

COMPANY PROFILE

Shenguan is principally engaged in the manufacture and sale of edible collagen sausage casing products, pharmaceutical products, food products, skin care and health care products and bioactive collagen products.

EDIBLE COLLAGEN SAUSAGE CASING PRODUCTS

One of the Group's principal businesses is the manufacture and sale of edible collagen sausage casings, most of which are used for the production of western sausages. Product innovation and diversification by sausage manufacturers continued to create demand for sausage casings of different sizes and fillings.

In order to keep pace with the new trend of the domestic meat product industry, the Group launched new products that can be applied to more types of sausages fillings to cater for the market. The Group has made more efforts in the development of imitated natural sausage casings and adopted new processes and new methods. The new products have completed mass production and market promotion and have gained recognition from customers, and they will replace pig sausage casings and become a new growth point in the market. At the same time, the Group also made tremendous efforts in enhancing internal management, increasing the standard of automation, streamlining production processes and improving efficiency.

FOOD PRODUCTS AND SKIN CARE PRODUCTS

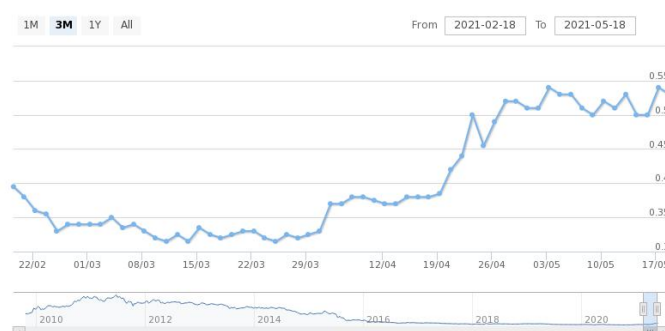
For collagen food products, the collagen rice noodles, collagen drinks and bovine collagen developed by the Group have achieved initial market launch and promotion. The newly added product, beef tendon, had entered its trial marketing stage and gained recognition from consumers.

For collagen skincare products, the Group changed its marketing method according to market development trend and adopted an online-oriented marketing measures supplemented by offline marketing to promote the sales of collagen masks, collagen extracts and collagen superior, and gradually gained consumer recognition. At the same time, the Group accelerated the development and market promotion of skin soap series products and natural liquid soap products.

COLLAGEN MEDICAL DEVICES

For collagen medical devices, Guangdong Victory Biotech Co., Ltd. ("Guangdong Victory") has filed to the Guangdong provincial authorities regarding the corporate standards on six products including Fibrous Type I Collagen (Q/SCSW2-2017), Medical Soluble Type I Collagen (Q/SCSW3-2017) and Collagen Wound Dressing (Q/SCSW4-2017), and these products have obtained the dual certification of ISO13485 and ISO22442 from the European Union and are launched for sale on the market. During the Year, the Group obtained the production permits for 2 Type I medical device products, including "band-aids" (hydrogel dressing) and "liquid dressing" .

SHARE CHART



STOCK FUNDAMENTALS

ISIN	KYG8116M1087
Share Type	Ordinary
Bloomberg Code	829:HK
Ticker	829
Industry sector	Packaged Foods
Last Dividend	HKD 0.02
No. of shares	3,230,480,000
Market Cap	HK1.712B
52 week high	0.5800
52 week low	0.2170
Stock exchanges	Hong Kong Stock Exchange

The highly reactive collagen-based bone repairing biomaterials (artificial bone) (高活性膠原基骨修復生物材料(人工骨)) had completed its technical indicators testing and clinical trial preliminary works were in progress. Wuzhou Victory Biotech Co., Ltd. ("Wuzhou Victory") has passed the first round of EU ISO13485 certification, and will obtain the certificate after review.

HEALTH CARE PRODUCTS

For healthcare products, the 16 new products developed by Ferguson (Wuhan) Biotech Co., Ltd. ("Ferguson Wuhan"), in which the Group has holding shares, including DHA soft capsules, methyl tetrahydrofolic acid tablets (amino sugar salt), glucosamine tablets, vitamin AD soft capsules, vitamin AE soft capsules are going through registration material declaration and technical review. The market channel building of Ferguson (Wuhan) has achieved preliminary results.

KEY FIGURES

(RMB million, except where otherwise stated)	2020	2019
Revenue	961.6	997.5
Profit attributable to Owners of the Company	90.8	75.4
Basic Earnings Per Share (RMB cents)	2.8	2.3
Dividend Per Share (HK cents)		
– Final	2	2
– Special (Final)	4	4
Cash Inflow from Operation	443.1	321.1
Total Assets	3,130.2	3,083.5
Inventory Turnover Day – Raw Materials (days)*	38	28.7
Inventory Turnover Day – FG & WIP (days)*	197.3	228.7
Trade Receivables Turnover Day (days)*	84.2	93.6
Trade Payables Turnover Day (days)*	118.5	87.6

* Calculated based on the average value between the beginning of the year and the end of the year

	2020 For the six months ended 30 June	2019 For the six months ended 30 June
Revenue (RMB million)	364.1	386.8
Profit Attributable to Owners of the Company (RMB million)	27.1	31.4
Basic Earnings Per Share (RMB cents)	0.84	0.97
Interim Dividend Per Share (HK cents)	-	-
Cash Inflow from Operating Activities (RMB million)	109.3	104.7

	1H 2020	1H 2019
Total Assets (RMB million)	3,089.2	3,012.3
Inventory Turnover Day – Raw Materials (days)	48.4	34.7
Inventory Turnover Day – FG & WIP (days)	296.9	357.0
Trade Receivables Turnover Day (days)	110.8	99.7
Trade Payables Turnover Day (days)	96.7	68.5

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