



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

2016
Annual Report
年報

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Financial Highlights and Summary

財務摘要及概要

RMB'000	人民幣千元	2012 二零一二年	2013 二零一三年	2014 二零一四年	2015 二零一五年	2016 二零一六年
Results	業績					
Revenue	收入	3,301,498	3,422,033	4,169,785	4,360,110	4,397,844
Gross profit	毛利	388,282	300,352	363,519	354,332	497,095
Operating profit	經營利潤	258,796	141,361	67,969	120,274	292,656
Profit for the year	本年度利潤	221,921	124,161	66,345	101,913	219,219
Profit attributable to shareholders	股東應佔利潤	219,647	122,198	62,725	98,877	213,682
Assets and Liabilities	資產及負債					
Total assets	總資產	2,441,812	3,005,589	2,845,196	2,822,720	2,904,392
Total liabilities	總負債	575,512	1,026,783	831,359	739,637	602,090
Non-controlling interests	非控股股東權益	21,470	23,433	27,053	30,089	35,626
Shareholder's equity	股東權益	1,844,830	1,955,373	1,986,784	2,052,994	2,266,676
Major financial data	主要財務數據					
Current ratio (Times)	流動比率 (倍)	2.5	1.6	1.6	1.7	2.5
Quick ratio (Times)	速動比率 (倍)	2.2	1.2	1.3	1.4	2.2
Gearing – borrowings to total assets	槓桿比率 – 借款除以總資產	0.3%	14.3%	10.0%	3.5%	0.2%
Debtors turnover (Days)	應收賬款週轉 (天數)	35	45	35	28	26
Creditors turnover (Days)	應付賬款週轉 (天數)	10	11	13	14	17
Inventories turnover (Days)	存貨週轉 (天數)	24	33	32	22	20
Cash conversion (Days)	現金轉換 (天數)	49	67	54	36	29

Note: The above summary does not form part of the audited consolidated financial statements.

附註：上述概要並不構成經審核合併財務報表的一部分。

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 (appointed on 17 May 2016)
Mr. Chen Zhijun (resigned on 17 May 2016)
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 (於二零一六年五月十七日獲委任)
陳志軍先生 (於二零一六年五月十七日辭任)
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
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

總辦事處及香港主要營業地點

香港
銅鑼灣
勿地臣街一號
時代廣場
一座3312室

核數師

信永中和 (香港) 會計師事務所有限公司

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

Royal Bank of Canada Trust Company (Cayman) Limited

4th Floor, Royal Bank House

24 Shedden Road

George Town

Grand Cayman KY1-1110

Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited

Level 22

Hopewell Centre

183 Queen's Road East

Hong Kong

Website

www.chinastarch.com.hk

法律顧問

香港法律：

趙不渝 馬國強律師事務所

開曼群島法律：

康德明律師事務所

主要往來銀行

中國銀行

中國建設銀行

中國工商銀行

興業銀行

開曼群島股份過戶及登記處

Royal Bank of Canada Trust Company (Cayman) Limited

4th Floor, Royal Bank House

24 Shedden Road

George Town

Grand Cayman KY1-1110

Cayman Islands

香港股份過戶及登記分處

卓佳證券登記有限公司

香港

皇后大道東183號

合和中心22樓

網址

www.chinastarch.com.hk

On behalf of the board of directors (the "Board") of China Starch Holdings Limited (the "Company"), I hereby present the annual results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2016.

Entering into the tenth year since our listing on The Stock Exchange of Hong Kong Limited, the Group recorded another year of continued improvement with healthy growth and strong foundation. This year, we have delivered financial results ahead of expectation and are pleased of the progress that we have made and our achievements, in the midst of challenging times for the industry. With our key growth strategies in place, the Group looks forward to breaking sales record and delivering a profitable year in 2017.

In 2016, the Group recorded a total revenue of approximately RMB4,397,844,000, representing an increase of 0.9% compared with approximately RMB4,360,110,000 last year. As the Group's overall gross profit margin increased substantially from 8.1% to 11.3%, the Group recorded appreciable growth in its gross profit, which amounted to approximately RMB497,095,000 in 2016. During the year, the Group's business performance was driven by external and internal favourable factors. Externally, the Chinese government suspended the temporary grain reserve policy, which had resulted in a drop in domestic corn kernel prices and in turn lowered the production costs of the corn-refinery industry and enhanced the competitiveness of domestic corn-refinery products. As a result, domestic corn-refinery products have regained their presence in international markets, which had a positive effect on the corn-refinery industry in China. Internally, as the utilisation rate of our production facilities in Shouguang and Linqing has further enhanced, the Group's output volume in 2016 was substantially higher than last year's. Therefore, the cost per unit in 2016 was lower than that in 2015.

本人謹代表中國澱粉控股有限公司（「本公司」）董事會（「董事會」），提呈本公司及其附屬公司（統稱「本集團」）截至二零一六年十二月三十一日止年度之全年業績。

踏入在香港聯合交易所有限公司上市的第十年，本集團憑藉穩健增長及雄厚基礎，再次錄得持續增長。今年，在行業充滿挑戰的時代中，我們的財務業績比預期理想，對所取得的進步及成就感到欣喜。憑藉我們既定的主要發展策略，本集團期望於二零一七年打破記錄，取得可觀盈利。

於二零一六年，本集團錄得總收入約人民幣4,397,844,000元，與去年約人民幣4,360,110,000元相比上升0.9%。由於本集團整體的毛利率由8.1%大幅上升至11.3%，於二零一六年本集團的毛利錄得可觀的增長至約人民幣497,095,000元。於本年度，本集團的業務表現受內外的有利因素帶動。外在因素方面，中國政府暫停糧食臨儲托市政策，令國內玉米粒價格下跌，從而降低了玉米深加工行業的生產成本，提升了國內玉米深加工產品的競爭力。因此，國內的玉米深加工產品重回國際市場，對中國玉米深加工業起正面作用。內部因素方面，在壽光及臨清生產設施的利用率進一步提高，二零一六年產出量遠高於去年。因此，本集團二零一六年的每單位成本低於二零一五年，本集團銷售毛利比二零一五年大幅提升。

Looking ahead to the coming year, the global macroeconomics remain uncertain and challenging, however, we remain prudently optimistic about the prospects of the development of the Group and our industry in China, and will continue to seek more opportunities for business development in both domestic and international markets. On one hand, we will continue to enhance our internal cost control, increase output volume, reduce material and energy consumption in our production processes, as well as to enhance the profitability of our existing facilities. On the other hand, we will capture the opportunities emerged in China's economic reform, with an aim to further increase our production capacity and expand our market share. Meanwhile, we will put more effort into research and development, so as to increase the output volume and varieties of our corn-refinery products. Benefiting from the favorable climate brought by the economic reforms in China, the Group will continuously embrace innovations and keep moving forward in light of the ever-changing business environment with an aim to achieve steady and sustainable growth. Meanwhile, we believe that the Group has laid a sound foundation to cope with possible challenges ahead. We will continue to develop those capabilities and leverage them to strengthen our competitive position and build on the momentum we have achieved.

Lastly, on behalf of the Board, I would also like to take the opportunity to thank our shareholders, employees and business partners for your continued support. My heartfelt gratitude also goes to the fellow directors for their dedication and insights in guiding the Company throughout the year.

Tian Qixiang
Chairman

Shouguang, the People's Republic of China, 10 March 2017

展望來年，全球宏觀經濟仍不明朗且充滿挑戰，然而，我們對本集團的發展及我們行業於中國的前景依舊保持審慎樂觀，並將繼續於國內及國際市場尋求更多業務發展機會。一方面，繼續提升內部成本控制水平，增加產出，降低我們生產過程中材料及能源消耗，提升現有設施的盈利能力。另一方面，我們會抓住中國經濟改革的時機，尋求產能和市場份額的進一步提升。同時，我們會加強研發，增加我們玉米深加工產品產量和品種，使企業業務擴張發展。受惠於中國經濟改革的有利環境，在千變萬化的商業環境下，本集團將繼續勇於創新，不斷前進，以達致穩定及可持續的增長。與此同時，我們認為本集團基礎穩健，有力應對未來可能出現的挑戰。我們將繼續提升實力並藉此鞏固我們的競爭力，並在已建立的優勢上再創佳績。

最後，本人謹藉此機會代表董事會感謝各位股東、僱員及業務夥伴的持續支持。本人亦衷心感謝各位董事終年對引領本公司所作的貢獻及提供的寶貴意見。

主席
田其祥

中華人民共和國，壽光，二零一七年三月十日

General Review and Outlook

Review

In 2016, China's economy had stabilised gradually. As a result of the suspension of the temporary national grain reserve policy, corn kernel price in the domestic market dropped substantially and the price gap between the domestic and international markets for corn kernel was minimised. This had in turn resulted in a decrease in the production cost of the animal feeds and corn refinery industries and increased their competitiveness in both the domestic and international markets. For instance, domestic demand for domestic corn kernel and corn-derivative products had notably heightened, which reduced the incentive of using imported substitutes and even stimulated exports of such products. These factors had bailed the corn kernel and corn-refinery industries out of the trough that they had been situated in for several consecutive years.

Nevertheless, some small-scale cornstarch manufacturers faded from the market due to different adverse factors, such as volatile demand, suppressed profit margin and strengthened environmental protection standards. We believe this consolidation process amongst the corn-refinery industry will continue in the future.

The Group had continued to monitor our cost control policy, capacity utilisation rate and output ratio in order to enhance our profitability and financial position amongst the industry. Revenue of the Group had increased slightly by 0.9% to approximately RMB4,397,844,000 (2015: RMB4,360,110,000) for the year under review. Gross profit of the Group increased significantly to approximately RMB497,095,000 (2015: RMB354,332,000), or 40.3%, for the year under review. This increase in gross profit was mainly attributable to the following factors:

- | | |
|---|---------------------------------|
| (i) an increase in sales volume of fermented and downstream products; | (i) 發酵及下游產品銷量上升； |
| (ii) an increase in profit margin of fermented and downstream products in the second half of the year under review; | (ii) 於回顧年度下半年，發酵及下游產品利潤率上升； |
| (iii) an increase in profit margin of upstream products in both November and December 2016; | (iii) 於二零一六年十一月和十二月，上游產品的利潤率上升； |
| (iv) the introduction of high value-added products into the Group's portfolio since 2015; and | (iv) 本集團自二零一五年起在產品組合加入高增值產品；及 |
| (v) an improvement in production efficiency as a result of using automated machineries. | (v) 由於使用自動化機械生產效率提高。 |

概覽及前景

回顧

於二零一六年，中國的經濟繼續漸趨穩定。由於暫停實施國家的臨時糧食收儲政策，國內市場玉米粒價格大幅下跌，令玉米粒在國內與國際市場之間的價格差距顯著收窄，繼而導致動物飼料和玉米深加工行業的生產成本下降，加強了兩者在國內和國際市場的競爭力。舉例而言，國內玉米粒和玉米衍生產品的國內需求大幅上升，令使用進口替代品的意欲下降，甚至刺激有關產品的出口量。上述因素令玉米粒和玉米深加工行業走出近幾年持續的低迷狀況。

不過，部分小規模的玉米澱粉製造商受不同利淡因素影響而退出市場，例如不穩定的需求、受壓的利潤率及更嚴格的環境保護標準。我們相信，未來玉米深加工行業的整合進程將會繼續。

本集團繼續監察本身的成本控制政策、產能利用率和產出比率，以加強盈利能力和在業內的財政實力。於回顧年度，本集團的收入微升0.9%至約人民幣4,397,844,000元（二零一五年：人民幣4,360,110,000元）。於回顧年度，本集團的毛利顯著上升至約人民幣497,095,000元（二零一五年：人民幣354,332,000元），或40.3%。毛利的上升主要基於以下因素：

Profit after taxation increased significantly from approximately RMB101,913,000 to RMB219,219,000. Basic earnings per share of the Company was RMB0.0356 per share based on the weight average number of 5,995,892,000 ordinary shares (2015: RMB0.0165 per share based on the weight average number of 5,995,892,000 ordinary shares).

Latest Development and Outlook

2017 Outlook

We maintain a prudently optimistic view on the 2017 economic development in China. Firstly, the corn kernel price and cornstarch price have regained their competitiveness after the Chinese government adjusted its temporary national grain reserve policy. It infers that the existing domestic and international market shares possessed by the Chinese market players will not be further encroached upon by other overseas market players. Secondly, we believe that the markets for consumable materials such as corn-refined products will be one of the sectors that will first be recovered after the Chinese economy had stabilised. Cornstarch, as a base-material that is both non-reusable and non-replaceable in nature, is therefore expected to recoup its growth momentum in terms of usage and market demand.

Innovation – Widened product varieties

The Group echoed with the State policy on the development of environmental-friendly, hi-tech and high-value added products. Pursuant to the introduction of our new product D-lactic acid in 2015, the Group had continued to emphasise new product development in 2016. Although the Group did not have major new product launch during the year, we have achieved a breakthrough in various aspects during the research and development process, which were conducive to the advancement of our existing production process. We are confident that our commitment to investing resources on research and development and upgrading production technique would provide us with a new competitive advantage amongst our peers.

Looking forward, we continue to deploy our internal resources to develop other corn-derivative products.

Market volatility

Our professional management team observed the market volatility of the corn-refinery industry had been increasing over the past few years. This trend is expected to continue in 2017. The Group has adopted various control and monitoring policies in order to mitigate these risks. Details of our risk analysis and mitigation policies are set out in the Risk Review Report on pages 38 to 41. We will make a responsible decision on every investment and product development project.

除稅後溢利由約人民幣101,913,000元大幅上升至人民幣219,219,000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0.0356元（二零一五年：根據加權平均股數5,995,892,000股普通股計算為每股人民幣0.0165元）。

最新發展及前景

二零一七年展望

我們對中國於二零一七年的經濟發展維持審慎樂觀。第一，中國政府調整其臨時糧食收儲政策後，玉米粒價格及玉米澱粉價格重拾競爭力，意味著中國業者現時擁有的國內及國際市場份額不會被其他海外業者進一步蠶食。第二，我們相信，中國經濟穩定後，玉米深加工產品等可消耗物料行業的市場將會是首批受惠者之一。玉米澱粉為一種具備不能重用及不可取代特質的基本材料，因此，玉米澱粉的使用量及市場需求將回復增長動力。

創新一拓寬產品品種

本集團響應發展環保高科技及高增值產品的國家政策。基於在二零一五年推出的新產品D-乳酸，本集團於二零一六年依然以開發新產品為重點。儘管本集團於年內並未推出任何重點新產品，但已在研發過程中取得多項有利於提升現有生產工序的突破。我們深信，只有我們堅持在研發和提升生產技術方面投放資源，我們定能擁有新的競爭優勢，於同行中脫穎而出。

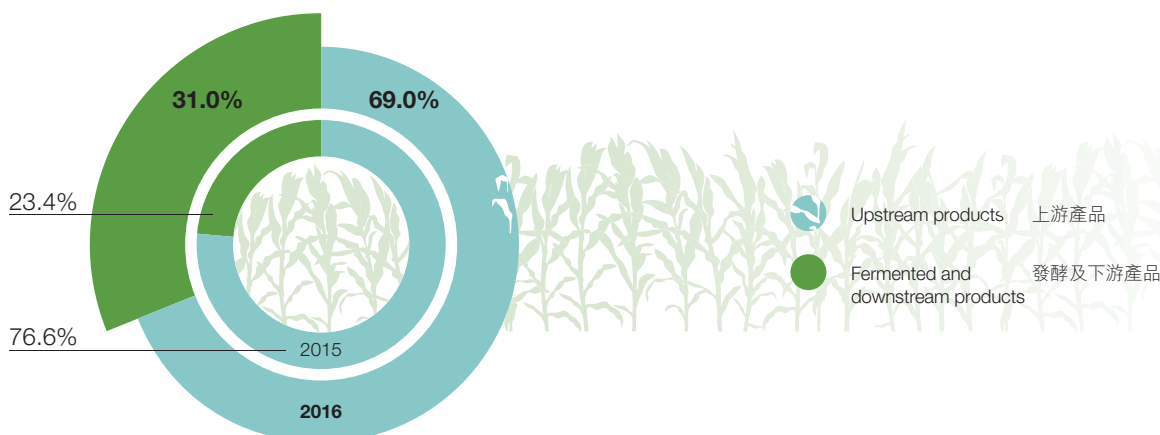
展望未來，我們將繼續部署內部資源以開發其他玉米衍生產品。

市場波動

我們的專業管理團隊觀察到，玉米深加工行業的市場波動於過去數年不斷加劇。預計該趨勢將於二零一七年持續。本集團為緩解上述風險，已採納多項監控及監察政策。有關我們的風險分析及緩解政策的詳情，載於第38至41頁的風險審查報告。我們將會對每一項投資及產品開發項目作出負責任的決定。

Business Analysis

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:



業務分析

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：

Upstream products

上游產品

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收入	3,032,633	3,339,891
Gross profit	毛利	222,034	225,351
Gross profit margin	毛利率	7.3%	6.7%

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

上游產品指玉米澱粉及玉米深加工副產品，視乎客戶所處的行業領域，有關產品可能有不同的用途。

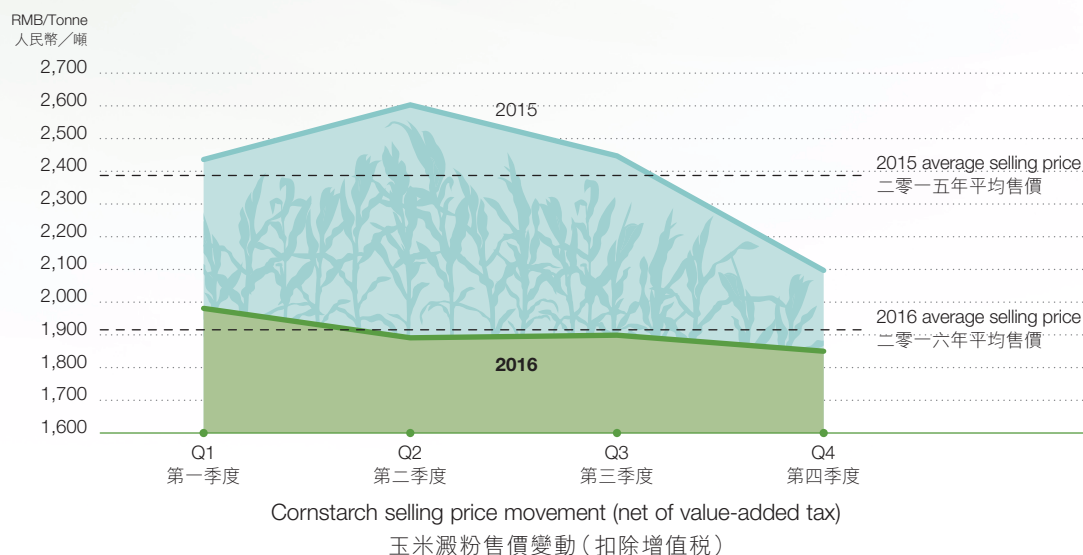
Revenue of this business segment decreased substantially by approximately 9.2% to RMB3,032,633,000 (2015: RMB3,339,891,000). The sales performance of cornstarch in the first, second and final quarter of 2016 were satisfactory. During the year under review, the sales performance of other ancillary corn-refined products, such as corn fibre and corn gluten meal, in this business segment remained sustainable. As a result, gross profit margin of this business still recorded a mild increase of 0.6 percent point to 7.3% (2015: 6.7%).

本業務分部的收入大幅下降約9.2%至人民幣3,032,633,000元（二零一五年：人民幣3,339,891,000元）。玉米澱粉於二零一六年第一、第二和第四季度的銷售表現理想。於回顧年度，玉米纖維及玉米蛋白粉等玉米深加工副產品的銷售表現仍可維持。因此，本項業務的毛利率仍錄得0.6個百分點的輕微增長，升至7.3%（二零一五年：6.7%）。

Management Discussion and Analysis 管理層討論及分析

Total sales volume of cornstarch during the year was approximately 1,079,456 tonnes (2015: 1,017,194 tonnes). The average selling price of cornstarch was approximately RMB1,903 (2015: RMB2,385) per tonne.

本年度玉米澱粉的總銷量約為1,079,456噸（二零一五年：1,017,194噸）。玉米澱粉的平均售價約為每噸人民幣1,903元（二零一五年：人民幣2,385元）。



Fermented and downstream products

The following table shows the revenue of the products in this business segment:

發酵及下游產品

下表呈列本業務分部產品的收入：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收入		
– Lysine	– 賴氨酸	850,250	551,288
– Starch-based sweetener	– 澱粉糖	265,399	258,493
– Modified starch	– 變性澱粉	224,679	204,032
– Others	– 其他	24,883	6,406
Total	總計	1,365,211	1,020,219
Gross profit	毛利	275,061	128,981
Gross profit margin	毛利率	20.1%	12.6%

Fermented and downstream products consist of lysine, starch-based sweetener, modified starch, and other fermented products derived from cornstarch, as well as other services. Revenue of this business segment for the year under review was approximately RMB1,365,211,000 (2015: RMB1,020,219,000). Benefited from the increase in sales volume of different value-added products on one hand and the decrease in corn kernel price on the other hand, the Group recorded a remarkable growth in both revenue and gross profit margin in this business segment.

Revenue of lysine products was approximately RMB850,250,000 (2015: RMB551,288,000). The average selling price of lysine products for the year under review was approximately RMB5,653 (2015: RMB5,818) per tonne. Benefited from the increase in production technology and equipment utilisation rate, the sales volume of lysine products increased substantially to 150,414 tonnes (2015: 94,748 tonnes), or by 58.8%.

The market condition, such as market price and demand, in respect of starch-based sweetener was very unstable over the year. The average selling price of starch-based sweetener was suppressed because of the abundant supply of starch-based sweetener and the decrease in corn kernel price during the year under review. During the year under review, revenue of starch-based sweetener increased slightly to RMB265,399,000 (2015: RMB258,493,000). The average selling price of starch-based sweetener was approximately RMB1,939 (2015: RMB2,357) per tonne.

Benefited from the increase in sales volume of modified starch, revenue of modified starch increased substantially by 10.1% to approximately RMB224,679,000 (2015: RMB204,032,000). During the year under review, the average selling price of modified starch was approximately RMB2,752 (2015: RMB3,292) per tonne.

Other fermented and downstream products represented new generation and environmental-friendly products, one of which was D-lactic acid. The development of these new products would enhance our profitability and allow us to gain presence in those niche markets in China.

發酵及下游產品包括賴氨酸、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），以及其他服務。該業務分部於回顧年度的收入約為人民幣1,365,211,000元（二零一五年：人民幣1,020,219,000元）。受惠於不同增值產品的銷售量增加及玉米粒價格下降，本集團在該業務分部的收入及毛利率均錄得顯著增長。

賴氨酸產品的收入約為人民幣850,250,000元（二零一五年：人民幣551,288,000元）。於回顧年度，賴氨酸產品的平均售價約每噸人民幣5,653元（二零一五年：人民幣5,818元）。受惠於生產技術改進和設備使用率上升，賴氨酸產品的銷量大幅上升至150,414噸（二零一五年：94,748噸），或上升58.8%。

過去一年，澱粉糖的市況（如市場價格及需求）異常不穩。由於回顧年度內澱粉糖供應充足，加上玉米粒價格下跌，澱粉糖的平均售價受壓制。於回顧年度，澱粉糖的收入微升至人民幣265,399,000元（二零一五年：258,493,000元）。澱粉糖的平均售價約為每噸人民幣1,939元（二零一五年：2,357元）。

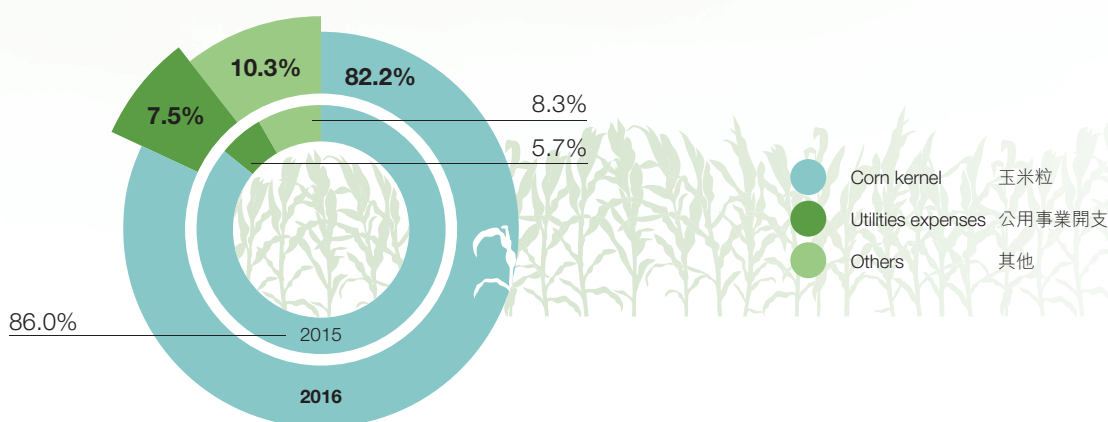
受惠於變性澱粉的銷量上升，變性澱粉的收入大幅上升10.1%至約人民幣224,679,000元（二零一五年：人民幣204,032,000元）。於回顧年度，變性澱粉平均售價約為每噸人民幣2,752元（二零一五年：人民幣3,292元）。

其他發酵及下游產品指新一代及環保產品，其中之一為D-乳酸。該等新產品的開發將提高我們的盈利能力，並使我們在中國的小眾市場佔一席位。

Cost of sales

The major cost components of our cost of sales are corn kernel and utilities expenses for the year under review. Benefited from the substantial decrease in corn kernel price during the year under review, the percentage of cost of corn kernel to total cost of sales reduced to about 82.2% (2015: 86.0%). The average corn kernel price in 2016 decreased by 17.5% to approximately RMB1,540 (2015: RMB1,867) per tonne.

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



銷售成本

本集團於回顧年度銷售成本的主要組成部分為玉米粒及公共事業開支。受惠於回顧年度內玉米粒價格的大幅下跌，玉米粒成本佔總銷售成本的百分比降至約82.2%（二零一五年：86.0%）。二零一六年玉米粒平均價格下降17.5%至約每噸人民幣1,540元（二零一五年：人民幣1,867元）。

本集團並無訂立任何遠期／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。

Dividends

In view of the global and mainland China's economic uncertainty as well as the increasing volatility of the cornstarch and lysine markets, the Board adopts a conservative approach in the determination of the interim and final dividends of the Company. The Board considers the availability of distributable profits, earnings, financial positions, funding requirement, potential investment opportunity and other relevant factors at the time of considering the payment of any dividend.

A final dividend of HK0.75 cents per share has been recommended by the Board for the year ended 31 December 2016.

Distributable Reserves

As at 31 December 2016, the Company's reserves available for distribution to shareholders amounted to approximately RMB217,327,000. The amount of distributable reserves included the Company's share premium of approximately RMB137,424,000, which may be distributed provided that the Company would remain solvent after the distribution of dividend.

股息

鑑於全球及中國內地經濟前景不明，加上玉米澱粉及賴氨酸市場波動加劇，董事會就釐定本公司中期及末期股息時採取保守策略。董事會於考慮派付任何股息時，會考慮是否有可供分派溢利、盈利、財務狀況、資金需求、潛在投資機會及其他相關因素。

董事會已建議就截至二零一六年十二月三十一日止年度派發末期股息每股0.75港仙。

可供分派儲備

於二零一六年十二月三十一日，本公司可供分派予股東的儲備約為人民幣217,327,000元。可供分派儲備金額包括本公司股份溢價約人民幣137,424,000元，有關金額可在本公司於分派股息後仍有償債能力的情况下作出分派。

Human Resources and Remuneration Policies

As at 31 December 2016, the Group had 2,163 full time staff (2015: 2,201). Total staff costs, including Directors' emoluments, of the Group were approximately RMB159,141,000 (2015: RMB137,994,000). The Group considers the experience, responsibility, and performance of the Directors and employees of the Group in order to determine their respective remuneration packages. The Company has also adopted a share option scheme (the "Share Option Scheme") with a primary purpose of motivating our employees and other eligible persons entitled under the Share Option Scheme to optimise their contributions to the Group and to reward them for their contribution to the Group. In addition, a remuneration committee is delegated by the Board to review and determine the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management.

As at 31 December 2016, no share options have been granted under the Share Option Scheme.

Financial Review

Financial Management and Treasury Policy

The Group adopts a conservative approach for cash management and investment on uncommitted funds. Any unused fund is intended to be placed on short term/fixed deposits with authorised financial institutions in Hong Kong and/or the People's Republic of China (the "PRC").

Foreign Currency Exposure

The Directors do not consider the exposure to foreign exchange risk is significant to the Group's operation as the Group operated mainly in the PRC and most of the Group's transactions, assets and liabilities 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.

Finance Expenses

As a result of a decrease in both borrowings and interest rate during the year under review, finance expenses decreased significantly from approximately RMB9,919,000 to RMB1,862,000. The Group has regularly reviewed the financial needs for potential projects for developing new products and/or materials and monitors a suitable level of debts. The interest cover during the year under review (which equals profit before income tax and interest divided by the sum of interest charges and capitalised interest) was approximately 171 times (2015: 15 times).

人力資源及薪酬政策

於二零一六年十二月三十一日，本集團聘用2,163名（二零一五年：2,201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159,141,000元（二零一五年：人民幣137,994,000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。此外，本公司已採納購股權計劃（「購股權計劃」），主要目的為激勵本集團僱員及可參與購股權計劃的其他合資格人士繼續為本集團作出最佳貢獻，並就彼等向本集團作出的貢獻給予獎勵。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。

於二零一六年十二月三十一日，本公司並無根據購股權計劃授出任何購股權。

財務回顧

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。任何尚未動用的資金擬存放於香港及／或中華人民共和國（「中國」）的認可財務機構作短期／定期存款。

外匯風險

鑑於本集團主要在中國經營業務，而大部分交易、資產及負債均以人民幣計值，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。本集團並非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。

財務開支

於回顧年度內，由於借款及利率雙雙下降，財務開支由約人民幣9,919,000元大幅減少至人民幣1,862,000元。本集團定期審閱開發新產品及／或材料的潛在項目的財務需要，並會監察債務，使之維持於合適水平。於回顧年度內，盈利對利息倍數（相當於除所得稅前溢利及利息除以利息費用及資本化利息之和）約為171倍（二零一五年：15倍）。

Liquidity, Financial Resources and Capital Structure

The key financial ratios of the Group for the year ended 31 December 2016 and its comparative figures are summarised as follows:

流動資金、財務資源及資本架構

本集團截至二零一六年十二月三十一日止年度的關鍵財務比率及其比較數字概述如下：

		2016 二零一六年	2015 二零一五年
Borrowings (RMB'000)	借款 (人民幣千元)	4,432	99,432
Repayable:	須償還：		
– Within one year	– 一年內	3,322	97,436
– Over one year	– 超過一年	1,110	1,996
Debtors turnover (Days)	應收賬款週轉 (天數)	26	28
Creditors turnover (Days)	應付賬款週轉 (天數)	17	14
Inventories turnover (Days)	存貨週轉 (天數)	20	22
Current ratio (Times)	流動比率 (倍)	2.5	1.7
Quick ratio (Times)	速動比率 (倍)	2.2	1.4
Gearing ratio – borrowings to total assets	槓桿比率 – 借款除以總資產	0.2%	3.5%

The Directors are of the opinion that the working capital available to the Group is sufficient for its present requirements. The Group's borrowings, cash and cash equivalents were mostly denominated in Renminbi. As at 31 December 2016, the borrowings of RMB4,432,000 represented an unsecured and interest-free government loan provided to a subsidiary of the Group. As at 31 December 2016, the total available and undrawn banking facilities was approximately RMB765 million. In addition, most of the borrowings were with a maturity within one year. The decrease in borrowings was mainly attributable to the repayment of bank borrowings.

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。於二零一六年十二月三十一日，人民幣4,432,000元的借款約為本集團一間附屬公司獲提供的無抵押及免息政府貸款。於二零一六年十二月三十一日，可動用及未提用的銀行信貸約為人民幣765,000,000元。此外，大部分借款均於一年內到期。借款減少的主要原因是償還銀行借款。

Pledge of Assets

As at 31 December 2016, bills payables were secured by bank acceptance bills and bank deposits in the amount of RMB2,624,000 and RMB1,063,000 respectively. As at 31 December 2016, the Group did not pledge any leasehold land and building to secure banking facilities.

資產抵押

於二零一六年十二月三十一日，應付票據分別由人民幣2,624,000元及人民幣1,063,000元的銀行承兌票據及銀行存款擔保。於二零一六年十二月三十一日，本集團並無抵押任何租賃土地及樓宇以擔保銀行信貸。

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 31 December 2016.

或然負債

於二零一六年十二月三十一日，本集團並無任何重大或然負債。

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:

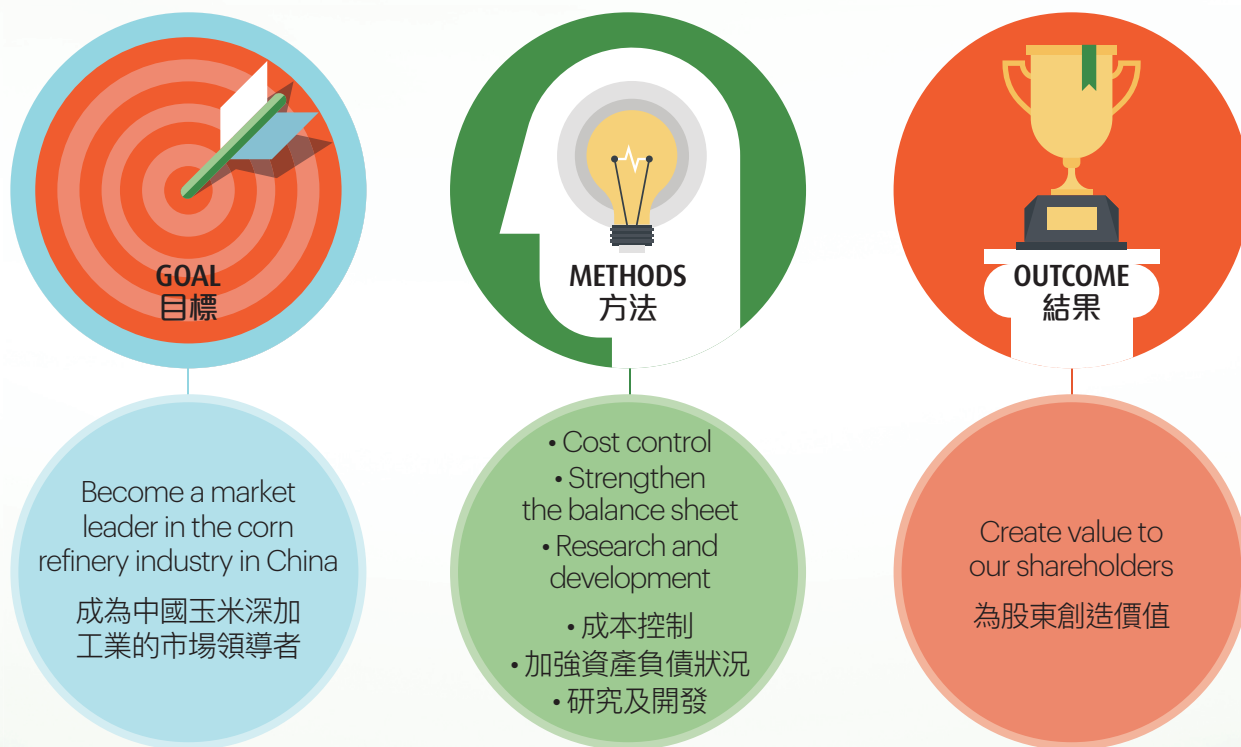
1. The cornstarch consumption per capita in China is far less than those in the developed countries in the world, which represents a massive potential for market growth and promising prospects for manufacturers of cornstarch and related products.
2. The application of cornstarch is a blue ocean because 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.

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。

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.

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。

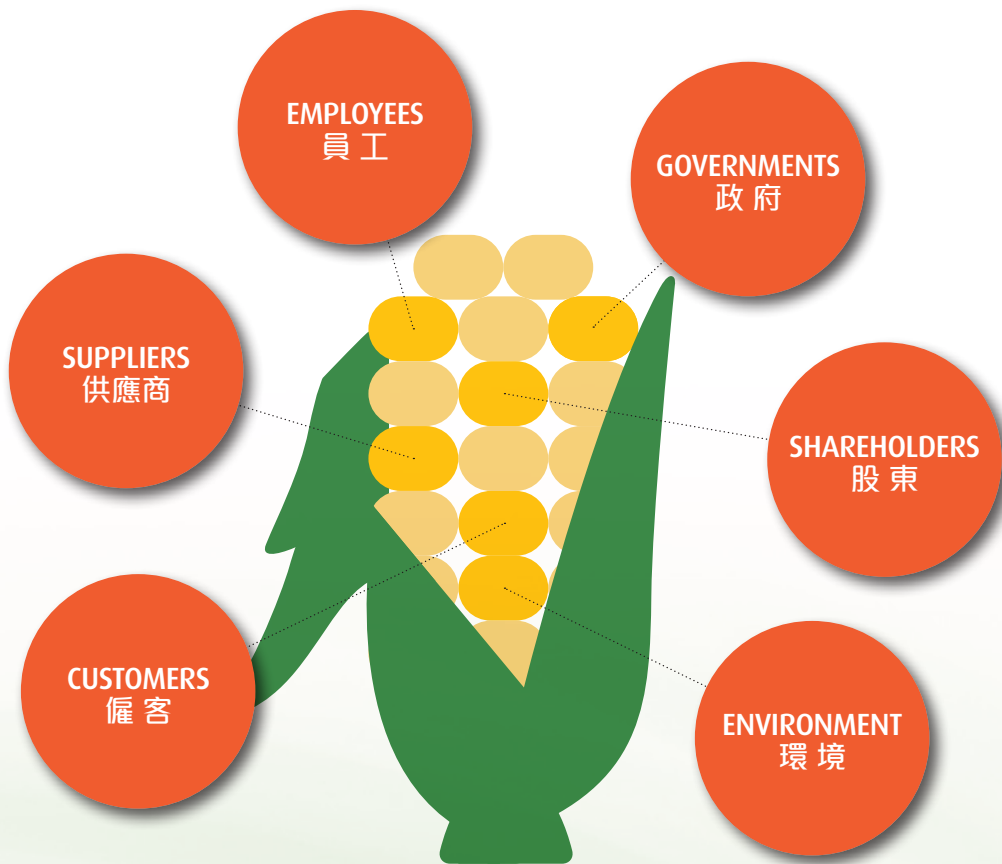


Major Stakeholders to the Group

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 community and environment which we rely on. The following diagram shows the Group's major stakeholder groups which can participate in or affect our decision-making process and influence our business outcomes.

本集團的主要持份者

本集團的可持續性很大程度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社區及環境的方式間取得平衡。下圖顯示可參與或影響我們決策過程及對業務結果造成影響的本集團主要持份人群組。



A. Employees

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 aimed at 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.

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

Major training event/activity	主要培訓項目／活動	Number of times 次數
Five prevention and fire drill	防火及火警演習	5
Use of special equipment and hazardous chemicals	特殊設備及危險化學品的使用	2
Safety laws and regulations	安全法例及規例	5
Control and prevention of occupational disease	職業疾病的防控	2
Liquid flammable chemical rescue exercise	液體易燃化學品救援演習	2
Electrician, welder and boiler worker safety training	電工、焊工和鍋爐工人安全培訓	2
Working at height and prevention against fall from height	高空作業及預防從高處跌落	1

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 and other benefits and welfare. 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.

In adherence with high standards of business ethics and anti-bribery policies, all employees (including Directors) are required to abide by our ethics policy. 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.

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 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.

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，尚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。

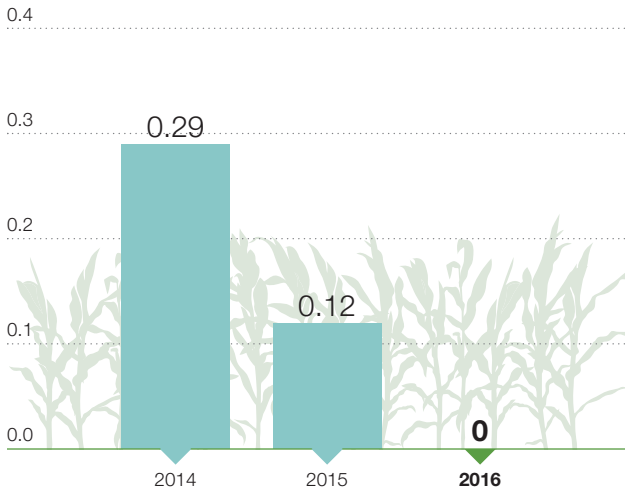
此外，安監部於年內亦為僱員提供以下主要培訓項目及主題：

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。我們相信，通過嚴格遵守以上法律及法規，本集團能夠維護人權、防止出現童工及強迫勞動的情況。

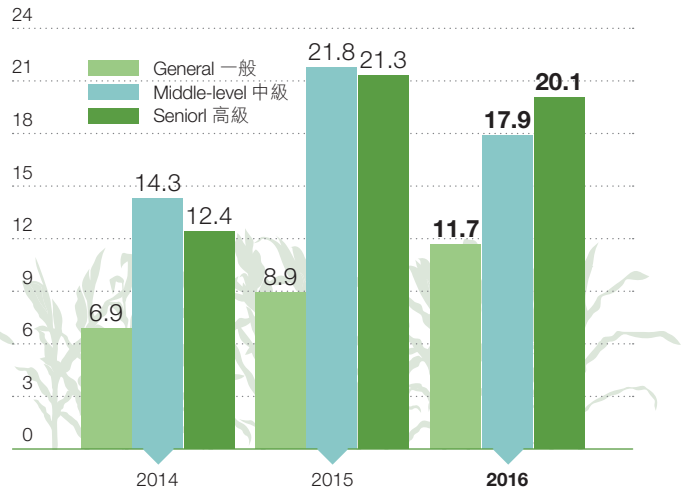
為堅守高標準的商業道德和反賄賂政策，所有僱員（包括董事）均須遵守我們的道德政策。此外，我們亦落實執行舉報政策，為僱員和持份人（包括（其中包括）客戶及供應商）提供安全的渠道舉報任何涉及本集團的疑似不當或不良行為。

於回顧年度內，在（其中包括）僱傭及勞動常規及反貪方面，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。

Loss time injury (“LTI”) rate
損失工時工傷 (「損失工時工傷」) 率



No. of hours/month
培訓時數 / 月數



LTI is an occupational injury sustained by an employee for which the employee misses one or more scheduled workdays after the day of the 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 normalised to 100,000 worked hours.

The average number of training hours per employee is calculated as the total internal training hours to different employee categories.

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。損失工時工傷率標準定為100,000個工時。

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。

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.

B. 供應商

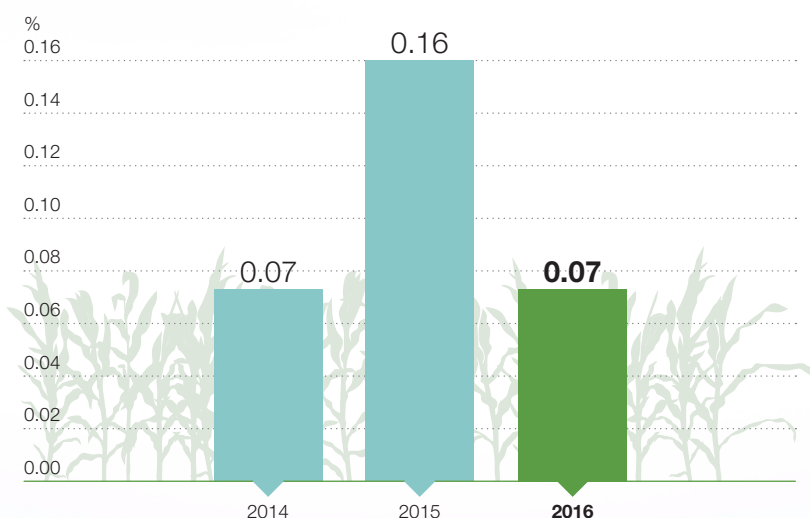
我們與供應商之間已建立互信關係。作為龍頭玉米澱粉製造商，我們於山東省壽光及臨清區玉米粒採購上扮演重要角色。我們的供應商主要為農民、合作社、代理商及貿易商。我們利用移動科技向供應商提供玉米粒收購價。基於採購工作全年無休止進行，我們利用移動科技向供應商提出玉米粒收購價以提升效率。由於我們的收購價具透明度，加上我們承諾按最初提供的收購價購貨，我們相信供應商將優先向我們提供最優質的玉米粒。我們亦採用招標政策及程序以公平及具透明度的方法挑選服務供應商及分包商。

C. Customers

Product safety is a great issue as we produce 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.

In 2016, our indirect wholly-owned subsidiary, Shandong Shouguang Juneng Golden Corn Development Co., Ltd. completed Sedex Members Ethical Trade Audit ("SMETA") and became a "Supplier (B)" member of the Supplier Ethical Data Exchange.

Product complaint ratio 產品投訴率



Product complaint ratio is calculated as the quantity of product which is subject to quality issue to the total quantity of product sold in the reporting period.

During the year under review, there were no 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.

C. 客戶

由於我們為客戶生產原材料，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。

於二零一六年，我們的間接全資附屬公司山東壽光巨能金玉米開發有限公司完成Sedex會員道德貿易審核，並成為Supplier Ethical Data Exchange「供應商(B)類」會員。

產品投訴率乃按報告期內出現質量問題的產品數量除以所出售產品總數計算。

於回顧年度內，本集團並無提起或被提起與產品責任有關的法律程序或案件。

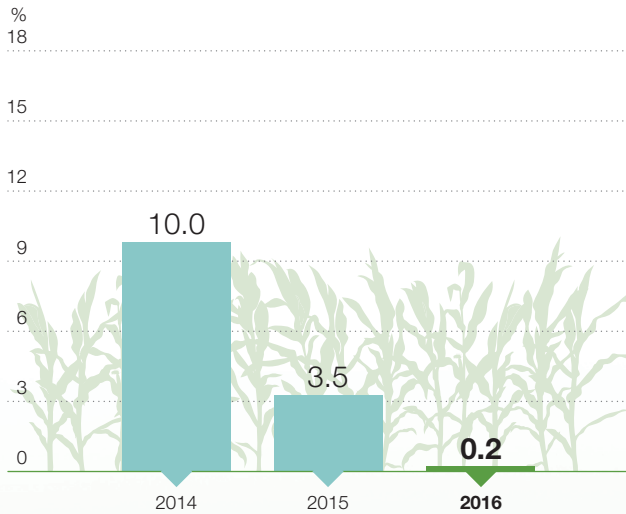
D. 政府

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，及作出更佳的回應。

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 “TSR”). 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.

Gearing ratio
槓桿比率



Gearing ratio is calculated as the borrowings to total assets.

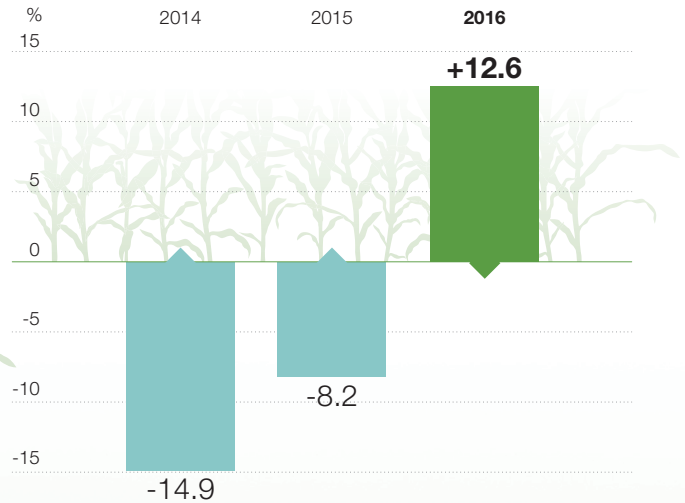
TSR combines share price appreciation and dividends paid to show the total return to shareholders.

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.

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（「總股東回報率」）。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。

Total shareholder return (“TSR”)
總股東回報率



槓桿比率乃按借款除以資產總值計算。

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。

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. 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 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.

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. 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 are committed to using water responsibly. In the fourth quarter of 2016, we completed the Phase II reclaimed water facility in Shouguang production site. The reclaimed water treatment ability in this production site increased from 800,000 m³ per annum to 1,600,000 m³ per annum.

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。

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。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。於二零一六年第四季，我們已完成壽光生產廠房中水回用設施第二期工程。該生產廠房的中水回用處理能力由每年800,000立方米增加至每年1,600,000立方米。

The followings are the statistics for the usage of coal and fresh water, GHG emissions and water discharged in the past three years:

以下為過往三年的煤及食水量、溫室氣體排放及污水排放統計數字：

Key Performance Indicators	主要表現指標	2016 二零一六年	2015 二零一五年	2014 二零一四年
Resources used:	所用資源：			
Fresh water (m ³)	食水 (立方米)	792,433	966,553	1,318,507
GHG emissions (in tonne of CO₂ equivalent)¹:	溫室氣體排放 (噸等值二氧化碳)¹：			
Scope 1 ²	範圍 1 ²	861	679	249,978
Scope 2 ³	範圍 2 ³	733,446	606,595	447,324
Total GHG emissions ⁴	溫室氣體總排放 ⁴	734,307	607,274	590,342
GHG emission intensity index ⁵	溫室氣體排放強度指數 ⁵	96	90	100
Water discharged (m³):	水排放量 (立方米)：			
Waste water to recycled water	廢水轉化為循環再用水	1,193,277	827,216	520,304
Waste water to sewage network	排放至污水網絡的廢水	1,232,299	1,645,757	1,592,844

The above key performance indicator data have neither been audited nor verified.

上述主要表現指標並未經審核或核證。

Notes:

附註：

- 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.
- 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.
- Scope 2 emissions are emissions from consumption of purchased electricity, steam and heat.
- Total GHG emissions are direct emissions, plus emissions from the net change of purchasing and selling of electricity and steam.
- GHG emission intensity index is calculated as the GHG emissions from physical products produced in the reporting period relative to the intensity in the 2014 base year (set to 100).

- 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、國家氣候應對變化司發出《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。
- 範圍1排放指由本集團擁有或控制的固定污染來源燃料燃燒發電、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。
- 範圍2排放為耗用所購買電力、蒸汽及熱力的排放。
- 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。
- 溫室氣體排放強度指數按報告期間所生產實質產品所排放的溫室氣體，相對二零一四基準年的強度（設定為100）計算。

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) and Mr. Yue Kwai Wa, Ken (the chairman of the audit committee of the Board (the “Audit Committee”), did not attend the 2016 annual general meeting (the “2016 AGM”) because of their 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.

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）及余季華先生（董事會審核委員會（「審核委員會」）主席）因其他業務活動而並無出席二零一六年股東週年大會（「二零一六年股東週年大會」）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。

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

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.

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

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。

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 Profiles".

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.

2016 Board and Committee Meeting Attendance and Training Record

During the year under review, the Board held four regular meetings and three other additional meetings. 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.

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。

二零一六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三次其他額外會議。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。

The attendance record of the Directors at Board meetings, Board committee meetings and the 2016 AGM, together with the type of training received by each of the Directors during the year under review are as follows:

各董事於回顧年度的董事會會議、董事會委員會會議及二零一六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			2016 AGM 二零一六年 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		
Executive Directors:							
執行董事：							
Mr. Tian Qixiang (Chairman) 田其祥先生 (主席)	3/4	2/2 [®]	N/A 不適用	1/1	1/1	X	A,B
Mr. Gao Shijun (Chief Executive Officer) 高世軍先生 (行政總裁)	4/4	2/2 [®]	N/A 不適用	N/A 不適用	N/A 不適用	✓	A,B
Mr. Liu Xianggang 劉象剛先生	4/4	3/3	N/A 不適用	N/A 不適用	N/A 不適用	✓	A,B
Mr. Yu Yinguan 于英泉先生	4/4	2/2 [®]	N/A 不適用	N/A 不適用	N/A 不適用	✓	A,B
Independent non-executive Directors:							
獨立非執行董事：							
Mr. Chen Zhijun* 陳志軍先生*	1/1	1/1	1/1	1/1	1/1	X	B
Professor Hua Qiang [^] 花強教授 [^]	3/3	2/2	3/3	N/A 不適用	N/A 不適用	N/A 不適用	A,B
Mr. Sun Mingdao 孫明導先生	4/4	3/3	4/4	1/1	1/1	✓	A,B
Mr. Yue Kwai Wa, Ken 余季華先生	3/4	2/3	4/4	1/1	1/1	X	A,B

* Resigned with effect from 17 May 2016.

[^] Appointed with effect from 17 May 2016. To ensure that Professor Hua Qiang has appropriate understanding of the business and operations of the Group and is sufficiently aware of his responsibilities and obligations as a Director under the Listing Rules and relevant laws and regulations, he received an induction conducted by the Company Secretary of the Company on his appointment.

[®] The Directors are required to abstain from the meetings which they were interested in the transactions pursuant to the Articles of Association (the "Articles") of the Company.

A Attending briefings/seminars/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

* 自二零一六年五月十七日起辭任。

[^] 自二零一六年五月十七日起獲委任。為確保花強教授對本集團的業務及運作有適當的理解，以及完全知悉其作為董事於上市規則及相關法例及規例項下的責任及義務，本公司的公司秘書已於彼獲委任時對其進行入職簡介。

[®] 根據本公司組織章程細則（「細則」），董事需要於處理其擁有權益的交易的會議上避席。

A 出席與董事職務或其他相關主題有關的簡報會／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.

To fill the vacancy on the Board upon Mr. Chen Zhijun's tendering of his resignation as an independent non-executive Director and his Board committee positions in January 2016, the Nomination Committee carried out the process of selecting and recommending to the Board candidates for independent non-executive directorship with reference to the Group's Board Diversity Policy and the independence guidelines set out in Rule 3.13 of the Listing Rules. The appointment of Professor Hua Qiang, whom the Board considered to be the appropriate candidate, as the Company's new independent non-executive Director had accordingly been put forward for consideration and was approved by the Shareholders at the 2016 AGM.

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.

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。

為填補陳志軍先生於二零一六年一月辭任獨立非執行董事及董事會委員會職務後所產生的空缺，提名委員會參考本集團董事會成員多元化政策及上市規則第3.13條所載獨立性指引，對獨立非執行董事的候選人進行甄選程序及向董事會作出推薦意見。董事會認為花強教授為本公司新任獨立非執行董事的合適人選，因此於二零一六年股東週年大會上提呈有關委任供股東考慮，並獲彼等批准。

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。

Given that Mr. Yue Kwai Wa, Ken (“Mr. Yue”) has served as an independent non-executive Director for more than nine years, his re-election and further appointment as independent non-executive Director will be subject to a separate resolution to be considered and, if thought fit, approved by the Shareholders at the Company’s forthcoming annual general meeting under code provision A.4.3 set out in the CG Code. Having considered, among other factors, the independence guidelines set out in Rule 3.13 of the Listing Rules and Mr. Yue’s positive contribution to the Company’s development during his tenure as its independent non-executive Director, the Board is satisfied that Mr. Yue remains to be independent and believes the Board and the Company will benefit from his continued appointment:

The Board would therefore recommend the re-election of Mr. Yue as an independent non-executive Director in the Company’s forthcoming AGM.

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.

根據企業管治守則所載第A.4.3條條文，鑒於余季華先生（「余先生」）已擔任獨立非執行董事超過九年，重選及再次委任彼為獨立非執行董事須於本公司應屆股東週年大會上以獨立決議案提出經股東考慮及酌情批准後，方告作實。經考慮（其中包括）上市規則第3.13條所載獨立性指引及余先生於擔任獨立非執行董事期間為本公司的發展所作出的正面貢獻，董事會信納余先生仍為獨立人士，並相信繼續委任余先生對董事會及本公司有利。

董事會因此推薦於本公司應屆股東週年大會上重選余先生為獨立非執行董事。

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。

During the year, the fees payable to the external auditors or its affiliated firms comprise service charges for the following:

年內，應付外聘核數師或其聯屬公司的費用包括以下服務費用：

	2016 二零一六年	2015 二零一五年
External auditors 外部核數師	SHINEWING (HK) CPA Limited 信永中和(香港)會計師事務所 有限公司	PricewaterhouseCoopers 羅兵咸永道會計師事務所
Audit service 審核服務	HK\$820,000 820,000港元	HK\$1,466,900 1,466,900港元
Tax representative 稅務代表	HK\$30,000 30,000港元	HK\$33,100 33,100港元

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.

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功效。

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。

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:

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資料：



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 implanted 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' appraisal process.

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 include 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 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, risk management and internal control procedures.

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。

本集團由上至下灌輸風險管理文化。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,僱員評估程序中亦加入風險相關的目標。

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其定期進行產品召回演集。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、風險管理及內部監控程序的成效。

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 set out below:

- (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 38 to 41 summarised our works conducted and the evaluation of risks associated with the Group during the year under review.

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 annually in view of, among others, relevant legal and regulatory updates.

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載列如下：

- (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38至41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。

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。董事會每年根據（其中包括）相關法例及監管更新檢討有關政策。

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 financial results and financial reports of the Group
- Discussed the audit issues with the external auditor
- Considered the appointment of Professor Hua Qiang as a new Audit Committee member
- Made recommendation of the appointment of external auditor
- Assessed the independence of external auditor
- Reviewed the financial impact of new accounting standards to the Group, including, among others, HKFRS 15 “Revenue from contracts with customers” and HKFRS 16 “Leases”
- Reviewed and discussed the internal audit reports and risk management findings with our management

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：

- 審閱本集團的財務業績及財務報告
- 與外聘核數師討論審核問題
- 考慮委任花強教授為審核委員會的新成員
- 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
- 審閱香港財務報告準則第15號「客戶合約收益」及香港財務報告準則第16號「租賃」等新會計準則對本集團的財務影響
- 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

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 own remuneration. Each Director's remuneration package has been considered and/or reviewed periodically with respect to his 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.

During the year under review, the Remuneration Committee reviewed the exiting remuneration policy of the Company. The Remuneration Committee also reviewed the annual remuneration of both executive Directors and independent non-executive Directors and recommended the level of remuneration should remain unchanged for the financial year 2016. The Remuneration Committee also made recommendation on the director's fee of the newly appointed independent non-executive Director, Professor Hua Qiang, to the Board.

On 10 March 2017, the Board considered the recommendation from the Remuneration Committee and resolved to increase the annual remuneration of executive Directors for the financial year 2017 as follows:

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。

於回顧年度內，薪酬委員會檢討本公司現時的薪酬政策。薪酬委員會已檢討執行董事及獨立非執行董事的年度薪酬，並建議二零一六年財政年度的薪酬水平應維持不變。薪酬委員會亦就新委任加入董事會的獨立非執行董事花強教授的董事袍金提供推薦意見。

於二零一七年三月十日，董事會考慮薪酬委員會的推薦意見，並議決上調執行董事於二零一七年財政年度的年度薪酬如下：

		2017 二零一七年	2016 二零一六年
		RMB 人民幣	RMB 人民幣
Executive Directors	執行董事：		
Mr. Tian Qixiang (Chairman)	田其祥先生（主席）	480,000	264,000
Mr. Gao Shijun (Chief Executive Officer)	高世軍先生（行政總裁）	450,000	264,000
Mr. Liu Xianggang	劉象剛先生	410,000	210,000
Mr. Yu Yingquan	于英泉先生	410,000	210,000

The remuneration of independent non-executive Directors should remain unchanged for the financial year 2017.

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

獨立非執行董事的薪酬於二零一七年財政年度應維持不變。

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

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, or by email to 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)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、電郵至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。

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, Safety Supervision Department, 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 facing 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 2016

The Board held one meeting to discuss the risks and mitigation tools for the year ended 31 December 2016. During the year under review, the following works and tasks related to enhancing our control standards and assessing risks were completed:

- 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

董事會對本集團風險管理及內部監控系統承擔整體責任。該等系統由董事會在審核委員會、安監部、企劃部及內部審核部協助下進行監察。

風險管理及內部監控系統並非一次性安排，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落實情況。此外，各小組主管須每年向行政總裁承諾確保其自身的團隊已制訂合適的監控程序。

二零一六年的主要活動

董事會於截至二零一六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。於回顧年度，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

- Discussed with the management on the risk control measurements
- Reviewed the adequacy and effectiveness of the Group's risk management system
- Completed the Sedex Members Ethical Trade Audit (an audit procedure compiling good practices in ethical audit established by the Sedex Associate Auditor Group) and became a "Supplier (B)" member of the Supplier Ethical Data Exchange ("SEDEX") (an organisation providing an international collaborative platform for sharing ethical supply chain data and dedicated to driving improvements in the ethical performance of global supply chains)
- 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
- 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
- 完成Sedex會員道德貿易審核(一套符合由Sedex關聯審核員群組所建立的道德審核最佳常規的審核程序),並成為Supplier Ethical Data Exchange(「SEDEX」)(一個提供國際合作平台分享道德供應鏈信息,並致力提升全球供應鏈道德表現的組織)的「供應商(B類)」會員
- 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

Principal risks analysis

Principal risk and uncertainty identification are part of our risk management system. The following diagram 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。下圖所示為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。



Risks and uncertainties 風險及不確定因素	Mitigation plan(s) 舒緩風險計劃	Risk Trend Observed 觀察所得的風險趨勢
<p>Production safety We have no compromise on staff safety. Failure to follow safety laws, regulations and standards may result in workplace accidents involving injury or fatality.</p> <p>生產安全 我們在員工安全事宜上絕不讓步。未能遵守安全法例、規例及標準可能會導致工作間意外，造成傷亡。</p>	<ul style="list-style-type: none"> Safety Supervision Department to oversee all production safety issues of the Group Corporate Strategy and Development Department to monitor control procedures in place regularly Perform various safety exercises and safety drills regularly 安監部監察本集團所有生產安全事宜 企劃部定期監察監控程序是否到位 定期進行各種安全活動及安全演習 	<p>↔</p> <p>No change 無變動</p>
<p>Product safety 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>產品安全 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"> Undertake strict quality control and product testing 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 進行嚴格的質量監控及產品測試 定期進行產品召回演習，以改進出現產品召回情況時的處理程序，從而將本集團任何不達標準產品可能造成的負面影響降至最低 	<p>↔</p> <p>No change 無變動</p>
<p>Commodity price Commodity price is volatile and unpredictable.</p> <p>商品價格 商品價格可能出現波動，且不可預測。</p>	<ul style="list-style-type: none"> Monitor corn kernel prices on daily basis Hedge cornstarch price by entering into futures contracts 每日監控玉米粒價格 訂立期貨合約對沖玉米澱粉價格 	<p>↑</p> <p>Increase in volatility of commodity price 商品價格波動增加</p>
<p>Working capital Our working capital may be adversely affected by the repayment ability of our customers.</p> <p>營運資金 我們的營運資金或會因客戶的還款能力而受到不利影響。</p>	<ul style="list-style-type: none"> Maintain strict control on credit policy Regular review on credit terms granted to customers Engage internal audit department to follow up long outstanding debts Review monthly financial report 對信貸政策維持嚴格監控 定期檢討向客戶授出的信貸期 委聘內部審計部跟進長期欠債 每月審閱財務報告 	<p>↑</p> <p>Customers' ability for payment were affected by the domestic economic environment 客戶的付款能力受國內經濟環境影響</p>

Risks and uncertainties 風險及不確定因素	Mitigation plan(s) 舒緩風險計劃	Risk Trend Observed 觀察所得的風險趨勢
<p>Cash management Many cash and bills transactions are involved in our daily operations. Security and alarm system, staff integrity, and cash receipt and payment procedures must be properly monitored.</p> <p>現金管理 我們的日常營運涉及大量現金及票據交易。安全及警報系統、員工誠信及現金收款及付款程序必須妥善監察。</p>	<ul style="list-style-type: none"> Regular cash count Minimise cash kept in office Safekeeping of online banking tokens and passwords Regular internal audit review 定期清點現金 盡量減少存於辦公室的現金 妥善保管網上銀行的保安編碼器及密碼 定期進行內部審核檢討 	<p style="text-align: center;">↓</p> <p>Decrease in percentage of cash transaction 現金交易比例下降</p>
<p>Legal and compliance 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>法律及合規 與環境保護相關的規則及規例一年比一年嚴格已成為趨勢。政府政策可在毫無先兆下改變。標準、規則及規例不停轉變可導致成本上升、招致監管行動，在極端情況下可能會導致訴訟或關閉工廠。</p>	<ul style="list-style-type: none"> Regular monitoring and review of changes in laws and regulations Act as a representative of industry group and participate in the government policy/regulation-making stage 定期監察及檢討法例及規例變動 作為行業組織的代表參與政府政策／規例的制定階段 	<p style="text-align: center;">↔</p> <p>No change 無變化</p>
<p>Expansion plan 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>擴展計劃 本集團未必會按計劃執行新產品項目。業務合併、收購或成立合營企業可能無法取得預期結果。</p>	<ul style="list-style-type: none"> Market research and feasibility study on potential new product Due diligence work on potential acquisition target Engage legal advisors to advise on any key proposed investment actions 對潛在新產品進行市場調查及可行性研究 對潛在收購目標進行盡職調查 委聘法律顧問就任何主要建議投資行動提供意見 	<p style="text-align: center;">↔</p> <p>No change 無變化</p>

In respect of the year ended 31 December 2016, 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.

就截至二零一六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。並無發現任何可能影響本集團的重大須關注事宜。

務請明白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。

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 2016.

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 35 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 7 to 14. The Environmental and Sustainability Report set out on pages 15 to 23 provides a review on the Group’s major key performance indicators, environmental policies and key relationships with the major stakeholders to the Group (including its employees, customers and suppliers). The Risk Review Report set out on pages 38 to 41 provides a comprehensive event on review 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.

Connected Transactions

The related party transactions as set out in note 30 to the consolidated financial statements did not constitute connected/continuing connected transactions as defined under the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

董事欣然提呈其年報及本公司及其附屬公司（統稱「本集團」）截至二零一六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35。

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7至14頁的管理層討論及分析。環境及可持續發展報告載於第15至23頁，就本集團的主要表現指標、環境政策，以及與本集團主要持份人（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38至41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間斷地監控產品質量。

關連交易

綜合財務報表附註30所載之關連方交易並不構成香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）所界定的關連／持續關連交易。

Dividends

The Board is pleased to recommend the payment of a final dividend of HK0.75 cents per share for the year ended 31 December 2016 to shareholders whose names appear on the register of members of the Company on 25 May 2017. The proposed final dividend, if approved at the forthcoming annual general meeting of the Company (“AGM”), is expected to be paid on or about 14 June 2017 in cash.

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:

Mr. Chen Zhijun (resigned on 17 May 2016)
 Professor Hua Qiang (appointed on 17 May 2016)
 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. Gao Shijun, Mr. Yu Yingquan and Mr. Yue Kwai Wa, Ken will retire and, being eligible, offer themselves for re-election at the forthcoming AGM.

股息

董事會欣然建議向於二零一七年五月二十五日年名列本公司股東名冊之股東派發截至二零一六年十二月三十一日止年度的末期股息每股0.75港仙。擬派末期股息如於本公司應屆股東週年大會獲批准，預期將於二零一七年六月十四日或相近日子以現金派發。

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

陳志軍先生 (於二零一六年五月十七日辭任)
 花強教授 (於二零一六年五月十七日獲委任)
 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，高世軍先生、于英泉先生及余季華先生將退任，惟彼等均符合資格並願於應屆股東週年大會膺選連任。

As disclosed in the announcement of the Company dated 11 January 2016 and 17 May 2016 respectively, Mr. Chen Zhijun tendered his resignation as an independent non-executive Director and a member of each of the audit committee, remuneration committee and nomination committee of the Board due to his personal work arrangements to accord with the relevant requirements of the Ministry of Education of the PRC. Mr. Chen's resignation has become effective since 17 May 2016, the date of appointment of Professor Hua Qiang as the new independent non-executive Director.

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.

誠如本公司日期為二零一六年一月十一日及二零一六年五月十七日的公佈所披露，陳志軍先生由於為符合中華人民共和國教育部相關規定所作出個人工作安排，已提出辭任獨立非執行董事職務，並同時辭任董事會審核委員會、薪酬委員會及提名委員會成員的職務。陳先生辭任已於二零一六年五月十七日委任花強教授為新獨立非執行董事當日起生效。

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' and Chief Executive's Interests

As at 31 December 2016, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, were as follows:

董事及主要行政人員的權益

於二零一六年十二月三十一日，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：

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 2016.

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) 持股百分比乃根據二零一六年十二月三十一日5,995,892,043股已發行股份計算。

Save as disclosed above, as at 31 December 2016, 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.

Share Option Scheme

The Company adopted a share option scheme (the “Share Option Scheme”) on 5 September 2007. The major terms of the Share Option Scheme are as follows:

1. The primary purpose of the Share Option Scheme is to motivate our employees and other eligible persons entitled under the Share Option Scheme to optimise their contributions to the Group and to reward them for their contribution to the Group.
2. Eligible participants of the 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.

除上文所披露者外，於二零一六年十二月三十一日，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。

購股權計劃

本公司於二零零七年九月五日採納一項購股權計劃（「該購股權計劃」）。該購股權計劃的主要條款如下：

1. 該購股權計劃的主要目的為激勵本公司的僱員及該購股權計劃項下的其他合資格人士，務求令本集團從彼等的貢獻中得到最大裨益，並回報彼等對本集團作出的貢獻。
2. 該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. 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 Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 30% of the share capital of the Company in issue 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 Share Option Scheme and any other share option scheme of the Group) to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the Shares in issue on the date on which the Shares are listed on the Main Board of the Stock Exchange.
4. The total number of Shares issued and which may fall to be issued upon the exercise of the options granted under the 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 capital of the Company 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 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 Shares in issue 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 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 Share Option Scheme, whichever is earlier, subject to the provisions for early termination as stated in the Share Option Scheme.
3. 因行使根據該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，合計不得超過本公司不時已發行股本的30%。因行使根據該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，不包括根據該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聯交所主板上市日期已發行股份的10%。
4. 於任何十二個月期間因行使根據該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，不得超過本公司當時已發行股本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過個別上限的購股權，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. 根據該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. 根據該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，或該購股權計劃屆滿日期止（以較早者為準），惟可根據該購股權計劃所載有關條文提早終止。

7. The acceptance of an offer of the grant of the option must be made within 21 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 (i) the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant; (ii) 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 (iii) the nominal value of the Shares.
9. The Share Option Scheme shall be valid and effective till 4 September 2017.

As at 31 December 2016, no share options had been granted under the Share Option Scheme of the Company.

Interests of the Substantial Shareholders and Other Persons

As at 31 December 2016, 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:

7. 授出購股權建議須於授出建議日期起計二十一日內接納，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：(i)股份於授出日期在聯交所日報表上所列的收市價；(ii)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(iii)股份面值。
9. 該購股權計劃有效至二零一七年九月四日止。

於二零一六年十二月三十一日，概無根據本公司該購股權計劃而授出購股權。

主要股東及其他人士的權益

於二零一六年十二月三十一日，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% (notes 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:

- (1) The letter "L" denotes the long position in the shares of the Company.
- (2) These shares were held by Merry Boom Group Limited. Merry Boom Group Limited is owned as to approximately 54.58% by Mr. Tian 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.
- (3) 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.
- (4) 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".
- (5) The percentage of shareholding is calculated on the basis of 5,995,892,043 issued shares of the Company as at 31 December 2016.

Save as disclosed above, as at 31 December 2016, 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.

Arrangement to Acquire Shares or Debentures

Other than the 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 2016.

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.

附註:

- (1) 字母「L」指於本公司股份的好倉。
- (2) 此等股份由怡興集團有限公司持有。怡興集團有限公司由本公司執行董事兼主席田其祥先生擁有約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。
- (3) 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。
- (4) 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。
- (5) 持股百分比乃根據二零一六年十二月三十一日本公司有5,995,892,043股已發行股份計算。

除上文所披露者外，於二零一六年十二月三十一日，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。

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

截至二零一六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。

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.

Auditor

SHINEWING HK (CPA) Limited ("SHINEWING") was first appointed as auditor of the Company in October 2016 upon the resignation of PricewaterhouseCoopers. Save as disclosed above, there were no other changes in auditor of the Company during the preceding three years.

SHINEWING will retire and, being eligible, offer themselves for re-appointment at the forthcoming AGM.

On behalf of the Board

Tian Qixiang

Chairman

Shouguang, The People's Republic of China

10 March 2017

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。

核數師

於羅兵咸永道會計師事務所辭任後，信永中和（香港）會計師事務所有限公司（「信永中和」）於二零一六年十月首次獲委任為本公司核數師。除上文所披露者外，本公司核數師於過去三年並無其他變動。

信永中和將於應屆股東週年大會上退任，彼符合資格並願意於會上接受重新委任。

代表董事會

田其祥

主席

中華人民共和國，壽光

二零一七年三月十日

Executive Directors

Mr. Tian Qixiang, aged 53, 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 (when he first joined the Group) to October 2005 and from August 2006 to July 2012 respectively. Mr. Tian had been working for Electricity Supply Company of Shouguang City ("Shouguang Electricity Supply Company") since 1984. He was appointed as the deputy manager of Shouguang Electricity Supply Company in October 1985, and was further appointed as its deputy party secretary in May 1990. Mr. Tian had been the manager and party member of Shouguang Electricity Supply Company since March 2000. He resigned from all his positions in Shouguang Electricity Supply Company on 3 December 2014. Mr. Tian possesses substantial experience in corporate management.

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 beneficially interested in approximately 54.58% of the issued share capital of Merry Boom Group Limited ("Merry Boom"), a substantial shareholder of the Company, and is also a director of Merry Boom.

Mr. Gao Shijun, aged 49, 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 is also a director of Linqing Deneng Golden Corn Bio Limited ("Deneng Golden Corn") and Shouguang Golden Far East Modified Starch Co., Ltd.

執行董事

田其祥先生，53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（彼首次加入本集團時）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。田先生自一九八四年起於壽光市供電公司（「壽光市供電公司」）工作。他於一九八五年十月獲委任為壽光市供電公司副經理，更於一九九零年五月獲委任為黨副書記。田先生於二零零零年三月起便成為壽光市供電公司的經理及黨委委員。彼已於二零一四年十二月三日辭去其於壽光市供電公司的所有職務。田先生擁有豐富的企業管理經驗。

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。

田先生於本公司的主要股東怡興集團有限公司（「怡興」）的已發行股本中實益擁有約54.58%權益，其亦為怡興的董事。

高世軍先生，49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。高先生亦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。

Directors and Senior Management Profiles 董事及高級管理人員簡介

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.

Mr. Liu Xianggang, aged 48, joined Golden Corn as a factory supervisor in 1998 and has been a director of Golden Corn since October 2005. 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 48, 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 reappointed as director in March 2007.

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.

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。

劉象剛先生，48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。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，48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。

Independent Non-executive Directors

Professor Hua Qiang, aged 45, 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. Professor Hua 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.

Mr. Sun Mingdao, aged 68, 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.

獨立非執行董事

花強教授，45歲，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。花博士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學博士學位。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。

孫明導先生，68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。

Mr. Yue Kwai Wa, Ken, aged 51, 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 is also an executive director, the company secretary and the compliance officer of Roma Group Limited (“Roma”). He is also an independent non-executive director of Major Holdings Limited (“Major”). During the period from 4 July 2014 to 18 November 2014, Mr. Yue was appointed as an executive director of Legend Strategy International Holdings Group Company Limited (“Legend Strategy”). Mr. Yue has been appointed as an independent non-executive director of Manfield Chemical Holdings Limited (“Manfield”) on 6 November 2015. Roma, Major, Legend Strategy 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 members of the senior management team of the Group.

余季華先生，51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。余先生亦為羅馬集團有限公司（「羅馬」）的執行董事、公司秘書兼監察主任。彼亦為美捷滙控股有限公司（「美捷滙」）的獨立非執行董事。余先生於二零一四年七月四日至二零一四年十一月十八日期間獲委任為枋濟國際集團控股有限公司（「枋濟」）的執行董事。余先生於二零一五年十一月六日獲委任為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、枋濟及萬輝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。



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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 61 to 124, which comprise the consolidated statement of financial position as at 31 December 2016, 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 2016, 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.

意見

本核數師(以下簡稱「我們」)已審計列載於第61至124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二零一六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 貴集團於二零一六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。

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2015 were audited by another auditor who expressed an unmodified opinion on those statements on 21 March 2016.

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.

其他事項

貴集團截至二零一五年十二月三十一日止年度的合併財務報告由另一名核數師審核，該核數師於二零一六年三月二十一日就該等報表發出無修正意見。

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 75.

請參閱合併財務報表附註14及第75頁的會計政策。

The key audit matter

關鍵審計事項

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 2016, the carrying amount of property, plant and equipment is approximately RMB1,230,397,000.

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。於二零一六年十二月三十一日，物業、廠房及設備的賬面值約為人民幣1,230,397,000元。

How the matter was addressed in our audit

審計中處理有關事項的方法

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.

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。

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.

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。

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 79 請參閱合併財務報表附註18及第79頁的會計政策。	
The key audit matter 關鍵審計事項	How the matter was addressed in our audit 審計中處理有關事項的方法
<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. 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 2016, the carrying amount of trade receivables is approximately RMB138,048,000. 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. 於二零一六年十二月三十一日，貿易應收款的賬面值約為人民幣138,048,000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 evaluate the reasonableness of the methods and assumptions used to estimate the allowance for doubtful debts. 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進行評估。</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. 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>

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 the information included in the annual report, but does not include 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.

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，但不包括合併財務報表及就其發出的核數師報告。

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。

Responsibilities of the Directors of the Company and the 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 of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

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 HKSAAs 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.

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，惟貴公司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。

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。

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

As part of an audit in accordance with HKSAAs, 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 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.
- 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.

核數師對合併財務報表的審計責任 (續)

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。
- 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。

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- 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.

We communicate with the 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.

We also provide the 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.

From the matters communicated with the 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.

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

SHINEWING (HK) CPA Limited

Certified Public Accountants

Kwan Chi Fung

Practising Certificate Number: P06614

Hong Kong

10 March 2017

核數師對合併財務報表的審計責任 (續)

- 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。

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。

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。

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。

本獨立核數師報告的審計項目合夥人是關志峰先生。

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

二零一七年三月十日

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 2016 截至二零一六年十二月三十一日止年度

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (重列)
Revenue	收入	5	4,397,844	4,360,110
Cost of sales	銷售成本		(3,900,749)	(4,005,778)
Gross profit	毛利		497,095	354,332
Distribution expenses	分銷費用		(101,132)	(108,771)
Administrative expenses	行政費用		(115,865)	(153,265)
Other gains and losses	其他收益及虧損	6	12,558	27,978
Operating profit	經營利潤		292,656	120,274
Finance income	融資收入	7	24,851	29,888
Finance expenses	融資費用	8	(1,862)	(9,919)
Profit before income tax	除所得稅前利潤	9	315,645	140,243
Income tax expenses	所得稅支出	10	(96,426)	(38,330)
Profit and total comprehensive income for the year	本年度利潤及綜合收益總額		219,219	101,913
Attributable to:	以下各項應佔：			
Owners of the Company	本公司擁有人		213,682	98,877
Non-controlling interests	非控股股東權益		5,537	3,036
			219,219	101,913
Earnings per share attributable to owners of the Company	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	0.0356	0.0165

The notes on pages 67 to 124 are an integral part of these consolidated financial statements.

第67至124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 2016 於二零一六年十二月三十一日

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	1,230,397	1,344,642
Prepaid lease payments	預付租賃款	15	210,474	215,688
Other asset	其他資產	16	20,830	20,830
Deposits for acquisition of property, plant and equipment	收購物業、廠房及設備的保證金		-	1,503
Deferred tax assets	遞延稅項資產	23	7,369	26,236
Total non-current assets	非流動資產總值		1,469,070	1,608,899
Current assets	流動資產			
Inventories	存貨	17	213,885	202,951
Trade and other receivables	貿易及其他應收款	18	336,545	384,634
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	19	19	245
Pledged bank deposits	已抵押銀行存款	20	1,063	37,916
Fixed deposits with maturity period over three months	三個月以上定期存款	21	390,000	290,000
Cash and cash equivalents	現金及現金等價物	21	493,810	298,075
Total current assets	流動資產總值		1,435,322	1,213,821
Total assets	資產總值		2,904,392	2,822,720

Consolidated Statement of Financial Position 合併財務狀況表

As at 31 December 2016 於二零一六年十二月三十一日

			2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	22	532,656	532,656
Other reserves	其他儲備		419,205	395,759
Retained earnings	保留盈利		1,314,815	1,124,579
			2,266,676	2,052,994
Non-controlling interests	非控股股東權益		35,626	30,089
Total equity	權益總額		2,302,302	2,083,083
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	借款	24	1,110	1,996
Deferred income	遞延收入	25	33,543	35,432
Deferred tax liabilities	遞延稅項負債	23	1,000	-
Total non-current liabilities	非流動負債總額		35,653	37,428
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款	26	496,239	570,162
Income tax payable	應付所得稅		40,601	8,336
Borrowings	借款	24	3,322	97,436
Employee housing deposits	員工房屋保證金	27	26,275	26,275
Total current liabilities	流動負債總額		566,437	702,209
Total liabilities	負債總額		602,090	739,637
Total equity and liabilities	權益及負債總額		2,904,392	2,822,720

Approved and authorised for issue by the board of directors on 10 March 2017.

董事會於二零一七年三月十日批准及授權刊發。

Tian Qixiang
田其祥
Director
董事

Yu Yingquan
于英泉
Director
董事

The notes on pages 67 to 124 are an integral part of these consolidated financial statements.

第67至124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 2016 截至二零一六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-controlling interests 非控股股東權益	Total equity 權益合計
		Share capital 股本	Share premium 股份溢價	Special reserve 特別儲備	Capital reserve 資本儲備	Statutory reserve 法定儲備	Retained earnings 保留盈利	Total 總計		
Note 附註		RMB'000 人民幣千元	RMB'000 人民幣千元 (note (i)) (附註(i))	RMB'000 人民幣千元 (note (ii)) (附註(ii))	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
1 January 2015	二零一五年一月一日	532,656	170,091	27,080	56,196	162,052	1,038,709	1,986,784	27,053	2,013,837
Profit and total comprehensive income for the year	本年度利潤及綜合收益總額	-	-	-	-	-	98,877	98,877	3,036	101,913
2014 final dividend	二零一四年末期股息	13	(32,667)	-	-	-	-	(32,667)	-	(32,667)
Transfer to statutory reserves	轉入法定儲備	-	-	-	-	13,007	(13,007)	-	-	-
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及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	二零一六年十二月三十一日	532,656	137,424	27,080	56,196	198,505	1,314,815	2,266,676	35,626	2,302,302

Notes:

- (i) Under the Cayman 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價值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 67 to 124 are an integral part of these consolidated financial statements.

第67至124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 2016 截至二零一六年十二月三十一日止年度

	Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash flows from operating activities	經營活動的現金流量		
Profit before income tax	除所得稅前利潤	315,645	140,243
Adjustments for:	經調整以下項目：		
Finance income	融資收入	(24,851)	(29,888)
Finance expenses	融資費用	1,862	9,919
Provision for impairment of property, plant and equipment	就物業、廠房及設備的減值撥備	–	10,286
Depreciation of property, plant and equipment	物業、廠房及設備折舊	140,813	127,921
Losses on disposals of property, plant and equipment	出售物業、廠房及設備之虧損	1,354	2,783
Amortisation of prepaid lease payments	預付租賃款的攤銷	5,580	4,482
Amortisation of steam connection income and government grants	蒸汽接駁收入及政府補助的攤銷	(1,889)	(3,578)
Reversal of deferred income attributable to steam connection income	撥回蒸汽接駁收入應佔的遞延收入	–	(9,357)
Provision for impairment of trade receivables	貿易應收款減值撥備	–	9,630
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	226	(245)
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	438,740	262,196
(Increase)/decrease in inventories	存貨(增加)/減少	(10,934)	73,728
Decrease/(increase) in trade and other receivables	貿易及其他應收款減少/(增加)	41,906	(12,996)
Increase in trade and other payables	貿易及其他應付款增加	36,641	104,553
Increase in deferred income attributable to government grants	政府補助應佔的遞延收入增加	–	14,300
Cash generated from operations	經營產生的現金	506,353	441,781
Income taxes paid	已繳納所得稅	(38,111)	(54,665)
Net cash generated from operating activities	經營活動產生的現金淨額	468,242	387,116

Consolidated Statement of Cash Flows 合併現金流量表

For the Year ended 31 December 2016 截至二零一六年十二月三十一日止年度

	Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash flows from investing activities	投資活動的現金流量		
Interest received	已收利息	24,851	29,888
Purchases of property, plant and equipment	購置物業、廠房及設備	(141,880)	(196,680)
Addition of prepaid lease payments	預付租賃款增加	(366)	-
(Increase)/decrease in fixed deposits with maturity period over three months	三個月以上定期存款(增加)/減少	(100,000)	140,000
Deposits for acquisition of property, plant and equipment	收購物業、廠房及設備的保證金	-	(1,503)
Proceeds on disposals of property, plant and equipment	出售物業、廠房及設備所得款	4,897	14,192
Decrease/(increase) in pledged bank deposits	已抵押銀行存款減少/(增加)	36,853	(31,916)
Net cash used in investing activities	投資活動使用的現金淨額	(175,645)	(46,019)
Cash flows from financing activities	融資活動的現金流量		
Interest paid	已付利息	(1,862)	(9,919)
Repayments of borrowings	償還借款	(165,000)	(799,950)
Proceeds from borrowings	借款所得款項	70,000	614,950
Dividends paid	已付股息	-	(32,667)
Decrease in employee housing deposits	員工房屋保證金減少	-	(4)
Net cash used in financing activities	融資活動使用的現金淨額	(96,862)	(227,590)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	195,735	113,507
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物	298,075	184,568
Cash and cash equivalents at 31 December	於十二月三十一日的現金及現金等價物	493,810	298,075

The notes on pages 67 to 124 are an integral part of these consolidated financial statements.

第67至124頁的附註乃合併財務報表的其中部分。

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. 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。

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 2012 – 2014 Cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation

The adoption of these new and amended standards and interpretations 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 are mandatory for accounting periods beginning on or after 1 January 2017:

HKFRS 9 (2014)	Financial Instruments ²
HKFRS 15	Revenue from Contracts with Customers ²
HKFRS 16	Leases ³
Amendment to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ²
Amendments to HKAS 7	Disclosure Initiative ¹
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ¹

¹ Effective for accounting periods beginning on or after 1 January 2017

² Effective for accounting periods beginning on or after 1 January 2018

³ Effective for accounting periods beginning on or after 1 January 2019

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 二零一二年至二零一四年 週期之年度改進
香港會計準則 第1號之修訂	披露計劃
香港會計準則 第16號及香港 會計準則 第38號之修訂	對可接受的折舊及攤銷方法 的釐清

採納該等新及經修訂準則及詮釋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

以下為於二零一七年一月一日或其後開始於會計期間為強制性的新訂準則及詮釋：

香港財務報告 準則第9號 (二零一四年)	金融工具 ²
香港財務報告 準則第15號	來自客戶合約的收入 ²
香港財務報告 準則第16號	租賃 ³
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 ²
香港會計準則 第7號之修訂	披露計劃 ¹
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 ¹

¹ 於二零一七年一月一日或之後開始的會計期間生效

² 於二零一八年一月一日或之後開始的會計期間生效

³ 於二零一九年一月一日或之後開始的會計期間生效

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” will replace the current standard on accounting for financial instruments, HKAS 39 “Financial instruments, Recognition and measurement”. HKFRS 9 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. Based on the preliminary assessment, the Group expects that its financial assets, including loans and receivables and financial assets at fair value through profit or loss, currently measured at amortised cost and fair value through profit or loss respectively, will continue with their respective classification and measurements upon the adoption of HKFRS 9 (2014). The Group will continue to review any potential impact on the change of this accounting standard with reference to its business model, risk management policy, the application of new expected credit loss model and, in particular, the use of different financial instruments in future. The Group will not early adopt HKFRS 9 (2014) in the next financial year.

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」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。根據初步評估，本集團預期，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(包括貸款及應收款項及按公平值計入損益的金融資產)的分類及計量將維持不變。本集團於日後將通過參考其業務模式、風險管理政策以及全新的預期信貸虧損模型的應用，尤其會通過使用不同的金融工具，繼續檢討是項會計政策變動的任意潛在影響。本集團將不會於下一個財政年度提前採納香港財務報告準則第9號(二零一四年)。

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” will replace HKAS 18 “Revenue” and HKAS 11 “Construction contracts” and related interpretations. The Group reviews the impact of HKFRS 15 to the Group and does not expect to have a material impact on the future consolidated financial statements. HKFRS 15 introduces a new five-step revenue recognition model in which an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 requires disclosures sufficient to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers, including qualitative and quantitative information about contracts with customers, significant judgements, changes in judgement, and assets recognised from the cost to obtain or fulfil a contract. This new standard will allow various transition approaches upon adoption. The Group will not early adopt HKFRS15 in the next financial year.

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「來自客戶合約的收入」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。本集團審閱香港財務報告準則第15號對本集團的影響，且預期不會對未來的合併財務報表造成重大影響。香港財務報告準則第15號引入一個全新的五步收入確認模式，據此，實體就說明向客戶轉讓所承諾貨品或服務所確認的收入金額，應能反映該實體預期就該等貨品或服務而有權獲得的代價。香港財務報告準則第15號規定，所作出的披露須足以讓財務報表使用者明白實體與客戶訂立的合約所產生的收入及現金流的性質、金額、時間及不確定性，包括與客戶訂立的合約的定性及定量資料、重大判斷、判斷的變動，以及自取得或履行合約的成本所確認的資產。於採納是項新準則，可使用多項過渡方法。本集團不會提前於下一個財政年度採納香港財務報告準則第15號。

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” 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”. The new standard requires lessees 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. A recognition exemption may apply for (i) short-term leases and (ii) leases for which the underlying asset is of low value. 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. In this regard, most commonly used financial ratios and key financial performance indicators will be impacted, such as gearing ratio, current ratio, asset turnover ratio, interest cover, earnings before interest and tax. In an extreme case, these ratios may trigger breaches of loan covenants. With reference to the current operation of the Group, the management does not expect that the new standard will have a material impact on the future consolidated financial statements and loan covenants. The Group is considering whether to adopt HKFRS 16 before its effective date of 1 January 2019. However, early adoption of HKFRS 16 is only permitted if there is no earlier than the adoption of HKFRS 15. It is therefore unlikely that HKFRS 16 will be adopted before the effective date of HKFRS 15, being 1 January 2018.

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」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」。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。確認豁免可適用於(i)短期租賃；及(ii)相關資產價值偏低的租賃。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。就此，最常用的財務比率及主要財務表現指標將受到影響，如槓桿比率、流動比率、資產周轉率、利息保障及除利息及稅項前盈利。在極端情況下，該等比率可能觸發違反貸款契諾的情況。經參考本集團現時的營運，管理層預期新準則不會對我們未來的合併財務報表及貸款契諾造成重大影響。本集團現正考慮是否於香港財務報告準則第16號的生效日期二零一九年一月一日前採納有關準則。然而，香港財務報告準則第16號僅可在並無提前採納香港財務報告準則第15號的情況下方可提前採納。因此，香港財務報告準則第16號不大可能於香港財務報告準則第15號的生效日期(即二零一八年一月一日)前獲採納。

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)

Save for HKFRS 9 (2014), HKFRS 15 and HKFRS 16, the Group is in the process of making an assessment of the impact of other new and revised HKFRSs upon initial application and the directors of the Company anticipate that there will be no material impact on the results and the financial position of the Group.

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 other 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 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)

除香港財務報告準則第9號(二零一四年)、香港財務報告準則第15號及香港財務報告準則第16號外,本集團正評估初次應用新訂及經修訂香港財務報告準則的影響,本公司董事預期不會對本集團的業績及財務狀況造成重大影響。

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 Summary of significant accounting policies (Continued)

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.

2.5 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 Company's functional currency and the Group's 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.

2 主要會計政策概要 (續)

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。

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,人民幣為本公司的功能貨幣及本集團的呈報貨幣。

(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。

2 Summary of significant accounting policies (Continued)

2.5 Foreign currency translation (Continued)

(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 (續)

(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。

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 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), borrowings (note 2.16) and employee housing deposits.

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 Summary of significant accounting policies (Continued)

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 loss 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.

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.

2 主要會計政策概要 (續)

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損失事件而出現減值時，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。

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。

2 Summary of significant accounting policies (Continued)

2.9 Impairment of financial assets (Continued)

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 or 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.

2.11 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 主要會計政策概要 (續)

2.9 金融資產的減值 (續)

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。

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 Summary of significant accounting policies (Continued)

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 with banks and other short-term highly liquid investments with original maturities of three months or less and which are subject to an insignificant risk of changes in value.

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 主要會計政策概要 (續)

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、存於銀行的活期存款以及其他原到期日為三個月或以下，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 Summary of significant accounting policies (Continued)

2.16 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are 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 borrowings using the effective interest method.

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.

Borrowings are classified as current liabilities 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 borrowings 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 主要會計政策概要 (續)

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。

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可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 Summary of significant accounting policies (Continued)

2.18 Current and deferred tax

The tax expense for the period comprises current income tax 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 operates and generates 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.

(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.

2 主要會計政策概要 (續)

2.18 當期及遞延稅項

本期的稅項支出包括當期所得稅和遞延稅項。稅項在損益確認，但與在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。

(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方會確認入賬。

2 Summary of significant accounting policies (Continued)

2.18 Current and deferred tax (Continued)

(b) Deferred tax (Continued)

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 tax 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.

2.19 Employee benefits

(a) Pension obligations

The Group sponsors defined contributions pension plans in Hong Kong and the Mainland China. 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.

2 主要會計政策概要 (續)

2.19 當期及遞延稅項 (續)

(b) 遞延稅項 (續)

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。

2.19 僱員福利

(a) 退休金責任

本集團於香港和中國大陸設立界定供款計劃。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。

2 Summary of significant accounting policies (Continued)

2.19 Employee benefits (Continued)

(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 (續)

(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。

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 receivable 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。

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益入賬。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。

3 Financial risk management

3.1 Financial risk factors

The Group's major financial instruments include financial assets at fair value through profit or loss, trade and other receivables, pledged bank deposits, fixed deposits with maturity period over three months, cash and cash equivalents, borrowings, 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 6% (2015: 9%) 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 People's Republic of China (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.

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6%（二零一五年：9%）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華人民共和國（「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。

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

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 borrowings to hedge its exposure as the cost-benefit is considered not effective.

(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. During the year, the management entered into cornstarch futures contracts to manage the exposure of the Group to price fluctuations of cornstarch.

The management considers the price risk with respect to price changes in commodity market is not material as the net exposure of price fluctuation of cornstarch futures contracts is insignificant.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(i) 外匯風險 (續)

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。

(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。本年度內，管理層訂立玉米澱粉期貨合約管理本集團因玉米澱粉價格波動而承受的風險。

管理層認為商品市場價格變動的價格風險並不重大，原因為玉米澱粉期貨合約的價格波動風險淨額並不重大。

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(iv) Interest rate risk

The Group's interest rate risk arises primarily from bank borrowings carried at variable rates, which exposes the Group to cash flow interest rate risk. The Group's interest-free government loan and bank loans issued at fixed rates expose the Group to fair value interest rate risk. The management considers the fair value interest rate risk is insignificant as majority of these borrowings are repayable within one year.

(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 ageing 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.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(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銀行借款，其令本集團面臨現金流利率風險。本集團之免息政府貸款及按固定利率發出的銀行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，原因為該等借款需於一年內償還。

(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。

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

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 (續)

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。

3 Financial risk management (Continued)**3.1 Financial risk factors (Continued)****(c) Liquidity risk (Continued)**

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:

		Within 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total undiscounted cash flow 未貼現現金 流量總額
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Group	本集團					
2016	二零一六年					
Trade and other payables	貿易及其他應付款	314,524	-	-	-	314,524
Borrowings	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
2015	二零一五年					
Trade and other payables	貿易及其他應付款	426,882	-	-	-	426,882
Borrowings	借款	99,659	886	1,110	-	101,655
Employee housing deposits	員工房屋保證金	26,275	-	-	-	26,275
		552,816	886	1,110	-	554,812

3 財務風險管理 (續)**3.1 財務風險因素 (續)****(c) 流動資金風險 (續)**

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 Financial risk management (Continued)

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 borrowings to total assets of the Group. During 2016, 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.

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

3 財務風險管理 (續)

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。於二零一六年，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。

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。

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Total borrowings	借款總額	4,432	99,432
Total assets	資產總值	2,904,392	2,822,720
Gearing ratio	槓桿比率	0.2%	3.5%

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 2016, the Group's assets measured at fair value are held for trading financial instruments of approximately RMB19,000 (2015: RMB245,000) which are measured using Level 1 method.

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

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（二零一五年：245,000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。

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.

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。

4 Critical accounting estimates and judgements (Continued)

(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.

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 segment 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, as well as other services

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

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。

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，以及其他服務

5 Revenue and segment information (Continued)

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.

5 收入及分部資料 (續)

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。

		Upstream products 上游產品 RMB'000 人民幣千元	Fermented and downstream products 發酵及下游產品 RMB'000 人民幣千元	Unallocated 未分配 RMB'000 人民幣千元	Total 合計 RMB'000 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

5 Revenue and segment information (Continued)

5 收入及分部資料 (續)

		Upstream products 上游產品 RMB'000 人民幣千元	Fermented and downstream products 發酵及 下游產品 RMB'000 人民幣千元	Unallocated 未分配 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
2015 (Restated)	二零一五年 (重列)				
Sales to external customers	向外來客戶銷售	3,339,891	1,020,219	-	4,360,110
Inter-segment sales	分部間銷售	150,209	11,112	-	161,321
Reportable segment results	可報告分部業績	215,721	118,802	-	334,523
Unallocated income	未分配收入				24,980
Unallocated expenses	未分配開支				(239,229)
Finance income	融資收入				29,888
Finance expenses	融資費用				(9,919)
Profit before income tax	除所得稅前利潤				140,243
Other segment information:	其他分部資料:				
Depreciation and amortisation	折舊及攤銷	52,670	54,691	25,042	132,403
Provision for impairment of property, plant and equipment	物業、廠房及設備的 減值撥備	-	10,286	-	10,286

Based on the place of the operation of external customers, revenue attributed to the PRC and other countries is RMB4,055,817,000 and RMB342,027,000 (2015: RMB3,896,835,000 and RMB463,275,000) 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4,055,817,000元及人民幣342,027,000元（二零一五年：人民幣3,896,835,000元及人民幣463,275,000元）。

6 Other gains and losses

6 其他收益及虧損

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (重列)
Government grants (note)	政府補助 (附註)	5,212	5,901
Amortisation of steam connection income and government grants (note 25)	蒸汽接駁收入及政府補助的攤銷 (附註25)	1,889	3,578
Reversal of deferred income attributable to steam connection income (note 25)	撥回蒸汽接駁收入應佔的遞延收入 (附註25)	-	9,357
Gain on sales of scrap coal and oil	銷售煤屑及廢油之收益	2,015	3,295
Net fair value (loss)/gain 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)/收益淨額	(1,013)	3,095
Provision for impairment of property, plant and equipment	物業、廠房及設備減值撥備	-	(10,286)
Losses on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(1,354)	(2,783)
Net foreign exchange gain	匯兌收益淨額	1,048	3,711
Others	其他	4,761	12,110
		12,558	27,978

Note:

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. For the year ended 31 December 2015, the government grants mainly represented subsidies from local government for, inter alia, compensation for the cessation of power plant's operation and the relocation to the new production base in Shouguang. The government grants were granted at the discretion of the government and were not recurring in nature.

附註：

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。截至二零一五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）發電廠終止營運的補償及遷至位於壽光的新生產廠房的資助。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

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Interest income on bank deposits	銀行存款的利息收入	24,851	29,888

8 Finance expenses

8 融資費用

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Interest on	以下項目的利息：		
– Bank borrowings	– 銀行借款	1,790	9,782
– Discounted bills receivable	– 應收貼現票據	72	137
		1,862	9,919

9 Profit before income tax

The major expenses of the Group are as follows:

9 除所得稅前潤

本集團的主要開支如下：

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cost of inventories recognised as an expense 確認為開支的存貨成本	3,723,569	3,944,450
Employee benefits expense (including directors' emoluments) (note 11) 僱員福利開支(包括董事酬金)(附註11)	159,141	137,994
Depreciation of property, plant and equipment (note 14) 物業、廠房及設備折舊(附註14)	140,813	127,921
Amortisation of prepaid lease payments (note 15) 預付租賃款的攤銷(附註15)	5,580	4,482
Provision for impairment of trade receivables (note 18(b)) 貿易應收款的減值虧損撥備(附註18(b))	-	9,630
Minimum lease payments paid under operating leases in respect of premises 物業經營租賃項下已付的最低租賃款	713	666
Research and development expenses (note) 研究及開發費用(附註)	11,939	6,584
Auditor's remuneration 核數師薪酬	733	1,231

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。

10 Income tax expenses

10 所得稅支出

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 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」）	79,086	41,349
– (Over)/under-provision in prior years	– 過往年度（超額撥備）／撥備不足	(3,527)	680
– PRC dividend withholding tax	– 中國股息預扣稅	1,000	–
Deferred tax (note 23)	遞延稅項（附註23）	19,867	(3,699)
		96,426	38,330

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.

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 2016.

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%。

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。

10 Income tax expenses (Continued)

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

10 所得稅支出 (續)

本年度稅項支出可與除所得稅前利潤對賬如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Profit before income tax	除所得稅前利潤	315,645	140,243
Tax at the corporate income tax rate at 25% (2015: 25%)	以企業所得稅率25% (二零一五年: 25%) 計算的稅項	78,911	35,061
Tax effects of	下列各項的稅務影響：		
- Different tax rate	- 不同稅率	(555)	(315)
- Expenses not deductible for tax purposes	- 不可扣稅開支	26,383	2,725
- Income not subject to tax	- 毋須課稅收入	(5,692)	(487)
- Temporary differences not recognised	- 未確認暫時差異	-	33
- 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	398	633
- (Over)/under-provision in prior years	- 過往年度 (超額撥備) / 撥備不足	(3,527)	680
- Tax deduction in the PRC	- 中國稅項減免	(1,492)	-
- PRC dividend withholding tax	- 中國股息預扣稅	2,000	-
		96,426	38,330

11 Employee benefit expenses (including directors' emoluments)

11 僱員福利開支(包括董事酬金)

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Wages and salaries	工資及薪金	107,291	99,169
Staff welfares	員工福利	35,266	24,251
Pension cost (note)	退休金費用(附註)	16,584	14,574
Total employee benefit expenses	僱員福利開支總額	159,141	137,994

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。

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:

		2016 二零一六年	2015 二零一五年
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)	213,682	98,877
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數 (千股)	5,995,892	5,995,892

The basic and diluted earnings per share for the year ended 31 December 2016 and 2015 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：

		2016 二零一六年	2015 二零一五年
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)	213,682	98,877
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數 (千股)	5,995,892	5,995,892

由於截至二零一六年及二零一五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:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
2015 final dividend: nil (2014 final dividend of HK0.69 cents per share)	二零一五年末期股息：零 (二零一四年末期股息為每股0.69港仙)	-	32,667

Subsequent to 31 December 2016, the directors proposed a final dividend of HK0.75 cents (2015: nil) per share, amounting to HK\$44,969,000. The final dividend proposed after the end of the reporting period is subject to approval by the shareholders at the forthcoming annual general meeting and has not been recognised as a liability as at 31 December 2016.

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：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
2015 final dividend: nil (2014 final dividend of HK0.69 cents per share)	二零一五年末期股息：零 (二零一四年末期股息為每股0.69港仙)	-	32,667

於二零一六年十二月三十一日後，董事建議派發末期股息每股0.75港仙（二零一五年：零），金額達44,969,000港元。於二零一六年十二月三十一日，於報告期末後建議派發的末期股息須待股東於應屆股東週年大會上批准後，方告作實，且並未確認為負債。

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
Year ended 31 December 2015	截至二零一五年						
	十二月三十一日止年度						
Net book value at 1 January 2015	於二零一五年一月一日的賬面淨值						
		258,075	614,743	7,177	18,071	365,299	1,263,365
Additions	添置	67	17,752	3,171	-	215,469	236,459
Transfers upon completion	完成時轉撥	44,335	40,820	-	385	(85,540)	-
Disposals/written-off	出售/撤銷	(2,635)	(13,749)	(79)	(512)	-	(16,975)
Depreciation charge for the year	年度折舊費用	(19,176)	(102,937)	(2,628)	(3,180)	-	(127,921)
Impairment charge for the year	年度減值費用	-	(10,286)	-	-	-	(10,286)
Net book value at 31 December 2015	於二零一五年十二月三十一日的賬面淨值	280,666	546,343	7,641	14,764	495,228	1,344,642
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日						
Cost	成本	512,564	1,064,805	17,690	63,410	495,228	2,153,697
Accumulated depreciation and impairment	累計折舊及減值	(231,898)	(518,462)	(10,049)	(48,646)	-	(809,055)
Net book value	賬面淨值	280,666	546,343	7,641	14,764	495,228	1,344,642
Year ended 31 December 2016	截至二零一六年						
	十二月三十一日止年度						
Net book value at 1 January 2016	於二零一六年一月一日的賬面淨值						
		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 31 December 2016	於二零一六年十二月三十一日的賬面淨值	405,015	709,305	9,051	58,103	48,923	1,230,397
At 31 December 2016	於二零一六年十二月三十一日						
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

14 Property, plant and equipment (Continued)

As at 31 December 2016, the Group did not pledge any building for securing banking facilities. As at 31 December 2015, buildings with carrying amounts of RMB20,987,000 was pledged for securing banking facilities granted to a subsidiary of the Group.

As at 31 December 2015, the management carried out an impairment review and concluded that no further impairment loss was required except for certain electricity and steam generating equipment with an original plan for re-use upon relocation. Taking into account of the change in development plan in the second half of 2015 and the then physical condition of such equipment, the management considered the fair value less cost of disposal of these assets to be minimal and made a full provision of RMB10,286,000 for the year ended 31 December 2015.

During the year ended 31 December 2016, additions of property, plant and equipment included an amount of RMB1,503,000 (2015: RMB39,779,000) 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:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Net book value	賬面淨值		
At 1 January	於一月一日	215,688	220,170
Additions	添置	366	-
Amortisation charge for the year (note 9)	年內攤銷費用(附註9)	(5,580)	(4,482)
At 31 December	於十二月三十一日	210,474	215,688
Cost	成本	238,562	238,196
Accumulated amortisation	累計攤銷	(28,088)	(22,508)
Net book value at 31 December	於十二月三十一日的賬面淨值	210,474	215,688

As at 31 December 2016, the Group did not pledge any prepaid lease payment for securing banking facilities. As at 31 December 2015, leasehold land with carrying amounts of RMB30,482,000 was pledged for securing banking facilities granted to a subsidiary of the Group.

14 物業、廠房及設備 (續)

於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。於二零一五年十二月三十一日，賬面淨值人民幣20,987,000元的樓宇已予抵押，作為本集團一間附屬公司所獲授銀行信貸的抵押。

於二零一五年十二月三十一日，管理層進行減值檢討，並認為除若干原先計劃於重置後重用的發電及蒸汽生產設備外，毋須再作減值虧損。考慮到發展計劃於二零一五年下半年的變動，以及有關設備當時的實際狀況，管理層認為發電及蒸汽生產設備的公平值減出售成本數額極微，並已於截至二零一五年十二月三十一日止年度作出全數撥備人民幣10,286,000元。

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（二零一五年：人民幣39,779,000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：

於二零一六年十二月三十一日，本集團並無抵押任何預付租賃款項作為銀行信貸的抵押。於二零一五年十二月三十一日，賬面金額人民幣30,482,000元的租賃土地已予抵押，作為本集團一間附屬公司所獲授銀行信貸的抵押。

16 Other asset

The amount represents the advance payment to the Municipal Government of Shouguang for the acquisition of land use right located in Shouguang. The directors of the Company do not expect repayment within next twelve months from the end of the reporting period.

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。本公司董事預期不會於報告期末未來十二個月作出還款。

17 Inventories

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Raw materials	原材料	132,860	97,821
Work in progress	在製品	24,859	24,447
Finished goods	製成品	56,166	80,683
		213,885	202,951

17 存貨**18 Trade and other receivables**

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade receivables	貿易應收款	147,678	152,453
Less: Provision for impairment of trade receivables	減：貿易應收款減值撥備	(9,630)	(9,630)
		138,048	142,823
Bank acceptance bills	銀行承兌票據	145,995	194,525
Others	其他	24,222	15,468
		308,265	352,816
Loans and receivables	貸款及應收款	28,280	31,818
Prepayments and other tax receivables	預付款及其他應收稅項	336,545	384,634

18 貿易及其他應收款

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。

18 Trade and other receivables (Continued)**(a) Trade receivables**

The Group normally grants credit period ranging from 0 to 120 days (2015: 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 at the end of the reporting period is shown as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
0 – 30 days	零至三十日	120,931	103,291
31 – 60 days	三十一至六十日	10,295	11,438
61 – 90 days	六十一至九十日	5,494	9,992
Over 90 days	九十日以上	1,328	18,102
		138,048	142,823

As at 31 December 2016, trade receivables of RMB17,117,000 (2015: RMB40,820,000) 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 have 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 customers 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:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
1 – 30 days	一至三十日	10,295	11,438
31 – 60 days	三十一至六十日	5,494	9,992
61 – 90 days	六十一至九十日	705	5,701
Over 90 days	九十日以上	623	13,689
		17,117	40,820

Included in trade and other receivables is an amount due from non-controlling interests of RMB8,221,000 (2015: RMB4,335,000). Details of balances with related companies are set out in note 30(iii). No impairment has been made for receivables from related companies.

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(二零一五年:零至一百二十日)不等。

以下為於報告期末,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:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
0 – 30 days	零至三十日	120,931	103,291
31 – 60 days	三十一至六十日	10,295	11,438
61 – 90 days	六十一至九十日	5,494	9,992
Over 90 days	九十日以上	1,328	18,102
		138,048	142,823

於二零一六年十二月三十一日,貿易應收款人民幣17,117,000元(二零一五年:人民幣40,820,000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,原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:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
1 – 30 days	一至三十日	10,295	11,438
31 – 60 days	三十一至六十日	5,494	9,992
61 – 90 days	六十一至九十日	705	5,701
Over 90 days	九十日以上	623	13,689
		17,117	40,820

貿易及其他應收款包括應收非控股股東權益款項人民幣8,221,000元(二零一五年:人民幣4,335,000元)。關連公司結餘之詳情載於附註30(iii)。應收關連公司款項並無減值。

18 Trade and other receivables (Continued)**(b) Provision for impairment of trade receivables**

As at 31 December 2016, trade receivables of RMB9,630,000 (2015: 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.

Movements in the Group's provision for impairment of trade receivables are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	9,630	-
Provision for impairment (note 9)	減值撥備 (附註9)	-	9,630
At 31 December	於十二月三十一日	9,630	9,630

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

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Endorsed bills	背書票據	127,413	126,621
Bills on hand	手頭票據	18,582	67,904
		145,995	194,525

The bank acceptance bills are normally with maturity period of 180 days (2015: 180 days). There is no recent history of default on bank acceptance bills.

As at 31 December 2016, bank acceptance bills of RMB2,624,000 (2015: RMB2,000,000) 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**

於二零一六年十二月三十一日，人民幣9,630,000元（二零一五年：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。

本集團貿易應收款減值撥備的變動如下：

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（二零一五年：一百八十日）。銀行承兌票據近期並無違約紀錄。

於二零一六年十二月三十一日，人民幣2,624,000元（二零一五年：人民幣2,000,000元）的銀行承兌票據已抵押予銀行，作為應付票據的抵押。

19 Financial assets at fair value through profit or loss**19 按公平值計入損益的金融資產**

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Held for trading:	持作買賣：		
– Futures contracts	– 期貨合約	19	245

As at 31 December 2016, the notional principal amount of the outstanding cornstarch futures contracts was approximately RMB20,826,000 (2015: RMB34,005,000).

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（二零一五年：人民幣34,005,000元）。

20 Pledged bank deposits

At 31 December 2016, the pledged bank deposits were pledged to a bank for securing bills payable (note 26).

20 已抵押銀行存款

於二零一六年十二月三十一日，已向一家銀行抵押已抵押銀行存款，作為應付票據（附註26）。

At 31 December 2015, the pledged bank deposits were pledged to several banks for securing bills payable (note 26) and providing a contract guarantee for futures contracts respectively.

於二零一五年十二月三十一日，已向若干銀行抵押已抵押銀行存款，分別作為應付票據（附註26）的抵押及為期貨合約提供合約擔保。

The deposits were denominated in RMB.

存款乃以人民幣計值。

21 Cash and cash equivalents and fixed deposits with maturity period over three months**21 現金及現金等價物及三個月以上定期存款**

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash at banks and in hand (notes (i) and (iii))	銀行現金及手頭現金（附註(i)及(iii)）	493,810	298,075
Cash and cash equivalents	現金及現金等價物	493,810	298,075
Fixed deposits with initial maturity period over three months (notes (ii) and (iii))	原到期日為三個月以上的定期存款（附註(ii)及(iii)）	390,000	290,000
		883,810	588,075

Cash and cash equivalents and fixed deposits with maturity period over three months are denominated in RMB.

現金及現金等價物及三個月以上定期存款主要以人民幣計值。

21 Cash and cash equivalents and fixed deposits with maturity period over three months (Continued)

Notes:

- (i) Cash at banks earns interest at daily floating rates of bank deposit.
- (ii) These fixed deposits earn interest of 4.5% – 5.40% (2015: 4.70% – 6.85%) per annum.
- (iii) The bank balances are deposited with credit worthy banks with no recent history of defaults. The carrying amounts of the cash and cash equivalents and fixed deposits with maturity period over three months approximate to their fair values.
- (iv) As at 31 December 2016, the Group's bank balances of RMB874,254,000 (2015: RMB583,167,000) are deposited with banks in the PRC. The remittance of these funds out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

21 現金及現金等價物及三個月以上定期存款 (續)

附註：

- (i) 銀行現金乃按銀行存款的日浮息賺取利息。
- (ii) 此等定期存款按年利率4.50至5.40厘(二零一五年：4.70至6.85厘)賺取利息。
- (iii) 銀行結餘乃存放於近期並無違約記錄的有信譽銀行。現金及現金等價物及三個月以上定期存款的賬面值與其公平值相若。
- (iv) 於二零一六年十二月三十一日，本集團銀行結餘人民幣874,254,000元(二零一五年：人民幣583,167,000元)乃存入中國的銀行。將該等資金匯出中國須遵守中國政府頒佈的外匯管制規則及規例。

22 Share capital

22 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 2015 and 2016	於二零一五年及 二零一六年十二月三十一日	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 2015, 31 December 2015 and 2016	於二零一五年一月一日、 二零一五年及二零一六年 十二月三十一日	5,995,892	599,589	532,656

23 Deferred taxation**(A) Deferred tax assets and liabilities recognised:**

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

Deferred tax arising from:		Impairment of property, plant and equipment 物業、廠房及 設備減值 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
來自以下各項的遞延稅項：				
At 1 January 2015	於二零一五年一月一日	22,537	-	22,537
Credited to the profit or loss (note 10)	於損益計入(附註10)	3,699	-	3,699
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日 及二零一六年一月一日	26,236	-	26,236
Charged to the profit or loss (note 10)	於損益扣除(附註10)	(18,867)	(1,000)	(19,867)
At 31 December 2016	於二零一六年十二月三十一日	7,369	(1,000)	6,369

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

23 遞延稅項**(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：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Deferred tax assets	遞延稅項資產	7,369	26,236
Deferred tax liabilities	遞延稅項負債	(1,000)	-
		6,369	26,236

於合併財務狀況表內確認的遞延稅項資產/(負債)如下：

23 Deferred taxation (Continued)**(B) Deferred tax assets not recognised**

The Group did not recognise deferred tax assets of RMB3,073,000 (2015: RMB2,675,000) in respect of losses amounting to RMB18,627,000 (2015: RMB16,216,000) 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 each reporting period, it was determined that the undistributed profits of RMB1,199,457,000 (2015: RMB1,109,059,000) of the Company's PRC subsidiaries would not be distributed in the foreseeable future.

23 遞延稅項 (續)**(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18,627,000元(二零一五年:人民幣16,216,000元)確認遞延稅項資產人民幣3,073,000元(二零一五年:人民幣2,675,000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。根據管理層於各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1,199,457,000元(二零一五年:人民幣1,109,059,000元)不會於可見將來作出分派。

24 Borrowings**24 借款**

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Bank borrowings, secured (note (i))	銀行借款·有抵押(附註(i))	-	95,000
Government loan, unsecured (note (ii))	政府貸款·無抵押(附註(ii))	4,432	4,432
Financial liabilities measured at amortised cost	按攤銷成本計量的金融負債	4,432	99,432
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	(3,322)	(97,436)
Non-current liabilities	非流動負債	1,110	1,996

24 Borrowings (Continued)

Notes:

- (i) At 31 December 2015, bank borrowings consisted of (a) RMB80,000,000 which were secured by guarantee provided by subsidiaries of the Group and (b) RMB15,000,000 which were secured by leasehold land and buildings of the Group. The bank borrowings were fully repaid during the year ended 31 December 2016.
- (ii) Government loan represented government assistance provided to a subsidiary of the Group.

At 31 December 2016 and 2015, the Group's borrowings were repayable as follows:

		Bank borrowings 銀行借款		Government loan 政府貸款		Total 合計	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Wholly repayable within 5 years	須於五年內悉數償還						
Within 1 year	一年內	-	95,000	3,322	2,436	3,322	97,436
Between 1 and 2 years	一年至兩年	-	-	886	886	886	886
Between 2 and 5 years	兩年至五年	-	-	224	1,110	224	1,110
		-	95,000	4,432	4,432	4,432	99,432

The government loan was non-interest bearing. For the year ended 31 December 2015, the bank borrowings carried interest ranging from 4.4% to 6.1% per annum.

The carrying amounts of the Group's borrowings are approximate to their fair values. The carrying amounts of the Group's borrowings are denominated in RMB.

24 借款 (續)

附註:

- (i) 於二零一五年十二月三十一日，銀行借款包括(a)以本集團附屬公司提供擔保作抵押的人民幣80,000,000元；及(b)以本集團租賃土地及樓宇作抵押的人民幣15,000,000元。銀行借貸已於截至二零一六年十二月三十一日止年度悉數償還。
- (ii) 政府貸款指提供予本集團一間附屬公司的政府資助。

於二零一六年及二零一五年十二月三十一日，本集團的借款須於以下期間償還：

政府貸款為免息。於截至二零一五年十二月三十一日止年度，銀行借款按4.4厘至6.1厘的年利率計算利息。

本集團借款的賬面值與其公平值相若。本集團借款的賬面值以人民幣計值。

25 Deferred income

		Steam connection income	Government grants	Total 合計
		蒸汽接駁收入	政府補助	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
At 1 January 2015	於二零一五年一月一日	12,477	21,590	34,067
Amortisation for the year (note 6)	年度攤銷(附註6)	(3,120)	(458)	(3,578)
Reversal during the year (note 6)	年度撥回(附註6)	(9,357)	-	(9,357)
Additions	增加	-	14,300	14,300
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日 及二零一六年一月一日	-	35,432	35,432
Amortisation for the year (note 6)	年度攤銷(附註6)	-	(1,889)	(1,889)
At 31 December 2016	於二零一六年十二月三十一日	-	33,543	33,543

Government grants represent the amounts received from Shouguang City Finance Bureau and Linqing City Finance Bureau for the development of the production complex in Shouguang and Linqing, respectively.

Steam connection income represented the payment received from customers for the connection of steam pipelines. Subsequent to the dismantling of the steam pipelines, the deferred steam connection income of RMB9,357,000 was reversed during the year ended 31 December 2015.

25 遞延收入

政府補助指為於壽光及臨清建設生產綜合大樓而分別自壽光市財政局及臨清市財政局取得的款項。

蒸汽接駁收入指就接駁蒸汽管道已收客戶的款項。於拆除蒸汽管道後，遞延蒸汽接駁收入人民幣9,357,000元已於截至二零一五年十二月三十一日止年度內撥回。

26 Trade and other payables

26 貿易及其他應付款

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade payables	貿易應付款	170,244	132,582
Bills payables	應付票據	3,687	58,900
Total trade and bills payables		173,931	191,482
Accrued expenses	應計費用	16,864	20,231
Payable for construction and equipment	建築及設備應付款	88,076	198,640
Payroll and welfare payable	應付薪金及福利	15,846	1,639
Deposits	訂金	12,015	9,449
Sales commission	銷售佣金	2,347	2,126
Others	其他	5,445	3,315
Financial liabilities measured at amortised cost		314,524	426,882
Advances from customers	客戶墊款	162,376	112,486
Other tax payables	其他應付稅項	19,339	30,794
		496,239	570,162

Included in trade and bills payables is an amount due to non-controlling interests of RMB63,618,000 (2015: RMB96,142,000) (note 30 (iii)).

As at 31 December 2016, bills payables are secured by bank acceptance bills of RMB2,624,000 (2015: RMB2,000,000) (note 18(c)) and pledged bank deposits of RMB1,063,000 (2015: RMB27,400,000) (note 20).

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63,618,000元(二零一五年:人民幣96,142,000元)(附註30(iii))。

於二零一六年十二月三十一日,應付票據分別以人民幣2,624,000元(二零一五年:人民幣2,000,000元)(附註18(c))的銀行承兌票據及人民幣1,063,000元(二零一五年:人民幣27,400,000元)(附註20)的已抵押銀行存款作抵押。

26 Trade and other payables (Continued)

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

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
0 – 60 days	零至六十日	90,474	149,000
61 – 90 days	六十一至九十日	35,563	16,456
Over 90 days	九十日以上	47,894	26,026
		173,931	191,482

The average credit period on purchases is 80 days (2015: 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.

27 Employee housing deposits

Employee housing deposits are carried at amortised cost.

The Group offers quarters to the staff with the aim of promoting long service with the Group. These quarters are constructed by the Group and offered to staff for application on a periodic basis. Due to the excess demand of staff quarters and the relatively substantial construction costs involved, the staff is required to place housing deposit to the Group.

The employee housing deposits are interest-free, unsecured and repayable one month upon the return of the staff quarters by the employee or termination of employment.

26 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：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
0 – 60 days	零至六十日	90,474	149,000
61 – 90 days	六十一至九十日	35,563	16,456
Over 90 days	九十日以上	47,894	26,026
		173,931	191,482

採購的平均信貸期為八十日(二零一五年：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。

27 員工房屋保證金

員工房屋保證金按攤銷成本列賬。

本集團向員工提供宿舍，旨在令員工樂於長期服務本集團。這些宿舍由本集團建造，定期供員工申請。由於員工宿舍求過於供，且涉及相對龐大的建設成本，員工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後或終止僱用後一個月內退還。

28 Commitments**(a) Operating lease commitments**

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
No later than 1 year	一年內	695	684
Later than 1 year and no later than 5 years	一年後及五年內	935	214
Later than 5 years	五年之後	-	402
		1,630	1,300

(b) Capital commitments

Capital expenditure contracted but not provided for at the end of the year is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	-	118,038

28 承擔**(a) 經營租賃承擔**

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：

29 Share-based payment transactions

The Company's share option scheme (the "Share Option Scheme") was adopted pursuant to a resolution passed on 5 September 2007 for the primary purpose of providing incentives to directors and eligible employees. Under the Share Option Scheme, the Board may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company. The Share Option Scheme will remain in force for a period of ten years commencing on the date on which the 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 Share Option Scheme and any other share option scheme adopted by the Company must not in aggregate exceed 30% of share capital of the Company in issue from time to time.

As at 31 December 2016 and 2015, no options have been granted under the Share Option Scheme of the Company.

30 Related party transactions

During the year, the Group entered into the following material related party transactions.

(i) Transactions with related parties

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 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	120,005	100,041
Provision of staffing and staff messing services to non-controlling interests	向非控股股東權益提供人力資源及員工伙食服務	-	2,149

These transactions are conducted in accordance with their respective contract prices.

29 以股份支付款項的交易

本公司的購股權計劃（「購股權計劃」）乃根據於二零零七年九月五日通過的一項決議案而採納，主要目的為向董事及合資格僱員提供獎勵。根據購股權計劃，董事會可向合資格僱員（包括本公司及其附屬公司的董事）授出購股權以認購本公司的股份。購股權計劃將於採納之日起計十年內有效。因行使根據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%。

於二零一六年及二零一五年十二月三十一日，概無根據本公司購股權計劃授出任何購股權。

30 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

該等交易乃根據其各自的合約價格進行。

30 Related party transactions (Continued)

(ii) Key management compensation

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Short-term benefits	短期福利	948	1,038
Retirement benefit scheme contributions	退休福利計劃供款	132	120
		1,080	1,158

30 關連方交易 (續)

(ii) 主要管理層的報酬

(iii) Balances with a related party

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Amount due from non-controlling interests	應收非控股股東權益的款項	8,221	4,335
Amount due to non-controlling interests	應付非控股股東權益的款項	(63,618)	(96,142)

(iii) 與關連方的結餘

The balances are unsecured, interest-free and shall be settled in accordance with the respective credit terms.

該等結餘乃無抵押、免息，並須根據各自的信貸條款償還。

31 Statement of financial position of the Company

31 本公司的財務狀況表

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
ASSETS	資產		
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司的投資	159,121	159,121
Current assets	流動資產		
Amounts due from subsidiaries	應收附屬公司款項	590,067	555,777
Prepayments	預付款	402	376
Cash and cash equivalents	現金及現金等價物	393	3,892
		590,862	560,045
Total assets	資產總值	749,983	719,166
EQUITY	權益		
Equity attributable to owners of the Company	本公司擁有人應佔權益		
Share capital	股本	532,656	532,656
Reserves (note)	儲備(附註)	217,327	185,283
		749,983	717,939
LIABILITY	負債		
Current liability	流動負債		
Other payables	其他應付款	-	1,227
Total equity and liability	權益及負債總額	749,983	719,166

31 Statement of financial position of the Company (Continued)

Note: Movement of the reserves of the Company

31 本公司的財務狀況表 (續)

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 2015	於二零一五年一月一日	170,091	108,651	16,730	(103,661)	191,811
Profit for the year	年度利潤	-	-	-	26,139	26,139
2014 final dividend	二零一四年末期股息	(32,667)	-	-	-	(32,667)
At 31 December 2015 and 1 January 2016	於二零一五年十二月 三十一日及二零一六年 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	於二零一六年十二月 三十一日	137,424	108,651	16,730	(45,478)	217,327

32 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
2016	二零一六年				
Executive directors:	執行董事:				
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
Independent non-executive directors:	獨立非執行董事:				
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
Total	合計	194	948	132	1,274
2015	二零一五年				
Executive directors:	執行董事:				
Mr. Tian Qixiang	田其祥先生	-	306	-	306
Mr. Gao Shijun	高世軍先生	-	286	60	346
Mr. Liu Xianggang	劉象剛先生	-	221	60	281
Mr. Yu Yingquan	于英泉先生	-	225	-	225
Independent non-executive directors:	獨立非執行董事:				
Mr. Chen Zhijun	陳志軍先生	50	-	-	50
Mr. Sun Mingdao	孫明導先生	50	-	-	50
Mr. Yue Kwai Wa, Ken	余季華先生	88	-	-	88
Total	合計	188	1,038	120	1,346

32 董事的福利及權益**(A) 董事酬金**

各董事的薪酬載列如下:

32 Benefits and interests of directors

(Continued)

(A) Directors' emoluments (Continued)

During the year ended 31 December 2016 and 2015, 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.

(B) Directors' retirement benefits

For the year ended 31 December 2016 and 2015, 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.

33 Individuals with highest emoluments

Of the five individuals with the highest emoluments in the Group, three (2015: three) were directors of the Company whose emoluments are reflected in the analysis in note 32. The emoluments of the remaining two (2015: two) individuals were as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Salaries	薪金	1,205	1,068
Contribution to a pension scheme	向退休金計劃供款	31	29
		1,236	1,097

The emolument of each individual was within HK\$1,000,000.

During the year ended 31 December 2016 and 2015, 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.

34 Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation. The reclassification had no financial effect and included the grouping of foreign exchange difference in profit or loss under the "other gains and losses" line item in the consolidated statement of profit or loss and other comprehensive income.

32 董事的福利及權益 (續)

(A) 董事酬金 (續)

截至二零一六年及二零一五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。

(B) 董事的退休福利

截至二零一六年及二零一五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。

33 最高薪人士

本集團五名最高薪人士中，三名（二零一五年：三名）為本公司的董事，彼等的酬金於附註32的分析呈列。餘下兩名（二零一五年：兩名）最高薪人士的酬金如下：

各名人士的酬金在1,000,000港元以內。

於截至二零一六年及二零一五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。

34 比較數字

若干比較數字已重新分類以與本年度的呈列方式一致。重新分類並無財務影響，惟將損益內滙兌差異歸類至合併損益及其他綜合收益表內「其他收益及虧損」一項。

35 Subsidiaries

Details of the principal subsidiaries at 31 December 2016 are as follows:

35 附屬公司

於二零一六年十二月三十一日的主要附屬公司的詳情如下：

Name 名稱	Place of incorporation and kind of legal entity 註冊成立地點及合法實體類別	Principal activities and place of operation 主要業務及經營地點	Particulars of issued share capital 已發行股本詳情	Proportion of ordinary shares held		Proportion of non-controlling interest (%) 非控股股東權益所持普通股比例(%)
				Direct 直接	Indirect 間接	
Sourcestar Worldwide Inc.	BVI, limited liability company 英屬維爾京群島·有限公司	Investment holding, Hong Kong 投資控股·香港	US\$240 ordinary shares 240美元的普通股	100%	-	-
China Starch Group Limited 中國澱粉集團有限公司	Hong Kong, limited liability company 香港·有限公司	Investment holding, Hong Kong 投資控股·香港	HK\$1 ordinary share 1港元的普通股	100%	-	-
Shandong Shouguang Juneng Golden Corn Development Co., Ltd.* 山東壽光巨能金玉米發展有限公司	PRC, limited liability company 中國·有限公司	Manufacturing and sale of cornstarch, lysine and related products, PRC 生產及銷售玉米澱粉·賴氨酸及相關產品·中國	Registered and paid up capital of RMB480,000,000 註冊及繳足股本人民幣480,000,000元	-	100%	-
Shouguang Golden Far East Modified Starch Company Limited* 壽光金遠東變性澱粉有限公司	PRC, limited liability company 中國·有限公司	Research, development, manufacture and sale of modified starch and related products, PRC 研發·生產及銷售變性澱粉及相關產品·中國	Registered and paid up capital of US\$9,600,000 註冊及繳足股本9,600,000美元	-	100%	-
Linqing Deneng Golden Corn Bio Limited 臨清德能金玉米生物有限公司	PRC, limited liability company 中國·有限公司	Manufacturing and sale of cornstarch, starch-based sweetener and related products, PRC 生產及銷售玉米澱粉·澱粉糖及相關產品·中國	Registered and paid up capital of RMB200,000,000 註冊及繳足股本人民幣200,000,000元	-	91%	9%

* English transliteration is for identification only.

* 英文譯名僅供識別。

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