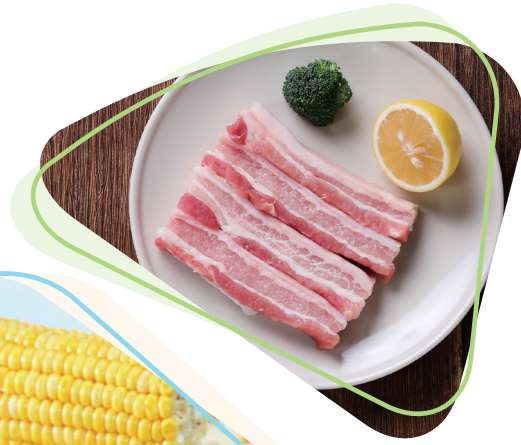




中糧
COFCO



2019

中期報告
INTERIM REPORT



中糧肉食控股有限公司
COFCO Meat Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 01610

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CORPORATE INFORMATION

公司資料

DIRECTORS

Chairman of the Board and Executive Director

Mr. Jiang Guojin

Executive Director

Mr. Xu Jianong

Non-executive Directors

Ms. Yang Hong

Mr. Wolhardt Julian Juul

Dr. Cui Guiyong

Mr. Zhou Qi

Mr. Zhang Lei

Dr. Huang Juhui

Independent Non-executive Directors

Mr. Fu Tingmei

Mr. Li Michael Hankin

Mr. Lee Ted Tak Tai

Dr. Ju Jiandong

AUDIT COMMITTEE

Mr. Lee Ted Tak Tai (Chairman)

Mr. Fu Tingmei

Dr. Cui Guiyong

Mr. Li Michael Hankin

NOMINATION COMMITTEE

Mr. Jiang Guojin (Chairman)

Mr. Fu Tingmei

Dr. Ju Jiandong

REMUNERATION COMMITTEE

Mr. Li Michael Hankin (Chairman)

Mr. Lee Ted Tak Tai

Mr. Jiang Guojin

FOOD SAFETY COMMITTEE

Mr. Xu Jianong (Chairman)

Dr. Huang Juhui

Ms. Yang Hong

JOINT COMPANY SECRETARIES

Dr. Zhang Nan

Ms. Chau Hing Ling

AUDITOR

Deloitte Touche Tohmatsu

董事

董事會主席兼執行董事

江國金先生

執行董事

徐稼農先生

非執行董事

楊紅女士

Wolhardt Julian Juul先生

崔桂勇博士

周奇先生

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獨立非執行董事

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鞠建東博士

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傅廷美先生

崔桂勇博士

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鞠建東博士

薪酬委員會

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張楠博士

周慶齡女士

核數師

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CORPORATE INFORMATION

公司資料

LEGAL ADVISERS

Clifford Chance (*as to Hong Kong law*)

PRINCIPAL BANKS

Agricultural Bank of China Ltd.
Bank of Communications Beijing Branch
Industrial and Commercial Bank of China Ltd.

AUTHORISED REPRESENTATIVES

Mr. Xu Jianong
Ms. Chau Hing Ling

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COMPANY WEBSITE

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法律顧問

高偉紳律師行 (有關香港法律)

主要往來銀行

中國農業銀行股份有限公司
交通銀行北京分行
中國工商銀行股份有限公司

授權代表

徐稼農先生
周慶齡女士

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公司網站

<http://www.cofcomeat.com>

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

COMPANY PROFILE

Company Introduction

The Company is a meat business platform under COFCO and was listed on the main board of The Stock Exchange of Hong Kong Limited on November 1, 2016 (stock code: 1610).

The main businesses of the Company include feed production, hog production, slaughtering and cutting, production, distribution and sale of fresh pork and processed meat products, import and distribution of meat products (including pork, beef, poultry and mutton). As a leading meat enterprise with operations covering the integrated value chain in China, the Company seized the opportunity of industrial transformation and upgrading and formed a strategic layout throughout the country, so that the scale of hog production and fresh pork business has been rapidly growing. We adhere to the operation principle of “leading the safety standards in the industry and assuring meat safety for citizens” through providing consumers with high-quality meat products. “Joycome” chilled pork and “Maverick” low-temperature meat products continue to rise in popularity in major first-tier cities.

Business Segments Introduction

Hog Production

Hog production segment includes businesses such as feed production, hog breeding and hog farming. The Company has established modern hog production bases and in-house feed mills in provinces and cities including Jilin, Inner Mongolia, Tianjin, Hebei, Henan, Jiangsu and Hubei and planned to further expand its hog production capacity.

Fresh Pork

Fresh pork segment includes hog slaughtering and cutting, distribution and sale of fresh pork, and the main products are chilled pork. The Company owns two modern slaughtering and processing bases in Jiangsu and Hubei, and is building a new slaughtering and processing base in Hubei. The Company vigorously develops branded business, the “Joycome” brand covers the pork consumption market in major cities and areas such as Shanghai and the Yangtze River Delta, Beijing and Wuhan.

公司概況

公司簡介

本公司為中糧旗下的肉類業務平台，並於二零一六年十一月一日在香港聯合交易所有限公司主板上市（股票代號：1610）。

本公司主要業務包括：飼料生產、生豬養殖及屠宰分割、生鮮豬肉及肉製品生產、經銷與銷售，及肉類產品（包括豬肉、牛肉、禽肉及羊肉）進口分銷。作為中國領先的全產業鏈肉類企業，本公司把握行業轉型升級的機遇，在全國形成戰略性佈局，使生豬養殖和生鮮豬肉規模增長迅速；我們秉持「引領行業安全標準、保障國民肉食安全」的經營理念，向消費者提供高品質肉類產品，「家佳康」冷鮮豬肉、「萬威客」低溫肉製品在主要一線城市知名度不斷上升。

分部業務簡介

生豬養殖

生豬養殖分部包括飼料生產、種豬繁育及生豬飼養業務。本公司在吉林、內蒙、天津、河北、河南、江蘇、湖北等省市建有現代化生豬養殖基地及配套飼料廠，計劃進一步擴張生豬養殖產能。

生鮮豬肉

生鮮豬肉分部包括生豬屠宰分割、生鮮豬肉的經銷及銷售，產品主要為冷鮮豬肉。本公司在江蘇、湖北擁有兩座現代化屠宰加工基地，並在湖北建設新的屠宰加工基地。公司大力開展品牌化運作，通過「家佳康」品牌覆蓋上海及長三角、北京、武漢等主要城市及地區的豬肉消費市場。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Processed Meat Products

The processed meat products segment includes the production, distribution and sale of various types of processed meat products (mainly western-style low-temperature processed meat products). The Company owns three modern processed meat product processing bases in Jiangsu, Hubei and Guangdong. Our two brands, namely “Maverick” and “Joycome”, cover the processed meat products consumption market in major domestic first-tier cities.

Meat Import

Meat import segment includes import of meat products (including pork, beef, poultry and mutton) and by-products and distribution in the PRC. The Company combines imported raw materials with domestic processing capacity and key account service, and provides high value-added products to well-known domestic food processors, large chain catering enterprises, etc.

BUSINESS REVIEW

Market overview

With the intensive and complicated situation that African swine fever prevention and control have faced, the upgrading of meat industry is imperative

According to the report from the Ministry of Agriculture and Rural Affairs, a total of 143 cases of African swine fever in 32 provinces and regions in the country were reported with 1,160 thousand hogs culled as of July 3, 2019. Currently, the epidemic has polluted a sizable portion of the country and due to incoming and spreading channels of epidemic, while the research on countermeasure vaccine is still at its infancy, the containment of African swine fever is expected to be a long campaign.

肉製品

肉製品分部包括各類肉製品（主要為西式低溫肉製品）的生產、經銷及銷售。本公司在江蘇、湖北、廣東擁有三座現代化肉製品加工基地，通過「萬威客」、「家佳康」兩大品牌覆蓋國內主要一線城市的肉製品消費市場。

肉類進口

肉類進口分部包括進口肉類產品（包括豬肉、牛肉、禽肉及羊肉）及副產品，並於國內分銷。本公司將進口原料與國內加工產能、大客戶服務相結合，向國內知名食品加工商、大型連鎖餐飲企業等提供高附加值產品。

業務回顧

市場概覽

非洲豬瘟防控形勢依然複雜嚴峻，肉類行業轉型升級勢在必行

據農業農村部通報，自非洲豬瘟傳入我國以來，截至二零一九年七月三日，全國32個省區共發生非洲豬瘟疫情143起，撲殺生豬1,160千頭。目前，非洲豬瘟病毒已在全國形成一定污染面，由於疫情傳入和傳播渠道多，加之疫苗研發仍處於起步階段，非洲豬瘟防控將是一場持久戰。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

At present, large-scale hog farms with annual production of over 10,000 heads in China represent only around 12% of the total output domestically. It is expected that the proportion of large-scale hog farming will increase rapidly due to the outbreak of African swine fever. The Chinese government has launched a series of preventive control requirements in the hog production, transportation, slaughtering and processing to encourage the development of large-scale enterprises. Based on Russia's experience starting with the first case of African swine fever back in 2007, the government had formulated measures for hog farms' biosecurity approvals and for the prohibition of slaughtering by backyard farms. Over more than ten years during the outbreak, backyard farms in Russia had exited the market rapidly and the capacity of large-scale enterprises has expanded significantly, with the output proportion of large-scale farming enterprises increasing from 32% in 2007 to 85% in 2018.

Hog production in continuous fall across the country with tightening hog supply in the latter half of the year and next year

In the first half of 2019, the supply of hogs and pork in the country was in a tight balance: the volume of hog production was 313 million heads, which was decreased by 6.2% year on year; pork output was 24.7 million tons, which was decreased by 5.5% year on year; the price of hog and pork moved upward in reverse of earlier downward trends since mid-March 2019.

Affected by mixing factors of African swine fever and hog cycle, domestic hog and sow stocks were at accelerated reduction rates for consecutive months: in July 2019, the volume of hog and sow stocks dropped to its lowest point in the recent decade, down by 32.2% and 31.9% year on year, respectively. It is expected that tightened domestic supply of hogs will persist in the second half of this year and next year, which will support higher hog price.

Upgraded consumption patterns led to brand-oriented pork consumption

Driven by both consumption upgrades and African swine fever, consumers are paying more emphasis on food safety and branding. Consumers' demand for "eat high-quality and healthy meat" is particularly urgent. High-quality branded fresh pork will gain higher customer loyalty and brand premium under the trend of consumption upgrading.

當前我國萬頭以上的規模化豬場出欄佔比僅為12%左右，預計非洲豬瘟的爆發將使規模養殖佔比快速提升。我國政府已在養殖、運輸、屠宰加工環節出台一系列防控要求，鼓勵規模化企業發展。根據俄羅斯經驗，二零零七年首次爆發非洲豬瘟後，政府制定了豬場生物安全審批、禁止散戶屠宰等措施，在疫情爆發的十餘年間，俄羅斯散養戶急速退出，規模企業產能大幅擴張，出欄佔比由二零零七年的32%提升至二零一八年的85%。

全國生豬生產持續下降，預計下半年及明年生豬供應偏緊

二零一九年上半年，全國生豬及豬肉供給處於緊平衡狀態：生豬出欄量313百萬頭，同比降6.2%；豬肉產量24.7百萬噸，同比降5.5%；生豬及豬肉價格自二零一九年三月中旬起由降轉漲。

受非洲豬瘟疫情和豬周期疊加影響，全國生豬存欄及能繁母豬存欄連續多月下滑，且降幅不斷擴大：二零一九年七月，生豬存欄量和能繁母豬存欄量均已降至近十年最低點，分別同比降32.2%和31.9%。預計今年下半年和明年全國生豬供應偏緊，或將支撐豬價持續高位運行。

消費升級，豬肉消費呈現品牌化趨勢

受消費升級和非洲豬瘟的雙重推動，消費者更加關注食品安全和品牌，「吃好肉、吃健康」的消費訴求尤為迫切，優質品牌豬肉將在消費升級中獲得更高的客戶忠誠度和品牌溢價。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Pork imports increased year on year in the first half of the year

In the first half of 2019, China's pork import volume was increased by 26.4% year on year to 819 thousand tons. In 2018, the tariff rate for pork imported from the United States was increased from 12% to 62% through two rounds of adjustments.

Results of operation

In the first half of 2019, facing complex external environment, the Company focused on disease prevention and control, brand building, and hog production volume continued to grow, while the branded business was in steady development.

In the first half of 2019, loss before the adjustment of the fair value of biological assets was RMB276 million, representing a decrease of RMB287 million as compared with RMB11 million for the same period in 2018. This was mainly attributed to a decrease of RMB333 million year on year in profits of the hog production segment. In terms of business segments: (1) loss of the hog production segment amounted to RMB436 million. Factors such as the spread of African swine fever led to low hog prices and the Company's expanding investment in biosecurity also served to impact the segment performance; (2) profits for fresh pork segment amounted to RMB53 million, and the ratio of revenue from branded business further increased; (3) profits for processed meat product segment amounted to RMB2.5 million, and the transformation of channels continued to progress; (4) profits for meat import segment amounted to RMB37 million, and the scale of import business saw significant increase.

上半年豬肉進口量同比增長

二零一九年上半年，我國豬肉進口量同比增26.4%，達819千噸。二零一八年，中國自美國進口的豬肉關稅稅率經兩次調整由12%增加至62%。

經營業績

二零一九年上半年，面對複雜的外部環境，本公司聚焦疫病防控和品牌建設，生豬出欄量持續增長，品牌業務穩定發展。

二零一九年上半年，生物資產公允價值調整前虧損人民幣276百萬元，較二零一八年同期人民幣11百萬元減少人民幣287百萬元，主要受生豬養殖分部業績同比下降人民幣333百萬元影響。分業務來看：(1)生豬養殖分部虧損人民幣436百萬元，非洲豬瘟導致豬價低迷、本公司加大生物安全防控投入等因素對養殖業績產生一定影響；(2)生鮮豬肉分部業績溢利人民幣53百萬元，品牌業務收入佔比進一步提升；(3)肉製品業務分部溢利人民幣2.5百萬元，渠道轉型持續推進；(4)肉類進口業務分部溢利人民幣37百萬元，進口業務規模顯著增長。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Hog production business

Upgrading of cleaning, disinfection and drying facilities to fully resist African swine fever

The Company attaches great importance to the prevention and control of African swine fever, for this purpose the Company comprehensively upgraded its facilities and equipment: in respect of vehicles, new cleaning, disinfection and drying rooms are installed in the entrance of feed factories and guard houses for hog farms on top of existing cleaning and disinfection stations and hog transfer stations. All feed and hog vehicles are required to go through absolute washing, disinfections, drying and inspections before access. In respect of personnel, all personnel must strictly undergo off-site isolation before entering the site, and then can only be granted access to the production area after passing a second isolation in the farm living area. In respect of materials, the Company constructed regional transfer warehouses, in which all materials are required to be received, unpacked, fumigated in one go, and then to be delivered to the hog farm by dedicated vehicles, after which the materials are to undergo fumigation processes twice. In respect of feed mill, all materials are required to be inspected by batches before entering the feed mill. Vehicles delivering raw materials and finished feed shall enter and exit on separated routes; only dried corns were purchased and the use of pig-derived raw materials was banned; feed processing and granulation shall be conducted at 85°C, and ripening device is installed for finished product discharge.

Expediently putting new farms into operations and actively expanding production capacity

In the first half of 2019, the Company's hog production volume was 1,451 thousand heads, representing an increase of 15.2% year on year, and the average finishing weight was at 105.4 kg/head.

The Company accelerated its constructions and operations of new sites. By the end of June 2019, a total hog production capacity of 4,638 thousand heads was reached, representing an increase of 549 thousand heads compared with the beginning of the year. Sows were already in place at new farms. In the second half of the year, the sow population will continue to be expanded as planned to guarantee subsequent production.

生豬養殖業務

升級清洗消毒烘乾設施，全力防禦非洲豬瘟

本公司高度重視非洲豬瘟防控，對設施設備進行全面升級改造：車輛方面，在已有清洗消毒站、生豬轉運站的基礎上，於各飼料廠、豬場門衛房新增清洗消毒烘乾房，飼料車、豬車經過徹底洗消毒烘乾及檢測後方能進入。人員方面，所有人員入場前需嚴格執行場外隔離，檢測合格後在養殖場生活區二次隔離後方可進入生產區。物資方面，建設區域中轉庫房，所有物資集中收貨、拆包、熏蒸，專車配送至豬場，使用前兩次熏蒸。飼料廠方面，對進入飼料廠的所有物料批批檢測；原料車與成品飼料車進出通道分開；全部採購烘乾玉米，禁用豬源性原料；飼料加工過程85°C高溫制粒，成品出料環節增加後熟化裝置。

加快新場投產進度，積極擴大養殖產能

二零一九年上半年，本公司生豬出欄量1,451千頭，同比增長15.2%，商品大豬出欄均重105.4公斤／頭。

本公司加快新場建設和投產進度，截至二零一九年六月底已建成生豬養殖產能4,638千頭，較年初增加549千頭，新場均已投放母豬。下半年將按計劃繼續擴大母豬群體，保障後續出欄量。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Continued to increase the proportion of self-supplied feed, while keeping close attention to the feed ingredients market

In the first half of 2019, the Company's self-sufficiency rate of feed was further improved. The Company strengthened information sharing with COFCO Group's ingredients procurement team and established corn and soybean meal stock at low prices and used futures contracts to hedge feed ingredient prices, thereby reducing operating risks and production costs.

Fresh pork business

Strengthen the prevention and control of African swine fever, and strictly observe food quality and safety

The Company's slaughtering plants place strict attention on the prevention and control of African swine fever. The Company conducted internal and external supervision and review to improve its quality and safety management system and prepared emergency measures for containing African swine fever. Strict relevant measures were developed on the selection criteria of suppliers and pre-evaluation of hog sources during the epidemic, as well as disinfection of production facilities and post-production verification to ensure inspection of African swine fever on every hog. The Company's fresh pork and processed meat products have passed all batches of inspection by the government in the first half of 2019.

Brand promotion was strengthened, and the proportion of revenue from branded fresh pork business was constantly growing

In the first half of 2019, the Company raised its pork inventory to an appropriate degree, while the sales volume of fresh pork was at 86 thousand tons, representing a slight decrease of 6.0 % year on year, among the sales volume, branded fresh pork accounted for 19 thousand tons, which was basically stable year on year. Revenue from branded fresh pork business grew by 15.8 % to reach RMB451 million, and the ratio of branded fresh pork revenue from total fresh pork revenue was increased by 1.2 percentage points year on year to 31.3%.

Focusing on the theme of "Five Checkpoints·Aerospace Quality", the Company launched a series of school-based activities to promote knowledge on aerospace science, through which the "Joycome" brand can highlight values emphasizing on safety and high-quality, with continuous enhancement on brand awareness and reputation. A "Captain Pig of COFCO Joycome" IP-based marketing campaign was also launched to further capture the minds of consumers.

自供飼料比例繼續提高，密切關注飼料原料行情

二零一九年上半年，本公司飼料自給率進一步提升。本公司加強與中糧集團原料採購團隊的信息共享，低價建立玉米、豆粕庫存，並使用期貨工具對飼料原料進行套期保值，降低經營風險和養殖成本。

生鮮豬肉業務

加強非洲豬瘟防控，嚴守食品質量安全

本公司屠宰廠以非洲豬瘟防控為重點，對質量安全管理體系進行內外部監督審核和提升，編製非洲豬瘟應急預案，嚴格制訂疫情期間供應商選擇、豬源預檢規程、工廠環境消毒和事後驗證等相關規定，實現非洲豬瘟病毒頭頭檢測。本公司生鮮肉和肉製品在二零一九年上半年政府所有批次的抽檢中全部合格。

加強品牌推廣，品牌生鮮收入佔比持續提高

二零一九年上半年，本公司適當增加豬肉庫存，生鮮豬肉銷量86千噸，同比小幅下滑6.0%，其中品牌豬肉銷量19千噸，同比基本穩定。品牌生鮮收入增長15.8%達人民幣451百萬元，品牌生鮮收入佔比同比提高1.2個百分點至31.3%。

本公司圍繞「五重守護·航天品質」的傳播主題，開展航天科普進校園等系列活動，着力傳播家佳康品牌安全、高品質的核心定位，持續提升品牌知名度和美譽度，並通過「中糧家佳康豬局長」IP營銷進一步佔領消費者心智。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

To improve production capacity to further cater to upstream production capacity

In the first half of 2019, the capacity utilization rate of fresh pork segment reached 91.9%, representing an increase of 7.6 percentage points year on year.

In order to comply with the gradual switch from an emphasis on “transporting hogs” to “transporting meat”, the company accelerated its slaughtering capacity layout. In addition to the completion of the Huanggang, Hubei plant with an annual slaughtering capacity of 1 million heads in the second half of the year, a new plant with an annual 1 million slaughtering capacity is also in the pipeline for the northeast region, so as to continuously expand its slaughtering capacity layout in North China.

Explosive growth in sales of small-packed fresh pork contributes to upgrade in consumption

The Company worked hard to innovate small-packed super pork products, with a sales volume of 13,200 thousand boxes in the first half of 2019, representing an increase of 72.2% year on year, while the average daily sales exceeded 73 thousand boxes. The Company maintained in-depth cooperation with new retail channels, and its small-packed fresh pork products had entered 69 stores of a mid-to-high end fresh food enterprise across the country. The product features such as safe, fresh, convenient and finely cut were well-received by consumers.

Meat import business

Expand import procurement and sales volume to deal with tightening domestic meat supply

In the first half of 2019 and facing tightening domestic meat supply, the Company further developed its procurement system that covered all product categories and multiple countries and expanded the source of imports. In the first half of the year, the sales volume of the segment was 59 thousand tons, representing an increase of 42.5% year on year, of which sales volume of beef was 31 thousand tons, representing an increase of 129.1% year on year; revenue from the segment amounted to RMB1,694 million, representing an increase of 76.6% year on year.

完善產能佈局，進一步匹配上游產能

二零一九年上半年，生鮮豬肉分部產能利用率已達91.9%，同比提高7.6個百分點。

為順應「調豬」轉變為「調肉」的趨勢，本公司加快屠宰產能佈局，下半年除如期完成湖北黃岡年屠宰產能100萬頭新廠建設外，還計劃在東北開工建設年屠宰產能100萬頭的新廠，並繼續推進華北屠宰產能佈局。

盒裝豬肉銷量爆發式增長，引領消費升級

本公司繼續大力打造盒裝豬肉超級單品，二零一九年上半年銷量13,200千盒，同比增加72.2%，日均銷量突破73千盒。本公司與新零售渠道深度合作，盒裝豬肉已進駐某中高端生鮮電商全國69家門店，安全、新鮮、便捷、精分割的產品特質深受消費者歡迎。

肉類進口業務

擴大進口採銷規模，應對國內肉類供應偏緊趨勢

二零一九年上半年，在國內肉類供應偏緊的趨勢下，本公司繼續深化全品類、多國別的採購體系，擴大進口來源。上半年實現分部銷量59千噸，同比增長42.5%，其中牛肉銷量31千噸，同比增長129.1%；分部收入人民幣1,694百萬元，同比增長76.6%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Penetrate into the sales region and channel, resulting in a significant increase in beef business scale

Expansion of the scale of imported beef sales is the strategic focus of meat import business segment. Our meat import segment continued its penetration into the region and channel, with its beef-based (catering, corporate customers, and retail) business revenue increasing by 109.1% year on year. The sales volume of imported chilled beef and high-end grain-fed beef increased rapidly, and the loyalty of high-end retail and catering customers was further strengthened.

FINANCIAL REVIEW

Overall Performance

In the first half of 2019, the revenue of the Group was RMB4,403 million, representing a year-on-year increase of 34.9% as compared with RMB3,264 million for the same period in 2018. Before biological assets fair value adjustments, the loss for the period of the Group was RMB276 million, representing a year-on-year decrease of RMB287 million as compared with the profit of RMB11 million for the same period in 2018.

Revenue

In the first half of 2019, the revenue of the Group was RMB4,403 million, representing an increase of RMB1,139 million as compared with RMB3,264 million for the same period last year, mainly due to the year-on-year increase of 42.5% in sales volume of the meat import business. Meanwhile, hog production volume recorded a year-on-year increase of 15.2% in the first half of 2019.

Gross Profit Margin

In the first half of 2019, the Group's gross profit margin before biological assets fair value adjustments decreased from 4.6% to -3.0%. The loss for the period was mainly due to factors such as low hog prices and the Company's expanding investment in biosecurity that have served to impact production performance.

進行區域和渠道深耕，牛肉業務規模增長迅速

擴大進口牛肉銷售規模是本業務的戰略重點。肉類進口分部持續進行區域和渠道深耕，牛肉終端型（餐飲、企業客戶、零售）業務銷量同比增長109.1%。進口冰鮮牛肉及高端穀飼牛肉銷量快速增長，高端零售及餐飲客戶黏性進一步增強。

財務回顧

整體業績

二零一九年上半年，本集團營業收入為人民幣4,403百萬元，較二零一八年同期人民幣3,264百萬元上升34.9%。在生物資產公允價值調整前，本集團期內虧損人民幣276百萬元，較二零一八年同期收益人民幣11百萬元減少人民幣287百萬元。

收入

二零一九年上半年，本集團營業收入為人民幣4,403百萬元，較去年同期人民幣3,264百萬元上升人民幣1,139百萬元，主要為肉類進口業務銷量同比增加42.5%，同時二零一九年上半年生豬出欄同比上升15.2%。

毛利率

二零一九年上半年，本集團毛利率在生物資產公允價值調整前由4.6%下降至-3.0%。本期虧損主要是豬價低迷、公司加大生物安全防控投入等因素對養殖業績產生一定影響。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Selling and Distribution/Administrative Expenses

In the first half of 2019, the total selling and distribution expenses and administrative expenses of the Group amounted to RMB280 million, representing a year-on-year increase of 24.4% as compared with RMB225 million for the same period last year, mainly due to the increase in refrigeration charges and freight costs incurred by the expansion of scale of the meat import business.

Finance Costs

In the first half of 2019, the Group's finance costs amounted to RMB84 million, representing a year-on-year increase of RMB25 million as compared with RMB59 million for the same period last year, mainly due to the expansion in scale of the meat import business in the current period, which in turn resulted in increased borrowings.

Other Income, Other Gains and Losses

In the first half of 2019, the Group's other income, other gains and losses amounted to a total gain of RMB221 million, representing a year-on-year increase of RMB76 million as compared with that of the same period in 2018, which mainly included gains from commodity future contracts of RMB160 million for the current period.

Profit/Loss for the Period

For the reasons above, the Group recorded a loss of RMB276 million before biological assets fair value adjustments during the reporting period, representing a decrease of RMB287 million as compared with a profit of RMB11 million for the same period last year.

Significant Investments, Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

Save as disclosed in this interim report, the Group had neither other significant investments nor significant acquisitions and disposals of relevant subsidiaries, associates and joint ventures in the first half of 2019.

銷售及分銷支出／行政支出

二零一九年上半年，本集團銷售及分銷支出、行政支出合計為人民幣280百萬元，較去年同期人民幣225百萬元增長24.4%，主要是肉類進口業務規模擴大帶來的冷藏費、運輸費等的增加。

融資成本

二零一九年上半年，本集團融資成本為人民幣84百萬元，較去年同期人民幣59百萬元增加人民幣25百萬元，主要由於本期肉類進口業務規模擴大，相應增加借款。

其他收入、其他收益及虧損

二零一九年上半年，本集團其他收入、其他收益及虧損共計收益為人民幣221百萬元，較二零一八年同期增加人民幣76百萬元，主要為本期包含商品期貨合約收益人民幣160百萬元。

期內溢利／虧損

基於上述各項原因，本集團於報告期內錄得生物資產公允價值調整前虧損人民幣276百萬元，較去年同期收益人民幣11百萬元相比減少人民幣287百萬元。

持有的重大投資、附屬公司、聯營公司及合營企業的重大收購及出售

除本中期報告所披露者外，本集團於二零一九年上半年概無持有其他重大投資或有關附屬公司、聯營公司及合營企業的重大收購及出售。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Analysis on Capital Resources

Liquidity and Financial Policy

Adhering to the steady financial policy, externally, the Group was committed to expanding financing channels and strengthening financing capability construction, as well as strengthening the cooperation with banks to obtain adequate credit facilities and ensure the capital liquidity. Internally, the Group implemented intensive management for surplus capital to improve the turnover efficiency for inventories and accounts receivables as well as the generation capability for cash flow. The finance department of the Group regularly and closely examined the overall condition of cash and liabilities, and flexibly arranged financing plans based on finance costs and expiry conditions.

In order to allocate and utilise capitals more effectively, the Group entered into the financial services agreements and entrusted loans framework agreements through COFCO Finance. At the same time, the Group also used the capital pool in Mainland China, so as to be more effective in utilising cash, reducing average borrowing costs of the Group, and accelerating clearing services among the companies under the Group.

Certain subsidiaries of the Group that are engaged in meat import business or that own foreign currency borrowings may expose us to exchange rate risks mainly related to U.S. dollars. We paid close attention to exchange rate fluctuations and timely adopted currency forward contracts to hedge the majority of exchange rate risks.

As at June 30, 2019, the cash and bank balances owned by the Group amounted to approximately RMB884 million (December 31, 2018: approximately RMB1,140 million).

As at June 30, 2019, our current ratio was 0.79 (December 31, 2018: 0.81). As at June 30, 2019, our unused bank credit facilities were RMB8,931 million.

資本資源分析

流動性及財務政策

本集團秉持穩健的財務政策，對外致力於拓展融資渠道，加強融資能力建設，同時加強與銀行的合作，獲得充足授信，保證了資金流動性；對內實施盈餘資金集約管理，提高存貨及應收賬款等周轉效率和現金流產生能力。本集團財務部定期及密切檢查整體現金及債務情況，基於融資成本及到期情況靈活安排融資計劃。

為使本集團更具效率地調配及運用資金，本集團透過中糧財務訂立財務服務協議及委託貸款框架協議，同時在中國大陸使用資金池，以更有效的使用現金、降低本集團的平均借貸成本及加快本集團內公司間的結算服務。

本集團的若干附屬公司從事肉類進口業務或擁有外幣借款可能令我們承擔主要是與美元相關的匯率風險。我們密切關注匯率波動，適時採用貨幣遠期合約以對沖大部分匯率風險。

於二零一九年六月三十日，本集團擁有現金及銀行結餘約為人民幣884百萬元（二零一八年十二月三十一日：約人民幣1,140百萬元）。

我們於二零一九年六月三十日的流動比率為0.79（二零一八年十二月三十一日：0.81）。於二零一九年六月三十日，我們未動用銀行融資額度為人民幣8,931百萬元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

EBITDA and Cash Flow

Our operation capital mainly came from cash generated from operation activities, bank borrowings and shareholders' capital contributions. Our cash demand was mainly borne on production and operation activities, capital expenditure, repayment of matured liabilities, interest payment and unexpected cash needs as well.

In the first half of 2019, the loss of the Group's EBITDA (before biological assets fair value adjustments) was RMB8 million (profit for the same period in 2018: RMB262 million). Net cash used in our operating activities was RMB159 million (used during the same period in 2018: RMB269 million). Net cash generated in our investment activities was RMB348 million (used during the same period in 2018: RMB913 million), including RMB397 million for the purchase of property, plant and equipment (same period in 2018: RMB388 million). Net cash generated from our financing activities was RMB330 million (generated during the same period in 2018: RMB704 million). Our time deposits over three months decreased by RMB769 million as compared with that in the beginning of the year. In summary, during the reporting period, our net decrease in cash and bank balances was RMB256 million.

Capital Structure

As at June 30, 2019, the total number of issued shares of the Company remained unchanged at 3,901,998,323 shares.

As at June 30, 2019, the Group had interest-bearing bank loans of approximately RMB3,893 million (December 31, 2018: approximately RMB3,505 million). The interest rate on bank loans ranged from 3.30% to 4.99% (December 31, 2018: from 2.14% to 4.99%). Most of the bank loans were based on floating interest rates.

EBITDA及現金流量

我們主要以經營活動所得現金、銀行借款以及股東出資等為營運提供資金。我們的現金需求主要與生產及經營活動、資本開支、償還到期負債、利息付款以及預料之外的現金需求有關。

二零一九年上半年，本集團EBITDA（生物資產公允價值調整前）虧損為人民幣8百萬元（二零一八年同期盈利：人民幣262百萬元）。我們的經營活動所用現金淨額為人民幣159百萬元（二零一八年同期所用：人民幣269百萬元）。我們的投資活動所得現金淨額為人民幣348百萬元（二零一八年同期所用：人民幣913百萬元），包括購買物業、廠房及設備人民幣397百萬元（二零一八年同期：人民幣388百萬元）。我們的融資活動所得現金淨額為人民幣330百萬元（二零一八年同期所得：人民幣704百萬元）。我們的三個月以上定期存款較年初減少人民幣769百萬元。總括而言，我們報告期內的現金及銀行結餘減少淨額為人民幣256百萬元。

資本結構

於二零一九年六月三十日，本公司之已發行股份總數保持不變，仍為3,901,998,323股股份。

於二零一九年六月三十日，本集團有計息銀行借貸約人民幣3,893百萬元（二零一八年十二月三十一日：約人民幣3,505百萬元）。銀行借貸介於3.30%至4.99%（二零一八年十二月三十一日：介乎2.14%至4.99%）計息。大部分銀行借貸按浮動利率計息。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Details of the maturity of interest-bearing bank loans are as follows:

計息銀行借貸的到期詳情分析如下：

		June 30, 2019 二零一九年 六月三十日	December 31, 2018 二零一八年 十二月三十一日
<i>Unit: RMB in million</i>	單位：人民幣百萬元		
Within 1 year	一年以內	2,651	2,057
1 to 2 years	一年至兩年	468	335
3 to 5 years	三年至五年	589	920
Over 5 years	五年以上	185	193
Total	總計	3,893	3,505

Details of the fixed-rate borrowings and variable-rate borrowings are as follows:

固定利率借款和浮動利率借款詳情分析如下：

		June 30, 2019 二零一九年 六月三十日	December 31, 2018 二零一八年 十二月三十一日
<i>Unit: RMB in million</i>	單位：人民幣百萬元		
Fixed-rate borrowings	固定利率借款	1,764	756
Variable-rate borrowings	浮動利率借款	2,129	2,749
Total	總計	3,893	3,505

As at June 30, 2019, the Group had loans from related parties of approximately RMB601 million (December 31, 2018: approximately RMB565 million).

於二零一九年六月三十日，本集團有來自關聯方的貸款約人民幣601百萬元（二零一八年十二月三十一日：約人民幣565百萬元）。

As at June 30, 2019, the Group had net assets of approximately RMB4,885 million (December 31, 2018: approximately RMB4,774 million). Net debts of the Group¹ amounted to approximately RMB3,610 million (December 31, 2018: approximately RMB2,930 million), while the net debt to equity ratio was approximately 73.9% (December 31, 2018: approximately 61.4%).

於二零一九年六月三十日，本集團淨資產約為人民幣4,885百萬元（二零一八年十二月三十一日：約人民幣4,774百萬元），本集團淨債務¹約為人民幣3,610百萬元（二零一八年十二月三十一日：約人民幣2,930百萬元）及淨債務對權益比率約為73.9%（二零一八年十二月三十一日：約61.4%）。

Note:

註：

1. The net debts of the Group refer to interest-bearing bank loans and loans from related parties less cash and bank balances.

1. 本集團淨債務指計息銀行借貸及來自關聯方的貸款減現金及銀行結餘。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Contingent Liabilities and Pledge of Assets

As at June 30, 2019 and December 31, 2018, the Group had no significant contingent liabilities and pledge of assets.

Capital Expenditure

Capital expenditure of the Group was mainly used for the construction of our hog farms, as well as our other production and ancillary facilities. We funded our capital expenditures primarily with shareholders' capital contributions, borrowings and our internal funds.

In the first half of 2019, the Group's capital expenditure was RMB427 million (same period in 2018: RMB409 million). The following table sets forth our capital expenditure for the periods indicated:

		For the six months ended June 30,	
		截至六月三十日止六個月	
Unit: RMB in million		2019	2018
		二零一九年	二零一八年
Payments for property, plant and equipment	就物業廠房及設備的付款	397	388
Payments for prepaid lease payments	就預付租賃款項的付款	-	21
Payments for right-of-use assets	就使用權資產的付款	29	-
Payments for other intangible assets	就其他無形資產的付款	1	0.1
Total	合計	427	409

As of June 30, 2019, our demand for capital expenditure mainly came from the construction of hog farms in Jilin Province, Henan Province and Inner Mongolia Autonomous Region, as well as facilities of hog farms and slaughterhouses in Hubei Province.

Capital Commitment

Capital commitment of the Group is mainly related to the construction of hog farms and other production and ancillary facilities. As at June 30, 2019, the capital commitment of the Group was RMB566 million (December 31, 2018: RMB522 million).

或有負債及資產抵押

於二零一九年六月三十日及二零一八年十二月三十一日，本集團並無任何重大或有負債及資產抵押。

資本開支

本集團資本開支主要用作建造生豬養殖場以及其他生產及配套設施。我們主要使用股東出資、借款及內部資金等方式支付資本開支。

二零一九年上半年，本集團的資本開支為人民幣427百萬元（二零一八年同期：人民幣409百萬元）。下表載列所示期間我們的資本開支：

截至二零一九年六月三十日，我們的資本開支需求主要包括位於吉林省、河南省及內蒙古自治區生豬養殖場及湖北省養殖場、屠宰場的設施建設。

資本承擔

本集團資本承擔主要與建造生豬養殖場以及其他生產及配套設施相關。二零一九年六月三十日，本集團的資本承擔為人民幣566百萬元（二零一八年十二月三十一日：人民幣522百萬元）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Biological assets

Biological assets of the Group primarily consist of commodity pigs at different growth stages and breeding hogs used to give birth to animals in the future. The fair value of our biological assets was RMB991 million as at June 30, 2019 and RMB1,464 million as at December 31, 2018. Our results have been and are expected to be affected by changes in fair value of biological assets.

Our cost of sales is adjusted for changes in fair value of biological assets, with fair value gains increasing our costs of sales and fair value losses decreasing our cost of sales, although the timing of these adjustments is not necessarily the same as the related gains or losses. We have adjusted the cost of sales for each period based on (i) changes in fair value of live hogs for that period less cost of sales; and (ii) changes in fair value less cost of sales of biological assets recognized in the previous period.

During the first half of 2019 and the same period in 2018, such adjustments have increased our cost of sales by RMB23 million and RMB117 million, respectively. Additionally, losses arising from fair value less cost of sales of agricultural products at the point of harvest amounted to RMB8 million (same period in 2018: losses of RMB343 million); gains arising from changes in fair value of biological assets less cost of sales amounted to RMB400 million (same period in 2018: gains of RMB201 million). In general, the net effect of adjustment in fair value of biological assets on profit was gains of RMB370 million during the current period and losses of RMB259 million during the same period in 2018.

Human Resources

The continuing operations of the Group hired 6,168 employees as of June 30, 2019 (December 31, 2018: 6,989 employees). Remuneration for employees was determined according to their job nature, personal performance and the market trends. For the six months ended June 30, 2019, total remuneration of the Group amounted to approximately RMB336 million (same period in 2018: RMB295 million).

Apart from the above, we encouraged all employees to become well-rounded and enhance their knowledge and abilities related to their career through continuous training, seminars and online learning in order to unearth their own potentials.

生物資產

本集團生物資產主要包括不同成長階段的商品豬及日後用作生產動物的種豬。我們生物資產的公允價值於二零一九年六月三十日為人民幣991百萬元，而於二零一八年十二月三十一日則為人民幣1,464百萬元。我們的業績一直且預期將繼續受生物資產公允價值變動所影響。

我們的銷售成本會就生物資產的公允價值變動做出調整，其中公允價值收益會增加銷售成本而公允價值虧損會減少銷售成本，儘管該等調整的時間與有關收益或虧損的時間不一定相同。我們於各期間的銷售成本會就以下各項做出調整(i)該期間內生豬公允價值變動減銷售成本；及(ii)公允價值變動減於過往期間確認的生物資產銷售成本。

二零一九年上半年及二零一八年同期，該等調整令我們的銷售成本分別增加人民幣23百萬元及增加人民幣117百萬元。此外，農產品收穫時的公允價值減銷售成本產生的虧損人民幣8百萬元(二零一八年同期：虧損人民幣343百萬元)，生物資產公允價值變動減銷售成本產生的收益人民幣400百萬元(二零一八年同期：收益人民幣201百萬元)。整體而言，當期生物公允價值調整對利潤的影響淨額為收益人民幣370百萬元，二零一八年同期為損失人民幣259百萬元。

人力資源

本集團持續經營業務於二零一九年六月三十日僱用6,168名員工(二零一八年十二月三十一日：6,989名員工)。僱員的薪酬按工作性質、個人表現及市場趨勢而定。截至二零一九年六月三十日止六個月，本集團的薪酬總額約為人民幣336百萬元(二零一八年同期：人民幣295百萬元)。

另外，我們亦鼓勵員工透過持續培訓課程、研討會及網上學習等培訓，藉此提升個人對事業的全面發展和知識技能，以發揮個人潛能。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Significant Risks and Uncertainties

The results and business operations of the Group are affected by a number of risks and uncertainties directly or indirectly related to the business of the Group. Primary risk factors known to the Group are outlined as follows:

Epidemic Risks

Epidemic risks are the major risks faced in the development of animal husbandry. The epidemic spreading in hog production mainly includes blue-ear disease, classical swine fever, porcine respiratory disease, porcine epidemic diarrhea, porcine pseudorabies, porcine circovirus, etc. From 2018 to the first half of 2019, African swine fever broke out throughout the country on a large scale and is likely to continue to spread in the second half of 2019. There are three types of risks caused by epidemics. First, the outbreak of epidemic diseases will lead to hog mortalities, which will directly cause a decrease in hog production and result in direct economic losses of the Company. Second, the epidemic diseases will put hog farms under considerable pressure and increase the amount of resources used by the Company in epidemic prevention. In addition, the epidemic will continuously affect the production in hog farms because the purification process reduces the production efficiency of the farms and increases the operating costs, resulting in reduced effectiveness. Third, the large-scale outbreak and spread of epidemic diseases may cause a panic among consumers and thus lower the total demand for related products. To solve epidemic risks, the Group has formulated regulations such as The Incentive Measures for Prevention and Control of Major Outbreak of Epidemic Diseases 《重大疫情防控制激勵辦法》 and refined the contingency plan for major animal disease prevention and control to improve the level and capacity of biosecurity control as well as to comprehensively prevent and curb major animal diseases such as African swine fever.

重大風險及不確定性

本集團的業績及業務營運受到與本集團業務直接或間接相關的眾多風險及不明朗因素影響。本集團知悉的主要風險概述如下：

疫病風險

疫病風險是畜牧行業發展中面臨的主要風險。生豬養殖過程中發生的疫病主要有藍耳病、豬瘟、豬呼吸道病、豬流行性腹瀉、豬偽狂犬病、豬圓環病毒等。二零一八年至二零一九年上半年，非洲豬瘟疫情在全國範圍內大面積爆發，且在二零一九年下半年仍可能持續擴散。疫病的發生帶來的風險包括三類，一是疫病的發生將導致生豬的死亡，直接導致生豬產量的降低，給本公司帶來直接經濟損失；二是疫情會給豬場帶來巨大的防疫壓力，並增加本公司在防疫上的投入，且疫情會給豬場的生產帶來持續性的影響，淨化過程將使豬場的生產效率降低，經營成本提高，進而降低效益；三是疫病的大規模發生與流行，可能會導致部分消費者心理恐慌，降低相關產品的總需求量。對於疫病風險，本集團制定了《重大疫情防控制激勵辦法》等制度，並細化了重大動物疫病防控制預案，提升生物安全控制等級及能力，全面防控制非洲豬瘟等重大動物疫病。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Price Risks

Price risks refer to the losses of costs increase and profits decrease due to the fluctuation of the purchase price and the sales price. We operate in a highly fragmented and competitive industry, where the primary raw materials and finished products are commodities, all of which have been subject to significant price fluctuations. In our pork business, we are exposed to the risk of fluctuations of commodity prices, including prices of corn and soybean meals (which are our primary feed ingredients), live hogs and pork in China. In our meat import business, we are exposed to the risk of fluctuations in the price differentials between the Chinese and overseas markets of frozen meat products such as pork, beef, poultry, mutton and lamb. Fluctuations in these commodity prices, especially the prices of live hogs, have had and are expected to continue to have an effect on our profitability. Commodity prices generally fluctuate with market conditions, including supply and demand, diseases, government policies and weather conditions in major agricultural and farming regions.

Food Safety Risks

Food safety risks refer to risks of customer complaints, product recalls and other negative effects resulted from unqualified food quality and safety indicators due to deficient food security system, unsound risk identification and assessment mechanism and unfulfilled food safety control measures as well as early warning mechanism. To solve possible food safety risks, the Group has formulated standards for quality and safety system, such as, Provisions for the Food Safety Management of COFCO Meat, Standards for Meat Industry Chain of COFCO Group (Fascicule of Livestock Meat Chain Industry), Prohibition on Food Safety of COFCO Meat and Food Safety Responsibility System of COFCO Meat, established management mechanism, carried out quality and safety training and guidance, conducted regular supervision and inspection and evaluated and reviewed the results. All departments strictly comply with relevant standards and actively prevent food safety risks. To solve food safety risks, the Group has defined that the decisive department of risk management of food safety is the Quality and Safety Management Department, and has formulated the early warning indicators and bottom line indicators.

價格風險

價格風險是指採購、銷售價格的波動導致成本上升或利潤下降的損失。我們在一個高度分散且充滿競爭的行業經營，當中的主要原材料及成品均為商品並且有顯著的價格波動。在豬肉業務中，我們面臨商品價格波動的風險，包括中國的玉米及豆粕（為我們主要的飼料原料）、生豬及豬肉價格。在肉類進口業務中，我們面臨中國及海外市場上冷凍肉類產品（如豬肉、牛肉、禽肉、羊肉及羔羊肉）差價波動的風險。該等商品價格（尤其是生豬價格）的波動已經且預期會繼續對我們的盈利能力產生影響。商品價格通常隨市況（包括供需、疫病、政府政策及主要農牧區的天氣狀況）起伏。

食品安全風險

食品安全風險是指食品安全體系不完善、風險識別和評估機制不健全、食品安全管控措施和預警機制不到位等導致食品質量安全指標不合格，造成顧客投訴、產品召回和其他負面影響的風險。針對食品安全方面可能存在的風險，本集團已制定《中糧肉食食品安全管理規定》、《中糧集團肉食產業鏈標準》（畜肉產業鏈分冊）、《中糧肉食食品安全禁令》、《中糧肉食食品安全責任制》等質量安全制度標準，建立管理機制，開展質量安全培訓指導，定期進行監督檢查，並對結果進行考核評價。各業務部門嚴格按照相關標準執行，積極防範食品安全風險。針對食品安全風險，本集團已明確了食品安全風險管理的閘口部門為質量與安全管理部，並制定了明確的預警指標和底線指標。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Safe Production Risks

Safe production risks refer to risks of safety accidents, interrupted operation or tarnished corporate reputation due to the lack of sound safety management system and preventive measures. The Group has formulated Measures for Administration of Production Safety Accidents of COFCO Meat and Comprehensive Emergency Plans for Production Safety Accidents of COFCO Meat to standardize management and implement accidents prevention. The Group has defined that the decisive department of risk management of safe production is the Quality and Safety Management Department, and has formulated the early warning indicators and bottom line indicators. The Quality and Safety Management Department organizes all grassroots enterprises to conduct all-round risk identification and to identify the safety risks in the enterprise production and operation; to evaluate and classify the identified risks and formulate corresponding management and control measures; to formulate special risk prevention and control measures for major risks; to organize all grassroots enterprises to perfect inspection system, organize regular safety inspection and confirm the effectiveness of risk management and control measures. The Company also conducts regular supervision and inspection to evaluate the operation of management system and risk management and control and promote the improvement and development of grassroots enterprises.

安全生產風險

安全生產風險是指缺乏健全的安全管理制度和防範措施，導致安全事故、阻斷運營或使企業聲譽受損的風險。本集團制定《中糧肉食生產安全事故管理辦法》、《中糧肉食生產安全事故綜合應急預案》，規範事故管理，開展事故預防工作。本集團已明確了安全生產風險管理的開口部門為質量與安全管理部，並制定了明確的預警指標和底線指標，質量與安全管理部組織各基層企業進行全面的危險源辨識，辨識出企業在生產經營活動中的安全風險；對辨識出的風險進行評估分級，並制定相應的管控措施；針對風險中的重大風險，制定專項風險防控措施；組織各基層企業完善檢查體系，定期組織安全檢查，確認風險的管控措施有效；本公司定期進行監督檢查，對基層企業管理體系運行情況、風險管控情況進行評估，促進基層企業改進提升。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Environmental Protection Risks

Environmental protection risks refer to risks of property loss and bad influence on enterprise image due to environmental pollution resulted from unstable production, deficient environmental protection facilities and excessive emission of pollutants. To solve environmental protection risks, the Group has formulated Regulations of Administration on Energy Conservation and Emission Reduction of COFCO Meat, Energy Conservation and Emission Reduction Responsibility System of COFCO Meat and Emergency Plans for Environmental Pollution Accidents of COFCO Meat, which defined the requirements of environmental protection compliance and standardized the management of environmental pollution accidents to effectively carry out environmental protection risk prevention. The Group has defined that the decisive department of risk management of environmental protection risks is the Quality and Safety Management Department, and has formulated the early warning indicators and bottom line indicators. The Quality and Safety Management Department regularly carried out environmental inspection, systematically checked the environmental protection problems of each unit, followed up the implementation of rectifications to sort environmental compliance issues of each unit, organized all units to carry out compliance rectifications, and established environmental risk warning and monitoring system to detect and provide early warnings on environmental protection risks in a timely manner and to effectively implement the responsibility of environmental protection.

The Outlook

The outbreak of the African swine fever has had a significant impact on the industry, but has also brought market opportunities. In the second half of 2019, we will prepare ourselves in the following aspects:

Firstly, we will remain vigilant against and cautiously prevent the African swine fever and protect the lifeline of our farming system. On this basis, we will continue to speed up the development of our hog production capacity and expand the sow inventory, so as to seize the opportunities brought by the African swine fever.

Secondly, we will accelerate the construction of slaughtering facilities in North China, while vigorously carrying out the differentiated and branded operation of our fresh pork business, expanding cooperation with new retail channels, and converting high-quality hogs into high-premium pork products.

Thirdly, we will take advantage of the industrial link between the domestic and foreign businesses, actively expand the volume of import procurement and sales, in order to meet the shortfall in domestic meat supply and enhance the profit contribution from our import business.

環保風險

環保風險是指由於生產不穩定、環保設施不完善、污染物排放超標排放等，導致環境污染，造成財產損失、影響企業形象的風險。對於環保風險，本集團制定了《中糧肉食節能減排管理規定》、《中糧肉食節能環保責任制》和《中糧肉食環境污染事故應急預案》，明確了環保合規性要求，規範了環境污染事件管理，有效開展環保風險預防工作。本集團已明確了環保風險管理的關口部門為質量與安全管理部，並制定了明確的預警指標和底線指標，質量與安全管理部定期開展環保巡檢，系統排查各單位的環保問題，並跟進落實整改，梳理各單位的環保合規性問題，並組織各單位進行合規性整改，同時還建立環保風險預警監測體系，及時發現並預警環保風險，切實落實環保責任。

展望

非洲豬瘟疫情對行業影響巨大，但也帶來了市場機遇。二零一九年下半年，本公司將做好以下工作：

首先，嚴格防控非洲豬瘟，守護養殖生產體系的生命線。在此基礎上，繼續推進養殖產能建設，擴大母豬群體，把握非洲豬瘟帶來的行情機會。

第二，加快北方屠宰產能配套；並大力開展生鮮差異化、品牌化運作，擴大與新零售渠道的合作，將高品質生豬轉化為高溢價豬肉產品。

第三，發揮國內外產業互動的優勢，積極擴大進口採銷量，彌補國內肉類供應缺口，提升進口業務利潤貢獻。

CORPORATE GOVERNANCE HIGHLIGHTS AND OTHER INFORMATION

企業管治摘要及其他資料

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at June 30, 2019, the interests and short positions of the Directors and the chief executive of the Company and their associates in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register of interests of the Company required to be kept under section 352 of the SFO; or as notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under such provisions of the SFO) or pursuant to the Model Code contained in the Listing Rules (collectively the "Discloseable Interests") were set out below.

Discloseable Interests in the shares and underlying shares of the Company

Name of Director 董事姓名	Capacity/Nature of Interest 身份／權益性質	Number of Shares/Underlying Shares held in long position 所持股份／相關股份好倉數目	Approximate percentage of shareholding interest 佔權益概約百分比
Xu Jianong 徐稼農	Beneficial owner 實益擁有人	3,551,599	0.09%
Wolhardt Julian Juul ¹	Interest in controlled corporation 於受控法團的權益	198,161,124	5.08%

Note:

- These shares are held by Gourmet Bravo Ltd., which is wholly-owned by Epicure Bravo Ltd. Epicure Bravo Ltd. is wholly-owned by DCP Partners Limited, which is wholly-owned by DCP, Ltd. Wolhardt Julian Juul owns 50% shareholding of DCP, Ltd. Wolhardt Julian Juul is deemed to be interested in the shares held by Gourmet Bravo Ltd. under the SFO.

Save as disclosed above, as at June 30, 2019, so far as was known to any Director or chief executive of the Company, neither the Directors nor the chief executive had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) which would fall to be disclosed to the Company under the provisions of Divisions 7 and 8 of Part XV of the SFO or as recorded in the register required to be 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.

董事及最高行政人員於股份及相關股份之權益及淡倉

於二零一九年六月三十日，本公司董事、最高行政人員及彼等之聯繫人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）之股份、相關股份或債券中擁有之權益及淡倉而根據證券及期貨條例第352條記錄於本公司所存置之權益登記冊內；或根據證券及期貨條例第XV部第7及第8分部（包括據此他們被視作或當作擁有之權益及淡倉）或根據上市規則所載標準守則知會本公司及聯交所（統稱「須披露權益」）之記錄載於下文。

於本公司之股份及相關股份之須披露權益

附註：

- 該等股份由Gourmet Bravo Ltd.持有，該公司由Epicure Bravo Ltd.全資持有。Epicure Bravo Ltd.由DCP Partners Limited全資持有，而該公司由DCP, Ltd.全資持有。Wolhardt Julian Juul持有DCP, Ltd.的50%股權。根據證券及期貨條例，Wolhardt Julian Juul被視為於Gourmet Bravo Ltd.所持股份中擁有權益。

除上文所披露者外，於二零一九年六月三十日，就本公司任何董事或最高行政人員所知，董事或最高行政人員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）的任何股份、相關股份或債權證中擁有根據證券及期貨條例第XV部第7及第8分部條文須向本公司披露的任何權益或淡倉，或記錄於本公司根據證券及期貨條例第352條須存置之登記冊內的任何權益或淡倉，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。

CORPORATE GOVERNANCE HIGHLIGHTS AND OTHER INFORMATION

企業管治摘要及其他資料

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at June 30, 2019, the interests and short positions of substantial Shareholders in the shares and underlying shares of the Company as notified to the Company under Divisions 2 and 3 of Part XV of the SFO; or as recorded in the register of interests of the Company required to be kept under Section 336 of the SFO, were as follows:

Aggregate long positions in the shares and underlying shares of the Company

主要股東及其他人士於股份及相 關股份之權益及淡倉

於二零一九年六月三十日，根據證券及期貨條例第XV部第2及第3分部而知會本公司；或根據證券及期貨條例第336條記錄於本公司所存置之權益登記冊內，主要股東於本公司股份及相關股份之權益及淡倉如下：

於本公司股份及相關股份之好倉總數

Substantial Shareholders and other persons 主要股東及其他人士	Notes 附註	Capacity/Nature of Interests 身份／權益性質	Number of ordinary Shares of the Company held (long position) 持有本公司 普通股數目 (好倉)	Approximate percentage of aggregate interests in issued share capital of the Company 佔本公司 已發行股本 權益總額的 概約百分比
Mainfield 明暉	(1)	Beneficial owner 實益擁有人	1,078,377,782	27.64%
China Foods (Holdings) 中國食品(控股)	(1)	Interest in controlled corporation 於受控法團的權益	1,078,377,782	27.64%
COFCO (HK) 中糧香港	(1)	Interest in controlled corporation 於受控法團的權益	1,078,377,782	27.64%
		Beneficial owner 實益擁有人	57,015,000	1.46%
COFCO 中糧	(1)	Interest in controlled corporation 於受控法團的權益	1,135,392,782	29.10%
KKR	(2), (4)	Beneficial owner 實益擁有人	420,693,878	10.78%
Promise Meat Investment I Ltd.	(2), (4)	Interest in controlled corporation 於受控法團的權益	420,693,878	10.78%
KKR Asian Fund II L.P.	(2), (4)	Interest in controlled corporation 於受控法團的權益	420,693,878	10.78%

CORPORATE GOVERNANCE HIGHLIGHTS AND OTHER INFORMATION

企業管治摘要及其他資料

Substantial Shareholders and other persons 主要股東及其他人士	<i>Notes 附註</i>	Capacity/Nature of Interests 身份／權益性質	Number of ordinary Shares of the Company held (long position) 持有本公司 普通股數目 (好倉)	Approximate percentage of aggregate interests in issued share capital of the Company 佔本公司 已發行股本 權益總額的 概約百分比
KKR Associates Asia II L.P.	(2), (4)	Interest in controlled corporation 於受控法團的權益	420,693,878	10.78%
KKR Asia II Limited	(2), (4)	Interest in controlled corporation 於受控法團的權益	420,693,878	10.78%
KKR Fund Holdings L. P.	(2), (4)	Interest in controlled corporation 於受控法團的權益	420,693,878	10.78%
KKR Fund Holdings GP Limited	(2), (4)	Interest in controlled corporation 於受控法團的權益	420,693,878	10.78%
KKR Group Holdings Corp.	(2), (4)	Interest in controlled corporation 於受控法團的權益	420,693,878	10.78%
KKR & Co. Inc	(2), (4)	Interest in controlled corporation 於受控法團的權益	420,693,878	10.78%
KKR Management LLC	(2), (4)	Interest in controlled corporation 於受控法團的權益	420,693,878	10.78%
Mr. Henry R. Kravis and Mr. George R. Roberts Henry R. Kravis 先生及 George R. Roberts 先生	(2), (4)	Interest in controlled corporation 於受控法團的權益	420,693,878	10.78%
Baring	(3), (4)	Beneficial owner 實益擁有人	407,387,591	10.44%
The Baring Asia Private Equity Fund V, L.P.	(3), (4)	Interest in controlled corporation 於受控法團的權益	407,387,591	10.44%
Baring Private Equity Asia GP V, L.P.	(3), (4)	Interest in controlled corporation 於受控法團的權益	407,387,591	10.44%

CORPORATE GOVERNANCE HIGHLIGHTS AND OTHER INFORMATION

企業管治摘要及其他資料

Substantial Shareholders and other persons 主要股東及其他人士	Notes 附註	Capacity/Nature of Interests 身份／權益性質	Number of ordinary Shares of the Company held (long position) 持有本公司 普通股數目 (好倉)	Approximate percentage of aggregate interests in issued share capital of the Company 佔本公司 已發行股本 權益總額的 概約百分比
Baring Private Equity Asia GP V Limited	(3), (4)	Interest in controlled corporation 於受控法團的權益	407,387,591	10.44%
Jean Eric Salata	(3), (4)	Interest in controlled corporation 於受控法團的權益	407,387,591	10.44%
Gourmet Bravo Ltd.	(5)	Beneficial owner 實益擁有人	198,161,124	5.08%
Epicure Bravo Ltd.	(5)	Interest in controlled corporation 於受控法團的權益	198,161,124	5.08%
DCP Partners Limited	(5)	Interest in controlled corporation 於受控法團的權益	198,161,124	5.08%
DCP, Ltd.	(5)	Interest in controlled corporation 於受控法團的權益	198,161,124	5.08%
Liu Haifeng David 劉海峰	(5)	Interest in controlled corporation 於受控法團的權益	198,161,124	5.08%

Notes:

附註：

(1) Mainfield is a wholly-owned subsidiary of China Foods (Holdings). China Foods (Holdings) is wholly-owned by COFCO (HK), which in turn is wholly-owned by COFCO. Accordingly, each of COFCO, COFCO (HK) and China Foods (Holdings) is deemed to be interested in such shares.

(1) 明暉為中國食品(控股)的全資附屬公司。中國食品(控股)由中糧香港全資擁有，而中糧香港由中糧全資擁有。因此，中糧、中糧香港及中國食品(控股)均被視為於有關股份中擁有權益。

CORPORATE GOVERNANCE HIGHLIGHTS AND OTHER INFORMATION

企業管治摘要及其他資料

- (2) Each of Promise Meat Investment I Ltd. (as the sole shareholder of KKR), KKR Asian Fund II L.P. (as the controlling shareholder of Promise Meat Investment I Ltd.), KKR Associates Asia II L.P. (as the general partner of KKR Asian Fund II L.P.), KKR Asia II Limited (as the general partner of KKR Associates Asia II L.P.), KKR Fund Holdings L.P. (as the sole shareholder of KKR Asia II Limited), KKR Fund Holdings GP Limited (as the general partner of KKR Fund Holdings L.P.), KKR Group Holdings Corp. (as the general partner of KKR Fund Holdings L.P. and the sole shareholder of KKR Fund Holdings GP Limited), KKR & Co. Inc. (as the sole shareholder of KKR Group Holdings Corp.), KKR Management LLC (as the general partner of KKR & Co Inc.), and Mr. Henry R. Kravis and Mr. George R. Roberts (as designated members of KKR Management LLC) is deemed to be interested in such shares. Mr. Henry R. Kravis and Mr. George R. Roberts disclaim beneficial ownership of such shares.
- (2) Promise Meat Investment I Ltd. (作為KKR的唯一股東)、KKR Asian Fund II L.P. (作為Promise Meat Investment I Ltd.的控股股東)、KKR Associates Asia II L.P. (作為KKR Asian Fund II L.P.的普通合夥人)、KKR Asia II Limited (作為KKR Associates Asia II L.P.的普通合夥人)、KKR Fund Holdings L.P. (作為KKR Asia II Limited的唯一股東)、KKR Fund Holdings GP Limited (作為KKR Fund Holdings L.P.的普通合夥人)、KKR Group Holdings Corp. (作為KKR Fund Holdings L.P.的普通合夥人及KKR Fund Holdings GP Limited的唯一股東)、KKR & Co. Inc. (作為KKR Group Holdings Corp.的唯一股東)、KKR Management LLC (作為KKR & Co Inc.的普通合夥人)、及Henry R. Kravis先生及George R. Roberts先生 (作為KKR Management LLC的指定成員) 均被視為於有關股份中擁有權益。Henry R. Kravis先生及George R. Roberts先生放棄有關股份的實益擁有權。
- (3) Each of The Baring Asia Private Equity Fund V, L.P. (as the controlling shareholder of Baring), Baring Private Equity Asia GP V, L.P. (as the general partner of The Baring Asia Private Equity Fund V, L.P.), Baring Private Equity Asia GP V Limited (as the general partner of Baring Private Equity Asia GP V, L.P.), and Mr. Jean Eric Salata (as the sole shareholder of Baring Private Equity Asia GP V Limited) is deemed to be interested in such shares. Mr. Jean Eric Salata disclaims beneficial ownership of such shares, except to the extent of his economic interest in such entities.
- (3) The Baring Asia Private Equity Fund V, L.P. (作為Baring的控股股東)、Baring Private Equity Asia GP V, L.P. (作為The Baring Asia Private Equity Fund V, L.P.的普通合夥人)、Baring Private Equity Asia GP V Limited (作為Baring Private Equity Asia GP V, L.P.的普通合夥人)、及Jean Eric Salata先生 (作為Baring Private Equity Asia GP V Limited的唯一股東) 均被視為於有關股份中擁有權益。Jean Eric Salata先生放棄有關股份的實益擁有權，惟其於該等實體的經濟利益除外。
- (4) Each of the Company, KKR, Baring, Temasek and Boyu has agreed to negotiate in good faith and use reasonable endeavours to reach an agreement in relation to the structure of the employee benefit trust (or any other structure of similar nature) proposed to be set up to administer the grant of options and, upon reaching such agreement and the fulfillment of certain other conditions, these shares have been transferred to Acheson Limited as trustee for the purpose of the Former Share Incentive Scheme.
- (4) 本公司、KKR、Baring、Temasek及Boyu均同意就為管理購股權的授出而建議設立的僱員福利信託架構 (或任何其他類似性質的架構) 進行真誠協商並盡合理努力達成協議，且於該協議達成及若干其他條件獲履行後，該等股份已經轉讓予原股份獎勵計劃受託人Acheson Limited。
- (5) Each of Epicure Bravo Ltd. (as the sole shareholder of Gourmet Bravo Ltd.), DCP Partners Limited (as the controlling shareholder of DCP, Ltd.), and Liu Haifeng David and Wolhardt Julian Juul (as the controlling shareholder of DCP, Ltd.) is deemed to be interested in such shares.
- (5) Epicure Bravo Ltd. (作為Gourmet Bravo Ltd.的唯一股東)、DCP Partners Limited (作為DCP, Ltd.的控股股東) 及劉海峰及Wolhardt Julian Juul (作為DCP, Ltd.的控股股東) 均被視為於有關股份中擁有權益。

CORPORATE GOVERNANCE HIGHLIGHTS AND OTHER INFORMATION

企業管治摘要及其他資料

Save as disclosed herein, as at June 30, 2019, so far as was known to the Directors, no other persons had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the interest register kept by the Company under section 336 of the SFO.

SHARE INCENTIVE SCHEME AND ITS UPDATES

To recognize and reward the contribution of certain employees to the Group, provide incentives to retain them to support the continued growth of the Group, and attract suitable personnel for further development, the Company adopted the Former Share Incentive Scheme on March 27, 2015 and amended on March 27, 2017, after the discussion between the board of COFCO Meat Investments and the then Shareholders.

The Share Incentive Scheme does not involve the grant of the option to subscribe for any new Shares and therefore is not required to be subject to the provisions in Chapter 17 of the Listing Rules. It does not cause any effect to the total number of Shares outstanding and will not result in any dilution effect to the Shares.

Except for Mr. Xu Jianong, being the executive Director, none of the scheme participant holds directorship in our Company.

除本報告披露者外，於二零一九年六月三十日，就董事所知悉，概無其他人士於本公司的股份及相關股份中擁有權益或淡倉而須根據證券及期貨條例第XV部第2及第3分部條文的規定向本公司及聯交所披露，或根據證券及期貨條例第336條的規定須記錄於本公司所存置的權益登記冊內。

股份獎勵計劃及其更新

為表彰及獎勵若干僱員對本集團作出的貢獻，為彼等提供激勵以留任彼等支持本集團的持續增長，以及吸引合適人員作進一步發展，經中糧肉食投資董事會與當時股東討論後，本公司於二零一五年三月二十七日採納原股份獎勵計劃並於二零一七年三月二十七日做出修訂。

股份獎勵計劃並不涉及授出購股權以認購任何新股份。因此，毋須受上市規則第十七章的條文規限。其對已發行在外的股份總數並無影響，且不會對股份造成任何攤薄影響。

除了徐稼農先生為執行董事外，概無計劃參與者於本公司擔任董事職務。

Name and Category of Participants 參與者姓名及類別	Date of Options Granted 授出購股權 日期	Number of Options 購股權數量					At June 30, 2019 於2019年 6月30日
		At January 1, 2019 於2019年 1月1日	Granted During the Period 期內授出	Exercised During the Period 期內行使	Cancelled During the Period 期內註銷	Lapsed During the Period 期內失效	
Director 董事							
Mr. Xu Jianong 徐稼農先生	March 27, 2015 2015.03.27	4,564,440	0	1,520,000	0	0	3,044,440
Other employees 其他僱員	March 27, 2015 2015.03.27	40,505,616	0	14,024,953	0	0	26,480,663
Total 合計		45,070,056	0	15,544,953	0	0	29,525,103

CORPORATE GOVERNANCE HIGHLIGHTS AND OTHER INFORMATION

企業管治摘要及其他資料

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed securities for the six months ended June 30, 2019.

CORPORATE GOVERNANCE CODE

The Company has applied the principles and complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules throughout the six months ended June 30, 2019.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct regarding Directors' securities transactions. Following specific enquiries by the Company, all Directors confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended June 30, 2019.

OBLIGATIONS OF ON-GOING DISCLOSURE UNDER THE LISTING RULES

The Company has no any other disclosure obligations under Rule 13.20, Rule 13.21 and Rule 13.22 of the Listing Rules.

SUBSEQUENT EVENTS

The Group has no significant subsequent events after June 30, 2019 which are required to be disclosed.

UPDATES ON DIRECTORS' INFORMATION

Changes in the information of the Directors since the date of the Company's 2018 annual report are as follows:

1. Mr. Lee Ted Tak Tai, an independent non-executive Director of the Company, resigned as the independent non-executive director of Daphne International Holdings Limited (a company listed on the Stock Exchange, stock code: 210) on June 30, 2019.
2. Mr. Fu Tingmei, an independent non-executive Director of the Company, resigned as the independent non-executive director of CPMC Holdings Limited (a company listed on the Stock Exchange, stock code: 906) on July 2, 2019.

購買、出售或贖回本公司之上市 證券

本公司及其任何附屬公司於截至二零一九年六月三十日止六個月之期間並無購買、出售或贖回其任何上市證券。

企業管治守則

本公司於截至二零一九年六月三十日止六個月整個期間內一直採用上市規則附錄十四所載《企業管治守則》之原則並遵守其所有守則條文。

董事進行的證券交易

本公司已採納標準守則作為董事進行證券交易之操守守則。經本公司作出具體查詢後，本公司所有董事確認彼等於截至二零一九年六月三十日止六個月整個期間內一直遵守標準守則所載列之規定標準。

根據上市規則持續披露責任

本公司並無上市規則第13.20、13.21及13.22條項下任何其他披露責任。

期後事項

本集團並無須予披露的二零一九年六月三十日之後的重大期後事項。

更新有關董事信息

自本公司二零一八年年度報告日期以來，董事資料變動如下：

1. 本公司獨立非執行董事李德泰先生自二零一九年六月三十日起辭任達芙妮國際控股有限公司（聯交所上市公司，股份代號：210）的獨立非執行董事。
2. 本公司獨立非執行董事傅廷美先生自二零一九年七月二日起辭任中糧包裝控股有限公司（聯交所上市公司，股份代號：906）的獨立非執行董事。

CORPORATE GOVERNANCE HIGHLIGHTS AND OTHER INFORMATION

企業管治摘要及其他資料

REVIEW OF INTERIM RESULTS

The unaudited condensed consolidated interim financial information of the Group for the six months ended June 30, 2019 has been reviewed by the Audit Committee of the Board. The Audit Committee is of the view that the interim report of the Group is prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

The unaudited condensed consolidated interim financial statements of the Group for the six months ended June 30, 2019 have also been reviewed by the auditor of the Company, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended June 30, 2019 (for the six months ended June 30, 2018: Nil).

審閱中期業績

本集團截至二零一九年六月三十日止六個月之未經審核簡明綜合中期財務資料已由董事會轄下的審核委員會審閱。審核委員會認為，本集團中期報告符合適用會計準則、規則及條例，並已正式作出適當披露。

本集團截至二零一九年六月三十日止六個月的未經審核簡明綜合中期財務報表亦已由本公司核數師德勤•關黃陳方會計師行根據由香港會計師公會頒佈的香港審閱委聘準則第2410號「由實體之獨立核數師審閱中期財務資料」進行審閱。

中期股息

董事會不建議就截至二零一九年六月三十日止六個月派發中期股息（截至二零一八年六月三十日止六個月：無）。

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表審閱報告

Deloitte.

德勤

**TO THE BOARD OF DIRECTORS OF COFCO MEAT HOLDINGS
LIMITED**

(Incorporated in Cayman Islands with limited liability)

致中糧肉食控股有限公司董事會

(於開曼群島註冊成立的有限公司)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of COFCO Meat Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 32 to 77 which comprise the condensed consolidated statement of financial position as of June 30, 2019 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion 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.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

引言

我們已審閱載於第32頁至77頁的中糧肉食控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)的簡明綜合財務報表，包括於二零一九年六月三十日的簡明綜合財務狀況表，以及截至該日止六個月期間的相關簡明綜合損益及其他全面收益表、權益變動表及現金流量表，以及若干解釋附註。根據香港聯合交易所有限公司證券上市規則規定，中期財務資料報告須按照其相關條文以及香港會計師公會頒佈的香港會計準則第34號「中期財務報告」(「香港會計準則第34號」)編製。貴公司董事負責按照香港會計準則第34號編製及呈報該等簡明綜合財務報表。我們的責任為根據我們的審閱工作對該等簡明綜合財務報表發表結論，並根據我們受聘的協定條款，僅向閣下全體匯報我們的結論，而不作任何其他用途。我們不會就本報告之內容向任何其他人士承擔或負上任何責任。

審閱範圍

我們根據香港會計師公會頒佈的香港審閱工作準則第2410號「獨立核數師對實體中期財務資料的審閱」進行審閱。該等簡明綜合財務報表的審閱工作包括主要向負責財務及會計事宜的人員詢問，並應用分析和其他審閱程序。審閱之範圍遠小於根據香港審計準則進行之審計，故無法確保我們會注意到所有可通過審計辨別的重要事項。因此，我們不會發表審計意見。

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表審閱報告

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

August 27, 2019

結論

根據我們的審閱工作，我們並無注意到任何事宜使我們相信簡明綜合財務報表在所有重大方面未有按照香港會計準則第34號編製。

德勤•關黃陳方會計師行
執業會計師
香港

二零一九年八月二十七日

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

簡明綜合損益及其他全面收益表

For the six months ended June 30, 2019
截至二零一九年六月三十日止六個月

			Six months ended June 30, 截至六月三十日止六個月					
			2019 二零一九年			2018 二零一八年		
			Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total
			生物資產 公允價值 調整前業績	生物資產 公允價值 調整	總計	生物資產 公允價值 調整前業績	生物資產 公允價值 調整	總計
NOTES 附註			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
			(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
			(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
Revenue	收益	3	4,402,821	-	4,402,821	3,264,056	-	3,264,056
Cost of sales	銷售成本		(4,532,806)	(22,805)	(4,555,611)	(3,114,806)	(117,087)	(3,231,893)
Gross (loss)/profit	(毛損)/毛利		(129,985)	(22,805)	(152,790)	149,250	(117,087)	32,163
Other income	其他收入	5	78,217	-	78,217	47,527	-	47,527
Other gains and losses, net	其他收益及虧損淨額	6	142,629	-	142,629	97,507	-	97,507
Distribution and selling costs	分銷及銷售開支		(158,724)	-	(158,724)	(132,539)	-	(132,539)
Administrative expenses	行政開支		(120,963)	-	(120,963)	(92,380)	-	(92,380)
Share of profit of joint ventures	應佔合營企業溢利		366	-	366	61	-	61
Loss arising from agricultural produce at fair value less costs to sell at the point of harvest	按農產品收穫時的公允價值 減銷售成本產生的虧損		-	(7,526)	(7,526)	-	(343,226)	(343,226)
Gain arising from changes in fair value less costs to sell of biological assets	因生物資產公允價值 變動減銷售成本而 產生的收益		-	399,920	399,920	-	201,233	201,233
Finance costs	融資成本	7	(84,312)	-	(84,312)	(58,634)	-	(58,634)
Profit/(loss) before tax	除稅前溢利/(虧損)	8	(272,772)	369,589	96,817	10,792	(259,080)	(248,288)
Income tax expense	所得稅開支	9	(3,553)	-	(3,553)	(4)	-	(4)
Profit/(loss) for the period	期內溢利/(虧損)		(276,325)	369,589	93,264	10,788	(259,080)	(248,292)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

簡明綜合損益及其他全面收益表

For the six months ended June 30, 2019
截至二零一九年六月三十日止六個月

		Six months ended June 30, 截至六月三十日止六個月					
		2019 二零一九年			2018 二零一八年		
Results before		biological	Biological	Results before	biological	Biological	
assets		assets	assets	assets	assets	assets	
fair value		fair value	fair value	fair value	fair value	fair value	
adjustments		adjustments	adjustments	adjustments	adjustments	adjustments	Total
生物資產		生物資產	生物資產	生物資產	生物資產	生物資產	
公允價值		公允價值	公允價值	公允價值	公允價值	公允價值	
調整前業績		調整	調整	調整前業績	調整	調整	總計
RMB' 000		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	人民幣千元
(Unaudited)		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(未經審核)		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
Other comprehensive income (expense), net of income tax:	除所得稅後其他全面收入(開支):						
<i>Items that will not be reclassified to profit or loss:</i>	將不會重新分類至損益的項目:						
Fair value gain/(loss) on equity instrument at fair value through other comprehensive income	按公允價值計入其他全面收益的權益工具之公允價值收益/(虧損)						13,885
							(25,001)
<i>Items that may be reclassified subsequently to profit or loss:</i>	其後可重新分類至損益的項目:						
Exchange differences arising on translation of foreign operation	換算國外業務產生的匯兌差額						3,565
							5,712
Other comprehensive income (expense) for the period, net of income tax	除所得稅後期內其他全面收入(開支)						17,450
							(19,289)
Total comprehensive income/expense for the period	期內全面收入/開支總額						110,714
							(267,581)
Profit/(loss) for the period attributable to:	以下者應佔期內溢利/(虧損):						
Owners of the Company	本公司擁有人						142,257
Non-controlling interests	非控股權益						(48,993)
							93,264
							(248,292)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

簡明綜合損益及其他全面收益表

For the six months ended June 30, 2019
截至二零一九年六月三十日止六個月

		Six months ended June 30, 截至六月三十日止六個月					
		2019 二零一九年			2018 二零一八年		
		Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total
		生物資產 公允價值 調整前業績	生物資產 公允價值 調整	總計	生物資產 公允價值 調整前業績	生物資產 公允價值 調整	總計
NOTES 附註		RMB' 000 人民幣千元 (Unaudited) (未經審核)	RMB' 000 人民幣千元 (Unaudited) (未經審核)	RMB' 000 人民幣千元 (Unaudited) (未經審核)	RMB' 000 人民幣千元 (Unaudited) (未經審核)	RMB' 000 人民幣千元 (Unaudited) (未經審核)	RMB' 000 人民幣千元 (Unaudited) (未經審核)
Total comprehensive income/expense attributable to:	以下者應佔全面收入／ 開支總額：						
Owners of the Company	本公司擁有人			159,707			(262,446)
Non-controlling interests	非控股權益			(48,993)			(5,135)
				110,714			(267,581)
Earnings/(loss) per share:	每股盈利／(虧損)：			RMB3.65 cents 人民幣3.65分			RMB(6.23) cents 人民幣(6.23)分
Basic	基本	10					

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

As at June 30, 2019
於二零一九年六月三十日

			June 30, 2019 二零一九年 六月三十日	December 31, 2018 二零一八年 十二月三十一日
		NOTES 附註	RMB' 000 人民幣千元 (Unaudited) (未經審核)	RMB' 000 人民幣千元 (Audited) (經審核)
Non-current assets	非流動資產			
Goodwill	商譽		100,609	100,609
Property, plant and equipment	物業、廠房及設備	12	6,214,487	5,970,933
Right-of-use assets	使用權資產	12	394,616	–
Prepaid lease payments	預付租賃款項		–	207,562
Intangible assets	無形資產		2,630	2,046
Investments in joint ventures	於合營企業的投資		8,830	20,804
Equity instrument at fair value through other comprehensive income	按公允價值計入其他全面收益的權益工具	22	413,107	399,222
Biological assets	生物資產	13	268,374	468,294
Deposits paid for purchase of property, plant and equipment	購買物業、廠房及設備所付按金		12,507	6,052
Deferred tax assets	遞延稅項資產		472	237
			7,415,632	7,175,759
Current assets	流動資產			
Inventories	存貨		1,301,879	535,681
Biological assets	生物資產	13	723,059	995,532
Trade receivables	貿易應收款項	15	193,452	155,567
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		249,992	209,964
Amounts due from related companies	應收關聯公司款項	16	12,553	23,938
Pledged and restricted bank deposits	已抵押及受限制銀行存款	19	47,566	23,281
Cash and bank balances	現金及銀行結餘		884,121	1,140,035
			3,412,622	3,083,998

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

As at June 30, 2019
於二零一九年六月三十日

		NOTES 附註	June 30, 2019 二零一九年 六月三十日 RMB' 000 人民幣千元 (Unaudited) (未經審核)	December 31, 2018 二零一八年 十二月三十一日 RMB' 000 人民幣千元 (Audited) (經審核)
Current liabilities	流動負債			
Trade and bills payables	貿易應付款項及應付票據	18	316,476	500,687
Contract liabilities	合約負債		126,384	137,092
Bank borrowings	銀行借款	17	2,650,605	2,057,045
Lease liabilities	租賃負債		21,371	-
Other payables, accruals and deposits received	其他應付款項、應計費用及已收按金		539,949	563,268
Amounts due to related companies	應付關聯公司款項	16	128,782	61,480
Loans from related companies	來自關聯公司的貸款	17	510,540	475,540
Financial liabilities at fair value through profit or loss	按公允價值計入損益的金融負債	14	4,258	2,170
Current tax liabilities	即期稅項負債		1,633	200
			4,299,998	3,797,482
Net current liabilities	流動負債淨額		(887,376)	(713,484)
Total assets less current liabilities	總資產減流動負債		6,528,256	6,462,275
Non-current liabilities	非流動負債			
Bank borrowings	銀行借款	17	1,242,101	1,448,279
Loans from a related company	來自關聯公司的貸款	17	90,594	89,339
Deferred income	遞延收入		155,306	139,881
Lease liabilities	租賃負債		144,979	-
Deferred tax liabilities	遞延稅項負債		10,322	10,536
			1,643,302	1,688,035
Net assets	資產淨值		4,884,954	4,774,240
Capital and reserves	資本及儲備			
Share capital	股本		1,668,978	1,668,978
Reserves	儲備		3,166,473	3,006,766
Equity attributable to the owners of the Company	本公司擁有人應佔權益		4,835,451	4,675,744
Non-controlling interests	非控股權益		49,503	98,496
Total equity	權益總額		4,884,954	4,774,240

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合股本變動報表

For the six months ended June 30, 2019
截至二零一九年六月三十日止六個月

		Attributable to the owners of the Company 本公司擁有人應佔									
	Share capital	Share premium	Special reserve	Capital reserve	Statutory reserve	FVTOCI reserve	Translation reserve	Retained earnings/ losses	Total	Non-controlling interests	Total equity
	股本	股份溢價	特別儲備金	資本儲備	法定儲備金	按公允價值計入其他全面收入之儲備	匯兌儲備	保留盈利/(累計虧損)	總計	非控股權益	權益總額
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	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	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
<i>At 31 December 2018 (audited)</i>	1,668,978	1,645,960	858,459	89,112	129,403	375,706	64,169	(156,043)	4,675,744	98,496	4,774,240
於二零一八年十二月三十一日 (經審核)											
Profit for the period	-	-	-	-	-	-	-	142,257	142,257	(48,993)	93,264
Other comprehensive income (expense) for the period	-	-	-	-	-	13,885	3,565	-	17,450	-	17,450
Total comprehensive income (expense) for the period	-	-	-	-	-	13,885	3,565	142,257	159,707	(48,993)	110,714
<i>At 30 June 2019 (unaudited)</i>	1,668,978	1,645,960	858,459	89,112	129,403	389,591	67,734	(13,786)	4,835,451	49,503	4,884,954
於二零一九年六月三十日 (未經審核)											

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合股本變動報表

For the six months ended June 30, 2019
截至二零一九年六月三十日止六個月

	Attributable to the owners of the Company 本公司擁有人應佔										
	Share capital 股本	Share premium 溢價	Special reserve 特別儲備金	Capital reserve 資本儲備	Statutory reserve 法定儲備金	FVOCI reserve 按公允價值計入其他全面收入的儲備	Translation reserve 匯兌儲備	Retained earnings/ losses 保留盈利/ (累計虧損)	Total 總計	Non-controlling interests 非控股權益	Total equity 權益總額
	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	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	RMB' 000 人民幣千元
At 31 December 2017 (audited)											
	1,668,978	1,645,960	858,459	76,908	124,030	-	50,046	476,997	4,901,378	43,940	4,945,318
於二零一七年十二月三十一日 (經審核)											
Adjustment due to adoption of IFR9 因採納國際財務報告準則作出的調整	-	-	-	-	-	368,991	-	-	368,991	-	368,991
At January 2018 (restated) (經重列)	1,668,978	1,645,960	858,459	76,908	124,030	368,991	50,046	476,997	5,270,369	43,940	5,314,309
Loss for the period 期內虧損	-	-	-	-	-	-	-	(243,157)	(243,157)	(5,135)	(248,292)
Other comprehensive (expense) income 期內其他全面(開支)收入	-	-	-	-	-	(25,001)	5,712	-	(19,289)	-	(19,289)
Total comprehensive (expense) income for the period	-	-	-	-	-	(25,001)	5,712	(243,157)	(262,446)	(5,135)	(267,581)
Recognition of equity-settled share based payments granted by shareholders 確認股東以權益結算以 股份為基礎的支付	-	-	6,200	-	-	-	-	-	6,200	-	6,200
Capital contribution from a non-controlling equity holder 非控股權益持有人出資	-	-	-	-	-	-	-	-	-	76,496	76,496
At 30 June 2018 (unaudited)											
	1,668,978	1,645,960	858,459	83,108	124,030	343,990	55,758	233,940	5,014,123	115,301	5,129,424
於二零一八年六月三十日 (未經審核)											

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended June 30, 2019
截至二零一九年六月三十日止六個月

		Six months ended June 30, 截至六月三十日止六個月	
		2019 二零一九年 RMB' 000 人民幣千元 (Unaudited) (未經審核)	2018 二零一八年 RMB' 000 人民幣千元 (Unaudited) (未經審核)
Net cash used in operating activities	經營活動所用現金淨額	(158,663)	(269,426)
Investing activities	投資活動		
Interest received	已收利息	16,281	11,987
Payments for property, plant and equipment	就物業、廠房及設備的付款	(397,239)	(387,641)
Payments for prepaid lease payments	就預付租賃款項的付款	-	(20,772)
Payments for intangible assets	就無形資產的付款	(1,025)	(84)
Payments for right-of-use assets	就使用權資產的付款	(28,920)	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備的所得款項	448	49,903
Placement of pledged and restricted bank deposits	存放已抵押及受限制銀行存款	(26,338)	(34,090)
Withdrawal of pledged and restricted bank deposits	提取已抵押及受限制銀行存款	2,053	40,457
Placement of time deposits with original maturity over 3 months	存放原有期限超過三個月的定期存款	-	(804,527)
Withdrawal of time deposits with original maturity over 3 months	提取原有期限超過三個月的定期存款	773,470	231,842
Proceeds from disposal of a joint venture	出售一間合營企業所得款項	8,804	-
Net cash generated from (used in) investing activities	投資活動所得(所用)現金淨額	347,534	(912,925)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended June 30, 2019
截至二零一九年六月三十日止六個月

		Six months ended June 30, 截至六月三十日止六個月	
		2019 二零一九年 RMB' 000 人民幣千元 (Unaudited) (未經審核)	2018 二零一八年 RMB' 000 人民幣千元 (Unaudited) (未經審核)
Financing activities	融資活動		
Interest paid	已付利息	(80,595)	(62,287)
New bank borrowings	新增銀行借款	2,101,944	929,707
Repayment of principal of bank borrowings	償還銀行借款本金	(1,714,562)	(392,491)
Loans from related companies	來自關聯公司的貸款	110,000	190,340
Repayment of loans from related companies	償還來自關聯公司的貸款	(75,000)	-
Repayment of loans from a non-controlling equity holder	償還來自非控股權益持有人的貸款	-	(37,693)
Repayments of leases liabilities	償還租賃負債	(11,814)	-
Capital contribution from a non-controlling equity holder	非控股權益持有人出資	-	76,496
Net cash generated from financing activities	融資活動產生的現金淨額	329,973	704,072
Net increase(decrease) in cash and cash equivalents	現金及現金等價物增加(減少)淨額	518,844	(478,279)
Cash and cash equivalents at the beginning of period	期初現金及現金等價物	274,171	953,419
Effects of foreign exchange rate changes	外匯匯率變動的影響	(6,102)	(6,434)
Cash and cash equivalents at the end of period	期末現金及現金等價物	786,913	468,706
Cash and bank balances	現金及銀行結餘	884,121	1,273,233
Less: Time deposits with original maturity over 3 months when acquired	減：收購時原有限限超過三個月的定期存款	(97,208)	(804,527)
		786,913	468,706

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended June 30, 2019
截至二零一九年六月三十日止六個月

1. BASIS OF PREPARATION AND PRESENTATION

The unaudited condensed consolidated financial statements of COFCO Meat Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) for the six months ended June 30, 2019 have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended December 31, 2018.

These condensed consolidated financial statements are presented in Renminbi (“RMB”), which is the same as the functional currency of the Company and most of its subsidiaries, and all values are rounded to the nearest thousand except when otherwise indicated.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for biological assets and certain financial instruments which are measured at fair values, as appropriate.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2019 are the same as those presented in the Group’s annual financial statements for the year ended December 31, 2018.

1. 編製及呈列基礎

中糧肉食控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）截至二零一九年六月三十日止六個月的未經審核簡明綜合財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈的香港會計準則第34號「中期財務報告」以及香港聯合交易所有限公司證券上市規則附錄十六的適用披露規定編製。

簡明綜合財務報表不包括年度財務報表中規定的一切資料及披露，應連同本集團截至二零一八年十二月三十一日止年度的年度財務報表一併閱讀。

該等簡明綜合財務報表以人民幣（「人民幣」）呈列，人民幣為本公司及其多數附屬公司的功能貨幣，除另有指明外，所有金額均約至最接近千位。

2. 主要會計政策

簡明綜合財務報表已按歷史成本基準編製，惟按公允價值計量的生物資產及若干金融工具除外（如適用）。

除應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）導致的會計政策變動外，截至二零一九年六月三十日止六個月的簡明綜合財務報表所採用的會計政策及計算方法與本集團截至二零一八年十二月三十一日止年度的年度財務報表所呈列者相同。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended June 30, 2019
截至二零一九年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after January 1, 2019 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

Except as described below, the application of the new and amendments to HKFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

2.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases

The Group has applied HKFRS 16 for the first time in the current interim period. HKFRS 16 superseded HKAS 17 Leases ("HKAS 17"), and the related interpretations.

2. 主要會計政策 (續)

應用新訂及經修訂香港財務報告準則

於本中期期間，本集團已首次應用以下於二零一九年一月一日當日或之後的年度期間強制生效的由香港會計師公會頒佈的新訂及經修訂香港財務報告準則，以編製本集團簡明綜合財務報表：

香港財務報告準則第16號	租賃
香港(國際財務報告詮釋委員會)-詮釋第23號	所得稅處理之不確定性
香港財務報告準則第9號修訂本	負補償的預付款項特性
香港會計準則第19號修訂本	計劃修訂、縮減或結清
香港會計準則第28號修訂本	於聯營公司及合資企業之長期權益
香港財務報告準則修訂本	二零一五年至二零一七年週期之香港財務報告準則年度改進

除下文所述者外，於當前期間應用新訂及經修訂香港財務報告準則對本集團於本期間及過往期間之財務表現及狀況及／或於該等簡明綜合財務報表所載之披露並無重大影響。

2.1 應用香港財務報告準則第16號租賃的會計政策影響及變動

本集團已於本中期期間首次採納香港財務報告準則第16號。香港財務報告準則第16號取代香港會計準則第17號租賃(「香港會計準則第17號」)及相關詮釋。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended June 30, 2019
截至二零一九年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

2.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16

The Group applied the following accounting policies in accordance with the transition provisions of HKFRS 16.

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

As a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the financial statements would not differ materially from individual leases within the portfolio.

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

2. 主要會計政策 (續)

2.1 應用香港財務報告準則第16號租賃的會計政策影響及變動 (續)

2.1.1 應用香港財務報告準則第16號導致會計政策的主要變動

本集團已根據香港財務報告準則第16號的過渡條文應用以下會計政策。

租賃的定義

倘合約為換取代價而給予可在一段時間內控制使用已識別資產的權利，則該合約屬於或包括租賃。

就於首次採納日或之後訂立或修訂的合約而言，於初始或修改日期本集團根據香港財務報告準則第16號的定義評估該合約是否屬於或包括租賃。除非合約的條款及條件其後出現變動，否則有關合約不會重新評估。

作為承租人

對合約成分的對價分攤

就包含租賃部分以及一個或多個額外租賃或非租賃部分的合約，本集團根據租賃部分的相對獨立價格及非租賃部分總獨立價格，將合約中的代價分配至各租賃部分。

作為可行權宜方法，倘本集團合理預期按組別基準入賬與將組合內的租賃按個別入賬兩者對財務報表的影響並無重大差異，則具有類似特徵的租賃按組別基準入賬。

本集團亦應用可行權宜方法，不會從租賃部分中區分非租賃部分，並改為將租賃部分及任何相關非租賃部分入賬列為一項獨立租賃部分。

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截至二零一九年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

2.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee (Continued)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

2. 主要會計政策 (續)

2.1 應用香港財務報告準則第16號租賃的會計政策影響及變動 (續)

2.1.1 應用香港財務報告準則第16號導致會計政策的主要變動 (續)

作為承租人 (續)

短期租賃及低值資產租賃

本集團對租賃期自開始日期起計為12個月或以內且並無包含購買選擇權的租賃，應用短期租賃確認豁免。本集團亦對低值資產租賃應用確認豁免。短期租賃及低值資產租賃的租賃款項按直線基準於租賃期內確認為開支。

使用權資產

除短期租賃及低值資產租賃外，本集團於租賃開始日期（即相關資產可供使用的日期）確認使用權資產。使用權資產按成本減去任何累計折舊及減值虧損入賬，並就租賃負債的重新計量作出調整。

使用權資產的成本包括：

- 租賃負債的初始計量金額；
- 於開始日期或之前支付的任何租賃款項，減去已收的任何租賃優惠；
- 本集團產生的任何初始直接成本；及
- 本集團於拆解及移除相關資產、復原相關資產所在場地或復原相關資產至租賃的條款及條件所規定狀況而產生的成本估計。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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For the six months ended June 30, 2019
截至二零一九年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

2.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee (Continued)

Right-of-use assets (Continued)

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Leasehold land and building

For payments of a property interest which includes both leasehold land and building elements, the entire property is presented as property, plant and equipment of the Group when the payments cannot be allocated reliably between the leasehold land and building elements.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 Financial Instruments ("HKFRS 9") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

2. 主要會計政策 (續)

2.1 應用香港財務報告準則第16號租賃的會計政策影響及變動 (續)

2.1.1 應用香港財務報告準則第16號導致會計政策的主要變動 (續)

作為承租人 (續)

使用權資產 (續)

本集團於租賃期結束時合理確定獲取相關租賃資產所有權的使用權資產，自開始日期起至可使用年期結束期間折舊。否則，使用權資產按直線基準於其估計可使用年期及租賃期（以較短者為準）內折舊。

本集團於綜合財務狀況表中將使用權資產按獨立項目列報。

租賃土地及樓宇

就包括租賃土地及建築元素在內的物業權益的付款而言，倘有關款項無法於租賃土地與樓宇元素之間可靠分配，則整項物業呈列為本集團的物業、廠房及設備。

可退還租賃按金

已支付可退還租賃按金根據香港財務報告準則第9號金融工具（「香港財務報告準則第9號」）入賬，並按照公允價值初始計量。對初始確認時的公允價值調整被視作額外租賃款項並計入使用權資產成本進行計算。

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For the six months ended June 30, 2019
截至二零一九年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

2.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee (Continued)

Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

2. 主要會計政策 (續)

2.1 應用香港財務報告準則第16號租賃的會計政策影響及變動 (續)

2.1.1 應用香港財務報告準則第16號導致會計政策的主要變動 (續)

作為承租人 (續)

租賃負債

於租賃開始日，本集團按該日未付的租賃款項現值確認及計量租賃負債。計算租賃款項現值時，倘租賃隱含的利率不易釐定，本集團則採用租賃開始日期的增量借款利率。

租賃款項包括：

- 固定付款（包括實質固定付款）減去任何應收租賃激勵；
- 取決於指數或利率的可變租賃款項；
- 根據剩餘價值擔保預期支付的金額；
- 購買選擇權的行使價（合理確定由本集團行使）；及
- 終止租賃的罰金付款（租賃期內本集團行使終止權）。

在開始日期後，租賃負債通過利息增加及租賃款項進行調整。

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For the six months ended June 30, 2019
截至二零一九年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

2.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee (Continued)

Lease liabilities (Continued)

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease payments change due to changes in market rice price, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Taxation

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

2. 主要會計政策 (續)

2.1 應用香港財務報告準則第16號租賃的會計政策影響及變動 (續)

2.1.1 應用香港財務報告準則第16號導致會計政策的主要變動 (續)

作為承租人 (續)

租賃負債 (續)

於下列情況下，本集團重新計量租賃負債（並對相關的使用權資產進行相應調整）：

- 租賃款項因市場食米價格變化而變動，在此情況下，相關的租賃負債通過使用初步貼現率貼現經修訂租賃款項重新計量。

租賃修改

倘出現以下情況，本集團將租賃修改作為一項單獨的租賃進行入賬：

- 該項修改通過增加使用一項或多項相關資產的使用權擴大租賃範圍；及
- 調增租賃的代價，增加的金額相當於範圍擴大對應的單獨價格，加上按照特定合約的實際情況對單獨價格進行的任何適當調整。

就未作為一項單獨租賃入賬的租賃修改而言，本集團基於修改後的租賃期透過使用修改生效之日的經修訂貼現率貼現經修訂租賃款項來重新計量租賃負債。

稅項

就本集團確認使用權資產及相關租賃負債的租賃交易所產生的遞延稅項而言，本集團首先確認使用權資產或租賃負債是否享有稅務減免。

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2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

2.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee (Continued)

Taxation (Continued)

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease* and not apply this standards to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after January 1, 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, January 1, 2019. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

2. 主要會計政策 (續)

2.1 應用香港財務報告準則第16號租賃的會計政策影響及變動 (續)

2.1.1 應用香港財務報告準則第16號導致會計政策的主要變動 (續)

作為承租人 (續)

稅項 (續)

就租賃負債享有稅務減免的租賃交易而言，本集團會對使用權資產及租賃負債單獨應用香港會計準則第12號所得稅的規定。應用首次確認豁免後，有關使用權資產及租賃負債的暫時性差額並不會於初始確認時確認，亦不會隨租賃期而確認。

2.1.2 首次應用香港財務報告準則第16號所產生的過渡及影響概要

租賃的定義

本集團選擇可行權宜方法，就先前應用香港會計準則第17號及香港（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識別為租賃的合約應用香港財務報告準則第16號，而無對於先前並未識別為包括租賃的合約應用該準則。因此，本集團並未重新評估於首次應用日前已存在的合約。

就二零一九年一月一日或之後訂立或修訂的合約而言，本集團根據香港財務報告準則第16號所載的規定應用租賃的定義，以評估合約是否包括租賃。

作為承租人

本集團已追溯應用香港財務報告準則第16號，而累計影響於二零一九年一月一日首次應用日確認。首次應用日之任何差額已於期初保留溢利中確認，比較數據未經重述。

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簡明綜合財務報表附註

For the six months ended June 30, 2019
截至二零一九年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

2.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases (Continued)

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16 (Continued)

As a lessee (Continued)

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- i. relied on the assessment of whether leases are onerous by applying HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* as an alternative of impairment review;
- ii. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;
- iii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application;
- iv. applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for leases of land use right in the People's Republic of China was determined on a portfolio basis.

On transition, the Group has made the following adjustments upon application of HKFRS 16:

As at January 1, 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities by applying HKFRS 16.C8(b)(ii) transition.

2. 主要會計政策 (續)

2.1 應用香港財務報告準則第16號租賃的會計政策影響及變動 (續)

2.1.2 首次應用香港財務報告準則第16號所產生的過渡及影響概要 (續)

作為承租人 (續)

於過渡期間應用香港財務報告準則第16號項下的經修訂追溯法時，本集團按個別租賃基準對先前根據香港會計準則第17號分類為經營租賃的租賃，以每一項租賃為基礎，根據下述範圍確認相應的租賃合約：

- i. 應用香港會計準則第37號撥備、或然負債及或然資產評估租賃是否為虧損性，以此作為減值覆核的替代方法；
- ii. 選擇不就租賃期於首次應用日起12個月內結束的租賃確認使用權資產及租賃負債；
- iii. 於首次應用日計量使用權資產時撇除初始直接成本；
- iv. 於類似經濟環境下對具有類似組別相關資產及類似剩餘年期的租賃組合應用單一貼現率。具體而言，中華人民共和國土地使用權租賃的貼現率乃按組合基準釐定。

於過渡時，本集團已於應用香港財務報告準則第16號後作出以下調整：

於二零一九年一月一日，本集團透過應用香港財務報告準則第16號C8(b)(ii)過渡條文確認額外租賃負債及使用權資產，其金額相等於通過任何預付或應付租賃款調整的相關租賃負債。

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For the six months ended June 30, 2019
截至二零一九年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

2.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases (Continued)

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16 (Continued)

As a lessee (Continued)

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rates applied by the relevant group entities range from 4.75% to 4.90%.

2. 主要會計政策 (續)

2.1 應用香港財務報告準則第16號租賃的會計政策影響及變動 (續)

2.1.2 首次應用香港財務報告準則第16號所產生的過渡及影響概要 (續)

作為承租人 (續)

就先前分類為經營租賃的租賃確認租賃負債時，本集團已於首次應用日應用集團相關實體的增量借款利率。相關集團實體應用的加權平均增量借款利率介乎4.75%至4.90%。

	Note 附註	At January 1, 2019 於二零一九年 一月一日 RMB'000 人民幣千元
Operating lease commitments disclosed as at December 31, 2018	於二零一八年十二月三十一日披露的經營租賃承擔	285,852
Lease liabilities discounted at relevant incremental borrowing rates	按相關增量借款利率貼現的租賃負債	170,802
Less: Recognition exemption – short-term leases	減：確認豁免 – 短期租賃	2,864
Lease liabilities as at January 1, 2019	於二零一九年一月一日的租賃負債	167,938
Analysed as	分析為	
Current	流動	24,546
Non-current	非流動	143,392
		167,938

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For the six months ended June 30, 2019
截至二零一九年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

2.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases (Continued)

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16 (Continued)

As a lessee (Continued)

The carrying amount of right-of-use assets as at January 1, 2019 comprises the following:

2. 主要會計政策 (續)

2.1 應用香港財務報告準則第16號租賃的會計政策影響及變動 (續)

2.1.2 首次應用香港財務報告準則第16號所產生的過渡及影響概要 (續)

作為承租人 (續)

於二零一九年一月一日的使用權資產賬面值包括以下各項：

	Notes 附註	Right-of-use assets 使用權資產 RMB' 000 人民幣千元
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	應用香港財務報告準則第16號後確認與經營租賃有關的使用權資產	167,938
Reclassified from prepaid lease payments	自預付租賃款項重新分類 (a)	233,714
		401,652
By class:	按類別劃分：	
Leasehold lands	租賃土地	380,338
Properties	物業	21,314
		401,652

(a) Upfront payments for leasehold lands in the PRC were classified as prepaid lease payments as at December 31, 2018. Upon application of HKFRS 16, the current and non-current portion of prepaid lease payments amounting to RMB26,152,000 and RMB207,562,000 respectively were reclassified to right-of-use assets.

(a) 中國租賃土地的預付款項於二零一八年十二月三十一日分類為預付租賃款項。應用香港財務報告準則第16號後，流動及非流動預付租賃款項分別人民幣26,152,000元及人民幣207,562,000元已重新分類至使用權資產。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended June 30, 2019
截至二零一九年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

2.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases (Continued)

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16 (Continued)

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at January 1, 2019. Line items that were not affected by the changes have not been included.

2. 主要會計政策 (續)

2.1 應用香港財務報告準則第16號租賃的會計政策影響及變動 (續)

2.1.2 首次應用香港財務報告準則第16號所產生的過渡及影響概要 (續)

對於二零一九年一月一日的簡明綜合財務狀況表確認金額的調整如下。未列示未受變動影響的項目。

			Carrying amounts previously reported at December 31, 2018	Adjustments	Carrying amounts under HKFRS 16 at January 1, 2019
		Notes	於二零一八年 十二月三十一日 先前呈報 的賬面值 RMB' 000 人民幣千元	調整 RMB' 000 人民幣千元	於二零一九年 一月一日 香港財務報告準則 第16號項下 的賬面值 RMB' 000 人民幣千元
		附註			
Non-current Assets	非流動資產				
Prepaid lease payments	預付租賃款項	(a)	207,562	(207,562)	-
Right-of-use assets	使用權資產		-	401,652	401,652
Current Assets	流動資產				
Prepaid lease payments	預付租賃款項	(a)	26,152	(26,152)	-
Current Liabilities	流動負債				
Lease liabilities	租賃負債		-	24,546	24,546
Non-current liabilities	非流動負債				
Lease liabilities	租賃負債		-	143,392	143,392

Note: For the purpose of reporting cash flows from operating activities under indirect method for the six months ended June 30, 2019, movements in working capital have been computed based on opening statement of financial position as at January 1, 2019 as disclosed above.

附註：就截至二零一九年六月三十日止六個月以間接方法報告經營活動的現金流量而言，營運資金的變動乃根據上文所披露的二零一九年一月一日的期初財務狀況表計算。

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簡明綜合財務報表附註

For the six months ended June 30, 2019
截至二零一九年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

2.2 Significant changes in significant judgements and key sources of estimation uncertainty

Determination on lease term of contracts with renewal options

The Group applies judgement to determine the lease term for lease contracts in which it is a lessee that include renewal option. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

3. REVENUE

Disaggregation of revenue

		For the six months ended June 30, 2019 截至二零一九年六月三十日止六個月				
		Hog production and sales	Sales of fresh pork	Sales of processed meat products	Sales of imported meat products	Total
		生豬養殖 及銷售	銷售 生鮮豬肉	銷售 肉製品	銷售進口 肉類產品	總計
		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
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
Segments						
分部						
	Types of goods	商品種類				
	Hogs	生豬	1,113,587	-	-	1,113,587
	Fresh pork	生鮮豬肉	-	1,417,378	-	1,417,378
	Processed meat products	肉製品	-	-	192,255	192,255
	Imported meat products	進口肉類產品	-	-	-	1,679,601
	Total	總計	1,113,587	1,417,378	192,255	1,679,601
	Timing of revenue recognition	收益確認時間				
	A point in time	時間點	1,113,587	1,417,378	192,255	1,679,601
	Total	總計	1,113,587	1,417,378	192,255	1,679,601

2. 主要會計政策 (續)

2.2 重大判斷的重大變化及估計不確定性的主要來源

釐定具有續約選擇權合約的租賃期

本集團應用判斷釐定其作為承租人對包括續約選擇權的租賃合約的租賃期。評估本集團是否合理確定行使該等選擇權影響租賃期，並對已確認的租賃負債及使用權資產金額有重大影響。

3. 收益

收益分述

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended June 30, 2019
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3. REVENUE (Continued)

Disaggregation of revenue (Continued)

Segments	Hog production and sales	Sales of fresh pork	Sales of processed meat products	Sales of imported meat products	Total
分部	生豬養殖及銷售	銷售生鮮豬肉	銷售肉製品	銷售進口肉類產品	總計
	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
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)

Types of goods	商品種類					
Hogs	生豬	876,496	-	-	-	876,496
Fresh pork	生鮮豬肉	-	1,274,364	-	-	1,274,364
Processed meat products	肉製品	-	-	172,926	-	172,926
Imported meat products	進口肉類產品	-	-	-	940,270	940,270
Total	總計	876,496	1,274,364	172,926	940,270	3,264,056

Timing of revenue recognition	收益確認時間					
A point in time	時間點	876,496	1,274,364	172,926	940,270	3,264,056
Total	總計	876,496	1,274,364	172,926	940,270	3,264,056

3. 收益 (續)

收益分述 (續)

For the six months ended June 30, 2018
截至二零一八年六月三十日止六個月

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended June 30, 2019
截至二零一九年六月三十日止六個月

4. SEGMENT INFORMATION

Information reported to the directors of the Company, being the chief operating decision makers (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. Specifically, the Group has four reportable operating segments under HKFRS 8 as follows:

Hog production segment	represents hog breeding and sales
Fresh pork segment	represents slaughtering, wholesale and retail sales of fresh and frozen meats
Processed meat products segment	represents manufacture, wholesale and retail sales of processed meat products under brands of “Maverick” and “Joycome”
Meat import segment	represents wholesale and retail sales of imported meat products

Each reportable segment derives its revenue from the sales of products based on the location of operations. They are managed separately because each segment requires different production and marketing strategies.

4. 分部資料

就分配資源及評估分部表現而向本公司董事（即主要經營決策者（「主要經營決策者」））所呈報的資料主要針對所交付或提供的產品或服務的類型。本集團根據香港財務報告準則第8號設定的四個可呈報經營分部具體如下：

生豬養殖分部	指生豬養殖及銷售
生鮮豬肉分部	指屠宰、批發及零售生鮮及冷凍豬肉
肉製品分部	指生產、批發及零售「萬威客」及「家佳康」品牌下的肉製品
肉類進口分部	指批發及零售進口肉類產品

各可呈報分部的收益來自基於經營所在地的產品銷售。由於各分部需要不同的生產及營銷策略，故可呈報分部分開管理。

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For the six months ended June 30, 2019
截至二零一九年六月三十日止六個月

4. SEGMENT INFORMATION (Continued)

Segment revenue and segment results

The following is an analysis of the Group's revenue and results by reportable and operating segments.

4. 分部資料(續)

分部收益及分部業績

按可呈報及經營分部劃分，本集團的收益及業績分析如下。

		Hog production	Fresh pork	Processed meat products	Meat import	Segment total	Inter- segment elimination	Total
		生豬養殖	生鮮豬肉	肉製品	肉類進口	分部總計	分部間對銷	總計
		RMB' 000	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	人民幣千元
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
Six months ended	截至二零一九年六月							
June 30, 2019	三十日止六個月							
Segment revenue	分部收益							
External customers	外部客戶	1,113,587	1,417,378	192,255	1,679,601	4,402,821	-	4,402,821
Inter-segment sales	分部間銷售	702,053	26,026	3,877	14,775	746,731	(746,731)	-
Segment revenue	分部收益	1,815,640	1,443,404	196,132	1,694,376	5,149,552	(746,731)	4,402,821
Segment results	分部業績	(435,658)	52,591	2,464	36,525	(344,078)	-	(344,078)
Unallocated corporate income	未獲分配企業收入							175,026
Unallocated corporate expenses	未獲分配企業開支							(23,491)
Share of gain of joint ventures	應佔合營企業收益							366
Fair value adjustments on biological assets	有關生物資產的公允價值調整							369,589
Finance costs	融資成本							(80,595)
Group's profit before tax	本集團除稅前溢利							96,817

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截至二零一九年六月三十日止六個月

4. SEGMENT INFORMATION (Continued)

Segment revenue and segment results (Continued)

		Hog production	Fresh pork	Processed meat products	Meat import	Segment total	Inter- segment elimination	Total
		生豬養殖	生鮮豬肉	肉製品	肉類進口	分部總計	分部間對銷	總計
		RMB' 000	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	人民幣千元
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
Six months ended	截至二零一八年六月							
June 30, 2018	三十日止六個月							
Segment revenue	分部收益							
External customers	外部客戶	876,496	1,274,364	172,926	940,270	3,264,056	-	3,264,056
Inter-segment sales	分部間銷售	621,289	21,353	1,596	18,960	663,198	(663,198)	-
Segment revenue	分部收益	1,497,785	1,295,717	174,522	959,230	3,927,254	(663,198)	3,264,056
Segment results	分部業績	(102,886)	64,631	89,317	30,867	81,929	-	81,929
Unallocated corporate income	未獲分配企業收入							11,715
Unallocated corporate expenses	未獲分配企業開支							(24,279)
Share of gain of joint ventures	應佔合營企業收益							61
Fair value adjustments on biological assets	有關生物資產的公允價值調整							(259,080)
Finance costs	融資成本							(58,634)
Group's loss before tax	本集團除稅前虧損							(248,288)

Segment profit/(loss) represents the profit earned by/(loss from) each segment without allocation of corporate income and expenses including central administration costs and directors' emoluments, fair value adjustments on biological assets, share of profit/(loss) of joint ventures and certain finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

4. 分部資料 (續)

分部收益及分部業績 (續)

分部溢利/(虧損)指各分部所賺取的溢利/(產生的虧損)，未獲分配企業收入及開支，包括中央行政成本及董事酬金、有關生物資產的公允價值調整、應佔合營企業溢利/(虧損)及若干融資成本。此乃向主要經營決策者呈報以作資源分配及表現評估的方法。

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4. SEGMENT INFORMATION (Continued)

Segment revenue and segment results (Continued)

Inter-segment sales are charged at prices agreed between group entities.

Segment assets and liabilities

Segment assets and liabilities are not disclosed in these condensed consolidated financial statements as they are not regularly provided to the CODM for the purposes of resource allocation and performance assessment.

5. OTHER INCOME

An analysis of the Group's other income is as follows:

4. 分部資料 (續)

分部收益及分部業績 (續)

分部間銷售按集團實體議定的價格收取。

分部資產及負債

由於分部資產及負債並無定期提供予主要經營決策者以作資源分配及表現評估，因此有關資料並無於該等簡明綜合財務報表中披露。

5. 其他收入

本集團的其他收入分析如下：

		Six months ended June 30, 截至六月三十日止六個月	
		2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Interest income	利息收入	16,281	11,987
–bank	– 銀行	15,504	11,178
–related companies	– 關聯公司	777	809
Government grants*	政府補助*	61,936	35,540
		78,217	47,527

* Government grants are mainly related to bio-safety disposal of died hogs and construction of hog farms. There are no unfulfilled conditions or contingencies relating to these grants.

Included in the above balances are government grants released from deferred income of RMB1,792,000 for the six months ended June 30, 2019 (six months ended June 30, 2018: RMB1,791,000).

* 政府補助主要與死豬的無害化處理及養豬場建設有關。概無有關該等補助的未達成條件或或然事項。

截至二零一九年六月三十日止六個月自遞延收入解除的政府補助人民幣1,792,000元(截至二零一八年六月三十日止六個月：人民幣1,791,000元)載入上述結餘。

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6. OTHER GAINS AND LOSSES, NET

An analysis of the Group's other gains/(losses) is as follows:

6. 其他收益及虧損淨額

本集團的其他收益／(虧損)分析如下：

Six months ended June 30,
截至六月三十日止六個月

		2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Exchange gain(loss), net	匯兌收益(虧損)淨額	1,288	(458)
(Loss)gain on disposal of property, plant and equipment*	出售物業、廠房及設備(虧損)收益*	(131)	66,461
Gain on disposal of prepaid lease payments, net*	出售預付租賃款項收益淨額*	-	21,054
Loss on disposal of a joint venture	出售一間合營企業虧損	(3,536)	-
Impairment of inventories	存貨減值	(2,456)	(222)
Impairment on trade receivables, net	貿易應收款項減值淨額	(19)	(106)
(Impairment on)/reversal of impairment on other receivables, net	其他應收款項(減值)／減值撥回淨額	(39)	189
Impairment of property, plant and equipment	物業、廠房及設備減值	(400)	-
Gain from commodity future contracts	商品期貨合約收益	160,394	-
(Loss)gain from changes in fair value of foreign currency forward contracts	外幣遠期合約公允價值變動(虧損)收益	(5,802)	11,929
Others	其他	(6,670)	(1,340)
		142,629	97,507

* During 2018, COFCO Maverick Food Products ("Maverick"), a subsidiary of the Group, has an aggregate gain of RMB88,050,000 for disposal of properties and prepaid lease payments for land use right due to relocation of Maverick's properties and production plants as requested by the local government. The local government compensated Maverick cash of RMB50,000,000 and a land use right and properties at market value of RMB54,431,000 which, in the opinion of the management of the Company, approximate to the fair value of the properties and prepaid lease payments for land use rights disposed.

* 於二零一八年，因出售物業及由於萬威客根據地方政府要求搬遷其物業及生產工廠而就土地使用權預付租賃款項，本集團的附屬公司中糧萬威客食品（「萬威客」）合共錄得收益人民幣88,050,000元。地方政府補償萬威客現金人民幣50,000,000元，而土地使用權及物業則以人民幣54,431,000元的市值補償予其，本公司管理層認為該市值約等於物業的公允價值加所出售的土地使用權的預付租賃款項。

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7. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

7. 融資成本

本集團的融資成本分析如下：

		Six months ended June 30, 截至六月三十日止六個月	
		2019 二零一九年 RMB' 000 人民幣千元 (Unaudited) (未經審核)	2018 二零一八年 RMB' 000 人民幣千元 (Unaudited) (未經審核)
Interest on:	以下各項的利息：		
Bank borrowings	銀行借款	77,159	53,722
Loans from related companies	來自關聯公司的貸款	15,866	9,761
Lease liabilities from the third parties	來自第三方的租賃負債	3,717	-
Total borrowing costs	借貸成本總額	96,742	63,483
Less: borrowing costs capitalized in the cost of qualifying assets	減：於合資格資產成本中資本化的借貸成本	(12,430)	(4,849)
		84,312	58,634

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8. PROFIT (LOSS) BEFORE TAX

The Group's profit (loss) before tax is arrived at after charging:

8. 除稅前溢利(虧損)

本集團的除稅前溢利(虧損)扣除以下各項後得出：

		Six months ended June 30, 截至六月三十日止六個月	
		2019 二零一九年 RMB' 000 人民幣千元 (Unaudited) (未經審核)	2018 二零一八年 RMB' 000 人民幣千元 (Unaudited) (未經審核)
Cost of sales (represented the cost of inventories recognised as expenses during the period)	銷售成本(指期內確認為開支的存貨成本)	4,532,806	3,114,806
Gain on fair value changes in respect of biological assets	有關生物資產公允價值變動的收益	22,805	117,087
Total cost of sales	銷售成本總額	4,555,611	3,231,893
Depreciation of property, plant and equipment	物業、廠房及設備折舊	134,605	120,442
Depreciation of right-of-use assets	使用權資產折舊	16,366	-
Amortisation of prepaid lease payments	預付租賃款項攤銷	-	5,587
Amortisation of intangible assets	無形資產攤銷	441	457
Total depreciation and amortisation	折舊及攤銷總額	151,412	126,486
Less: capitalized in biological assets	減：於生物資產中資本化	(104,837)	(115,214)
		46,575	11,272

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9. INCOME TAX EXPENSE

An analysis of the Group's income tax expense is as follows:

		Six months ended June 30, 截至六月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Current tax:	即期稅項：		
People's Republic of China ("PRC")	中華人民共和國(「中國」)		
– Enterprise Income Tax	– 企業所得稅	3,553	4

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and the Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% during the six months ended June 30, 2019 (six months ended June 30, 2018: 25%).

Certain of the Company's subsidiaries operating in the PRC are eligible for certain tax concessions and certain of their operations were exempted from PRC income taxes during both 2019 and 2018. According to the Implementation Regulation of the EIT Law and the EIT exemptions regulation set out in the Circular of the Ministry of Finance and the State Administration on Releasing the Primary Processing Ranges of Agricultural Products Entitled to Preferential Policies on Enterprise Income Tax (Trial Implementation) (Cai Shui [2008] No. 149), and the requirements of Article 86 of the Implementation Regulation of the EIT Law, the income from primary processing for agriculture products are exempted from EIT. In addition, pursuant to related regulations in respect of the Implementation Regulation of the EIT Law, the income from projects of animal-husbandry and poultry feeding, is also entitled to exemption from EIT during the current and prior periods.

9. 所得稅開支

本集團的所得稅開支分析如下：

		Six months ended June 30, 截至六月三十日止六個月	
		2019	2018
		二零一九年	二零一八年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Current tax:	即期稅項：		
People's Republic of China ("PRC")	中華人民共和國(「中國」)		
– Enterprise Income Tax	– 企業所得稅	3,553	4

根據《中華人民共和國企業所得稅法》(「企業所得稅法」)及《企業所得稅法實施條例》，中國附屬公司截至二零一九年六月三十日止六個月的稅率為25% (截至二零一八年六月三十日止六個月：25%)。

本公司若干於中國經營的附屬公司可享受若干稅項減免，且彼等的若干業務於二零一九年及二零一八年期間均免繳中國所得稅。根據《企業所得稅法實施條例》及《財政部、國家稅務總局關於發佈享受企業所得稅優惠政策的農產品初加工範圍(試行)的通知》(財稅[2008]149號)中所載免繳企業所得稅的規定，以及《企業所得稅法實施條例》第八十六條的規定，農產品初加工所得免徵企業所得稅。此外，根據《企業所得稅法實施條例》相關規定，牲畜、家禽飼養項目收入亦於當前及之前期間免徵企業所得稅。

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10. EARNINGS/(LOSS) PER SHARE

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

Earnings/(Loss)

		Six months ended June 30, 截至六月三十日止六個月	
		2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Earnings/(loss) for the purpose of basic earnings/(loss) per share earnings/(loss) for the period attributable to the owners of the Company	就計算每股基本盈利(虧損)而言的盈利/(虧損)(本公司擁有人應佔期內盈利/(虧損))	142,257	(243,157)

Number of shares

		Six months ended June 30, 截至六月三十日止六個月	
		2019 二零一九年 '000 千股	2018 二零一八年 '000 千股
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	就計算每股基本盈利/(虧損)而言的普通股加權平均數	3,901,998	3,901,998

The calculation of the basic earnings/(loss) per share attributable to the owners of the Company is based on gain for the period attributable to the owners of the Company of RMB142,257,000 (loss for the six months ended June 30, 2018: RMB243,157,000). The denominators used are the same as those detailed above for basic earnings/(loss) per share.

10. 每股盈利/(虧損)

本公司擁有人應佔每股基本盈利/(虧損)乃根據以下數據計算：

盈利/(虧損)

		Six months ended June 30, 截至六月三十日止六個月	
		2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Earnings/(loss) for the purpose of basic earnings/(loss) per share earnings/(loss) for the period attributable to the owners of the Company	就計算每股基本盈利(虧損)而言的盈利/(虧損)(本公司擁有人應佔期內盈利/(虧損))	142,257	(243,157)

股份數目

		Six months ended June 30, 截至六月三十日止六個月	
		2019 二零一九年 '000 千股	2018 二零一八年 '000 千股
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	就計算每股基本盈利/(虧損)而言的普通股加權平均數	3,901,998	3,901,998

本公司擁有人應佔每股基本盈利/(虧損)乃根據本公司擁有人應佔期內收益人民幣142,257,000元(截至二零一八年六月三十日止六個月虧損：人民幣243,157,000元)計算。採用的分母與上文所述計算每股基本盈利/(虧損)的分母相同。

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10. EARNINGS/(LOSS) PER SHARE (Continued)

Diluted earnings(loss) per share

No diluted earnings(loss) per share were presented for both period as there were no potential ordinary shares in issue for both periods.

11. DIVIDENDS

No dividends was paid or proposed for ordinary shareholders of the Company during the interim period, nor has any dividend been proposed since the end of the reporting period.

12. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the current interim period, the Group paid approximately RMB366,729,000 (unaudited) for the construction of new farms and for the acquisition of plant and equipment.

In addition, during the current interim period, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of RMB579,000 (unaudited) (six months ended June 30, 2018: RMB13,593,000 (unaudited)) for cash proceeds of RMB448,000 (six months ended June 30, 2018: RMB49,903,000 (unaudited)), resulting in a loss on disposal of RMB131,000 (unaudited) (loss for six months ended June 30, 2018: RMB66,461,000 (unaudited)).

During the current interim period, the Group entered into several lease agreements for the use of leasehold lands and buildings for 1 to 30 years. The Group is required to make fixed annual payments depending on the usage of the asset during the contract period. On lease commencement, the Group recognized RMB6,508,000 of right-of-use asset and RMB6,508,000 lease liability.

10. 每股盈利／(虧損) (續)

每股攤薄盈利(虧損)

概無呈列兩個期間內的每股攤薄盈利(虧損)，原因是兩個期間內並無任何已發行的潛在普通股股份。

11. 股息

於中期期間，並無向本公司普通股股東派付或擬派任何股息，且自報告期末以來亦無擬派任何股息。

12. 物業、廠房及設備以及使用權資產的變動

於本中期期間，本集團就新養殖場的建設及廠房與設備的採購支付約人民幣366,729,000元(未經審核)。

此外，於本中期期間，本集團出售賬面總值為人民幣579,000元(未經審核)(截至二零一八年六月三十日止六個月：人民幣13,593,000元(未經審核))的若干物業、廠房及設備，所得現金款項為人民幣448,000元(截至二零一八年六月三十日止六個月：人民幣49,903,000元(未經審核))，產生的出售虧損為人民幣131,000元(未經審核)(截至二零一八年六月三十日止六個月虧損：人民幣66,461,000元(未經審核))。

於本中期期間，本集團就使用租賃土地及樓宇1至30年訂立若干租賃協議。本集團須於合約期內根據資產使用情況每年支付固定款項。於租賃開始時，本集團確認使用權資產人民幣6,508,000元及租賃負債人民幣6,508,000元。

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13. BIOLOGICAL ASSETS

The biological assets of the Group are live hogs at various stages of development, including piglets, nursery hogs, medium and large finishing hogs, and replacement studs and gilts, which are classified as current assets. Biological assets also include breeding stock, which are used to produce future live hogs and classified as non-current assets.

Carrying value of the Group's biological assets

13. 生物資產

本集團的生物資產為處在不同生長階段的生豬，包括仔豬、保育豬、中型及大型育肥豬以及後備公豬及後備母豬，分類為流動資產。生物資產亦包括種豬，其用作繁殖生豬，分類為非流動資產。

本集團生物資產的賬面值

		Live hogs
		生豬
		RMB'000
		人民幣千元
At January 1, 2019 (audited)	於二零一九年一月一日(經審核)	1,463,826
Additions: breeding costs	添置：養殖成本	1,380,236
Gain arising from changes in fair value less costs to sell of biological assets	生物資產公允價值變動減銷售成本產生的收益	392,394
Transfer to cost at the point of harvest	收穫時轉至成本	(1,814,752)
Decrease due to culling and other changes	因死淘及其他變動減少	(430,271)
At June 30, 2019 (unaudited)	於二零一九年六月三十日(未經審核)	991,433
Less: current portion (unaudited)	減：流動部分(未經審核)	(723,059)
Non-current portion (unaudited)	非流動部分(未經審核)	268,374
At January 1, 2018 (audited)	於二零一八年一月一日(經審核)	1,566,256
Additions: breeding costs	添置：養殖成本	1,702,971
Loss arising from changes in fair value less costs to sell of biological assets	生物資產公允價值變動減銷售成本產生的虧損	(141,993)
Transfer to cost at the point of harvest	收穫時轉至成本	(1,497,785)
Decrease due to culling	因死淘減少	(189,506)
At June 30, 2018 (unaudited)	於二零一八年六月三十日(未經審核)	1,439,943
Less: current portion (unaudited)	減：流動部分(未經審核)	(963,650)
Non-current portion (unaudited)	非流動部分(未經審核)	476,293

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13. BIOLOGICAL ASSETS (Continued)

Fair value measurement

The Group's biological assets were valued by Savills Valuation and Professional Services Limited, a firm of independent qualified professional valuers not connected with the Group. The fair value less costs to sell of biological assets are determined with reference to the market-determined prices of items with similar age, breed and genetic merit.

Changes in fair value less costs to sell of biological assets include changes in the fair value of the hogs at the end of each reporting period.

Key assumptions and inputs

The major significant unobservable inputs to the valuation of the biological assets include estimated local market price, rearing costs, survival rate, species and the growing conditions.

Set forth below are the valuation techniques, key assumptions and inputs adopted in the valuation process to determine the fair values of the Group's biological assets as at June 30, 2019 and December 31, 2018.

13. 生物資產 (續)

公允價值計量

本集團的生物資產由與本集團並無關連的獨立合資格專業估值師公司第一太平戴維斯估值及專業顧問有限公司估值。生物資產的公允價值減銷售成本乃經參考年齡、品種及遺傳優點相若之項目的市場定價釐定。

生物資產的公允價值變動減銷售成本計入於各報告期末生豬的公允價值變動。

主要假設及輸入數據

生物資產估值的主要重大不可觀察輸入數據包括估計當地市價、飼養成本、存活率、物種以及生長條件。

下文載列於二零一九年六月三十日及二零一八年十二月三十一日釐定本集團生物資產公允價值的估值過程中採用的估值方法、主要假設及輸入數據。

		June 30, 2019 二零一九年 六月三十日 RMB 人民幣 (Unaudited) (未經審核)	December 31, 2018 二零一八年 十二月三十一日 RMB 人民幣 (Audited) (經審核)
Live hogs	生豬		
Piglets (Note (a))	仔豬 (附註(a))		
<i>Per head market price/ replacement cost</i>	<i>每頭市價/重置成本</i>	700 to 819 700至819	21 to 307 21至307
Nursery hogs (Note (b))	保育豬 (附註(b))		
<i>Per head market price</i>	<i>每頭市價</i>	900 to 1,018 900至1,018	271 to 440 271至440
Medium and large finishing hogs (Note (c))	中型及大型育肥豬 (附註(c))		
<i>Per head market price</i>	<i>每頭市價</i>	900 to 2,220 900至2,220	324 to 1,540 324至1,540
Replacement studs and gilts (Note (d))	後備公豬及後備母豬 (附註(d))		
<i>Per head cost</i>	<i>每頭成本</i>	1,069 to 35,586 1,069至35,586	780 to 33,354 780至33,354
Breeding stock (Note (e))	種豬 (附註(e))		
<i>Per head replacement cost</i>	<i>每頭重置成本</i>	3,500 to 18,780 3,500至18,780	1,924 to 17,822 1,924至17,822

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13. BIOLOGICAL ASSETS (Continued)

Key assumptions and inputs (Continued)

Notes:

- (a) As there were active markets for piglets during the current interim period, local market prices have been adopted. In 2018, replacement cost approach have been adopted to reflect the depreciation of value due to use of breeding stock and other associated costs since the local active market related price information is not available.
- (b) As there were local markets for the nursery hogs, the local market prices of nursery hogs have been adopted.
- (c) Local market prices have been adopted for large finishing hogs as there were local markets for the large finishing hogs as at respective valuation dates.

The fair value of medium hogs is determined using the maximum price between the fair value per small hog and the fair value per medium hog. As there was no local market for the medium finishing hogs, the local market price of medium finishing hogs has been estimated based on the local market prices of large finishing hogs, less cost of completion, and adjusted with survival rate and risk in price uncertainty upon completion.

The unit cost to completion is estimated based on the unit cost of medium finishing hogs to the unit cost of large finishing hogs as at the respective valuation dates, under the assumption that the future cost in completing the remaining rearing cycle can be approximated by the historical cost. It is further adjusted by the number of pigs expected to be dead during this stage as no additional cost is necessary to feed those dead pigs.

The survival rate is estimated based on the historical statistic for respective location and category of pigs as at the valuation date.

- (d) As replacement studs and gilts are yet to generate income to the Group due to their immature physical condition and in the absence of a market price from an actively traded market for the replacement studs and gilts, cost approach has been adopted. The fair value of the replacement studs and gilts is determined based on the original cost plus the rearing costs (e.g. cost of vaccine, feeding, labour) subsequent to purchase or transfer.

13. 生物資產 (續)

主要假設及輸入數據 (續)

附註：

- (a) 由於於本中期間仔豬存在活躍市場，故採用當地市價。於二零一八年，因無法獲取當地市場相關價格信息，故採用重置成本法以反映因使用種豬的價值折舊及其他相關成本。
- (b) 由於保育豬存在當地市場，故採用保育豬的當地市價。
- (c) 由於大型育肥豬於各估值日期存在當地市場，故採用當地市價。

中型豬隻的公允價值乃按每小型豬隻之公允價值及每中型豬隻之公允價值的最高價格釐定。由於中型育肥豬無當地市場，故中型育肥豬的當地市價按大型育肥豬的當地市價進行估計，減完成成本，並就存活率及完成時的價格不確定性風險作出調整。

完成的單位成本基於各估值日期中型育肥豬的單位成本至大型育肥豬的單位成本估計，並假設完成餘下養殖週期的未來成本會與過往成本相若，再根據此階段預期死亡的豬數進一步調整（因為死豬毋須額外飼養成本）。

存活率按各估值日期各地的過往統計數據及豬的分類估計。

- (d) 後備公豬及後備母豬因生理條件未成熟而尚未為本集團產生收入且並無活躍交易市場的市價，故採用成本法。後備公豬及後備母豬的公允價值按原成本加購買或轉欄之後的養殖成本（如疫苗、飼養、勞工成本）釐定。

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13. BIOLOGICAL ASSETS (Continued)

Key assumptions and inputs (Continued)

Notes: (Continued)

- (e) Since there was no active market for breeding stock at specific age, the replacement cost approach has been adopted. Market prices for different species of boar and gilt have been obtained as a basis for the replacement cost, and adjusted for the reduction/consumption of economic useful life by applying the respective metrics to estimate the fair value of breeding stock in different species.

A significant increase/decrease in the estimated market price and the estimated rearing costs in isolation would result in a significant increase/decrease in the fair value of the biological assets.

The fair values of the Group's biological assets at June 30, 2019 and December 31, 2018 are grouped into Level 3 of fair value measurement. There were no transfers into or out of Level 3 during the current and prior periods.

13. 生物資產 (續)

主要假設及輸入數據 (續)

附註：(續)

- (e) 由於特定年齡種豬並無活躍市場，故採用重置成本法。取得不同品種公豬及母豬的市價作為重置成本的基準，並就供銷壽命的減少／消耗作出調整，採用相關指標估計不同品種種豬的公允價值。

估計市價及估計單獨養殖成本大幅增加／減少均可能導致生物資產的公允價值大幅增加／減少。

本集團生物資產於二零一九年六月三十日及二零一八年十二月三十一日的公允價值分類為公允價值計量第三級。於當前及過往期間，並無轉入或轉出第三級。

14. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

14. 按公允價值計入損益的金融負債

		June 30, 2019 二零一九年 六月三十日 RMB' 000 人民幣千元 (Unaudited) (未經審核)	December 31, 2018 二零一八年 十二月三十一日 RMB' 000 人民幣千元 (Audited) (經審核)
Classified under current liabilities:	分類為流動負債：		
Foreign currency forward contracts	遠期外匯合約	4,258	2,170

The Group entered into foreign currency forward contracts with certain banks to manage its exposure to the foreign currency risk arising from certain of its accounts payable denominated in United States Dollar ("USD") and Euro ("EUR").

本集團與某些銀行訂立遠期外匯合約，以管理因使用美元（「美元」）和歐元（「歐元」）計值的某些應付賬款而產生的外匯風險。

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15. TRADE RECEIVABLES

		June 30, 2019 二零一九年 六月三十日 RMB' 000 人民幣千元 (Unaudited) (未經審核)	December 31, 2018 二零一八年 十二月三十一日 RMB' 000 人民幣千元 (Audited) (經審核)
Trade receivables	貿易應收款項	194,661	156,763
Impairment loss	減值虧損	(1,209)	(1,196)
		193,452	155,567

The Group's trading terms with its customers are mainly not on credit where payment in advance is normally required, except for renowned and/or reputable customers. The credit period is normally within 180 days. Each customer has a maximum credit limit. Accounts receivable are non interest-bearing.

The Group's trade receivables from related parties as disclosed in Note 16 are repayable on similar credit terms to those offered to the major customers of the Group.

An aged analysis of the trade receivables as at the end of the reporting period, based on the delivery date and net of impairment loss, is as follows:

15. 貿易應收款項

本集團與其客戶的貿易條款主要以非信貸方式訂立，除知名及／或聲譽良好的客戶外，通常需要預付款項。信用期一般在180天內。每名客戶均有最高信貸限額。應收賬款不計息。

本集團的應收關聯方貿易款項（如附註16披露）應按與給予本集團主要客戶的信貸條款類似者償還。

於報告期末貿易應收款項（以交付日期為基準及經扣減減值虧損）的賬齡分析如下：

		June 30, 2019 二零一九年 六月三十日 RMB' 000 人民幣千元 (Unaudited) (未經審核)	December 31, 2018 二零一八年 十二月三十一日 RMB' 000 人民幣千元 (Audited) (經審核)
Within 3 months	3個月內	185,969	153,127
3 to 6 months	3至6個月	3,944	2,111
6 months to 1 year	6個月至1年	3,246	317
Over 1 year	1年以上	293	12
		193,452	155,567

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16. BALANCES WITH RELATED COMPANIES

Related companies include entities controlled by COFCO Corporation, a major shareholder of the Company.

Included in amounts due from related companies as at June 30, 2019 were receivables in trade nature of RMB10,889,000 (unaudited) (December 31, 2018: RMB12,861,000). These receivables are unsecured, interest-free and repayable according to relevant sales contracts. An aged analysis of these receivables as at the end of the reporting period, based on the delivery date and net of impairment loss, is as follows:

		June 30, 2019 二零一九年 六月三十日 RMB' 000 人民幣千元 (Unaudited) (未經審核)	December 31, 2018 二零一八年 十二月三十一日 RMB' 000 人民幣千元 (Audited) (經審核)
Within 3 months	3個月內	10,781	12,548
Over 3 months but less than 1 year	3個月以上1年以內	9	207
Over 1 year	1年以上	99	106
		10,889	12,861

The remaining balances of amounts due from related companies include prepayments in connection with the purchase of goods and current account balances, which are unsecured, interest-free and repayable on demand.

Included in amounts due to related companies as at June 30, 2019 were payables in trade nature of RMB99,181,000 (unaudited) (December 31, 2018: RMB40,431,000), which are unsecured, interest-free and repayable according to the relevant purchase contracts.

16. 與關聯公司的結餘

關聯公司包括由本公司的主要股東中糧集團控制的實體。

於二零一九年六月三十日，有人民幣10,889,000元(未經審核)(二零一八年十二月三十一日：人民幣12,861,000元)的貿易性質應收款項計入應收關聯公司款項。該等應收款項無抵押、不計息及須根據相關銷售合約償還。於報告期末，該等應收款項(以交付日期為基準及經扣除減值虧損)的賬齡分析如下：

其餘的應收關聯公司款項結餘(包括與購買商品相關的預付款項及往來賬戶結餘)為無抵押、不計息及須於要求時償還。

於二零一九年六月三十日，有人民幣99,181,000元(未經審核)(二零一八年十二月三十一日：人民幣40,431,000元)的貿易性質應付款項計入應付關聯公司款項，該等款項無抵押、不計息及須根據相關購買合約償還。

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16. BALANCES WITH RELATED COMPANIES

(Continued)

		June 30, 2019 二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	December 31, 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Within 1 year	1年以內	99,181	40,285
Over 1 year but less than 2 years	1年以上2年以內	-	146
		99,181	40,431

The remaining balances of amounts due to related companies mainly included interest payable in respect of loans from related companies.

其餘的應付關聯公司款項結餘主要包括來自關聯公司貸款的應付利息。

17. LOANS FROM RELATED COMPANIES AND BANK BORROWINGS

During the current interim period, the Group obtained new bank loans amounting to RMB2,101,944,000, which bear interest ranging from 3.30% to 4.90%.

The loans from related companies classified under current liabilities, are loans from entities controlled by COFCO Corporation, a major shareholder, which are unsecured and repayable within one year. Except for loans from a related company of RMB508,040,000 (unaudited) (31 December 2018: RMB473,040,000) which bear interest at 3.915% to 4.35% per annum, the remaining loans are interest-free.

17. 來自關聯公司的貸款及銀行借款

於本中期期間，本集團獲得新銀行貸款人民幣2,101,944,000元，其介乎3.30%至4.90%的利率計息。

分類為流動負債的關聯公司貸款來自自由主要股東中糧集團控制的實體，其乃無抵押及須於一年內償還。除來自關聯公司的貸款人民幣508,040,000元（未經審核）（二零一八年十二月三十一日：人民幣473,040,000元）按年利率3.915%至4.35%計息外，其餘的貸款均不計息。

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17. LOANS FROM RELATED COMPANIES AND BANK BORROWINGS (Continued)

The loans from a related company classified under non-current liabilities are unsecured, bear interest at 1.2% per annum and repayable in November 2035 and June 2036. During the year ended December 31, 2016, the PRC government provided, through a state-owned policy bank, low-interest loans with an aggregate amount of RMB154,000,000 (the "Government Loans") to COFCO Corporation, the former ultimate holding company of the Company which became a related company upon the listing of the Company in November 2016, for the benefit of a logistic project of the Group in Jiangsu Province, the PRC, and a technology improvement project of the Group's facilities in Wuhan, the PRC, respectively. COFCO Corporation has advanced the Government Loans to the Group and the Group recorded as loans from a related company under non-current liabilities (the "Loans"). The Group recorded the Loans by its present value of RMB82,807,000 at a discount rate of 4.9% which is determined by reference to the borrowing rate for loans over 5 years quoted by Bank of China. The difference of RMB71,193,000 between the principal amount of the Loans of RMB154,000,000 and the present value of the Loans of RMB82,807,000 as mentioned above was recognised as deferred income.

18. TRADE AND BILLS PAYABLES

		June 30, 2019 二零一九年 六月三十日 RMB' 000 人民幣千元 (Unaudited) (未經審核)	December 31, 2018 二零一八年 十二月三十一日 RMB' 000 人民幣千元 (Audited) (經審核)
Trade payables	貿易應付款項	258,327	424,477
Bills payable	應付票據	58,149	76,210
		316,476	500,687

The trade payables are non-interest-bearing and are normally with credit periods ranging from 15 to 60 days. Bills payable are normally repayable within 180 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

17. 來自關聯公司的貸款及銀行借款 (續)

分類為非流動負債的關聯公司貸款為無抵押、按年利率1.2%計息及須於二零三五年十一月及二零三六年六月償還。於截至二零一六年十二月三十一日止年度，中國政府透過一間國有政策性銀行向中糧集團（本公司的前最終控股公司，於二零一六年十一月本公司上市後成為一間關聯公司）提供一筆總額為人民幣154,000,000元的低息貸款（「政府貸款」），以分別支持本集團在中國江蘇省的一處物流項目及本集團在中國武漢市養殖廠的一處技術改進項目。中糧集團已向本集團提供政府貸款，本集團將該貸款在非流動負債項下列為關聯公司提供的貸款（「貸款」）。本集團按採用4.9%的貼現率貼現的現值人民幣82,807,000元將貸款入賬，該貼現率參考中國銀行所報的五年以上貸款的借款利率釐定。貸款本金額人民幣154,000,000元與上述貸款現值人民幣82,807,000元之間的差額人民幣71,193,000元確認為遞延收入。

18. 貿易應付款項及應付票據

貿易應付款項為免息，信用期一般介乎15至60天。應付票據一般於180天內償還。本集團訂有財務風險管理政策，以確保所有應付款項均處於信用期內。

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18. TRADE AND BILLS PAYABLES (Continued)

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

		June 30, 2019 二零一九年 六月三十日 RMB' 000 人民幣千元 (Unaudited) (未經審核)	December 31, 2018 二零一八年 十二月三十一日 RMB' 000 人民幣千元 (Audited) (經審核)
Within 1 year	1年以內	245,150	415,474
1 to 2 years	1年至2年	8,319	4,735
Over 2 years	2年以上	4,858	4,268
		258,327	424,477

18. 貿易應付款項及應付票據(續)

於報告期末基於發票日期作出的貿易應付款項賬齡分析如下：

19. PLEDGE OF ASSETS

The carrying amounts of the current assets pledged to banks to secure loan facilities granted to the Group, bills payable and letters of credit are as follows:

		June 30, 2019 二零一九年 六月三十日 RMB' 000 人民幣千元 (Unaudited) (未經審核)	December 31, 2018 二零一八年 十二月三十一日 RMB' 000 人民幣千元 (Audited) (經審核)
Bank deposits	銀行存款	47,566	23,281

19. 資產抵押

為本集團獲授的貸款融資、應付票據及信用證作保證而抵押予銀行的流動資產的賬面值如下：

20. CAPITAL COMMITMENTS

Contracted but not provided for in respect of:	就以下各項已訂約但未撥備：		
purchase of property, plant and equipment	購買物業、廠房及設備	565,527	502,579
investments in joint ventures	於合營企業的投資	-	19,766

20. 資本承擔

		June 30, 2019 二零一九年 六月三十日 RMB' 000 人民幣千元 (Unaudited) (未經審核)	December 31, 2018 二零一八年 十二月三十一日 RMB' 000 人民幣千元 (Audited) (經審核)
Contracted but not provided for in respect of:	就以下各項已訂約但未撥備：		
purchase of property, plant and equipment	購買物業、廠房及設備	565,527	502,579
investments in joint ventures	於合營企業的投資	-	19,766

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21. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these condensed consolidated financial statements, the Group had the following material transactions with related parties during the period:

21. 關聯方交易

除簡明綜合財務報表其他部分詳述的交易及餘額外，本集團於相關期間有以下與關聯方的重大交易：

		Six months ended June 30, 截至六月三十日止六個月	
		2019 二零一九年 RMB' 000 人民幣千元 (Unaudited) (未經審核)	2018 二零一八年 RMB' 000 人民幣千元 (Unaudited) (未經審核)
Transactions with related companies:	與關聯公司的交易：		
Sales of goods	銷售貨品	64,788	57,983
Purchases of goods	購買貨品	117,771	389,379
Feeding materials processing fee expense	飼料材料加工費 開支	3,231	4,084
Interest income	利息收入	777	809
Interest expense	利息開支	15,866	9,761
Warehouse rental expense	倉庫租賃開支	-	323
Office rental expenses	辦公室租賃開支	-	3,442
Rental expense of short-term lease exemption	短期租賃豁免 租賃開支	4,312	-
Expenses for other miscellaneous services	其他雜項服務開支	813	1,322

Related companies include entities controlled by COFCO Corporation, a major shareholder of the Company.

關聯公司包括由本公司的主要股東中糧集團控制的實體。

The above sale and purchase transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.

上述銷售及購買交易乃按有關各方相互協定的條款及條件進行。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended June 30, 2019
截至二零一九年六月三十日止六個月

21. RELATED PARTY TRANSACTIONS

(Continued)

In addition, at June 30, 2019, certain deposits included in cash and cash equivalents are placed with COFCO Finance Corporation Limited ("COFCO Finance"), a subsidiary of COFCO Corporation, which is a non-bank financial institution regulated by the People's Bank of China (the "PBOC") and the China Banking And Insurance Regulatory Commission. In the PRC, deposit rates are set by the PBOC which is applicable to all financial institutions. The interest rates offered by COFCO Finance are the same as the rates promulgated by the PBOC. The balances placed with COFCO Finance by the Group at June 30, 2019 amounted to RMB99,048,000 (unaudited) (December 31, 2018: RMB49,080,000).

Compensation of key management personnel of the Group

Salaries, allowances and other benefits	薪金、津貼及其他福利
Retirement benefit scheme contributions	退休福利計劃供款
Equity-settled share option expense	權益結算購股權開支

The key management personnel of the Group includes the directors of the Company and certain top executives of the Company.

21. 關聯方交易 (續)

此外，於二零一九年六月三十日，計入現金及現金等價物內的若干按金存放於中糧財務有限責任公司（「中糧財務」），該公司為中糧集團旗下附屬公司，為受中國人民銀行（「中國人民銀行」）及中國銀保險監督管理委員會監管的非銀行金融機構。於中國，中國人民銀行設定的存款利率適用於所有金融機構。中糧財務提供的利率與中國人民銀行公佈的利率相同。於二零一九年六月三十日，本集團存放於中糧財務的結餘為人民幣99,048,000元（未經審核）（二零一八年十二月三十一日：人民幣49,080,000元）。

本集團主要管理人員的薪酬

Six months ended June 30,
截至六月三十日止六個月

	2019 二零一九年 RMB' 000 人民幣千元 (Unaudited) (未經審核)	2018 二零一八年 RMB' 000 人民幣千元 (Unaudited) (未經審核)
Salaries, allowances and other benefits	3,764	3,532
Retirement benefit scheme contributions	169	132
Equity-settled share option expense	-	1,189
	3,933	4,853

本集團的主要管理人員包括本公司董事及若干高級管理人員。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended June 30, 2019
截至二零一九年六月三十日止六個月

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorized (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

22. 金融工具之公允價值計量

按累計基準以公允價值計量的本集團金融資產及金融負債公允價值

本集團部分金融資產及金融負債於各報告期末按公允價值計量。下表呈列如何釐定該等金融資產及金融負債的公允價值(尤其是所採用的估值技術及輸入數據),以及公允價值計量所劃分的公允價值等級(第一至三級)相關資料,此等級別的劃分乃基於公允價值計量輸入數據的可觀察程度。

- 第一級公允價值計量來自從活躍市場獲得的相同資產或負債的報價(未經調整);
- 第二級公允價值計量來自除第一級包含的報價外,資產或負債的直接(即作為價格)或間接(即源自價格)可觀察輸入數據;及
- 第三級公允價值計量來自包含並非基於可觀察市場數據之資產或負債的輸入數據(不可觀察輸入數據)的估值技術。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended June 30, 2019
截至二零一九年六月三十日止六個月

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Financial assets/ financial liabilities 金融資產／金融負債	Fair value as at 於以下日期之公允價值		Fair value hierarchy 公允價值層級	Valuation technique(s) and key input(s) 估計技術及關鍵輸入數據
	June 30, 2019 二零一九年 六月三十日	December 31, 2018 二零一八年 十二月三十一日		
1) Foreign currency forward contracts classified as financial assets at FVTPL in the condensed consolidated statement of financial position	Liabilities - RMB4,258,000	Liabilities - RMB2,170,000	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates.
1) 簡明綜合財務狀況表內歸類為按公允價值計入損益的金融資產的外幣遠期合約	負債－人民幣 4,258,000元	負債－人民幣 2,170,000元	第二級	貼現現金流。未來現金流量的估算是基於遠期匯率（來自於報告期末可觀察的遠期匯率）及合約遠期匯率。
2) Unquoted equity investment	15% equity investment in McKey Food Services Ltd – RMB413,107,000	15% equity investment in McKey Food Services Ltd – RMB399,222,000	Level 3	Market Approach – the fair value is based on the target company's financial performance (EBITDA) and the multiples of comparable companies. Discount for lack of marketability determined by reference to the share price of listed entities in similar industries companies applied for 40 per cent.
2) 無報價股權投資	投資於McKey Food Services Ltd 15% 的股權－人民幣 413,107,000元	投資於McKey Food Services Ltd 15% 的股權－人民幣 399,222,000元	第三級	市場法－公允價值乃基於目標公司財務表現（EBITDA）及可資比較公司倍數。由於缺乏市場流通，乃參照類似行業公司上市實體的股價釐定折現率為40%。

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated statement of financial position approximate their respective fair values at the end of each reporting period.

22. 金融工具之公允價值計量 (續)

按累計基準以公允價值計量的本集團金融資產及金融負債公允價值 (續)

Fair value hierarchy 公允價值層級	Valuation technique(s) and key input(s) 估計技術及關鍵輸入數據
第二級	貼現現金流。未來現金流量的估算是基於遠期匯率（來自於報告期末可觀察的遠期匯率）及合約遠期匯率。
Level 3	Market Approach – the fair value is based on the target company's financial performance (EBITDA) and the multiples of comparable companies. Discount for lack of marketability determined by reference to the share price of listed entities in similar industries companies applied for 40 per cent.
第三級	市場法－公允價值乃基於目標公司財務表現（EBITDA）及可資比較公司倍數。由於缺乏市場流通，乃參照類似行業公司上市實體的股價釐定折現率為40%。

不按累計基準以公允價值計量的本集團金融資產及金融負債公允價值

本公司董事認為，簡明綜合財務狀況表內按攤銷成本入賬的金融資產及金融負債的賬面值與其各自於各報告期末的公允價值相若。

GLOSSARY

釋義

“associate(s)” 「聯繫人」	has the meaning ascribed thereto under the Listing Rules 具有上市規則賦予該詞的涵義
“Audit Committee” 「審核委員會」	the Audit Committee of the Board 董事會審核委員會
“Baring” 「Baring」	Baring Private Equity Asia V Holding (16) Limited, a limited liability company incorporated in the BVI on February 20, 2014, and one of our Shareholders Baring Private Equity Asia V Holding (16) Limited，一家於二零一四年二月二十日在英屬處女群島註冊成立的有限公司，為股東之一
“Board” 「董事會」	our board of Directors 我們的董事會
“Boyu” 「Boyu」	Shiny Joyful Limited, an exempted company with limited liability incorporated in the Cayman Islands on February 10, 2014, and one of our Shareholders Shiny Joyful Limited，一家於二零一四年二月十日在開曼群島註冊成立的獲豁免有限公司，為股東之一
“China Foods (Holdings)” 「中國食品(控股)」	China Foods (Holdings) Limited (中國食品(控股)有限公司) (formerly known as COFCO (BVI) No. 108 Limited), a company incorporated in the BVI with limited liability on August 30, 2000, and a wholly-owned subsidiary of COFCO (HK) 中國食品(控股)有限公司(前稱COFCO (BVI) No. 108 Limited)，一家於二零零零年八月三十日在英屬處女群島註冊成立的有限公司，為中糧香港的全資附屬公司
“COFCO” 「中糧」	COFCO Corporation (中糧集團有限公司), a wholly state-owned enterprise incorporated in the PRC in September 1952 currently under the purview of the SASAC and a major Shareholder of our Company 中糧集團有限公司，一家於一九五二年九月在中國註冊成立的國有獨資企業，目前隸屬於國資委，並為本公司的主要股東
“COFCO Finance” 「中糧財務」	COFCO Finance Corporation Limited (中糧財務有限責任公司), a non-bank financial institution incorporated with limited liability in the PRC on September 24, 2002, and an indirect wholly-owned subsidiary of COFCO 中糧財務有限責任公司，一家於二零零二年九月二十四日在中國註冊成立的有限責任非銀行金融機構，為中糧的間接全資附屬公司
“COFCO (HK)” 「中糧香港」	COFCO (Hong Kong) Limited (中糧集團(香港)有限公司), a company incorporated in Hong Kong with limited liability on August 14, 1981, and a direct wholly-owned subsidiary of COFCO and a major Shareholder of the Company 中糧集團(香港)有限公司，一家於一九八一年八月十四日在香港註冊成立的有限公司，為中糧的直接全資附屬公司及本公司的主要股東
“COFCO Meat”, “Company” or “our Company” 「中糧肉食」或「本公司」	COFCO Meat Holdings Limited (中糧肉食控股有限公司) (formerly known as Charm Thrive Investments Limited (燦旺投資有限公司)), a company incorporated in the BVI with limited liability on March 11, 2014 and re-domiciled to the Cayman Islands as an exempted company with limited liability on May 4, 2016 中糧肉食控股有限公司(前稱燦旺投資有限公司)，一家於二零一四年三月十一日在英屬處女群島註冊成立的有限公司，並於二零一六年五月四日遷冊至開曼群島，作為一家獲豁免有限公司

GLOSSARY

釋義

“COFCO Meat Investments” 「中糧肉食投資」	COFCO Meat Investments Co., Ltd. (中糧肉食投資有限公司), a limited liability company incorporated under the laws of the PRC on March 20, 2009 and an indirect wholly-owned subsidiary of our Company 中糧肉食投資有限公司，一家於二零零九年三月二十日根據中國法律註冊成立的有限公司，為本公司的間接全資附屬公司
“Corporate Governance Code” 「企業管治守則」	the Corporate Governance Code and Corporate Governance Report set out in Appendix 14 of the Listing Rules 上市規則附錄十四《企業管治守則》及《企業管治報告》
“Director(s)” 「董事」	director(s) of our Company 本公司董事
“Food Safety Committee” 「食品安全委員會」	the Food Safety Committee of the Board 董事會食品安全委員會
“Former Share Incentive Scheme” 「原股份獎勵計劃」	the pre-IPO share incentive scheme as disclosed under the section headed Appendix IV “Statutory and General Information” of the Prospectus 招股章程附錄四「法定及一般資料」章節中載明的首次公開發售前股份獎勵計劃
“Group”, “our Group”, “we” or “us” 「本集團」或「我們」	our Company and its subsidiaries or, where the context so requires in respect of the period before our Company became the holding company of our present subsidiaries, the entities which carried on the business of the present Group at the relevant time 本公司及其附屬公司，或如文義所需，就本公司成為其現有附屬公司的控股公司之前的期間而言，則指於相關時間經營現有集團業務的實體
“HK\$” or “Hong Kong dollar(s)” 「港幣」	the lawful currency of Hong Kong 香港法定貨幣
“KKR” 「KKR」	Promise Meat Investment II Ltd, an exempted company with limited liability incorporated in the Cayman Islands on March 18, 2014, and one of our Shareholders Promise Meat Investment II Ltd，一家於二零一四年三月十八日在開曼群島註冊成立的獲豁免有限公司，為股東之一
“Listing Rules” 「上市規則」	the Rules Governing the Listing of Securities on the Stock Exchange 聯交所證券上市規則
“Mainfield” 「明暉」	Mainfield International Limited (明暉國際有限公司), a limited liability company incorporated in the BVI on October 8, 2008, and a major Shareholder of our Company 明暉國際有限公司，一家於二零零八年十月八日在英屬處女群島註冊成立的有限公司，為本公司的主要股東
“MIY” 「MIY」	MIY Corporation, a limited liability company incorporated under the laws of Japan on January 18, 2011 and one of our Shareholders MIY Corporation，一家於二零一一年一月十八日根據日本法律註冊成立的有限公司，為股東之一

GLOSSARY

釋義

“Model Code” 「標準守則」	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules 上市規則附錄十《上市發行人董事進行證券交易的標準守則》
“Nomination Committee” 「提名委員會」	the Nomination Committee of the Board 董事會提名委員會
“PBOC” 「中國人民銀行」	the People’s Bank of China (中國人民銀行), the central bank of the PRC 中國人民銀行，中國的中央銀行
“Prospectus” 「招股章程」	the prospectus of the Company dated October 19, 2016 本公司日期為二零一六年十月十九日的招股章程
“Remuneration Committee” 「薪酬委員會」	the Remuneration Committee of the Board 董事會薪酬委員會
“RMB” or “Renminbi” 「人民幣」	the lawful currency of the PRC 中國法定貨幣
“SFO” 「證券及期貨條例」	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time 香港法例第571章證券及期貨條例，經不時修訂或補充
“Shareholder(s)” 「股東」	holder(s) of our Shares of the Company 本公司的股份持有人
“Share Incentive Scheme” 「股份獎勵計劃」	upon unanimous negotiation with MIY, KKR, Baring, Temasek and Boyu, the Board convened a meeting on March 27, 2017, considered and approved the amended Former Share Incentive Scheme and the related documents 經與MIY、KKR、Baring、Temasek及Boyu協商一致，董事會於二零一七年三月二十七日召開會議審議批准修訂原股份獎勵計劃及所涉及的文件
“Stock Exchange” 「聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“Temasek” 「Temasek」	TLS Beta Pte. Ltd., a limited liability company incorporated in Singapore on January 7, 2005, and one of our Shareholders TLS Beta Pte. Ltd.，一家於二零零五年一月七日在新加坡註冊成立的有限公司，為股東之一



中糧
COFCO

中糧肉食控股有限公司
COFCO Meat Holdings Limited