



CMBE

INTERIM REPORT **2024**

CHANGMAO BIOCHEMICAL ENGINEERING COMPANY LIMITED

常茂生物化學工程股份有限公司

(A Joint Stock Limited Company Incorporated In The People's Republic Of China)

(Stock Code: 954)

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CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024 – Unaudited

	Note	For the six months ended 30 June	
		2024 RMB'000	2023 RMB'000
Revenue	5	313,802	296,608
Cost of sales		(297,815)	(255,138)
Gross profit		15,987	41,470
Other income	6	5,507	1,469
Other gains, net	7	1,844	1,404
Selling expenses		(4,194)	(3,594)
Administrative expenses		(33,716)	(32,034)
Operating (loss)/profit		(14,572)	8,715
Finance income		535	494
Finance costs		(3,405)	(3,211)
Finance costs, net	8	(2,870)	(2,717)
(Loss)/profit before income tax	9	(17,442)	5,998
Income tax expense	10	(1,134)	(2,082)
(Loss)/profit for the period		(18,576)	3,916
Other comprehensive income			
Item that may be reclassified to profit or loss			
– currency translation difference		–	3
Total comprehensive (loss)/income for the period		(18,576)	3,919
(Loss)/profit for the period attributable to:			
Shareholders of the Company		(18,786)	4,157
Non-controlling interests		210	(241)
		(18,576)	3,916
Total comprehensive (loss)/income for the period attributable to:			
Shareholders of the Company		(18,786)	4,160
Non-controlling interests		210	(241)
		(18,576)	3,919
(Loss)/earnings per share for (loss)/profit attributable to shareholders of the Company			
– basic and diluted	11	RMB(0.035)	RMB0.008

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2024 – Unaudited

		30 June	31 December
		2024	2023
	<i>Note</i>	RMB'000	RMB'000
ASSETS			
Non-current assets			
Patents	13	573	639
Property, plant and equipment	14	446,705	433,394
Construction in progress	14	359,486	339,054
Right-of-use assets	14	91,885	93,411
Investment properties	14	3,603	3,770
Deferred income tax assets		220	684
Prepayment		34,298	18,289
Other non-current assets		13,660	14,938
		950,430	904,179
Current assets			
Inventories		137,699	132,075
Trade and bills receivables	15	82,055	87,937
Other receivables, deposits and prepayments		20,640	17,642
Income tax recoverable		613	2,498
Financial assets at fair value through other comprehensive income		9,938	7,002
Pledged bank balances	16	5,316	1,609
Cash and bank balances	16	62,029	89,554
		318,290	338,317
Total assets		1,268,720	1,242,496

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

		30 June	31 December
		2024	2023
	<i>Note</i>	RMB'000	RMB'000
EQUITY			
Capital and reserves attributable to the Company's shareholders			
Share capital	17	52,970	52,970
Reserves	18	579,932	598,718
		632,902	651,688
Non-controlling interests		111	(99)
Total equity		633,013	651,589
LIABILITIES			
Non-current liabilities			
Deferred income		22,450	13,584
Lease liabilities		839	1,073
Deferred income tax liabilities		640	602
Bank borrowings	19	244,304	250,410
		268,233	265,669
Current liabilities			
Trade and bills payables	20	40,974	30,771
Contracted liabilities, other payables and accruals		37,117	51,275
Derivative financial instruments		11	30
Lease liabilities		947	959
Bank borrowings	19	288,425	242,203
		367,474	325,238
Total liabilities		635,707	590,907
Total equity and liabilities		1,268,720	1,242,496

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024 – Unaudited

	Attributable to shareholders of the Company				Non-controlling interests	Total
	Share capital	Other reserves	Retained earnings	Sub-total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2023	52,970	190,258	535,303	778,531	362	778,893
Profit for the period	–	–	4,157	4,157	(241)	3,916
Other comprehensive income – currency translation difference	–	3	–	3	–	3
Final dividend for the year ended 31 December 2022	–	–	(40,787)	(40,787)	–	(40,787)
Balance at 30 June 2023	52,970	190,261	498,673	741,904	121	742,025
Balance at 1 January 2024	52,970	191,301	407,417	651,688	(99)	651,589
Loss for the period	–	–	(18,786)	(18,786)	210	(18,576)
Others	–	(402)	402	–	–	–
Balance at 30 June 2024	52,970	190,899	389,033	632,902	111	633,013

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2024 – Unaudited

	For the six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Cash flows from operating activities		
Cash used in operations	(15,802)	(11,538)
Interest paid	(12,036)	(7,274)
Income tax refunded/(paid)	1,253	(1,576)
Net cash used in operating activities	(26,585)	(20,388)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,518)	(949)
Proceeds from disposal of property, plant and equipment	47	82
Payment for construction in progress	(51,894)	(72,200)
Proceeds from government grants	10,000	15,000
Interest received	535	494
Investment income received	10	109
Net cash used in investing activities	(42,820)	(57,464)
Cash flows from financing activities		
Principal elements of lease payments	(250)	(282)
Proceeds from bank borrowings	212,969	199,856
Repayment of bank borrowings	(171,827)	(75,581)
Prepayment for professional services	–	(2,772)
Net cash generated from financing activities	40,892	121,221
Net (decrease)/increase in cash and cash equivalents	(28,513)	43,369
Effect of foreign exchange rate changes	988	(3,230)
Cash and cash equivalents at 1 January	89,554	59,993
Cash and cash equivalents at 30 June	62,029	100,132

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Changmao Biochemical Engineering Company Limited is a joint stock limited company incorporated in the PRC. The Company listed its H shares on GEM of the Stock Exchange on 28 June 2002 and the listing of its H shares was transferred to the Main Board of the Stock Exchange on 28 June 2013. The principal activities of Group are the production and sale of organic acid products.

The address of the Company's registered office is No.1228 Chang Jiang Bei Road, New North Zone, Changzhou City, Jiangsu Province, 213034, the PRC.

These condensed consolidated interim financial statements are presented in Renminbi, unless otherwise stated.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

This unaudited condensed consolidated interim financial information has been prepared in accordance with applicable disclosure provisions of Listing Rules, including compliance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The condensed consolidated interim financial statements should be read in conjunction with the 2023 Financial Statements.

This condensed consolidated interim financial information was approved for issue on 16 August 2024. This condensed consolidated interim financial information has not been audited.

The accounting policies used in preparing the condensed consolidated interim financial statements are consistent with those used in the 2023 Financial Statements. Other New HKFRSs which have become effective in this period have no material impact on the accounting policies in the Group's condensed consolidated interim financial statements for the period.

2.1 New and amended standards

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2024. These new standards and amendments did not have any impact on the amount recognised in prior periods and are not expected to significantly affect the current or future periods.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3 ESTIMATES

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

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023.

4 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including foreign exchange risk, credit risk, liquidity risk and cash flow and fair value interest rate risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2023.

There have been no material changes in the risk management policies since year end.

5 REVENUE AND SEGMENT INFORMATION

Executive Directors are identified as the chief operating decision maker. Management has determined the operating segments based on the information reported to the executive Directors for the purposes of allocating resources and assessing performance.

The Group is engaged in the production and sale of organic acid products. Resources of the Group are allocated based on what is beneficial to the Group in enhancing the value as a whole rather than any specific unit, and the executive Directors consider the performance assessment of the Group should be based on the results of the Group as a whole. Therefore, management considers there to be only one operating segment under the requirement of HKFRS 8.

	For the six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Mainland China	222,042	219,341
Asia Pacific	41,472	38,365
Europe	34,902	23,306
America	9,650	9,153
Others	5,736	6,443
	313,802	296,608

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Europe region mainly includes the Great Britain, Germany, Demark, Spain and Italy whereas Asia Pacific region mainly includes Hong Kong, Indonesia, Australia, India, Thailand and Japan.

The analysis of sales revenue by geographic location is based on the country area in which the customer is located.

As at 30 June 2024, all of the Group's non-current assets (other than the deferred income tax assets) amounted to RMB950,210,000 (31 December 2023: RMB903,495,000) are located in Mainland China.

6 OTHER INCOME

	For the six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Sales of scrap materials	1,704	9
Government grants	2,965	496
Others	838	964
	5,507	1,469

7 OTHER GAINS, NET

	For the six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Fair value gains on financial assets at fair value through profit or loss	32	165
Net exchange gains	1,812	1,244
Loss on disposal of property, plant and equipment	–	(5)
	1,844	1,404

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8 FINANCE COSTS, NET

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Interest on bank borrowings	10,678	7,105
Interest paid/payable for lease liabilities	46	38
Less: amounts capitalised on qualifying assets	(7,319)	(3,932)
	3,405	3,211
Interest income on bank deposits	(535)	(494)
Finance costs, net	2,870	2,717

9 (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/profit before income tax is stated after charging the following:

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Amortisation of patents	66	67
Amortisation of right-of-use assets	1,526	1,540
Depreciation	20,508	19,640

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10 INCOME TAX EXPENSE

PRC CIT is provided for on the basis of the profit for statutory financial reporting purposes, adjusted for income and expense items which are not assessable or deductible for income tax purposes. The Company, being qualified as a High and New Technology Enterprise (“HNTE”), is entitled to a preferential CIT rate of 15% for three years starting from 2023. Other subsidiaries of the Group in Mainland China are subject to a standard tax rate of 25%.

The amount of income tax charged to consolidated statement of comprehensive income represents:

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Current income tax	632	3,832
Deferred income tax	502	(1,750)
	1,134	2,082

The tax on the Group’s (loss)/profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to results of the consolidated entities as follows:

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
(Loss)/profit before income tax	(17,442)	5,998
Calculated at the tax rates applicable to results of the respective consolidated entities	(6,184)	(1,172)
Expenses not deductible for tax purposes	8	8
Tax losses and time differences for which no deferred income tax asset was recognised	9,059	4,970
Others	(1,749)	(1,724)
Income tax expense	1,134	2,082

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11 (LOSS)/EARNINGS PER SHARE

The calculation of (loss)/earnings per share is based on the loss attributable to the shareholders of the Company of approximately RMB18,786,000 for the six months ended 30 June 2024 (profit attributable to the shareholders of the Company for the six months ended 30 June 2023: RMB4,157,000) and 529,700,000 shares (for the six months ended 30 June 2023: 529,700,000 shares) weighted average number of shares in issue during the period.

The Company has no dilutive potential shares in issue during the period (Corresponding period in 2023: Nil).

12 DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2024 (Corresponding period in 2023: Nil).

13 PATENTS

	RMB'000
Net book value as at 1 January 2024	639
Amortisation	(66)
<hr/>	
Net book value as at 30 June 2024	573

14 CAPITAL EXPENDITURE

	Property, plant and equipment	Construction in progress	Right-of- use assets	Investment properties
	RMB'000	RMB'000	RMB'000	RMB'000
Net book value as at 1 January 2024	433,394	339,054	93,411	3,770
Transfer from construction in progress	30,655	(30,655)	–	–
Additions	1,518	51,087	–	–
Disposal	(47)	–	–	–
Depreciation/amortisation charge	(18,815)	–	(1,526)	(167)
<hr/>				
Net book value as at 30 June 2024	446,705	359,486	91,885	3,603

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15 TRADE AND BILLS RECEIVABLES

	30 June 2024 RMB'000	31 December 2023 RMB'000
Trade receivables (<i>note (a)</i>)	61,226	66,459
Bills receivables (<i>note (b)</i>)	20,829	21,478
	82,055	87,937

- (a) The credit terms of trade receivables range from 30 days to 210 days and the aging analysis which is based on the invoice date of the trade receivables is as follows:

	30 June 2024 RMB'000	31 December 2023 RMB'000
0 to 3 months	53,915	62,680
4 to 6 months	8,152	4,611
Over 6 months	86	95
	62,153	67,386
Less: Loss allowance	(927)	(927)
	61,226	66,459

- (b) The maturity dates of bills receivables are normally within 6 months.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

16 PLEDGED BANK BALANCES AND CASH AND BANK BALANCES

	30 June 2024 RMB'000	31 December 2023 RMB'000
Cash and cash equivalents	62,029	89,554
Pledged bank balances	5,316	1,609
Total	67,345	91,163
	30 June 2024 RMB'000	31 December 2023 RMB'000
Denominated in:		
– RMB	61,477	80,099
– USD	5,607	10,688
– Hong Kong Dollars	261	376
	67,345	91,163

The conversion of Renminbi denominated balances into foreign currencies and the remittance of these funds out of the Mainland China is subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government.

17 SHARE CAPITAL

Registered, issued and fully paid

	Share capital	
	Number of shares at RMB0.10 each	Nominal value RMB'000
At 30 June 2024 and 31 December 2023	529,700,000	52,970

As at 30 June 2024 and 31 December 2023, the share capital of the Company comprised of 2.5 million Domestic Shares, 343.5 million promoter Foreign Shares and 183.7 million H shares. The H Shares rank pari passu with the Domestic Shares and promoter Foreign Shares in all aspects and rank equally for all dividends or distributions declared, paid or made except that all dividends in respect of H shares are to be paid by the Company in Hong Kong dollars and H shares may only be subscribed by legal or natural persons of Hong Kong, Macau, Taiwan or any country other than the PRC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

18 RESERVES

	Share premium RMB'000	Statutory common reserve RMB'000	Capital reserve RMB'000	Exchange reserve RMB'000	Special reserves RMB'000	Retained earnings RMB'000	Total RMB'000
At 1 January 2023	102,559	87,233	461	5	–	535,303	725,561
Profit for the period	–	–	–	–	–	4,157	4,157
Other comprehensive income – currency translation difference	–	–	–	3	–	–	3
Final dividend for the year ended 31 December 2022	–	–	–	–	–	(40,787)	(40,787)
At 30 June 2023	102,559	87,233	461	8	–	498,673	688,934

	Share premium RMB'000	Statutory common reserve RMB'000	Capital reserve RMB'000	Exchange reserve RMB'000	Special reserves RMB'000	Retained earnings RMB'000	Total RMB'000
At 1 January 2024	102,559	87,233	461	6	1,042	407,417	598,718
Loss for the period	–	–	–	–	–	(18,786)	(18,786)
Others	–	–	–	–	(402)	402	–
At 30 June 2024	102,559	87,233	461	6	640	389,033	579,932

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

19 BANK BORROWINGS

	30 June 2024			31 December 2023		
	Current RMB'000	Non-current RMB'000	Total RMB'000	Current RMB'000	Non-current RMB'000	Total RMB'000
Secured bank borrowings	75,190	244,304	319,494	54,650	250,410	305,060
Unsecured bank borrowings	213,235	–	213,235	187,553	–	187,553
	288,425	244,304	532,729	242,203	250,410	492,613

As at 30 June 2024, the Group's bank borrowings are repayable as follows:

	30 June 2024 RMB'000	31 December 2023 RMB'000
Within 1 year	288,425	242,203
Between 1 and 2 years	75,547	75,882
Between 2 and 5 years	168,757	174,528
	532,729	492,613

The secured bank borrowings are secured by the Group's land use rights at Dalian with a net book value of RMB70,468,000 as at 30 June 2024 (31 December 2023: RMB71,222,000) and guaranteed by the Company.

All the bank borrowings are denominated in RMB.

As at 30 June 2024, the effective interest rate of the secured bank borrowings was 4.3% (31 December 2023: 4.4%) and the effective interest rate of the unsecured bank borrowings was 3.2% (31 December 2023: 3.4%).

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

20 TRADE AND BILLS PAYABLES

	30 June 2024 RMB'000	31 December 2023 RMB'000
Trade payables	24,089	30,771
Bills payables	16,885	–
	40,974	30,771

(a) The ageing analysis of trade payables which is based on the invoice date is as follows:

	30 June 2024 RMB'000	31 December 2023 RMB'000
0 to 6 months	23,653	30,313
7 to 12 months	49	111
Over 12 months	387	347
	24,089	30,771

(b) The maturity dates of bills payables are normally within 6 months.

21 CONTINGENT LIABILITIES

As at 30 June 2024 and 31 December 2023, the Group did not have any material contingent liabilities.

22 COMMITMENTS

Capital commitment for property, plant and equipment of the Group are as follows:

	30 June 2024 RMB'000	31 December 2023 RMB'000
Contracted but not provided for	48,492	86,586

BUSINESS AND FINANCIAL REVIEW

BUSINESS REVIEW AND OUTLOOK

Results for the Half Year

The Group's sales revenue for the six months ended 30 June 2024 was approximately RMB313,802,000, which represented an increase of approximately 5.8% as compared with that of RMB296,608,000 in the corresponding period in last year; the net loss attributable to shareholders of the Company was approximately RMB18,786,000. The net profit attributable to shareholders of the Company during the corresponding period last year was approximately RMB4,157,000.

The main factors affecting the decline in the performance of the Group in the first half of 2024 are as follows: (1.) Due to the dual impact of intensifying competition in the product market and the cyclical downturn in the industry, the sales prices of the Group's main products showed a downward trend in the first half of this year; and (2.) The Dalian factory Phase II project commenced trial operation in the second quarter of 2024. Its production lines are still under adjustment to achieve the targeted output and costs. It is not profitable yet and has a negative impact on the Group's overall gross profit margin. The Board expects that after the adjustments, the production lines of the Dalian plant will reach the planned production volume and costs, and its operating conditions will gradually improve, eventually becoming the growth point of the Group.

Business Review

In the first half of 2024, the production and sales volume of the Group remained balanced. The production and sales volume of major products of Changzhou factory and Lianyungang factory increased compared with last year, but the gross profit margin level decreased compared with the corresponding period last year due to the impact of unit selling price. Benefit from the process improvements in Changzhou factory and Lianyungang factory and the adjustment of production and sales plans, the Group's overall production and sales volume of its major products increased compared with the corresponding period last year. Although the unit selling price dropped, the Group's turnover in the first half of the year still increased by 5.8%.

The Group continues to promote the improvement of safety and environmental protection in all factories, and integrates the culture of safe production and green environmental protection into each post and each work link, and carries out in-depth energy conservation and emission reduction work. In the first half of this year, the Group actively carried out the application work for national-level specialized and sophisticated enterprise (專精特新企業) and provincial-level green factories, to keep up with the new requirements on greenhouse gas emissions and product carbon footprint, etc. Combined with daily management, we continuously improve the factory management level and the working conditions of employees, and enhance the competitiveness of products.

BUSINESS AND FINANCIAL REVIEW

Research and Development

In the first half of 2024, the Group's research projects progressed steadily. Several self-developed and outsourced research and development projects were carried out as planned, including new product research and development and production process improvement of existing products.

The pharmaceutical business unit and the sales department focused on the promotion of pharmaceutical adjuvant and active pharmaceutical ingredients ("APIs"). These products are updates and upgrades to the Group's existing products and can effectively increase added value.

MAJOR PROJECTS

(1) Construction project of the Dalian factory

Changmao (Dalian) New Material Company Limited is the future focus of the Group. Changxingdao, Dalian City has a good investment environment where import and export are convenient and is one of the seven major petrochemical industrial bases in the PRC. Compared with Changzhou, it has the production advantage because the factory has a more complete product chain. The construction of the new base in Changxingdao, Dalian City aims to expand the production scale of maleic anhydride of the Group, and to produce new products to further enhance the Group's production advantages. At the same time, it accelerates the industrialisation process of the Group's research and development projects and promotes the upgrading of the existing product chain.

In the first half of 2024, trial production of the second phase of the Dalian factory (maleic anhydride derivatives) has begun. The current production work is progressing smoothly, the product quality is excellent, and the market is being actively developed.

(2) Transformation and upgrading of the Changzhou factory

In the first half of 2024, the Changzhou factory increased the output of its main products through technical transformation to meet sales demand. Also, as one of the major enterprises in the biological field in Changzhou, the Group actively responds to the national requirements for the development of new productivity, applies enzyme catalysis and other technologies to develop new products, and develops the synthetic biology industry. Changzhou factory will also continue to promote the upgrading and transformation of smart and green factory, which will not only further improve production efficiency, but also enable the factory to operate better. Through this experience, it will be a role model for the transformation of other factories in the future.

BUSINESS AND FINANCIAL REVIEW

OUTLOOK AND PROSPECTS

In the future, the Group will adhere to the technology innovation for its development and promote its work according to customer needs. The Group will always focus on economic benefits and rely on the supporting advantages of the product chain to maintain its leading position in the industry. The Group will continue to reduce costs and increase efficiency and expand the scale effect, continuously to improve product quality and service, and firmly establish the image of Changmao brand, and will focus on the following aspects:

(1) Accelerating the transformation and upgrading to promote the business development of new production plant

The Group will fully support the development of the Dalian factory. The Dalian factory has a good foundation with new equipment and can produce in large scale. It conforms with policy trends, and is supported by the local government. The Dalian factory has put into production the second phase of products. The trial production is in good condition, with excellent product quality and strong competitiveness. In the future, it will be the main production base of the Group's chemical products, which combines the advantages of existing product chain and the industrialisation process of scientific research results. It will expand its product range to new materials, APIs and new feed additives, etc. to create new economic benefits for the Group.

(2) Accelerating technology innovation and promoting product upgrade

The Group insists that technological innovation is the driving force for long-term development of an enterprise. The Group always maintains a continuous increase in investment in research and development. In the future, the Group will actively integrate existing resources and the research and development team, increase investment, attract talents, focus on tackling key problems, continue to improve the competitiveness of existing products and by relying on technological advancement and speeding up the research and development, it will cultivate new products which are safe, environmentally friendly and with strong competitiveness. Moreover, it will optimise its product structure, promote the upgrading and extension of existing product chains, and to seek new profit source.

BUSINESS AND FINANCIAL REVIEW

(3) Enhancing safety and environmental protection standards and strengthening risk control

With the laws and regulations related to safety and environmental protection have becoming stricter, the elimination process of small and medium-sized enterprises that failed to meet those standards has been accelerated, leaving the industry to further concentrate on strong enterprises that complied with the relevant requirements. The Group has strictly complied with various safety and environmental regulations and transformed it into a competitive advantage. In terms of safety, the Group will continue to strengthen safety controls to reduce risks, improve the safety of the production environment, reduce and eliminate safety accidents. In terms of environmental protection, the Group will continue to promote clean production and implement pollution prevention to fulfill its social responsibility. The Group endeavors to become an environment-friendly enterprise which saves energy, be carbon neutral, and reduces emissions of wastes, and be a resource-saving and environment-friendly enterprise to pave the way for the Group's sustainable development.

(4) Focusing on market expansion and develop markets of high-end customers

The Group's sales team is customer-oriented and is dedicated to explore and develop superior customers and end-users. By meeting customer needs through the improvement of product quality and service, enhancing the reputation and adding value to the Changmao brand, the overall competitive advantages are enhanced. In addition, the Group will also focus on the development of the international market, and enhance the international reputation and influence of Changmao through collaboration with new international customers in new products and technologies.

There will be opportunities and challenges in the future. The Group will continue the production of food additives as its core business, increase the competitiveness of its existing products, accelerate the launch of new products at the same time and actively explore new markets and new application areas. The Group will capitalise its research and production strengths, develop new functional food additives, new materials and APIs, etc. and extend its production chains, to become bigger and stronger to achieve better results.

BUSINESS AND FINANCIAL REVIEW

REVIEW OF FINANCIAL STATEMENTS

The audit committee has reviewed the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2024 in conjunction with the Directors.

DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2024.

SEGMENTAL INFORMATION

Part of the Group's products are exported to Asia Pacific, Europe and America. In terms of percentage, export sales (excluding sales through import-export agents in the PRC) accounted for approximately 29% (for the six months ended 30 June 2023: 26%) of the Group's revenue while domestic sales in the PRC accounted for approximately 71% (for the six months ended 30 June 2023: 74%) of the Group's revenue for the six months ended 30 June 2024.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Group mainly operates in the PRC. Substantially all of its assets, liabilities and capital expenditure were located or incurred in Mainland China. Sales are made to customers in the PRC as well as overseas customers while purchases are mainly from suppliers in the PRC. The Group is therefore exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD. Management periodically monitors foreign currency exposures and considers hedging significant foreign currency exposure should the need arises. During the period, the Group used certain forward contracts to hedge its foreign currency exposure in USD.

BUSINESS AND FINANCIAL REVIEW

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2024, the Group had total outstanding bank borrowings of RMB532,729,000 (31 December 2023: RMB492,613,000), details of which are set out in Note 19 to the condensed consolidated interim financial statements.

Except for the bank borrowings disclosed above, as at 30 June 2024 and 31 December 2023, the Group did not have any committed borrowing facilities. The Group generally finances its operations with equity fundings and bank borrowings. Excess cash held by the Group is generally placed at banks to earn interest income or invest in wealth management products with banks of low risks.

As at 30 June 2024, the Group had capital commitments for property, plant and equipment amounting to approximately RMB48,492,000 (31 December 2023: RMB86,586,000). These capital commitments are mainly used for the construction of the new production plant in Dalian City and the modification of production lines. The Group intends to finance the capital commitment by cash flows generated from the Group's operations and/or bank financings.

Save for that disclosed in Note 19 to the condensed consolidated interim financial statements, the Group did not have any charge on its assets as at 30 June 2024. The liabilities-to-assets ratio (calculated based on total liabilities divided by total assets) was 50.1% and 47.6% as at 30 June 2024 and 31 December 2023 respectively. As at 30 June 2024, the Group's cash and cash equivalents amounted to approximately RMB62,029,000 (31 December 2023: RMB89,554,000).

BUSINESS AND FINANCIAL REVIEW

EMPLOYEES

Including the Directors and Supervisors, as at 30 June 2024, the Group had a total of 647 staff (30 June 2023: 574). Total amount of staff costs for the six months ended 30 June 2024 was approximately RMB42,389,000 (for the six months ended 30 June 2023: RMB36,502,000). The increase in staff cost was mainly due to the increase in number of staff and salary increment. Employees are remunerated in accordance with the nature of the job and also on individual merit. The Company has formulated a staff incentive scheme under which for each of the year ending 31 December 2025, so long as the audited profits (or, where applicable, combined or consolidated profits) attributable to the shareholders (after taxation and non-controlling interest (if any) but before payment of the bonuses referred to below) amount to not less than RMB40 million (the "Target Profit"):

- (a) a sum equivalent to 5% of the amount in excess of the Target Profit will be payable to Mr. Rui Xin Sheng (the Chairman) as a bonus for the relevant year;
- (b) a sum equivalent to 5% of the amount in excess of the Target Profit will be payable to the general manager and all the Directors (other than Mr. Rui Xin Sheng and the independent non-executive Directors) for the time being of the Company as a bonus for the relevant year; and
- (c) a sum equivalent to 5% of the amount in excess of the Target Profit will be payable as bonus to all the employees (including supervisors, but excluding the Directors and the independent supervisors) of the Company and its subsidiaries (if any) from time to time, the basis of apportionment of which will be determined by the Board at its discretion.

There was no profit-based incentive bonus for the 6 months ended 30 June 2024 and 2023.

BUSINESS AND FINANCIAL REVIEW

SIGNIFICANT INVESTMENTS

There are no significant investments held by the Group as at 30 June 2024 and 31 December 2023.

The Group is constructing a new plant in Dalian City. Details of capital commitments are set out in Note 22 to the condensed consolidated interim financial statements. Save for that, the Group has no plans for material investments or capital assets.

CHANGES IN THE COMPOSITION OF THE GROUP DURING THE PERIOD

There was no material acquisitions and disposals of subsidiaries and affiliated companies by the Group during the six months ended 30 June 2024.

CONTINGENT LIABILITIES

As at 30 June 2024 and 31 December 2023, the Group did not have any material contingent liabilities.

DISCLOSURE OF INTERESTS

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS, SUPERVISORS OR CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATIONS

As at 30 June 2024, the interests (including interests in shares and short positions) of the Directors, the Supervisors or chief executives of the Company in the shares, underlying shares and debentures of the Company or any specified undertaking of the Company or any other associated corporations (within the meaning of Part XV of the SFO), which were notified to the Company and the Stock Exchange pursuant to: (a) Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them is taken or deemed to have taken under such provisions of the SFO); or (b) Section 352 of the SFO to be entered in the register referred to in that section; or (c) Appendix C3 of the Listing Rules relating to securities transactions by Directors; or (d) the Hong Kong Companies Ordinance (Cap. 622), to be notified to the Company and the Stock Exchange, were as follows:

Long positions in shares:

	Capacity	Number of Domestic Shares	Approximate percentage shareholding in the Domestic Shares (Note (h))	Number of Foreign Shares	Approximate percentage shareholding in the Foreign Shares (Note (i))	Number of H Shares	Approximate percentage shareholding in the H Shares (Note (j))
<i>Director</i>							
Mr. Rui Xin Sheng ("Mr. Rui")	Beneficial owner, interest of spouse and interest of controlled corporation (Note (a))	2,500,000	100%	135,000,000	39.30%	12,236,000	6.66%
Ms. Leng Yi Xin ("Ms. Leng")	Beneficial owner, interest of spouse and interest of controlled corporation (Note (b))	2,500,000	100%	135,000,000	39.30%	12,236,000	6.66%
Mr. Pan Chun	(Note (c))	-	-	(Note (c))	(Note (c))	-	-
Mr. Zeng Xian Biao	(Note (d))	-	-	(Note (d))	(Note (d))	-	-
Mr. Yu Xiao Ping	Interest of spouse and interest of controlled corporation (Note (e))	-	-	66,000,000	19.21%	2,620,000	1.43%
<i>Supervisor</i>							
Ms. Zhou Rui Juan	(Note (f))	-	-	(Note (f))	(Note (f))	-	-
Mr. Zhang Jun Peng	(Note (g))	-	-	(Note (g))	(Note (g))	-	-

DISCLOSURE OF INTERESTS

Notes:

- (a) Mr. Rui is the registered holder and beneficial owner of 96,500 Class “A” shares in HK Xinsheng, which is the registered holder and beneficial owner of 135,000,000 Foreign Shares. The issued share capital in HK Xinsheng comprises 170,000 Class “A” shares and 100,000 Class “B” shares. Mr. Rui is also the registered holder and beneficial owner of 70% of the registered capital of Changzhou Xinsheng, which is the registered holder and beneficial owner of 2,500,000 Domestic Shares. Mr. Rui is the beneficial owner of 12,184,000 H Shares and Ms. Leng, a Director and spouse of Mr. Rui, is the beneficial owner of 52,000 H Shares. Ms. Leng is also interested in HK Xinsheng and Changzhou Xinsheng, details of which are set out in Note (b) below.
- (b) Ms. Leng is the registered holder and beneficial owner of 73,500 Class “A” shares and 53,000 Class “B” shares in HK Xinsheng, which is the registered holder and beneficial owner of 135,000,000 Foreign Shares. The issued share capital in HK Xinsheng comprises 170,000 Class “A” shares and 100,000 Class “B” shares. Ms. Leng is also the registered holder and beneficial owner of 30% of the registered capital of Changzhou Xinsheng, which is the registered holder and beneficial owner of 2,500,000 Domestic Shares. Ms. Leng is the beneficial owner of 52,000 H Share and Mr. Rui (a Director and spouse of Ms. Leng) is the beneficial owner of 12,184,000 H Shares. Mr. Rui is also interested in HK Xinsheng and Changzhou Xinsheng, details of which are set out in Note (a) above.
- (c) Mr. Pan Chun is the registered holder and beneficial owner of 2,000 Class “B” shares in HK Xinsheng, which is the registered holder and beneficial owner of 135,000,000 Foreign Shares. The issued share capital in HK Xinsheng comprises 170,000 Class “A” shares and 100,000 Class “B” shares. He is also the registered holder and beneficial owner of 200,000 shares in HK Bio, which is the registered holder and beneficial owner of 67,500,000 Foreign Shares. The total number of issued shares in HK Bio is 6,750,000 shares.
- (d) Mr. Zeng Xian Biao is the registered holder and beneficial owner of 380,000 shares in HK Bio, which is the registered holder and beneficial owner of 67,500,000 Foreign Shares. The total number of issued shares in HK Bio is 6,750,000 shares. He is also the registered holder and beneficial owner of 2,000 Class “B” shares in HK Xinsheng, which is the registered holder and beneficial owner of 135,000,000 Foreign Shares. The issued share capital in HK Xinsheng comprises 170,000 Class “A” shares and 100,000 Class “B” shares.
- (e) Mr. Yu Xiao Ping and his spouse (who is not a Director) taken together are interested in the entire issued capital of Jomo Limited which is the registered holder and beneficial owner of 66,000,000 Foreign Shares. Mr. Yu Xiao Ping’s spouse, Ms. Lam Mau, is also the beneficial owner of 2,620,000 H shares.
- (f) Ms. Zhou Rui Juan is the registered holder and beneficial owner of 220,000 shares in HK Bio, which is the registered holder and beneficial owner of 67,500,000 Foreign Shares. The total number of issued shares in HK Bio is 6,750,000 shares.

DISCLOSURE OF INTERESTS

- (g) Mr. Zhang Jun Peng is the registered holder and beneficial owner of 800 Class “B” shares in HK Xinsheng, which is the registered holder and beneficial owner of 135,000,000 Foreign Shares. The issued share capital in HK Xinsheng comprises 170,000 Class “A” shares and 100,000 Class “B” shares. He is also the registered holder and beneficial owner of 120,000 shares in HK Bio, which is the registered holder and beneficial owner of 67,500,000 Foreign Shares. The total number of issued shares in HK Bio is 6,750,000 shares.
- (h) The percentage is calculated based on the 2,500,000 Domestic Shares in issue as at 30 June 2024.
- (i) The percentage is calculated based on the 343,500,000 Foreign Shares in issue as at 30 June 2024.
- (j) The percentage is calculated based on the 183,700,000 H Shares in issue at 30 June 2024.

Save as disclosed above, as at 30 June 2024, none of the Directors, Supervisors or chief executives of the Company have interests in the shares, underlying shares and debentures of the Company or any specified undertaking of the Company or any other associated corporations (within the meaning of Part XV of the SFO) (including interests in shares and short positions) which were required to notify the Company and the Stock Exchange pursuant to: (a) Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them is taken or deemed to have taken under such provisions of the SFO); or (b) Section 352 of the SFO to be entered in the register referred to in that section; or (c) Appendix C3 of the Listing Rules relating to securities transactions by Directors; or (d) the Hong Kong Companies Ordinance (Cap. 622), to be notified to the Company and the Stock Exchange.

DISCLOSURE OF INTERESTS

PERSONS WHO HAVE AN INTEREST OR SHORT POSITION WHICH IS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO AND SUBSTANTIAL SHAREHOLDERS

So far as known to the Directors, as at 30 June 2024, the followings, not being a Director, Supervisor or chief executive of the Company, had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were substantial shareholders as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in shares:

Name of Shareholder	Capacity	Number of Foreign Shares	Approximate percentage shareholding in the Foreign Shares (Note (e))	Number of H Shares	Approximate percentage shareholding in the H Shares (Note (f))
Hong Kong Xinsheng Pioneer Investment Company Limited	Beneficial owner	135,000,000	39.30%	–	–
Hong Kong Bio-chemical Advanced Technology Investment Company Limited	Beneficial owner	67,500,000	19.65%	–	–
Jomo Limited	Beneficial owner	66,000,000	19.21%	–	–
Ms. Lam Mau	Interest of spouse, interest of controlled corporation and beneficial owner	66,000,000 (Note (a))	19.21%	2,620,000 (Note (a))	1.43%
Kehai Venture Capital (Hong Kong) Limited	Beneficial owner	62,500,000	18.20%	–	–
上海科技創業投資股份有限公司 (Shanghai S&T Investment Company Limited*, formerly 上海科技投資股份有限公司)	Interest of controlled corporation	62,500,000 (Note (b))	18.20%	–	–

DISCLOSURE OF INTERESTS

Name of Shareholder	Capacity	Number of Foreign Shares	Approximate percentage shareholding in the Foreign Shares (Note (e))	Number of H Shares	Approximate percentage shareholding in the H Shares (Note (f))
上海科技創業投資有限公司 (Shanghai Technology Entrepreneur Investment Company*, formerly 上海科技投資公司)	Interest of controlled corporation	62,500,000 (Note (c))	18.20%	-	-
上海科技創業投資(集團)有限公司 (Shanghai S&T Venture Capital (Group) Co., Ltd*)	Interest of controlled corporation	62,500,000 (Note (d))	18.20%	-	-

Notes:

- (a) Ms. Lam Mau and her spouse, Mr. Yu Xiao Ping (who is a Director) taken together are interested in the entire issued capital of Jomo Limited which is the registered holder and beneficial owner of 66,000,000 Foreign Shares. Ms. Lam Mau is also the beneficial owner of 2,620,000 H shares.
- (b) Shanghai S&T Investment Company Limited is the beneficial owner of 100% of the issued share capital of Kehai Venture Capital (Hong Kong) Limited, which is the registered holder and beneficial owner of 62,500,000 Foreign Shares.
- (c) Shanghai Technology Entrepreneur Investment Company is the beneficial owner of 62.3% of the issued share capital of Shanghai S&T Investment Company Limited, which is the beneficial owner of 100% of the issued share capital of Kehai Venture Capital (Hong Kong) Limited. Kehai Venture Capital (Hong Kong) Limited is the registered holder and beneficial owner of 62,500,000 Foreign Shares.
- (d) Shanghai S&T Venture Capital (Group) Co., Ltd. is the beneficial owner of 100% of the issued capital of Shanghai Technology Entrepreneur Investment Company. Shanghai Technology Entrepreneur Investment Company is the beneficial owner of 62.3% of the issued capital of Shanghai S&T Investment Company Limited, which is the beneficial owner of 100% of the issued share capital of Kehai Venture Capital (Hong Kong) Limited. Kehai Venture Capital (Hong Kong) Limited is the registered holder and beneficial owner of 62,500,000 Foreign Shares.
- (e) The percentage is calculated based on the 343,500,000 Foreign Shares in issue at 30 June 2024.
- (f) The percentage is calculated based on the 183,700,000 H Shares in issue at 30 June 2024.

DISCLOSURE OF INTERESTS

Save as disclosed above, as at 30 June 2024, the Directors are not aware of any person, not being a Director, Supervisor or chief executive of the Company, had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were substantial shareholders as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S RIGHT TO ACQUIRE SHARES OR DEBT SECURITIES

At no time during the period was the Company, of its subsidiaries or its other associated corporation a party to any arrangement (including share option scheme) to enable the Directors, Supervisors and chief executives of the Company or any of their spouses or children under eighteen years of age to hold any interests or short position in the shares or underlying shares in or debentures of the Company or its specific undertaking or other associated corporation.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the six months ended 30 June 2024.

SHARE CAPITAL STRUCTURE

As at 30 June 2024, the category of the issued shares of the Company is as follows:

	No. of Shares
H shares (<i>Note (a)</i>)	183,700,000
Domestic Shares (<i>Note (b)</i>)	2,500,000
Foreign Shares (<i>Note (c)</i>)	343,500,000
	<hr/>
	529,700,000

Notes:

- (a) Overseas listed foreign shares in the capital of the Company, with a RMB-denominated par value of RMB0.10 each, which were credited as fully paid up in a currency other than RMB and are traded in Hong Kong dollars and listed on the Main Board of the Stock Exchange.
- (b) Ordinary shares in the capital of the Company, with a RMB-denominated par value of RMB0.10 each, which were credited as fully paid up in RMB and issued to the promoters of the Company.
- (c) Ordinary shares in the capital of the Company, with a RMB-denominated par value of RMB0.10 each, which were credited as fully paid up in a currency other than RMB and issued to the promoters of the Company.

The H Shares of the Company were listed on the GEM on 28 June 2002. The listing of the H Shares of the Company was subsequently transferred from GEM to the Main Board of the Stock Exchange on 28 June 2013.

OTHER INFORMATION

Although the 到境外上市公司章程必備條款 (the Mandatory Provisions of the Articles of Association of Companies Seeking a Listing Outside the PRC) promulgated on 27 August 1994 by the Securities Commission of the State Council of the PRC and the State Commission for Restructuring the Economic System of the PRC provide for the definitions of “domestic shares”, “foreign shares” and “overseas listed foreign shares” (which definitions have been adopted in the Articles of Association of the Company), the rights attached to Foreign Shares (which are subject to certain restrictions on transfer and may become H Shares upon obtaining the requisite approvals from, among other bodies, the China Securities Regulatory Commission and the Stock Exchange) have not yet been expressly dealt with under the existing PRC laws or regulations. However, the creation by the Company and the subsistence of the Foreign Shares do not contravene any PRC laws or regulations.

At present, there are no applicable PRC laws and regulations governing the rights attached to the Foreign Shares. Jingtian & Gongcheng, the legal adviser to the Company as to PRC Law, have advised the Company that until new laws or regulations are introduced in this respect, holders of Foreign Shares shall have the same rights and obligations as those of the holders of Domestic Shares (in particular, in respect of the right to attend and vote in the general meetings and class meetings and to receive notice of such meetings in the same manner applicable to holders of Domestic Shares), except that holders of Foreign Shares shall enjoy the following rights:

- (a) to receive dividends declared by the Company in foreign currencies;
- (b) in the event of the winding up of the Company, to participate in the distribution of surplus assets (if any) of the Company in foreign currencies and transfer such assets out of PRC, subject however to the applicable foreign exchange control regulations;
- (c) disputes between holders of Domestic Shares and Foreign Shares may upon agreement between them may be resolved by way of arbitration and in case no such agreement is reached, any of the disputing parties could submit the dispute to the courts with competent jurisdiction for determination. These methods of dispute resolution apply equally to disputes between holders of Foreign Shares and overseas listed foreign shares; and
- (d) upon all necessary approvals from the relevant regulatory authorities in the PRC and the Stock Exchange being obtained, the Foreign Shares may be converted into overseas listed foreign shares and shall thereafter carry the same rights and obligations attaching to overseas listed foreign shares.

OTHER INFORMATION

COMPLIANCE WITH CODE PROVISIONS OF THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions as set out in part 2 of Appendix C1 to the Listing Rules during the six months ended 30 June 2024.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by Directors.

The Company had also made specific enquiry of all Directors in relation to the compliance of the Model Code. The Company was not aware of any non-compliance with the Model Code for the six months ended 30 June 2024.

By order of the Board

Rui Xin Sheng

Chairman

The PRC, 16 August 2024

As at the date hereof, Mr. Rui Xin Sheng (Chairman) and Mr. Pan Chun are the executive Directors, Mr. Zeng Xian Biao, Mr. Yu Xiao Ping, Mr. Wang Jian Ping and Ms. Leng Yi Xin are the non-executive Directors, Mr. Zhou Zhi Wei, Mr. Shu Rong Xin and Ms. Cheng Mun Wah are the independent non-executive Directors.

GLOSSARY

2023 Financial Statements	The Group's annual financial statements for the year ended 31 December 2023
Board	Board of Directors of the Company
Changmao or the Company	Changmao Biochemical Engineering Company Limited
Changzhou Xinsheng	常州新生生化科技開發有限公司 (Changzhou Xinsheng Biochemical Technology Development Company Limited*)
CIT	Corporate Income Tax
Director(s)	Director(s) of the Company
Domestic Shares	Domestic shares of the Company
Foreign Shares	Foreign shares of the Company
GEM	GEM of the Stock Exchange
Group	The Company and its subsidiaries
H Shares	H shares of the Company
HK Bio	Hong Kong Bio-chemical Advanced Technology Investment Company Limited
HK Xinsheng	Hong Kong Xinsheng Pioneer Investment Company Limited
Lianyungang Changmao	Changmao Biochemical Lianyungang Company Limited, a subsidiary of the Company
Listing Rules	Rules Governing the Listing of Securities on the Stock Exchange
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
New HKFRSs	New standards, amendments and interpretations of Hong Kong Financial Reporting Standards
PRC	The People's Republic of China

GLOSSARY

RMB	Renminbi
SFO	Securities and Futures Ordinance
Stock Exchange	The Stock Exchange of Hong Kong Limited
Supervisor(s)	Supervisor(s) of the Company
USD	United States Dollars

* *For identification purpose only*