本公司須存置的登記冊所記錄，以下人士（董事或本公司主要行政人員除外）於本公司股份或相關股份中擁有權益或淡倉：

Name of shareholder 股東名稱	Capacity/nature of interest 身份／權益性質	Number of shares/ underlying shares 股份／相關股份數目 (note 1) (附註1)	Percentage of issued share capital 佔已發行股本百分比 (note 5) (附註5)
Merry Boom Group Limited 怡興集團有限公司	Beneficial owner 實益擁有人	3,705,385,194 (L)	61.79% (note 2) (附註2)
Victory Investment China Group Limited ("VICGL")	Benefit owner 實益擁有人	292,000,000 (L)	6.52% (note 3, 4) (附註3、4)
	Person having a securities interest 持有保證權益的人士	99,000,000 (L)	
Wang Ruiyun 王瑞雲	Interest in a controlled corporation (VICGL) 受控制法團權益 (VICGL)	391,000,000 (L)	6.52% (note 3) (附註3)

Notes:

- The letter "L" denotes the long position in the shares of the Company.
- These shares were held by Merry Boom Group Limited. Merry Boom Group Limited is owned as to approximately 54.58% by Mr. Tian Qixiang, an executive Director and Chairman of the Company. Mr. Tian is deemed to be interested in all the shares held by Merry Boom Group Limited under the SFO as disclosed under the paragraph headed "Directors' and Chief Executive's Interests" above.
- In accordance with the corporate and individual substantial shareholder notices of VICGL and Wang Ruiyun filed on 17 August 2010, they are interested in 145,000,000 underlying shares through the holding of certain unlisted cash-settled equity derivatives, and VICGL is wholly owned by Wang Ruiyun. Wang Ruiyun is deemed to be interested in all the Shares held by VICGL under the SFO.
- In accordance with the corporate substantial shareholder notice of VICGL filed on 17 August 2010, VICGL holds a long position in 99,000,000 shares jointly with another corporate shareholder named "Goldstone Fund Ltd".
- The percentage of shareholding is calculated on the basis of 5,995,892,043 issued shares of the Company as at 31 December 2017.

附註：

- 字母「L」指於本公司股份的好倉。
- 此等股份由怡興集團有限公司持有。怡興集團有限公司由本公司執行董事兼主席田其祥先生擁有約54.58%權益。根據證券及期貨條例，如上文「董事及主要行政人員的權益」一段所披露，田先生被視為於怡興集團有限公司持有的所有股份中擁有權益。
- 根據VICGL及王瑞雲於二零一零年八月十七日提交的法團及個人大股東通知，彼等透過持有若干非上市現金結算權益衍生工具而擁有145,000,000股相關股份權益，VICGL乃由王瑞雲全資擁有。根據證券及期貨條例，王瑞雲被視為於VICGL持有的所有股份中擁有權益。
- 根據VICGL於二零一零年八月十七日提交的法團大股東通知，VICGL與另一名法團股東「Goldstone Fund Ltd」共同持有99,000,000股股份的好倉。
- 持股百分比乃根據二零一七年十二月三十一日本公司有5,995,892,043股已發行股份計算。

Save as disclosed above, as at 31 December 2017, there were no any other persons (other than the Directors and chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which were required to be recorded in the register kept by the Company pursuant to section 336 of the SFO.

除上文所披露者外，於二零一七年十二月三十一日，概無任何其他人士（除董事及本公司主要行政人員外）於本公司股份或相關股份中擁有根據證券及期貨條例第336條須記錄於本公司存置的登記冊內的權益或淡倉。

# Directors' Report

## 董事會報告書

### Arrangement to Acquire Shares or Debentures

Other than the New Share Option Scheme as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangement which enables the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### Purchase, Sale or Redemption of the Company's Listed Securities

There was no purchase, sale or redemption of the Company's listed securities during the year ended 31 December 2017.

### Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to its existing shareholders.

### Major Customers and Suppliers

During the year, sales to the Group's five largest customers accounted for less than 30% of the Group's turnover and purchases from the Group's five largest suppliers accounted for less than 30% of the total purchases of the Group.

### Public Float

Based on the information that is publicly available to the Company and within the knowledge of its Directors, as at the date of this report, there is sufficient public float of not less than 25% of the Company's total issued shares as required under the Listing Rules.

On behalf of the Board

#### Tian Qixiang

Chairman

Shouguang, The People's Republic of China

26 March 2018

### 購入股份或債券的安排

除上文所披露之購股權計劃外，於年內任何時間本公司或其任何附屬公司概無參與任何可令董事藉購入本公司或任何其他法人團體的股份或債券而獲益的安排。

### 購買、出售或贖回本公司的上市證券

截至二零一七年十二月三十一日止年度，概無購買、出售或贖回任何本公司的上市證券。

### 優先購買權

章程細則或開曼群島法例概無載列有關本公司須按比例基準向現有股東發售新股份的優先購買權條文。

### 主要客戶及供應商

年內，向本集團五大客戶作出的銷售額佔本集團營業額不足30%，而本集團五大供應商作出的採購額佔本集團採購總額不足30%。

### 公眾持股量

根據本公司公開可得的資料及就其董事所知，於本報告日期，本公司按上市規則規定維持不少於本公司已發行股份總數25%的足夠公眾持股量。

代表董事會

#### 田其祥

主席

中華人民共和國，壽光

二零一八年三月二十六日

# Management Discussion and Analysis

## 管理層討論及分析

### INDUSTRY OVERVIEW AND COMPANY DEVELOPMENT

The average cost of corn in 2017 was lower than that of 2016 and the market demand for various products rebounded accordingly. The sales volume of products recorded general growth, thus increasing the revenue of the Group significantly. In general, the Group achieved record highs in terms of production capacity and market competitiveness. According to the analysis on the market performance as a whole, prices of bulk raw materials, such as corn, bottomed out and the entire domestic economic situation began improving. As a result, the management is relatively optimistic about the business performance in 2018. However, unfavourable factors, including more stringent environmental requirements, increase in raw material prices of corn, increase in costs of power and steam as a result of increase in coal price will exert heavier burdens on the industry. Moreover, the recovery of production capacity of the corn processing industry will also lead to more intense market competition in the coming year. In order to enhance our competitiveness, the Group will further reduce costs by saving energy and reducing material consumption.

As disclosed in the announcement of the Company dated 5 July 2017, Shandong Shouguang Juneng Golden Corn Development Co., Ltd., an indirect wholly-owned subsidiary of the Company, established a joint venture, Shouguang Golden Corn Biotechnology Limited ("Golden Corn Biotech"), with Linqing Deneng Bio Technology Limited. The construction of the production base of Golden Corn Biotech will commence in 2018 and the production base is expected to commence operation by the end of 2019. If the plan progresses as scheduled, certain facilities will be completed by the end of 2018, and testing and adjustment of various equipment will commence then. In addition to continuing to engage in the production and sales of cornstarch and lysine, Golden Corn Biotech will also engage in the development of other new varieties of amino acid products. This is in line with the Group's strategy of long-term development in the corn-refinery market. The project investment will be financed by internal funds of the Group and the capital expenditure is estimated to be not more than RMB 1 billion.

The Company is going to take upcoming challenges in a steady and pragmatic manner.

### 行業概覽及公司發展

二零一七年的玉米成本平均價格比二零一六年低，各類產品市場需求回升，產品銷量普遍錄得增長。本集團的營業收入因此而獲得明顯提升。整體來看本集團的產能和市場競爭力都取得了歷史新高。從整體市場表現分析，玉米等大宗原料價格已經觸底回升，整個國內經濟行情也開始回暖。因此，管理層對二零一八年業務表現相對樂觀。然而，越來越嚴格的環保要求、玉米原料價格上升、煤碳價格上漲令電力和蒸汽成本增加等不利因素，將會增加業界不少壓力。再者，玉米加工行業產能回升，亦令來年的市場競爭更加激烈。本集團將進一步通過節能降耗，降低成本以提升競爭力。

誠如本公司日期為二零一七年七月五日的公告所披露，本公司一家間接全資附屬公司山東壽光巨能金玉米開發有限公司與臨清德能生物科技有限公司共同成立了一家合資公司——壽光金玉米生物科技有限公司（「金玉米生物科技」）。金玉米生物科技的生產基地建造工程將會在二零一八年全面展開，並計畫於二零一九年年底前投產。如果計劃順利，部分設施可於二零一八年底前建成並開始調試各種設備。金玉米生物科技除了繼續從事生產和銷售玉米澱粉和賴氨酸業務，還將會從事開展其他新品種氨基酸產品。這符合本集團在玉米深加工市場長期發展的策略。該項目投資會由本集團的內部資金支付，預計資本開支不會超過人民幣十億元。

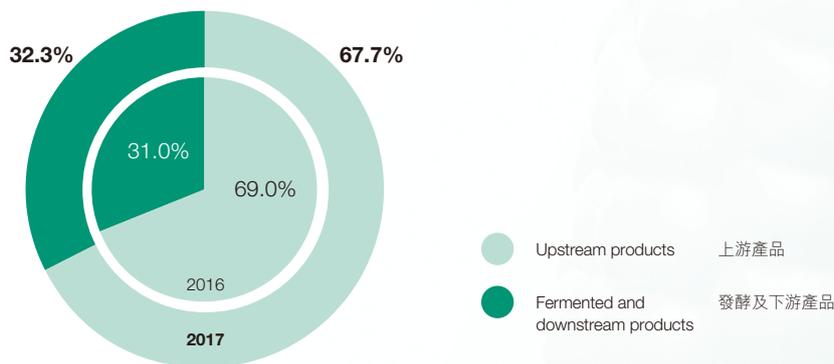
本公司將會以穩健和踏實的態度去應對未來各種挑戰。

# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS REVIEW

The following chart shows the contribution of (i) upstream products and (ii) fermented and downstream products to the Group's revenue in the past two years:



### Upstream Products

Upstream products represent cornstarch and ancillary corn-refined products, which have a variety of application potentials depending on our customers' industry sectors.

During the year under review, the market demand for corn starch remained strong. However, the performance of ancillary corn-refined products was affected by the low prices of raw materials, such as corn kernel, soybean oil and soybean meal, and the performance of this business segment was impaired by the sales performance of certain by-products.

### Fermented and Downstream Products

Fermented and downstream products consist of lysine, starch-based sweetener, modified starch, and other fermented products derived from cornstarch.

During the year under review, this business segment recorded satisfactory performance in terms of sales. Against the backdrop of the recovery demand of the feed industry, the demand for lysine maintained at a relatively high level and the export market was stable also. Currently, the supply and demand of the domestic market of starch-based sweetener is relatively balanced. In respect of modified starch, the selling price dropped along with the decline in corn prices. As a result, domestic and international markets significantly regain their interest in modified starch produced in China.

### 業務回顧

下圖顯示(i)上游產品；及(ii)發酵及下游產品在過去兩個年度對本集團收入的貢獻：

### 上游產品

上游產品指玉米澱粉及玉米深加工副產品，視乎我們客戶所處行業，有關產品有不同的應用可能。

於本年度回顧期間，玉米澱粉市場需求一直保持旺盛。然而，玉米深加工副產品的表現受到玉米粒、豆油和豆粕等原材料價格低迷影響，部份副產品銷售表現影響了本業務板塊的表現。

### 發酵及下游產品

發酵及下游產品則包括賴氨酸、澱粉糖、變性澱粉及其他發酵產品（全部均利用玉米澱粉生產）。

於本年度回顧期間，本業務板塊的產品銷售表現理想。受飼料養殖業行業需求回升影響，賴氨酸保持了較高的需求狀態，出口市場也相對穩定。國內的澱粉糖市場目前處於供應和需求較為平衡狀態。變性澱粉方面，受惠玉米成本下降令銷售價格回落，國內外市場明顯恢復國產變性澱粉的興趣。

# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL PERFORMANCE

#### Overview

During the year under review, the Group recorded a total revenue of approximately RMB4,695 million (2016: RMB4,398 million). Gross profit of the Group increased significantly by 24.6% to approximately RMB620 million (2016: RMB497 million).

Profit after taxation increased significantly to RMB394 million (2016: RMB219 million). Basic earnings per share of the Company was RMB0.0647 per share based on the weight average number of 5,995,892,000 ordinary shares (2016: RMB0.0356 per share based on the weight average number of 5,995,892,000 ordinary shares).

#### Segment Performance

##### Upstream products

Revenue	收入
Gross profit	毛利
Gross profit margin	毛利率

Revenue of upstream products increased mildly by 4.8% to RMB3,177,310,000 (2016: RMB3,032,633,000). The gross profit margin of this business segment increased by 0.7 percentage point to 8.0%. During the year under review, sales volume of cornstarch increased to approximately 1,141,913 tonnes (2016: 1,079,456 tonnes) while the average selling price of cornstarch decreased to RMB1,868 (2016: RMB1,903) per tonne.

### 財務表現

#### 概覽

於回顧年度，本集團錄得總收入約人民幣4,695,000,000元(二零一六年：人民幣4,398,000,000元)。本集團的毛利大幅上升24.6%至約人民幣620,000,000元(二零一六年：人民幣497,000,000元)。

除稅後溢利大幅上升至人民幣394,000,000元(二零一六年：人民幣219,000,000元)。根據加權平均股數5,995,892,000股普通股計算，本公司的每股基本盈利為每股人民幣0.0647元(二零一六年：根據加權平均股數5,995,892,000股普通股計算為每股人民幣0.0356元)。

#### 分部表現

##### 上游產品

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Revenue	收入	3,177,310	3,032,633
Gross profit	毛利	254,970	222,034
Gross profit margin	毛利率	8.0%	7.3%

上游產品的收入溫和上升4.8%至人民幣3,177,310,000元(二零一六年：人民幣3,032,633,000元)。本集團毛利率上升0.7個百分點至8.0%。於回顧年度內，玉米澱粉的銷量增加至約1,141,913噸(二零一六年：1,079,456噸)，而玉米澱粉的平均售價則下降至每噸人民幣1,868元(二零一六年：人民幣1,903元)。

# Management Discussion and Analysis

## 管理層討論及分析

### Fermented and downstream products

### 發酵及下游產品

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Revenue	收入		
- Lysine	- 賴氨酸	<b>941,098</b>	850,250
- Starch-based sweetener	- 澱粉糖	<b>271,853</b>	265,399
- Modified starch	- 變性澱粉	<b>275,627</b>	224,679
- Others	- 其他	<b>28,653</b>	24,883
<b>Total</b>	<b>總計</b>	<b>1,517,231</b>	1,365,211
Gross profit	毛利	<b>364,573</b>	275,061
Gross profit margin	毛利率	<b>24.0%</b>	20.1%

Revenue of fermented and downstream products for the year increased significantly by 11.1%. As consistent with last year, lysine products was the major revenue contributor to this business segment. The overall selling prices of this business segment were higher than that of previous year.

During the year under review, demand of lysine from both domestic and overseas markets were increasing. The average selling price of lysine products increased to RMB5,977 (2016: RMB5,653) per tonne. The sales volume for the year under review was 157,456 tonnes (2016: 150,414 tonnes).

Starch-based sweetener performance was relatively stable for the year under review. Revenue of starch-based sweetener was approximately RMB271,853,000 (2016: RMB265,399,000). The average selling price of starch-based sweetener was about RMB1,956 (2016: RMB1,939) per tonne.

Revenue of modified starch increased substantially by 22.7% to RMB275,627,000 (2016: RMB224,679,000). The export of modified starch provided major momentum to an increase in sales for the year under review. Export sales of modified starch represented about 27.3% (2016: 19.8%) of total modified starch sales.

Other fermented and downstream products sales represented new generation and environmental-friendly products. The production scale and the size of domestic market were comparatively smaller than other businesses of the Group. Revenue of these product was approximately RMB28,653,000 (2016: RMB24,883,000).

發酵及下游產品於年內之收入大幅上升11.1%。與去年的情況一致，賴氨酸產品為本業務分部的主要收入來源。本業務分部的整體售價較去年高。

於回顧年度內，本地及海外市場對賴氨酸的需求持續上升。於回顧年度，賴氨酸產品的平均售價上升至每噸人民幣5,977元（二零一六年：人民幣5,653元）。於回顧年度的銷量為157,456噸（二零一六年：150,414噸）。

澱粉糖於回顧年度內的平穩相對平穩。澱粉糖的收入約為人民幣271,853,000元（二零一六年：人民幣265,399,000元）。於回顧年度，澱粉糖的平均售價約為每噸人民幣1,956元（二零一六年：人民幣1,939元）。

變性澱粉的收入大幅上升22.7%至約人民幣275,627,000元（二零一六年：人民幣224,679,000元）。變性澱粉出口業務為回顧年度銷售增長的主要動力。變性澱粉的出口銷售額佔變性澱粉總銷售額的比例約為27.3%（二零一六年：19.8%）。

其他發酵及下游產品的銷售指新一代及環保產品。本地市場的生產規模及大小相比本集團其他業務為小。該等產品的收入約為人民幣28,653,000元（二零一六年：人民幣24,883,000元）。

# Management Discussion and Analysis

## 管理層討論及分析

### Cost of sales

The major cost components mainly consisted of corn kernel and utilities expenses, which represented about 80.8% and 7.8% (2016: 82.2% and 7.5%) of total cost of sales respectively. The average corn kernel price in 2017 was approximately RMB1,490 (2016: RMB1,540) per tonne. In general, the material cost and utilities expenses per output unit were not materially fluctuated over the year.

The Group did not enter into any new forward/futures contract to hedge the price fluctuation of corn kernel during the year review. The Group makes purchases from the spot market in accordance with its production schedule.

### Review of Other Operations

#### Other gains and losses

The net amount of other gains and losses increased substantially to approximately RMB105,868,000 from RMB12,558,000. The increase was mainly attributable to (i) the receipt of government subsidy of approximately RMB97 million for the losses incurred during the relocation of Shouguang production site and (ii) the amortisation of government subsidy of approximately RMB13 million for acquisition of new production facilities in Shouguang new production site. These favourable factors was offset by the loss on disposal of certain property, plants and equipment of approximately RMB11 million for the year under review.

## HUMAN RESOURCES AND REMUNERATION POLICIES

As at 31 December 2017, the Group had 2,133 (2016: 2,163) full time staff. Total staff costs, including Directors' emoluments, of the Group were approximately RMB167 million (2016: RMB159 million). The Group considers the experience, responsibility, and performance of the Directors and employees of the Group in order to determine their respective remuneration packages.

On 19 May 2017, the Company adopted a new share option scheme (the "New Share Option Scheme") to replace the previous share option scheme which expired on 4 September 2017 (the "Expired Share Option Scheme"). The purpose of both New Share Option Scheme and Expired Share Option Scheme is to enable the Group to grant options to eligible persons as incentives or rewards for their contribution to the Group and to enable the Group to attract, recruit and retain senior management, key employees and human resources that are valuable or potentially valuable to the Group.

In addition, a remuneration committee is delegated by the Board to review and determine the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management.

As at 31 December 2017, no share options have been granted under the New Share Option Scheme and the Expired Share Option Scheme.

### 銷售成本

成本的主要組成部分主要為玉米粒及公共事業開支，分別佔總銷售成本約80.8%及7.8%（二零一六年：82.2%及7.5%）。於二零一七年，玉米粒的平均價格約為每噸人民幣1,490元（二零一六年：人民幣1,540元）。整體而言，每產出單位的重大成本及公共事業開支於年內並無出現重大波幅。

本集團於回顧年度內並無訂立任何新的遠期/期貨合約對沖玉米粒的價格波動。本集團會根據本身的生產計劃在現貨市場進行採購。

### 其他營運回顧

#### 其他收益及虧損

回顧期間的其他收益及虧損淨額由人民幣12,558,000元大幅上升至約人民幣105,868,000元。其他收益及虧損上升主要由於(i)就壽光生產廠房搬遷期間所產生的虧損收取政府補貼約人民幣97,000,000元；及(ii)壽光新生產廠房購買新生產設施所獲得的政府補貼約人民幣13,000,000元的攤銷。該等有利因素被回顧年度內出售若干物業、廠房及設備的虧損約人民幣11,000,000元所抵銷。

### 人力資源及薪酬政策

於二零一七年十二月三十一日，本集團聘用2,133名（二零一六年：2,163名）全職員工。本集團的總員工成本（包括董事酬金）約為人民幣167,000,000元（二零一六年：人民幣159,000,000元）。於釐定本集團各董事及僱員的薪酬組合時，本集團會考慮彼等各自的經驗、職責及表現。

於二零一七年五月十九日，本集團採納一項新購股權計劃（「新購股權計劃」）以取代於二零一七年九月四日屆滿的前購股權計劃（「已屆滿購股權計劃」）。新購股權計劃及已屆滿購股權計劃的目的為讓本集團向合資格人士授出購股權，作為彼等對本集團所作貢獻的獎勵及回報，以及讓本集團可吸引、延攬及挽留高級管理層、主要僱員及對本集團而言屬或可能屬寶貴的人力資源。

此外，薪酬委員會獲董事會委派審閱及釐定薪酬待遇的條款、花紅及應付予董事及高級管理層的其他報酬。

於二零一七年十二月三十一日，本公司並無根據新購股權計劃及已屆滿購股權計劃授出任何購股權。

# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL MANAGEMENT AND TREASURY POLICY

The Group adopts a conservative approach for cash management and investment on uncommitted funds. The primary purpose of our financial management and treasury policy is to ensure possessing sufficient cash and available banking facilities to meet its commitment on one hand and to obtain better return on the other hand. Any unused fund is not only placed on short-term/fixed deposits with authorised financial institutions in Hong Kong and/or the People's Republic of China (the "PRC"), but also short-term capital-and-reward guaranteed financial instruments.

### FOREIGN CURRENCY EXPOSURE

The Directors do not consider the exposure to foreign exchange risk being significant to the Group's operation as the Group operated mainly in the PRC and most of the Group's transactions, assets and liabilities were denominated in Renminbi. Foreign currencies were however received from export sales. Such proceeds were subject to foreign exchange risk before converting into Renminbi. The foreign currencies received from export sales were converted into Renminbi upon receipt from overseas customers. The Group manages foreign exchange risk by monitoring the exchange rates closely instead of entering into any foreign exchange hedging arrangement.

### LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The key financial performance indicators, including gearing ratio, of the Group for the year ended 31 December 2017 and its comparative figures are set out on page 101.

The Directors are of the opinion that the working capital available to the Group is sufficient for its present requirements. The Group's borrowing, cash and cash equivalents were mostly denominated in Renminbi. As at 31 December 2017, the borrowing was approximately RMB4,432,000 (2016: RMB4,432,000) and interest-free. In addition, most of the borrowing was with a maturity within one year.

### PLEDGE OF ASSETS

As at 31 December 2017, bills payables were secured by bank acceptance bills and bank deposits of RMB2,000,000 and RMB 3,000,000 respectively. As at 31 December 2017, the Group did not pledge any leasehold land and building to secure banking facilities.

### CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2017.

### 財務管理及庫務政策

本集團對並無指定用途的資金採取保守的現金管理及投資策略。我們財務管理及庫務政策的主要目的為確持有足夠現金及可動用銀行信貸應付其承諾，以及取得更佳的回報。任何尚未動用的資金除會存放於香港及／或中華人民共和國（「中國」）的認可財務機構作短期／定期存款外，亦會用作購買短期資本及回報保證財務工具。

### 外匯風險

鑒於本集團主在中國經營業務，而大部分交易、資產及負債乃以人民幣計值，故董事認為本集團業務並無承受重大外匯風險。然而，出口銷售所收取的貨幣款為外幣。有關款項於兌換為人民幣前須承受外匯風險。至於向海外客戶進行出口銷售收取的外幣，均於收取時兌換為人民幣。本集團並無以訂立外匯對沖安排的方式管理外匯風險，而是透過密切留意匯率管理風險。

### 流動資金、財務資源及資本架構

本集團截至二零一七年十二月三十一日止年度的關鍵財務指標（包括槓桿比率）及其比較數字載於第101頁。

董事認為，本集團可動用的營運資金足以應付其現有所需。本集團之借款、現金及現金等價物大部分以人民幣計值。於二零一七年十二月三十一日，借款約為人民幣4,432,000元（二零一六年：人民幣4,432,000元），並為免息。此外，大部分借款為於一年內到期。

### 資產抵押

於二零一七年十二月三十一日，應付票據分別由約人民幣2,000,000元的銀行承兌票據及約人民幣3,000,000元的銀行存款作抵押。於二零一七年十二月三十一日，本集團並無抵押任何租賃土地及樓宇作為銀行信貸之抵押。

### 或然負債

於二零一七年十二月三十一日，本集團並無任何重大或然負債。

# Management Discussion and Analysis

## 管理層討論及分析

### DISTRIBUTABLE RESERVES

As at 31 December 2017, the Company's reserves available for distribution to shareholders amounted to approximately RMB141,384,000. The amount of distributable reserves included the Company's share premium of approximately RMB98,084,000, which may be distributed provided that the Company would remain solvent after the distribution of dividend.

### 可供分派儲備

於二零一七年十二月三十一日，本公司可供分派予股東的儲備約為人民幣141,384,000元。可供分派儲備金額包括本公司股份溢價約人民幣98,084,000元，有關金額可在本公司於分派股息後仍有償債能力的情況下作出分派。

# Environmental and Sustainability Report

## 環境及可持續發展報告

### Basis of preparation

The preparation of this report was conducted mainly with reference to the “Environmental, Social and Governance Reporting Guide” set out in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. We aimed to provide a balanced and comprehensive review on mainly the environment and social performance of different areas in our Group with our major stakeholders in this report. We used priority issue analysis to identify and focus the primary needs and issues faced by our stakeholder groups.

This report covered the overall environmental and social performance of all major subsidiaries of the Group which are set out in note 33 to the consolidated financial statements during the year ended 31 December 2017.

### What we believe

Cornstarch is one of the most versatile, renewable and easily workable resources which also has a wide range of application in various industries. From the clothing we wear to the food and beverage served in the restaurant, cornstarch is one of the most commonly used components of tens of thousands of manufactured products nowadays. Thus, we maintain a positive view on our business in the long run because of the following reasons:

1. The cornstarch consumption per capita in China is far less than those in the developed countries in the world, which represents a massive potential for market growth and promising prospects for manufacturers of cornstarch and related products.
2. The application of cornstarch is a blue ocean because the potential application of cornstarch is still being developed by scientists.
3. We are located in a major corn-belt and are close to customers.
4. Cornstarch has low substitutability and are non-reusable.

With our strong platform, we are positioned to capture the benefits of an increasing market share and are well prepared for further sustainable growth. Even though we are facing the current tough global environment, our objective remains unchanged, which is to be in a leading position in the corn-refinery industry in the People's Republic of China (the “PRC”). To achieve this goal, the Directors and the Board's executive management teams are engaged in expanding our Group in various aspects, including our production capacity of cornstarch and lysine products, our product pipeline, our marketing force and our market coverage. The Company is also committed to enhancing our research and development capability.

### 編製基準

本報告主要參考載於香港聯合交易所有限公司證券上市規則附錄27的「環境、社會及管治報告指引」所編製。我們主要基於本集團在不同領域的環境及社會表現，旨在透過本報告向主要持份者提供平衡而全面的回顧。我們利用優先問題分析的方法識別及集中處理我們的持份者群組所面對主要需求及問題。

本報告涵括本集團所有主要附屬公司的整體環境及社會表現。附屬公司詳情載於截至二零一七年十二月三十一日止年度的合併財務報表附註33。

### 我們的信念

玉米澱粉是其中一種用途最多、可再生及可輕易成形的資源，並獲不同行業廣泛應用。時至今日，玉米澱粉已成為最常用的產品材料之一，用於生產數以萬計的產品，在我們身上的衣服以至餐廳所供應的飲料，都可以發現玉米澱粉的蹤跡。因此，我們對業務的長遠前景繼續持正面看法，原因如下：

1. 中國玉米澱粉的人均消耗量遠低於全球其他發達國家，顯示市場有巨大增長潛力，以及玉米澱粉及相關產品生產商的前景一片光明。
2. 科學家仍在發掘玉米澱粉的潛在用途，可見玉米澱粉尚有很多未被發現的用處。
3. 我們位處主要玉米帶，並毗鄰客戶。
4. 玉米澱粉替代性低，且不能被重複使用。

憑藉我們強大的平台，我們已作好準備，把握市場份額上升所帶來的好處，並已為達到進一步可持續增長作好部署。雖然我們現時所面對的全球環境十分嚴峻，但我們成為中華人民共和國（「中國」）玉米深加工業領導者的目標並未因而改變。為達到有關目標，董事及董事會執行管理團隊已全力提升本集團於多個不同方面的能力，包括提升玉米澱粉及賴氨酸產品的產能、拓展產品渠道、增強市場推廣力度及拓展市場覆蓋率。本公司亦致力提升研究及開發能力。

# Environmental and Sustainability Report

## 環境及可持續發展報告

Goal 目標	Method 方法	Outcome 結果
Become a market leader in the corn refinery industry in China 成為中國玉米深加工業的市場領導者	<ul style="list-style-type: none"> <li>• Cost control 成本控制</li> <li>• Strengthen the balance sheet 加強資產負債狀況</li> <li>• Research and development 研究及開發</li> </ul>	Create value to our shareholders 為股東創造價值

### Major Stakeholders to the Group

The Group's sustainability is highly dependent on the relationship with its stakeholders. Besides creating value to shareholders of the Company, we also create value to our stakeholders beyond monetary terms. We are committed to balancing financial performance with how we do business, how we treat our people, how we live the values in our business relationships and how we care for the environment which we rely on. We have six major stakeholder groups which can participate in or affect our decision-making process and influence our business outcomes.

#### A. Employee

We recognise that the health and safety of our people come first as they are key to our long-term success. This is core to us and to every aspect of our business. We believe the achievement of positive workplace relations is mutually beneficial to the Group and our employees as workplace efficiency is achieved when labour relationships allow for a culture of continuous improvement and acceptance of change. Thus, we encourage communication at all levels. Apart from regular meetings with the representative of the Group's labour union, we also obtain opinions from and provide feedbacks within our workgroups in order to ensure continual improvement for the work environment and other staff-related matters. To understand, manage and, where possible, minimise occupational injuries or illnesses in our business is equally important. We have appropriate controls in place and provide our people with appropriate training. On-the-job trainings related to individual development are also provided to our people to enhance skills and capabilities for discharging duties at work.

### 本集團的主要持份者

本集團的可持續性很大程度上取決於其與持份者的關係。除為本公司股東創造價值外，我們亦為持份者創造金錢以外的價值。我們致力在財務表現與經營、員工待遇、於業務關係中體現我們價值及關愛我們賴以維生的環境的方式間取得平衡。我們有六個主要持份者集團參與或能影響我們的決策程序，且能對我們的業務結果造成影響。

#### A. 僱員

我們深明將員工的健康及安全放於首位的重要性，因為彼等是我們取得長遠成功的關鍵。這亦是我們及業務所有方面的核心。我們認為維持積極的員工關係對本集團及僱員雙方均有益處，倘勞資關係能夠成就不斷改進並接受轉變的文化，即能達到職場效率。因此，我們鼓勵不同級別的員工進行溝通。除與本集團工會代表舉行定期會議，我們亦會聽取不同工作小組的意見及作出回應，以確保持續改進工作環境及其他員工相關事宜。清楚明白及應付職業傷病問題，及於可行情況下將發生職業傷病的機會降至最低同樣重要。我們已有合適的監控措施，並為員工提供合適培訓。我們亦為員工提供與其個人發展有關的在職培訓，以提升彼等於工作中執行職務的技能及能力。

# Environmental and Sustainability Report

## 環境及可持續發展報告

We, through the Safety and Supervision Department, had provided the following major training events and topics to our employees during the year:

此外，安監部於年內亦為僱員提供以下主要培訓項目及主題：

Major training event/activity	主要培訓項目／活動
Fire prevention and fire drill	防火及火警演習
Hazardous chemical leaking drill	有害化物品洩漏演習
Safety laws and regulations	安全法例及規例
Occupational disease prevention training	職業疾病的防控培訓
Body check provided for selected staff with high occupational disease risk	為經選定的職業疾病高危員工提供身體檢查
Liquid flammable chemical rescue exercise	液體易燃化學品救援演習
Electrician, welder and boiler worker safety training	電工、焊工和鍋爐工人安全培訓
Flood control emergency exercise	緊急抗洪演習
Update and change of hazard identification and warning cards	更新及更換有害物品識別及警告卡
Code of practice on using forklift truck and loader	實用叉車及剷車的實務守則
Prevention of dust explosion	塵爆預防

At the same time, we strive to cultivate sustainable employment practices and labour standards by strictly complying with the PRC Labour Law, the PRC Labour Contract Law and other applicable PRC employment regulations throughout our production processes, and by promoting fair and equal treatment in all areas of human resources, including recruitment and promotion, compensation and dismissal, working hours, diversity, rest periods, anti-discrimination, and other benefits and welfare. We prohibit the employment and use of child and forced labour in any of our operations. We believe that the Group can uphold human rights, prevention of child labour and forced labour by strictly complying with the above laws and regulations and internal policy.

與此同時，我們在整個生產過程中嚴格遵守中國勞動法、中國勞動合同法及其他適用的中國僱傭法規，並在招聘及晉升、賠償及解僱、工時、多樣性、休息時間、反歧視及其他利益及福利等所有與人力資源有關的領域提倡公平及平等的待遇，致力建立可持續的僱傭常規。我們嚴禁旗下任何業務招聘及僱用童工及強制勞工。我們相信，通過嚴格遵守以上法律及法規以及內部政策，本集團能夠維護人權、防止出現童工及強迫勞動的情況。

In adherence with high standards of business ethics and anti-bribery policies, all employees (including Directors) are required to abide by our ethics policy. Our employees are prohibited from conducting themselves in any way which involves any illegal behaviours by taking advantage or abusing their positions, including but not limited to bribery, fraud and illegally obtaining or accepting benefits from others. In addition, a whistleblowing policy has been implemented to provide a secured reporting channel for employees and stakeholders including, among others, customers and suppliers to report any suspected misconduct or malpractice involving the Group.

為堅守高標準的商業道德和反賄賂政策，所有僱員（包括董事）均須遵守我們的道德政策。我們嚴禁僱員利用或濫用彼等職權進行任何形式的違法行為，包括（但不限於）賄賂、欺詐及違法取得或接受他人利益。此外，我們亦落實執行舉報政策，為僱員和持份人（包括（其中包括）客戶及供應商）提供安全的渠道舉報任何涉及本集團的疑似不當或不良行為。

During the year under review, there had been no incidences of non-compliance with relevant laws and regulations that have a significant impact on the Group regarding, among others, employment and labour practices, safety and health, preventing child and forced labour and anti-corruption and no legal proceedings or cases regarding corrupt practices had been instituted by or brought against the Group and/or its employees.

於回顧年度內，在（其中包括）僱傭及勞動常規、安全及健康、杜絕童工及強制勞工以及反貪方面，並無發生違反相關法律及法規，且對本集團有重大影響的事件 而本集團及／或其僱員並無提起或被提起與貪污行為有關的法律程序或案件。

# Environmental and Sustainability Report

## 環境及可持續發展報告

### B. Suppliers

We have developed trust with our suppliers. We, as a leading cornstarch manufacturer, play an important role in the procurement of corn kernel in Shouguang and Linqing districts, which are located in Shandong province. Our suppliers mainly consist of farmers, cooperatives, agents and traders. We provide our corn kernel offer price to our suppliers by using mobile technology. While our procurement is carried out on a 24/7 basis, we propose corn kernel offer prices to our suppliers through mobile technology to increase efficiency. We believe that our suppliers will deliver the best corn kernel to us at their first priority because our offer prices are transparent and we show commitment to purchase at our initial offer prices. We also adopt a tender policy and procedure for choosing service providers and subcontractors in a fair and transparent manner.

### C. Customers

Product safety is a great issue as we produce base raw materials for our customers. Our products can be reproduced for animal feeds or other products for human intake. The maintenance of high product quality is the only key to customers' loyalty. Our quality assurance programme ensures that our product standards can be identified precisely in accordance with the Chinese national standards issued by The Standardization Administration of the PRC. In addition, we also work closely with our customers to develop our order book and provide the required products at the right time.

During the year under review, there had been no incidences of non-compliance with relevant laws and regulations that have a significant impact on the Group regarding, health and safety, marketing and labelling. Also, there were no product recalls, legal proceedings or cases regarding product responsibility had been instituted by or brought against the Group.

### D. Governments

One of our major stakeholders is government authorities. The Group shows its commitment to improve production efficiency by using modernised production facilities and deploying resources in the development of production knowhow. The payback of these investments would not be within a short time. To ensure that the development direction is on the right way with long-term government support, we maintain good working relationship with the municipal governments. In addition, we have worked closely with local governments, other government bureaus, such as Environmental Protection Bureau and Tax Bureau. We expect that our continuous commitments and support to the government authorities would assist them in better understanding and responding to our industry needs.

### B. 供應商

我們與供應商之間已建立互信關係。作為龍頭玉米澱粉製造商，我們於山東省壽光及臨清區玉米粒採購上扮演重要角色。我們的供應商主要為農民、合作社、代理商及貿易商。我們利用移動科技向供應商提供玉米粒收購價。基於採購工作全年無休止進行，我們利用移動科技向供應商提出玉米粒收購價以提升效率。由於我們的收購價具透明度，加上我們承諾按最初提供的收購價購貨，我們相信供應商將優先向我們提供最優質的玉米粒。我們亦採用招標政策及程序以公平及具透明度的方法挑選服務供應商及分包商。

### C. 客戶

由於我們為客戶生產基礎原材料，產品安全是我們的重大議題。我們的產品可加工製成動物飼料或供人類食用的其他產品。要挽留客戶，保持產品高質量是唯一方法。我們的質量保證計劃確保產品標準能精準地符合國家標準化管理委員會發出的中國國家標準。此外，我們亦與客戶緊密合作安排訂單，並適時提供所需產品。

於回顧年度內，概無有關健康及安全、市場推廣及標籤且對本集團有重大影響的相關法律及法規的不合規事件。此外，本集團並無產品召回提起或被提起與產品責任有關的法律程序或案件。

### D. 政府

政府機關是我們主要持份者之一。本集團承諾使用現代化的生產設施及分配資源發展生產技術，以改善生產效益。該等投資的回報不會在短期內出現。為確保發展方向能得到政府的長期支持，我們與市政府保持良好工作關係。此外，我們與本地政府、其他政府機關(如環境保護局及稅務局)緊密合作。我們預期，我們長久以來對政府機關的承諾及支持，將有助我們對行業需要有更適切的了解，及作出更佳回應。

# Environmental and Sustainability Report

## 環境及可持續發展報告

### E. Shareholders

One of the major stakeholders of the Company is our shareholders. We share our business objective with and create value to our shareholders. Our long term corporate strategy is to maximise total shareholder return. The Board undertakes the management responsibility on behalf of our shareholders. During our decision-making process, we strive to strike a balance among various factors, including without limitation maintaining a healthy balance sheet, choosing sustainable development projects, and determining the optimal financial requirements of the Group.

The Board established a shareholders' communication policy setting out the principles of the Company in relation to shareholders' communications, with the objective of ensuring the availability of balanced and understandable information and each of the shareholders are treated equally. We encourage shareholders and potential investors read the Company's corporate communication policy, which is available at the Company's website.

### F. Environment *Environmental Policies*

The Group understands that our business has an impact on the environment and we recognise the importance of sound environmental management practices and sustainable business operations. We are committed to meeting all environmental standards and policies as set by government.

Throughout the year under review, there were no material incidence of non-compliance with the relevant environmental laws and regulations that have a significant impact on the Group. Our environmental strategy is to achieve a balance between cost of production on one hand, and greenhouse gas ("GHG") emissions and sewage disposal on the other hand. Our business is both energy and water intensive, the Group has its own facilities to reduce GHG emissions and treat sewage before disposal to city sewage network. A perpetual monitoring system on sewage disposal is reported to local environmental protection bureau and open to public inspection. In order to protect our environment and reduce the cost of production, we use methane generated from sewage treatment to produce steam for internal use.

During the year under review, the Group did not produce any hazardous waste in our production plants. In addition, most of our non-hazardous wastes are collected and sold to third parties for other uses.

### E. 股東

我們的股東是本公司的主要持份者之一。我們與股東秉持一致的業務目標，並為股東創造價值。我們的長遠企業策略是為股東帶來最大的總回報。董事會代表股東肩負管理的責任。在我們的決策過程中，我們力求在多個因素間取得平衡，包括(但不限於)維持健康的資產負債表、選擇可持續發展項目，以及決定集團的最佳財務需求。

董事會已制定一套股東溝通政策，當中載列本公司有關股東溝通的原則，旨在確保提供公平及可理解的資料，且每位股東都有相同待遇。我們鼓勵股東及潛在投資者閱讀本公司的公司通訊政策，有關政策可於本公司網站獲得。

### F. 環境 *環境政策*

本集團明白我們的業務對環境造成一定影響，並深明良好的環境管理常規及可持續的業務營運的重要性。我們致力遵守政府所制定的所有環保標準及政策。

於整個回顧年度，並無發生違反相關環境保護法律及規例，且對本集團有重大影響的重大事件。我們的環境策略為在生產成本、溫室氣體排放及污水排放方面取得平衡。我們的業務需要使用大量能源及食水，本集團已有設施減少溫室氣體排放及於污水排入城市污水網絡前進行處理。本集團已有一套全天候運作的系統監察污水排放，並向地方環保當局報告有關數據，並公開予公眾人士查閱。為保護環境及降低生產成本，我們利用處理污水時所產生的甲烷產生蒸汽供內部使用。

於回顧年度內，本集團的生產廠房並無製造出任何有害廢料。此外，我們會對大部份無害廢料進行收集，並出售予第三方作其他用途。

# Environmental and Sustainability Report

## 環境及可持續發展報告

### Use of Resources

Other than corn kernel, electricity and water are the other two major costs amongst the costs of production. The electricity we used is mainly generated from coal in Shandong province. Although the Group does not have any option to choose the source for the production of energy, we spend much effort to improve production efficiency and, in return, we can reduce the GHG intensity indirectly. For example, the management team reviews the energy consumption rate and sets a new target at the beginning of every financial year. Water is a vital resource for our planet. It is used to grow crops, feed animals and people, generate electricity and steam, and produce our products. We extract underground water during the production and use our own reclaimed water treatment facilities to minimise over-reliance of using underground water and its impact to the environment. We are committed to using water responsibly.

### Other Stakeholder to the Group – Community

We endeavour to contribute to activities which can benefit the community and create positive values to the society through our business and operation. We also encourage our employees to actively participate in community investment activities.

### Key Performance Summary

The environmental and workplace related performance data are set out in Key Performance Indicators on pages 101 to 102. The management endeavours to present a complete and meaningful information to the user of such data, however, we cannot assure the accuracy or completeness of data in which we collected. The accuracy of the data we produced in this report may be affected by, inter alia, unit conversion factors, material/quality tolerance, and difference in material used and method of production. Therefore, we accept no liability for the accuracy of the information if users of such data suffer any losses or damage.

### 資源使用

除玉米粒外，電力和食水是生產成本中另外兩大主要成本。我們主要使用在山東省以煤產生的電力。儘管本集團不能選擇使用何種生產能源，我們會致力改善生產效益，從而間接減少溫室氣體排放強度。例如，管理層團隊審視能源消耗率，並於每個財政年度開始時訂立新目標。水是地球的重要資源。水可以栽種莊稼、供動物及人類飲用、發電及產生蒸汽，以及生產我們的產品。我們承諾以負責任的態度使用食水。我們於生產過程中抽取地下水，並會使用自設的回收水處理設施減少對使用地下水的依賴，以及對環境造成的影響。

### 本集團的其他持份者 – 社區

我們致力透過業務及營運，為有利社區及可為社會帶來正面價值的活動作出貢獻。我們亦鼓勵僱員積極參與社區投資活動。

### 主要表現概要

環境及工作地點相關表現數據載於第101至102頁的主要表現指標。管理層盡力向該等數據的用戶呈報完整及具意義的資料，然而，我們無法保證我們收集所得數據的準確性或完整性。我們於本報告內提供的數據的準確性可能會因（其中包括）單位換算系數、物料／質量差範圍，以及使用不同的物料及生產方法而受到影響。因此，我們不會就有關數據的用戶因該等資料準確性所蒙受的任何損失或損害而承擔任何責任。

# Risk Review Report

## 風險審閱報告

The Board has the overall responsibility for the Group's risk management and internal control systems. These systems are monitored by the Board through the assistance of the Audit Committee, Corporate Strategy and Development Department and Internal Audit Department.

Risk management and internal control systems are not one-off arrangements; instead they are integrated into our daily business operations and decision-making process. The objective of upholding a high standard of risk management and internal control is to guarantee the sustainability of the Group's development.

### Managing risks

The management uses risk scorecard to rank and compare each identified risk and its related impact posing to the Group. Through this analysis process, all identified risks are presented to the Board in an effective and comprehensible manner.

The executive management team is assigned with the responsibility for managing risks and monitoring the implementation of risk mitigation policies. In addition, the team heads are required to pledge themselves to ensure appropriate control procedures are in place within their respective teams to the Chief Executive Officer once a year.

### Major activities in 2017

The Board held one meeting to discuss the risks and mitigation tools for the year ended 31 December 2017. As consistent with last year, the following works and tasks related to enhancing our control standards and assessing risks were completed in 2017:

- Reviewed the internal audit reports (presenting independent appraisals of the adequacy and effectiveness of the Group's risk management and internal control systems)
- Reviewed the production safety reports (presenting reviews on safety and risk levels of the Group's production methods, operating procedures as well as workplace and occupational health conditions)
- Reviewed the risk assessment of the operation of the Group
- Discussed with the management on the risk control measurements
- Reviewed the adequacy and effectiveness of the Group's risk management system
- Carried out different large-scale factory drills, such as product recall drill, fire drill, prevention of dust explosion review, safety review on use of corrosive chemicals, and emergency escape drill

In 2017, we also engaged an independent consultancy company to provide occupational health and safety seminar to our staff.

董事會對本集團風險管理及內部監控系統承擔整體責任，並在審核委員會、企劃部及內部審核部的協助下監察該等系統。

風險管理及內部監控系統並非一次過的安排，相反，該等系統是我們的日常業務營運及決策過程的一部份。維持高水準風險管理及內部監控的目的是保證本集團可持續發展。

### 管理風險

管理層採用風險計分卡對本集團所面對的各項已識別風險及其相關影響進行評級及比較。透過是項分析過程，所有已識別的風險會以有效及易於理解之方式向董事會呈報。

執行管理團隊獲指派負責管理風險並監管風險舒緩政策的執行情況。此外，各小組主管須每年向行政總裁承諾確保本身的團隊已制訂合適的監控程序。

### 二零一七年的主要活動

董事會於截至二零一七年十二月三十一日止年度舉行一次會議討論風險及舒緩風險的工具。與去年相一致，於二零一七年已完成下列與提升監控水平及評估風險有關的工作及任務：

- 審閱內部審核報告(當中呈列對本集團風險管理及內部監控系統是否足夠及具成效的獨立評估)
- 審閱生產安全報告(當中呈列對本集團生產方法、營運程序以及工作地點及職業安全狀況的安全及風險水平之審閱)
- 審閱本集團的營運風險評估
- 與管理層討論風險監控措施
- 審閱本集團風險管理系統是否足夠及有效
- 進行不同的大規模工廠演習，如產品召回演習、火警演習、塵爆預防檢討、使用腐蝕性化學品的安全檢討及緊急逃生演習

二零一七年，我們亦委聘獨立顧問公司為員工舉辦職業健康與安全研討會。

# Risk Review Report

## 風險審閱報告

### Principle risks analysis

Principle risk and uncertainty identification are part of our risk management system. The following analysis shows the major risks and uncertainties that are considered material and may adversely affect the business and financial position of the Group.

### 主要風險分析

識別主要風險及不確定因素是我們風險管理系統的其中一部分。以下分析載列被視為重大及可能對本集團的業務及財務狀況產生不利影響的主要風險及不確定因素。

<b>Major risks</b> 主要風險	<b>Mitigation plans</b> 舒緩風險計劃
<p><b>Domestic market risk</b></p> <p>Our businesses are dependent on the prosperity of Chinese market. During the year under review, certain business performances are gradually recovered and such risk is relieved.</p> <p><b>國內市場風險</b></p> <p>我們的業務依賴於中國市場的繁榮。於回顧年度，若干業務表現逐步恢復，有關風險得到緩解。</p>	<ul style="list-style-type: none"> <li>• Maintain a strong balance sheet</li> <li>• Maintain sufficient banking facilities</li> <li>• Strengthen the credit control of customers</li> <li>• Allocate more resources on the development of overseas market</li> <li>• 維持穩健的資產負債表</li> <li>• 維持充裕的銀行信貸</li> <li>• 加強對客戶的信貸監控</li> <li>• 分配更多資源開發海外市場</li> </ul>
<p><b>Production risk</b></p> <p>Production schedule may be affected by working safety review and environmental review.</p> <p>We have no compromise on staff safety. Failure to follow safety laws, regulations and standards may result in workplace accidents involving injury or fatality. During the year under review, we spend much effort to ensure that safety controls are in place.</p> <p>In order to the fulfil regional gas pollutant benchmark set by the local government, factories in the region may be required to limit its production output temporarily. The frequency of such requirement may increase in the future.</p> <p><b>生產風險</b></p> <p>生產計劃可能受到工作安全審查及環境評估的影響。</p> <p>我們在員工安全事宜上絕不讓步。如未能遵守安全法例、規例及標準，可能會導致工作地點發生意外，造成傷亡。於回顧年度，我們努力確保妥善實施安全監控。</p> <p>為了符合當地政府制定的地區性氣體污染物指標，該地區的工廠可能會被要求暫時限制產量。接獲該要求的次數在未來可能會增加。</p>	<ul style="list-style-type: none"> <li>• Safety Supervision Department to oversee all safety issues of the Group</li> <li>• Corporate Strategy and Development Department to monitor control procedures in place regularly</li> <li>• Perform various safety exercises and safety drills regularly</li> <li>• Maintain high level of gas emission standard during our production</li> <li>• 安監部監察本集團所有生產事宜</li> <li>• 企劃部定期監察是否妥善實施監控程序</li> <li>• 定期進行各種安全活動及安全演習</li> <li>• 於生產中保持高標準的氣體排放水平</li> </ul>

# Risk Review Report

## 風險審閱報告

<b>Major risks</b> 主要風險	<b>Mitigation plans</b> 舒緩風險計劃
<p><b>Product safety risk</b></p> <p>Our product may not achieve our customer's required level of quality or national standard. Poor quality or sub-standard product could have negative impact on our brand image and reputation.</p> <p><b>產品安全風險</b></p> <p>我們的產品可能無法達致客戶所要求的質量水平或國家標準。劣質或不達標準的產品可能會對我們的品牌形象及聲譽造成負面影響。</p>	<ul style="list-style-type: none"> <li>Undertake strict quality control and product testing</li> <li>Carry out periodic product recall drill to improve the handling process of product recalls shall they arise, hence minimising the potential negative impact of any sub-standard product on the Group</li> <li>進行嚴格的質量監控及產品測試</li> <li>定期進行產品召回演習，以改善產品召回的處理程序，從而將任何不達標準產品可能對本集團造成的負面影響降至最低</li> </ul>
<p><b>Commodity price risk</b></p> <p>Corn kernel and cornstarch are commodities and their prices are volatile and unpredictable.</p> <p><b>商品價格風險</b></p> <p>玉米粒及玉米澱粉為商品，價格可能出現波動，且不可預測。</p>	<ul style="list-style-type: none"> <li>Monitor corn kernel and cornstarch prices on daily basis</li> <li>Strengthen the control on the use of futures contract</li> <li>每日監控玉米粒及玉米澱粉價格</li> <li>加強對使用期貨合約的控制</li> </ul>
<p><b>Regulatory risk</b></p> <p>It is a trend that environmental protection-related rules and regulations will be more stringent year by year. Government's policy may change without prior signals. Evolving standards, rules and regulations could result in increased costs, regulatory actions, or in extreme cases, litigation or plant closure.</p> <p><b>法規風險</b></p> <p>與環境保護相關的規則及規例一年比一年嚴格，並已成為趨勢。政府政策可在毫無先兆的情況下改變。標準、規則及規例不停轉變，可能會導致成本上升和招致監管行動，在極端情況下更可能會導致訴訟或關閉工廠。</p>	<ul style="list-style-type: none"> <li>Regular monitoring and review of changes in laws and regulations</li> <li>Act as a representative of industry group and participate in the government policy/regulation-making stage</li> <li>定期監察及檢討法例及規例的變動</li> <li>擔任行業組織的代表，在政府政策／規例的制定階段介入</li> </ul>
<p><b>Expansion failure risk</b></p> <p>The Group may not execute a new product project as planned. Business combination, acquisition or formation of joint venture may not achieve the expected outcome as planned.</p> <p><b>無法擴展風險</b></p> <p>本集團未必會按計劃推行新產品項目。業務合併、收購或成立合營企業亦可能無法取得預期成果。</p>	<ul style="list-style-type: none"> <li>Market research and feasibility study on potential new product</li> <li>Due diligence work on potential acquisition target</li> <li>Engage legal advisors to advise on any key proposed investment actions</li> <li>對潛在新產品進行市場調查及可行性研究</li> <li>對潛在收購目標進行盡職調查</li> <li>委聘法律顧問就任何主要建議投資行動提供意見</li> </ul>

# Risk Review Report

## 風險審閱報告

In respect of the year ended 31 December 2017, the Board considered the internal control system is effective and adequate. No significant areas of concern that might affect the Group were identified.

It should be acknowledged that our risk management and internal control systems are designed to manage rather than eliminate the risk of failure and can only provide reasonable and not absolute assurance against material misstatement or loss.

就截至二零一七年十二月三十一日止年度而言，董事會認為內部監控系統有效及足夠，且並無發現任何可能影響本集團的重大須關注事宜。

務請注意，我們的風險管理及內部監控系統乃為管理（而非消除）出現事故的風險，並僅可合理（而非絕對）保證並無重大錯誤陳述或損失。

# Corporate Governance Report

## 企業管治報告

The board (the "Board") of directors (the "Directors") of the Company understands maintaining high corporate governance standard is crucial to success in the future. The Board and its dedicated executive management teams always demonstrate its commitment in upholding sound internal control standard, accountability and integrity to the shareholders and stakeholders of the Company.

### Corporate Governance Practices

The Company has complied with the applicable code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") during the year under review and has applied the principles as laid down with the aim of achieving a high level of governance, except that Mr. Tian Qixiang (the chairman of the Board) did not attend the 2017 annual general meeting (the "2017 AGM") because of his other business engagement.

### Directors' Securities Transactions

The Company has adopted its own Securities Dealing Code (the "Dealing Code") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules. The Dealing Code applies to all Directors and to all employees who are informed that they are subject to its provisions. The Company has made specific enquiry of all Directors and that all the Directors confirmed their compliance with the required standard set out in the Dealing Code throughout the year under review.

### The Board

The Board is accountable to the shareholders of the Company (the "Shareholders") for its leadership and control and is collectively responsible for promoting the Company' long-term success and businesses by directing and supervising the Company's affairs. The Board is currently composed of four executive Directors and three independent non-executive Directors. All members of the Board are subject to the same duties of care and skill and fiduciary duties in upholding their accountability to the Shareholders and in making decisions objectively in the best interests of the Company and the Shareholders as a whole.

The Board, being the governing body of the Company, had led the management in performing the following duties during the year under review:

- Formulating long-term and short-term strategic and business plans
- Approving the Group's annual forecasts
- Evaluating the business performance of the Group
- Ensuring the integrity of financial information
- Evaluating the effectiveness of the Group's internal control and risk management systems
- Reviewing and monitoring the Group's corporate governance policies and practices and ensuring their implementation in accordance with the CG Code
- Ensuring the Group's compliance with legal and regulatory requirements

本公司董事(「董事」)會(「董事會」)深明保持高水平企業管治對本公司於未來取得成功的重要性。董事會與專責的執行管理團隊一直銳意向本公司股東及利益相關者展示對維持良好的內部控制標準、問責性及誠實守信的承諾。

### 企業管治常規

除田其祥先生(董事會主席)因其他業務活動而並無出席二零一七年股東週年大會(「二零一七年股東週年大會」)外,本公司已於回顧年度遵守香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四所載的企業管治守則(「企業管治守則」)載列的適用守則條文,並應用已訂明的原則以實現高水平企業管治。

### 董事的證券交易

本公司已採納其自訂的證券買賣守則(「買賣守則」),其條款不比上市規則附錄十所載的上市發行人董事進行證券交易的標準守則寬鬆。買賣守則適用於所有董事及所有獲通知須遵守該守則規定的僱員。本公司已向全體董事作出具體查詢,全體董事確認彼等於整個回顧年度一直遵守買賣守則所載的規定標準。

### 董事會

董事會須領導及控制本公司向本公司股東(「股東」)負責,並共同負責指引及監管本公司事務促成本公司長期成功及推進業務。董事會目前由四名執行董事及三名獨立非執行董事組成。董事會所有成員均須遵守相同的謹慎及技巧行事及受信責任,以向股東負責及客觀地以符合本公司及股東整體利益的方式作出決定。

董事會作為本公司的管理組織,已於回顧年度帶領管理層履行下列職責:

- 制訂長期及短期策略及業務計劃
- 批准本集團的年度預測
- 評估本集團業務表現
- 確保財務資料的完整性
- 評估本集團內部控制及風險管理系統的成效
- 檢討及監察本集團企業管治政策及常規,以及確保根據企業管治守則執行
- 確保本集團遵守法律及監管要求

# Corporate Governance Report

## 企業管治報告

To facilitate effective management, the Board has delegated certain functions to various Board committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee. Each of these Board committees operates under their respective written terms of reference on terms no less exacting than the code provisions. Suggestions and conclusions of the Board committees will be reported to the Board in its subsequent meeting.

In addition, the Board also delegates the day-to-day operational responsibilities to the executive management team under the leadership of the Chief Executive Officer. The Chief Executive Officer, working with the executive management team, is responsible for the operations and business development of the Group.

### Chairman and Chief Executive Officer

The roles of the Chairman and Chief Executive Officer are separate and not be performed by the same individual. Mr. Tian Qixiang holds the position of the Chairman, primarily responsible for the strategic positioning. Mr. Gao Shijun serves as the Chief Executive Officer, primarily responsible for the operations and business development of the Group.

There is no relationship (including financial, business, family or other material/ relevant relationship(s)) among the Directors and in particular, between Mr. Tian Qixiang (Chairman) and Mr. Gao Shijun (Chief Executive Officer). The biographies of the Directors are set out in the section headed "Directors and Senior Management Profile".

### Company Secretary

Mr. Leung Siu Hong, the company secretary of the Company, is a full time employee of the Group. He also serves as the secretary of each of the Audit Committee, Nomination Committee, Remuneration Committee and other board committees as organised by the Board from time to time. Mr. Leung is responsible for advising the Board through the Chairman and/or the Chief Executive Officer on governance matters, for example, to ensure Board procedures and applicable laws and regulations are followed.

Mr. Leung is a fellow member of the Hong Kong Institute of Certified Public Accountants and Association of Chartered Certified Accountant. Mr. Leung is also a fellow member of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.

During the year under review, Mr. Leung took no less than 15 hours professional training to update his skills and knowledge.

為達致有效管理，董事會將若干職能指派予不同的董事會委員會，即審核委員會、薪酬委員會及提名委員會。各董事會委員會依據彼等各自的書面職權範圍運作，其條款並不較守則條文寬鬆。各董事會委員會將於其後的董事會會議中，向董事會匯報其建議及結論。

此外，董事會亦將指派行政管理團隊在行政總裁的領導下負責集團的日常營運。行政總裁與行政管理團隊共同負責本集團的營運及業務發展。

### 主席與行政總裁

主席與行政總裁的角色明確區分，且並非由一人同時兼任。田其祥先生擔任主席一職，主要負責戰略部署。高世軍先生擔任行政總裁一職，主要負責集團的經營和業務發展。

董事之間(尤其是田其祥先生(主席)與高世軍先生(行政總裁)之間)概無任何關係(包括財務、業務、家族或其他重大/相關關係)。董事的履歷詳情載於「董事及高級管理人員簡介」一節。

### 公司秘書

本公司公司秘書梁兆康先生為本集團全職僱員。彼亦擔任審核委員會、提名委員會、薪酬委員會及董事會不時成立的其他董事會委員會的秘書。梁先生負責透過主席及/或行政總裁向董事會提供有關管治事宜的建議，例如確保董事會程序及適用法律及法規獲得遵從。

梁先生為香港會計師公會及英國特許公認會計師公會的資深會員，亦為英國特許秘書及行政人員公會與香港特許秘書公會的資深會員。

於回顧年度，梁先生已接受不少於15小時專業培訓以提升其技能及知識。

# Corporate Governance Report

## 企業管治報告

### 2017 Board and Committee Meeting Attendance and Training Record

During the year under review, the Board held four regular meetings and one other additional meeting. The regular Board meetings are scheduled one year in advance to facilitate maximum attendance by Directors. Other additional Board meetings are convened as and when required.

Our Directors recognised the importance of participating in continuous professional development (the "CPD") to develop and refresh their knowledge and skill, which can help them keep abreast of current trends and issues facing the Group and ensure better fulfilment of their duties as directors of the Company.

The attendance record of the Directors at Board meetings, Board committee meetings and the 2017 AGM, together with the type of training received by each of the Directors during the year under review are as follows:

### 二零一七年董事會會議及委員會會議的出席及培訓記錄

於回顧年度，董事會舉行四次定期會議及一次其他額外會議。董事會預早一年計劃定期董事會會議的時間表，藉以盡量提高董事的出席率。如有需要，亦會召開其他董事會會議。

董事肯定參與持續專業發展（「持續專業發展」）發展及更新知識與技能的重要性，其可令董事緊貼目前趨勢及本集團所面臨的問題，並確保彼等更好地履行作為本公司董事的職責。

各董事於回顧年度的董事會會議、董事會委員會會議及二零一七年股東週年大會出席記錄，以及所接受的培訓類別如下：

	Board Meetings 董事會會議		Board Committee Meetings 董事會委員會會議			2017 AGM 二零一七年 股東週年大會	Type of CPD received 所接受的 持續專業發展 類別
	Regular	Others	Audit Committee	Remuneration Committee	Nomination Committee		
	定期	其他	審核委員會	薪酬委員會	提名委員會		
<b>Executive Directors:</b>	<b>執行董事：</b>						
Mr. Tian Qixiang (Chairman)	4/4	1/1	N/A 不適用	1/1	1/1	X	A,B
Mr. Gao Shijun (Chief Executive Officer)	4/4	1/1	N/A 不適用	N/A 不適用	N/A 不適用	✓	A,B
Mr. Liu Xianggang	4/4	1/1	N/A 不適用	N/A 不適用	N/A 不適用	X	A,B
Mr. Yu Yingquan	4/4	1/1	N/A 不適用	N/A 不適用	N/A 不適用	✓	A,B
<b>Independent non-executive Directors:</b>	<b>獨立非執行董事：</b>						
Professor Hua Qiang	4/4	1/1	3/3	1/1	1/1	X	A,B
Mr. Sun Mingdao	4/4	1/1	3/3	1/1	1/1	X	A,B
Mr. Yue Kwai Wa, Ken	4/4	1/1	3/3	1/1	1/1	✓	A,B

- A Attending briefings/seminars/webinars/forums/workshops/conferences relating to directors' duties or other relevant topics
- B Reading materials, such as newspapers, journals, business updates and regulatory updates relating to business, economy or directors' duties

- A 出席與董事職務或其他相關主題有關的簡報會／研討會／網上研討會／論壇／工作坊／會議等
- B 閱覽與業務、經濟形勢或董事職務有關的材料，如報章、期刊、最新業務資訊及最新監管資訊等

### Board Diversity

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural, race, educational background, professional experience, skills, knowledge and independence under the Group's Board Diversity Policy as published on the Company's website. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

### 董事會多元化

為達致可持續及均衡的發展，本公司視董事會層面日益多元化為支持其達到戰略目標及維持可持續發展的關鍵元素。在設定董事會成員組合時，會根據本公司網站所載的本集團董事會成員多元化政策，從多個方面考慮董事會多元化，包括但不限於性別、年齡、文化、種族、教育背景、專業經驗、技能、知識及獨立性。董事會所有委任均以用人唯才為原則，並會充分顧及董事會成員多元化的裨益，以客觀條件考慮人選。

# Corporate Governance Report

## 企業管治報告

### Director's Appointments, Re-election and Removal

Pursuant to the Articles of the Company, every Director shall be subject to retirement by rotation at least once every three years. Any Director appointed to fill a casual vacancy or as an additional Director shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that general meeting.

Independent non-executive Directors are appointed for a term of one year subject to retirement by rotation and re-election in accordance with the Articles. Each independent non-executive Director is required to inform the Company as soon as practicable if there is any change that may affect his independence and must provide an annual confirmation of his independence to the Company.

### Accountability and Audit

The Directors acknowledge their responsibility for the preparation and the true and fair presentation of the consolidated financial statements in accordance with Hong Kong Financial Reporting Standards ("HKFRS") and Hong Kong Accounting Standards, using and applying consistently suitable accounting policies and making reasonable and prudent judgement and estimates. The Board is not aware of any material uncertainties relating to events or conditions that may affect the business of the Company or cast doubts on its ability to continue as going concern.

The financial information and plans were discussed in the regular Board meetings. The Chairman and Chief Executive Officer of the Company are responsible for explaining the latest business development and financial projections to the Directors.

During the year, the fee payable to the external auditor of the Group, SHINEWING (HK) CPA Limited ("SHINEWING"), and its affiliated firms comprise service charges for the following:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Audit service	審核服務	860	820
Review of interim results	審閱中期業績	250	–
Tax representative service	稅務代表	30	30

### 董事的委任、重選及罷免

根據本公司章程細則，每名董事須至少每三年輪流退任一次。任何就填補臨時空缺或作為新增董事而獲委任的董事僅可任職至本公司下一次股東大會，屆時將合資格於該股東大會上接受重選。

獨立非執行董事的任期為一年，並須根據章程細則輪流退任及接受重選。倘出現任何可能影響獨立非執行董事獨立性的變動，各獨立非執行董事均須在切實可行的情況下盡快通知本公司，並須就其獨立性向本公司作出年度確認。

### 問責及核數

董事已確認，彼等有責任根據香港財務報告準則及香港會計準則編製及真實而公平地列報合併財務報表，並且貫徹使用及應用適當的會計政策，以及作出合理和審慎的判斷及估計。董事會並無發現任何重大不明朗事件或情況可能會影響本公司的業務，或令其持續經營能力成疑。

董事會在定期會議中討論財務資料和計劃。本公司主席及行政總裁負責向各董事解釋最新的業務發展及財務預測。

年內，應付本集團外聘核數師信永中和(香港)會計師事務所有限公司(「信永中和」)及其聯屬公司的費用包括以下服務費用：

# Corporate Governance Report

## 企業管治報告

### Change of External Auditor in 2016

Because PricewaterhouseCoopers (“PwC”) and the Company could not reach an agreement on the audit fee for the financial year ended 31 December 2016, PwC resigned as the external auditor of the Company in October 2016. SHINEWING was then appointed as the external auditor of the Company to fill the casual vacancy of the office. SHINEWING was re-appointed as the external auditor in the 2017 AGM. Save as disclosed above, there were no other change in the external auditor in the preceding three years.

### Risk Management and Internal Control

Each company and industry is associated with specific inevitable risks. We cannot avoid them, but we adopt the best and responsible approach to manage and overcome them. Our risk management and internal control systems have been in place for many years, which provide the assurance of operation efficiency, work safety and safeguarding of assets. The Board undertakes the responsibility for monitoring the business risks and formulating plans and risk management policies to mitigate potential risks and uncertainties that materially affect the business of the Group. The Board is also responsible for evaluating the effectiveness of the risk management and internal control systems of the Group.

The management team is delegated by the Board to identify, manage and mitigate material risks that might adversely affect our business. Once the management team considers any newly-identified risk to be material, it will report such risk to the Board for assessment and consideration of implementing a corresponding mitigation plan where appropriate. However, it is possible that certain risks remain undetected or unidentified and risks currently identified as immaterial may eventually turn out to be material to our Group. In view of the inevitable nature of certain risks associated with our business and industry, our risk management and internal control systems are designed to manage rather than eliminate unavoidable risks of failure to achieve the Group's business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

### 於二零一六年更改外聘核數師

由於羅兵咸永道會計師事務所(「羅兵咸永道」)與本公司未能就截至二零一六年十二月三十一日止財政年度的審核費用達成共識，故羅兵咸永道已於二零一六年十月辭任本公司核數師職位。信永中和於當時獲委任為本公司外聘核數師，以填補臨時空缺。信永中和已於二零一七年股東週年大會上獲重選為外聘核數師。除上文所披露者外，外聘核數師於過往三年並無其他變動。

### 風險管理及內部監控

各公司及行業均無可避免面對特定的風險。我們無法避免風險，但我們採取最佳及負責的方法處理及克服風險。我們的風險管理及內部監控系統已運作多年，為營運效率、工作安全及財產保障提供保證。董事會負責監察業務風險，並制定計劃及風險管理政策，將可能會對本集團業務造成重大影響的風險及不明朗因素減至最低。董事會亦負責評估本集團風險管理及內部監控系統的成效。

董事會授權管理團隊識別、管理及減少對本集團業務有不利影響的重大風險。倘管理團隊認為任何新識別的風險屬重大，其將向董事會報告有關風險進行評估，以及考慮實施相應的舒緩影響計劃(如適用)。然而，仍有可能出現若干未能發現或識別的風險，或現時識別為對本集團不重大但最終成為重大的風險。鑒於與我們業務及行業有關的若干風險屬無法避免，我們的風險管理及內部監控系統乃為管理而非消除未能達成本集團業務目標的無可避免風險設計，且只能合理(而非絕對)保證不會有重大失實陳述或損失。

# Corporate Governance Report

## 企業管治報告

The following diagram shows the risk management hierarchy of the Group, which provides information on our processes used to identify, evaluate and manage significant risks:

### The Board

#### 董事會

- Monitoring business risks  
監察業務風險
- Formulating plans and risk management policies  
制定計劃及風險管理政策
- Evaluating effectiveness of risk controls and mitigation tools  
評估風險控制及舒緩工具的成效
- Oversee and ensure the conduct of reviews on the Group's risk management and internal control systems at least annually  
監察及確保每年至少對本集團的風險管理及內部監控系統進行一次審閱

### Audit committee

#### 審核委員會

- Reviewing the Group's risk management and internal control systems at least annually  
每年至少對本集團的風險管理及內部監控系統進行一次審閱
- Ensure the Group's management has performed its duty in implementing the Group's risk management and internal control systems  
確保本集團管理層履行其執行本集團風險管理及內部監控系統的職責
- Considering major findings on risk management and internal control matters  
考慮風險管理及內部監控事務的重大發現

### Operational departments

#### 營運部門

- Identifying different risks and uncertainties in each operating cycle  
識別各個營運週期中不同的風險及不明朗因素
- Reporting identified risks and significant adverse business factors  
報告已識別風險及重大不利業務因素
- Implementing risk controls and mitigation policies determined by the Board  
執行由董事會釐定的風險管理及舒緩政策

### Operational departments

The function of operational management includes, inter alia, the identification of potential risks and the implementation of the Group's risk management and internal control systems, including risk controls and mitigation policies, as determined by the Board in the course of daily operations.

The Group has built in the risk management culture from top to bottom. At departmental level, the Group has prescribed, for each operational department, our risk management principles, control procedures and code of conducts in order to promote stronger understanding of stewardship responsibilities, delegation of duties, and accountability for the Group's risk management and internal control systems. At staff level, the Group has laid down the business ethics policy, whistleblowing policy and inside information escalation policy to ensure that sufficient controls are in place to guide our employees' behaviours through, and ensure timely and decisive responses to, potential and emerging crises. To enforce our people's individual risk management capabilities and minimise any gap between the Board's risk vision and management's actions, risk-related objectives are also integrated into employees' annual performance goals and appraisal process.

下表載列本集團的風險管理層級，其提供我們用於識別、評估及管理重大風險的流程的資料：



### 營運部門

營運管理部門的功能包括（其中包括）識別潛在風險及執行董事會於日常業務過程中所釐定的本集團風險管理及內部監控系統，包括風險控制及舒緩影響政策。

本集團由上至下建立風險管理文化。於部門層面上，本集團各營運部門均有訂明的風險管理原則、監控程序及行為守則，藉以加深管理層對本集團風險管理及內部監控系統的責任、職務分授及問責性的認識。於員工層面上，本集團已制定商業道德政策、舉報政策及內幕消息匯報政策，確保有足夠監控就潛在及突發危機為僱員的行為提供指引，並確保適時作出堅定的回應。為加強員工的個人風險管理能力，以及縮小董事會的風險預測與管理層行動間的差距，僱員的年度表現目標及評估程序中亦加入風險相關的目標。

# Corporate Governance Report

## 企業管治報告

The Group emphasises production safety and product safety in every aspect of our operations. Safety always comes first.

The production safety function is carried out by the Safety Supervision Department (the "SSD") of the Group. The major functions of SSD includes, inter alia, the promotion of risk management culture, compliance and regulatory standards. It also carries out periodical drills on whole-factory scale, such as fire drill, prevention of dust explosion review, safety review on working at height and use of corrosive chemicals, regular staff examination on safety issues, etc.

The product safety function is carried by the Corporate Strategy and Development Department (the "CSDD"). It carried out product recall drills periodically. In addition, CSDD also assists our department heads to develop control procedures in their respective departments.

The management believes that periodic drills provide our employees with opportunities to train and test their reaction under different critical situations. In addition, it also allows the Group to evaluate the effectiveness of each of our codes of conduct and, risk management and internal control procedures.

Internal audit is an important component of corporate risk management. The internal audit function is performed by the Group's Internal Audit Department (the "IAD"). The major responsibilities of IAD are as follows:

- (i) To carry out independent review on business activities;
- (ii) To analyse any potential control, operational, compliance and financial impact on weaknesses;
- (iii) To report findings on any weakness areas; and
- (iv) To suggest improvement and remedy procedures.

### Relationship of Audit Committee and the Board under risk management framework

The Audit Committee is delegated with the responsibility to review the adequacy and effectiveness of the Group's internal control and risk management systems at least annually. Periodical review reports and presentations from management are provided to the Audit Committee in relation to internal control and risk management matters. These reports and presentations allow the Audit Committee to assess the effectiveness of the internal control and risk management systems. Whenever a weakness of the Group's internal control and risk management systems is identified, the Audit Committee is responsible for discussing its potential financial impacts and the corresponding remedy procedures with the Board and the management. The Group had not been aware of any material internal control failings or weaknesses affecting its overall operation during the year under review.

A Risk Review Report set out on pages 23 to 26 summarised our works conducted and the evaluation of risks associated with the Group during the year under review.

本集團於營運各方面均注重生產安全及產品安全，並時刻將安全放於首位。

生產安全的工作由本集團安監部(「安監部」)執行。安監部的主要工作包括(其中包括)推廣風險管理文化、提升合規及監管標準。安監部亦定期進行以全廠房為對象的演習，如消防演習、塵爆預防檢討、高空作業及使用腐蝕性化學品的安全檢討，定期就安全事宜對員工進行評核等。

產品安全的工作由企劃部(「企劃部」)執行。其定期進行產品召回演集。此外，企劃部亦協助部門主管製訂各部門自身的監控程序。

管理層相信定期演習為僱員提供訓練機會，以及測試彼等在不同危急情況下的反應。另外，演習亦讓本集團評估各項行為準則，以及風險管理及內部監控程序的成效。

內部審計為企業風險管理的重要元素。內部審計工作由本集團的內部審計部(「內部審計部」)進行。內部審計部的主要職責如下：

- (i) 對業務活動進行獨立審閱；
- (ii) 分析任何潛在監控、營運、合規及財務弱點的影響；
- (iii) 匯報所發現的任何弱點；及
- (iv) 就改善及補救程序提供建議。

### 審核委員會及董事會在風險管理框架下的關係

審核委員會獲授權負責每年至對本集團內部監控及風險管理系統是否足夠及有效進行至少一次審閱。管理層全定期向審核委員會提供有關內部監控及風險管理事宜的審閱報告及呈報。有關報告及呈報可讓審核委員會評估內部監控及風險管理系統的成效。倘發現本集團內部監控及風險管理系統存在弱點，審核委員會負責與董事會及管理層討論其潛在財務影響及相應的補救程序。本集團於回顧年度並無發現任何影響本集團整體營運的重大內部監控缺失或弱點。

風險審閱報告載於第23至26頁，概列其於回顧年度內所進行的工作及對與本集團有關的風險作出的評估。

# Corporate Governance Report

## 企業管治報告

### Inside information

An inside information escalation policy is in place and sets out the principles and internal control procedures for guiding our Directors and relevant employees on the handling and dissemination of inside information in a timely manner and in adherence to the relevant laws and regulations. The policy is subject to review by the Board from time to time in view of, among others, relevant legal and regulatory updates.

### Audit Committee

The major roles and functions of the Audit Committee are to review and supervise the financial reporting process, financial controls, internal control and risk management system of the Group and to provide recommendations and advice to the Board on the appointment, re-appointment and removal of external auditor as well as their terms of appointment.

The Audit Committee of the Company currently consists of all independent non-executive Directors namely Professor Hua Qiang, Mr. Sun Mingdao and Mr. Yue Kwai Wa, Ken. Mr. Yue is the chairman of the Audit Committee.

During the year under review, the Audit Committee performed the following duties:

- Reviewed the Group's annual report and interim report
- Discussed the audit issues with the external auditor
- Reviewed the annual internal audit plan
- Made recommendation of the appointment of external auditor
- Assessed the independence of external auditor
- Reviewed and discussed the internal audit reports and risk management findings with our management

### Remuneration Committee

The major function of the Remuneration Committee is to make recommendation to the Board on the remuneration policy and remuneration structure for all Directors.

Our remuneration policy prohibited our Directors from determining his or her own remuneration. Each Director's remuneration package has been considered and/or reviewed periodically with respect to his or her individual performance, responsibilities, financial performance of the Group, market practice and other applicable factors.

The Remuneration Committee currently consists of all independent non-executive Directors namely Professor Hua Qiang, Mr. Sun Mingdao and Mr. Yue Kwai Wa, Ken and the Chairman of the Company, Mr. Tian Qixiang. Mr. Yue is the chairman of the Remuneration Committee.

### 內部資料

本集團已制定內幕消息匯報政策，並訂明原則及內部監控程序，指引董事及相關僱員及時根據相關法例及法規處理及發佈內幕消息。董事會不時根據（其中包括）相關法例及監管更新檢討有關政策。

### 審核委員會

審核委員會的主要角色及工作為檢討及監察本集團的財務報告程序、財務控制、內部監控及風險管理制度，並就委任、續聘及罷免外聘核數師以及彼等的委任條款向董事會提供建議及意見。

目前，本公司審核委員會成員包括全體獨立非執行董事，即花強教授、孫明導先生及余季華先生。余先生為審核委員會主席。

於回顧年度，審核委員會已履行下列職責：

- 審閱本集團的年度業績及財務報告
- 與外聘核數師討論審核問題
- 檢討年度內部審核計劃
- 就委任外聘核數師提供提議建議
- 評估外聘核數師的獨立性
- 與管理層審閱及討論內部審核報告及風險管理所發現的情況

### 薪酬委員會

薪酬委員會的主要職能為就全體董事的薪酬政策及薪酬架構向董事會提供推薦建議。

我們的薪酬政策禁止董事釐定自身的薪酬。每名董事的薪酬待遇會定期根據其個人表現、職責、本集團的財務表現、市場慣例及其他適用因素進行考慮及／或審閱。

目前，薪酬委員會成員包括全體獨立非執行董事（即花強教授、孫明導先生及余季華先生），以及本公司主席田其祥先生。余先生為薪酬委員會主席。

# Corporate Governance Report

## 企業管治報告

During the year under review, the Remuneration Committee reviewed the annual remuneration package of both executive Directors and independent non-executive Directors for financial year 2017. The Board, with the recommendation of the Remuneration Committee, resolved to increase the annual remuneration of executive Directors for the financial year 2017. Details of the remuneration of each Directors are set out in note 31 to the consolidated financial statements.

The remuneration of executive Directors and independent non-executive Directors should remain unchanged for the financial year 2018.

None of Director participated in any discussion about his own remuneration in the meetings regarding the review of remuneration.

### Nomination Committee

The major functions of the Nomination Committee are to review the structure and composition of the Board, to implement and review the Board Diversity Policy, to review and provide recommendations to the Shareholders on the terms of Director's service contract, and to assess the independence of the independent non-executive Directors.

The Nomination Committee currently consists of all independent non-executive Directors namely Professor Hua Qiang, Mr. Sun Mingdao and Mr. Yue Kwai Wa, Ken and the Chairman of the Company, Mr. Tian Qixiang. Mr. Yue is the chairman of the Nomination Committee.

During the year under review, the Nomination Committee performed the following duties:

- Assessed the independence of the independent non-executive Directors
- Made recommendations on the re-election of retiring Directors to the Board
- Reviewed the background and suitability of a proposed independent non-executive Director
- Evaluated the structure and composition of the Board
- Reviewed the Company's Board Diversity Policy
- Reviewed the term of reference of the Nomination Committee

於回顧年度內，薪酬委員會已審閱執行董事及獨立非執行董事於二零一七年財政年度的年度薪酬組合。董事會在薪酬委員會的推薦下，議決上調執行董事於二零一七年財政年度的年度酬金。每名董事的酬金詳情載於合併財務報表附註31。

執行董事及獨立非執行董事於二零一八年財政年度的薪酬應維持不變。

於檢討薪酬的會議上，概無董事參與討論自身的薪酬。

### 提名委員會

提名委員會的主要工作為審閱董事會的架構及組成、執行及檢討董事會成員多元化政策、審閱董事服務合約的條款及就此向股東作出推薦建議，以及評估獨立非執行董事的獨立性。

目前，提名委員會成員包括全體獨立非執行董事（即花強教授、孫明導先生及余季華先生），以及本公司主席田其祥先生。余先生為提名委員會主席。

於回顧年度，提名委員會已履行下列職責：

- 評估獨立非執行董事的獨立性
- 就重選退任董事向董事會作出推薦建議
- 審閱候任獨立非執行董事的背景資料及合適性
- 評估董事會架構及組成
- 檢討本公司董事會成員多元化政策
- 檢討提名委員會的職權範圍

# Corporate Governance Report

## 企業管治報告

### Shareholders

The Company welcomes enquires from Shareholders. The Board will review Shareholders' enquires on a regular basis. Specific enquiries and suggestions by Shareholders can be sent in writing to the Company's office at Suite 3312, Tower 1, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong or by email (ir@chinastarch.com.hk).

In case of shareholding enquires, Shareholders should direct their enquiries to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, via its website at [www.tricoris.com](http://www.tricoris.com), or by email to [is-enquiries@hk.tricorglobal.com](mailto:is-enquiries@hk.tricorglobal.com), or dial its hotline at (852) 2980 1333 or go in person at its public counter at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

A Shareholder's Communication Policy was adopted by the Board in order to promote effective communications between Shareholders and the Company. This policy is available on our website. The Company recognises the importance of Shareholders' privacy and will not disclose Shareholders' information without their consent, unless required by law.

Shareholder(s) holding not less than one tenth (10%) of the paid up capital of the Company can convene an extraordinary general meeting by depositing the requisition in writing to the Company. The procedures for Shareholder(s) to convene and present proposals at general meetings, including proposing a person for election as a Director, are available on our website.

### Constitutional Documents

The Company did not make any changes to its constitutional document during the year under review.

### 股東

本公司歡迎股東垂詢。董事會將定期審閱股東的查詢。股東如有任何具體查詢及意見，可以書面方式寄送至本公司辦事處香港銅鑼灣勿地臣街1號時代廣場一座3312室或電郵 ([ir@chinastarch.com.hk](mailto:ir@chinastarch.com.hk)) 方式提出。

有關股權方面的查詢，股東應透過本公司香港股份過戶登記分處卓佳證券登記有限公司的網站 [www.tricoris.com](http://www.tricoris.com)、電郵至 [is-enquiries@hk.tricorglobal.com](mailto:is-enquiries@hk.tricorglobal.com)、致電熱線 (852) 29801333，或親臨其設於香港皇后大道東183號合和中心22樓的公眾櫃台向過戶登記分處提出。

董事會已採納股東溝通政策促進股東與本公司的有效溝通。有關政策可於本公司網站閱覽。本公司明白保障股東私隱的重要性，除法例規定者外，不會在未經股東同意的情況下披露股東資料。

於本公司繳足股本中持有不少於十分一(10%)權益的股東可透過向本公司發出書面要求召開股東特別大會。股東召開股東大會及於會上提呈建議(包括建議一名人士參選董事)的程序可於本公司網站查閱。

### 章程文件

於回顧年度內，本公司的章程文件並無任何變動。

# Directors and Senior Management Profiles

## 董事及高級管理人員簡介

### Executive Directors

**Mr. Tian Qixiang**, aged 54, is the chairman of the Board and a member of each of the Nomination Committee and Remuneration Committee of the Board. Mr. Tian is principally responsible for the Group's strategic positioning. He is also responsible for formulating the Group's business development objectives and ensuring that such objectives are implemented by the Board accordingly. Mr. Tian has been appointed as the chairman of the board of directors of Shandong Shouguang Juneng Golden Corn Development Co., Ltd. ("Golden Corn"), an indirect wholly owned subsidiary of the Company, since 1 June 2015 where he had also served as chairman during the periods from July 2003 to October 2005 and from August 2006 to July 2012 respectively. Mr. Tian has been appointed as a director of Shouguang Golden Corn Biotechnology Limited ("Golden Corn Biotech"), an indirect non-wholly owned subsidiary of the Company, on 26 June 2017.

Mr. Tian completed his study of Electricity and Water Irrigation from Water and Electricity Machinery School in 1981 and graduated from The Shandong Province Party Committee School of the People's Republic of China with a diploma in Economics Management in 1996. Mr. Tian obtained the qualification as a senior economist in December 2002.

Mr. Tian is also a director of Merry Boom Group Limited, a substantial shareholder of the Company.

**Mr. Gao Shijun**, aged 50, is the chief executive officer of the Company. Mr. Gao is principally responsible for overseeing the Group's operations and business management. Mr. Gao joined Golden Corn in August 1998, and was later appointed as the deputy manager of Golden Corn in January 2000. Mr. Gao has been a director of Golden Corn since July 2003 and its general manager since May 2005. Mr. Gao has been appointed as a director of Golden Corn Biotech on 26 June 2017. Mr. Gao is also a director of Linqing Deneng Golden Corn Bio Limited ("Deneng Golden Corn") and Shouguang Golden Far East Modified Starch Co., Ltd respectively.

Mr. Gao obtained an undergraduate degree in Physics in 1989 and a Master of Business Administration degree in 2012 from Shandong University. He was also awarded the qualification of senior engineer in 2010. Mr. Gao was appointed as the permanent vice-president of China Starch Industry Association with a term from June 2016 to May 2021.

### 執行董事

田其祥先生，54歲，董事會主席，並為董事會提名委員會及薪酬委員會的成員。田先生主要負責本集團的戰略部署。他同時亦負責本集團業務發展目標的規劃並確保這些目標會由董事會相應執行。田先生自二零一五年六月一日起獲委任為本公司間接全資附屬公司山東壽光巨能金玉米開發有限公司（「金玉米」）董事會的主席，彼亦曾分別於二零零三年七月至二零零五年十月止期間及於二零零六年八月至二零一二年七月止期間出任該公司董事會主席。田先生已於二零一七年六月二十六日獲委任為本公司間接全資附屬公司壽光金玉米生物科技有限公司（「金玉米生物科技」）的董事。

田先生於一九八一年在山東省水利機電學校完成電力排灌專業課程，一九九六年畢業於中國共產黨山東省委員會黨校，持有經濟管理專業文憑。田先生於二零零二年十二月取得高級經濟師資格。

田先生亦為本公司主要股東怡興集團有限公司的董事。

**高世軍先生**，50歲，本公司行政總裁。高先生主要負責監督本集團的經營和業務管理。高先生於一九九八年八月加入金玉米，其後於二零零零年一月獲委任為金玉米的副總經理。自二零零三年七月起高先生為金玉米的董事，二零零五年五月起更成為總經理。高先生已於二零一七年六月二十六日獲委任為金玉米生物科技的董事。高先生亦分別為臨清德能金玉米生物有限公司（「德能金玉米」）及壽光金遠東變性澱粉有限公司的董事。

高先生於一九八九年自山東大學畢業，並獲得物理學士學位，隨後於二零一二年取得山東大學工商管理碩士學位。彼亦於二零一零年獲授高級工程師資格。高先生獲委任為中國澱粉工業協會常務副會長，任期為二零一六年六月至二零二一年五月。

# Directors and Senior Management Profiles

## 董事及高級管理人員簡介

**Mr. Liu Xianggang**, aged 49, joined Golden Corn as a factory supervisor in 1998 and has been a director of Golden Corn since October 2005. Mr. Liu has been appointed as a director of Golden Corn Biotech on 26 June 2017. Mr. Liu was director of Deneng Golden Corn for the period from March 2008 to March 2017 and served as its general manager from March 2008 to December 2012 respectively. He is responsible for the Group's production technology developments and cornstarch production.

Mr. Liu graduated from Shandong Industrial University (subsequently amalgamated into Shandong University in 2000) in 1990 with an undergraduate degree in Industrial Management, and obtained a postgraduate diploma in Industrial Economics from the Economics School of Shandong University in 2003. Mr. Liu also obtained a Master of Business Administration degree from Shandong University in 2012. Mr. Liu obtained the qualification as senior engineer in 2002. Mr. Liu is the deputy supervisor of the Cornstarch Professionals Committee of China Starch Industry Association.

**Mr. Yu Yingquan**, aged 49, is principally responsible for the overall management in investment and corporate finance of the Group. Mr. Yu first joined the Group as a director of Golden Corn during the period from July 2003 to October 2005, and was re-appointed as director in March 2007. Mr. Yu has been appointed as a director of Golden Corn Biotech on 26 June 2017.

Mr. Yu graduated from Shandong Hydro Institute in 1990 with a diploma in Hydro Economic and Financial Management, and obtained a diploma in Finance Management from Shandong Economics Management Institute in 1998. Mr. Yu obtained the Certificate of Accounting Professional of the People's Republic of China issued by Finance Bureau of Shouguang City in 1997.

### Independent Non-executive Directors

**Professor Hua Qiang**, aged 46, has been appointed as independent non-executive Director on 17 May 2016. Professor Hua has been a professor of the School of Biotechnology and the State Key Laboratory of Bioreactor Engineering of the East China University of Science and Technology since 2008. He obtained a bachelor and a master degree in chemical engineering (major in biochemical engineering) from the Zhejiang University in 1993 and 1996 respectively. He also obtained a doctoral degree in information engineering from the Kyushu Institute of Technology (Japan) in 2000. He was appointed as an assistant professor of Institute for Advanced Biosciences of the Keio University (Japan) from 2001 to 2004, and was appointed as a postdoctoral scholar of the Department of Bioengineering of the University of California, San Diego from 2004 to 2007. He had also been a medical research scientist for Sanford Burnham Prebys Medical Discovery Institute (formerly known as "Burnham Institute for Medical Research") (the United State of America) from 2007 to 2008.

**劉象剛先生**，49歲，於一九九八年加盟金玉米出任工廠主管，並由二零零五年十月起出任金玉米董事。劉先生已於二零一七年六月二十六日獲委任為金玉米生物科技的董事。於二零零八年三月至二零一七年三月止期間，劉先生為德能金玉米的董事，並於二零零八年三月至二零一二年十二月擔任該公司總經理。他負責本集團的生產技術開發及玉米澱粉的生產。

劉先生於一九九零年畢業於山東工業大學(隨後於二零零零年併入山東大學)，持有工業管理工程學士學位，並於二零零三年獲山東大學經濟學院頒發產業經濟學研究生文憑。彼亦於二零一二年取得山東大學工商管理碩士學位。於二零零二年，劉先生獲取高級工程師的資格。劉先生是中國澱粉工業協會玉米澱粉專業委員會的副主任。

**于英泉先生**，49歲，主要負責本集團的整體投資管理和企業融資。于先生於二零零三年七月至二零零五年十月期間首次加盟本集團為金玉米董事，其後於二零零七年三月再獲委任為董事。于先生已於二零一七年六月二十六日獲委任為金玉米生物科技的董事。

于先生於一九九零年畢業於山東水利專科學校，獲水利經濟與財務管理文憑，及於一九九八年由山東省經濟管理幹部學校院獲得財務管理文憑。于先生於一九九七年取得由壽光市財政局發出的中華人民共和國會計從業資格證書。

### 獨立非執行董事

**花強教授**，46歲，已於二零一六年五月十七日獲委任為獨立非執行董事。花教授自二零零八年起一直出任華東理工大學生物工程學院生物反應器工程國家重點實驗室教授。彼於一九九三年及一九九六年分別取得浙江大學化工系學士及碩士學位(主修生物化學工程)，並於二零零零年取得日本九州工業大學信息工程博士學位。彼於二零零一年至二零零四年獲委任為日本慶應義塾大學先端生命科學研究所助理教授，於二零零四年至二零零七年獲委任為加州大學聖地牙哥分校生物工程系博士後學者，以及於二零零七年至二零零八年為美國Sanford Burnham Prebys Medical Discovery Institute(前稱「Burnham Institute for Medical Research」)醫藥科學研究員。

# Directors and Senior Management Profiles

## 董事及高級管理人員簡介

**Mr. Sun Mingdao**, aged 69, has been appointed as an independent non-executive Director on 5 September 2013. Mr. Sun also serves as a member of each of the Audit Committee, Nomination Committee and Remuneration Committee of the Board. Mr. Sun was appointed as the Eighth Session's permanent deputy chief secretary of China Starch Industry Association for a term from June 2016 to May 2021. Mr. Sun was appointed as a deputy supervisor of the Expert Committee of China Starch Industry Association in November 2015. Mr. Sun was also appointed as a vice director of the Technical Committee on Food-grade Starch and Starch Derivatives under the Standardization Administration of the People's Republic of China in November 2015.

Mr. Sun had been a deputy director of the research centre and a vice general manager of Wuhan Huali Environmental Technology Co., Ltd. from 2001 to 2007. Mr. Sun had served as a standing committee member, and the Sixth and Seventh Sessions' chief secretary of China Starch Industry Association respectively.

**Mr. Yue Kwai Wa, Ken**, aged 52, has been appointed as an independent non-executive Director on 5 September 2007. Mr. Yue also serves as the chairman of each of the Audit Committee, Nomination Committee and Remuneration Committee of the Board.

Mr. Yue has served the following various positions with Roma Group Limited ("Roma") in 2017.

Positions held in Roma	2017
Chairman	20 April to 2 June
Chief Executive Officer	20 April to 5 June
Chief Executive Officer	1 October and onwards
Chairman	18 December and onwards

For avoidance of doubt, Mr. Yue is currently served as an executive director, the chairman, the chief executive officer, the company secretary and the compliance officer of Roma.

He is also an independent non-executive director of Major Holdings Limited ("Major") and Manfield Chemical Holdings Limited ("Manfield").

The shares of Roma, Major and Manfield are listed on The Stock Exchange of Hong Kong Limited.

Mr. Yue is a certified public accountant with solid experience in accounting, auditing and corporate finance. Mr. Yue is also a member of the American Institute of Certified Public Accountants and the Colorado State Society of Certified Public Accountants. He is also holding a specialist certificate and a practicing certificate in corporate finance of the Hong Kong Securities Institute.

### Senior Management

All the executive Directors are responsible for the various aspects of the business and operation of the Group. These executive Directors are regarded as the member of the senior management team of the Group.

**孫明導先生**，69歲，於二零一三年九月五日獲委任為獨立非執行董事。孫先生亦為董事會審核委員會、提名委員會及薪酬委員會的成員。孫先生獲委任為中國澱粉工業協會第八屆常務副秘書長，任期為二零一六年六月至二零二一年五月。孫先生於二零一五年十一月獲委任為中國澱粉工業協會專家委員會副主任。孫先生亦於二零一五年十一月獲委任為中華人民共和國國家標準管理委員會轄下澱粉食品及澱粉衍生物技術委員會副主任。

孫先生於二零零一年至二零零七年分別為武漢華麗環保科技有限公司研究所副所長及該公司副總經理。孫先生曾分別擔任中國澱粉工業協會常務理事、第六及第七屆秘書長。

**余季華先生**，52歲，於二零零七年九月五日獲委任為獨立非執行董事。余先生亦為董事會審核委員會、提名委員會及薪酬委員會的主席。

於二零一七年，余先生在羅馬集團有限公司(「羅馬」)出任下列職位。

於羅馬出任的職位	二零一七年
主席	四月二十日至六月二日
行政總裁	四月二十日至六月五日
行政總裁	十月一日至今
主席	十二月十八日至今

為免除疑慮，余先生現時為羅的執行董事、主席、行政總裁、公司秘書及監察主任。

彼亦為美捷滙控股有限公司(「美捷滙」)及萬輝化工控股有限公司(「萬輝」)的獨立非執行董事。

羅馬、美捷滙及萬輝的股份均於香港聯合交易所有限公司上市。

余先生是執業會計師，在會計、核數和企業融資方面經驗豐富，同時亦是美國會計師協會會員、科羅拉多州註冊會計師協會會員。彼亦持有香港證券專業學會的專業證書及企業融資執業證書。

### 高級管理層

所有執行董事負責本集團各方面的業務及營運。此等執行董事乃被視為本集團的高級管理隊伍。

# Auditor's Report

## 核數師報告



SHINEWING (HK) CPA Limited  
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33 Hysan Avenue  
Causeway Bay, Hong Kong

信永中和(香港)  
會計師事務所有限公司  
香港銅鑼灣  
希慎道33號利園一期43樓

**TO THE SHAREHOLDERS OF CHINA STARCH HOLDINGS LIMITED**  
(Incorporated in the Cayman Islands with limited liability)

致中國澱粉控股有限公司股東  
(於開曼群島註冊成立的有限公司)

### Opinion

We have audited the consolidated financial statements of China Starch Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 45 to 99, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### 意見

本核數師(以下簡稱「我們」)已審計列載於第45至99頁中國澱粉控股有限公司(「貴公司」)及其附屬公司(「貴集團」)的合併財務報表。此合併財務報表包括於二零一七年十二月三十一日的合併財務狀況表與截至該日止年度的合併損益及其他綜合收益表、合併權益變動表及合併現金流量表，以及合併財務報表附註(包括主要會計政策概要)。

我們認為，該等合併財務報表已根據香港會計師公會(「香港會計師公會」)所頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映貴集團於二零一七年十二月三十一日的合併財務狀況，以及其於截至該日止年度的合併財務表現及合併現金流量，並已按照香港《公司條例》的披露規定妥為編製。

### 意見基礎

我們已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。我們在該等準則項下的責任在本報告「核數師對合併財務報表的審計責任」一節進一步闡述。根據香港會計師公會的職業核數師道德守則(「守則」)，我們為獨立於貴集團，並已按照守則履行其他道德責任。我們相信，我們已獲得足夠及適當的審計憑證，為我們的審計意見提供基礎。

### 關鍵審計事項

關鍵審計事項是我們專業判斷所認為，對我們審計本期間合併財務報表最為重要的事項。該等事項已於我們審計整份合併財務報表及就其出具意見處理，而我們不會就該等事項獨立提供意見。

### Valuation of property, plant and equipment

### 物業、廠房及設備的估值

Refer to note 14 to the consolidated financial statements and the accounting policies on page 59. 請參閱合併財務報表附註14及第59頁的會計政策。

<b>The key audit matter</b> <b>關鍵審計事項</b>	<b>How the matter was addressed in our audit</b> <b>審計中處理有關事項的方法</b>
<p>We have identified the valuation of property, plant and equipment as a key audit matter because of its significance to the consolidated financial statements and because applying the Group's accounting policies in this area involves a significant degree of judgement by the management in assessing whether there are any indicators of impairment for property, plant and equipment at the end of the reporting period which may affect the carrying amount of property, plant and equipment. As at 31 December 2017, the carrying amount of property, plant and equipment is approximately RMB1,131,849,000.</p> <p>基於物業、廠房及設備的估值對綜合財務報表的重要性，加上就本範疇應用 貴集團的會計政策時，管理層需要在評估物業、廠房及設備於報告期末是否有任何可能會對物業、廠房及設備賬面值造成影響的減值跡象時作出重大判斷，故我們已將其認定為關鍵審計事項。於二零一七年十二月三十一日，物業、廠房及設備的賬面值約為人民幣1,131,849,000元。</p>	<p>Our audit procedures were designed to evaluate the management's assessment of the indicators of impairment and, where such indicators were identified, assessed the management's impairment testing and identify any valuation risk of property, plant and equipment.</p> <p>我們的審計程序的設計乃為評核管理層就減值跡象所作出的評估，及在確定有關跡象的情況下，評估管理層所作出的減測試，以及識別物業、廠房及設備的任何估值風險。</p> <p>We have discussed with the management on the key assumptions used in the management's assessment of the indicators of impairment. We have also performed check on sample basis by physically inspecting whether the property, plant and equipment are kept in a good condition.</p> <p>我們已與管理層討論管理層在評估減值跡象時所使用的主要假設。吾等亦抽樣對物業、廠房及設備進行實地視查，以確認彼等是否處於良好狀況。</p>

### Recoverability of trade receivables

### 貿易應收款的可收回程度

Refer to note 18 to the consolidated financial statements and the accounting policies on page 62. 請參閱合併財務報表附註18及第62頁的會計政策。

<b>The key audit matter</b> <b>關鍵審計事項</b>	<b>How the matter was addressed in our audit</b> <b>審計中處理有關事項的方法</b>
<p>We have identified the valuation of trade receivables as a key audit matter because the allowance for doubtful debts involves significant degree of management judgement.</p> <p>由於呆賬撥備涉及管理層作出大量判斷，我們已認定貿易應收款的估值為關鍵審計事項。</p> <p>As at 31 December 2017, in the carrying amount of trade receivables is approximately RMB125,716,000. The management takes into account the present value of estimated future cash flows discounted at the original effective interest rate. Therefore, it comes to our concern that there is a risk of recoverability of trade receivables arising from management estimation.</p> <p>於二零一七年十二月三十一日，貿易應收款的賬面值約為人民幣125,716,000元。在有關金額中，管理層已考慮估計未來現金流按原實際利率貼現的現值。因此，我們的憂慮為管理層的估計所產生的貿易應收款可收回程度的風險。</p>	<p>Our audit procedures were designed to review management's assessment of the indicators of impairment and challenge the reasonableness of the methods and assumptions used to estimate the allowance for doubtful debts.</p> <p>我們審計程序的設計乃為檢討管理層對減值跡象的評估，並已對估計呆賬撥備時所使用的方法及假設的合理性提出質疑。</p> <p>We have discussed the indicators of possible impairment with the management and, where such indicators were identified, assessing the management's impairment testing. We have evaluated the assumptions and critical judgement used by the management by assessing the reliability of the management's past estimates and taking into account the ageing at year end and cash received after year end, as well as the recent creditworthiness of each debtor.</p> <p>我們已與管理層討論可能出現減值的跡象，並在確認出現有關跡象時，對管理層所作出的減值測試進行評估。我們已透過評估管理層過往所作估計的可靠程度對管理層所使用的假設及重大判斷作出評定，並已考慮年終時的賬齡，以及於年終後所收到的現金，以及各債務人近期的信譽。</p>

# Auditor's Report

## 核數師報告

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Directors of the Company and Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Audit Committee is responsible for overseeing the Group's financial reporting process.

### 合併財務報表及就其發出的核數師報告以外的資料

貴公司董事對其他資料負責。其他資料包括年報內的所有資料，惟合併財務報表及就其發出的核數師報告除外。

我們就合併財務報表發出的意見並不涵蓋其他資料，我們亦不對該等資料發表任何形式的核證結論。

就合併財務報表的審計而言，我們的責任為閱讀其他資料，並在過程中考慮其他資料與合併財務報表或我們於審計過程中所瞭解的情況是否有重大抵觸，或是否可能有重大錯誤陳述。基於我們已執行的工作，倘我們認為其他資料存在重大錯誤陳述，我們需要報告有關事實。就此而言，我們並無任何報告。

### 貴公司董事及審核委員會對合併財務報表的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露規定編製真實而公平的合併財務報表，以及落實其認為屬必要的內部控制，以使所編製的合併財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

於編製合併財務報表時，貴公司董事負責評估貴集團繼續以持續基準經營的能力，並在適用情況下披露與以持續基準經營有關的事項，以及使用持續經營的會計基礎，惟董事有意將貴集團清盤或停止經營，或除此以外別無其他實際的替代方案則除外。

審核委員會負責監督貴集團的財務報告流程。

# Auditor's Report

## 核數師報告

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.
- Conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

### 核數師對合併財務報表的審計責任

我們的目標為合理確定整體合併財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述，並按照協定的委任條款僅向閣下發出載有我們意見的核數師報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理核證是高水平的核證，但並不保證按照《香港審計準則》進行的審計總能發現已存在的重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期有關錯誤陳述（個別或共同）會影響使用者根據合併財務報表所作出的經濟決定，則有關錯誤陳述被視為重大錯誤陳述。

在根據《香港審計準則》進行審計的過程中，我們會作出專業判斷，並保持專業懷疑態度。我們亦：

- 識別和評估合併財務報表因欺詐或錯誤而存在重大錯誤陳述的風險，因應該等風險設計及執行審計程序，以及獲取充足和適當的審計憑證為我們的意見提供基礎。由於欺詐可能涉及串謀、偽造、故意遺漏、失實陳述，或凌駕內部控制，因此，與未能發現因錯誤而導致的重大錯誤陳述相比，未能發現因欺詐而導致的重大錯誤陳述的風險較高。
- 瞭解與審核有關的內部控制，以設計適用於有關情況的審核程序，但並非旨在對貴集團內部控制的成效發表意見。
- 評估貴公司董事所採用會計政策是否恰當，以及貴公司董事所作出的會計估計及相關披露是否合理。
- 就貴公司董事採用持續經營基礎的會計法是否恰當作出結論，並根據已獲取的審計憑證，就是否有對貴集團繼續以持續基準經營的能力構成重大疑問的事件或情況的相關重大不確定因素作出結論。倘我們的結論為存在重大不確定因素，則我們需要於核數師報告中提出須注意合併財務報表內的相關資料披露，或倘有關披露資料不足，則需要修訂我們的意見。我們的結論以截至核數師報告日期所獲得的審計憑證為基礎。然而，貴集團可能因未來事件或情況而不再持續經營。

# Auditor's Report

## 核數師報告

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評估合併財務報表的整體呈列方式、架構及內容(包括披露資料)，以及合併財務報表是否以達致公平呈列反映相關交易及事件。
- 就 貴集團內各實體或業務活動的財務資料獲得充足的合適審計憑證，以就合併財務報表發表意見。我們須負責指導、監督及執行集團的審計工作。我們須為我們的審計意見承擔全部責任。

We communicate with Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

我們與審核委員會就(其中包括)審計工作的計劃範圍及時間安排及重大審計發現(包括我們於審計期間識別出的內部監控的任何重大缺陷)進行溝通。

We also provide Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

我們亦向審核委員會提交聲明，說明我們已遵守有關獨立性的道德要求，並就所有被合理認為可能影響我們獨立性的關係及其他事宜及(如適用)相關防範措施，與負責管治的人員進行溝通。

From the matters communicated with Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

從與審核委員會溝通的事項中，我們決定對本期合併財務報表的審計工作最為重要的事項，而有關事項因而為關鍵審計事項。除非法律或法規不容許公開披露此等事項，或於極罕見的情況下，我們認為由於可合理預期披露此等事項的不良後果將超越公眾知悉此等事項的利益，因而不應於報告中披露，否則我們會於核數師報告中說明此等事項。

The engagement partner on the audit resulting in this independent auditor's report is Mr. Kwan Chi Fung.

本獨立核數師報告的審計項目合夥人是關志峰先生。

### SHINEWING (HK) CPA Limited

*Certified Public Accountants*

#### Kwan Chi Fung

Practising Certificate Number: P06614

Hong Kong  
26 March 2018

### 信永中和(香港)會計師事務所有限公司

執業會計師

#### 關志峰

執業證書號碼：P06614

香港  
二零一八年三月二十六日

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 合併損益及其他綜合收益表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

			2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>Revenue</b>	收入	5	<b>4,694,541</b>	4,397,844
Cost of sales	銷售成本		<b>(4,074,998)</b>	(3,900,749)
<b>Gross profit</b>	毛利		<b>619,543</b>	497,095
Distribution expenses	分銷費用		<b>(96,664)</b>	(101,132)
Administrative expenses	行政費用		<b>(132,294)</b>	(115,865)
Other gains and losses	其他收益及虧損	6	<b>105,868</b>	12,558
<b>Operating profit</b>	經營利潤		<b>496,453</b>	292,656
Finance income	融資收入	7	<b>32,424</b>	24,851
Finance expenses	融資費用	8	<b>(290)</b>	(1,862)
Profit before income tax	除所得稅前利潤	9	<b>528,587</b>	315,645
Income tax expenses	所得稅支出	10	<b>(134,526)</b>	(96,426)
<b>Profit and total comprehensive income for the year</b>	本年度利潤及綜合收益總額		<b>394,061</b>	219,219
Attributable to:	以下各項應佔：			
Owners of the Company	本公司擁有人		<b>388,167</b>	213,682
Non-controlling interests	非控股股東權益		<b>5,894</b>	5,537
			<b>394,061</b>	219,219
<b>Earnings per share attributable to owners of the Company</b>	本公司擁有人應佔每股盈利			
Basic and diluted earnings per share (RMB)	每股基本及攤薄盈利(人民幣)	12	<b>0.0647</b>	0.0356

The notes on pages 51 to 99 are an integral part of these consolidated financial statements. 第51至99頁的附註乃合併財務報表的其中部分。

# Consolidated Statement of Financial Position

## 合併財務狀況表

As at 31 December 2017 於二零一七年十二月三十一日

			2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
	Notes 附註			
<b>ASSETS</b>		<b>資產</b>		
<b>Non-current assets</b>		<b>非流動資產</b>		
Property, plant and equipment	14	物業、廠房及設備	<b>1,131,849</b>	1,230,397
Prepaid lease payments	15	預付租賃款	<b>205,587</b>	210,474
Deposits for acquisition of property, plant and equipment		收購物業、廠房及設備的保證金	<b>21,759</b>	–
Other asset	16	其他資產	–	20,830
Deferred tax assets	22	遞延稅項資產	<b>48,527</b>	7,369
<b>Total non-current assets</b>		<b>非流動資產總值</b>	<b>1,407,722</b>	1,469,070
<b>Current assets</b>		<b>流動資產</b>		
Inventories	17	存貨	<b>224,532</b>	213,885
Trade and other receivables	18	貿易及其他應收款	<b>409,692</b>	336,545
Financial assets at fair value through profit or loss	19	按公平值計入損益的金融資產	–	19
Pledged bank deposits	20	已抵押銀行存款	<b>3,000</b>	1,063
Fixed deposits	20	定期存款	<b>390,000</b>	390,000
Cash and cash equivalents	20	現金及現金等價物	<b>1,103,160</b>	493,810
<b>Total current assets</b>		<b>流動資產總值</b>	<b>2,130,384</b>	1,435,322
<b>Total assets</b>		<b>資產總值</b>	<b>3,538,106</b>	2,904,392

# Consolidated Statement of Financial Position

## 合併財務狀況表

As at 31 December 2017 於二零一七年十二月三十一日

		Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>EQUITY</b>	<b>權益</b>			
<b>Equity attributable to owners of the Company</b>	<b>本公司擁有人應佔權益</b>			
Share capital	股本	21	<b>532,656</b>	532,656
Other reserves	其他儲備		<b>423,560</b>	419,205
Retained earnings	保留盈利		<b>1,659,287</b>	1,314,815
			<b>2,615,503</b>	2,266,676
Non-controlling interests	非控股股東權益		<b>131,520</b>	35,626
<b>Total equity</b>	<b>權益總額</b>		<b>2,747,023</b>	2,302,302
<b>LIABILITIES</b>	<b>負債</b>			
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Borrowing	借款	23	<b>224</b>	1,110
Deferred income	遞延收入	24	<b>220,183</b>	33,543
Deferred tax liabilities	遞延稅項負債	22	<b>9,838</b>	1,000
<b>Total non-current liabilities</b>	<b>非流動負債總額</b>		<b>230,245</b>	35,653
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款	25	<b>444,560</b>	496,239
Income tax payable	應付所得稅		<b>88,302</b>	40,601
Borrowing	借款	23	<b>4,208</b>	3,322
Employee housing deposits	員工房屋保證金	26	<b>23,768</b>	26,275
<b>Total current liabilities</b>	<b>流動負債總額</b>		<b>560,838</b>	566,437
<b>Total liabilities</b>	<b>負債總額</b>		<b>791,083</b>	602,090
<b>Total equity and liabilities</b>	<b>權益及負債總額</b>		<b>3,538,106</b>	2,904,392

Approved and authorised for issue by the board of directors on 26 March 2018.

董事會於二零一八年三月二十六日批准及授權刊發。

**Tian Qixiang**  
田其祥  
Director  
董事

**Yu Yingquan**  
于英泉  
Director  
董事

The notes on pages 51 to 99 are an integral part of these consolidated financial statements.

第51至99頁的附註乃合併財務報表的其中部分。

# Consolidated Statement of Changes in Equity

## 合併權益變動表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔							Non-	Total
		Share capital	Share premium	Special reserve	Capital reserve	Statutory reserve	Retained earnings	Total	controlling interests 非控股 股東權益	equity 權益合計
		股本 RMB'000 人民幣千元	股份溢價 RMB'000 人民幣千元 (note (i)) (附註(i))	特別儲備 RMB'000 人民幣千元 (note (ii)) (附註(ii))	資本儲備 RMB'000 人民幣千元	法定儲備 RMB'000 人民幣千元	保留盈利 RMB'000 人民幣千元	總計 RMB'000 人民幣千元	股東權益 RMB'000 人民幣千元	權益合計 RMB'000 人民幣千元
At 1 January 2016	二零一六年一月一日	532,656	137,424	27,080	56,196	175,059	1,124,579	2,052,994	30,089	2,083,083
Profit and total comprehensive income for the year	本年度利潤及綜合收益總額	-	-	-	-	-	213,682	213,682	5,537	219,219
Transfer to statutory reserves	轉入法定儲備	-	-	-	-	23,446	(23,446)	-	-	-
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日	532,656	137,424	27,080	56,196	198,505	1,314,815	2,266,676	35,626	2,302,302
Profit and total comprehensive income for the year	本年度利潤及綜合收益總額	-	-	-	-	-	388,167	388,167	5,894	394,061
Contribution from non-controlling interests	非控股權益注資	-	-	-	-	-	-	-	90,000	90,000
2016 final dividend	二零一六年末期股息	-	(39,340)	-	-	-	-	(39,340)	-	(39,340)
Transfer to statutory reserves	轉入法定儲備	-	-	-	-	43,695	(43,695)	-	-	-
At 31 December 2017	二零一七年十二月三十一日	532,656	98,084	27,080	56,196	242,200	1,659,287	2,615,503	131,520	2,747,023

Notes:

- (i) Under the Cayman Islands Companies Law, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum or Articles of Association and provided that immediately following the distribution of dividends, the Company is able to pay its debts as they fall due in the ordinary course of business.
- (ii) Special reserve represents (a) the difference between the nominal value of the share capital and share premium issued by the Company and the aggregate of the share capital and share premium of the subsidiaries acquired upon the Group's reorganisation; and (b) the difference between the consideration paid by the direct subsidiary for the entire registered capital of the indirect subsidiary and the amount of registered capital of the indirect subsidiary.

附註：

- (i) 根據開曼群島公司法，在組織章程大綱或細則的條文規限下，本公司的股份溢價可供向股東分派或派付股息，惟於緊隨股息分派後，本公司須有能力償還其於日常業務中到期的債務。
- (ii) 特別儲備指：(a) 本公司所發行股本的面值及股份溢價與本集團重組時所收購的附屬公司的股本及股份溢價總值之間的差額；及(b) 直接附屬公司就間接附屬公司全部註冊資本支付的代價與間接附屬公司的註冊資本之間的差額。

The notes on pages 51 to 99 are an integral part of these consolidated financial statements.

第51至99頁的附註乃合併財務報表的其中部分。

# Consolidated Statement of Cash Flows

## 合併現金流量表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

	Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>Operating Activities</b>	<b>經營活動</b>		
Profit before income tax	除所得稅前利潤	<b>528,587</b>	315,645
Adjustments for:	經調整以下項目：		
Finance income	融資收入	<b>(32,424)</b>	(24,851)
Finance expenses	融資費用	<b>290</b>	1,862
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>150,903</b>	140,813
Losses on disposals of property, plant and equipment	出售物業、廠房及 設備之虧損	<b>11,191</b>	1,354
Amortisation of prepaid lease payments	預付租賃款的攤銷	<b>4,887</b>	5,580
Amortisation of government grants	政府補助的攤銷	<b>(13,484)</b>	(1,889)
Change in fair value of financial assets at fair value through profit or loss	按公平值計入損益的 金融資產的公平值變動	<b>19</b>	226
Operating cash flows before movements in working capital	營運資金出現變動之前的 經營現金流量	<b>649,969</b>	438,740
Increase in inventories	存貨增加	<b>(10,647)</b>	(10,934)
(Increase)/decrease in trade and other receivables	貿易及其他應收款(增加)/減少	<b>(73,147)</b>	41,906
(Decrease)/increase in trade and other payables	貿易及其他應付款(減少)/增加	<b>(12,815)</b>	36,641
Cash generated from operations	經營產生的現金	<b>553,360</b>	506,353
Income taxes paid	已繳納所得稅	<b>(119,145)</b>	(38,111)
Net cash generated from operating activities	經營活動產生的現金淨額	<b>434,215</b>	468,242

# Consolidated Statement of Cash Flows

## 合併現金流量表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

	Note	2017	2016
	附註	二零一七年	二零一六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<b>Investing Activities</b>	<b>投資活動</b>		
Government grant received	已收政府補助	<b>200,124</b>	–
Purchases of property, plant and equipment	購置物業、廠房及設備	<b>(132,395)</b>	(141,880)
Additions of prepaid lease payment	預付租賃款增加	–	(366)
Decrease in other assets	其他資產減少	<b>20,830</b>	–
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備所得款	<b>5,719</b>	4,897
Interest received	已收利息	<b>32,424</b>	24,851
(Increase)/decrease of pledged bank deposits	已抵押銀行存款(增加)/減少	<b>(1,937)</b>	36,853
Increase in fixed deposits	定期存款增加	–	(100,000)
Net cash generated from/(used in) investing activities	投資活動產生/(使用)的現金淨額	<b>124,765</b>	(175,645)
<b>Financing Activities</b>	<b>融資活動</b>		
Capital contribution by non-controlling interests	非控股權益注資	<b>90,000</b>	–
Interest paid	已付利息	<b>(290)</b>	(1,862)
Repayments of borrowing	償還借款	–	(165,000)
Proceeds from borrowing	借款所得款項	–	70,000
Dividends paid	已付股息	<b>(39,340)</b>	–
Net cash generated from/(used in) financing activities	融資活動產生/(使用)的現金淨額	<b>50,370</b>	(96,862)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	<b>609,350</b>	195,735
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物	<b>493,810</b>	298,075
Cash and cash equivalents at 31 December	於十二月三十一日的現金及現金等價	<b>1,103,160</b>	493,810
	20		

The notes on pages 51 to 99 are an integral part of these consolidated financial statements.

第51至99頁的附註乃合併財務報表的其中部分。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 1 General information

China Starch Holdings Limited (the “Company”) was incorporated in the Cayman Islands under the Cayman Islands Companies Law as an exempted company with limited liability on 29 November 2006. Its ultimate holding company is Merry Boom Group Limited, a company incorporated in the British Virgin Islands (the “BVI”). The address of its registered office and principal place of business of the Company are disclosed in the “Corporate Information” section to the annual report. The principal activities of the Company and its subsidiaries (collectively, the “Group”) are the manufacture and sale of cornstarch, lysine, starch-based sweetener, modified starch and its related products.

The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

These consolidated financial statements are presented in Renminbi (“RMB”), unless otherwise stated.

### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention except for the financial assets at fair value through profit or loss (note 2.10).

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

### 1 一般資料

中國澱粉控股有限公司(「本公司」)為於二零零六年十一月二十九日根據開曼群島公司法在開曼群島註冊成立的獲豁免有限公司，其最終控股公司為怡興集團有限公司(一間於英屬維爾京群島(「英屬維爾京群島」)註冊成立之公司)。本公司註冊辦事處及主要營業地點的地址於年報「公司資料」一節中披露。本公司及其附屬公司(統稱「本集團」)的主要業務為製造及銷售玉米澱粉、賴氨酸、澱粉糖、變性澱粉及其相關產品。

本公司以香港聯合交易所有限公司(「聯交所」)主板為第一上市地。

除另有說明者外，此等合併財務報表乃以人民幣(「人民幣」)計值。

### 2 主要會計政策概要

編製此等合併財務報表所應用的主要會計政策載列如下。除另有說明者外，該等政策已於所有呈列年度貫徹應用。

#### 2.1 編製基準

本公司的合併財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的所有適用香港財務報告準則(「香港財務報告準則」)編製。此外，合併財務報表包括聯交所證券上市規則及香港公司條例規定的適用披露資料。除按公平值計入損益的金融資產(附註2.10)外，合併財務報表乃以歷史成本基準編製。

編製符合香港財務報告準則要求的財務報表需要使用若干關鍵的會計估計。管理層在運用本集團會計政策過程中亦須行使其判斷。涉及較高程度判斷或複雜性的範圍或如假設及估計對合併財務報表而言屬重大的範圍於附註4中披露。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2 Summary of significant accounting policies (Continued)

#### 2.1 Basis of preparation (Continued)

##### 2.1.1 Changes in accounting policy and disclosures

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

The following new amendments to standards have been adopted by the Group for the first time for the current financial year:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle: Amendments to HKFRS 12
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Amendments to HKAS 7	Disclosure Initiative
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Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
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The adoption of these new and amended standards does not have any significant impact to the results and financial position of the Group.

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

The following new amendments to standards and interpretations, which may be relevant to the Group, are mandatory for accounting periods beginning on or after 1 January 2018:

HKFRS 9 (2014)	Financial Instruments <sup>1</sup>
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HKFRS 15	Revenue from Contracts with Customers <sup>1</sup>
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HKFRS 16	Leases <sup>2</sup>
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Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle <sup>1</sup>
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Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle <sup>2</sup>
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Amendment to HKFRS 2	Classification and Measurement of Share-based Payment Transactions <sup>1</sup>
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HK(IFRIC) Interpretation 22	Foreign Currency Transactions and Advance Consideration <sup>1</sup>
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HK (IFRIC) Interpretation 23	Uncertainty over Income Tax Treatments <sup>2</sup>
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### 2 主要會計政策概要(續)

#### 2.1 編製基準(續)

##### 2.1.1 會計政策及披露之變動

(a) *本集團所採納的新訂及經修訂準則*

以下為本集團於本財政年度首次採納的新準則修訂：

香港財務報告準則之修訂	香港財務報告準則二零一四年至二零一六年週期之年度改進：香港財務報告準則第12號之修訂
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香港會計準則第7號之修訂	披露計劃
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香港會計準則第12號之修訂	就未變現虧損確認遞延稅項資產
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採納該等新及經修訂準則對本集團的業績及財務狀況並無任何重大影響。

(b) *尚未採納的新準則及詮釋*

以下為於二零一八年一月一日或其後開始於會計期間強制採納而可能與本集團有關的準則新修訂及詮釋：

香港財務報告準則第9號	金融工具 <sup>1</sup>
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(二零一四年)	
香港財務報告準則第15號	來自客戶合約的收入 <sup>1</sup>

香港財務報告準則第16號	租賃 <sup>2</sup>
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香港財務報告準則之修訂	香港財務報告準則二零一四年至二零一六年週期之年度改進 <sup>1</sup>
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香港財務報告準則之修訂	香港財務報告準則二零一五年至二零一七年週期之年度改進 <sup>2</sup>
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香港財務報告準則第2號之修訂	以股份為基礎付款交易的分類及計量 <sup>1</sup>
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香港(國際財務報告詮釋委員會)詮釋第22號	外幣交易及預付代價 <sup>1</sup>
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香港(國際財務報告解釋委員會)詮釋第23號	所得稅處理的不確定性 <sup>2</sup>
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# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2 Summary of significant accounting policies (Continued)

#### 2.1 Basis of preparation (Continued)

##### 2.1.1 Changes in accounting policy and disclosures

(Continued)

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

<sup>1</sup> Effective for accounting periods beginning on or after  
1 January 2018

<sup>2</sup> Effective for accounting periods beginning on or after  
1 January 2019

The Group anticipates that, except as described below, the application of other new amendments to standards and interpretations will have no material impact on the results and the financial position of the Group.

### 2 主要會計政策概要(續)

#### 2.1 編製基準(續)

##### 2.1.1 會計政策及披露之變動(續)

(b) 尚未採納的新準則及詮釋  
(續)

<sup>1</sup> 於二零一八年一月  
一日或之後開始的  
會計期間生效

<sup>2</sup> 於二零一九年一月  
一日或之後開始的  
會計期間生效

本集團預期，除下述者外，應用準則的其他新修訂及詮釋將不會對本集團的業績及財務狀況有重大影響。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2 Summary of significant accounting policies (Continued)

#### 2.1 Basis of preparation (Continued)

##### 2.1.1 Changes in accounting policy and disclosures

(Continued)

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

##### **HKFRS 9 (2014), Financial Instruments**

HKFRS 9 (2014) will replace the current standard on accounting for financial instruments, HKAS 39 “Financial instruments, Recognition and measurement”. HKFRS 9 (2014) is effective for annual periods beginning on or after 1 January 2018. HKFRS 9(2014) introduces new requirements for classification and measurement of financial assets, a new expected credit loss model that replaces the incurred loss impairment model used in HKAS 39, and a new hedge accounting model which represents a substantial overhaul of hedge accounting that will enable entities to better reflect their risk management activities in their financial statements. The Group has assessed that its financial assets currently measured at amortised cost and financial assets at fair value through profit or loss will continue with their respective classification and measurements upon the adoption of HKFRS 9 (2014). Therefore, the adoption of HKFRS 9 (2014) will not have material impact on the classification, measurement and amounts (after impairment review) of the financial assets as reported in the Group's consolidated financial statements.

The Group plans to use the exemption from restating comparative information and will recognise any transition adjustments against the opening balance of equity at 1 January 2018, if any.

### 2 主要會計政策概要(續)

#### 2.1 編製基準(續)

##### 2.1.1 會計政策及披露之變動(續)

(b) *尚未採納的新準則及詮釋*  
(續)

##### **香港財務報告準則第9號 (二零一四年)金融工具**

香港財務報告準則第9號(二零一四年)將取代現時有關金融工具的會計處理準則香港會計準則第39號「金融工具：確認及計量」。香港財務報告準則第9號(二零一四年)於二零一八年一月一日或之後開始之年度期間生效。香港財務報告準則第9號(二零一四年)引入金融資產分類及計量之新規定：全新的預期信貸虧損模型，用以取代香港會計準則第39號所使用的已產生虧損減值模型；以及新的對沖會計模式，大幅修改對沖會計，使實體能更有效地在財務報表中反映其風險管理活動。本集團已評定，於採納香港財務報告準則第9號(二零一四年)後，其現時分別以攤銷成本及按公平值計入損益計量的金融資產的分類及計量將維持不變。因此，採納香港財務報告準則第9號(二零一四年)將不會對本集團合併財務報表內所報告的金融資產的分類、計量及金額(於作出減值審閱後)有重大影響。

本集團計劃使用重列比較資料的豁免，並將於二零一八年一月一日的權益期初結餘中確認任何過渡調整(如有)。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2 Summary of significant accounting policies (Continued)

#### 2.1 Basis of preparation (Continued)

##### 2.1.1 Changes in accounting policy and disclosures

(Continued)

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

##### **HKFRS 15, Revenue from contracts with customers**

HKFRS 15 will replace HKAS 18 "Revenue" and HKAS 11 "Construction contracts" and related interpretations. HKFRS 15 is effective for annual periods beginning on or after 1 January 2018. Based on the assessment completed to date, the Group does not expect HKFRS 15 to have material impact on our future consolidated financial statements apart from additional disclosure required on the revenue transactions. The Group's revenue recognition policy as disclosed in note 2.21 is consistent with HKFRS 15. Certain key areas prescribed in HKFRS 15, such as identification the performance obligations in the contract, timing of revenue recognition, significant financing component and sales with a right of return, do not materially affect how the group recognises revenue and cost of sales.

The Group plans to elect to use the cumulative effect transition method for the adoption of HKFRS 15 and will recognise the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2018, if any. As allowed by HKFRS 15, the Group plans to apply the new requirements only to contracts that are not completed before 1 January 2018. The Group expects that the transition adjustment to be made upon the initial application of HKFRS 15 will not be material.

### 2 主要會計政策概要(續)

#### 2.1 編製基準(續)

##### 2.1.1 會計政策及披露之變動(續)

(b) *尚未採納的新準則及詮釋*  
(續)

##### **香港財務報告準則第15號「客戶合約收益」**

香港財務報告準則第15號將取代香港會計準則第18號「收入」及香港會計準則第11號「建設合約」及相關詮釋。香港財務報告準則第15號於二零一八年一月一日或之後開始之年度期間生效。根據截至本日止所完成的評估，本集團預期除需要就收入交易作出額外披露外，香港財務報告準則第15號不會對未來的合併財務報表造成重大影響。本集團的收益確認政策(見附註2.21所披露)與香港財務報告準則第15號一致。香港財務報告準則第15號所訂明的若干主要範圍(如識別合約的履約責任、收益確認時間、重大融資元素及附退貨權的銷售)不會對本集團確認銷售收益及成本的方法產生重大影響。

本集團計劃就採納香港財務報告準則第15號使用累計影響過渡法，並將於二零一八年一月一日的權益期初結餘中將首次應用的累計影響確認為調整(如有)。誠如香港財務報告準則第15號所允許，本集團計劃僅對於二零一八年一月一日之前尚未完成的合約應用新規定。本集團預期首次應用香港財務報告準則第15號時將作出的過渡調整並不重大。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2 Summary of significant accounting policies (Continued)

#### 2.1 Basis of preparation (Continued)

##### 2.1.1 Changes in accounting policy and disclosures

(Continued)

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

##### **HKFRS 16, Leases**

HKFRS 16 will supersede HKAS 17 “Leases”, HK(IFRIC) – Int 4 “Determining whether an Arrangement contains a Lease”, HK(SIC) – Int 15 “Operating Leases – Incentives” and HK(SIC) – Int 27 “Evaluating the Substance of Transactions Involving the Legal Form of a Lease”.

HKFRS 16 is effective for accounting periods beginning on or after 1 January 2019. The Group will early apply HKFRS 16 for the annual periods beginning on or after 1 January 2018. The new standard requires a lessee to recognise almost all leases on the statement of financial position which will reflect their “right-of-use” for a period of time and their associated liability for payments. The new standard will gross up the statement of financial position and change the presentation of statement of profit and loss and other comprehensive income and statement of cash flows. For example, rental expense will be replaced by depreciation and interest expense in the statement of profit and loss and other comprehensive income. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases and to leases of low value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

The Group plans to elect to use the cumulative effect of initially applying HKFRS 16 and will recognise the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2018, if any. After the initial application of HKFRS 16, the Group will recognise about RMB1,052,000 for both the right-of-use asset and the lease liability. In addition, the Group's future minimum lease payments under non-cancellable operating leases (note 27(a)) of approximately RMB145,000 are short-term leases and of low value.

### 2 主要會計政策概要(續)

#### 2.1 編製基準(續)

##### 2.1.1 會計政策及披露之變動(續)

(b) *尚未採納的新準則及詮釋*  
(續)

##### **香港財務報告準則第16號「租賃」**

香港財務報告準則第16號「租賃」將取代香港會計準則第17號「租賃」、香港(國際財務報告詮釋委員會)–詮釋第4號「釐定安排是否包括租賃」、香港(準則詮釋委員會)–詮釋第15號「經營租賃 – 優惠」及香港(準則詮釋委員會)–詮釋第27號「評估涉及租賃法律形式交易的內容」。

香港財務報告準則第16號於二零一九年一月一日或之後開始之會計期間生效。本集團將於二零一八年一月一日或之後開始之年度期間提前應用香港財務報告準則第16號。新標準要求承租人於財務狀況表上確認絕大多數租賃，其將反映彼等於特定時間段內的「使用權」及其相關的付款責任。新準則將令財務狀況表的總值增加，並改變損益及其他綜合收益表及現金流量表的呈列方式。例如損益及其他綜合收益表內的租金開支將由折舊及利息開支取代。作為可行的臨時處理方法，承租人可選擇不對短期租約及低價值資產的租約應用本會計模式，在此情況下，租金開支將繼續於租期內有系統地確認。

本集團計劃就首次應用香港財務報告準則第16號使用累計影響法，並將於二零一八年一月一日的權益期初結餘中將首次應用的累計影響確認為調整(如有)。於首次應用香港財務報告準則第16號後，本集團將就使用權資產及租賃責任確認約人民幣1,052,000元。此外，本集團根據不可撤銷經營租賃的未來最低租金付款(附註27(a))約人民幣145,000元屬短期租約及低價值。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2 Summary of significant accounting policies (Continued)

#### 2.2 Subsidiaries

A subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Profit or loss and each component of other comprehensive income of subsidiaries are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

#### 2.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

#### 2.4 Segment reporting

The chief operating decision maker is comprised of the executive directors of the Company and the senior executive management of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments. Information relating to segment assets and liabilities is not disclosed as such information is not regularly reported to the chief operating decision-maker.

### 2 主要會計政策概要(續)

#### 2.2 附屬公司

附屬公司為本集團對其存有控制權的實體。倘本集團須承擔或享有參與實體之可變回報風險及權力，以及可運用其對該實體之權力以影響有關回報時，則對實體存有控制權。附屬公司於控制權轉移至本集團日期起合併入賬，並於控制權終止日期起不再合併入賬。

集團內公司間交易、結餘及集團內公司間交易的未變現收益均予對銷。未變現虧損亦會對銷。如有需要，附屬公司呈報的金額已經進行調整，以與本集團的會計政策一致。

附屬公司的損益及其他綜合收益表內的各個部份由本公司擁有人及非控股權益應佔。即使會令非控股權益產生虧絀，附屬公司的綜合收益總額由本公司擁有人及非控股權益應佔。

#### 2.3 獨立財務報表

於附屬公司的投資按成本扣除減值列賬。成本包括投資的直接成本。本公司基於已收股息及應收款項呈列附屬公司業績。

倘股息超逾附屬公司宣派股息期間的綜合收益總額或獨立財務報表內投資賬面值超逾被投資方合併財務報表資產淨值(包括商譽)的賬面值，則收取該等投資的股息後須對附屬公司投資進行減值測試。

#### 2.4 分部報告

主要營運決策人包括本公司執行董事及本集團高級管理層。經營分部的呈報方式與給予主要營運決策者的內部報告一致。主要營運決策人負責分配資源及評估經營分部表現。有關分部資產及負債的資料並無披露，此乃由於該等資料並非定期向主要營運決策人呈報。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2 Summary of significant accounting policies (Continued)

#### 2.5 Foreign currency translation

##### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB, which is the Group's functional and presentation currency.

##### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

##### (c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period; and
- (ii) income and expenses for each profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the profit or loss as part of the gain or loss on sale.

### 2 主要會計政策概要(續)

#### 2.5 外幣換算

##### (a) 功能及呈報貨幣

計入本集團各實體財務報表的項目均以該實體業務所在的主要經濟環境的貨幣(「功能貨幣」)計量。合併財務報表乃以人民幣呈列，人民幣為本集團的功能貨幣及呈報貨幣。

##### (b) 交易及結餘

外幣交易按交易日期或重新計量項目估值日期當時的匯率換算為功能貨幣。因結算此等交易及按年終匯率換算以外幣計值的貨幣資產及負債而產生的外匯收益及虧損於損益內確認。

##### (c) 集團公司

本集團旗下所有實體(全部均非採用高通脹經濟體系的貨幣)的功能貨幣倘有別於呈報貨幣，其業績及財務狀況須按如下方式兌換為呈報貨幣：

- (i) 各財務狀況表所列資產及負債按其報告期末的收市匯率換算；及
- (ii) 各項損益所列收入及開支按平均匯率換算，除非此平均匯率不足以合理地概括反映於交易日期適用匯率的累計影響，則在此情況下，收入及開支則按交易日期的匯率換算。

在合併賬目時，換算海外業務淨投資產生的匯兌差額，均列入其他綜合收益內。當處置或出售部分海外業務時，計入權益的匯兌差額於損益內確認為出售收益或虧損的一部分。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2 Summary of significant accounting policies (Continued)

#### 2.6 Property, plant and equipment

Property, plant and equipment, other than those under construction, are stated at historical cost less depreciation and impairment losses. Property, plant and equipment under construction for production or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Property, plant and equipment under construction is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over the estimated useful lives, as follows:

Buildings	15 – 35 years
Plant and machinery	5 – 12 years
Motor vehicles	6 years
Other machinery	4 – 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.7).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other gains and losses' in the profit or loss.

### 2 主要會計政策概要(續)

#### 2.6 物業、廠房及設備

除在建項目之外，物業、廠房及設備均會按歷史成本減折舊及減值虧損列賬。作生產或行政用途或尚未決定用途的在建物業、廠房及設備會按成本減任何已確認減值虧損入賬。在建物業、廠房及設備乃當完成並可作擬定用途時分類為物業、廠房及設備的適當類別。該等資產的折舊於資產可供用作擬定用途時開始，採用的基準與其他物業資產的基準相同。

歷史成本包括收購該等項目直接應佔的開支。

只有在與項目相關的未來經濟利益可能流入本集團，而項目成本能可靠地計量時，項目的其後成本才會計入資產賬面值，或在適當情況下確認為獨立資產。已取代部分的賬面值會被終止確認。其他所有維修保養費用於產生的財務期間內在損益表內扣除。

物業、廠房及設備的折舊採用直線法按以下的估計可使用年期將成本分配至其殘值計算：

樓宇	15至35年
廠房及機器	5至12年
汽車	6年
其他機器	4至10年

資產的殘值及可使用年期於各報告期末進行檢討，並於適當時作出調整。

倘資產賬面值高於其估計可收回金額，則資產賬面值會即時撇減至其可收回金額(附註2.7)。

出售收益及虧損以比較所得款與賬面值而釐定，並於損益表內的「其他收益及虧損」中確認。

## 2 Summary of significant accounting policies (Continued)

### 2.7 Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised immediately in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

### 2.8 Financial instruments

The Group classifies its financial assets, other than interest in subsidiaries, as (i) financial assets at fair value through profit or loss and (ii) loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets at fair value through profit or loss includes derivative financial instruments (note 2.10). Loan and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, including trade and other receivables (note 2.12), pledged bank deposits, fixed deposits with maturity period over three months and cash and cash equivalents (note 2.13).

The Group's financial liabilities represent financial liabilities measured at amortised cost using the effective interest method. It consists of trade and other payables (note 2.15), borrowing (note 2.16) and employee housing deposits.

### 2.9 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more of the following events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant change in the technological, market, economic or legal environment that have an adverse effect on the debtors.

## 2 主要會計政策概要(續)

### 2.7 非金融資產的減值

當有事件出現或情況改變顯示賬面值可能無法收回時，會就資產減值進行檢討。減值虧損按資產的賬面值超出其可收回金額的差額即時於損益確認。可收回金額以資產的公平值扣除銷售成本或使用價值兩者中的較高者為準。於評估減值時，資產按可分開識別現金流量(現金產生單位)的最低層次分組。商譽以外的非金融資產如出現減值，會於各報告日期檢討其減值撥回的可能性。

### 2.8 金融工具

本集團將金融資產(於附屬公司的權益除外)分類為：(i)按公平值計入損益的金融資產；及(ii)貸款及應收款。分類取決於金融資產之性質及目的，並於首次確認時釐定。以公平值計入損益之的融資產包括衍生金融工具(附註2.10)。貸款及應收款項為具有固定或可釐定付款額、在活躍市場中並無報價的非衍生金融資產，其包括貿易及其他應收款(附註2.12)、已抵押銀行存款、三個月以上定期存款及現金及現金等價物(附註2.13)。

本集團的金融負債為使用實際利率法以攤銷成本計量的金融負債。其由貿易及其他已付款(附註2.15)、借款(附註2.16)及僱員住房公積金組成。

### 2.9 金融資產的減值

本集團於各報告期末評估是否有客觀證據顯示一項或一組金融資產出現減值。當有客觀證據顯示一項金融資產或一組金融資產因發生下列一項或多項事件而出現減值時，有關資產方會出現減值及產生減值虧損：

- 債務人面臨重大財政困難；
- 違約，例如欠繳或拖欠利息或本金付款；
- 債務人可能將會破產或進行其他財務重組；及
- 技術、市場、經濟或法律環境出現對債務人造成不利影響的重大變動。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2 Summary of significant accounting policies (Continued)

#### 2.9 Impairment of financial assets (Continued)

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

If the recovery of trade debtors and bills receivables is considered doubtful but not remote, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade and bills receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit and loss.

#### 2.10 Financial assets at fair value through profit or loss

Derivative financial instruments are initially recognised at fair value. At the end of each reporting period the fair value is remeasured. The method of recognising the resulting gain or loss depends on whether the derivatives are designated as hedging instruments, and if so, the nature of these items being hedged. The derivatives which the Group entered into are classified as held for trading financial instruments and any fair value change is recognised in profit or loss immediately. Assets in this category are classified as current assets if expected to be settled within twelve months; otherwise, they are classified as non-current.

### 2 主要會計政策概要(續)

#### 2.9 金融資產的減值(續)

就貸款及應收款類別而言，虧損金額以資產賬面值與按金融資產原實際利率貼現之估計未來現金流量(不包括未產生之日後信貸虧損)之現值兩者間之差額計量。資產之賬面值會被削減，而虧損金額則於損益內確認。倘貸款按浮動利率計息，計量任何減值虧損之貼現率則為根據合同釐定之當前實際利率。作為可行的權宜之計，本集團可利用可觀察之市場價格按工具之公平值計量減值。

倘於其後期間，減值虧損之金額減少，而減幅與確認減值後發生之事件(例如債務人之信用評級改善)有客觀聯繫，則在損益內確認撥回之前已確認之減值虧損。

倘貿易應收款項及應收票據的收回被認為存有疑問但並非機會極微，則會使用撥備賬記錄呆賬減值虧損。倘本集團信納收回的機會極微，被認為不可收回的金額會直接與貿易應收款及應收票據撇銷，而撥備賬內與該債務有關的金額均予回撥。其後收回過往在撥備賬內扣除的金額，會於撥備賬內回撥。撥備賬的其他變動及其後收回過往直接撇銷的金額均在損益中確認。

#### 2.10 按公平值計入損益的金融資產

衍生工具為初步按公平值計量。於各報告期末，其公平值會重新計量。確認所產生損益的方法視乎衍生工具是否指定為對沖工具，如指定為對沖工具，則視乎所對沖項目的性質。本集團所訂立的衍生工具獲分類為持作買賣金融工具，而任何公平值變動即時於損益中確認。倘本類別的資產預期將於十二個月內結清，則分類為流動資產；否則分類為非流動資產。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2 Summary of significant accounting policies (Continued)

#### 2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

#### 2.12 Trade and other receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

#### 2.13 Cash and cash equivalents

Cash and cash equivalents include cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible into known amount of cash which are subject to an insignificant risk of changes in value, with original maturity of three months or less.

#### 2.14 Share capital

Ordinary shares are classified as equity. Incremental costs, directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### 2.15 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### 2.16 Borrowing

Borrowing is recognised initially at fair value, net of transaction costs incurred. Borrowing is subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowing using the effective interest method.

### 2 主要會計政策概要(續)

#### 2.11 存貨

存貨以成本及可變現淨值兩者的較低者入賬，而成本按加權平均法釐定。製成品及在製品的成本包括原材料、直接勞工、其他直接成本及相關生產間接成本（基於正常營運能力）。可變現淨值乃於日常業務過程中的估計售價，減去適用的可變銷售開支。

#### 2.12 貿易及其他應收款

貿易應收款為於日常業務過程中就已售貨品應收客戶的款項。倘貿易及其他應收款預期於一年或之內收回（或倘時間更長，則於業務的正常營運週期內），則被分類為流動資產，否則以非流動資產呈列。

貿易及其他應收款初步按公平值確認，其後使用實際利率法按攤銷成本減去減值撥備計量。

#### 2.13 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、活期存款以原到期日為三個月或以下，可隨時轉換為已知現金金額，且價值變動風險極微的短期高流動性投資。

#### 2.14 股本

普通股分類為權益。與發行新股或購股權直接有關的增量成本（扣除稅項），列入權益作為所得款的減值。

#### 2.15 貿易及其他應付款

貿易應付款為於日常業務過程中就向供應商購買貨品或服務而付款的責任。倘貿易及其他應付款於一年或之內到期（或倘時間更長，則於業務的正常營運週期內），則被分類為流動負債，否則以非流動負債呈列。

貿易及其他應付款按公平值初步確認，其後採用實際利率法按攤銷成本計量。

#### 2.16 借款

借款按公平值初步確認，並扣除已產生的交易成本。借款隨後按攤銷成本列賬；所得款（扣除交易成本）與贖回值之間的任何差額，使用實際利率法於借款期內在損益中確認。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2 Summary of significant accounting policies (Continued)

#### 2.16 Borrowing (Continued)

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowing is classified as current liability unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

#### 2.17 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### 2.18 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

##### (a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### 2 主要會計政策概要(續)

#### 2.16 借款(續)

倘可能會提取部分或全部融資，設立貸款融資時支付的費用確認為貸款的交易成本。在此情況下，費用遞延至貸款提取為止。如沒有證據證明可能會提取部分或全部融資，則該費用撥作資本列為流動資金服務的預付款項，於有關融資期間攤銷。

除非本集團有權無條件將債務結算日期延遲至報告期結束後至少十二個月，否則借款歸類為流動負債。

#### 2.17 借款成本

收購、建造或生產須長時間方能作擬定用途或出售前的資產所直接應佔的一般及特殊借款成本，會加入該等資產的成本內，直至該等資產已大致備作擬定用途或出售為止。

以特別就合資格資產借入的未動用款項作臨時投資，其投資所得收入會從合資格撥作資本的借款成本中扣除。

所有其他借款成本在產生期間於損益中確認。

#### 2.18 當期及遞延稅項

本期的稅項支出包括當期和遞延稅項。稅項在損益確認，但與其他綜合收益或直接在權益確認的項目有關者則除外。在此情況下，稅項亦分別在其他綜合收益或直接在權益確認。

##### (a) 當期所得稅

當期所得稅支出根據本公司的附屬公司經營業務及產生應課稅收入所在的國家於報告期末已頒佈或實質上已頒佈的稅務法例計算。對於有待詮釋的相關稅務規則，管理層定期評估報稅表所採取的立場，如認為適當會基於預期須向稅務機關支付的稅款提撥準備。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2 Summary of significant accounting policies (Continued)

#### 2.18 Current and deferred tax (Continued)

##### (b) Deferred tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the foreseeable future and there is sufficient taxable profit available against which the temporary difference can be utilised.

##### (c) Offsetting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### 2 主要會計政策概要(續)

#### 2.18 當期及遞延稅項(續)

##### (b) 遞延稅項

因應資產和負債的稅基與資產和負債在合併財務報表的賬面值之間的暫時差額，採用負債法確認遞延稅項。然而，若遞延稅項源於交易(非業務合併)的資產或負債的初步確認，而在交易時不影響會計損益及稅務損益，則不記賬。

遞延稅項採用在報告期末已頒佈或實質上已頒佈並預期在有關的遞延稅項資產變現或遞延稅項負債結算時將會使用的稅率(及法例)釐定。遞延稅項資產在未來可能有應課稅溢利而就此可使用暫時性差異的情況下才會確認入賬。

於附屬公司的投資所產生之應課稅暫時性差異作遞延稅項負債準備，惟本集團可以控制暫時性差異的撥回時間，且暫時性差異在可預見將來可能不會撥回的遞延稅項負債除外。

因投資於附屬公司而產生的可扣減暫時差異，僅會於暫時性差異可在可見將來撥回，且有充足應課稅溢利可用作抵銷暫時差異時確認為遞延稅項資產。

##### (c) 抵銷

當有法定可執行權力將當期稅項資產與當期稅項負債抵銷，且遞延稅項資產和負債涉及由同一稅務機關對應課稅實體或有意以淨額基準結算所得稅結餘的不同應課稅實體徵收的所得稅，則可將遞延稅項資產與負債互相抵銷。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2 Summary of significant accounting policies (Continued)

#### 2.19 Employee benefits

##### (a) Pension obligations

The Group sponsors defined contributions pension plans in the People's Republic of China (the "PRC") and Hong Kong. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions made to the defined contributions pension plans are expenses as incurred. Prepaid contributions are recognised as asset to the extent that a cash refund or a reduction in future payment is available.

##### (b) Bonus entitlements

The expected cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities of bonus plan are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

##### (c) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets) and including that of non-vesting conditions (for example, the requirement for employees to save). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At the reporting date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

### 2 主要會計政策概要(續)

#### 2.19 僱員福利

##### (a) 退休金責任

本集團於中華人民共和國(「中國」)和香港設立界定供款計劃。界定供款計劃是本集團向獨立實體支付固定供款的退休金計劃。倘基金沒有充足資產向全體僱員支付與當期或過往期間僱員服務有關的福利，則本集團亦無法定或推定責任作額外供款。向界定供款退休金計劃作出之供款於作出時支銷。預付供款於有現金可退回時或可扣減未來付款時確認為資產。

##### (b) 花紅

預期支付的花紅乃於本集團須承擔因僱員所提供服務而產生的現有法定或推定性責任，並在可合理估計有關責任的金額時確認為負債。花紅計劃的負債預期將於十二個月內償還，並根據在償付時預期會支付的金額計量。

##### (c) 以股份支付的報酬

本集團設立一項按股權計算、以股份為基礎的報酬計劃。本集團就授出購股權而取得之僱員服務的公平值乃確認為費用。購股權歸屬期間支銷之總額乃參考已授出購股權之公平值而釐定，惟不計及任何非市場歸屬條件之影響(例如盈利能力及銷售增長目標)，但包括非歸屬條件(例如要求員工儲蓄)之影響。非市場歸屬條件包括於有關預期可予歸屬之購股權數目之假設內。於報告日期，實體會修改其估計預期可予歸屬之購股權之數目。修改原來估計數字如有影響，則於損益內確認，並對權益作相應調整。

當購股權獲行使時，收取之所得款項於扣除任何直接應佔之交易成本後計入股本(面值)及股份溢價賬。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2 Summary of significant accounting policies (Continued)

#### 2.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

#### 2.21 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivables for goods supplied, stated net of returns and value added taxes.

The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sales of (i) upstream products and (ii) fermented and downstream products are recognised when a group entity has delivered goods to the customer, the customer has full discretion over the channel and price to sell the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, or the Group has objective evidence that all criteria for acceptance have been satisfied.

### 2 主要會計政策概要(續)

#### 2.20 撥備

當本集團因過往事件而須負上現有的法定或推定責任，並且可能須流失資源以履行責任，而金額亦能夠可靠估計時，會確認撥備。未來經營虧損撥備不會確認入賬。

倘有多項類似責任出現，則會整體考慮責任所屬類別以釐定履行責任會否導致資源流失。即使同一類別責任內任何一項造成資源流失的可能性不高，仍會確認撥備。

撥備按為履行責任預計所需開支的現值計量，計算此等現值使用的稅前貼現率能夠反映對貨幣時間價值及該責任特有的風險的市場評估。時間流逝導致撥備金額的增加會確認為利息開支。

#### 2.21 收入確認

收入按已收或應收代價之公平值計量，並相當於所供應之貨品之應收金額，在扣除退貨及增值稅後入賬。

當收入的金額能夠可靠計量；當未來經濟利益有可能流入實體；及當本集團每項活動均符合下文所述的具體條件時，本集團會確認收入。本集團會根據其往績並考慮客戶類別、交易種類和每項安排的特點作出估計。

銷售(i)上游產品及(ii)發酵及下游產品於集團實體向客戶交付貨物、客戶對銷售渠道及出售貨品價格有全權酌情權及並無任何可能會對客戶接納貨品造成影響的未履行責任時確認。交付指貨品已運輸到指定位置、貨品過時或虧損風險已轉移給客戶，或本集團有客觀證據顯示已達成驗收標準。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2 Summary of significant accounting policies (Continued)

#### 2.22 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

#### 2.23 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease.

##### (a) The Group as lessee

Rental payable under operating leases are charged to the profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

##### (b) Land use rights

Land use rights are accounted for as prepaid leases payments and amortised over the lease term on a straight-line basis.

#### 2.24 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred income and are credited to the profit or loss on a straight-line basis over the expected lives of the related assets.

### 2 主要會計政策概要(續)

#### 2.22 利息收入

利息收入採用實際利息法確認。倘貸款及應收款項出現減值，本集團會將賬面值減至可收回金額，即按工具的原實際利率折現的估計未來現金流，並繼續將折現金額作為利息收入入賬。減值貸款及應收款項的利息收入使用原實際利率確認。

#### 2.23 租賃

擁有權的大部分風險及回報由出租人保留的租賃，歸類為經營租賃。根據經營租賃支付的款項(扣除出租人給予的任何優惠)按直線法在租期自損益扣除。

##### (a) 本集團作為承租人

來自經營租賃的應付租金按直線法在有關租期自損益扣除。作為訂立經營租賃獎勵之已收及應收利益按直線法在租期確認為租金開支減少。

##### (b) 土地使用權

土地使用權作為預付租賃款入賬，並按直線法在租賃期內攤銷。

#### 2.24 政府補助

政府補助於可合理保證將會收到補助及將遵守相關附帶條件時，按其公平值確認。

有關成本之政府補助會作遞延，並在須將該補助與該補助擬補償之成本配對所需的期間，於損益確認。

與物業、廠房及設備有關的政府補助計入非流動負債作為遞延收入，並於相關資產的預計年期內按直線法計入損益。

## 2 Summary of significant accounting policies (Continued)

### 2.25 Research and development expenditure

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when all of the following criteria are fulfilled:

- (a) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (b) management intends to complete the intangible asset and use or sell it;
- (c) there is an ability to use or sell the intangible asset;
- (d) it can be demonstrated how the intangible asset will generate probable future economic benefits;
- (e) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- (f) the expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, not exceeding five years.

### 2.26 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

## 2 主要會計政策概要(續)

### 2.25 研究及開發開支

研究開支於產生期間確認為開支。開發項目(涉及新產品或改良產品的設計及測試)產生的成本於符合以下所有條件時確認為無形資產：

- (a) 完成無形資產在技術上可行，致使該無形資產可供使用或銷售；
- (b) 管理層有意完成及使用或銷售該無形資產；
- (c) 能夠使用或銷售無形資產；
- (d) 能呈現該無形資產如何產生可能的未來經濟利益；
- (e) 具備充裕的技術、財務及其他資源，以完成開發工作及使用或銷售該無形資產；以及
- (f) 能夠可靠計量該無形資產於開發時應佔的開支。

其他不符合上述要求的開發開支產生期間確認為開支。之前確認為開支的開發成本於之後的期間不會被確認為資產。資本化開發成本被列為無形資產，並於該資產可供使用時按直線法於不超過五年的可使用年期攤銷。

### 2.26 股息分派

向本公司股東分派的股息在股息獲本公司股東或董事(如合適)批准當期於本集團及本公司的財務報表確認為負債。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 3 Financial risk management

#### 3.1 Financial risk factors

The Group's major financial instruments include financial assets at fair value through profit and loss, trade and other receivables, pledged bank deposits, fixed deposits with maturity period over three months, cash and cash equivalents, borrowing, trade and other payables, and employee housing deposits. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

##### (a) Market risk

###### (i) Foreign exchange risk

The Group undertakes certain transactions denominated in foreign currencies, hence, exposures to exchange rate fluctuations arise. Approximately 9% (2016: 6%) of the Group's sales are denominated in currencies other than the functional currency of the entities of the Group.

The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rate.

The Group mainly operates in the PRC with most of the transactions settled in RMB. Foreign exchange risk arises when future commercial transaction or recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The Group is exposed to foreign exchange risk primarily with respect to United States Dollars ("US\$") and Hong Kong Dollars ("HK\$"). The management considers the foreign exchange risk with respect to US\$ and HK\$ is not material as the net exposure of the financial assets and liabilities denominated in these currencies is insignificant.

The Group's assets and liabilities, and transactions arising from its operations primarily do not expose to material foreign exchange risk as the Group's assets and liabilities are primarily denominated in RMB. The Group generates RMB from sales in the PRC to meet its liabilities denominated in RMB. The Group has not used any forward contracts or currency borrowing to hedge its exposure as the cost-benefit is considered not effective.

### 3 財務風險管理

#### 3.1 財務風險因素

本集團的主要金融工具包括按公平值計入損益的金融資產、貿易及其他應收款、已抵押銀行存款、三個月以上定期存款、現金及現金等價物、借款、貿易及其他應付款及員工房屋保證金。該等金融工具的詳情已在相關的附註披露。該等金融工具的相關風險及減低該等風險的政策在下文載述。管理層會管理及監督該等風險以確保能及時並有效地實施適當措施。

##### (a) 市場風險

###### (i) 外匯風險

本集團進行的若干交易以外幣計值，因此須承擔匯率波動的風險。本集團約9%（二零一六年：6%）的銷售額乃以本集團實體的功能貨幣以外的貨幣計值。

本集團透過密切監測外幣匯率的變動管理其外匯風險。

本集團業務主要位於中國，大部分交易以人民幣結算。倘日後商業匯兌或已確認資產及負債以非實體功能貨幣的貨幣計值，將會產生外匯風險。本集團主要面臨美元及港元的外匯風險。管理層認為有關美元及港元的外匯風險並不重大，原因為以該等貨幣計值的金融資產及負債的淨風險微不足道。

本集團的資產及負債以及業務交易基本不涉及重大外匯風險，原因為本集團的資產及負債主要以人民幣計值。本集團透過在中國的銷售獲取人民幣，以應付以人民幣計值的負債。由於認為成本效益不高，故本集團並無利用任何遠期合約或貨幣借款對沖其風險。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 3 Financial risk management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Market risk (Continued)

###### (ii) Corn kernel price risk

Corn kernels are the major raw materials of the product of the Group and they are subject to price changes in the commodity market. During the year, management did not use any commodity futures to control the exposure of the Group to price fluctuations of corn kernel. Instead, purchases are made in bulk at the time when the market price of corn kernel is considered as low.

###### (iii) Cornstarch price risk

Cornstarch is a major product of the Group and it is subject to price changes in the commodity market. The party which holding a put position of cornstarch futures contract would not make any profit if the cornstarch market is prosperity. In other words, short-selling cornstarch futures contract during the price-up period would unnecessary increase the exposure of price risk. The management would use futures contract to control the exposure of price risk when the market is extreme volatile or in recession.

###### (iv) Interest rate risk

The Group's interest rate risk arises primarily from borrowing carried at variable rates, which exposes the Group to cash flow interest rate risk. The Group's interest-free government loan exposes the Group to fair value interest rate risk. The management considers the fair value interest rate risk is insignificant as the government loan is repayable within one year.

### 3 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (a) 市場風險(續)

###### (ii) 玉米粒價格風險

玉米粒為本集團產品的主要原材料，須面對商品市場的價格變動。本年度內，管理層並無使用商品期貨控制本集團因玉米粒價格波動而承受的風險。反之，於玉米粒市價被認定為低時大量採購玉米粒。

###### (iii) 玉米澱粉價格風險

玉米澱粉為本集團的主要產品，須面對商品市場的價格變動。在玉米澱粉市場暢旺時，持有玉米澱粉期貨合約的認沽倉位的一方將不會獲得任何溢利。換言之，沽空玉米澱粉期貨合約在玉米澱粉價格上升期間將不必要地增加所面對的價格風險。管理層會在市場極為波動或衰退時利用期貨合約控制價格風險。

###### (iv) 利率風險

本集團之利率風險主要來自按浮動利率計息的借款，其令本集團面臨現金流利率風險。本集團之免息政府貸款令本集團面臨公平值利率風險。管理層認為公平值利率風險並不重大，原因為政府貸款需於一年內償還。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 3 Financial risk management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk

The Group's credit risk is primarily attributable to trade receivables from third parties. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Before accepting any new customer, the Group assesses the creditability of each of the potential customer's credit quality and defines credit limit to each customer. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In determining whether allowance for bad and doubtful debts is required, the Group takes into consideration of the aging status and the likelihood of collection. Following the identification of doubtful debts, the responsible sales personnel discuss with the relevant customers and report on the recoverability, specific allowance is only made for trade receivable that is unlikely to be collected. In this regards, the directors are satisfied that this risk is minimal and adequate allowance for doubtful debts, if any, has been made in the consolidated financial statements after assessing the collectability of individual debts.

The credit risk on cash at bank deposited in the PRC and bills receivables is monitored closely by management of the Group who will assess the reputation, the risk of recoverability and the financial information, if any, of the counterparties before the placing of deposits or accepting the bills receivables.

The Group has no significant concentration of credit risk in respect of the trade and other receivables, with exposures spread over a number of counterparties and customers.

##### (c) Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, the Group also maintains sufficient banking facilities to meet its future payment requirements.

### 3 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 信貸風險

本集團的信貸風險主要來自第三方貿易應收款。管理層已制訂信貸政策，並不斷監察所承擔的信貸風險。

在接納任何新客戶前，本集團會評估每名潛在客戶的信用度及為每名客戶設定信貸限額。為盡量減低信貸風險，本集團的管理層已委派一組人員負責釐定信貸限額、信貸批核及其他監督程序，確保能採取跟進行動以討回逾期欠債。在確定是否須為呆壞賬作出備抵時，本集團會考慮賬齡狀況及討回債項的可能性。倘確定債項屬於呆賬，經辦的營銷人員會與有關客戶商討，就債項的可討回性作呈報，而且只會為不可能收回的貿易應收款作出特定備抵。就此而言，董事均信納該方面的風險極低，而且在評估個別債項的可收回性之後在合併財務報表中所作的呆賬備抵(若有)亦已充足。

本集團管理層會密切監察中國銀行現金存款及應收票據的信貸風險，並會在存款或接納應收票據前先評估對方的信譽、收回風險及財務資料(如有)。

就貿易及其他應收款而言，本集團並無高度集中的信貸風險，風險均分散於多名對方及客戶。

##### (c) 流動資金風險

本集團會作出監督，將現金及現金等價物保持在管理層認為充足的水平，以應付本集團的經營所需及減低現金流量波動的影響。此外，本集團亦維持足夠的銀行信貸應付其未來付款所需。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 3 Financial risk management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (c) Liquidity risk (Continued)

###### Liquidity table

The following table details the Group's contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The amounts disclosed in the table are the contractual undiscounted cash flows:

Group	本集團	Within	Between	Between	Over	Total
		1 year	1 – 2 years	2 – 5 years	5 years	undiscounted cash flow
		一年以內	一年至兩年	兩年至五年	超過五年	未貼現現金
		RMB'000	RMB'000	RMB'000	RMB'000	流量總額
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>2017</b>	<b>二零一七年</b>					
Trade and other payables	貿易及其他應付款	262,771	-	-	-	262,771
Borrowing	借款	4,208	224	-	-	4,432
Employee housing deposits	員工房屋保證金	23,768	-	-	-	23,768
		<b>290,747</b>	<b>224</b>	<b>-</b>	<b>-</b>	<b>290,971</b>
<b>2016</b>	<b>二零一六年</b>					
Trade and other payables	貿易及其他應付款	314,524	-	-	-	314,524
Borrowing	借款	3,322	886	224	-	4,432
Employee housing deposits	員工房屋保證金	26,275	-	-	-	26,275
		344,121	886	224	-	345,231

#### 3.2 Capital management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide return for shareholders and benefits for other stakeholders. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce the cost of capital. The Group monitors its capital structure on the basis of gearing ratio. The gearing ratio is determined by total borrowing to total assets of the Group. During 2017, the Group's capital management strategy, which was unchanged from prior year, was to maintain a lower level of gearing ratio in order to cope with unexpected change in economic conditions.

### 3 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (c) 流動資金風險

###### 流動資金表

下表詳述本集團的非衍生金融負債的合同到期日。該表基於本集團可被要求付款的最早日期的財務負債未貼現現金流量而編製。下表中披露金額是合同中未貼現現金流：

#### 3.2 資本管理

本集團管理資本的目標為保障本集團可持續經營的能力，以為股東提供回報並為其他權益持有人提供利益。為了維持或調整資本架構，本集團可能調整向股東支付的股息金額、向股東退回資本、發行新股或出售資產，藉以減低資金成本。本集團根據槓桿比率監察資本結構。槓桿比率按本集團的借款總額除以資產總值釐定。於二零一七年，本集團之資本管理策略為維持較低的槓桿比率，以應對經濟狀況的突發變動，有關策略與去年相同。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 3 Financial risk management (Continued)

#### 3.2 Capital management (Continued)

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirement.

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Total borrowing	借款總額	4,432	4,432
Total assets	資產總值	3,538,106	2,904,392
	槓桿比率	0.1%	0.2%

#### 3.3 Fair value estimation

The financial instruments that are measured in the consolidated statement of financial position at fair value are required to disclose their valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

At 31 December 2017, the Group did not have any asset measured at fair value. At 31 December 2016, the Group's assets measured at fair value are held for trading financial instruments of approximately RMB19,000 which are measured using Level 1 method.

There were no transfers between level 1, 2 and 3 during the year.

### 3 財務風險管理(續)

#### 3.2 資本管理

本公司或其任何附屬公司均毋須遵守任何外部實施的資本要求。

#### 3.3 公平值估計

於合併財務狀況表內以公平值計量的金融工具需要披露所使用的估值方法。不同層級界定如下：

- 相同資產或負債於活躍市場的報價(未經調整)(第1級)。
- 第1級包括的報價以外，可就資產或負債直接(即價格)或間接(即從價格得出)觀察得出的輸入數據(第2級)。
- 並非以可觀察市場數據(即不可觀察輸入數據)為根據的資產或負債輸入數據(第3級)。

於二零一七年十二月三十一日，本集團並無按公平值計量的資產。於二零一六年十二月三十一日，本集團按公平值計量的資產為持作買賣的金融工具約人民幣19,000元，乃使用第1級方法計量。

本年度內，第1、2及3級之間並無轉撥。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### (a) Impairment of trade and other receivables

The Group estimates the impairment allowances for trade and other receivables by assessing the recoverability based on credit history and prevailing market conditions. This requires the use of estimates and judgements. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. Where the expectation is different from the original estimate, such difference will affect the carrying amounts of trade and other receivables and thus the impairment loss in the period in which such estimate is changed. The Group reassesses the impairment allowances annually.

#### (b) Valuation on inventories

The Group carries out an inventory review on a product-by-product basis at the end of the reporting period and makes allowance for obsolete and slow-moving items. The management estimates the net realisable value for such finished goods, work-in-progress and raw materials primarily on the estimated future selling price and market conditions. Where the estimates of the net realisable value are less than expected, a material allowance may arise. The Group reassesses these estimates annually.

#### (c) Useful lives and estimated impairment of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will adjust the depreciation charge where useful lives are different to that of previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

### 4 重大會計估計及判斷

以下為涉及日後的主要假設及於報告期末估計及判斷會持續進行評估，並根據過往經驗及其他因素，包括在有關情況下對未來事件的合理預期。

本集團對未來作出若干估計及假設。所得的會計估計如其定義，極少與相關的實際結果相同。有很大機會引致下一個財政年度內對資產及負債賬面值作出重大調整風險的估計及假設討論如下。

#### (a) 貿易及其他應收款減值

本集團根據信貸歷史及當前市況評估貿易及其他應收款的可收回性，從而估計須就有關金額作出的減值撥備金額。這需要作出估計及判斷。當發生事件或情況有變顯示結餘可能無法收回時，便會就貿易及其他應收款作出撥備。倘預期數額與原先估計有所不同，有關差額將對有關估計出現變動的期間的貿易及其他應收款的賬面值及減值虧損造成影響。本集團每年重新評估減值撥備。

#### (b) 存貨估值

本集團會於各報告期末檢討每類產品的存貨，為陳舊及滯銷項目作出備抵。管理層主要根據估計的未來售價和市場情況估計該等製成品、在製品及原材料的可變現淨值。如可變現淨值估計少於預期，可能需作出重大備抵。本集團每年重新評估該等估計。

#### (c) 物業、廠房及設備的可使用年期及估計減值

本集團的管理層決定其物業、廠房及設備的估計可使用年期及有關折舊開支。該估計乃根據性質及功能相近的物業、廠房及設備過往的實際可使用年期而作出。該估計可能因科技進步及競爭者對嚴重行業週期的行動而出現重大變動。管理層將於可使用年期與先前估計年期不同時調整折舊開支，或撇銷或撇減經已廢棄或出售的技術上已過時或非策略性資產。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 4 Critical accounting estimates and judgements (Continued)

#### (c) Useful lives and estimated impairment of property, plant and equipment (Continued)

The Group assesses whether there are any indicators of impairment for property, plant and equipment at the end of each reporting period. If such an indication exists, the recoverable amount of property, plant and equipment is estimated using the higher of its fair value less costs of disposals and its value-in-use. If the carrying amount of property, plant and equipment exceeds its recoverable amount, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit or loss.

### 5 Revenue and segments information

The Group's operating segments are as follows:

Upstream products	–	the manufacture and sale of cornstarch and ancillary corn-refined products
Fermented and downstream products	–	the manufacture and sale of lysine, starch-based sweetener, modified starch and other products

The operating segments are identified in accordance with the economic similarity and distinction of our products. For the purpose of assessing segment performance and allocating resources between segments, the chief operating decision maker assesses and monitors the segment revenues, margins and results attributable to each reportable segment. Inter-segment sales or provision of materials to other segments is not measured.

Interest income and expense are not included in the result for each operating segment as these are managed on a group basis and are not allocated to reportable segments.

Unallocated income and expenses mainly consist of certain government grants and corporate costs respectively which cannot be allocated to individual segments.

Sales between segments are charged at cost or with reference to the selling prices used for sales made to third parties at the then prevailing market prices. The revenue from external parties reported to the management is measured in a manner consistent with that in the consolidated statement of profit or loss and other comprehensive income.

### 4 重大會計估計及判斷(續)

#### (c) 物業、廠房及設備的可使用年期及估計減值(續)

本集團在各報告期末評估物業、廠房及設備是否有任何減值跡象。倘存在有關跡象，則以公平價值減出售成本，及／或計算使用價值之較高者估計物業、廠房及設備之可收回金額。倘物業、廠房及設備的賬面值高於其可收回金額，則會確認減值虧損將資產之賬面值降至其可收回金額。有關減值虧損於損益中確認。

### 5 收入及分部資料

本集團的經營分部如下：

上游產品	–	生產及銷售玉米澱粉及玉米深加工副產品
發酵及下游產品	–	生產及銷售賴氨酸、澱粉糖、變性澱粉及其他產品

經營分部乃根據產品在經濟上的相似及不同之處識別。為評估分部表現及於分部間分配資源，主要營運決策人會評估及監察各可呈報分部應佔的分部收入、利潤及業績。分部間銷售或向其他分部提供物料並無計算在內。

利息收入及開支由於以集團基準管理，並未分配至可報告分部，故不會計入各經營分部業績內。

未分配收入及開支分別主要包括未能分配至個別分部的若干政府補助及企業成本。

分部間銷售乃按成本或參考向第三方銷售所採用的售價按當時的當前市價收費。向管理層報告的外部收入的計量基準與合併損益及其他綜合收益表所採用者一致。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 5 Revenue and segments information (Continued)

### 5 收入及分部資料(續)

		Upstream products	Fermented and downstream products	Unallocated	Total
		上游產品	發酵及下游產品	未分配	合計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>2017</b>	<b>二零一七年</b>				
Sales to external customers	向外來客戶銷售	<b>3,177,310</b>	<b>1,517,231</b>	–	<b>4,694,541</b>
Inter-segment sales	分部間銷售	<b>185,285</b>	<b>2,341</b>	–	<b>187,626</b>
Reportable segment results	可報告分部業績	<b>278,433</b>	<b>389,454</b>	–	<b>667,887</b>
Unallocated income	未分配收入				<b>30,897</b>
Unallocated expenses	未分配開支				<b>(202,331)</b>
Finance income	融資收入				<b>32,424</b>
Finance expenses	融資費用				<b>(290)</b>
Profit before income tax	除所得稅前利潤				<b>528,587</b>
Other segment information:	其他分部資料				
Depreciation and amortisation	折舊及攤銷	<b>68,490</b>	<b>48,321</b>	<b>38,979</b>	<b>155,790</b>

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 5 Revenue and segments information (Continued)

### 5 收入及分部資料(續)

		Upstream	Fermented and downstream		
		上游產品	下游產品	未分配	合計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
2016	二零一六年				
Sales to external customers	向外來客戶銷售	3,032,633	1,365,211	–	4,397,844
Inter-segment sales	分部間銷售	146,568	7,829	–	154,397
Reportable segment results	可報告分部業績	222,034	248,950	–	470,984
Unallocated income	未分配收入				12,373
Unallocated expenses	未分配開支				(190,701)
Finance income	融資收入				24,851
Finance expenses	融資費用				(1,862)
Profit before income tax	除所得稅前利潤				315,645
Other segment information:	其他分部資料：				
Depreciation and amortisation	折舊及攤銷	57,206	45,966	43,221	146,393

Based on the place of the operation of external customers, revenue attributed to the PRC and other countries is RMB4,234,310,000 and RMB460,231,000 (2016: RMB4,055,817,000 and RMB342,027,000) respectively.

根據外來客戶營運所在地，中國及其他國家應佔的收入分別為人民幣4,234,310,000元及人民幣460,231,000元(二零一六年：人民幣4,055,817,000元及人民幣342,027,000元)。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 6 Other gains and losses

### 6 其他收益及虧損

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Government grants (note)	政府補助(附註)	98,499	5,212
Amortisation of government grants (note 24)	政府補助的攤銷(附註24)	13,484	1,889
Losses on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(11,191)	(1,354)
Net foreign exchange (loss)/gain	匯兌(虧損)/收益淨額	(1,374)	1,048
Net fair value loss on financial assets at fair value through profit or loss	按公平值計入損益的金融資產的 公平值虧損淨額	(337)	(1,013)
Others	其他	6,787	6,776
		<b>105,868</b>	<b>12,558</b>

Note:

For the year ended 31 December 2017, the government grants mainly represented subsidies of approximately RMB97,046,000 provided by the local government for the compensation of losses incurred during the relocation of the old production plant in Shouguang. For the year ended 31 December 2016, the government grants mainly represented subsidies from local government for, inter alia, supporting the development of base-material infrastructure and the use of new and advance technology.

The government grants were granted at the discretion of the government and were not recurring in nature.

附註：

截至二零一七年十二月三十一日止年度，政府補助主要指地方政府為補償壽光舊廠房搬遷期間所產生的虧損而提供的補貼約人民幣97,046,000元。截至二零一六年十二月三十一日止年度，政府補助主要包括地方政府就(其中包括)支持發展基礎物料基礎設施及使用革新技術所提供的資助。

政府補助乃由政府酌情授出，並屬非經常性質。

### 7 Finance income

### 7 融資收入

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Interest income on bank deposits	銀行存款的利息收入	31,778	24,851
Interest income on investments	投資的利息收入	646	—
		<b>32,424</b>	<b>24,851</b>

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 8 Finance expenses

### 8 融資費用

		2017	2016
		二零一七年	二零一六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest on	以下項目的利息：		
- Bank borrowing	- 銀行借款	-	1,790
- Discounted bills receivables	- 應收貼現票據	290	72
		<b>290</b>	1,862

### 9 Profit before income tax

### 9 除所得稅前潤

The major expenses of the Group are as follows:

本集團的主要開支如下：

		2017	2016
		二零一七年	二零一六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cost of inventories recognised as an expense	確認為開支的存貨成本	<b>3,902,009</b>	3,723,569
Employee benefits expense (including directors' emoluments) (note 11)	僱員福利開支(包括董事酬金)(附註11)	<b>167,320</b>	159,141
Depreciation of property, plant and equipment (note 14)	物業、廠房及設備折舊(附註14)	<b>150,903</b>	140,813
Research and development expenses (note)	研究及開發費用(附註)	<b>20,610</b>	11,939
Amortisation of prepaid lease payments (note 15)	預付租賃款的攤銷(附註15)	<b>4,887</b>	5,580
Minimum lease payments paid under operating lease in respect of premises	物業經營租賃項下已付的最低租賃款	<b>1,079</b>	713
Auditor's remuneration	核數師薪酬	<b>721</b>	733

Note:

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

附註：

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

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 10 Income tax expenses

### 10 所得稅支出

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current income tax	即期所得稅		
PRC Enterprises Income Tax ("EIT")	中國企業所得稅(「企業所得稅」)	166,728	79,086
Over-provision in prior years	過往年度超額撥備	(476)	(3,527)
PRC withholding tax	中國預扣稅		
– dividend	– 股息	–	1,000
– others	– 其他	594	–
Deferred tax (note 22)	遞延稅項(附註22)	(32,320)	19,867
		<b>134,526</b>	<b>96,426</b>

The Group's major business is in the PRC. Under the law of the PRC on EIT and its Implementation Regulation, the tax rate of the PRC subsidiaries is 25% for both years. During the year ended 31 December 2017, one of the subsidiaries in the PRC is recognised as high technology enterprise and obtains a preferential EIT rate of 15%.

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

Pursuant to the PRC EIT and its Implementation Regulation, non-PRC resident enterprises are levied withholding tax at 10% (unless reduced by tax treaties/arrangements) on dividends receivable from PRC enterprises for profits earned since 1 January 2008. The Group adopted the 10% withholding tax rate for PRC withholding tax purposes during the year ended 31 December 2017 and 2016.

The tax expense for the year can be reconciled to the profit before taxation as follows:

本集團之主要業務於中國進行。根據中國有關企業所得稅法之法律及其實施細則，中國附屬公司於兩個年度之稅率均為25%。於截至二零一七年十二月三十一日止年度，其中一間位於中國的附屬公司獲確認為高技術企業，並享有15%的優惠企業所得稅率。

由於本集團的實體於兩個年度內並無在香港產生或賺取利潤，故並無就香港利得稅作出撥備。

根據中國企業所得稅法及其實施細則，對非中國居民企業應收中國企業以二零零八年一月一日起所賺取利潤作出的股息，按10%的稅率徵收預扣稅(除非稅收協定/安排訂明較低的稅率)。於截至二零一七年及二零一六年十二月三十一日止年度，本集團已就中國預扣稅採納10%的預扣稅稅率。

本年度稅項支出可與除稅前利潤對賬如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Profit before income tax	除所得稅前利潤	528,587	315,645
Tax at the corporate income tax rate at 25% (2016: 25%)	以企業所得稅率25% (二零一六年：25%)計算的稅項	132,147	78,911
Tax effects of	下列各項的稅務影響：		
– Different tax rate	– 不同稅率	(1,721)	(555)
– Expenses not deductible for tax purposes	– 不可扣稅開支	9,745	26,383
– Income not subject to tax	– 毋須課稅收入	(4,660)	(5,692)
– Tax losses for which no deferred tax asset was recognised	– 並無確認遞延稅項資產的稅項虧損	482	398
– Ove-provision in prior years	– 過往年度超額撥備	(476)	(3,527)
– Tax deduction in the PRC	– 中國稅項減免	(2,085)	(1,492)
– PRC dividend withholding tax	– 中國股息預扣稅	500	2,000
– Other withholding tax	– 其他預扣稅	594	–
		<b>134,526</b>	<b>96,426</b>

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 11 Employee benefit expenses (including directors' emoluments) 11 僱員福利開支(包括董事酬金)

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Wages and salaries	工資及薪金	113,312	107,291
Staff welfares	員工福利	36,854	35,266
Pension cost (note)	退休金費用(附註)	17,154	16,584
<b>Total employee benefit expenses</b>	<b>僱員福利開支總額</b>	<b>167,320</b>	<b>159,141</b>

Note:

No forfeited contributions are available to reduce the contribution payable by the Group in future years.

The Group has also sponsored various defined contribution plans for its employees in the PRC. These plans are organised by the relevant municipal and provincial governments based on certain percentage of the relevant employees' monthly salaries. The municipal and provincial governments undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans and the Group has no further constructive obligation for post-retirement benefits beyond the contributions made.

The Group has also sponsored a defined contribution scheme which is managed by an approved trustee registered under Mandatory Provident Fund Schemes Ordinance (the "MPF Ordinance") for its employees in Hong Kong. Both the Group and its employees in Hong Kong are required to contribute a maximum of 5% of each individual's relevant income or a limited amount as prescribed by the MPF Ordinance. The assets of the scheme are held separately from those of the Group and independently administered.

附註：

並無已沒收供款可用作扣減本集團於未來年度應付的供款。

本集團亦已為其中國僱員參與多個界定供款計劃。該等計劃由相關省市級政府管理，按相關僱員月收入之若干百分比作出供款。市級及省級政府承諾根據這些計劃為所有現有及未來退休僱員承擔退休福利責任。除作出供款外，本集團就退休後利益無進一步的推定責任。

本集團亦為其於香港的僱員設立界定供款計劃，有關計劃由根據強制性公積金計劃條例（「強積金條例」）註冊的核准受託人管理。本集團及其香港僱員均須按強積金條例所訂明按僱員相關收入最多5%或上限金額作出供款。計劃的資產與本集團的資產分開持有，並獨立管理。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 12 Earnings per share

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

		2017 二零一七年	2016 二零一六年
Earnings	盈利		
Profit attributable to owners of the Company (RMB'000)	本公司擁有人應佔利潤 (人民幣千元)	<b>388,167</b>	213,682
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數(千股)	<b>5,995,892</b>	5,995,892

The basic and diluted earnings per share for the year ended 31 December 2017 and 2016 were the same because there was no dilutive potential ordinary share.

### 12 每股盈利

本公司擁有人應佔每股基本盈利乃按以下數據計算：

由於截至二零一七年及二零一六年十二月三十一日止年度均無具攤薄效用的潛在普通股，故每股基本及攤薄盈利相同。

### 13 Dividends

Dividend payable to shareholders attributable to the previous financial year, approved and paid during the year:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
2016: final dividend of HK0.75 cents per share (2015: nil)	二零一六年：末期股息每股0.75港仙 (二零一五年：零)	<b>39,340</b>	-

Subsequent to 31 December 2017, the directors proposed a final dividend of HK1.20 cents (2016: HK0.75 cents) per share, amounting to HK\$71,951,000 (2016: HK\$44,969,000). The final dividend proposed after the end of the reporting period is subject to approval by shareholders in forthcoming general meeting and has not been recognised as a liability as at 31 December 2017.

### 13 股息

過往年度應佔、於本年度內批准並支付的應付股東股息：

於二零一七年十二月三十一日後，董事建議派發末期股息每股1.20港仙(二零一六年：0.75港仙)，金額達71,951,000(二零一六年：44,969,000港元)。於二零一七年十二月三十一日，於報告期末後建議派發的末期股息須待股東於應屆股東大會上批准後，方告作實，且並未確認為負債。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 14 Property, plant and equipment

### 14 物業、廠房及設備

		Buildings	Plant and machinery	Motor vehicles	Other machinery	Plant and equipment under construction	Total
		樓宇	廠房及機器	汽車	其他機器	在建廠房及設備	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Year ended</b>	<b>截至二零一六年</b>						
<b>31 December 2016</b>	<b>十二月三十一日止年度</b>						
Net book value at	於二零一六年一月一日的						
1 January 2016	賬面淨值	280,666	546,343	7,641	14,764	495,228	1,344,642
Additions	添置	323	2,340	1,475	2,036	26,645	32,819
Transfers upon completion	完成時轉撥	155,521	261,482	3,760	52,187	(472,950)	-
Disposals/written-off	出售/撤銷	(3,314)	(2,761)	(152)	(24)	-	(6,251)
Depreciation charge for the year	年度折舊費用	(28,181)	(98,099)	(3,673)	(10,860)	-	(140,813)
Net book value at	於二零一六年十二月三十一日						
31 December 2016	的賬面淨值	405,015	709,305	9,051	58,103	48,923	1,230,397
<b>At 31 December 2016 and 1 January 2017</b>	<b>於二零一六年十二月三十一日及二零一七年一月一日</b>						
Cost	成本	560,427	1,279,161	21,453	115,883	48,923	2,025,847
Accumulated depreciation and impairment	累計折舊及減值	(155,412)	(569,856)	(12,402)	(57,780)	-	(795,450)
Net book value	賬面淨值	405,015	709,305	9,051	58,103	48,923	1,230,397
<b>Year ended</b>	<b>截至二零一七年</b>						
<b>31 December 2017</b>	<b>十二月三十一日止年度</b>						
Net book value at	於二零一七年一月一日的						
1 January 2017	賬面淨值	405,015	709,305	9,051	58,103	48,923	1,230,397
Additions	添置	1,138	11,354	1,002	1,373	54,398	69,265
Transfers upon completion	完成時轉撥	979	37,032	-	2,847	(40,858)	-
Disposals/written-off	出售/撤銷	(1,378)	(12,998)	(723)	(1,811)	-	(16,910)
Depreciation charge for the year	年度折舊費用	(14,164)	(121,917)	(3,149)	(11,673)	-	(150,903)
Net book value at	於二零一七年十二月三十一日						
31 December 2017	的賬面淨值	391,590	622,776	6,181	48,839	62,463	1,131,849
<b>At 31 December 2017</b>	<b>於二零一七年十二月三十一日</b>						
Cost	成本	498,203	1,182,318	19,852	96,256	62,463	1,859,092
Accumulated depreciation and impairment	累計折舊及減值	(106,613)	(559,542)	(13,671)	(47,417)	-	(727,243)
Net book value	賬面淨值	391,590	622,776	6,181	48,839	62,463	1,131,849

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 14 Property, plant and equipment (Continued)

As at 31 December 2017 and 2016, the Group did not pledge any building for securing banking facilities.

During the year ended 31 December 2016, additions of property, plant and equipment included an amount of RMB1,503,000 (2017: nil) transferred from deposits for acquisition of property, plant and equipment.

### 15 Prepaid lease payments

The Group's interest in leasehold land and land use right in the PRC represent the prepaid operating lease payments and their net book values are analysed as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Net book value	賬面淨值		
At 1 January	於一月一日	<b>210,474</b>	215,688
Additions	添置	-	366
Amortisation charge for the year	年內攤銷費用	<b>(4,887)</b>	(5,580)
At 31 December	於十二月三十一日	<b>205,587</b>	210,474
Cost	成本	<b>238,562</b>	238,562
Accumulated amortisation	累計攤銷	<b>(32,975)</b>	(28,088)
Net book value at 31 December	於十二月三十一日的賬面淨值	<b>205,587</b>	210,474

As at 31 December 2017 and 2016, the Group did not pledge any prepaid lease payment for securing bank facilities.

### 16 Other asset

The amount represented the advance payment to the Municipal Government of Shouguang for the acquisition of land use right located in Shouguang. The amount was settled in cash during the year ended 31 December 2017.

### 14 物業、廠房及設備(續)

於二零一七年及二零一六年十二月三十一日，本集團並無抵押任何樓宇作為銀行信貸的抵押。

截至二零一六年十二月三十一日止年度，添置物業、廠房及設備包括一筆自收購物業、廠房及設備的保證金轉出的金額人民幣1,503,000元(二零一七年：零元)。

### 15 預付租賃款

本集團於中國之租賃土地權益及土地使用權即預付經營租賃款項，彼等的賬面淨值分析如下：

### 16 其他資產

有關款項指就收購位於壽光的土地使用權而向壽光市政府預付的款項。有關金額於截至二零一七年十二月三十一日止年度內以現金結清。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 17 Inventories

### 17 存貨

		2017	2016
		二零一七年	二零一六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Raw materials	原材料	149,685	132,860
Work in progress	在製品	11,076	24,859
Finished goods	製成品	63,771	56,166
		<b>224,532</b>	213,885

### 18 Trade and other receivables

### 18 貿易及其他應收款

		2017	2016
		二零一七年	二零一六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade receivables (a)	貿易應收款 (a)	135,346	147,678
Less: Provision for impairment of trade receivables (b)	減：貿易應收款減值撥備 (b)	(9,630)	(9,630)
		<b>125,716</b>	138,048
Bank acceptance bills (c)	銀行承兌票據 (c)	169,090	145,995
Others	其他	2,249	24,222
		<b>297,055</b>	308,265
Loans and receivables	貸款及應收款		
Prepayment to non-controlling interest (note 29(iii))	預付非控股權益款項 (附註 29(iii))	44,600	–
Prepayments and other tax receivables	預付款及其他應收稅項	68,037	28,280
		<b>409,692</b>	336,545

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

貿易及其他應收款的賬面值主要以人民幣計值。

Prepayment to non-controlling interest represented a payment made to Linqing Deneng Bio Technology Limited (“Deneng Bio Technology”) for the purchase of electricity and steam in subsequent year. As Deneng Bio Technology’s power plant has ceased operation since 23 December 2017 upon the request of the local government, the prepayment is required to refund accordingly. The prepayment is fully refunded by cash subsequent to the end of reporting period.

預付非控股權益款項指向臨清德能生物科技股份有限公司(「德能生物科技」)支付以於隨後年度購買電力及蒸汽的款項。由於德能生物科技的發電廠在地方政府要求下自二零一七年十二月二十三日起已終止營運，故預付款項須相應地退還。預付款項於報告期末後已悉數退還。

Included in trade and other receivable is an amount due from non-controlling interest of RMB224,000 (2016: RMB8,221,000). Details of balances with related companies are set out in note 29(iii). No impairment has been made for receivables from related companies.

貿易及其他應收款包括應收非控股股東權益款項人民幣 224,000 元(二零一六年：人民幣 8,221,000 元)。關連公司結餘之詳情載於附註 29(iii)。應收關連公司款項並無減值。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 18 Trade and other receivables (Continued)

#### (a) Trade receivables

The Group normally grants credit period ranging from 0 to 120 days (2016: 0 to 120 days) to customers.

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

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
0 – 30 days	零至三十日	111,761	120,931
31 – 60 days	三十一至六十日	6,992	10,295
61 – 90 days	六十一至九十日	6,597	5,494
Over 90 days	九十日以上	366	1,328
		<b>125,716</b>	<b>138,048</b>

As at 31 December 2017, trade receivables of RMB13,955,000 (2016: RMB17,117,000) that were past due but not impaired. These related to a number of independent customers for whom there is no recent history of default. Based on past experience, the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

Trade receivables that were neither past due nor impaired relate to a wide range of customer for whom there was no recent history of default.

Ageing analysis of trade receivables which are past due but not impaired is shown as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
1 – 30 days	一至三十日	6,992	10,295
31 – 60 days	三十一至六十日	6,597	5,494
61 – 90 days	六十一至九十日	1	705
Over 90 days	九十日以上	365	623
		<b>13,955</b>	<b>17,117</b>

### 18 貿易及其他應收款(續)

#### (a) 貿易應收款

本集團一般給予客戶的信貸期由零至一百二十日(二零一六年:零至一百二十日)不等。

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

於二零一七年十二月三十一日,貿易應收款人民幣13,955,000元(二零一六年:人民幣17,117,000元)為已到期但無減值。該等結餘與近期並無違約紀錄的多名獨立客戶有關。根據過往經驗,管理層相信毋須就該等結餘作出減值撥備,因為信貸質素並無重大變動,而有關結餘仍被視為可全數收回。

並無逾期或減值的貿易應收款與眾多過往並無拖欠記錄的客戶有關。

已到期但並無減值的貿易應收款的賬齡分析如下:

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 18 Trade and other receivables (Continued)

#### (b) Provision for impairment of trade receivables

As at 31 December 2017, trade receivables of RMB9,630,000 (2016: RMB9,630,000) were impaired and fully provided for. The individually impaired receivables past due for over twelve months were related to a customer, which had financial difficulty.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

#### (c) Bank acceptance bills

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Endorsed bills	背書票據	117,631	127,413
Bills on hand	手頭票據	51,459	18,582
		<b>169,090</b>	<b>145,995</b>

The bank acceptance bills are normally with maturity period of 180 days (2016: 180 days). There is no recent history of default on bank acceptance bills.

As at 31 December 2017, bank acceptance bills of RMB2,000,000 (2016: RMB2,624,000) were pledged to banks for securing bill payables.

### 18 貿易及其他應收款(續)

#### (b) 貿易應收款減值撥備

於二零一七年十二月三十一日，人民幣9,630,000元(二零一六年：人民幣9,630,000元)的貿易應收款已減值並作全數撥備。個別已減值的應收款已逾期十二個月，乃與一名出現財政困難的客戶有關。

於報告日期所承受的最高信貸風險為上述各類應收款的賬面值。本集團並無持有任何抵押品作抵押。

#### (c) 銀行承兌票據

銀行承兌票據一般到期期限為一百八十日(二零一六年：一百八十日)。銀行承兌票據近期並無違約紀錄。

於二零一七年十二月三十一日，人民幣2,000,000元(二零一六年：人民幣2,624,000元)的銀行承兌票據已抵押予銀行，作為應付票據的抵押。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 19 Financial assets at fair value through profit or loss

### 19 按公平值計入損益的金融資產

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Held for trading:	持作買賣：		
- Futures contracts	- 期貨合約	-	19

As at 31 December 2016, the notional principal amount of the outstanding cornstarch futures contracts was approximately RMB20,826,000.

於二零一六年十二月三十一日，未平倉玉米澱粉合約的名義本金額約為人民幣20,826,000元。

### 20 Pledged bank deposits, fixed deposits, cash and cash equivalents and other cash flow information

### 20 已抵押銀行存款、定期存款、現金及現金等價物及其他現金流資料

#### (a) Pledged bank deposits, fixed deposits and cash and cash equipments

#### (a) 已抵押銀行存款、定期存款及現金及現金等價物

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Pledged bank deposits	已抵押銀行存款	3,000	1,063
Fixed deposits	定期存款	390,000	390,000
Cash and cash equivalents	現金及現金等價物		
- Cash at bank and on hand	- 銀行及手頭現金	1,103,160	493,810
Total	總計	1,496,160	884,873

The bank balances are deposited with credit worthy banks with no recent history of defaults. The carrying amounts of fixed deposits approximate to their fair values.

銀行結餘乃存放於近期並無違約記錄的有信譽的銀行。該等定期存款的賬面值與彼等公平值相若。

As at 31 December 2017, deposits of RMB1,492,449,000 (2016: RMB875,317,000) were placed with banks in the PRC. Remittance of such funds out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

於二零一七年十二月三十一日，人民幣1,492,449,000元（二零一六年：人民幣875,317,000元）的存款乃存放於中國的銀行。將該等資金匯出中國須受限於中國政府頒布的外匯管制規則及規例。

At 31 December 2017 and 2016, the pledged bank deposits were pledged to a bank for securing bills payable (note 25).

於二零一七年及二零一六年十二月三十一日，已抵押銀行存款乃抵押予銀行作為應付票據的抵押品（附註25）。

#### (b) Reconciliation of liabilities arising from financing activities

#### (b) 融資活動所產生負債的對賬

For the year ended 31 December 2017, there was no change of opening and closing balances of liabilities arising from financing activities.

截至二零一七年十二月三十一日止年度，融資活動所產生負債的期初及期終結餘並無變動。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 21 Share capital

### 21 股本

		Number of shares 股份數目 '000 千股	Share capital 股本 HK\$'000 千港元
Authorised	法定		
Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股		
At 31 December 2016 and 2017	於二零一六年及 二零一七年十二月三十一日	10,000,000	1,000,000

		Number of shares 股份數目 '000 千股	Share capital 股本	
			HK\$'000 千港元	RMB'000 人民幣千元
Ordinary shares, issued and fully paid:	普通股，已發行及繳足：			
Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股			
At 1 January, 31 December 2016 and 2017	於二零一六年一月一日、 二零一六年及二零一七年 十二月三十一日	5,995,892	599,589	532,656

### 22 Deferred taxation

### 22 遞延稅項

#### (a) Deferred tax assets and liabilities recognised:

The components and movement of net deferred tax assets are as follows:

#### (a) 已確認的遞延稅項資產及負債：

遞延稅項資產淨值的組成部份及變動如下：

		Impairment of property, plant and equipment 物業、廠房 及設備減值 RMB'000 人民幣千元	Government grants 政府補助 RMB'000 人民幣千元	Depreciation allowances in excess of the related depreciation 超出相關折舊 的折舊撥備 RMB'000 人民幣千元	PRC dividend withholding tax 中國股息 預扣稅 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Deferred tax arising from:	來自以下各項的遞延稅項：					
At 1 January 2016	於二零一六年一月一日	26,236	-	-	-	26,236
Charged to profit or loss (note 10)	於損益扣除(附註10)	(18,867)	-	-	(1,000)	(19,867)
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日 及二零一七年一月一日	7,369	-	-	(1,000)	6,369
(Charged)/credited to profit or loss (note 10)	於損益(扣除)/計入(附註10)	(5,224)	46,382	(8,338)	(500)	32,320
At 31 December 2017	於二零一七年十二月三十一日	2,145	46,382	(8,338)	(1,500)	38,689

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 22 Deferred taxation (Continued)

#### (a) Deferred tax assets and liabilities recognised:

(Continued)

The deferred tax assets/(liabilities) recognised in the consolidated statement of financial position is as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Deferred tax assets	遞延稅項資產	48,527	7,369
Deferred tax liabilities	遞延稅項負債	(9,838)	(1,000)
		<b>38,689</b>	<b>6,369</b>

#### (b) Deferred tax assets not recognised

The Group did not recognise deferred tax assets of RMB3,555,000 (2016: RMB3,073,000) in respect of losses amounting to RMB21,550,000 (2016: RMB18,627,000) that can be carried forward indefinitely against future taxable income. The tax effect on such tax losses has not been recognised as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

#### (c) Deferred tax liabilities not recognised

Deferred tax liabilities in respect of the PRC dividend withholding tax relating to certain undistributed profits of the Company's PRC subsidiaries were not recognised as the Company controls the dividend policy of these subsidiaries. Based on the assessment made by the management as at the end of the reporting period, it was determined that the undistributed profits of RMB1,548,333,000 (2016: RMB1,199,457,000) of the Company's PRC subsidiaries would not be distributed in the foreseeable future.

### 22 遞延稅項(續)

#### (a) 已確認的遞延稅項資產及負債：

(續)

於合併財務狀況表內確認的遞延稅項資產／(負債)如下：

#### (b) 未確認的遞延稅項資產

本集團並無就可供無限結轉以抵銷未來應課稅收入的虧損人民幣21,550,000元(二零一六年：人民幣18,627,000元)確認遞延稅項資產人民幣3,555,000元(二零一六年：人民幣3,073,000元)。由於在相關稅務司法權區及實體可能並無可以抵銷虧損的未來應課稅利潤，故並無確認有關稅務虧損的稅務影響。

#### (c) 未確認的遞延稅項負債

由於本公司控制其中國附屬公司的股息政策，故並無就與該等附屬公司若干未分派利潤相關的中國股息預扣稅確認遞延稅項負債。根據管理層於報告期末所作出的評估，其認為本公司中國附屬公司的未分派利潤人民幣1,548,333,000元(二零一六年：人民幣1,199,457,000元)不會於可見將來作出分派。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 23 Borrowing

### 23 借款

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Government loan, unsecured	政府貸款，無抵押		
– Within 1 year	– 一年內	4,208	3,322
– Between 1 and 2 years	– 一年至兩年	224	886
– Between 2 and 5 years	– 兩年至五年	–	224
Financial liabilities measured at amortised cost	按攤銷成本計量的金融負債	4,432	4,432
Less: Amount due within one year shown under current Liabilities	減：在流動負債項下 一年內到期的金額	(4,208)	(3,322)
Non-current liabilities	非流動負債	224	1,110

The government loan was non-interest bearing. Government loan represented government assistance provided to a subsidiary of the Group. The carrying amount of the Group's borrowing is denominated in RMB.

政府貸款為免息。政府貸款指提供予本集團一間附屬公司的政府資助。本集團借款的賬面值以人民幣計值。

### 24 Deferred income

### 24 遞延收入

		RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日	35,432
Amortisation for the year (note 6)	年度攤銷(附註6)	(1,889)
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日 及二零一七年一月一日	33,543
Additions for the year	年度添置	200,124
Amortisation for the year (note 6)	年度攤銷(附註6)	(13,484)
At 31 December 2017	於二零一七年十二月三十一日	220,183

Deferred income mainly represent government grants received from Shouguang City Finance Bureau and Linqing City Finance Bureau for the development of the production facilities in Shouguang and Linqing respectively.

遞延收入主要指為於壽光及臨清建設生產設施而分別自壽光市財政局及臨清市財政局取得的政府補助。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 25 Trade and other payables

### 25 貿易及其他應付款

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Trade payables	貿易應付款	<b>139,182</b>	170,244
Bills payables	應付票據	<b>5,000</b>	3,687
Total trade and bills payables		<b>144,182</b>	173,931
Payable for construction and equipment	建築及設備應付款	<b>46,705</b>	88,076
Deposits	訂金	<b>25,343</b>	12,015
Accrued expenses	應計費用	<b>19,077</b>	16,864
Payroll and welfare payables	應付薪金及福利	<b>17,590</b>	15,846
Sales commission	銷售佣金	<b>2,757</b>	2,347
Others	其他	<b>7,117</b>	5,445
Financial liabilities measured at amortised cost		<b>262,771</b>	314,524
Advances from customers	客戶墊款	<b>157,355</b>	162,376
Other tax payables	其他應付稅項	<b>24,434</b>	19,339
		<b>444,560</b>	496,239

Included in trade and bills payables is an amount due to non-controlling interests of RMB41,000 (2016: RMB63,618,000) as set out in note 29(iii).

貿易應付款及應付票據包括應付非控股股東權益款項人民幣41,000元(二零一六年: 人民幣63,618,000元)(附註29(iii)載列)。

As at 31 December 2017, bills payables are secured by bank acceptance bills of RMB2,000,000 (2016: RMB2,624,000) (note 18(c)) and pledged bank deposits of RMB3,000,000 (2016: RMB1,063,000) (note 20).

於二零一七年十二月三十一日, 應付票據分別以人民幣2,000,000元(二零一六年: 人民幣2,624,000元)(附註18(c))的銀行承兌票據及人民幣3,000,000元(二零一六年: 人民幣1,063,000元)(附註20)的已抵押銀行存款作抵押。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 25 Trade and other payables (Continued)

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

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
0 – 60 days	零至六十日	78,810	90,474
61 – 90 days	六十一至九十日	24,019	35,563
Over 90 days	九十日以上	41,353	47,894
		<b>144,182</b>	173,931

The average credit period on purchases is 80 days (2016: 80 days). The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

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

### 26 Employee housing deposits

Employee housing deposits are carried at amortised cost.

The Group offers residential accommodation to the staff with the aim of promoting long service with the Group. Staff are required to place housing deposits to the Group for the use of such accommodation. The employee housing deposits are interest-free, unsecured and repayable upon the return of the staff quarters by the employee or termination of employment.

### 25 貿易及其他應付款(續)

以下為報告期末貿易應付款及應付票據根據發票日期的賬齡分析：

採購的平均信貸期為八十日(二零一六年：八十日)。本集團已制定財務風險管理政策，以確保所有應付款於有關信貸期內獲得支付。

貿易及其他應付款的賬面值主要以人民幣計值。

### 26 員工房屋保證金

員工房屋保證金按攤銷成本列賬。

本集團向員工提供住屋，旨在令員工樂於長期服務本集團。員工使用有關住屋設施須向本集團繳付房屋保證金。員工房屋保證金乃免息、無抵押及於員工交回員工宿舍或終止僱用時(以較後者為準)退還。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 27 Commitments

#### (a) Operating lease commitments

The group leases various office premises under non-cancellable operating leases expiring within one to three years. On renewal, the terms of the leases are renegotiated. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
No later than 1 year	一年內	699	695
Later than 1 year and no later than 5 years	一年後及五年內	418	935
		<b>1,117</b>	1,630

#### (b) Capital commitments

Capital expenditure contracted but not provided for at the end of the year is as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
- Property, plant and equipment	物業、廠房及設備	129,736	-

### 28 Share-based payment transactions

The Company's share option scheme adopted on 5 September 2007 was expired on 4 September 2017. The Company therefore adopted a new share option scheme (the "New Share Option Scheme") on 19 May 2017 for the purpose of providing incentives or rewards to directors, employees and other eligible persons. The New Share Option Scheme will remain in force for a period of ten years commencing on the date on which the New Share Option Scheme is adopted. The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option scheme adopted by the Company must not in aggregate exceed 30% of issued capital of the Company from time to time.

As at 31 December 2017 and 2016, no options have been granted under both share option schemes of the Company.

### 27 承擔

#### (a) 經營租賃承擔

本集團根據不可撤銷經營租賃租用多項辦公室物業，租期於一至三年內屆滿。於續租時，會重新商定租期。根據不可撤銷經營租賃的未來最低租金付款總額如下：

#### (b) 資本開支承擔

於本年度結束時已訂約但未撥備的資本開支如下：

### 28 以股份支付款項的交易

本公司於二零零七年九月五日採納的購股權計劃於二零一七年九月四日屆滿。本公司因此於二零一七年五月十九日採納新購股權計劃（「新購股權計劃」），目的為向董事、僱員及其他合資格人士提供激勵或獎勵。新購股權計劃將於新購股權計劃採納之日起計十年內有效。因行使根據新購股權計劃及本公司採納的任何其他購股權計劃的所有已授出但尚未行使購股權而可能發行的股份數目上限，合共不得超過本公司不時已發行股本的30%。

於二零一七年及二零一六年十二月三十一日，概無根據本公司兩個購股權計劃授出任何購股權。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 29 Related party transactions

During the year, the Group entered into the following material related party transactions.

#### (i) Transactions with related parties

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Purchase of electricity and steam from non-controlling interests	自非控股股東權益購買電力和蒸汽	140,385	120,005

These transactions are conducted in accordance with their respective contract prices.

### 29 關連方交易

於本年度，本集團已訂立下列重大關連交易。

#### (i) 與關連方進行之交易

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Purchase of electricity and steam from non-controlling interests	自非控股股東權益購買電力和蒸汽	140,385	120,005

該等交易乃根據其各自的合約價格進行。

#### (ii) Key management compensation

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Short-term benefits	短期福利	1,750	948
Retirement benefit scheme contributions	退休福利計劃供款	146	132
		1,896	1,080

#### (ii) 主要管理層的報酬

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Short-term benefits	短期福利	1,750	948
Retirement benefit scheme contributions	退休福利計劃供款	146	132
		1,896	1,080

#### (iii) Balances with a related party

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Prepayment to non-controlling interest (note 18)	預付非控股股東權益的款項 (附註 18)	44,600	-
Amount due from non-controlling interests (note 18)(note (a))	應收非控股股東權益的款項 (附註 18)(附註 (a))	224	8,221
Amount due to non-controlling interests (note b)	應付非控股股東權益的款項 (附註 b)	(41)	(63,618)

#### (iii) 與關連方的結餘

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Prepayment to non-controlling interest (note 18)	預付非控股股東權益的款項 (附註 18)	44,600	-
Amount due from non-controlling interests (note 18)(note (a))	應收非控股股東權益的款項 (附註 18)(附註 (a))	224	8,221
Amount due to non-controlling interests (note b)	應付非控股股東權益的款項 (附註 b)	(41)	(63,618)

Notes:

- (a) The balance is unsecured, interest-free and repayable on demand.
- (b) The balances are unsecured, interest-free and shall be settled in accordance with the respective credit terms.

附註：

- (a) 該結餘乃為無抵押、免息及須應要求償還。
- (b) 該等結餘乃為無抵押、免息，並須根據各自的信貸條款償還。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 30 Statement of financial position of the Company

### 30 本公司的財務狀況表

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>ASSETS</b>	<b>資產</b>		
<b>Non-current assets</b>	<b>非流動資產</b>		
Investments in subsidiaries	於附屬公司的投資	<b>159,121</b>	159,121
<b>Current assets</b>	<b>流動資產</b>		
Amounts due from subsidiaries	應收附屬公司款項	<b>514,100</b>	590,067
Prepayments	預付款	<b>376</b>	402
Cash and cash equivalents	現金及現金等價物	<b>443</b>	393
		<b>514,919</b>	590,862
<b>Total assets</b>	<b>資產總值</b>	<b>674,040</b>	749,983
<b>EQUITY</b>	<b>權益</b>		
<b>Equity attributable to owners of the Company</b>	<b>本公司擁有人應佔權益</b>		
Share capital	股本	<b>532,656</b>	532,656
Reserves (note)	儲備(附註)	<b>141,384</b>	217,327
<b>Total equity</b>	<b>權益總額</b>	<b>674,040</b>	749,983

Note: Movement of the reserves of the Company

附註：本公司儲備變動

		Share premium 股份溢價 RMB'000 人民幣千元	Special reserve 特別儲備 RMB'000 人民幣千元	Capital reserve 資本儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日	137,424	108,651	16,730	(77,522)	185,283
Profit for the year	年度利潤	-	-	-	32,044	32,044
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日 及二零一七年一月一日	137,424	108,651	16,730	(45,478)	217,327
Loss for the year	年度虧損				(36,603)	(36,603)
2016 final dividend	二零一六年末期股息	(39,340)				(39,340)
At 31 December 2017	於二零一七年十二月三十一日	98,084	108,651	16,730	(82,081)	141,384

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 31 Benefits and interests of directors

#### (A) Directors' emoluments

The remuneration of every director is set out below:

		Fees	Salary	Employer's contribution to a retirement benefit scheme	Total
		袍金	薪金	僱主向退休福利計劃作出的供款	合計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>2017</b>	<b>二零一七年</b>				
<i>Executive directors:</i>	<i>執行董事：</i>				
Mr. Tian Qixiang	田其祥先生	-	480	-	480
Mr. Gao Shijun	高世軍先生	-	450	73	523
Mr. Liu Xianggang	劉象剛先生	-	410	73	483
Mr. Yu Yingquan	于英泉先生	-	410	-	410
<i>Independent non-executive directors:</i>	<i>獨立非執行董事：</i>				
Professor Hua Qiang	花強教授	50	-	-	50
Mr. Sun Mingdao	孫明導先生	50	-	-	50
Mr. Yue Kwai Wa, Ken	余季華先生	95	-	-	95
<b>Total</b>	<b>合計</b>	<b>195</b>	<b>1,750</b>	<b>146</b>	<b>2,091</b>
<b>2016</b>	<b>二零一六年</b>				
<i>Executive directors:</i>	<i>執行董事：</i>				
Mr. Tian Qixiang	田其祥先生	-	264	-	264
Mr. Gao Shijun	高世軍先生	-	264	66	330
Mr. Liu Xianggang	劉象剛先生	-	210	66	276
Mr. Yu Yingquan	于英泉先生	-	210	-	210
<i>Independent non-executive directors:</i>	<i>獨立非執行董事：</i>				
Mr. Chen Zhijun (resigned on 17 May 2016)	陳志軍先生 (於二零一六年 五月十七日辭任)	19	-	-	19
Professor Hua Qiang (appointed on 17 May 2016)	花強教授 (於二零一六年 五月十七日獲委任)	31	-	-	31
Mr. Sun Mingdao	孫明導先生	50	-	-	50
Mr. Yue Kwai Wa, Ken	余季華先生	94	-	-	94
<b>Total</b>	<b>合計</b>	<b>194</b>	<b>948</b>	<b>132</b>	<b>1,274</b>

During the year ended 31 December 2017 and 2016, no emoluments have been paid by the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

### 31 董事的福利及權益

#### (A) 董事酬金

各董事的薪酬載列如下：

截至二零一七年及二零一六年十二月三十一日止年度，本集團概無支付酬金，作為吸引加入或加入本集團時的獎勵或作為失去職位的補償。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 31 Benefits and interests of directors (Continued)

#### (B) Directors' retirement benefits

For the year ended 31 December 2017 and 2016, the retirement benefits paid to Mr. Gao Shijun and Mr. Liu Xianggang are related to their services as a director of the Company and its subsidiaries.

### 32 Individuals with highest emoluments

Of the five individuals with the highest emoluments in the Group, four (2016: three) were directors of the Company whose emoluments are reflected in the analysis in note 31. The emoluments of the remaining one (2016: two) individual was as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Salaries	薪金	821	1,205
Contribution to a pension scheme	向退休金計劃供款	16	31
		<b>837</b>	1,236

The emoluments for each individual was within HK\$1,000,000.

During the year ended 31 December 2017 and 2016, no emoluments have been paid by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

### 31 董事的福利及權益(續)

#### (B) 董事的退休福利

截至二零一七年及二零一六年十二月三十一日止年度，向高世軍先生及劉象剛先生支付的退休福利乃與彼等擔任公司及其附屬公司董事相關。

### 32 最高薪人士

本集團五名最高薪人士中，四名(二零一六年：三名)為本公司的董事，彼等的酬金於附註31的分析呈列。餘下一名(二零一六年：兩名)最高薪人士的酬金如下：

該人士各自的酬金在1,000,000港元以內。

於截至二零一七年及二零一六年十二月三十一日止年度，本集團概無向五名最高薪人士支付酬金，作為吸引加入或加入本集團時的獎勵或作為失去職位的補償。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 33 Subsidiaries

As at 31 December 2017, the Company has the following interests in its subsidiaries. The kind of legal entity of these subsidiaries is limited liability company. The class of shares held is ordinary unless otherwise stated.

### 33 附屬公司

於二零一七年十二月三十一日，本公司有下列於附屬公司中的權益。該等附屬公司的合法實體類別為有限公司。除另有列明外，所持有之股份之類別為普通股。

Name of company 公司名稱	Place of incorporation and business 註冊成立及經營地點	Principal activities 主要業務	Particulars of issued and paid up share capital 已發行及繳足股本詳情	Proportion of ownership interests 所佔擁有權權益比例		
				Group's effective interest 本集團實際權益	Held by the Company 本公司所持有	Held by a subsidiary 一間附屬公司所持有
Shandong Shouguang Juneng Golden Corn Development Co., Ltd* 山東壽光巨能金玉米開發有限公司	PRC 中國	Manufacturing and sale of cornstarch, lysine and related products 生產及銷售玉米澱粉、賴氨酸及相關產品	RMB480,000,000 人民幣480,000,000元	100%	–	100%
Shouguang Golden Far East Modified Starch Company Limited* 壽光金遠東變性澱粉有限公司	PRC 中國	Research, development, manufacture and sale of modified starch and related products 研發、生產及銷售變性澱粉及相關產品	US\$9,600,000 9,600,000美元	100%	–	100%
Linqing Deneng Golden Corn Bio Limited 臨清德能金玉米生物有限公司	PRC 中國	Manufacturing and sale of cornstarch, starch-based sweetener and related products 生產及銷售玉米澱粉、澱粉糖及相關產品	RMB200,000,000 人民幣200,000,000元	91%	–	91%
Shouguang Golden Corn Biotechnology Limited* 壽光金玉米生物科技股份有限公司	PRC 中國	Research, development, manufacture and sales of starch, food additives, feeds, amino acids and related products 研究、開發、生產及銷售澱粉、食物添加劑、飼料、氨基酸及相關產品	RMB200,000,000 人民幣200,000,000元	55%	–	55%
Sourcestar Worldwide Inc.	BVI, Hong Kong 英屬維爾京群島/ 香港	Investment holding 投資控股	US\$240 240美元	100%	100%	–
China Starch Group Limited 中國澱粉集團有限公司	Hong Kong 香港	Investment holding 投資控股	HK\$1 1港元	100%	100%	–

None of the above subsidiaries have non-controlling interests that are material to the Group.

上述附屬公司概無擁有對本集團而言屬重大的非控股權益。

\* English transliteration is for identification only.

\* 英文譯名僅供識別。

# Five-Year Financial Summary

## 五年財務概要

		2017 二零一七年	2016 二零一六年	2015 二零一五年	2014 二零一四年	2013 二零一三年
<b>Operating results</b> <b>(RMB'000)</b>	<b>經營業績</b> <b>(人民幣千元)</b>					
Revenue	收入	<b>4,694,541</b>	4,397,844	4,397,844	4,360,110	4,169,785
Gross profit	毛利	<b>619,543</b>	497,095	497,095	354,332	363,519
Operating profits	經營利潤	<b>496,453</b>	292,656	292,656	120,274	67,969
Profit for the year	本年度利潤	<b>394,061</b>	219,219	219,219	101,913	66,345
Profit attributable to shareholders	股東應佔利潤	<b>388,167</b>	213,682	213,682	98,877	62,725
<b>Assets and Liabilities</b> <b>(RMB'000)</b>	<b>資產及負債</b> <b>(人民幣千元)</b>					
Total assets	總資產	<b>3,538,106</b>	2,904,392	2,822,720	2,845,196	3,005,589
Total liabilities	總負債	<b>791,083</b>	602,090	739,637	831,359	1,026,783
Non-controlling interests	非控股股東權益	<b>131,520</b>	35,626	30,089	27,053	23,433
Shareholder's equity	股東權益	<b>2,615,503</b>	2,266,676	2,052,994	1,986,784	1,955,373
<b>Per share data</b>	<b>每股數據</b>					
Net assets per share (RMB)	每股淨資產(人民幣)	<b>0.46</b>	0.38	0.35	0.34	0.33
Earnings per share (RMB cents)	每股盈利(人民幣分)	<b>6.47</b>	3.56	1.65	1.05	2.06
Dividends per share (HK\$ cents)	每股股息(港仙)	<b>1.20</b>	0.75	–	0.69	0.67
Dividend payout ratio	派息比率	<b>15.0%</b>	18.8%	–	51.4%	25.7%
Share price as at the year ended (HK\$)	年末股價(港元)	<b>0.305</b>	0.170	0.151	0.172	0.221

Note:

The above summary does not form part of the audited consolidated financial statements.

附註：

上述概要不構成經審核綜合財務報表之一部分。

# Key Performance Indicators

## 主要表現指標

The following key performance indicators ("KPI") does not form part of the audited consolidated financial statements. The workplace and environmental data are not independently audited or verified.

以下主要表現指標並非經審核合併財務報表的一部份。財務及工作地點數據並未獨立審核或核實。

The table set out below shows the major KPI in different aspects of the Group:

下表載示本集團於不同方面的主要表現指標：

KPI	主要表現指標	Units 單位	2017 二零一七年	2016 二零一六年
<b>Financial</b>				
<b>財務</b>				
Debtors turnover	應收賬款週轉	days 天數	<b>23</b>	26
Creditors turnover	應付賬款週轉	days 天數	<b>14</b>	17
Inventories turnover	存貨週轉	days 天數	<b>20</b>	20
Current ratio	流動比率	times 倍	<b>3.8</b>	2.5
Quick ratio	速動比率	times 倍	<b>3.4</b>	2.2
Gearing ratio <sup>a</sup>	槓桿比率 <sup>a</sup>	%	<b>0.1</b>	0.2
Total shareholder return ("TSR") <sup>b</sup>	總股東回報率 <sup>b</sup>	%	<b>83.8</b>	12.6
<b>Workplace</b>				
<b>工作地點</b>				
Employee	僱員	number 人數	<b>2,133</b>	2,163
Staff turnover ratio <sup>c</sup>	員工流失率 <sup>c</sup>	%	<b>7.1</b>	7.0
Loss time injury ("LTI") <sup>d</sup> incidents	損失工時工傷 (「損失工時工傷」) <sup>d</sup> 事故	number 宗數	<b>1</b>	3
LTI rate <sup>d</sup>	損失工時工傷率 <sup>d</sup>	rate 比率	<b>0.2</b>	0.6
Training hours <sup>e</sup>	培訓時數 <sup>e</sup>	hours/month 時數/月		
– General	– 一般		<b>6.9</b>	11.7
– Middle-level	– 中級		<b>10.9</b>	17.9
– Senior	– 高級		<b>11.8</b>	20.1

### Notes:

- <sup>a</sup> Gearing ratio is calculated as the borrowings to total assets.
- <sup>b</sup> TSR combines share price appreciation and dividends paid to show total return to shareholders.
- <sup>c</sup> Staff turnover represents the employees (permanent and temporary) leaving the Group voluntarily.
- <sup>d</sup> LTI is an occupational injury sustained by an employee for which the employee misses one or more scheduled workdays after the day of injury. LTI rate is the number of LTI within a financial year relative to the total number of hours worked in the same financial year. LTI rate is reported as the number of LTI per million hours worked.
- <sup>e</sup> The average number of training hours per employee is calculated as the total internal training hours to different employee categories.

### 附註：

- <sup>a</sup> 槓桿比率乃按借款除以資產總值計算。
- <sup>b</sup> 總股東回報率包括股價升幅及已付股息，以反映為股東帶來的總回報。
- <sup>c</sup> 員工流失率為自願離職的僱員（長期及臨時）。
- <sup>d</sup> 損失工時工傷為僱員因工傷而在受傷當日後損失一天或以上預定工作日的情况。損失工時工傷率為於財政年度內損失工時工傷數目相對於同一財政年度內工時總數之比率。損失工時工傷率以每百萬工時的損失工時數目呈報。
- <sup>e</sup> 每名僱員的平均培訓時數乃按內部總培訓時數除以不同僱員層級計算。

# Key Performance Indicators

## 主要表現指標

KPI	主要表現指標	Units 單位	2017	2016
			二零一七年	二零一六年
<b>Environmental</b>	<b>環境</b>			
Fresh water used	所用食水	m <sup>3</sup> 立方米	<b>1,030,396</b>	792,433
Fresh water consumption intensity <sup>f</sup>	食水消耗強度 <sup>f</sup>	index 指數	<b>121</b>	100
Electricity used	所用電力	GWh 吉瓦時	<b>438</b>	423
Electricity consumption intensity <sup>f</sup>	電力消耗強度 <sup>f</sup>	index 指數	<b>97</b>	100
Steam used	所用蒸汽	tonne 噸	<b>1,693,586</b>	1,583,136
Steam consumption intensity <sup>f</sup>	蒸汽消耗強度 <sup>f</sup>	index 指數	<b>100</b>	100
Fuel used	所用燃料	litre 公升		
– Diesel	– 柴油		<b>248,626</b>	173,854
– Unleaded petrol	– 無鉛汽油		<b>102,809</b>	67,020
Greenhouse gas (“GHG”) emissions <sup>g</sup>	溫室氣體排放 <sup>g</sup>	tonne of CO <sub>2</sub> e 噸等值二氧化碳		
– Scope 1 <sup>h</sup>	範圍 1 <sup>h</sup>		<b>843</b>	861
– Scope 2 <sup>i</sup>	範圍 2 <sup>i</sup>		<b>774,287</b>	733,446
– Total GHG emission <sup>j</sup>	溫室氣體總排放 <sup>j</sup>		<b>775,130</b>	734,307
GHG emission intensity <sup>k</sup>	溫室氣體排放強度指數 <sup>k</sup>	index 指數	<b>98</b>	100
Water discharged	水排放量	m <sup>3</sup> 立方米		
– Waste water to recycled water	– 廢水轉化為循環再用水		<b>1,925,892</b>	1,193,277
– Waste water to sewage network	– 排放至污水網絡的廢水		<b>1,201,142</b>	1,232,299
Non-hazardous waste <sup>l</sup> produced	產生的非危險廢物 <sup>l</sup>	tonne 噸	<b>47,239</b>	53,314
Packaging material used	所用包裝物料	tonne 噸	<b>4,579</b>	4,174

<sup>f</sup> Fresh water, electricity and steam consumption intensity indices are calculated as the intensity of fresh water, electricity and steam consumed per tonne of physical product produced in the financial year relative to the intensity in the 2016 base year (set to 100).

<sup>g</sup> The methodology used for the determination of emissions for the financial year 2016 is based on various documents, such as 2006 IPCC Guidelines for National Greenhouse Gas Inventories, and the 2015 Baseline Emission Factors for Regional Power Grids in China issued by the Department of Climate Change and IPCC Fifth Assessment Report.

<sup>h</sup> Scope 1 emissions represent the emissions from combustion of fuels at stationary sources to generate electricity, steam, or heat which are owned or controlled by the Group and transportation emissions from owned or operated vehicles.

<sup>i</sup> Scope 2 emissions are emissions from consumption of purchased electricity, steam and heat.

<sup>j</sup> Total GHG emissions are direct emissions, plus emissions from the net change of purchasing and selling of electricity and steam.

<sup>k</sup> GHG emission intensity index is calculated as the GHG emissions from physical products produced in the financial year relative to the intensity in the base year (set to 100). The base year is reset from 2014 to 2016.

<sup>l</sup> Non-hazardous wastes mainly represent sludge, saccharified residue, inactivated bacteria residue and fertiliser.

<sup>f</sup> 食水、電力及蒸汽消耗強度指數按財政年度所生產實質產品每噸所消耗的食水、電力及蒸汽強度，相對二零一六基準年的強度（設定為100）計算。

<sup>g</sup> 釐定二零一六年財政年度排放量所使用的方法乃以多份文件為根據，如二零零六年IPCC國家溫室氣體清單指南、國家氣候應變變化司發出《二零一五年中國區域電網基準線排放因子》及IPCC第五次評估報告。

<sup>h</sup> 範圍1排放指由本集團擁有或控制的固定污染源燃料燃燒發電、生產蒸汽或熱力時的排放，以及擁有或操作車輛的交通運輸排放。

<sup>i</sup> 範圍2排放為耗用所購買電力、蒸汽及熱力的排放。

<sup>j</sup> 溫室氣體排放總量為直接排放，另加來自購買及出售電力及蒸汽淨變動所產生的排放。

<sup>k</sup> 溫室氣體排放強度指數按財政年度所生產實質產品所排放的溫室氣體，相對基準年的強度（設定為100）計算。基準年由二零一四年重設為二零一六年。

<sup>l</sup> 非危險廢物主要為污泥、糖化殘渣、滅活細菌殘留物及肥料。

# Corporate Information 公司資料

## Executive Directors

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

## Independent Non-executive Directors

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

## Company Secretary

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

## Authorised Representatives

Mr. Leung Siu Hong  
Mr. Yu Yingquan

## Registered Office

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

## Head Office and Principal Place of Business in Hong Kong

Suite 3312, Tower 1  
Times Square  
1 Matheson Street  
Causeway Bay  
Hong Kong

## Auditor

SHINEWING (HK) CPA Limited

## 執行董事

田其祥先生(主席)  
高世軍先生(行政總裁)  
劉象剛先生  
于英泉先生

## 獨立非執行董事

花強教授  
孫明導先生  
余季華先生

## 公司秘書

梁兆康先生 · FCCA, FCPA, FCIS, FCS

## 授權代表

梁兆康先生  
于英泉先生

## 註冊辦事處

Cricket Square  
Hutchins Drive  
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Grand Cayman KY1-1111  
Cayman Islands

## 總辦事處及香港主要營業地點

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勿地臣街一號  
時代廣場  
一座3312室

## 核數師

信永中和(香港)會計師事務所有限公司

# Corporate Information

## 公司資料

### Legal Advisers

*As to Hong Kong Law:*  
Chiu & Partners

*As to Cayman Islands Law:*  
Conyers Dill & Pearman

### Principal Bankers

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

### Cayman Islands Share Registrar and Transfer Office

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

### Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited  
Level 22  
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183 Queen's Road East  
Hong Kong

### Website

[www.chinastarch.com.hk](http://www.chinastarch.com.hk)

### 法律顧問

香港法律：  
趙不渝 馬國強律師事務所

開曼群島法律：  
康德明律師事務所

### 主要往來銀行

中國銀行  
中國建設銀行  
中國工商銀行  
興業銀行股份有限公司

### 開曼群島股份過戶及登記處

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Cayman Islands

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