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China Foods Limited
中國食品有限公司

(Incorporated in the Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code: 506

股份代號: 506

2019
INTERIM REPORT
中期報告

BUSINESS OPTIMISATION,
GLOBALISATION
AND RISK CONTAINMENT

提業務
國際化
防風險



Corporate Profile

公司概況



China Foods Limited (“China Foods” or the “Company” and together with its subsidiaries, the “Group”), a subsidiary of COFCO Corporation (“COFCO”) and the only focused beverage platform of COFCO, is listed on the main board of The Stock Exchange of Hong Kong Limited (Stock Code: 506).

The Company mainly manufactures, distributes, markets and sells the Coca-Cola series products at 19 provincial-level administrative regions in the PRC through COFCO Coca-Cola Beverages Limited (“CCBL”), a 65%-owned joint-venture with The Coca-Cola Company. CCBL offers nineteen brands of products in nine major types of beverages which include sparkling drink, juice, milk drink, water, enhanced water, coffee, ready-to-drink tea, energy drink and plant-based protein drink.

中國食品有限公司（簡稱「中國食品」或「本公司」，連同其附屬公司統稱「本集團」）為中糧集團有限公司（「中糧」）的附屬公司及中糧唯一的專業化飲料業務平台，並於香港聯合交易所有限公司主板上市（股份代號：506）。

本公司目前主要通過與可口可樂公司合作成立並持有65%權益的中糧可口可樂飲料有限公司（簡稱「中可飲料」）在國內19個省級行政區域從事生產、配送、推廣和銷售可口可樂系列產品，向消費者提供包括汽水、果汁、果奶、水、功能水、咖啡、即飲茶、能量飲料及植物蛋白飲料等9大品類、19個品牌的產品。

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CORPORATE INFORMATION

公司資料

DIRECTORS

Chairman and Non-executive Director

Mr. Chen Lang

Executive Directors

Ms. Luan Xiuju (*Managing Director*)

Mr. Shen Peng

Non-executive Directors

Ms. Xiao Jianping

Mr. Qin Yelong

Independent Non-executive Directors

Mr. Stephen Edward Clark

Mr. Li Hung Kwan, Alfred

Mr. Mok Wai Bun, Ben

AUDIT COMMITTEE

Mr. Stephen Edward Clark (*Committee Chairman*)

Mr. Li Hung Kwan, Alfred

Mr. Mok Wai Bun, Ben

REMUNERATION COMMITTEE

Mr. Mok Wai Bun, Ben (*Committee Chairman*)

Mr. Stephen Edward Clark

Mr. Chen Lang

NOMINATION COMMITTEE

Mr. Chen Lang (*Committee Chairman*)

Mr. Li Hung Kwan, Alfred

Mr. Mok Wai Bun, Ben

EXECUTIVE COMMITTEE

Ms. Luan Xiuju (*Committee Chairwoman*)

Mr. Shen Peng

COMPANY SECRETARY

Ms. Liu Kit Yee, Linda

董事

主席兼非執行董事

陳朗先生

執行董事

樂秀菊女士 (*董事總經理*)

沈芃先生

非執行董事

肖建平女士

覃業龍先生

獨立非執行董事

祈立德先生 (Mr. Stephen Edward Clark)

李鴻鈞先生

莫衛斌先生

審核委員會

祈立德先生 (Mr. Stephen Edward Clark) (*委員會主席*)

李鴻鈞先生

莫衛斌先生

薪酬委員會

莫衛斌先生 (*委員會主席*)

祈立德先生 (Mr. Stephen Edward Clark)

陳朗先生

提名委員會

陳朗先生 (*委員會主席*)

李鴻鈞先生

莫衛斌先生

執行委員會

樂秀菊女士 (*委員會女主席*)

沈芃先生

公司秘書

廖潔儀女士

SOLICITORS

Conyers, Dill & Pearman

AUDITOR

Deloitte Touche Tohmatsu

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
China CITIC Bank Corporation Limited
China Construction Bank Corporation
China Merchants Bank
CMB Wing Lung Bank Limited
DBS Bank (Hong Kong) Limited
Mizuho Bank, Ltd.
MUFG Bank, Ltd., Hong Kong Branch
The Hongkong and Shanghai Banking Corporation Limited
VTB Bank (Public Joint-Stock Company) Shanghai Branch

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律師

Conyers, Dill & Pearman

核數師

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主要往來銀行

中國銀行(香港)有限公司
中信銀行股份有限公司
中國建設銀行股份有限公司
招商銀行
招商永隆銀行有限公司
星展銀行(香港)有限公司
瑞穗銀行
三菱UFJ銀行香港分行
香港上海滙豐銀行有限公司
俄羅斯外資銀行公眾股份公司上海分行

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MANAGEMENT DISCUSSION AND ANALYSIS

管理層論析

Current status

Currently, China Foods controls and operates CCBL, an important global bottling partner of The Coca-Cola Company.

The Company's exclusive franchise right to manufacture, market and distribute products under the Coca-Cola series now encompasses 19 provincial-level administrative regions, covering over 50% of mainland China's population. The Company provides consumers with nine major types of beverages – namely sparkling drinks, juices, milk drinks, water, enhanced water, coffees, ready-to-drink teas, energy drinks and plant-based protein drinks – under 19 brands.

Today, the Company employs more than 10,000 salespeople to serve over 1,500,000 customers. Our marketing network reaches 100% of the cities, 100% of the counties and more than 60% of the towns within our operating regions, representing more than half of all points-of-sales in the region. Controllable distribution accounted for the majority of total sales volume.

業務現狀

中國食品目前控股經營中可飲料，為可口可樂公司全球重要裝瓶合作夥伴。

本公司現授權經營可口可樂系列產品範圍共計19個省級行政區域，覆蓋中國內地逾50%的人口數量，並向消費者提供汽水、果汁、果奶、水、功能水、咖啡、即飲茶、能量飲料及植物蛋白飲料等9大品類、19個品牌的產品。

本公司現有銷售人員逾1萬名，服務超過150萬家客戶。本公司營銷網絡現已覆蓋經營區域內100%的城市、100%的縣城及超過60%的鄉鎮，佔經營區域內半數以上的零售點。其中，可控分銷的銷量佔總銷量的絕大多數。

Development strategy

Under the theme for this year of “Business Optimisation, Globalisation and Risk Containment”, China Foods is going to optimise product structure, rationalise network layout, strengthen teamwork and accelerate innovation while maintaining its growth pace, so as to achieve continuous enhancements in profitability and industry status; on the other hand, it is going to strictly manage potential safety and environmental issues as well as financial and management risks, and to improve the construction of the risk control system, in an effort to keep abreast with and even surpass the outstanding Coca-Cola global bottler, in all respects. The main development strategies for 2019 are known as 3R2S, i.e. Revenue Growth, Route to Market, Right Execution Daily, Supply Chain Excellence and System Capability Building. Specific strategies are as follows:

- **Revenue Growth:** Improve price management and optimise product structure to achieve revenue growth that is faster than the paces of sales volume increase and industry average growth. In 2019, main packaging prices were systematically managed and the overall price was effectively increased. Promote product structure optimisation through the promotion of new categories and high-margin new products and upgrade of existing products. New categories include launch of ready-to-drink tea, ready-to-drink coffee, sports drinks and other products. High-margin new products include promotion of sparkling drink fiber + products, introduction of new flavored products, constant promotion of mainstream brand Chun Yue at RMB2 price point, etc. Upgrade of existing products includes promotion of Sleek Can series and multi-packaging products, packaging and flavor upgrades of juice products, etc. Due to the combined effects of the above, we recorded a double-digit growth in revenue in the first half of 2019.
- **Route to Market:** Collaborate through digital tools such as electronic maps and new retail platforms such as B2B, to persistently improve network coverage and efficiency, and promote through CBMS (CBL Business Management System), to improve the efficiency of business visits and customer service quality, so as to maintain and continuously expand the advantages of existing channels. Meanwhile, actively explore new retail channels such as B2C, O2O, Omni channel and intelligent automatic vending machines, etc., to strengthen distribution of goods and promotion interactions, so as to increase the proportion of revenue contributed by new channels, enabling the Company to reach points-of-sales and consumers via more diversified channels.

發展策略

今年中國食品的工作主題為「提業務、國際化、防風險」，在保持發展速度的同時優化產品結構，完善網絡佈局，提升團隊能力，加速創新步伐，以實現盈利能力的持續提升和行業地位的不斷提升，同時嚴控各項安全、環保隱患及財務、管理風險，完善風控體系建設，與可口可樂全球優秀裝瓶商全面對標，全面趕超。2019年的主要發展策略為3R2S，即收入增長管理(Revenue Growth)、完善網絡發展(Route to Market)、提升市場執行(Right Execution Daily)、卓越供應鏈(Supply Chain Excellence)及系統能力建設(System Capability Building)，具體策略如下：

- **收入增長管理：**通過完善價格管理和優化產品結構實現收入增長快於銷量增長，快於行業平均增速。2019年對於主要包裝價格進行系統管理，整體價格有效提升。通過新品類和高毛利新品的推廣和現有產品升級推動產品結構優化，新品類包括即飲茶、即飲咖啡、運動飲料等產品上市，高毛利新品包括汽水纖維+產品推廣及新口味上市、人民幣2元主流水的持續推動等。現有產品升級包括汽水摩登罐和多支裝的推動、果汁產品包裝口味升級等。綜上，2019年上半年實現了收入雙位數增長。
- **完善網絡發展：**通過電子地圖等數字化工具以及B2B等新零售平台的合作，不斷提升網絡覆蓋及效率，通過CBMS (CBL Business Management System)的推廣提升業務人員拜訪效率和客戶服務質量，保持並不斷加大現有渠道優勢。同時積極開拓新零售渠道如B2C, O2O、Omni channel及智能自販機等，加強鋪貨及促銷互動，提升新渠道收入佔比，使本公司以更加多樣化的通路渠道觸達終端售點和消費者。

- Right Execution Daily:** Increase the number of contracted customers, ensure the market performance of high-quality points-of-sales; use image recognition technology to improve the management quality and efficiency of points-of-sales; reflect changes in consumer shopping behaviors into building of key projects such as super cities, and focus on small business models such as community supermarket channels and gas station channels, to enhance brand influence and further promote sales of high-value products.
- Supply Chain Excellence:** Continue to promote the construction of a dual prevention mechanism, to enhance mechanism-based protection over working safety and risk management and control efforts. As a result, we had 100% of the internal and external audits passed during the first half of 2019. Continue to improve inventory allocation and logistics distribution network, continue to promote standardisation of logistics operations, increase the degree of standardisation through balanced operations, so as to improve staff efficiency and throughput. As a result, the average per unit logistics cost recorded a year-on-year decrease of approximately 5% during the first half of 2019.
- System Capability Building:** The management always believes that employees are the most important assets and an indispensable resource for the Company's sustainable development. In order to ensure the sustainable development of the team, the Company have set an annual talent review programme to conduct a comprehensive evaluation on every employee, set development plans and corresponding training programmes for them according to their evaluation results and personal development interests, and select and emphasise on preparing backup teams for every key position. In addition to regular management training and professional training, in the first half of 2019, the manager-level backup team was specially trained benchmarking general manager, director and other main positions in accordance with the programme. At the same time, actively encourage innovation, make good use of the internal "Constructive Advice (好建議)" platform to encourage daily innovation and take advantage of the establishment of annual innovation awards to stimulate major innovations.
- 提升市場執行:** 加大協議客戶數量, 確保高質量零售點的市場表現; 利用圖像識別技術提升終端零售點執行管理質量和效率; 結合消費者購物行為的改變, 全力打造超級城市等重點項目, 聚焦小業態社區超市渠道和加油站渠道, 提升品牌影響力, 進一步推動高價值產品銷售。
- 卓越供應鏈:** 持續推進雙重預防機制建設, 提升安全工作機制保障與風險管控力度, 2019年上半年各項內外部審核100%通過; 持續改善庫存配置及物流配送網絡, 持續推進物流運作標準化, 通過均衡作業好標準化程度的提升, 改善人員效率和吞吐能力, 2019年上半年物流單標箱成本同比下降約5%。
- 系統能力建設:** 管理層一直深信員工是最重要資產, 也是本公司持續發展不可或缺的寶貴資源。為保證團隊的可持續發展, 本公司設定年度人才盤點計劃, 對於每位員工進行全方位評估, 根據評估結果和個人發展意願, 設定發展規劃和相應培訓計劃, 同時為每個關鍵崗位選定後備團隊重點培養。除常規管理培訓和專業培訓外, 2019年上半年已經按照計劃對總經理、總監和主要崗位將經理級的後備團隊進行了專題培訓。同時, 積極鼓勵創新, 利用內部「好建議」平台鼓勵日常創新, 利用年度創新獎項的設立激勵重大創新變革。

Industrial environment

According to the National Bureau of Statistics of the PRC, in the first half of 2019, China's GDP achieved a year-on-year growth of 6.3% and Chinese residents per capita consumption expenditure recorded a year-on-year growth of 7.5%. With the steady growth of China's economy and increasing urbanization, the overall revenue of the non-alcoholic ready-to-drink industry maintained year-on-year growth in the first half of 2019. The industries of sparkling drinks, juices and bottled water, the three main products of the Company, showed different development trends. In particular, the sparkling drinks and bottled water industries recorded fast increase in revenue with a higher growth rate than the non-alcoholic ready-to-drink industry average, while the revenue of juice industry reported a negative growth.

REVIEW OF RESULTS

Below is a summary comparison of the beverage business's 2019 and 2018 interim results:

	For the six months ended 30 June 2019 (RMB million) 截至2019年 6月30日 止6個月 (人民幣百萬元)	For the six months ended 30 June 2018 (RMB million) 截至2018年 6月30日 止6個月 (人民幣百萬元)	Change
Revenue	9,551.0	8,697.8	+10%
Sales volume			+8%
Gross profit margin			+0.5百分點ppt

In the first half of 2019, China Foods continuously maintained growth in sales volume and revenue, representing a year-on-year growth of 8% and 10% respectively, among which the revenue contributed by new products reached over 7%. Prices of certain raw materials increased while others dropped during the period, which resulted in a negative impact on our overall cost in general. However, such increased cost has been effectively offset by the increase in sales of products with higher gross profits and improved packaging structure, together with the bonus for VAT rate adjustment, which led to a slight year-on-year improvement in our gross profit margin. The Company also focused on managing capital expenditures and operating cash flows, gradually reduce finance costs. The operating profit margin was higher than that of the same period last year.

行業環境

根據中國國家統計局統計數據，2019年上半年中國國內生產總值同比增長6.3%，全國居民人均消費支出同比增長7.5%。隨著國家經濟穩健發展以及城鎮化程度的持續提升，2019年上半年非酒精即飲行業總體收入同比保持增長，本公司三大主要品類汽水、果汁和包裝水各自行業發展態勢不一，其中汽水及包裝水行業收入較快，增長率高於非酒精即飲行業平均，而果汁行業收入則呈現負增長。

業績回顧

飲料業務2019年中期業績與2018年中期業績相比摘要如下：

2019年上半年，中國食品業務繼續保持銷量與收入雙增長，同比分別增長8%和10%，其中新品貢獻收入逾7%。期內各主要原材料價格漲跌不一，總括而言，對總體成本還是產生不利影響，但高毛利產品銷量增長及包裝結構改善，加上增值稅稅率調整的紅利有效抵消了相關的成本上漲，毛利率同比有輕微改善。與此同時，本公司注重資本性支出與經營性現金流的管理，逐步降低財務費用，經營利潤率高於去年同期水平。

Business development by beverage category was as follows:

Sparkling drinks

In terms of product line expansion, we aggressively accelerated the growth of “Zero Sugar” and “Fiber +” series to meet the consumer interest in health and trendiness. Leveraging on Fiber + sleek cans, we attract customer flows with more fashionable and eye-catching packaging. Leveraging on new flavors such as sprite fiber + cucumber, we are able to offer consumers with more choices of drinks.

In terms of brand promotion, leveraging on the collaboration between Coca-Cola Zero and the popular film named Avengers: Endgame, we achieved satisfactory performance on increasing appeal among younger consumers with movie characters on product packaging.

In terms of packaging upgrades, the market share and profitability of traditional products had further enhanced by actively promoting the conversion of using sleek cans in key markets and channels, as well as by the promotion of the multi-pack series.

In the first half of 2019, sparkling products' market share by value in our operating regions increased by 0.1 of a percentage point, with a sustained market share of over 60%, further surpassing our main competitors' products.

從品類發展看：

汽水品類

在產品線拓展方面，針對消費者追求健康、時尚的消費趨勢，積極加速「無糖」和「纖維+」系列增長。利用纖維+摩登罐，以更時尚包裝吸引消費者眼球；利用雪碧纖維+黃瓜等新口味，為消費者提供更多選擇。

在品牌推廣方面，利用零度可口可樂與熱門電影復仇者聯盟：終局之戰合作，以帶有電影人物的產品包裝，吸引目標受眾，效果良好。

在包裝升級方面，通過積極推動摩登罐在重點市場和渠道的轉換，以及多支裝的推廣，進一步提升傳統產品的市場份額和盈利能力。

2019年上半年，本公司經營區域內汽水品類銷售額份額增長0.1個百分點，市佔率繼續保持逾60%，進一步拋離主要競品。



Juices

The juice industry was affected by the consumption upgrades and the emerging of self-made beverage stores, as a result, the overall revenue generated by the industry recorded a decrease on a year-on-year basis. However, driven by the new products upgraded in a comprehensive manner, the Company's revenue performance was better than that of main competitors' products by recording a year-on-year positive growth.

During the period, "Minute Maid" underwent a product upgrading of the largest scale since its launch on the market, in return, the larger grains of pulps offer consumers a more pleasant taste and the eye-catching packaging bring consumers a full range of stunning visual effects. At the same time, by virtue of the combined effects brought forth by the brand new spokespersons and the marketing campaigns conducted on different platforms, we are able to attract targeted consumers in all-around ways ranging from packaging designs, online promotion and in-store displays. In terms of new products, the launch of "Minute Maid" passion fruits and "Minute Maid" hawthorn, further stimulated consumer's purchase behavior.

In the first half of 2019, juice products' market share by value in our operating regions increased by 0.2 of a percentage point, maintaining our leading position in the industry.

果汁品類

果汁行業受消費升級，以及自製飲品店的影響，行業整體收入同比呈現下滑，但本公司在全面升級的新產品引領下，收入表現優於主要競品，同比實現正增長。

期內，「美汁源」進行了自上市以來最大的產品升級，更大果粒為消費者帶來愉悅口感，更耀眼包裝帶來全系列震撼視覺效果。同時通過全新品牌代言人及不同平台市場推廣，從包裝、線上、店內全面引流。在新品方面，推出「美汁源」百香果及「美汁源」山楂，進一步拉動消費者的購買行為。

2019年上半年，本公司經營區域內果汁品類銷售額份額增長0.2個百分點，繼續居於行業首位。





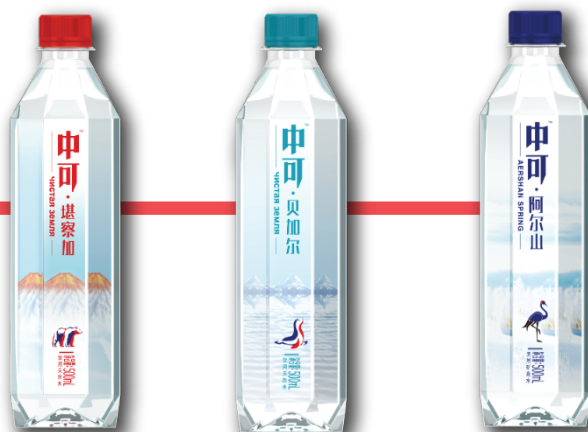
Water

The Company prioritized the launch of the mainstream brand “Chun Yue” water at the RMB2 price point, as a result, the advertising and marketing expenses put into the market on an ongoing basis began to yield results and the revenue generated in the period recorded a rapid growth. By virtue of the enhanced channel distribution capabilities, we also recorded a remarkable achievement on the water product under the brand of “Ice Dew” at RMB1 price point, a double digital growth on a year-on-year basis. In terms of ZhongKe premier water series, the Company’s own brand, collaborations were established with the high-end hotels so as to build a premium brand image.

In the first half of 2019, the average per unit selling price of the water products recorded high single digit growth. The market share by value of water products in our operating regions continuously improved with a year-on-year growth of 0.4 of a percentage point.

Energy drinks

During the period, “Monster” (魔爪) energy drink commenced cooperation with CNPC and Sinopec, by doing so, over 2,000 image stores have been built within petrol stations and service areas. In addition, leveraging on the shelf displays in the petrol stations, schools, internet cafes, supermarkets and other key channels, promotional roadshows with free drinks for consumers and various forms of consumer promotions, we are capable of enlarging consumer bases, enhancing brand building and developing steadily. As of June 2019, revenues generated from energy drinks recorded a multiplier increase.



水品類

本公司重點推廣人民幣2元水的主流品牌「純悅」，持續的市場投入漸見成效，期內收入呈現高速增長。憑藉渠道分銷能力提升，人民幣1元水品牌「冰露」同比也錄得雙位數增長，成績斐然。自有品牌中可高端水方面，開展與高端酒店合作，建立品牌高端形象。

2019年上半年，水品類單標箱平均售價錄得高單位數增長，本公司經營區域內銷售額份額持續改善，同比增長0.4個百分點。

能量飲料

期內，「魔爪」能量飲料開展與中石油及中石化合作，打造了逾2,000家加油站、服務區形象店。另外，通過在重點渠道如加油站、學校、網吧和商超的貨架陳列、消費者贈飲和多種形式的消費者促銷活動拓寬消費人群，加強品牌建設，穩步發展。截至2019年6月，收入錄得逾倍增長。



Ready-to-drink teas

In the first half of 2019, CCBL introduced in its operating regions a sugar-free tea brand “Authentic Tea House” for the first time to launch Pu’er Sencha under “Authentic Tea House”. Pu’er Sencha, made of selected Pu’er tea leaves from Yunnan Province and carefully brewed, offers a mellow and thick Chinese tea flavor, sugar-free but with inherent sweetness. The tea is excellent in quality and contains dietary fiber, with the per bottle dietary fiber content meeting about 32% of an adult’s daily reference intake and helps maintain bowel regularity.

“Yo! Tea”, a Western fruit-flavoured tea drink brand launched last year, was made available in Tequila flavor during the period, combined with the previous iced kumquat flavor, blended berry flavor and apple and kiwi flavor, creating a kind of distinct and trendy fruit-flavored tea drink with four different flavors for the young consumers.

即飲茶

2019年上半年中可飲料經營區首次引入無糖茶品牌「淳茶舍」，上市「淳茶舍」旗下的普洱消茶，產品精選雲南普洱茶葉為原料，提供樸實醇厚的中國茶風味。精心泡制，無糖但自帶甘甜。茶質優良並且每瓶含膳食纖維，滿足成人約32%每日所需，有助於維持正常的腸道功能。

去年上市的西方果味茶品牌「唷茶」，期內新增龍舌蘭口味，結合原有的冰冽金桔、混合莓果、蘋果奇異果口味，為當下年輕消費群體打造四種不同口味的酷炫時尚果味茶飲品。



Ready-to-drink coffees

The domestic ready-to-drink coffee market is growing at a rapid rate, with annual sales expecting to be USD2 billion, representing an estimated compound growth rate of around 13% from 2017 to 2023. The Company launched the new “GEORGIA” high-end ready-to-drink coffees in the previous year, which won unanimous praise from the market. During the period, targeting at the urban white-collar consumers, we held a number of promotional roadshows with free drinks of “GEORGIA” coffee for consumers in major office buildings, reaching more than 100,000 consumers.

即飲咖啡

國內即飲咖啡市場增速迅猛，年銷售額預計為20億美金，2017至2023年複合增長率預估約為13%。本公司去年推出全新「喬雅」高端即飲咖啡，獲得市場一致好評，期內針對目標消費群體都市白領，我們在各主要寫字樓區域舉辦了多場「喬雅」咖啡贈飲活動，接觸逾10萬消費者。



Sports drinks

In May 2019, the Company launched two sports drink products, namely “POWERADE Ran” exclusively designed for explosive sports and “POWERADE Nai” exclusively designed for endurance sports, providing different sports with different formulas so as to enhance consumers’ sports performance. The “POWERADE” brand recorded an annual sales of more than USD2 billion in more than 80 countries around the world.

Outlook

In the second half of 2019, China Foods will continue to advance the strategy on a full spectrum of beverage products and put more efforts on the promotion of new products. As for its performance, the Company will achieve its goal that the revenue continue to outgrow the industry average through continuous market investment, continuous new product introduction and new channel expansion and improving the level of meticulous management. It is expected that the prices of raw materials will fluctuate within a narrow range, and our gross profit margin will remain stable in the second half of 2019. Besides, driven by regional integration and enhanced market execution, it is expected that the overall expense ratio and profit margin of the Company will achieve continuous improvement, and its performance will maintain healthy growth in the second half of 2019.

運動飲料

2019年5月，本公司上市兩款運動飲料產品：專為爆發性運動設計的「爆銳燃力」及專為耐力型運動設計的「爆銳耐力」，為不同運動提供不同配方，提高消費者的運動表現。「爆銳」品牌在全球80多個國家有超過20億美元的年銷售額。

展望

2019年下半年，中國食品會繼續推進全品類飲料戰略，加大新品推廣力度。業績方面，本公司會通過持續的市場投入，持續的新品及新渠道拓展、內部管理精細化程度的不斷提升，以實現收入增長繼續優於行業平均水平的目標。原材料價格預計以窄幅波動為主，預期2019年下半年毛利率會保持穩定，加上在區域整合、市場執行能力提升的帶動下，本公司2019年下半年整體費用率及利潤率預期會持續改善，業績保持健康發展。



FINANCIAL REVIEW

REVENUE

Sales volume growth amounted to 8% while revenue growth reached 10%. The revenue growth was mainly driven by sales volume growth, new products, and improvements in packaging structure and price.

GROSS PROFIT MARGIN

International commodity and raw material prices continued to exert pressure on costs in the first half of this year. Yet, the relevant cost increases were effectively offset by the increase in sales volume of high-margin products and the improvement in packaging structure, as well as adjustments to VAT rate, and thus the gross profit margin improved slightly year-on-year.

OTHER INCOME AND GAINS

Other income and gains mainly represent processing service income and government grants, which recorded no material year-on-year movements.

DISTRIBUTION AND SELLING EXPENSES RATIO/ADMINISTRATIVE EXPENSES RATIO

Distribution and selling expenses ratio dropped slightly by 1.0 percentage point, which was mainly attributable to the improved efficiencies brought by supply chain optimisation through regional integration.

Administrative expenses ratio decreased by 0.2 of a percentage point, which was mainly due to the gradual gains in efficiency from the business integration in current period.

FINANCE COSTS

Finance costs dropped year-on-year by 22% as a result of the repayment of interest-bearing bank borrowings of RMB400 million during the period.

INCOME TAX EXPENSES

Income tax expenses amounted RMB163 million, representing an increase of 26.7%, which was in line with profit growth.

LIQUIDITY AND FINANCIAL RESOURCES

The Company's treasury function operates as a centralised service for:

- Reallocating financial resources within the Group;
- Procuring cost-efficient funding for the Group;

財務回顧

收入

銷量增長達8%，而收入增長達10%，收入增長主要由銷量增長、新品、包裝結構及價格改善拉動。

毛利率

國際大宗商品及原材料價格今年上半年繼續為成本帶來壓力，但高毛利產品銷量增長及包裝結構改善，加上增值稅稅率調整的紅利有效抵消了相關的成本上漲，毛利率同比有輕微改善。

其他收入及收益

其他收入及收益主要是代加工服務收入及政府補貼，同比並無重大變動。

分銷及銷售支出比率／行政支出比率

分銷及銷售支出比率略降1.0個百分點，主要可歸因於透過區域整合實現供應鏈優化而使效率提高。

行政支出比率下降0.2個百分點，主要乃由於本期間業務整合效率的逐步體現而達致。

融資成本

期內償還有計息銀行借貸約人民幣4億元，融資成本同比減少22%。

所得稅支出

所得稅支出為人民幣1.63億元，增加26.7%，與溢利保持一致增長。

流動資金及財務資源

本公司資金部集中管理：

- 重新分配本集團之財務資源；
- 為本集團爭取有成本效益之資金；

- Managing financial risks, including interest rate and foreign exchange rate risks; and
- Targeting yield enhancement opportunities.

The treasury function regularly and closely monitors its overall cash and debt positions, reviews its funding costs and maturity profiles to facilitate timely refinancing. Cash pooling is applied in Mainland China for the more efficient utilisation of cash. Also, the treasury function formulated financial risk management procedures, which are subject to periodic review by the senior management of the Company.

In the condensed consolidated statement of financial position as at 30 June 2019, the Group's unpledged cash and cash equivalents totalled approximately RMB398 million (31 December 2018: approximately RMB243 million). Net current liabilities were approximately RMB2,684 million (31 December 2018: approximately RMB2,468 million).

Having considered the (i) forecast cash flow from operating activities of continuing operation, (ii) existing financial resources and gearing level of the Group, and (iii) existing banking facilities available to the Group, the directors believe that the Group's financial resources are sufficient to fund its debt payments, day-to-day operations, contracted capital expenditures as at 30 June 2019.

CAPITAL STRUCTURE

As at and for the six months period ended 30 June 2019, the total number of issued shares of the Company remained unchanged at 2,797,223,396. In the condensed consolidated statement of financial position as at 30 June 2019, the Group had interest-bearing bank borrowings of approximately RMB967 million (31 December 2018: approximately RMB1,167 million).

As at 30 June 2019 and 31 December 2018, all bank borrowings in Mainland China were denominated in Renminbi, carried at annual interest rate of loan prime rate -0.025% to loan prime rate -0.2645%.

As at 30 June 2019, net assets attributable to owners of the parent were approximately RMB4,413 million (31 December 2018: approximately RMB4,219 million) and net borrowing position of the Group (interest-bearing bank and other borrowings less unpledged cash and cash equivalents) was approximately RMB569 million (31 December 2018: approximately RMB923 million) and the net gearing ratio (ratio of net borrowing position of the Group to net assets attributable to owners of the parent) was approximately 13% (31 December 2018: approximately 22%).

- 管理利率及匯率風險在內之財務風險；及
- 抓緊提高收益之機會。

資金部定期及密切監察其整體現金及債務狀況、檢討其融資成本及到期情況以方便再融資。為更有效的使用現金，本集團已在中國內地使用現金池。此外，資金部制定財務風險管理流程，並由本公司高級管理層定期審閱。

於2019年6月30日的簡明綜合財務狀況表中，本集團之無抵押現金及現金等值項目合共約為人民幣3.98億元（2018年12月31日：約人民幣2.43億元）。流動負債淨額約為人民幣26.84億元（2018年12月31日：約人民幣24.68億元）。

經考慮(i)持續經營業務的經營活動預測現金流量，(ii)本集團的現有財務資源及槓桿水平，及(iii)本集團可供使用的現有銀行授信，董事相信，本集團有充足財務資源清還債務，為其日常業務營運及於2019年6月30日的已訂約資本開支提供資金。

資本結構

於2019年6月30日及截至該日止六個月期間，本公司之已發行股份總數保持不變，仍為2,797,223,396股。於2019年6月30日的簡明綜合財務狀況表中，本集團有計息銀行借貸約人民幣9.67億元（2018年12月31日：約人民幣11.67億元）。

於2019年6月30日及2018年12月31日，全部於中國內地的銀行借貸以人民幣計值按貸款最優惠利率-0.025%至貸款最優惠利率-0.2645%之年利率計息。

於2019年6月30日，母公司擁有人應佔淨資產約為人民幣44.13億元（2018年12月31日：約人民幣42.19億元），本集團淨借貸（計息銀行及其他借貸減無抵押現金及現金等值項目）約為人民幣5.69億元（2018年12月31日：約人民幣9.23億元）及淨槓桿比率（本集團淨借貸對比母公司擁有人應佔淨資產比率）約為13%（2018年12月31日：約22%）。

CONTINGENT LIABILITIES AND ASSETS PLEGDED

As at 30 June 2019 and 31 December 2018, the Group has no significant contingent liabilities nor assets pledged (other than certain bills payable).

FOREIGN EXCHANGE MANAGEMENT

Majority of monetary assets, monetary liabilities and transactions of the Group were principally denominated in Renminbi and recorded in the books of subsidiaries operating in Mainland China (functional currency as Renminbi). In respect of interest-bearing borrowings as at 30 June 2019, all interest-bearing borrowings were denominated in Renminbi and recorded in the books of the subsidiaries operating in Mainland China.

Although the Group has not used any financial instruments for hedging purposes, the treasury function actively and closely monitors foreign exchange rate exposure. The foreign exchange risk exposure is not significant.

HUMAN RESOURCES

As at 30 June 2019, the Group employed 19,582 staff in Mainland China and Hong Kong (31 December 2018: 19,686). Employees are paid according to their positions, performance, experience and prevailing market practices, and are provided with management and professional training.

Employees in Hong Kong are provided with retirement benefits, either under a Mandatory Provident Fund exempted ORSO scheme or under the Mandatory Provident Fund scheme, as well as life insurance and medical insurance. Employees in Mainland China are provided with pension insurance, medical insurance, employment injury insurance, unemployment insurance and maternity insurance and housing fund contributions in compliance with the requirements of the laws of China. Details of these benefit schemes are set out in the Company's 2018 Annual Report.

Besides, the Group also encourages employee participation in continuing training programmes, seminars and e-learning courses through which will enhance their career development and technical skills for tapping individual potentials.

Hong Kong, 27 August 2019

或有負債及資產抵押

於2019年6月30日及2018年12月31日，本集團並無任何重大或有負債或資產抵押（若干應付票據除外）。

外匯管理

本集團之貨幣資產、貨幣負債及交易主要以人民幣計值及計入於在中國內地營運的附屬公司（功能貨幣為人民幣）的賬目。就於2019年6月30日計息借貸而言，全部計息借貸均以人民幣計值及計入於中國內地營運的附屬公司賬目。

儘管本集團並無使用任何金融工具用作對沖目的，本集團的資金部積極及密切監察匯率風險。外匯風險並不重大。

人力資源

於2019年6月30日，本集團於中國內地及香港共有19,582名僱員（2018年12月31日：19,686名）。本集團根據僱員之崗位、表現、經驗及現時市場慣例釐定僱員薪酬，並提供管理及專業培訓予僱員。

本集團透過豁免強制性公積金職業退休計劃或強制性公積金計劃為在香港的僱員提供退休福利，並提供人壽保險及醫療保險；根據中國法律為中國內地員工提供養老保險、醫療保險、工傷保險、失業保險、生育保險及住房公積金。此等福利計劃之詳情載於本公司2018年年報內。

另外，本集團亦鼓勵僱員通過參與持續培訓課程、研討會及網上學習等培訓以提升個人對事業的全面發展和知識技能，以及發揮個人潛能。

香港，2019年8月27日

CORPORATE GOVERNANCE HIGHLIGHTS AND OTHER INFORMATION

企業管治摘要及其他資料

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2019, none of the directors of the Company (the "Director(s)") or their associates has any interest in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO")) which will have to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any Director is deemed or taken to be under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register of interests to be kept by the Company or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

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

As at 30 June 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:

董事於股份及相關股份之權益及淡倉

截至2019年6月30日，本公司董事（「董事」）或彼等之聯繫人概無於本公司或其任何相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及香港聯合交易所有限公司（「聯交所」）的任何權益及淡倉（包括根據證券及期貨條例有關條文被認為或被視作擁有的權益及淡倉），或根據證券及期貨條例第352條規定須登記於該條所指的本公司所存置的權益登記冊的任何權益及淡倉，或根據《香港聯合交易所有限公司證券上市規則》（「上市規則」）所載之上市發行人董事進行證券交易的標準守則須知會本公司及聯交所的任何權益及淡倉。

主要股東及其他人士於股份及相關股份之權益及淡倉

於2019年6月30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：

CORPORATE GOVERNANCE HIGHLIGHTS AND OTHER INFORMATION

企業管治摘要及其他資料

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

於本公司股份及相關股份之好倉總數

Name of substantial shareholder 主要股東名稱	Number of shares held (Note 1) 所持股份數目 (附註1)		Total 總數	Approximate percentage of issued shares 佔已發行股份的概約百分比 (Note 2) (附註2)
	Directly beneficially owned 直接實益擁有	Through controlled corporations 透過受控法團		
China Foods (Holdings) Limited 中國食品(控股)有限公司	2,072,688,331	–	2,072,688,331	74.10%
COFCO (Hong Kong) Limited 中糧集團(香港)有限公司	–	2,072,688,331 (Note 3) (附註3)	2,072,688,331	74.10%
COFCO 中糧	–	2,072,688,331 (Note 4) (附註4)	2,072,688,331	74.10%

Notes:

- Long positions in the shares of the Company, other than equity derivatives such as share options, warrants or convertible bonds.
- The percentages were calculated based on the total number of shares of the Company in issue as at 30 June 2019, i.e. 2,797,223,396 shares.
- COFCO (Hong Kong) Limited ("COFCO (HK)"), through its wholly-owned subsidiary, China Foods (Holdings) Limited, was deemed to be interested in 2,072,688,331 shares.
- COFCO, through its wholly-owned subsidiary, COFCO (HK), was deemed to be interested in 2,072,688,331 shares.

Save as disclosed herein, as at 30 June 2019, the Company had not been notified of any other persons who had interests or short positions in the shares or underlying shares of the Company, which are required to be recorded in the register of interests of the Company required to be kept under Section 336 of the SFO.

附註:

- 本公司股份之好倉(權益衍生工具如購股權、認股權證或可換股債券除外)。
- 百分比乃根據本公司於2019年6月30日之已發行股份總數(即2,797,223,396股股份)計算。
- 中糧集團(香港)有限公司(「中糧香港」)透過其全資附屬公司中國食品(控股)有限公司被視為於2,072,688,331股股份中擁有權益。
- 中糧透過其全資附屬公司中糧香港被視為於2,072,688,331股股份中擁有權益。

除本文披露者外,於2019年6月30日,本公司並無獲悉任何其他人士持有本公司之股份或相關股份之權益或淡倉,而須登記於根據證券及期貨條例第336條規定而備存之本公司權益登記冊。

SHARE OPTION SCHEME

The Company and its subsidiaries have no share option scheme.

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

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

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules as its code of conduct regarding directors' securities transactions. Following specific enquiries by the Company, all directors of the Company confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2019.

UPDATES ON DIRECTORS' INFORMATION

Mr. Chen Lang was appointed as the chairman of the Board and a non-executive director of the Company with effect from 26 April 2019 and then retired in accordance with the bye-laws of the Company at the annual general meeting of the Company held on 4 June 2019 (the "2019 AGM"). At the 2019 AGM, an ordinary resolution was passed to elect Mr. Chen Lang as a non-executive director. Please refer to the section headed "Election of a Director" under the letter from the board to the Company's supplemental circular dated 3 May 2019 for his biography and other information.

購股權計劃

本公司及其附屬公司並未有購股權計劃。

購買、出售或贖回本公司之上市證券

於截至2019年6月30日止六個月期間內，本公司及其任何附屬公司於期間內並無購買、出售或贖回本公司任何上市證券。

企業管治守則

本公司於截至2019年6月30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

本公司已採納上市規則附錄十所載的《上市發行人董事進行證券交易的標準守則》（「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2019年6月30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。

更新董事信息

陳朗先生獲委任為本公司董事會主席兼非執行董事，自2019年4月26日起生效；並於2019年6月4日本公司舉行的股東周年大會（「2019年股東周年大會」）上根據本公司細則退任。於2019年股東周年大會上通過了一項普通決議案選舉陳朗先生為非執行董事。有關他的履歷及其他資料，請參閱本公司日期為2019年5月3日的補充通函之董事會函件項下「選舉董事」一節。

Mr. Chen Lang was a vice chairman of the board of directors and a member of strategy committee of Shanxi Xinghuacun Fen Wine Factory Co., Limited (山西杏花村汾酒廠股份有限公司) (a company listed in Shanghai) until June 2019; and an executive director and the chairman of the board of China Resources Beer (Holdings) Company Limited (a company listed in Hong Kong) until July 2019.

Mr. Yu Xubo, who was appointed on 4 January 2019, has resigned as the chairman of the Board and a non-executive director of the Company with effect from 26 April 2019.

REVIEW OF INTERIM RESULTS

The unaudited condensed consolidated interim financial information of the Group for the period has been reviewed by the Audit Committee of the Board.

INTERIM DIVIDEND

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

陳朗先生曾任上海上市公司山西杏花村汾酒廠股份有限公司董事會副董事長及戰略委員會委員直至2019年6月；以及香港上市公司華潤啤酒（控股）有限公司執行董事兼董事會主席直至2019年7月。

於2019年1月4日獲委任的于旭波先生已辭任本公司董事會主席及非執行董事，自2019年4月26日起生效。

審閱中期業績

本集團於期間內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。

中期股息

董事會不宣派截至2019年6月30日止六個月之中期股息（2018年6月30日：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 China Foods Limited
(Incorporated in Bermuda with limited liability)

致中國食品有限公司董事會
(於百慕達註冊成立的有限公司)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of China Foods Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 23 to 56, which comprises the condensed consolidated statement of financial position as of 30 June 2019 and the related condensed consolidated statement of profit or loss, statement of 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.

引言

我們已審閱第23頁至第56頁所載中國食品有限公司（「貴公司」）及其附屬公司（統稱「貴集團」）的簡明綜合財務報表，當中包括截至2019年6月30日的簡明綜合財務狀況表，以及截至該日止六個月的相關簡明綜合損益報表、全面收入報表、權益變動報表及現金流量表及若干附註解釋。香港聯合交易所有限公司證券上市規則規定編製中期財務資料報告須符合當中的相關條文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」）。貴公司董事須負責根據香港會計準則第34號編製及呈列此等簡明綜合財務報表。我們的責任是根據審閱結果對此等簡明綜合財務報表作出結論，並根據我們雙方所協定的應聘條款僅向作為法人的閣下匯報結論，而不作其他用途。我們不會就本報告內容向任何其他人士負上或承擔任何責任。

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.

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
27 August 2019

審閱範圍

我們已根據香港會計師公會頒佈的香港審閱委聘準則第2410號「實體獨立核數師對中期財務資料進行審閱」進行審閱工作。審閱此等簡明綜合財務報表包括主要向負責財務和會計事務的人員作出查詢，及應用分析性和其他審閱程序。審閱範圍遠小於根據香港核數準則進行的審核範圍，故我們無法保證，我們會知悉在審核中可能被發現的所有重大事項。因此，我們不會發表審核意見。

結論

根據我們的審閱結果，我們並無發現任何事項，致使我們相信此等簡明綜合財務報表在各重大方面未有根據香港會計準則第34號編製。

德勤•關黃陳方會計師行
執業會計師

香港
2019年8月27日

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

簡明綜合損益報表

For the six months ended 30 June 2019
截至2019年6月30日止六個月

			Six months ended 截至以下日期止六個月	
			30/6/2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	30/6/2018 2018年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)
	NOTES 附註			
Revenue	收入	4A	9,551,038	8,697,780
Cost of sales	銷售成本		(6,157,203)	(5,650,173)
Gross profit	毛利		3,393,835	3,047,607
Other income and gains	其他收入及收益	5	49,886	129,666
Distribution and selling expenses	分銷及銷售支出		(2,494,000)	(2,361,234)
Administrative expenses	行政支出		(223,971)	(215,393)
Other expenses and losses	其他支出及虧損		(21,071)	(15,375)
Finance costs	融資成本	6	(29,035)	(37,117)
Share of profit of associates	應佔聯營公司溢利		22,770	28,671
Profit before tax	除稅前溢利		698,414	576,825
Income tax expense	所得稅支出	7	(162,761)	(128,501)
Profit for the period	期內溢利	8	535,653	448,324
Profit for the period attributable to:	應佔期內溢利：			
Owners of the Company	本公司擁有人		290,300	252,359
Non-controlling interests	非控股權益		245,353	195,965
			535,653	448,324
Earnings per share	每股盈利			
Basic (cents)	基本(分)	10	10.38	9.02
Diluted (cents)	攤薄(分)		N/A不適用	N/A不適用

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明綜合全面收入報表

For the six months ended 30 June 2019

截至2019年6月30日止六個月

		Six months ended 截至以下日期止六個月	
		30/6/2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	30/6/2018 2018年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)
Profit for the period	期內溢利	535,653	448,324
Other comprehensive expense for the period, net of tax	期內其他全面支出， (已扣除稅項)	—	—
Total comprehensive income for the period	期內全面收入總額	535,653	448,324
Total comprehensive income for the period attribute to:	應佔期內全面收入總額：		
Owners of the Company	本公司擁有人	290,300	252,359
Non-controlling interests	非控股權益	245,353	195,965
		535,653	448,324

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

As at 30 June 2019
於2019年6月30日

		NOTES 附註	30/6/2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31/12/2018 2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Non-current Assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	11	4,962,812	4,886,534
Right-of-use assets	使用權資產	11	582,607	–
Investment properties	投資物業		–	20,100
Prepaid lease payments	預付土地租賃款項		–	529,445
Prepayments for property, plant and equipment	物業、廠房及設備之 預付款項		4,595	4,126
Intangible assets	無形資產		3,506,274	3,506,274
Investments in associates	於聯營公司之投資		766,080	742,028
Deferred tax assets	遞延稅項資產		352,517	379,390
			10,174,885	10,067,897
Current Assets	流動資產			
Inventories	存貨		1,132,804	1,650,318
Accounts and bills receivables	應收賬款及票據	12	654,279	304,788
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項		589,217	566,129
Due from fellow subsidiaries	同系附屬公司欠款	18	45,492	23,892
Due from the immediate holding company	直接控股公司欠款	18	145	138
Due from the ultimate holding company	最終控股公司欠款	18	9	71
Due from non-controlling shareholders of subsidiaries	附屬公司之非控股股東欠款	18	4,787	359
Due from associates	聯營公司欠款	18	16,644	19,743
Due from other related party	其他關聯公司欠款	18	436,375	385,665
Prepaid tax	預繳稅項		31,098	18,254
Pledged deposits	抵押存款		14,120	7,961
Cash and cash equivalents	現金及現金等值項目		397,770	243,235
			3,322,740	3,220,553

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

As at 30 June 2019

於2019年6月30日

		NOTES 附註	30/6/2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31/12/2018 2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Current Liabilities	流動負債			
Accounts and bills payables	應付賬款及票據	14	981,919	606,811
Other payables and accruals	其他應付款項及應計負債	15	2,911,817	2,695,379
Contract liabilities	合約負債		262,429	1,341,686
Lease liabilities	租賃負債		17,971	–
Borrowings	借貸	13	966,500	580,000
Due to fellow subsidiaries	欠同系附屬公司款項	18	155,748	152,685
Due to the ultimate holding company	欠最終控股公司款項	18	–	1,336
Due to non-controlling shareholders of subsidiaries	欠附屬公司之非控股股東款項	18	–	6,749
Due to associates	欠聯營公司款項	18	257,932	163,330
Due to other related party	欠其他關聯公司款項	18	391,131	110,539
Tax liabilities	稅項負債		61,036	29,978
			6,006,483	5,688,493
Net Current Liabilities	流動負債淨值		(2,683,743)	(2,467,940)
Total Assets Less Current Liabilities	資產總值減流動負債		7,491,142	7,599,957
Non-current Liabilities	非流動負債			
Borrowings	借貸	13	–	586,500
Deferred income	遞延收入		203,507	204,355
Deferred tax liabilities	遞延稅項負債		101,661	95,666
Lease liabilities	租賃負債		33,119	–
			338,287	886,521
Net Assets	資產淨值		7,152,855	6,713,436
Capital and Reserves	資本及儲備			
Share capital	股本	16	293,201	293,201
Share premium and reserves	股份溢價及儲備		4,119,777	3,925,711
Equity attributable to owners of the Company	本公司擁有人應佔權益		4,412,978	4,218,912
Non-controlling interests	非控股權益		2,739,877	2,494,524
Total Equity	權益總值		7,152,855	6,713,436

LUAN Xiuju
樂秀菊
Director
董事

SHEN Peng
沈芃
Director
董事

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動報表

For the six months ended 30 June 2019
截至2019年6月30日止六個月

		Attributable to owners of the Company 本公司擁有人應佔								Non-controlling interests Total equity	
		Issued capital	Share premium	Capital reserve	Reserve funds	Asset revaluation reserve	Retained profits	Total			
		已發行股本 RMB'000 人民幣千元	股份溢價 RMB'000 人民幣千元	資本儲備 RMB'000 人民幣千元	儲備金 RMB'000 人民幣千元	重估儲備 RMB'000 人民幣千元	保留溢利 RMB'000 人民幣千元	總計 RMB'000 人民幣千元	非控股權益 RMB'000 人民幣千元	權益總值 RMB'000 人民幣千元	
At 1 January 2019 (audited)	於2019年1月1日 (經審核)	293,201	30,820	823,096	23,534	3,204	3,045,057	4,218,912	2,494,524	6,713,436	
Profit and total comprehensive income for the period	期內溢利及其他全面收入	-	-	-	-	-	290,300	290,300	245,353	535,653	
Final 2018 dividends declared	已宣派2018年末期股息	-	-	-	-	-	(96,234)	(96,234)	-	(96,234)	
At 30 June 2019 (unaudited)	於2019年6月30日 (未經審核)	293,201	30,820	823,096	23,534	3,204	3,239,123	4,412,978	2,739,877	7,152,855	
At 1 January 2018 (audited and restated*)	於2018年1月1日 (經審核和重列*)	293,201	30,820	823,096	22,894	3,204	2,783,291	3,956,506	2,295,525	6,252,031	
Profit and total comprehensive income for the period	期內溢利及其他全面收入	-	-	-	-	-	252,359	252,359	195,965	448,324	
Final 2017 dividends declared	已宣派2017年末期股息	-	-	-	-	-	(54,828)	(54,828)	-	(54,828)	
Dividends paid to non-controlling shareholders of subsidiaries	已付附屬公司非控股股東股息	-	-	-	-	-	-	-	(27,361)	(27,361)	
At 30 June 2018 (unaudited)	於2018年6月30日 (未經審核)	293,201	30,820	823,096	22,894	3,204	2,980,822	4,154,037	2,464,129	6,618,166	

* Refer to 2018 annual report note 20 of consolidate financial statement for detail.

* 詳情請參閱2018年年報綜合財務報表附註20。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30 June 2019

截至2019年6月30日止六個月

		Six months ended 截至以下日期止六個月	
		30/6/2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	30/6/2018 2018年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)
	NOTES 附註		
OPERATING ACTIVITIES	經營業務		
Profit before tax	除稅前溢利	698,414	576,825
Adjustments for:	就以下項目作出調整：		
Finance costs	融資成本	29,035	37,117
Share of profits of associates	應佔聯營公司溢利	(22,770)	(28,671)
Bank interest income	銀行利息收入	(2,801)	(2,161)
Impairment loss, net of reversal	減值虧損（扣除撥回）		
– account receivables	— 應收賬款	1,029	277
– property, plant and equipment	— 物業、廠房及設備	8,843	9,241
Depreciation of property, plant and equipment	物業、廠房及設備折舊	224,745	232,668
Depreciation of right-of-use assets	使用權資產折舊	18,732	–
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備（收益）／虧損	(299)	5,025
Amortisation of prepaid lease payment	預付土地租賃款項攤銷	–	9,573
Provision against inventories	存貨撥備	5,235	4,027
Asset related government grants	資產相關的政府補助	(11,948)	(24,090)
		948,215	819,831

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30 June 2019

截至2019年6月30日止六個月

		Six months ended 截至以下日期止六個月	
		30/6/2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	30/6/2018 2018年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)
Decrease in inventories	存貨減少	510,997	210,476
Increase in accounts and bills receivables	應收賬款及票據增加	(349,872)	(340,346)
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款項增加	(35,793)	(331,715)
Increase in amounts due from fellow subsidiaries	同系附屬公司欠款增加	(21,600)	(12,113)
Decrease in an amount due from the ultimate holding company	最終控股公司欠款減少	62	—
(Increase)/decrease in amounts due from non-controlling shareholders of subsidiaries	附屬公司非控股股東欠款(增加)/減少	(4,428)	4,434
Increase in amounts due from the immediate holding company	直接控股公司欠款增加	(7)	—
(Increase)/decrease in amounts due from related company	關連公司欠款(增加)/減少	(50,710)	371,840
Decrease/(increase) in amounts due from associates	聯營公司欠款減少/(增加)	3,099	(17,258)
Increase in accounts and bills payables	應付賬款及票據增加	375,108	378,543
Increase in other payables and accruals	其他應付款項及應計負債增加	141,247	202,868
Decrease in contract liabilities	合約負債減少	(1,079,257)	(719,491)
Increase in amounts due to fellow subsidiaries	欠同系附屬公司款項增加	3,063	31,802
Decrease in an amount due to the ultimate holding company	欠最終控股公司款項減少	(1,336)	—
Increase/(decrease) in amounts due to related company	欠關連公司款項增加/(減少)	280,592	(111,621)
Decrease in amounts due to non-controlling shareholders of subsidiaries	欠附屬公司非控股股東款項減少	(6,749)	(8,254)
Increase in amounts due to associates	欠聯營公司款項增加	94,602	63,293
Cash generated from operations	經營業務所得之現金	807,233	542,289
Interest paid	已付利息	(27,768)	(37,117)
Income tax paid	已付所得稅	(111,679)	(143,333)
Net cash from operating activities	經營業務所得之現金淨額	667,786	361,839

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30 June 2019

截至2019年6月30日止六個月

		Six months ended 截至以下日期止六個月	
		30/6/2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	30/6/2018 2018年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)
	NOTE 附註		
INVESTING ACTIVITIES	投資活動		
Interest received	已收利息	5	2,801
Increase in pledged deposits	抵押存款增加	(6,159)	2,161
Mainland China income tax paid on investing activities	投資活動已付中國內地所得稅	–	(3,689)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	12,496	(444,868)
Purchases of property, plant and equipment	購置物業、廠房及設備	(314,461)	7,397
Receipt of government grants	收到政府補助	11,100	(262,781)
Net cash used in investing activities	投資活動所用現金淨額	(294,223)	21,963
FINANCING ACTIVITIES	融資活動		
New bank borrowings	新增銀行借款	200,000	–
Repayments of bank borrowings	償還銀行借款	(400,000)	–
Repayments of lease liabilities	償還租賃負債	(10,014)	–
Dividends paid to non-controlling shareholders of subsidiaries	向附屬公司非控股股東支付股息	(9,014)	(27,361)
Net cash used in financing activities	融資活動所用現金淨額	(219,028)	(27,361)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等值項目增加／(減少)淨額	154,535	(345,339)
Cash and cash equivalents at 1 January	於1月1日之現金及現金等值項目	243,235	832,063
CASH AND CASH EQUIVALENTS AT 30 JUNE	於6月30日之現金及現金等值項目	397,770	486,724
represented by bank balances and cash	即銀行結餘及現金		

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2019

截至2019年6月30日止六個月

1. CORPORATE INFORMATION

China Foods Limited (the “Company”) is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Company is a subsidiary of China Foods (Holdings) Limited, a company incorporated in the British Virgin Islands. In the opinion of the directors of the Company (the “Directors”), the ultimate holding company is COFCO Corporation, which is a state-owned enterprise registered in the People’s Republic of China (the “PRC”).

During the six months ended 30 June 2019, the Company and its subsidiaries (collectively referred to as the “Group”) were involved in processing, bottling and distribution of sparkling beverage products, and distribution of still beverage products.

The condensed consolidated financial statements are presented in Renminbi (“RMB”), which is the Company’s functional currency.

2. BASIS OF PREPARATION

The condensed consolidated financial statement have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 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 “Listing Rules”).

1. 公司資料

中國食品有限公司(「本公司」)為一家於百慕達註冊成立的有限責任公司。本公司之註冊辦事處位於 Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。

本公司乃在英屬維爾京群島註冊成立的中國食品(控股)有限公司的附屬公司。本公司董事(「董事」)認為,最終控股公司為於中華人民共和國(「中國」)註冊的國有企業中糧集團有限公司。

截至2019年6月30日止六個月,本公司及其附屬公司(統稱「本集團」)參與加工、裝瓶及分銷汽水飲料產品以及分銷不含氣飲料產品。

簡明綜合財務報表以人民幣(「人民幣」)列報,人民幣為本公司的功能貨幣。

2. 編製基準

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(「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(「上市規則」)附錄16的適用披露規定而編製。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2019

截至2019年6月30日止六個月

2. BASIS OF PREPARATION (continued)

The condensed consolidated financial statements have been prepared on a going concern basis notwithstanding that the Group had net current liabilities of RMB2,683,743,000 at the end of the reporting period. In preparing these condensed consolidated financial statements, the Directors have given careful consideration to the current and anticipated future liquidity of the Group. Taking into account, inter alia, (i) the unutilised loan facilities at the end of the reporting period, and (ii) the expected net cash inflows generated from the Group's operations for the next twelve months. The Directors are of the opinion that the Group will be able to meet its liabilities as and when they fall due, accordingly the Directors consider that the preparation of these condensed consolidated financial statements on a going concern basis is appropriate.

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

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 30 June 2019 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2018.

2. 編製基準 (續)

儘管本集團於報告期末有流動負債淨額人民幣2,683,743,000元，簡明綜合財務報表仍按持續經營基準編製。於編製本簡明綜合財務報表時，董事已審慎考慮本集團目前及預期未來的流動資金。經考慮（其中包括）(i)於報告期末未動用的貸款授信，及(ii)本集團未來十二個月透過經營業務所產生的預期現金流入淨額。董事認為，本集團將能夠應付其到期負債。因此，董事認為按持續經營基準編製本簡明綜合財務報表乃屬適當。

3. 主要會計政策

簡明綜合財務報表乃按歷史成本基準編製。

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2019年6月30日止六個月簡明綜合財務報表使用的會計政策及計算方法與本集團截至2018年12月31日止年度之年度財務報表所呈列者相同。

3. 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 1 January 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.

3.1 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.

3.1.1 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.

3. 主要會計政策 (續)

應用新訂香港財務報告準則及對香港財務報告準則的修訂

於本中期期間，本集團已首次應用以下香港會計師公會頒佈於2019年1月1日或之後的年度期間強制生效的新訂香港財務報告準則及對香港財務報告準則的修訂，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	所得稅處理的不確定性
香港財務報告準則第9號（修訂本）	具有負補償的提前償付特徵
香港會計準則第19號（修訂本）	計劃修訂、縮減或結算
香港會計準則第28號（修訂本）	於聯營公司及合營企業之長期權益
香港財務報告準則（修訂本）	香港財務報告準則2015年至2017年週期的年度改進

除下文所述者外，本期間應用新訂香港財務報告準則及香港財務報告準則的修訂並未對本集團於本期間及過往期間的財務表現及狀況及／或該等簡明綜合財務報表所載的披露造成重大影響。

3.1 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應用香港財務報告準則第16號。香港財務報告準則第16號已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。

3.1.1 應用香港財務報告準則第16號導致的會計政策重大變動

本集團已根據香港財務報告準則第16號的過渡性條文應用下列會計政策。

3. PRINCIPAL ACCOUNTING POLICIES (continued)

3.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases (continued)

3.1.1 Key changes in accounting policies resulting from application of HKFRS 16 (continued)

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.

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.

3. 主要會計政策 (續)

3.1 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)

3.1.1 應用香港財務報告準則第16號導致的會計政策重大變動 (續)

租賃的定義

倘合約獲給予權利在一段時間內使用特定資產以換取對價，則合約為租用合同或包含租賃。

就於首次應用日期或之後訂立或修訂的合約而言，本集團於開始或修訂日期根據香港財務報告準則第16號之定義評估合約是否為租賃或包含租賃。除非合約的條款及條件其後變動，否則有關合約將不會重新評估。

作為承租人

分配對價至合約組成部分

對包含一項租賃組成部分及一項或多項額外租賃或非租賃組成部分的合約而言，本集團根據租賃組成部分的相對單獨價格及非租賃組成部分的單獨價格總額將合約對價分配至各個租賃組成部分。

短期租賃及低價值資產租賃

本集團對租期為開始日期起十二個月或以下且不包括購買選擇權的租賃應用短期租賃確認豁免。其亦對低價值資產租賃應用確認豁免。短期租賃及低價值資產租賃的租賃款項在租期內按直線法確認為費用。

3. PRINCIPAL ACCOUNTING POLICIES (continued)

3.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases (continued)

3.1.1 Key changes in accounting policies resulting from application of HKFRS 16 (continued)

As a lessee (continued)

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.

3. 主要會計政策 (續)

3.1 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)

3.1.1 應用香港財務報告準則第16號導致的會計政策重大變動 (續)

作為承租人 (續)

使用權資產

除短期租賃及低價值資產租賃外，本集團於租賃開始日期（即相關資產可供使用日期）確認使用權資產。使用權資產按成本減任何累計折舊及減值虧損計量，並就任何重新計量的租賃負債作出調整。

使用權資產成本包括：

- 租賃負債的初步計量金額；
- 於開始日期或之前作出的任何租賃款項，減任何已收租賃激勵；
- 本集團產生的任何初步直接成本；及
- 本集團拆除及移除相關資產、恢復相關資產所在地或將相關資產恢復至租賃條款及條件所規定狀態產生的估計成本。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2019

截至2019年6月30日止六個月

3. PRINCIPAL ACCOUNTING POLICIES (continued)

3.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases (continued)

3.1.1 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 condensed 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.

3. 主要會計政策 (續)

3.1 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)

3.1.1 應用香港財務報告準則第16號導致的會計政策重大變動 (續)

作為承租人 (續)

使用權資產 (續)

本集團合理確定於租期結束時取得相關租賃資產所有權的使用權資產折舊期間為開始日期至使用年限終止日。否則，使用權資產於其估計使用年限及租期的較短者按直線法折舊。

本集團於簡明綜合財務狀況表將使用權資產呈列為獨立項目。

租賃土地及樓宇

就支付包括租賃土地及樓宇部分在內的物業權益而言，該付款不能於租賃土地及樓宇部分之間可靠地分配時，整個物業按照本集團之物業、廠房及設備列報。

可退還租賃按金

已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，並按公允價值初始計量。於初步確認時對公允價值的調整被視為額外租賃款項，並計入使用權資產成本。

3. PRINCIPAL ACCOUNTING POLICIES (continued)

3.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases (continued)

3.1.1 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.

3. 主要會計政策 (續)

3.1 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)

3.1.1 應用香港財務報告準則第16號導致的會計政策重大變動 (續)

作為承租人 (續)

租賃負債

於租賃開始日，本集團按當日未支付之租賃款項現值確認並計量租賃負債。於計算租賃款項現值時，倘隱含在租約中的利率不易於釐定，則本集團使用於租賃開始日期的增量借款利率。

租賃款項包括：

- 固定付款（包括實質上固定付款）減去任何應收租賃激勵；
- 取決於一項指數或比率之浮動租賃款項；
- 剩餘價值擔保之預期支付金額；
- 本集團合理確定將會行使購買權之行使價；及
- 如果租賃期內本集團行使終止權，終止租賃所支付之罰金。

於開始日期後，租賃負債按利息增長及租金作調整。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2019

截至2019年6月30日止六個月

3. PRINCIPAL ACCOUNTING POLICIES (continued)

3.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases (continued)

3.1.1 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 term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

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.

3. 主要會計政策 (續)

3.1 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)

3.1.1 應用香港財務報告準則第16號導致的會計政策重大變動 (續)

作為承租人 (續)

租賃負債 (續)

倘出現下列情況，本集團重新計量租賃負債（及對相關使用權資產作出對應調整）：

- 租賃期已變更或行使購買選擇權的評估發生變化，在此情況下相關租賃負債按於重新計量當日之已修訂折現率將已修訂租賃款項折現來重新計量。

租賃的修改

倘出現以下情況，本集團將租賃修改作為一項單獨租賃入賬：

- 該項修改因增加使用一項或多項相關資產的權利而擴大了租賃範圍；及
- 增加租賃的對價，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限，通過使用修改生效日期的經修訂貼現率貼現修訂後的租金來重新計量租賃負債。

3. PRINCIPAL ACCOUNTING POLICIES (continued)

3.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases (continued)

3.1.1 Key changes in accounting policies resulting from application of HKFRS 16 (continued)

As a lessee (continued)

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.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

3.1.2 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.

3. 主要會計政策 (續)

3.1 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)

3.1.1 應用香港財務報告準則第16號導致的會計政策重大變動 (續)

作為承租人 (續)

稅項

就稅項抵扣是否歸屬於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，本集團首先釐定使用權資產或租賃負債。

對於稅務抵扣歸屬於使用權資產和租賃負債的交易而言，本集團對租賃交易應用香港會計準則第12號所得稅之規定。與使用權資產及租賃負債有關之暫時性差異按淨額進行計量。使用權資產計提的折舊超逾本年支付的租賃負債本金部分產生了可抵扣暫時性差異。

3.1.2 首次應用香港財務報告準則第16號產生的過渡及影響概述

租賃的定義

本集團已選擇可行的折衷辦法，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已識別為租賃的合約應用香港財務報告準則第16號，且不會對先前未識別為包括租賃的合約應用該準則。因此，本集團不會重新評估於首次應用日期前已存在的合約。

3. PRINCIPAL ACCOUNTING POLICIES (continued)

3.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases (continued)

3.1.2 Transition and summary of effects arising from initial application of HKFRS 16 (continued)

Definition of a lease (continued)

For contracts entered into or modified on or after 1 January 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. The application of new definition of a lease has no impact to the Company.

As a lessee

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

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:

- 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;
- 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;

3. 主要會計政策 (續)

3.1 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)

3.1.2 首次應用香港財務報告準則第16號產生的過渡及影響概述 (續)

租賃的定義 (續)

就於2019年1月1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號所載規定應用租賃的定義以評估合同是否包含租賃。應用新的租賃定義對本公司並沒有影響。

作為承租人

本集團已追溯應用香港財務報告準則第16號，而累計影響於首次應用日期（即2019年1月1日）確認。首次應用日期的任何差額於期初保留溢利確認，及並無重列比較資料。

當於過渡期根據香港財務報告準則第16號應用修改追溯方法時，本集團對過往根據香港會計準則第17號分類為經營租約之租賃，以逐項租賃之基礎上，在各自的租賃合約相關範圍內應用以下權宜方案：

- 依據香港會計準則第37號撥備、或然負債及或然資產作為減值覆核的替代方法，評估租約是否為虧損性；
- 選擇對租期在首次應用日起十二個月內之租賃不會確認使用權資產及租賃負債；

3. PRINCIPAL ACCOUNTING POLICIES (continued)

3.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases (continued)

3.1.2 Transition and summary of effects arising from initial application of HKFRS 16 (continued)

As a lessee (continued)

- excluded initial direct costs from measuring the right-of-use assets at the date of initial application;
- used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options.

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

As at 1 January 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.

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 rate applied is 4.30%.

3. 主要會計政策 (續)

3.1 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)

3.1.2 首次應用香港財務報告準則第16號產生的過渡及影響概述 (續)

作為承租人 (續)

- 於首次應用日期計量使用權資產時不包含初始直接成本；
- 根據首次應用日的事實及情況，於事後釐定本集團帶有續租及終止選擇權的租賃的租期。

於過渡時，本集團已對應用香港財務報告準則第16號作出以下調整：

於2019年1月1日，本集團通過採用香港財務報告準則第16號C8(b)(ii)過渡，確認了與相關租賃負債相等的額外租賃負債和使用權資產。

於確認先前分類為經營租賃的租約的租賃負債時，本集團已應用於首次應用日期相關集團實體的增量借款利率。所應用的加權平均增量借款利率為4.30%。

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3. PRINCIPAL ACCOUNTING POLICIES (continued)

3.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases (continued)

3.1.2 Transition and summary of effects arising from initial application of HKFRS 16 (continued)

As a lessee (continued)

3. 主要會計政策 (續)

3.1 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)

3.1.2 首次應用香港財務報告準則第16號產生的過渡及影響概述 (續)

作為承租人 (續)

	Note 附註	At 1 January 2019 於2019年 1月1日 RMB'000 人民幣千元
Operating lease commitments disclosed as at 31 December 2018	於2018年12月31日披露的經營租賃承諾	80,911
Lease liabilities discounted at relevant incremental borrowing rates	按相關增量借款率折現的租賃負債	67,205
Add: Lease liabilities resulting from lease modifications of existing leases	加：修訂現有租賃所產生的租賃負債	3,963
Recognition of lease liabilities	租賃負債的確認	20,011
Less: Recognition exemption – short-term leases	減：確認豁免－短期租賃	32,954
Recognition exemption – low value assets	確認豁免－低價值資產	41
Lease liabilities upon application of HKFRS16 as at 1 January 2019	於2019年1月1日應用香港財務報告準則第16號確認的租賃負債	58,184
Analysed as	分析	
Current	流動	18,806
Non-current	非流動	39,378
		58,184

The Group renewed the leases by entering into new lease contracts which commence after date of initial application, these new contracts are accounted as lease modifications of the existing contracts upon application of HKFRS 16.

本集團於首次應用日期後通過訂立新租賃合約續訂租約，該等新合約應用香港財務報告準則第16號入賬作為現有合約的租賃修訂。

3. PRINCIPAL ACCOUNTING POLICIES (continued)

3.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases (continued)

3.1.2 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 1 January 2019 comprises the following:

3. 主要會計政策 (續)

3.1 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)

3.1.2 首次應用香港財務報告準則第16號產生的過渡及影響概述 (續)

作為承租人 (續)

使用權資產於2019年1月1日的賬面值包括下列各項：

	Note 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	於應用香港財務報告準則第16號確認的經營租賃相關的使用權資產	58,184
Reclassified from prepaid lease payments	從預付租賃款項中重新分類 (a)	541,502
		599,686
By class:	按類別：	
Leasehold lands	租賃土地	541,502
Buildings	樓宇	34,677
Manufacturing equipment	生產設備	20,011
Office equipment	辦公室設備	3,496
		599,686

Note (a) Upfront payments for leasehold lands in the PRC were classified as prepaid lease payments as at 31 December 2018. Upon application of HKFRS 16, the current and non-current portion of prepaid lease payments amounting to RMB12,057,000 and RMB529,445,000, respectively were reclassified to right-of-use assets.

附註 (a) 中國租賃土地的預付款項於2018年12月31日分類為預付租賃款項。於應用香港財務報告準則第16號後，預付租賃款項的流動及非流動部分分別為人民幣12,057,000元及人民幣529,445,000元，已重新分類至使用權資產。

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3. PRINCIPAL ACCOUNTING POLICIES (continued)

3.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases (continued)

3.1.2 Transition and summary of effects arising from initial application of HKFRS 16 (continued)

As a lessee (continued)

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

3. 主要會計政策（續）

3.1 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）

3.1.2 首次應用香港財務報告準則第16號產生的過渡及影響概述（續）

作為承租人（續）

以下為對於2019年1月1日的簡明綜合財務狀況表中所確認金額作出的調整。並無包括不受變動影響的細列項目。

		Carrying amounts previously reported at 31 December 2018	Adjustment	Carrying amounts under HKFRS 16 at 1 January 2019 於2019年 1月1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
		Note 附註	調整 RMB'000 人民幣千元	RMB'000 人民幣千元
Current Assets	流動資產			
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項	(a)	566,129 (12,057)	554,072
Non-current Assets	非流動資產			
Prepaid lease payments	預付租賃款項	(a)	529,445 (529,445)	–
Right-of-use assets	使用權資產		– 599,686	599,686
Current Liabilities	流動負債			
Lease liabilities	租賃負債		– (18,806)	(18,806)
Non-Current Liabilities	非流動負債			
Lease liabilities	租賃負債		– (39,378)	(39,378)

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

附註：就截至2019年6月30日止六個月按間接法計量的經營活動現金流量而言，營運資金的變動根據上文所披露於2019年1月1日的期初財務狀況表計算。

4A. REVENUE

Disaggregation of revenue

		For the six months ended 截至以下日期止六個月	
		30/6/2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	30/6/2018 2018年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)
Types of goods	商品類型		
Sparkling drinks	汽水	7,069,886	6,456,042
Juices	果汁	1,260,582	1,247,671
Water	水品類	873,744	722,257
Others	其他	346,826	271,810
Total	總計	9,551,038	8,697,780
Timing of revenue recognition	確認收入的時間		
A point in time	一次性計入	9,551,038	8,697,780

4B. OPERATING SEGMENT INFORMATION

The Group's revenue and consolidated results are mainly derived from processing, bottling and distribution of sparkling and still beverages, which is regarded as a single reportable segment in a manner consistent with the nature of the products and production process, the types of customers for their products, the methods used to distribute their products, and the nature of the regulating environment. Accordingly no segment information is presented.

Geographical information

All revenue of the Group is derived from customers operating in Mainland China and over 90% of the Group's non-current assets, other than deferred tax assets, are situated in Mainland China, hence no geographical information is presented in accordance with HKFRS 8 Operating Segments.

4B. 經營分部資料

本集團的收入及綜合業績主要來自加工、裝瓶及分銷汽水及不含氣飲料，本集團以產品特徵及生產過程的性質、產品的客戶類型、分銷產品的方法以及監管環境的性質一致的方式，將其視為一個單獨的可報告分部。因此，並無呈列分部資料。

地域資料

本集團全部收入源於中國內地經營的客戶，以及本集團除遞延稅項資產外超過90%的非流動資產位於中國內地，故並無根據香港財務報告準則第8號經營分部呈列地域資料。

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4B. OPERATING SEGMENT INFORMATION (continued)

Information about major customers

During the current period, there was no revenue from sale to a single customer amounted to 10% or more of the Group's revenue for the reporting period, no major customer information is presented in accordance with HKFRS 8 Operating Segments. (2018: Nil)

4B. 經營分部資料 (續)

主要客戶資料

於本期間，於報告期間並無向單一客戶出售的收入達本集團收入的10%或以上，故並無根據香港財務報告準則第8號經營分部呈列主要客戶資料。(2018年：無)

5. OTHER INCOME AND GAINS

5. 其他收入及收益

		Six months ended 截至以下日期止六個月	
		30/6/2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	30/6/2018 2018年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)
Other income	其他收入		
Commission income	代加工收入	14,921	26,565
Government grants (Note 1)	政府補貼(附註1)	11,948	24,090
Sale of by-products and scrap items	銷售副產品及廢料項目	9,168	5,920
Bank interest income	銀行利息收入	2,801	2,161
Compensation income (Note 2)	補償收入(附註2)	–	52,933
Others	其他	6,870	11,737
		45,708	123,406
Gains	收益		
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	2,764	4,216
Foreign exchange differences, net	匯兌差額，淨額	1,414	2,044
		4,178	6,260
		49,886	129,666

5. OTHER INCOME AND GAINS (continued)

Note 1: Various government grants were granted for investments in certain provinces in Mainland China in which the Company's subsidiaries operate. Government grants for which related expenditure has not yet been undertaken are included in deferred income (non-current portion) and other payables and accruals (current portion) in the condensed consolidated statement of financial position, respectively. There are no unfulfilled conditions or contingencies relating to these grants.

Note 2: Compensation income represents amount received from the holding company of non-controlling shareholder of a subsidiary of the Company for system related expenses incurred in 2018.

5. 其他收入及收益 (續)

附註1：本集團已獲授多項政府補助，用作投資本公司在中國內地若干省份之附屬公司經營。相關支出未發生的政府補助已分別包括在簡明綜合財務狀況表中的遞延收入（非流動部分）及其他應付款項及應計負債（流動部分）內。該等補助並無任何尚未符合之條件或或有事項。

附註2：補償收入指就2018年系統產生的相關支出收取本公司一家附屬公司非控股股東之控股公司的款項。

6. FINANCE COSTS

6. 融資成本

		Six months ended	
		截至以下日期止六個月	
		30/6/2019	30/6/2018
		2019年	2018年
		6月30日	6月30日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Interest on bank loans	銀行貸款之利息	27,768	36,899
Interest on lease liabilities	租賃負債之利息	1,267	—
Interest on loans from non – controlling shareholders of a subsidiary	附屬公司非控股股東貸款之利息	—	218
		29,035	37,117

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7. INCOME TAX EXPENSE

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both interim period.

Tax on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

Pursuant to the approvals issued by the State Administration of Taxation of the PRC in 2013, the Company and certain of its subsidiaries are regarded as Chinese Resident Enterprises (collectively the "CREs") and relevant enterprise income tax policies of the PRC are applicable to the CREs commencing from 1 January 2013.

7. 所得稅支出

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，本集團中國附屬公司於兩個中期期間的稅率均為25%。

從其他地區賺取應課稅溢利則按照本集團經營業務所在司法管轄區所奉行之現行稅率計算稅項。

根據2013年中國國家稅務總局發出之批文，本公司及其若干附屬公司被視為中國居民企業（統稱「中國居民企業」），而中國相關企業所得稅政策由2013年1月1日起適用於中國居民企業。

		Six months ended 截至以下日期止六個月	
		30/6/2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	30/6/2018 2018年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)
Current tax	即期稅項		
PRC enterprise income tax	中國企業所得稅	128,162	153,958
Under/(over) provision in prior years	過往年度撥備不足／（超額撥備）		
PRC enterprise income tax	中國企業所得稅	1,731	(1,083)
Deferred tax	遞延稅項		
Current year	當前年度	32,868	(24,374)
Total tax charge for the period		162,761	128,501

The share of tax attributable to associates amounting to RMB7,879,000 (six months ended 30 June 2018: RMB9,606,000) is included in "Share of profits of associates" in the condensed consolidated statement of profit or loss.

聯營公司應佔稅項人民幣7,879,000元（截至2018年6月30日止六個月：人民幣9,606,000元）計入簡明綜合損益報表「應佔聯營公司溢利」。

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8. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

8. 期內溢利

期內溢利乃扣除以下各項後達致：

		Six months ended	
		截至以下日期止六個月	
		30/6/2019	30/6/2018
		2019年	2018年
		6月30日	6月30日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
(a) Cost of sales	(a) 銷售成本		
Cost of inventories sold	已售存貨成本	6,151,968	5,646,146
Provision against inventories	存貨撥備	5,235	4,027
		6,157,203	5,650,173
(b) Other items	(b) 其他項目		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	224,745	232,668
Depreciation of right-of-use assets	使用權資產折舊	18,732	—
Amortisation of prepaid lease payments	預付土地租賃款項攤銷	—	9,573
Total depreciation and amortisation	折舊及攤銷總額	243,477	242,241
Capitalised in inventories	存貨資本化	(19,402)	(19,677)
		224,075	222,564
Impairment of property, plant and equipment*	物業、廠房及設備減值*	8,843	9,241
Impairment loss of receivables*	應收款項減值虧損*	1,029	277

* The items are included in "other expenses and losses" in the condensed consolidated statement of profit or loss.

* 該等項目計入簡明綜合損益報表的「其他支出及虧損」中。

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9. DIVIDEND

During the current interim period, a final dividend of HK3.9 cents per share in respect of the year ended 31 December 2018 (2018: HK2.4 cents per share in respect of the year ended 31 December 2017) was declared to the owners of the Company. The aggregate amount of the final dividend declared in the interim period amounted to RMB96,234,000 (2018: RMB54,828,000).

10. EARNINGS PER SHARE

The calculation of basic earnings per share amount for the period ended 30 June 2019 is based on the profit for the period attributable to owners of the Company of RMB290,300,000 (six months ended 30 June 2018: RMB252,359,000), and the weighted average number of ordinary shares of 2,797,223,396 (six months ended 30 June 2018: 2,797,223,396) in issue during the period.

11. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS

During the period ended 30 June 2019, the Group acquired property, plant and equipment at a total cost of RMB322,063,000 (period ended 30 June 2018: RMB228,815,000), and disposed of property, plant and equipment with a total net carrying amount of RMB12,197,000 (six months ended 30 June 2018: RMB3,181,000).

During the current interim period, the Group entered into new lease agreements for the use of buildings for 2 to 5 years. On lease commencement, the Group recognized RMB1,653,000 of right-of-use asset and RMB1,653,000 lease liability.

9. 股息

於本中期期間，有關截至2018年12月31日止年度的末期股息每股3.9港仙（2018年：有關截至2017年12月31日止年度每股2.4港仙）已宣派予本公司擁有人。於中期期間宣派的末期股息總額為人民幣96,234,000元（2018年：人民幣54,828,000元）。

10. 每股盈利

截至2019年6月30日止期間每股基本盈利數額乃按本公司擁有人應佔期內溢利人民幣290,300,000元（截至2018年6月30日止六個月：人民幣252,359,000元）及期內已發行普通股之加權平均數2,797,223,396股（截至2018年6月30日止六個月：2,797,223,396股）計算。

11. 物業、廠房及設備、使用權資產

截至2019年6月30日止期間，本集團收購物業、廠房及設備之成本總額為人民幣322,063,000元（截至2018年6月30日止期間：人民幣228,815,000元），出售物業、廠房及設備之賬面淨值總額為人民幣12,197,000元（截至2018年6月30日止六個月：人民幣3,181,000元）。

於本中期期間，本集團就樓宇使用訂立為期二至五年之新租賃協議。自租賃開始時，本集團確認使用權資產人民幣1,653,000元及租賃負債人民幣1,653,000元。

12. ACCOUNTS AND BILLS RECEIVABLES

12. 應收賬款及票據

		30/6/2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31/12/2018 2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Accounts and bills receivables	應收賬款及票據	656,946	307,073
Allowance	撥備	(2,667)	(2,285)
		654,279	304,788

The Group gives credit term to key customers, while for other customers, payment in advance or payment on delivery is normally required. The Group seeks to maintain strict control over its outstanding receivables and every plant has credit control commissioner to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's accounts receivable relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its accounts and bills receivable balances. Accounts and bills receivables are non-interest-bearing.

The following is an aged analysis of accounts receivables net of allowance for credit loss, presented based on the date of the delivery of goods:

本集團授予重要客戶信貸期，而對於其他客戶則通常須預收款項或於交貨時收款。本集團尋求維持嚴格控制其未償還應收賬款及每個廠房設有信貸控制專員，務求將信貸風險減至最低。高級管理層定期審核逾期結餘。鑒於上述原因，以及本集團涉及大量不同客戶之應收賬款，故信貸風險之集中程度並不嚴重。本集團並無就其應收賬款及票據結餘持有任何抵押品或其他信用增級工具。應收賬款及票據為不計息。

以下為按交貨日期應收賬款的賬齡分析（扣除信貸虧損撥備淨額）：

		30/6/2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31/12/2018 2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Within 6 months	六個月內	644,179	297,106
6 to 12 months	六至十二個月	10,100	7,682
		654,279	304,788

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13. BORROWINGS

The borrowings carry an interest rate of Loan Prime Rate (LPR)-0.025% to (LPR)-0.2645% (2018: LPR-0.025%). The amounts due are based on scheduled repayment dates set out in the loan agreements. In the current period, RMB586,500,000 has been reclassified from non-current liabilities to current liabilities according to payment schedule.

13. 借貸

借貸按最優惠貸款利率(最優惠貸款利率)-0.025%至(最優惠貸款利率)-0.2645%收取利息(2018年:最優惠貸款利率-0.025%)。到期款項乃根據貸款協議所載計劃還款日期計算。於本期間,人民幣586,500,000元已根據還款計劃自非流動負債重新分類至流動負債。

14. ACCOUNTS AND BILLS PAYABLES

The following is an aged analysis of accounts payables presented based on the invoice date:

14. 應付賬款及票據

應付賬款賬齡分析按發票日期呈列如下:

		30/6/2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31/12/2018 2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Within 3 months	三個月內	942,752	535,792
3 to 12 months	三個月至十二個月內	32,926	53,777
1 to 2 years	一年至兩年內	3,376	10,651
Over 2 years	超過兩年	2,865	6,591
		981,919	606,811

The accounts and bills payables are non-interest-bearing and are normally settled in one to three months and one to six months, respectively.

應付賬款及票據為不計息,一般的付款期分別為一至三個月及一至六個月。

Certain of the Group's bills payables are secured by the pledge of Group's bank deposits amounting to RMB14,120,000 (31 December 2018: RMB7,961,000).

本集團若干應付票據以金額為人民幣14,120,000元(2018年12月31日:人民幣7,961,000元)之本集團銀行存款予以擔保。

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15. OTHER PAYABLES AND ACCRUALS

15. 其他應付款項及應計負債

		30/6/2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31/12/2018 2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Accrued marketing expense	應計營銷開支	726,976	622,550
Sales rebate	銷售回扣	471,530	407,884
Deposit for fridges	冰箱按金	467,990	457,867
Accrued expense	應計開支	392,789	275,538
Accrued payroll	應計工資	245,609	277,245
Payables for purchase of property, plant and equipment	購置物業、廠房及設備的 應付款項	146,052	158,081
Dividend payable	應付股息	112,720	25,500
Taxes payable	應付稅項	93,568	19,715
Accrued logistics expense	應計物流開支	88,316	85,321
Tax element of contract liabilities	合約負債稅項	34,116	214,730
Others	其他	132,151	150,948
		2,911,817	2,695,379

16. SHARE CAPITAL OF THE COMPANY

16. 本公司股本

		Number of shares 股份數目	Share capital 股本 HKD'000 千港元
Authorised: 4,000,000,000 ordinary shares of HKD0.10 each	法定： 4,000,000,000股 每股面值0.10港元之普通股	4,000,000,000	400,000
Issued and fully paid At 30 June 2019 and 31 December 2018 2,797,223,396 ordinary shares of HKD0.10 each	已發行及繳足 於2019年6月30日及2018年 12月31日2,797,223,396股 每股面值0.10港元之普通股	2,797,223,396	279,722
Equivalent to RMB'000	人民幣千元等值		293,201

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17. CAPITAL COMMITMENTS

17. 資本承擔

	30/6/2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31/12/2018 2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Capital expenditure in respect of the acquisition of property, plant and equipment, contract for but not provided in the condensed consolidated financial statements	394,357	254,207

18. RELATED PARTY TRANSACTIONS

18. 關連人士交易

- (a) Apart from the transactions and balances disclosed elsewhere in the financial statements, the Group had the following material transactions with related parties during the period:

- (a) 除財務報表其他地方所披露之交易及結餘外，本集團於期間內與關連人士進行之重大交易如下：

		Six months ended 截至以下日期止六個月	
		30/6/2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	30/6/2018 2018年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)
Transactions with fellow subsidiaries:	與同系附屬公司之交易：		
Sales of goods	銷售貨品	1,791	2,538
Purchases of goods	購買貨品	526,451	406,952
Rental expenses	租金支出	–	7,542
Rental expenses of short term lease exemption	短期租賃之租金支出豁免	8,518	–
Service fee expenses	服務費支出	8,302	3,480
Transactions with the ultimate holding company:	與最終控股公司之交易：		
Sales of goods	銷售貨品	8	–
Purchases of goods	購買貨品	–	6
Transactions with associates:	與聯營公司之交易：		
Sales of goods	銷售貨品	–	15,925
Purchases of goods	購買貨品	990,951	759,802
Commission income	代加工收入	75,966	30,012
Transactions with related companies#:	與關連公司之交易#：		
Purchases of goods	購買貨品	1,102,375	1,027,211

**18. RELATED PARTY TRANSACTIONS
(continued)**

- (a) Apart from the transactions and balances disclosed elsewhere in the financial statements, the Group had the following material transactions with related parties during the period:
(continued)

Related companies are companies under significant influence by the Group's ultimate holding company and subsidiaries of the minority shareholder of the Company's subsidiary.

These transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.

- (b) Outstanding balances with related parties and non-controlling shareholders of the Group's subsidiaries

The balances with the holding companies, fellow subsidiaries, associates, related companies and non-controlling shareholders of the Group's subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

Lease liability of RMB18,581,000 are due to non-controlling shareholders of the Group's subsidiaries.

- (c) **Compensation of key management personnel of the Group**

18. 關連人士交易 (續)

- (a) 除財務報表其他地方所披露之交易及結餘外，本集團於期間內與關連人士進行之重大交易如下：(續)

關連公司為受本集團最終控股公司重大影響之公司和本公司附屬公司的少數股東之附屬公司。

該等交易乃按根據各參與方互相議定之條款及條件進行。

- (b) 關連人士及本集團附屬公司非控股股東之未償還餘額

本集團附屬公司之控股公司、同系附屬公司、聯營公司、關連公司及非控股股東的其餘結餘均無抵押、免息且無固定還款期。

欠本集團附屬公司之非控股股東款項為租賃負債人民幣18,581,000元。

- (c) **本集團主要管理人員之報酬**

		Six months ended 截至以下日期止六個月	
		30/6/2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	30/6/2018 2018年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)
Short term employee benefits	短期僱員福利	6,365	5,990
Pension scheme contributions	退休計劃供款	142	137
Total compensation paid to key management personnel	付予主要管理人員之報酬總額	6,507	6,127

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18. RELATED PARTY TRANSACTIONS (continued)

(d) Transactions and balances with other state-owned enterprises

The Group operates in an economic environment predominated by enterprises directly or indirectly owned or controlled by the PRC government through its numerous authorities, affiliates or other organisations (collectively “State-owned Enterprises”). During the current period, the Group entered into extensive transactions covering, but not limited to, sales of goods, purchases of raw materials, property, plant and equipment and other assets, receiving of services, and making deposits and borrowings with certain State-owned Enterprises, other than COFCO Corporation and its affiliates, at terms comparable to those with non-state-owned enterprises. The Directors consider that transactions with those State-owned Enterprises were entered into in the ordinary and usual course of business of the Group, and that dealings of the Group have not been significantly or unduly affected by the fact that the Group and those State-owned Enterprises are ultimately controlled or owned by the PRC government. The Group has also established pricing policies for products and services, and such policies do not depend on whether or not the customers are State-owned Enterprises.

19. FAIR VALUE MEASURES OF FINANCIAL INSTRUMENTS

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

20. APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved and authorised for issue by the board on 27 August 2019.

18. 關連人士交易（續）

(d) 與其他國有企業的交易及結餘

本集團運營的經濟環境中的企業大多為中國政府通過其眾多機關、聯屬機構或其他組織直接或間接擁有或控制的企業（統稱「國有企業」）。本期間本集團與某些國有企業進行的廣泛交易包括但不限於銷售產品、購買原材料、物業、廠房及設備及其他資產、接受服務，並在中糧集團有限公司及其聯屬公司以外的國有企業存款和借款，這些交易的條款與非國有企業交易條款相似。董事認為，與該等國有企業的交易為在本集團日常業務過程中進行的活動，且本集團與那些中國政府最終控制或擁有的國有企業的交易並沒有受到重大或不當影響。本集團還制定產品和服務的定價政策，而這些政策並不取決於客戶是否為國有企業。

19. 金融工具之公平值計量

本公司董事認為，簡明綜合財務報表中按攤銷成本列賬之金融資產及負債之賬面值與彼等的公平值相若。

20. 簡明綜合財務報表之批准

該等簡明綜合財務報表於2019年8月27日經董事會批准及授權刊發。



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