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Excellent FOOD Chain 2009 Quality Products

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INTERIM REPORT 中期報告

CHINA FOODS LIMITED 中國食品有限公司

(Incorporated in Bermuda with limited liability) (於百慕達註冊成立之有限公司) Stock Code 股份代號: 00506

GREATWALL®
长城葡萄酒



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DIRECTORS

Executive Directors

Mr. Ning Gaoning (Chairman)
Mr. Qu Zhe (Managing Director)
Mr. Wang Zhiying (appointment with effect from 15 April 2010)
Mr. Mak Chi Wing, William
Mr. Zhang Zhentao
Ms. Luan Xiuju

Non-executive Directors

Mr. Ma Jianping
Ms. Wu Wenting

Independent Non-executive Directors

Mr. Stephen Edward Clark
Mr. Li Hung Kwan, Alfred
Mr. Yuen Tin Fan, Francis

AUDIT COMMITTEE

Mr. Stephen Edward Clark (Committee Chairman)
Mr. Li Hung Kwan, Alfred
Mr. Yuen Tin Fan, Francis

REMUNERATION COMMITTEE

Mr. Yuen Tin Fan, Francis (Committee Chairman)
Mr. Stephen Edward Clark
Mr. Qu Zhe

COMPANY SECRETARY

Ms. Liu Kit Yee, Linda

SOLICITORS

Conyers, Dill & Pearman

AUDITORS

Ernst & Young

董事

執行董事

寧高寧先生(主席)
曲喆先生(董事總經理)
王之盈先生(委任由2010年4月15日起生效)
麥志榮先生
張振濤先生
樂秀菊女士

非執行董事

馬建平先生
吳文婷女士

獨立非執行董事

祈立德先生
李鴻鈞先生
袁天凡先生

審核委員會

祈立德先生(委員會主席)
李鴻鈞先生
袁天凡先生

薪酬委員會

袁天凡先生(委員會主席)
祈立德先生
曲喆先生

公司秘書

廖潔儀女士

律師

Conyers, Dill & Pearman

核數師

安永會計師事務所

Report on Review of Interim Financial Statements

中期財務報表審閱報告



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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 interim financial statements set out on pages 4 to 26 which comprises the condensed consolidated statement of financial position of China Foods Limited as at 30 June 2010, and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and 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 statements 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.

引言

我們已審閱列載於第4頁至第26頁之中國食品有限公司中期財務報表，此中期財務報表包括於2010年6月30日的簡明綜合財務狀況報表與截至該日止六個月期間的簡明綜合收入報表、簡明綜合全面收入報表、簡明綜合股本變動報表和簡明綜合現金流量表以及附註解釋。根據《香港聯合交易所有限公司證券上市規則》，上市公司必須符合其中的相關規定和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」)的規定編製中期財務報表。

The directors are responsible for the preparation and presentation of these interim financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these interim financial statements based on our review. Our report is made 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.

董事須負責根據香港會計準則第34號編製及列報中期財務報表。我們的責任是根據我們的審閱對本中期財務報表作出結論。我們按照我們雙方所協定的應聘條款，僅向全體董事會報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

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 interim 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.

審閱範圍

我們已根據香港會計師公會頒佈的《香港審閱工作準則》第2410號「實體的獨立核數師對中期財務資料的審閱」進行審閱。中期財務報表審閱工作包括向主要負責財務會計事項的人員詢問，並應用分析和其他審閱程序。由於審閱的範圍遠較按照香港審計準則進行審核的範圍為小，所以不能保證我們會注意到在審核中可能會被發現的所有重大事項。因此我們不會發表審核意見。

CONCLUSION

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

結論

根據我們的審閱工作，我們並沒有注意到任何事項，使我們相信中期財務報表在所有重大方面沒有按照香港會計準則第34號的規定編製。

Ernst & Young
Certified Public Accountants
Hong Kong
24 August 2010

安永會計師事務所
執業會計師
香港
2010年8月24日

Condensed Consolidated Income Statement

簡明綜合收入報表

For the six months ended 30 June 2010

截至2010年6月30日止六個月

		For the six months ended 30 June		
		截至6月30日止六個月		
		2010	2009	
		2010年	2009年	
		HK\$'000	HK\$'000	
		千港元	千港元	
		(Unaudited)	(Unaudited)	
		(未經審核)	(未經審核)	
		Notes		
		附註		
REVENUE	收入	3	8,444,231	8,191,014
Cost of sales	銷售成本		(6,152,885)	(5,853,341)
Gross profit	毛利		2,291,346	2,337,673
Other income and gains	其他收入及收益	4	110,106	61,351
Selling and distribution costs	銷售費用及分銷成本		(1,703,657)	(1,650,998)
Administrative expenses	行政支出		(318,339)	(261,521)
Other expenses and losses	其他支出及虧損		(2,820)	(503)
Finance costs	融資成本	5	(23,914)	(47,976)
Share of profits of associates	應佔聯營公司溢利		12,898	66,623
PROFIT BEFORE TAX	除稅前溢利	6	365,620	504,649
Income tax expense	所得稅支出	7	(104,598)	(110,808)
PROFIT FOR THE PERIOD	期內溢利		261,022	393,841
Attributable to:	應佔方：			
Owners of the parent	母公司擁有人		178,735	300,759
Non-controlling interests	非控股權益		82,287	93,082
			261,022	393,841
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT	母公司擁有人應佔每股盈利	9		
Basic	基本		HK6.40 cents 港仙	HK10.77 cents 港仙
Diluted	攤薄		HK6.39 cents 港仙	HK10.77 cents 港仙

Details of the interim dividends proposed for the interim period are disclosed in note 8 to the condensed consolidated interim financial statements.

中期期間擬派中期股息詳情於簡明綜合中期財務報表附註8披露。

Condensed Consolidated Statement of Comprehensive Income

簡明綜合全面收入報表

For the six months ended 30 June 2010

截至2010年6月30日止六個月

		For the six months ended 30 June	
		截至6月30日止六個月	
		2010	2009
		2010年	2009年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
PROFIT FOR THE PERIOD	期內溢利	261,022	393,841
OTHER COMPREHENSIVE INCOME	其他全面收入		
Exchange differences on translation of foreign operations	換算海外業務時之匯兌差額	57,068	4,867
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	期內其他全面收入(已扣除稅項)	57,068	4,867
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	期內全面收入總額	318,090	398,708
Attributable to:	應佔方：		
Owners of the parent	母公司擁有人	223,940	304,093
Non-controlling interests	非控股權益	94,150	94,615
		318,090	398,708

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況報表

30 June 2010
2010年6月30日

			30 June 2010 2010年 6月30日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2009 2009年 12月31日 HK\$'000 千港元 (Audited) (經審核)
	Notes 附註			
NON-CURRENT ASSETS		非流動資產		
Property, plant and equipment	10	物業、廠房及設備	3,157,557	3,100,717
Investment properties		投資物業	20,289	20,103
Prepaid land premiums		預付土地金	233,023	213,551
Deposits for purchase of items of property, plant and equipment		購買物業、廠房及設備項目之按金	137,520	14,239
Goodwill		商譽	1,650,026	1,641,854
Other intangible assets		其他無形資產	42,489	43,257
Interests in associates		於聯營公司之權益	436,972	446,952
Available-for-sale investments		可供出售投資	205,802	206,596
Held-to-maturity investments		持有至到期投資	57,841	98,252
Deferred tax assets		遞延稅項資產	24,451	26,811
Biological assets		生物資產	94,258	92,242
Total non-current assets		非流動資產總值	6,060,228	5,904,574
CURRENT ASSETS		流動資產		
Inventories		存貨	2,555,305	2,846,497
Accounts and bills receivables	11	應收賬款及票據	852,307	1,080,537
Prepayments, deposits and other receivables		預付款項、按金及其他應收款項	915,520	646,955
Due from fellow subsidiaries	17(b)	同系附屬公司欠款	51,388	4,417
Due from the ultimate holding company	17(b)	最終控股公司欠款	6,855	5,314
Due from the immediate holding company	17(b)	直系控股公司欠款	165	355
Due from associates	17(b)	聯營公司欠款	4	993
Tax recoverable		可收回稅項	21,235	17,022
Equity investments at fair value through profit or loss		按公平值列入損益之股本投資	15,498	16,728
Held-to-maturity investments		持有至到期投資	25,616	-
Pledged deposits		抵押存款	22,554	29,345
Cash and cash equivalents		現金及現金等值項目	1,506,314	1,943,103
Total current assets		流動資產總值	5,972,761	6,591,266
CURRENT LIABILITIES		流動負債		
Accounts and bills payables	12	應付賬款及票據	1,247,566	916,302
Other payables and accruals		其他應付款項及應計負債	1,636,267	2,288,087
Due to fellow subsidiaries	17(b)	欠同系附屬公司款項	405,791	794,141
Due to the ultimate holding company	17(b)	欠最終控股公司款項	31,943	34,352
Due to related companies	17(b)	欠關連公司款項	200,982	455,766
Due to non-controlling shareholders	17(b)	欠非控股股東款項	972	5,679
Due to associates	17(b)	欠聯營公司款項	163,261	102,291
Interest-bearing bank and other borrowings	17(b)	計息銀行貸款及其他貸款	654,359	303,092
Tax payable		應付稅項	37,035	29,330
Total current liabilities		流動負債總值	4,378,176	4,929,040
NET CURRENT ASSETS		流動資產淨值	1,594,585	1,662,226
TOTAL ASSETS LESS CURRENT LIABILITIES		資產總值減流動負債	7,654,813	7,566,800

Condensed Consolidated Statement of Financial Position (continued)

簡明綜合財務狀況報表(續)

30 June 2010
2010年6月30日

		Notes 附註	30 June 2010 2010年 6月30日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2009 2009年 12月31日 HK\$'000 千港元 (Audited) (經審核)
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		7,654,813	7,566,800
NON-CURRENT LIABILITIES	非流動負債			
Due to the ultimate holding company	欠最終控股公司款項	17(b)	-	22,715
Due to non-controlling shareholders	欠非控股股東款項	17(b)	11,463	128,508
Interest-bearing bank borrowings	計息銀行貸款		480,000	500,000
Deferred income	遞延收入		17,137	13,334
Deferred tax liabilities	遞延稅項負債		15,073	17,104
Total non-current liabilities	非流動負債總值		523,673	681,661
Net assets	資產淨值		7,131,140	6,885,139
EQUITY	股本			
Equity attributable to owners of the parent	母公司擁有人應佔股本			
Issued capital	已發行股本		279,246	279,151
Reserves	儲備		5,280,308	5,107,408
Proposed dividends	擬派股息	8	64,227	96,340
			5,623,781	5,482,899
Non-controlling interests	非控股權益		1,507,359	1,402,240
Total equity	股本總值		7,131,140	6,885,139

Condensed Consolidated Statement of Changes in Equity

簡明綜合股本變動報表

For the six months ended 30 June 2010

截至2010年6月30日止六個月

		Attributable to owners of the parent 母公司擁有人應佔										
		Employee share-based			Exchange					Non-controlling		Total
		Issued capital	Share premium account	compen-sation reserve	Capital reserve	Reserve funds	fluctuation reserve	Retained profits	Proposed dividends	Total	interests	equity
		已發行股本	股本溢價賬	僱員股份結算薪酬儲備	資本儲備	儲備金	匯兌波動儲備	保留溢利	擬派股息	總計	非控股權益	股本總值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
At 1 January 2010	於2010年1月1日	279,151	826	21,747	3,240,525	193,472	498,429	1,152,409	96,340	5,482,899	1,402,240	6,885,139
Total comprehensive income for the period	期內全面收入總額	-	-	-	-	-	45,205	178,735	-	223,940	94,150	318,090
Partial disposal of a subsidiary	出售一間附屬公司的部份權益	-	-	-	7,066	-	-	-	-	7,066	10,969	18,035
Equity-settled share option arrangements	股本結算購股權安排	-	-	1,549	-	-	-	-	-	1,549	-	1,549
Exercise of share options	行使購股權	95	6,053	(1,481)	-	-	-	-	-	4,667	-	4,667
Final 2009 dividend declared	宣派2009年末期股息	-	-	-	-	-	-	-	(96,340)	(96,340)	-	(96,340)
Proposed 2010 interim dividend	擬派2010年中期股息	-	-	-	-	-	-	(64,227)	64,227	-	-	-
At 30 June 2010	於2010年6月30日	279,246	6,879*	21,815*	3,247,591*	193,472*	543,634*	1,266,917*	64,227	5,623,781	1,507,359	7,131,140

* These reserve accounts comprise the consolidated reserves of HK\$5,280,308,000 (31 December 2009: HK\$5,107,408,000) in the condensed consolidated statement of financial position.

* 該等儲備賬目構成簡明綜合財務狀況報表中的綜合儲備5,280,308,000港元(2009年12月31日: 5,107,408,000港元)。

Condensed Consolidated Statement of Changes in Equity (continued)

簡明綜合股本變動報表(續)

For the six months ended 30 June 2009

截至2009年6月30日止六個月

		Attributable to owners of the parent 母公司擁有人應佔										
		Issued capital	Share premium account	Employee share-based compensation reserve 僱員股份 結算薪酬 儲備	Capital reserve	Reserve funds	Exchange fluctuation reserve	Retained profits	Proposed dividends	Total	Non-controlling interests	Total equity
		已發行 股本	股本 溢價賬	結算薪酬 儲備	資本儲備	儲備金	匯兌波動 儲備	保留溢利	擬派股息	總計	非控股 權益	股本總值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
At 1 January 2009	於2009年1月1日	279,138	-	13,195	3,240,525	181,752	469,785	800,716	107,189	5,092,300	1,232,674	6,324,974
Total comprehensive income	全面收入總額	-	-	-	-	-	3,334	300,759	-	304,093	94,615	398,708
Transfer from retained profits	自保留溢利轉撥	-	-	-	-	3,810	-	(3,810)	-	-	-	-
Acquisition of a subsidiary	收購附屬公司	-	-	-	-	-	-	-	-	-	53,640	53,640
Contribution from a non-controlling shareholder of a subsidiary	附屬公司非控股股東出資	-	-	-	-	-	-	-	-	-	4,538	4,538
Equity-settled share option arrangements	股本結算購股權安排	-	-	4,312	-	-	-	-	-	4,312	-	4,312
Final 2008 dividend declared	宣派2008年末期股息	-	-	-	-	-	-	-	(107,189)	(107,189)	-	(107,189)
Proposed 2009 interim dividend	擬派2009年中期股息	-	-	-	-	-	-	(108,306)	108,306	-	-	-
At 30 June 2009	於2009年6月30日	279,138	-	17,507	3,240,525	185,562	473,119	989,359	108,306	5,293,516	1,385,467	6,678,983

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2010

截至2010年6月30日止六個月

		For the six months ended 30 June	
		截至6月30日止六個月	
		2010	2009
		2010年	2009年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	經營活動產生/(所用)現金流淨額	(160,093)	627,224
NET CASH FLOWS USED IN INVESTING ACTIVITIES	投資活動所用現金流淨額	(225,380)	(491,878)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	融資活動產生/(所用)現金流淨額	(67,396)	393,261
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等值項目增加/(減少)淨額	(452,869)	528,607
Cash and cash equivalents at beginning of period	期初現金及現金等值項目	1,943,103	1,546,684
Effect of foreign exchange rate changes, net	匯率變動影響，淨額	16,080	4,092
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期末現金及現金等值項目	1,506,314	2,079,383
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值項目結餘分析		
Cash and bank balances	現金及銀行結餘	1,491,535	2,026,686
Non-pledged time deposits with original maturity of less than three months when acquired	存入時原於三個月內到期之無抵押定期存款	14,779	52,697
Cash and cash equivalents as stated in the statement of financial position and statement of cash flows	於財務狀況報表及現金流量表所載列之現金及現金等值項目	1,506,314	2,079,383

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

30 June 2010
2010年6月30日

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 COFCO (Hong Kong) Limited, a company incorporated in Hong Kong. Based on the confirmation of the board, 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 2010 (the "interim period"), the Company and its subsidiaries (collectively referred to as the "Group") were involved in the following principal activities:

- production, sale and trading of grape wine and other wine products;
- processing, bottling and distribution of sparkling beverages and distribution of still beverages;
- distribution of retail packaged cooking oil and other consumer food products; and
- production and distribution of chocolate and other related products.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's financial statements for the year ended 31 December 2009.

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之有限責任公司。本公司之註冊辦事處為 Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。

本公司乃在香港註冊成立之中糧集團(香港)有限公司之附屬公司。根據董事會之確認，本公司之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。

截止2010年6月30日止6個月期間(「中期期間」)，本公司及其屬公司(統稱為「集團」)從事下列主要業務：

- 葡萄酒及其他酒類產品的生產、銷售及貿易；
- 加工、裝瓶及分銷碳酸飲料及分銷非碳酸飲料；
- 分銷零售型包裝烹調油及其他消費食品；及
- 生產及分銷巧克力及其他相關產品。

2. 編製基準及會計政策

簡明綜合中期財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈之香港會計準則(「香港會計準則」)第34號「中期財務報告」而編製。

本簡明綜合中期財務報表並無包括年度財務報表規定之所有資料及披露，因此須與本集團截至2009年12月31日止年度之財務報表一併閱讀，始屬完備。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

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2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

The accounting policies and basis of preparation adopted in the preparation of the condensed consolidated interim financial statements are the same as those used in the annual financial statements of the Group for the year ended 31 December 2009, except in relation to the following new Hong Kong Financial Reporting Standards ("HKFRSs") (which include all HKFRSs, HKASs and Interpretations) that affect the Group and are adopted by the Group for the first time for the current period's financial statements:

HKFRS 1 (Revised)	<i>First-time Adoption of Hong Kong Financial Reporting Standards</i>
HKFRS 1 Amendments	<i>Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters</i>
HKFRS 2 Amendments	<i>Amendments to HKFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions</i>
HKFRS 3 (Revised)	<i>Business Combinations</i> ¹
HKAS 27 (Revised)	<i>Consolidated and Separate Financial Statements</i>
HKAS 18 Amendments	<i>Revenue</i>
HKAS 32 Amendments	<i>Amendments to HKAS 32 Financial Instruments: Presentation – classification of Rights Issues</i>
HKAS 39 Amendment	<i>Amendment to HKAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items</i>
HK(IFRIC)-Int 17	<i>Distributions of Non-cash Assets to Owners</i>
Amendments to HKFRS 5 included in <i>Improvements to HKFRSs</i> issued in October 2008	<i>Amendments to HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell the Controlling Interest in a Subsidiary</i>
HK Interpretation 4 (Revised in December 2009)	<i>Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases</i>

2. 編製基準及會計政策(續)

除下列影響本集團及本集團首次於本中期間財務報表採納之新訂香港財務報告準則(「香港財務報告準則」，當中包括香港財務報告準則、香港會計準則及詮釋)外，編製簡明綜合中期財務報表所採納之會計政策及編製基準，與本集團截至2009年12月31日止年度之年度財務報表所採用者一致：

香港財務報告準則第1號(經修訂)	首次採納香港財務報告準則
香港財務報告準則第1號(修訂本)	對香港財務報告準則第1號之修訂 首次採納香港財務報告準則 —首次採納者之額外豁免
香港財務報告準則第2號(修訂本)	對香港財務報告準則第2號之修訂 以股份為基礎付款—集團現金 結算以股份為基礎付款交易 業務合併 ¹
香港財務報告準則第3號(經修訂)	
香港會計準則第27號(經修訂)	綜合及獨立財務報告
香港會計準則第18號(修訂本)	收益
香港會計準則第32號(修訂本)	香港會計準則第32號之修訂 金融工具：呈報—分類供股
香港會計準則第39號(修訂本)	對香港會計準則第39號之修訂 金融工具：確認及計量 —合資格對沖項目
香港(國際財務報告詮釋委員會) —詮釋第17號	向擁有人分派非現金資產
經已列載於2008年10月頒佈之對香港財務報告準則之改進中對香港財務報告準則第5號之修訂	對香港財務報告準則第5號之修訂 就銷售及已終止業務持有非流動資產—計劃出售於一間附屬公司的控股權益
香港詮釋第4號(於2009年12月經修訂)	租賃—釐定香港土地租賃的租賃期年期

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

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2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Apart from the above, the HKICPA has also issued *Improvements to HKFRSs 2009** which set out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. Amendments are effective for annual periods beginning on or after 1 January 2010 although there is separate transitional provision for each standard.

* *Improvements to HKFRSs 2009* contain amendments to HKFRS 2, HKFRS 5, HKFRS 8, HKAS 7, HKAS 17, HKAS 36, HKAS 38, HKAS 39, HK(IFRIC)-Int 9.

The adoption of the above HKFRSs has had no impact on the accounting policies of the Group and the methods of computation in the Group's condensed consolidated interim financial statements.

The Group has not applied the following new and revised HKFRSs and HKASs, that have been issued but are not yet effective, in these interim financial statements:

- HKFRS 9 *Financial Instruments*³
- HKAS 24 (Revised) *Related Party Disclosure*²
- HK(IFRIC)-Int 14 Amendment *Prepayment of a Minimum Funding Requirement*²
- HK(IFRIC)-Int 19 *Extinguishing Financial Liabilities with Equity Instruments*¹

Apart from the above, the HKICPA has also issued *Improvements to HKFRSs 2010** which set out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. Except for the amendments to HKFRS 3 and HKAS 27 which are effective for the annual periods beginning on or after 1 July 2010, other amendments are effective for annual periods beginning on or after 1 January 2011 although there is separate transitional provision for each standard or interpretation.

¹ effective for annual periods beginning on or after 1 July 2010

² effective for annual periods beginning on or after 1 January 2011

³ effective for annual periods beginning on or after 1 January 2013

* *Improvements to HKFRSs 2010* contain amendments to HKFRS 1, HKFRS 3, HKFRS 7, HKAS 1, HKAS 27, HKAS 34 and HK(IFRIC)-INT 13.

2. 編製基準及會計政策(續)

除上述者外，香港會計師公會亦已頒佈香港財務報告準則2009年之改進*，其中載列對若干香港財務報告準則的修訂，主要目的為消除不一致的內容及釐清用詞。儘管各準則有獨立的過渡條文，修訂本於2010年1月1日或之後開始之年度期間生效。

* *香港財務報告準則2009年之改進*包括香港財務報告準則第2號、香港財務報告準則第5號、香港財務報告準則第8號、香港會計準則第7號、香港會計準則第17號、香港會計準則第36號、香港會計準則第38號、香港會計準則第39號、香港(國際財務報告詮釋委員會)－詮釋第9號之修訂本。

採納上述香港財務報告準則對本集團之會計政策及本集團簡明綜合中期財務報表之計算方法並無影響。

本集團並未於本中期財務報表應用下列已頒佈但尚未生效的新訂及經修訂香港財務報告準則及香港會計準則：

- 香港財務報告準則第9號金融工具³
- 香港會計準則第24號(經修訂)關連人士披露²
- 香港(國際財務報告詮釋委員會)－詮釋第14號(修訂)最低籌資要求之預付款項²
- 香港(國際財務報告詮釋委員會)－詮釋第19號以權益工具消除金融負債¹

除上述者外，香港會計師公會亦頒佈香港財務報告準則2010年之改進*，其中載列對多項香港財務報告準則作出的修訂，旨在刪去不一致的內容及釐清用詞。除香港財務報告準則第3號及香港會計準則第27號的修訂於2010年7月1日或之後的年度期間生效外，其他修訂均於2011年1月1日或之後開始的年度期間生效，惟各項準則或詮釋均設有個別過渡性條文。

¹ 於2010年7月1日或之後開始的年度期間生效

² 於2011年1月1日或之後開始的年度期間生效

³ 於2013年1月1日或之後開始的年度期間生效

* *香港財務報告準則2010年之改進*包括對香港財務報告準則第1號、香港財務報告準則第3號、香港財務報告準則第7號、香港會計準則第1號、香港會計準則第27號、香港會計準則第34號及香港(國際財務報告詮釋委員會)－詮釋第13號之修訂本。

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

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3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on the nature of their products and services and has four reportable operating segments as follows:

- (a) the wines segment is engaged in the production, sale and trading of grape wine and other wine products;
- (b) the beverages segment is engaged in the processing, bottling and distribution of sparkling beverages and distribution of still beverages;
- (c) the kitchen foods segment is engaged in the distribution of retail packaged cooking oil and other consumer food products; and
- (d) the confectionery segment is engaged in the production and distribution of chocolate and other related products.

Management monitors the results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment result. Segment result is measured consistently with the Group's profit before tax except that interest income, dividend income, finance costs as well as unallocated head office and corporate expenses are all excluded from such measurement.

Segment assets exclude deferred tax assets, tax recoverable, pledged deposits, cash and cash equivalents, equity investments at fair value through profit or loss and other unallocated head office and corporate assets as these assets are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

3. 經營分部資料

為管理目的，本集團按其產品及服務性質劃分為不同的業務單元且有如下四項可予呈報經營分部：

- (a) 酒類分部，從事生產、銷售及買賣葡萄酒及其他酒類產品；
- (b) 飲料分部，從事碳酸飲料的加工、裝瓶及分銷及非碳酸飲料的分銷；
- (c) 廚房食品分部，從事分銷零售型包裝烹調油及其他消費食品；及
- (d) 休閒食品分部，從事生產及分銷巧克力及其他相關產品。

管理層監察個別經營分部之業績，藉此作出有關資源分配的決定及評估表現。分部表現乃根據可予呈報分部業績進行評估。分部業績與本集團之除稅前溢利之計量保持一致，該計量不包括利息收入、股息收入、融資成本及未分配總部及公司開支。

分部資產不包括遞延稅項資產、可收回稅項、抵押存款、現金及現金等值項目、按公平值列入損益之股本投資及其他未分配總部及公司資產，因為該等資產按集團基準管理。

集團分部間之銷售及轉撥參考第三者以當時市值進行銷售之售價進行。

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簡明綜合中期財務報表附註

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3. OPERATING SEGMENT INFORMATION (continued) Six months ended 30 June 2010

3. 經營分部資料(續) 截至2010年6月30日止六個月

		Wines 酒類 HK\$'000 千港元 (Unaudited) (未經審核)	Beverages 飲料 HK\$'000 千港元 (Unaudited) (未經審核)	Kitchen foods 廚房食品 HK\$'000 千港元 (Unaudited) (未經審核)	Confec- tionery 休閒食品 HK\$'000 千港元 (Unaudited) (未經審核)	Total 合計 HK\$'000 千港元 (Unaudited) (未經審核)
Segment revenue:	分部收益:					
Sales to external customers	銷售予外界客戶	1,455,518	3,951,931	2,853,834	182,948	8,444,231
Other revenue	其他收入	9,097	32,950	8,370	1,137	51,554
		1,464,615	3,984,881	2,862,204	184,085	8,495,785
Segment results	分部業績	165,474	212,104	9,501	(32,497)	354,582
<i>Reconciliation:</i>	<i>對賬:</i>					
Share of profits of associates	應佔聯營公司溢利	-	12,898	-	-	12,898
Interest income	利息收入					14,060
Dividend income and unallocated gains	股息收入及未分配收益					44,492
Finance costs	融資成本					(23,914)
Corporate and unallocated expenses	公司及未分配支出					(36,498)
Profit before tax	除稅前溢利					365,620
30 June 2010	2010年6月30日					
Segment assets	分部資產	3,788,117	5,182,593	1,113,450	390,741	10,474,901
<i>Reconciliation:</i>	<i>對賬:</i>					
Elimination of intersegment receivables	撇銷分部間應收款項					(4,493,859)
Corporate and unallocated assets	公司及未分配資產					6,051,947
Total assets	資產總值					12,032,989

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簡明綜合中期財務報表附註

30 June 2010
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3. OPERATING SEGMENT INFORMATION (continued) Six months ended 30 June 2009

3. 經營分部資料(續) 截至2009年6月30日止六個月

		Wines 酒類	Beverages 飲料	Kitchen foods 廚房食品	Confec- tionery 休閒食品	Total 合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
Segment revenue:	分部收益:					
Sales to external customers	銷售予外界客戶	1,570,602	3,861,041	2,587,868	171,503	8,191,014
Other revenue	其他收入	12,154	14,139	12,042	2,242	40,577
		1,582,756	3,875,180	2,599,910	173,745	8,231,591
Segment results	分部業績	309,534	212,044	6,994	(37,654)	490,918
<i>Reconciliation:</i>	<i>對賬:</i>					
Share of profits of associates	應佔聯營公司溢利	-	66,623	-	-	66,623
Interest income	利息收入					9,954
Dividend income and unallocated gains	股息收入及未分配收益					10,820
Finance costs	融資成本					(47,976)
Corporate and unallocated expenses	公司及未分配支出					(25,690)
Profit before tax	除稅前溢利					504,649

		Wines 酒類	Beverages 飲料	Kitchen foods 廚房食品	Confec- tionery 休閒食品	Total 合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
		(經審核)	(經審核)	(經審核)	(經審核)	(經審核)

31 December 2009

2009年12月31日

Segment assets	分部資產	3,700,619	5,109,329	1,477,517	456,873	10,744,338
<i>Reconciliation:</i>	<i>對賬:</i>					
Elimination of intersegment receivables	撇銷分部間應收款項					(4,114,915)
Corporate and unallocated assets	公司及未分配資產					5,866,417
Total assets	資產總值					12,495,840

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

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4. OTHER INCOME AND GAINS

4. 其他收入及收益

		For the six months ended 30 June	
		截至6月30日止六個月	
		2010	2009
		2010年	2009年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Other income	其他收入		
Gross rental income	租金收入總額	748	2,924
Bank interest income	銀行利息收入	10,408	9,954
Interest income from held-to-maturity investments	持有至到期投資之利息收入	3,652	–
Dividend income from available-for-sale investments	可供出售投資之股息收入	43,918	6,013
Dividend income from equity investments at fair value through profit or loss	按公平值列入損益之股本投資之股息收入	60	–
Government grants	政府補助	14,885	7,494
Compensation income	補償收入	5,305	6,012
Sale of by-products and scrap items	出售副產品及廢料項目	6,843	3,071
Tax refunds	退稅	–	1,396
Others	其他	23,399	20,865
		109,218	57,729
Gains	收益		
Foreign exchange differences, net	匯兌差額，淨額	888	–
Fair value gains on equity investments at fair value through profit or loss	按公平值列入損益之股本投資之公平值收益	–	3,579
Others	其他	–	43
		888	3,622
		110,106	61,351

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5. FINANCE COSTS

5. 融資成本

		For the six months ended 30 June	
		截至6月30日止六個月	
		2010	2009
		2010年	2009年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Interest on:	利息：		
Bank loans and overdrafts wholly repayable within five years	五年內全數償還之銀行貸款及透支	13,435	19,104
Loans from a fellow subsidiary	同系附屬公司之貸款	835	5,761
Loans from a non-controlling shareholder of a subsidiary	附屬公司之非控股股東之貸款	1,043	1,525
Others*	其他*	8,601	21,611
Total interest expense on financial liabilities not at fair value through profit or loss	非按公平值列入損益之金融負債利息開支總額	23,914	48,001
Less: Interest capitalised	減：已資本化利息	—	(25)
		23,914	47,976

* For the six months ended 30 June 2009, others included a cash discount of HK\$15,531,000 offered to certain customers if their payment are made within a stipulated period.

* 截至2009年6月30日止六個月，其他包括向若干在指定期間內付款之客戶提供現金折扣15,531,000港元。

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6. PROFIT BEFORE TAX

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

6. 除稅前溢利

本集團之除稅前溢利乃扣除/(計入)下列各項：

		For the six months ended 30 June	
		截至6月30日止六個月	
		2010	2009
		2010年	2009年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Cost of inventories sold	售出存貨成本	6,143,297	5,831,211
Provision against inventories	存貨撥備	9,588	22,130
Cost of sales	銷售成本	6,152,885	5,853,341
Depreciation	折舊	157,312	132,006
Recognition of prepaid land premiums	確認預付土地金	3,010	2,089
Amortisation of other intangible assets	其他無形資產攤銷	2,624	2,091
Reversal of impairment of receivables	應收款項減值撥回	(5)	(1,293)
Fair value loss on equity investments at fair value through profit or loss	按公平值列入損益之股本投資之公平值虧損	1,230	-
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之虧損	1,142	717
Loss on disposal of available-for-sale investments	出售可供出售投資之虧損	453	-

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7. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the interim period (2009: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

7. 所得稅支出

由於本集團於中期期間並未產生任何香港之應課稅溢利，故並未就香港利得稅作出撥備(2009年：無)。其他地方之應課稅溢利按本集團業務所在司法權區之現行稅率計算。

		For the six months ended 30 June 截至6月30日止六個月	
		2010 2010年 HK\$'000 千港元 (Unaudited) (未經審核)	2009 2009年 HK\$'000 千港元 (Unaudited) (未經審核)
Current – Mainland China	即期－中國內地		
Charge for the period	期內扣除	104,127	108,455
Deferred	遞延	471	2,353
Total tax charge for the period	本期內稅項支出總額	104,598	110,808

On 30 April 2009, the Ministry of Finance and the State Administration of Taxation issued the Circular on Issues Concerning Process of Enterprise Income Tax in Enterprise Restructuring Business – Cai Shui [2009] No. 59, which is effective from 1 January 2008. During the year ended 31 December 2008, the Group undertook certain intra-group restructuring activities (the "Restructuring"). Based on the above circular and other relevant tax regulations, the tax base and the tax exposure related to the Restructuring, if any, cannot be determined reliably in the view of the board. Consequently, no provision thereon has been made in the interim financial statements.

於2009年4月30日，財政部及國家稅務總局頒佈了《關於企業重組業務企業所得稅處理若干問題的通知》—財稅[2009]59號，生效日期為2008年1月1日。截至2008年12月31日止年度，本集團進行了若干集團間的重組活動(「重組」)。董事會認為，根據前述的通知及其他相關稅法，與重組有關的稅基及稅務風險(如有)未能獲可靠釐定。因此，概無就此於中期財務報表中作出撥備。

8. DIVIDENDS

8. 股息

		For the six months ended 30 June 截至6月30日止六個月	
		2010 2010年 HK\$'000 千港元 (Unaudited) (未經審核)	2009 2009年 HK\$'000 千港元 (Unaudited) (未經審核)
Interim – HK2.30 cents (2009: HK3.88 cents) per ordinary share	中期－每股普通股2.30港仙 (2009年：3.88港仙)	64,227	108,306

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9. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

The calculation of basic earnings per share amounts for the period is based on the profit for the period attributable to owners of the parent and the weighted average number of ordinary shares in issue during the period.

The calculation of diluted earnings per share amounts for the period is based on the profit for the period attributable to owners of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

9. 母公司擁有人應佔每股盈利

期內每股基本盈利乃按母公司擁有人應佔期內溢利，以及於期內已發行普通股加權平均數計算。

於期內每股攤薄盈利乃根據母公司擁有人應佔期內溢利計算。計算每股攤薄盈利所用普通股加權平均股數為期內已發行普通股數目（一如計算每股基本盈利所用者）及假設所有潛在攤薄普通股被視作行使或轉換為普通股而以零代價發行之普通股加權平均數。

每股基本及攤薄盈利之計算乃根據：

		For the six months ended 30 June 截至6月30日止六個月	
		2010 2010年 HK\$'000 千港元 (Unaudited) (未經審核)	2009 2009年 HK\$'000 千港元 (Unaudited) (未經審核)
Earnings	盈利		
Profit attributable to owners of the parent	母公司擁有人應佔溢利	178,735	300,759
		Number of shares For the six months ended 30 June 股份數目 截至6月30日止六個月	
		2010 2010年 (Unaudited) (未經審核)	2009 2009年 (Unaudited) (未經審核)
Shares	股份		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	用於計算每股基本盈利之期內已發行普通股加權平均數	2,792,409,248	2,791,383,356
Effect of dilution – weighted average number of ordinary shares: Share options	攤薄影響 – 普通股加權平均數： 購股權	3,288,427	–
		2,795,697,675	2,791,383,356

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10. PROPERTY, PLANT AND EQUIPMENT

During the interim period, the Group acquired items of property, plant and equipment at a total cost of HK\$214,493,000 (2009: HK\$212,048,000) and disposed items of property, plant and equipment with a total net carrying amount of HK\$7,473,000 (2009: HK\$1,749,000).

11. ACCOUNTS AND BILLS RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally for 30 to 90 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables 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. Accounts and bills receivables are non-interest-bearing.

An aged analysis of the accounts and bills receivables as at the end of the reporting period, based on the invoice date and net of impairment, is as follows:

10. 物業、廠房及設備

於中期期間，本集團收購物業、廠房及設備項目之成本總額為214,493,000港元（2009年：212,048,000港元），出售物業、廠房及設備項目之賬面淨值總額為7,473,000港元（2009年：1,749,000港元）。

11. 應收賬款及票據

除新客戶外，本集團與其客戶之貿易條款乃主要按信貸訂立，一般規定新客戶預先付款。信貸期一般介乎30日至90日。每名客戶亦設有信貸額上限。本集團尋求維持嚴格控制其未償還應收賬款，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，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。應收賬款及票據為不計息。

於報告期末之應收賬款及票據賬齡按發票日期並扣除減值分析如下：

		30 June 2010 2010年 6月30日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2009 2009年 12月31日 HK\$'000 千港元 (Audited) (經審核)
Within 3 months	三個月內	698,360	797,080
3 to 12 months	三個月至十二個月內	142,327	279,216
1 to 2 years	一年至兩年內	8,785	2,653
Over 2 years	超過兩年	2,835	1,588
		852,307	1,080,537

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12. ACCOUNTS AND BILLS PAYABLES

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

		30 June 2010 2010年 6月30日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2009 2009年 12月31日 HK\$'000 千港元 (Audited) (經審核)
Within 3 months	三個月內	1,035,425	797,101
3 to 12 months	三個月至十二個月內	210,203	104,573
1 to 2 years	一年至兩年內	1,326	13,925
Over 2 years	超過兩年	612	703
		1,247,566	916,302

Accounts and bills payable are non-interest-bearing.

應付賬款及票據為不計息。

13. OPERATING LEASE ARRANGEMENTS

The Group leases certain of its office properties under operating lease arrangements. Leases for office properties are negotiated for terms ranging from one to ten years.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		30 June 2010 2010年 6月30日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2009 2009年 12月31日 HK\$'000 千港元 (Audited) (經審核)
Within one year	一年內	54,233	53,778
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	52,002	69,208
After five years	五年後	45,805	89,485
		152,040	212,471

12. 應付賬款及票據

於報告期末之應付賬款及票據賬齡按發票日期分析如下：

13. 經營租約安排

本集團根據經營租約安排租用若干辦公室物業。辦公室物業租約經協商之租期由1至10年不等。

於報告期末，本集團根據不可撤銷經營租約應付之未來最低租金總額如下：

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14. CAPITAL COMMITMENTS

In addition to the operating lease commitments detailed in note 13 above, the Group had the following capital commitments at the end of the reporting period:

14. 資本承擔

除上文附註13所載之經營租約承擔外，本集團於報告期末之資本承擔如下：

		30 June 2010 2010年 6月30日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2009 2009年 12月31日 HK\$'000 千港元 (Audited) (經審核)
Capital commitments in respect of property, plant and equipment:	就物業、廠房及設備之資本承擔：		
Authorised but not contracted	已授權但未訂約	15,782	2,420
Contracted, but not provided for	已訂約但未撥備	210,814	7,713
		226,596	10,133

15. OTHER COMMITMENTS

Commitments under commodity future contracts:

15. 其他承擔

商品期貨合約下承擔：

		30 June 2010 2010年 6月30日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2009 2009年 12月31日 HK\$'000 千港元 (Audited) (經審核)
Purchases of white sugar	購買白糖	165,562	-
		165,562	-

Other than disclosed above, the Group did not have any significant commitments as at the end of the reporting period.

除以上上述披露外，本集團於報告期末並無任何重大承擔。

16. CONTINGENT LIABILITIES

Save as disclosed in note 7 to the condensed consolidated interim financial statements, the Group had no significant contingent liabilities at the end of the reporting period.

16. 或然負債

除於簡明綜合中期財務報表附註7所披露外，於報告期末本集團並無任何重大或然負債。

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17. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

The Group had the following material transactions with related parties during the period:

17. 關連人士交易

(a) 與關連人士之交易

本集團於期內與關連人士進行之重大交易如下：

		For the six months ended 30 June	
		截至6月30日止六個月	
		2010	2009
		2010年	2009年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(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	4,822	46
Purchases of goods	購買貨品	1,486,503	1,442,105
Service fee income	服務費用收入	4,973	11,567
Rental expenses	租金支出	8,712	7,205
Interest expenses	利息支出	835	1,717
Transactions with the ultimate holding company:	與最終控股公司之交易：		
Sales of goods	銷售貨品	105	274
Rental expenses	租金支出	1,299	1,358
Transactions with associates:	與聯營公司之交易：		
Sales of goods	銷售貨品	7,004	6,379
Purchases of goods	購買貨品	527,935	565,653
Transactions with related companies*:	與關連公司之交易*：		
Sales of goods	銷售貨品	13	-
Purchases of goods	購買貨品	747,535	821,745

* These companies are under significant influence by the ultimate holding company of the Company.

* 該等公司受本公司最終控股公司重大影響。

(b) Outstanding balances with related parties

At the end of the reporting period, the Group had the following outstanding balances with related parties:

- the loans from a fellow subsidiary of HK\$32,096,000 (31 December 2009: HK\$14,765,000), which are unsecured, bear interest at rates ranging from 4.37% to 4.86% (31 December 2009: 4.37% to 4.86%) per annum and are repayable within one year; and
- the amounts due to non-controlling shareholders of subsidiaries of HK\$11,463,000 (31 December 2009: HK\$128,508,000), which are unsecured, interest-free and are not repayable within one year.

The other outstanding balances with related parties are unsecured, interest-free and have no fixed terms of repayment.

(b) 關連人士之未償還結餘

於報告期末，本集團之關連人士之未償還結餘如下：

- 同系附屬公司欠款32,096,000港元(2009年12月31日：14,765,000港元)，為無抵押，按年息4.37厘至4.86厘計息(2009年12月31日：4.37厘至4.86厘)，並須於一年內償還；及
- 欠附屬公司非控股股東款項11,463,000港元(2009年12月31日：128,508,000港元)為無抵押、免息及毋須於一年內償還。

關連人士之其他未償還結餘為無抵押、免息及無固定還款期。

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17. RELATED PARTY TRANSACTIONS (continued) (c) Compensation of key management personnel of the Group

17. 關連人士交易(續) (c) 本集團主要管理層人員之報酬

		For the six months ended 30 June 截至6月30日止六個月	
		2010 2010年 HK\$'000 千港元 (Unaudited) (未經審核)	2009 2009年 HK\$'000 千港元 (Unaudited) (未經審核)
Short term employee benefits	短期僱員福利	2,854	2,294
Pension scheme contributions	退休金計劃供款	121	82
Equity-settled share option expense	股本結算購股權開支	367	669
Total compensation paid to key management personnel	付予主要管理層人員之報酬總額	3,342	3,045

(d) Transactions 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 period, the Group had transactions with State-owned Enterprises including, but not limited to, sales and purchases of processed foodstuffs and raw materials. The board consider that transactions with other State-owned Enterprises are activities in the ordinary course of the business, and that dealings of the Group have not been significantly 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. Having due regard to the substance of the relationships, the board of the Company are of the opinion that none of these transactions is a material related party transaction that requires separate disclosure.

(d) 與其他國有企業之交易

本集團於一個由中國政府直接或間接通過其各級機關、聯屬公司或其他機構擁有或控制的企業(統稱「國有企業」)為主的經濟環境中經營。於期內，本集團與國有企業進行之交易包括但不限於銷售及採購經加工食品及原材料。董事會認為，與其他國有企業進行之交易均屬於日常業務過程進行之業務及本集團之交易非由中國政府主要控制或擁有。本集團亦制定有關產品及服務之定價政策，而該等政策不會視乎客戶是否屬國有企業而制定。經慎重考慮該等關係之實質，本公司董事會認為，該等交易並不屬於需要單獨披露之重大關連人士交易。

18. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were approved and authorised for issue by the board of directors on 24 August 2010.

18. 簡明綜合中期財務報表之批准

該等簡明綜合中期財務報表於2010年8月24日經董事會批准及授權刊發。

WINE BUSINESS

The Group's wine business is principally engaged in the production, marketing and sales of wine under the “長城” and “Greatwall” brands, in addition to importing wine and the production and marketing of yellow rice wine.

During the interim period, the sales revenue of the wine business amounted to approximately HK\$1,456 million, a decrease of approximately 7.3% compared to the corresponding period last year. Such decrease was mainly attributable to the strategic restructuring of the sales and distribution model of our wine business.

In order to facilitate the change of the sales and distribution model from a channel-driven to brand-driven model, and realise a dynamic balance between brands, products and channels, we have adopted various measures to achieve this including rationalizing the existing multi-layered sales and distribution structure, optimally reducing the existing distribution territories of certain distributors and focusing sales resources, improving the cooperation terms with distributors, focusing on branding activities of middle to high-end major product types, enhancing the product mix portfolio, improving the effectiveness of sales and marketing resources as well as gaining greater control over retail sales terminals. We believe that this strategic restructuring exercise will be beneficial to the long-term development of our wine business, setting a solid foundation for sustainable profit growth.

During the interim period, the sales of the newly launched product range, “Greatwall” Chateau Sungod, maintained its substantial growth and recorded sales revenue over HK\$80 million or an increase of approximately 5.7 times compared to the same period last year. This strong growth momentum under our brand-driven sales and distribution model of “Greatwall” Chateau Sungod provided us with greater confidence on the outcome of the strategic restructuring exercise.

We greatly strengthened our brand promotional activities during the interim period. Capitalising on the prestige of our “Greatwall” wine being designated as “The Only Official Wine of Expo 2010 Shanghai China (“Expo”)” and “Greatwall” wine being served in state banquets, we have taken proactive steps to promote our brand through different types of promotional programs, so as to maximize our brand exposure and raise the brand's reputation.

酒類業務

本集團的酒類業務主要是在國內從事「長城」及「Greatwall」葡萄酒的生產、市場推廣和銷售，以及進口酒代理業務及黃酒業務。

於中期期間，酒類業務銷售收入約為14.56億港元，比去年同期減少約7.3%，主要原因是酒類業務正積極開展營銷模式戰略性轉型工作。

我們通過合理化精簡目前的多層經銷結構，合理縮減某些經銷商目前的經銷區域並聚焦經銷資源，改善與經銷商的合作條件，加強品牌聚焦和明確中高端主打產品，持續優化產品組合，提升資源投放效率，加強對終端售點的監控等一系列措施，藉以推動由渠道驅動轉換至品牌驅動的營銷模式，實現品牌、產品與渠道間的動態平衡。我們相信此舉將有利於酒類業務的長遠發展，為提升利潤空間奠定良好的基礎。

於中期期間，新推出的「長城」桑干酒莊系列產品的銷售保持大幅增長，實現銷售收入超越8,000萬港元，比去年同期增長約5.7倍。「長城」桑干酒莊系列產品以試點形式通過品牌驅動的營銷模式經營，其銷售增長勢頭持續向好，加強了我們對轉型後營銷模式的信心。

於中期期間，酒類業務持續加強品牌推廣，借助「長城」葡萄酒成為「上海世博會（「世博」）唯一指定葡萄酒」的契機及國宴用酒的概念，積極開展多種形式的品牌傳播，有效增加了品牌曝光率及美譽度。

During the interim period, with respect to product types, we have developed and launched special edition, souvenir and gift packages of wine product types especially designed for Expo. Meanwhile, our wine business is actively planning a nationwide launch of its middle to high-end product series in the fourth quarter of this year. In order to streamline our product mix portfolio and further strengthen the competitiveness of our products, we eliminated a number of marginal products which made negligible contribution to sales revenue. In addition, the imported wine business has achieved strong growth through accelerating the establishment of imported wine distribution networks. The sales of imported wine reached approximately HK\$21 million during the interim period, representing an increase of approximately 40% compared to the corresponding period of last year.

With respect to the construction of sales channel, leveraging on the marketing activities related to Expo, our wine business sought inspiration from the "China Pavilion" of Expo and applied it to our display designs in shopping malls and supermarkets and carried out related promotional campaign accordingly. We launched display design optimization at shopping malls and supermarkets in Beijing and Shanghai. Currently, we have completed more than a few hundred projects relating to promotion of our brand image in various stores and improved our retail point of sale displays.

In respect of the expansion of vineyards, we continue to plan for the expansion of our vineyards. Besides Ningxia and Xinjiang, we are also actively pursuing acquisition opportunities of targeted vineyards overseas.

BEVERAGES BUSINESS

The Group's Coca-Cola beverages bottling group is one of the three principal Coca-Cola beverages bottling groups in the PRC. We currently operate a total of eleven bottling plants and hold minority interests in another nine bottling plants. The eleven bottling plants are engaged in the bottling production, sales and distribution of Coca-Cola sparkling beverages, as well as the sale and distribution of Coca-Cola still beverages, such as juices, tea and water, in sixteen provinces, cities and autonomous regions in the PRC under franchise agreements with The Coca-Cola Company.

During the interim period, the sales revenue of our beverages business was approximately HK\$3,952 million, representing an increase of approximately 2.4% over the corresponding period of last year. Due to the unusually cold weather in the first four months of this year, the sales volume only recorded modest growth during the interim period. With the weather becoming warmer, sales of beverages have picked up. It is expected that a better performance will be achieved for the year.

在產品方面，於中期期間，酒類業務開發世博特標、世博紀念產品和禮盒產品並於市場銷售。同時，酒類業務積極策劃推出全國統一佈局的中高端系列產品，計劃於今年第四季度上市。在整體產品線優化項目中，酒類業務淘汰年銷售額貢獻較少的非主打產品，使產品線更加清晰，進一步提升產品競爭力。此外，進口酒業務也有明顯增長，通過加速建設進口酒經銷網絡渠道，中期期間實現銷售額約2,100萬港元，比去年同期增長40%以上。

在渠道建設方面，結合世博營銷活動，酒類業務參考世博內中國展覽館作為商場及超市內擺放陳列的設計，並開展多種促銷推廣活動；又在北京及上海的商場及超市啟動陳列優化項目，目前已完成約數百家形象店建設及售點陳列改善工作。

在產區伸延方面，我們計劃持續擴增葡萄園基地，除寧夏及新疆的葡萄園基地外，我們也積極尋求海外目標產區的收購機會。

飲料業務

本集團旗下的可口可樂飲料裝瓶集團是中國的三大可口可樂飲料裝瓶集團之一，目前控股十一個裝瓶廠以及參股另外九個裝瓶廠。該十一個裝瓶廠獲可口可樂公司授權在中國十六個省、市及自治區裝瓶生產及配送銷售可口可樂系列碳酸飲料，並配送銷售可口可樂系列果汁、茶和水等非碳酸飲料。

於中期期間，飲料業務的銷售收入約為39.52億港元，較去年同期增長約2.4%。今年前四個月由於受到異常寒冷天氣影響，中期期間銷量增長較緩慢。隨著天氣逐漸回暖，飲料銷售增長已逐漸加快，預期全年仍然能有較好的表現。

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With respect to new products, “Sprite Tea” was launched earlier this year. As an extension of the Sprite brand, Sprite Tea combines top-selling Sprite with green tea, the popular drink in China, and we expect this product to attract new and young customers and provide new growth momentum for sparkling beverages. Meanwhile, we launched various new flavours and new products under the “Minute Maid” brand, such as the high value-added “Minute Maid 10 Super V” juice, to further strengthen the market position of the “Minute Maid” brand. According to the market research of ACNielsen at the end of June 2010, the “Minute Maid” brand secured a market share of more than 25% in the juice beverages category in the PRC, with a No.1 ranking.

Currently the annual production capacity of our beverages business is approximately 607 million unit cases. With the newly-built bottling plant in Inner Mongolia ready to commence production in the second half this year, a further annual production capacity of approximately 21 million unit cases will be added, which is expected to help extend our sales coverage and enhance our operation efficiency.

KITCHEN FOODS BUSINESS

The kitchen foods business is mainly engaged in the sales and distribution of consumer-pack edible oil, seasoning sauces and related products in the PRC under the “福臨門”, “Fortune”, “四海”, “五湖” and “家禾” brands.

During the interim period, the sales revenue of our kitchen foods business was approximately HK\$2,854 million, representing an increase of approximately 10.3% over the corresponding period of last year.

During the interim period, we applied more effort to promote “Fortune” brand by leveraging the opportunity of the Expo. All consumer-pack edible oil under the “Fortune” brand used the label of “The Only Official Oil Products of Expo 2010 Shanghai China” in advertising. We supplied “Fortune” edible oil to 27 restaurants in a number of national pavilions within the venue of Expo, including Canada, Italy, Denmark, Finland, Australia and USA and thus effectively raised the reputation of our “Fortune” brand.

Meanwhile, we will continue to dedicate more effort on the extension and penetration of our sales channels. With the acceleration of urbanization, we are focusing on building sales channels in the third-tier and fourth-tier cities by strengthening our cooperation with domestic distributors. Currently, the number of retail points of sale approximated to 214,000.

Taking advantage of increasing health awareness among consumers, we are continuously pursuing product innovation and the launch of delicious, nutritious and healthy edible oils. Among the new products, “Fortune” DHA Grain Blended Oil has been successfully launched during the interim period and is now sold in 7,900 stores in 100 cities, which has effectively enhanced the brand image and enriched the product mix portfolio of our high-end healthy oil product category.

新產品方面，「雪碧茶」於本年初上市。作為「雪碧」品牌的延伸，「雪碧茶」融合了在中國銷量名列前茅的「雪碧」和中國大眾飲品綠茶，我們預計這個產品將吸引新的、年輕的消費者，並給碳酸飲料注入新的增長動力。同時，我們推出了「美汁源」系列新口味及新產品，例如具有高附加值的「美汁源10分V」果汁飲料等，進一步加強「美汁源」品牌的市場地位。根據ACNielsen截至2010年6月底的市場調查數據，「美汁源」品牌在中國的果汁飲料市場份額超過25%，排名第一。

目前，我們飲料業務的年產能約為6.07億標箱，新建的內蒙古裝瓶廠準備於今年下半年投產，年產能將增加約2,100萬標箱，預計將有助於擴大我們的銷售地域覆蓋及提升我們的營運效率。

廚房食品業務

廚房食品業務主要以「福臨門」、「Fortune」、「四海」、「五湖」和「家禾」等品牌在中國銷售及分銷小包裝食用油和調味品等相關產品。

於中期間，廚房食品業務的銷售收入約為28.54億港元，比去年同期增長約10.3%。

於中期間，借助世博的機遇，我們大力推廣「福臨門」品牌。「福臨門」品牌食用油均以「世博會唯一指定糧油產品」進行推廣；「福臨門」食用油更實現了對27個世博國家館餐廳的供應，包括加拿大、意大利、丹麥、芬蘭、澳大利亞及美國等，有效提升了「福臨門」品牌的美譽度。

同時，我們繼續致力於加強渠道滲透及建設。隨著城市化進程加快，我們針對性地向三四線城市進行滲透，主動加強與縣級經銷商合作，至今我們終端售點的覆蓋達到約21.4萬家。

隨著消費者健康意識進一步提升，消費升級加快，我們繼續積極推動產品創新，推出美味、營養、健康的食用油。「福臨門」DHA谷物多調和油於中期間成功上市，已經在100個城市、7,900多家門店鋪市銷售，有效提升品牌形象，豐富了高端健康油種的產品組合。

In addition, we foresee that our kitchen foods business will be continued to benefit from the expansion of the edible oil crushing and processing capacity of our parent company. It is expected that the parent company will complete the capacity expansion in Shandong, Guangxi, Tianjin and Jiangxi by 2011. We will fully leverage on the cost advantages to be derived from the extended production footprint to develop new sales regions and increase market share, and thus providing additional growth momentum to our kitchen foods business.

CONFECTIONERY BUSINESS

The confectionery business is mainly engaged in the production and distribution of chocolates and confectionery products in the PRC under the “金帝” and “Le Conte” brands.

During the interim period, the sales revenue reached approximately HK\$183 million, representing an increase of approximately 6.7% over the corresponding period of last year even though the two festivals, Chinese New Year and Valentine’s Day, overlapped.

With respect to brand strategy, we put greater effort to enhance the reputation of “金帝” brand and its sub-brand “Merveille” through traditional advertisements, product placement, internet advertisements and promotional campaigns with specific themes. According to the information compiled by a media monitoring agency, the rate of trial of our products increased from 79% to 94%, which was mainly attributable to the effective brand promotion. At the same time, we have collaborated with a Hunan TV station for placement of our products in the program “花兒朵朵” to promote our “Merveille” brand. Through sponsoring this program, we carried out promotional campaigns with specific themes in all media to capture greater publicity.

With respect to product strategy, we continue to reformulate our recipes to improve the quality of our products, in response to market research and taste tests of our products conducted by research agencies. We have also developed new product types such as aerated chocolate, chocolate drinks and jellies. It is expected that the new products will be launched to the market in the second half of this year. Moreover, in respect of sales channels, we will continue to develop new channels and points of sales as well as exploring the possibility in sales through the internet.

Through the launch of new products and strengthening our brand and sales channels establishment, we expect that the results of our confectionery business will gradually improve.

此外，我們預期將受益於母公司在食用油產業內的中上游產能部署。預計母公司將在2011年前於山東、廣西、天津及江西等地完成產能擴建工作，我們將全方位借助該等中上游產能部署帶來的成本優勢，開拓新增市場據點，積極擴大市場份額，為廚房食品業務增添增長動力。

休閒食品業務

本集團的休閒食品業務主要以「金帝」品牌及「Le Conte」在中國生產和分銷巧克力和休閒食品產品。

於中期期間，即使春節及情人節這兩個傳統巧克力送贈節日重疊，我們仍然實現銷售收入約1.83億港元，比去年同期增長約6.7%。

在品牌策略方面，我們透過較大力度的廣告、欄目植入、網路傳播及主題促銷等活動進一步提升「金帝」品牌和其子品牌「美滋滋」品牌的知名度與美譽度。媒體監測機構資料顯示，由於品牌傳播的有效性提高，本業務的產品嘗試率從79%提升到94%。同時，「美滋滋」與湖南電視台綜藝節目《花兒朵朵》欄目合作，藉著該欄目贊助的機會，我們在各終端銷售點開展主題活動，大大提升了品牌曝光率。

產品策略方面，我們一方面根據市場調查進行口味測試，持續對配方加以改善，我們積極推動新產品開發，重點完成了充氣巧克力、巧克力沖飲及凝膠糖果等新產品的開發，預期下半年在市場推出。此外，在渠道策略方面，繼續積極開發渠道和拓展售點，例如開拓網絡銷售渠道等。

通過不斷推動新產品上市和持續加強品牌渠道建設，我們期待休閒食品業務業績可逐步改善。

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FINANCIAL REVIEW

Supplemental information to segment results of the Group for the interim period with comparative figures for the corresponding period of last year, are set out below:

財務回顧

本集團於中期期間之分部業績的補充資料連同去年同期比較數字載列如下：

		For the six months ended 30 June 截至6月30日止六個月	
		2010 2010年 (Unaudited) (未經審核) %	2009 2009年 (Unaudited) (未經審核) %
Growth of revenue by segment:	按業務類別劃分之收入增長：		
– Wines	– 酒類	-7.3	5.2
– Beverages	– 飲料	2.4	57.6
– Kitchen Foods	– 廚房食品	10.3	-36.9
– Confectionery	– 休閒食品	6.7	53.0
Contribution of revenue by segment:	按業務類別劃分之收入貢獻：		
– Wines	– 酒類	17.2	19.2
– Beverages	– 飲料	46.8	47.1
– Kitchen Foods	– 廚房食品	33.8	31.6
– Confectionery	– 休閒食品	2.2	2.1
Gross profit margin by segment (excluding Beverages):	按業務類別(不包括飲料)劃分之 毛利率：		
– Wines	– 酒類	58.7	57.9
– Kitchen Foods	– 廚房食品	8.8	11.9
– Confectionery	– 休閒食品	48.6	44.1
Selling and distribution costs to revenue ratio by segment (excluding Beverages):	按業務類別(不包括飲料)劃分， 銷售及分銷成本對收入比率：		
– Wines	– 酒類	42.1	34.1
– Kitchen Foods	– 廚房食品	7.7	11.3
– Confectionery	– 休閒食品	57.4	58.1
Segment result to revenue ratio:	分部業績對收入比率：		
– Wines	– 酒類	11.4	19.7
– Beverages	– 飲料	5.4	5.5
– Kitchen Foods	– 廚房食品	0.3	0.3
– Confectionery	– 休閒食品	-17.8	-22.0
Effective tax rate of the Group (Note 1)	本集團有效稅率(附註1)	29.7	25.3

Note:

1. The calculation of effective tax rate of the Group is based on tax divided by adjusted profit before tax after excluding the contributions by share of profits of associates.

附註：

1. 本集團有效稅率乃按稅項除以經調整除稅前溢利(不包括分佔聯營公司溢利貢獻)計算。

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REVENUE

The Group's revenue for the interim period grew by approximately 3.1% over the same period of the previous year, as the combined effects of:

- approximately -7.3% revenue growth rate of wines segment, primarily caused by the fact that wines segment has been in the process of a strategic restructuring exercise on its sales and distribution model. Consequently, orders from certain distributors involved in the restructuring have decreased resulting in decline in sales volume;
- approximately 2.4% revenue growth rate of beverages segment, due to the cold weather during January to April of the current year;
- approximately 10.3% revenue growth rate of kitchen foods segment, with continuing growth in sales volume attributable to more coverage of distribution terminals and general increase in market price of edible oil products;
- approximately 6.7% revenue growth rate of confectionery segment, with normalized growth under the effort of its management team.

GROSS PROFIT MARGIN

Overall gross profit margin dropped from approximately 28.5% to approximately 27.1%, with slight improvements of gross profit margin in wines segment, beverages segment and confectionery segment for the interim period over the same period of the previous year but the aggregate effects of improvements were entirely offset by the drop in gross profit margin of kitchen foods segment under the raw material cost pressure and intensified market competition of edible oil products.

SELLING AND DISTRIBUTION COSTS

Overall selling and distribution costs rose by approximately 3.2% for the interim period over the same period of the previous year, mainly driven by the approximately 8 percentage point increment of selling and distribution costs to revenue ratio of wines segment. As wines segment has been in the process of a strategic restructuring exercise on its sales and distribution model, the related costs invested for more regional sales platforms, together with the increase in promotion and marketing expenses related to "Greatwall" brand, especially "Greatwall" Chateau Sungod and the relevant products were incurred as scheduled under the committed objective of continuing optimization of product mix portfolio.

ADMINISTRATIVE EXPENSES

Overall administrative expenses increased by approximately 21.7% for the interim period over the same period of the previous year which was driven by the increase in number of administrative headcounts and office expenditures.

收入

於中期期間，本集團之收入較去年同期增加約3.1%，原因如下：

- 酒類業務的收入增長率約為-7.3%，主要由於酒類業務正進行營銷模式的戰略性轉型工作。因此，涉及調整的某些分銷商的訂單減少，從而令銷量下降；
- 飲料業務的收入增長率約為2.4%，乃由於本年一月至四月期間天氣寒冷所致；
- 廚房食品業務的收入增長率約為10.3%，銷量藉著分銷點增加以及食用油產品的市場價格整體上升而持續增長；
- 休閒食品業務的收入增長率約為6.7%，在其管理團隊的努力下錄得正常增長。

毛利率

整體毛利率由約28.5%下跌至約27.1%，於中期期間，酒類業務、飲料業務及休閒食品業務的毛利率亦較去年同期均小幅上升，惟毛利率改善的整體影響完全被廚房食品業務的毛利率收窄所抵銷，此乃由於原材料方面的成本壓力及食用油產品市場競爭加劇所致。

銷售及分銷成本

於中期期間，本集團的整體銷售及分銷成本較去年同期上升約3.2%，主要受酒類業務的銷售及分銷成本相對收入比率上升約8個百分點所帶動。由於酒類業務正進行營銷模式的戰略性轉型工作，更多的區域銷售平台相關費用投入及「長城」品牌相關的宣傳及市場推廣增加，特別是「長城」桑干酒莊系列及相關產品有關的宣傳及市場推廣開支仍然根據持續優化產品組合的目標按計劃投入。

行政開支

於中期期間，整體行政開支較去年同期增加約21.7%，此乃受行政人員數目及辦公室開支增加所帶動。

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FINANCE COSTS

Overall finance costs cut by approximately 50.2% for the interim period over the same period of the previous year which was mainly due to less cash discount to certain customers of wines segment recorded.

SHARE OF PROFITS OF ASSOCIATES

Share of profits of associates dropped by approximately 80.6% for the interim period over the same period of the previous year which was due to sharp fluctuations in profitability of certain associates.

INCOME TAX EXPENSE

Effective tax rate of the Group increased from approximately 25.3% to approximately 29.7%, which was mainly due to non-deductibility of expenses related to certain prolonged loss-making subsidiaries.

LIQUIDITY AND FINANCIAL RESOURCES

The Company's treasury function formulated financial risk management procedures, which are also subject to periodic review by the senior management of the Company. This treasury function operates as a centralized service for managing financial risks, including interest rate and foreign exchange rate risks, centralization of surplus financial resources, procuring cost-efficient funding 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 refinancing, if appropriate.

As at 30 June 2010, the Group's unpledged cash and cash equivalents totalled approximately HK\$1,506 million (31 December 2009: approximately HK\$1,943 million), and the Group's net current assets were approximately HK\$1,595 million (31 December 2009: approximately HK\$1,662 million). Due to working capital changes during the interim period, the net cash outflow from operating activities of approximately HK\$160 million (2009 comparative interim period: net cash inflow from operating activities of approximately HK\$627 million) was recorded whereas the earnings before finance cost, income tax expense, depreciation, amortization of other intangible assets, recognition of prepaid land premium and share of profits of associates amounted to approximately HK\$540 million (2009 comparative interim period: approximately HK\$622 million).

Having considered the normalized cash flow from operating activities, unpledged cash and bank deposits and current bank and other borrowings and banking facilities available to the Group, the management believes that the Group's financial resources are sufficient to fund its debt payments, day-to-day operations, capital expenditures and several business development projects.

融資成本

於中期期間，融資成本較去年同期削減約50.2%，主要由於酒類分部所記錄對某些客戶的現金折扣減少所致。

應佔聯營公司溢利

於中期期間，應佔聯營公司溢利較去年同期下跌約80.6%，此乃由於若干聯營公司的溢利率大幅波動。

所得稅支出

本集團的有效稅率由約25.3%上升至約29.7%，此乃主要由於無法扣減若干長期虧損的附屬公司有關的開支。

流動資金及財務資源

本公司之庫務部門制定財務風險管理程序，並由本公司高級管理層定期審閱。該庫務部門集中管理包括利率及匯率風險在內之財務風險、集中處理財務資源盈餘及為本集團爭取有成本效益之資金，並抓緊提高收益之機遇。庫務部門定期及密切監察其整體現金及債務狀況、審閱其融資成本及到期情況以方便於適當情況下再融資。

於2010年6月30日，本集團之無抵押現金及現金等值項目合共約為15.06億港元（2009年12月31日：約19.43億港元），本集團之流動資產淨值約為15.95億港元（2009年12月31日：約16.62億港元）。由於中期期間經營資金的改變，經營活動產生之淨現金流出約為1.60億港元（2009年中期期間比較數：經營活動產生之淨現金流入約為6.27億港元）而融資成本、所得稅支出、折舊、其他無形資產攤銷、確認預付土地金及應佔聯營公司溢利前的利潤則約為5.40億港元（2009年中期期間比較數：約6.22億港元）。

經考慮正常情況下之經營活動現金流、無抵押現金及銀行存款及現時可供本集團使用之銀行及其他借貸及銀行授信，管理層相信，本集團有充足財務資源清還債務，為其日常業務營運、資本開支及若干業務發展項目提供資金。

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Held-to-maturity investments represented corporate bonds with expected redemption dates falling within the coming two years or three years at dates of purchase. The Company has no exposure in mortgage-backed securities, collateralized debt obligations or similar asset classes.

The Group's monetary assets, liabilities and transactions are principally denominated in Renminbi, Hong Kong dollars and United States dollars. The management is of the view that the exchange rate risk exposure of the Group is limited.

The Company cautiously uses derivatives principally in the form of interest rate swaps as appropriate for financial risk management purpose only, in hedging future cash flows against the exposure caused by interest rate volatility. Entering into derivative transactions for speculative purposes and investing liquidity resources in financial products with significant underlying leverage or derivative exposure are absolutely prohibited.

CAPITAL STRUCTURE

During the interim period, the total number of issued shares of the Company increased by 947,680 shares as a result of certain employees of the Group exercising their share options granted in 2007. As at 30 June 2010, the total number of issued shares of the Company was 2,792,459,756.

As at 30 June 2010, the Group had certain interest-bearing bank borrowings of approximately HK\$1,102 million (31 December 2009: approximately HK\$788 million) and other borrowing of approximately HK\$32 million (31 December 2009: approximately HK\$15 million). A loan from a non-controlling shareholder of approximately HK\$129 million was repaid during the interim period.

Bank borrowings carried annual interest rates ranging between 0.98% and 5.31% (31 December 2009: between 1.1% and 4.37%). Other borrowing carried annual interest rates ranging between 4.37% and 4.86% (31 December 2009: 4.86%). A loan from a non-controlling shareholder carried annual interest rate at 2.78% as at 31 December 2009 and during the outstanding period in the interim period.

As at 30 June 2010, net assets attributable to owners of the parent were approximately HK\$5,624 million (31 December 2009: approximately HK\$5,483 million) and net cash of the Group (unpledged cash and cash equivalents less interest-bearing bank and other borrowings and a loan from a non-controlling shareholder) was approximately HK\$372 million (31 December 2009: approximately HK\$1,011 million).

持有至到期投資指預期贖回日期為未來兩年內或三年期內之公司債券(購入時計算)。本公司並無抵押擔保證券、抵押債務承擔或類似資產類別之風險。

本集團之貨幣資產、負債及交易主要以人民幣、港元及美元計值。管理層認為，本集團所承受之匯率風險不大。

為了就利率波動所產生之風險並對未來現金流量作出對沖，本公司審慎規劃於適當情況下利用衍生工具(主要為利率掉期)，以達致財務風險管理目的。本公司絕對禁止為投機目的而參與衍生工具交易及將流動資金投資於具重大相關槓杆作用或衍生工具風險之財務產品。

資本結構

於中期期間，本公司之已發行股份總數因本集團若干僱員行使其於2007年獲授的購股權而增加947,680股股份。於2010年6月30日，本公司之已發行股份總數為2,792,459,756股股份。

於2010年6月30日，本集團之借貸包括若干計息銀行貸款約為11.02億港元(2009年12月31日：約7.88億港元)及其他貸款約為3,200萬港元(2009年12月31日：約1,500萬港元)。欠一家非控股股東提供之貸款約1.29億港元在中期期間已被清還。

銀行貸款按介乎0.98厘至5.31厘之年利率計息(2009年12月31日：介乎1.1厘至4.37厘)。其他貸款按介乎4.37厘至4.86厘之年利率計息(2009年12月31日：4.86厘)。於2009年12月31日及於中期期間的未償還期間，欠一家非控股股東提供之貸款按2.78厘之年利率計息。

於2010年6月30日，母公司擁有人應佔淨資產約為56.24億港元(2009年12月31日：約54.83億港元)，本集團淨現金(無抵押現金及現金等值項目減計息銀行借貸、其他借貸及欠一家非控股股東提供之貸款)約為3.72億港元(2009年12月31日：約10.11億港元)。

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CONTINGENT LIABILITIES AND ASSETS PLEDGED

Save as disclosed in note 7 to the condensed consolidated interim financial statements, the Group had no significant contingent liabilities at the end of the reporting period.

As at 30 June 2010, certain bank borrowings of the Group were secured by charges over certain investment properties, property, plant, equipment, prepaid land premiums and time deposits of the Group with net book value of approximately HK\$183 million (31 December 2009: approximately HK\$109 million).

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2010, the Group employed approximately 14,077 staff in mainland China and Hong Kong (31 December 2009: 13,160). 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 basic social insurance and housing fund in compliance with the requirements of the laws of China. Details concerning these employee benefit schemes are set out in note 2.4 "Employee benefits" under "SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES" to the financial statements in the 2009 annual report of the Company.

The Company adopted a share option scheme on 21 November 2006 (the "Option Scheme") for a term of ten years and the purpose of the Option Scheme is to reward eligible employees of the Group (including executive directors and non-executive directors of the Company) based on individual merits.

As at 31 December 2009, a total of 18,054,780 share options of the Company remained outstanding. During the interim period, no share options were granted pursuant to the terms of the Option Scheme, while a total of 573,922 share options were cancelled and a total of 188,678 share options lapsed. In addition, a total of 947,680 shares were issued and allotted by the Company upon the exercise of share options by certain employees of the Group. Accordingly, as at 30 June 2010, the total number of outstanding share options of the Company was 16,344,500. Share options granted under the Option Scheme are valid for seven years, exercisable in five years after 24 months from the date on which they are granted subject to the satisfaction of certain requirements under the Option Scheme.

CHANGE IN THE STRUCTURE OF THE GROUP

During the interim period, the Group set up a wholly-owned subsidiary in Hebei Province by the name of 中糧酒業(懷來)銷售有限公司 (COFCO Wines & Spirits (Huailai) Sale and Distribution Co., Ltd.) which is engaged in the sale and distribution of wines, brandy and beverages.

或然負債及資產抵押

除於簡明綜合中期財務報表附註7所披露者外，於報告期末，本集團並無任何重大或然負債。

於2010年6月30日，本集團若干銀行借貸乃以本集團賬面淨值約1.83億港元(2009年12月31日：約1.09億港元)之若干投資物業、物業、廠房、設備、預付土地金和定期存款作抵押。

僱員和薪酬政策

於2010年6月30日，本集團於中國內地及香港共有員工約14,077人(2009年12月31日：13,160人)。本集團根據僱員的崗位、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；為中國內地僱員提供中國法律要求的基本社會保險及住房公積金。此等福利計劃的詳情載於本公司2009年年報內財務報表附註2.4「主要會計政策概要」中「僱員福利」內。

於2006年11月21日，本公司採納購股權計劃(「購股權計劃」)，為期十年。購股權計劃旨在依據僱員個人表現獎勵本集團合資格僱員(包括本公司執行董事及非執行董事)。

於2009年12月31日，本公司尚未行使的購股權總數有18,054,780份。於中期期間，本公司並無根據購股權計劃的條款授出任何購股權，惟合共573,922份購股權已註銷及合共188,678份購股權已失效。此外，本公司因本集團若干僱員行使購股權而合共配發了947,680股股份。因此，於2010年6月30日，本公司尚未行使的購股權總數有16,344,500份。根據購股權計劃授出的購股權的有效期為七年，可於授出購股權日期起二十四個月後於五年內行使，惟須符合購股權計劃項下的若干規定。

本集團架構的變動

於中期期間，本集團於河北省成立一家全資附屬公司，名為中糧酒業(懷來)銷售有限公司，主要從事葡萄酒、白蘭地及飲料銷售。

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In May 2010, COFCO Coca-Cola Beverages (China) Investment Limited (“COFCO Coca-Cola Investment”), a non-wholly owned subsidiary of the Company, disposed of an aggregate of 33% equity interest in COFCO Coca-Cola Beverages (Inner Mongolia) Limited (“COFCO Coca-Cola (Inner Mongolia)”) to Tianjin Shifa Group Co., Ltd., China National Food Industry (Group) Co., Ltd. and China Light Industry Foreign Economic Technology Corporation at an aggregate consideration of RMB15,840,000. After completion of the disposal, COFCO Coca-Cola Investment holds a 67% equity interest in COFCO Coca-Cola (Inner Mongolia).

Save as the aforesaid, during the interim period, there were no material changes in the structure of the Group.

INTERIM DIVIDEND

The board of directors declared the payment of an interim dividend of HKD2.30 cents per share in respect of the interim period, which will be payable on Friday, 22 October 2010 to shareholders of the Company whose names appear on the register of members of the Company on Friday, 8 October 2010 (the “Record Date”).

According to the Notice Regarding Matters on Determination of Tax Residence Status of Chinese-controlled Offshore Incorporated Enterprises under Rules of Effective Management dated 22 April 2009 issued by the State Administration of Taxation of the People’s Republic of China, the Enterprise Income Tax Law of the People’s Republic of China (the “Enterprise Income Tax Law”) and the Detailed Rules for the Implementation of the Enterprise Income Tax Law of the People’s Republic of China, all implemented from 1 January 2008, since the Company is an offshore incorporated company and is, among others, controlled by a Chinese enterprise, the Company is likely to be regarded as a Chinese resident enterprise and, if so, it could be required to withhold a 10% enterprise income tax when it distributes the interim dividend to its enterprise shareholders other than those enterprises which are duly incorporated in the PRC or under the laws of foreign countries (or regions) but with PRC-based de facto management bodies (such enterprises are defined as resident enterprises in the Enterprise Income Tax Law). The withholding and payment obligation lies with the Company.

In respect of all shareholders whose names appear on the Company’s register of members on the Record Date and who are not individuals (including HKSCC Nominees Limited, corporate nominees or trustees such as securities companies and banks, and other entities or organizations, which are all considered as enterprise shareholders), the Company will distribute the interim dividend after deducting the enterprise income tax of 10%. The Company will not withhold and pay income tax in respect of the interim dividend payable to any natural person shareholders whose names appear on the Company’s register of members on the Record Date.

於2010年5月，本公司的一家非全資附屬公司中糧可口可樂飲料(中國)投資有限公司(「中糧可口可樂投資」)向天津實發集團有限公司、中國食品工業(集團)有限公司及中國輕工業對外經濟技術合作公司出售中糧可口可樂飲料(內蒙古)有限公司(「中糧可口可樂(內蒙古)」)合共33%股權，總代價為人民幣1,584萬元。出售完成後，中糧可口可樂投資持有中糧可口可樂(內蒙古)67%股權。

除上述披露者外，於中期期間，本集團的架構概無出現任何重大變動。

中期股息

董事會宣佈派付中期期間的中期股息每股2.30港仙，中期股息將於2010年10月22日(星期五)派發予於2010年10月8日(星期五)(「登記日」)名列本公司股東名冊的本公司股東。

根據全部於2008年1月1日起執行的中華人民共和國國家稅務總局發出日期為2009年4月22日的《關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》、《中華人民共和國企業所得稅法》(「《企業所得稅法》」)及《中華人民共和國企業所得稅法實施條例》，本公司是境外註冊並且(其中包括)由一家中資企業控股的公司，很可能被認定為中國居民企業，並且，如果是的話，本公司可能需要向並非為依法在中國境內成立，或者依照外國(或地區)法律成立但實際管理機構在中國境內的企業(該等企業在《企業所得稅法》中所定義為居民企業)的企業股東派發中期股息時代扣10%的企業所得稅。代扣代繳企業所得稅是本公司的義務。

對於在登記日名列本公司股東名冊的所有以非個人名義登記的股東(包括香港中央結算(代理人)有限公司，企業代理人或受託人如證券公司、銀行等，或其他組織及團體皆被視為企業股東)，本公司將於扣除10%的企業所得稅後派發中期股息；對於在登記日名列本公司股東名冊的所有自然人股東，本公司將不就應付的中期股息代扣代繳所得稅。

If any enterprise shareholder listed on the Company's register of members considers itself to be a resident enterprise and does not wish the Company to withhold the 10% enterprise income tax, it shall lodge with the Company's branch share registrar and transfer office in Hong Kong, Tricor Progressive Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong, documents from its governing tax authority confirming that the Company is not required to withhold and pay the enterprise income tax in respect of the dividend to which it is entitled no later than 4:00 p.m. on Tuesday, 5 October 2010.

If anyone would like to change the identity of the shareholders in the register of members, please enquire about the relevant procedures with the nominees or trustees. The Company will withhold for payment of the enterprise income tax for its non-resident enterprise shareholders strictly in accordance with the relevant laws and requirements of the relevant government authorities and adhere strictly to the information set out in the Company's register of members on the Record Date.

In the event that the Company is not regarded as a Chinese resident enterprise and hence no enterprise income tax should have been withheld, to the extent that such tax remains in the custody of the Company and so far as it is legally able to do so, the Company will procure such tax to be refunded to the relevant enterprise shareholders in respect of whom enterprise income tax had been withheld pursuant to the arrangements set out above. The Company would make a further announcement in such event.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 6 October 2010 to Friday, 8 October 2010, both days inclusive, during which period no transfer of shares will be registered. To qualify for the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged at the Company's branch share registrar and transfer office in Hong Kong, Tricor Progressive Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong, no later than 4:00 p.m. on Tuesday, 5 October 2010.

如任何名列本公司股東名冊上的企業股東認為其為居民企業而不希望本公司代扣代繳上述10%的企業所得稅，請不遲於2010年10月5日(星期二)下午四時正向本公司在香港的股份過戶登記分處卓佳廣進有限公司(地址為香港皇后大道東28號金鐘匯中心26樓)呈交其主管稅務機關所出具以證明本公司毋須就其所享有的股息代扣代繳企業所得稅的文件。

如任何人需更改股東身份，請向代理人或信託機構查詢相關手續。本公司將嚴格根據相關法律及有關政府部門的要求並依照登記日的本公司股東名冊代扣代繳非居民企業股東的企業所得稅。

假若本公司不被認定為中國居民企業，因而不須代扣代繳企業所得稅，而該等稅款依然是在本公司的保管之中，在法律允許的情況下，本公司將促使該等根據以上安排扣繳的稅款退還給相關企業股東。本公司將適時就該等事項發出公告。

暫停辦理過戶登記手續

本公司的股東名冊將自2010年10月6日(星期三)至2010年10月8日(星期五)(包括首尾兩天)暫時關閉，期間將暫停辦理股份過戶登記手續。為符合獲派中期股息的資格，所有過戶文件連同有關股票須於2010年10月5日(星期二)下午四時正前送達本公司於香港的股份過戶登記分處卓佳廣進有限公司，地址為香港皇后大道東28號金鐘匯中心26樓。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2010, the interests and short positions of the directors and their associates in the shares and underlying shares of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which are required 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 and short positions which they were deemed or taken to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register of members of 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 (the "Model Code") contained in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") (together, "Discloseable Interests") were as follows:

董事於股份及相關股份的權益及淡倉

於2010年6月30日，董事及彼等的聯繫人於本公司或其任何相聯法團（定義見《證券及期貨條例》（「證券及期貨條例」）第XV部）的股份及相關股份擁有的權益及淡倉而須根據證券及期貨條例第XV部第7及第8分部（包括據證券及期貨條例的該等條文彼等被視作或當作擁有的權益及淡倉）知會本公司及香港聯合交易所有限公司（「聯交所」），或須根據「證券及期貨條例」第352條記錄於本公司所存置登記冊內，或須根據《香港聯合交易所有限公司證券上市規則》（「上市規則」）所載《上市發行人董事進行證券交易的標準守則》（「標準守則」）規定知會本公司及聯交所者（合稱「須披露權益」）記錄如下：

(a) Discloseable Interests in the shares and underlying shares of the Company

(a) 於本公司的股份及相關股份的須披露權益

Name of director 董事姓名	Nature of interest 權益性質	Number of shares held 持股份數目	Total number of shares 股份總數	Approximate percentage of issued share capital 約佔已發行股本百分比 (Note 3) (附註3)
Mr. Ning Gaoning 寧高寧先生	Beneficial owner 實益擁有	880,000 (Note 2) (附註2)	880,000	0.03%
Mr. Qu Zhe 曲喆先生	Beneficial owner 實益擁有	670,000 (Note 1) (附註1)	1,550,000	0.06%
	Beneficial owner 實益擁有	880,000 (Note 2) (附註2)		
Mr. Mak Chi Wing, William 麥志榮先生	Beneficial owner 實益擁有	800,000 (Note 2) (附註2)	800,000	0.03%
Mr. Ma Jianping 馬建平先生	Beneficial owner 實益擁有	800,000 (Note 2) (附註2)	800,000	0.03%
Mr. Zhang Zhentao 張振濤先生	Beneficial owner 實益擁有	700,000 (Note 2) (附註2)	700,000	0.03%
Ms. Luan Xiuju 樂秀菊女士	Beneficial owner 實益擁有	560,000 (Note 2) (附註2)	560,000	0.02%
Ms. Wu Wenting 吳文婷女士	Beneficial owner 實益擁有	700,000 (Note 2) (附註2)	700,000	0.03%

Management Discussion and Analysis

管理層論析

Notes:

1. Long positions in the shares of the Company, other than pursuant to equity derivatives such as share options, warrants or convertible bonds.
2. Long positions in the underlying shares of the Company under share options granted to directors pursuant to a share option scheme of the Company.
3. The percentages are calculated based on the total number of shares of the Company in issue as at 30 June 2010, i.e., 2,792,459,756 shares.

附註：

1. 本公司股份的好倉（根據股本衍生工具如購股權、購股權證或可換股債券除外）。
2. 根據本公司購股權計劃授予董事的購股權項下本公司相關股份的好倉。
3. 百分比乃根據本公司於2010年6月30日的已發行股份總數（即2,792,459,756股）計算。

(b) Discloseable Interests in the shares and underlying shares of an associated corporation, China Agri-Industries Holdings Limited (“China Agri”)

(b) 於一家相聯法團（中國糧油控股有限公司（「中國糧油」）的股份及相關股份的須披露權益

Name of director 董事姓名	Nature of interest 權益性質	Number of shares held 持股份數目	Total number of shares 股份總數	Approximate percentage of issued share capital 約佔已發行股本百分比 (Note 2) (附註2)
Mr. Ning Gaoning 寧高寧先生	Beneficial owner 實益擁有	700,000 (Note 1) (附註1)	700,000	0.02%

Notes:

1. Long positions in the underlying shares of China Agri under share options granted to Mr. Ning Gaoning pursuant to a share option scheme of China Agri.
2. The percentage is calculated based on the total number of shares of China Agri in issue as at 30 June 2010, i.e., 3,860,281,839 shares.

附註：

1. 根據中國糧油購股權計劃授予寧高寧先生的購股權項下中國糧油相關股份的好倉。
2. 百分比乃根據中國糧油於2010年6月30日的已發行股份總數（即3,860,281,839股）計算。

Save as disclosed herein, as at 30 June 2010, none of the directors or their associates had any other Discloseable Interests.

除本報告所披露者外，於2010年6月30日，董事或其聯繫人概無任何其他須予披露權益。

Management Discussion and Analysis

管理層論析

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

The interests and short positions of substantial shareholders (as defined in the Listing Rules) in the shares and underlying shares of the Company as at 30 June 2010, as recorded in the register of interests required to be kept under Section 336 of the SFO, were as follows:

(a) Aggregate long positions in the shares and underlying shares of the Company

The Company had been notified of the following substantial shareholders' interests in the shares and underlying shares as at 30 June 2010.

主要股東及其他人士於股份及相關股份的權益及淡倉

於2010年6月30日，根據「證券及期貨條例」第336條存置的權益登記冊所記錄，主要股東(定義見上市規則)於本公司股份及相關股份的權益及淡倉如下：

(a) 於本公司股份及相關股份的好倉總額

本公司得悉，於2010年6月30日，以下主要股東持有股份及相關股份的權益：

Substantial shareholders 主要股東	Notes 附註	Capacity and nature of interest 身份及權益性質	Number of shares held 所持股份數目	Approximate percentage of aggregate interests in issued share capital* 約佔已發行股本權益總額百分比*
Wide Smart Holdings Limited ("Wide Smart")	(1)	Directly beneficially owned 直接實益擁有	1,922,550,331	68.85%
COFCO (BVI) No. 108 Limited ("COFCO BVI")	(1)	Directly beneficially owned 直接實益擁有	140,000,000	5.01%
COFCO (Hong Kong) Limited ("COFCO (HK)") 中糧集團(香港)有限公司 (「中糧香港」)	(1)	Directly beneficially owned 直接實益擁有	10,138,000	0.36%
	(1) & (2)	Through controlled corporations 透過受控法團	2,062,550,331	73.86%
COFCO Corporation ("COFCO") 中糧集團有限公司 (「中糧公司」)	(1) & (3)	Through controlled corporations 透過受控法團	2,072,688,331	74.22%

Notes:

- (1) Long positions in the shares of the Company.
 - (2) COFCO (HK) is deemed to be interested in 2,062,550,331 shares in aggregate held by Wide Smart and COFCO BVI since COFCO (HK) is entitled to control the exercise of or exercise one-third or more of the voting power at general meetings of Wide Smart and COFCO BVI.
 - (3) COFCO is deemed to be interested in 2,072,688,331 shares in aggregate held by Wide Smart, COFCO BVI and COFCO (HK) since COFCO is entitled to control the exercise of or exercise one-third or more of the voting power at general meetings of Wide Smart, COFCO BVI and COFCO (HK).
- * The percentages are calculated based on the total number of shares of the Company in issue as at 30 June 2010, i.e., 2,792,459,756 shares.

Mr. Ning Gaoning, being an executive director and the chairman of the board, is also the chairman of COFCO, a director of Wide Smart and the chairman of COFCO (HK). Mr. Qu Zhe, being the managing director, is also an assistant president of COFCO. Mr. Mak Chi Wing, William, being an executive director, is also the chief financial officer of COFCO (HK). Mr. Ma Jianping, being a non-executive director, is also a vice-president and the director of the strategy department of COFCO. Ms. Wu Wenting, being a non-executive director, is also the director of the internal audit department of COFCO.

(b) Aggregate short positions in the shares and underlying shares of the Company

As at 30 June 2010, the Company had not been notified of any short positions being held by any substantial shareholder in the shares or underlying shares of the Company.

Save as disclosed herein, as at 30 June 2010, the Company had not been notified of any persons other than the substantial shareholders above who had long positions or short positions in the shares or underlying shares of the Company, which are required to be recorded in the register of interests required to be kept under Section 336 of the SFO.

Save as disclosed herein, as at 30 June 2010, the directors are not aware of any director being a or employee of the entities which had interests or short position in shares or underlying shares of the Company as disclosed above.

SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The Scheme was adopted by the Company on 21 November 2006 and unless otherwise cancelled or amended, will remain in force for 10 years from that date.

附註：

- (1) 本公司股份之好倉。
 - (2) 中糧香港被視為為Wide Smart及COFCO BVI所持有共2,062,550,331股股份中擁有權益，因為中糧香港有權於Wide Smart和COFCO BVI的股東大會上控制行使或行使三分之一或以上投票權。
 - (3) 中糧公司被視為為Wide Smart、COFCO BVI及中糧香港所持有共2,072,688,331股股份中擁有權益，因為中糧公司有權於Wide Smart、COFCO BVI及中糧香港的股東大會上控制行使或行使三分之一或以上投票權。
- * 百分比乃根據本公司於2010年6月30日的已發行股份總數(即2,792,459,756股)計算。

執行董事兼董事會主席寧高寧先生亦為中糧公司主席、Wide Smart的董事及中糧香港主席。董事總經理曲喆先生亦為中糧公司總裁助理。執行董事麥志榮先生亦為中糧香港財務總監。非執行董事馬建平先生亦為中糧公司副總裁兼戰略部總監。非執行董事吳文婷女士亦為中糧公司審計部總監。

(b) 於本公司股份及相關股份的淡倉總額

於2010年6月30日，本公司並無獲悉任何主要股東持有本公司股份或相關股份的任何淡倉。

除本報告披露者外，於2010年6月30日，本公司並無獲悉除上述主要股東之外的任何其他人士持有本公司股份或相關股份的好倉或淡倉，而須記入按照證券及期貨條例第336條規定存置的權益登記冊。

除本報告披露者外，於2010年6月30日，董事並不知悉任何董事為上文披露於本公司股份或相關股份中擁有權益或淡倉的實體的董事或僱員。

購股權計劃

本公司設有購股權計劃(「該計劃」)，藉以鼓勵及回饋對本集團的成功經營有所貢獻的合資格參與者。該計劃於2006年11月21日為本公司所採納，除非另行取消或修改，將自該日期起有效10年。

Management Discussion and Analysis

管理層論析

MOVEMENT OF SHARE OPTIONS

Details of the movements in the share options during the interim period are as follows:

購股權的變動

於中期期間，購股權的變動詳情如下：

Name on category of participant 參與者姓名及類別	Number of share options 購股權數目						At 30 June 2010 於2010年 6月30日	Date of grant of share options 授出 購股權日期	Exercise period of share options 行使 購股權日期	Exercise price of share options 購股權 行使價 HK\$ 港元
	At 1 January 2010 於2010年 1月1日	Granted during the period 期內授出	Exercise during the period 期內行使	Cancelled during the period 期內註銷	Lapsed during the period 期內失效	At 30 June 2010 於2010年 6月30日				
Directors 董事										
Mr. Ning Gaoning 寧高寧先生	880,000	-	-	-	-	880,000	27.9.2007	27.09.2009- 26.09.2014	4.952	
Mr. Qu Zhe 曲喆先生	880,000	-	-	-	-	880,000	27.9.2007	27.09.2009- 26.09.2014	4.952	
Mr. Mak Chi Wing, William 麥志榮先生	800,000	-	-	-	-	800,000	27.9.2007	27.09.2009- 26.09.2014	4.952	
Mr. Ma Jianping 馬建平先生	800,000	-	-	-	-	800,000	27.9.2007	27.09.2009- 26.09.2014	4.952	
Mr. Zhang Zhentao 張振濤先生	700,000	-	-	-	-	700,000	27.9.2007	27.09.2009- 26.09.2014	4.952	
Ms. Luan Xiuju 樂秀菊女士	700,000	-	(140,000) (Note 1) (附註1)	-	-	560,000	27.9.2007	27.09.2009- 26.09.2014	4.952	
Ms. Wu Wenting 吳文婷女士	700,000	-	-	-	-	700,000	27.9.2007	27.09.2009- 26.09.2014	4.952	
Other employees 其他僱員										
In aggregate 合計	12,594,780	-	(807,680) (Note 2) (附註2)	(573,922)	(188,678)	11,024,500	27.9.2007	27.09.2009- 26.09.2014	4.952	
	18,054,780		(947,680)	(573,922)	(188,678)	16,344,500				

Note:

- The closing price immediately before the date on which the options was exercised was HK\$7.24.
- The weighted average closing price immediately before the dates on which the options were exercised was HK\$7.54.

附註：

- 於緊接購股權行使日期前的收市價為7.24港元。
- 於緊接購股權行使日期前的加權平均收市價為7.54港元。

Management Discussion and Analysis

管理層論析

CODE ON CORPORATE GOVERNANCE PRACTICES

In the view of the directors, during the interim period, the Company complied with the principles and code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 to the Listing Rules, except for the following deviation:

Code Provision E.1.2

Code provision E.1.2 provides that the chairman of the board should attend the Company's annual general meeting. The chairman of the board was unable to attend the annual general meeting of the Company held on 8 June 2010 due to other commitments.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code as its own code of conduct regarding directors' securities transactions. Upon specific enquiries of all directors, each of them confirmed that he/she complied with the required standards set out in the Model Code during the interim period.

The Company has also adopted a code for securities transactions by relevant employees (the "Employees Trading Code") based on the Model Code concerning dealings by relevant employees in the securities of the Company. Relevant employees who are likely to be in possession of unpublished price-sensitive information of the Group are required to comply with the Employees Trading Code in respect of their dealings in the securities of the Company. The terms of the Employees Trading Code are no less exacting than the required standards set out in the Model Code. No non-compliance reports were received from any such employees during the interim period.

APPOINTMENT OF DIRECTOR

Mr. Wang Zhiying was appointed as an executive director of the Company with effect from 15 April 2010 and subsequently re-elected as an executive director of the Company at the annual general meeting of the Company held on 8 June 2010. The biography of Mr. Wang is set out in the Appendix 2 of the Company's circular dated 23 April 2010.

OTHER CHANGES IN DIRECTORS' INFORMATION

Mr. Ma Jianping, a non-executive director of the Company, was appointed as a vice-president of COFCO in May 2010.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

企業管治常規守則

董事認為於中期期間，本公司一直遵守上市規則附錄十四所載的《企業管治常規守則》(「守則」)規定的原則及守則條文，惟對下述守則條文有所偏離：

守則條文E.1.2

守則條文E.1.2規定董事會主席應出席本公司的股東週年大會。董事會主席因處理其他事務未能出席2010年6月8日舉行的股東週年大會。

董事及有關僱員進行證券交易的標準守則

本公司已採納標準守則作為董事進行證券交易的行為守則。經向所有董事作出具體查詢後，每位董事均確認他／她於中期期間遵守標準守則所載列的規定標準。

本公司亦已就有關僱員進行本公司證券交易採納一套根據標準守則而編製的有關僱員進行證券交易守則(「僱員交易守則」)。極可能擁有有關本集團未公開發佈的價格敏感資料的有關僱員必須就進行本公司證券交易遵守僱員交易守則。僱員交易守則的條款不遜於標準守則所載列的規定標準。於中期期間，概無從任何該等僱員收到違規報告。

委任董事

王之盈先生獲委任自2010年4月15日起出任本公司執行董事。其後，於本公司在2010年6月8日舉行的股東週年大會上獲重選為本公司的執行董事。王先生的履歷載列於本公司日期為2010年4月23日的通函附錄二之內。

董事資料的其他變動

本公司的非執行董事馬建平先生於2010年5月獲委任為中糧公司副總裁。

除上述披露者外，概無其他資料須根據上市規則第13.51B(1)條予以披露。

REMUNERATION COMMITTEE

The Company has established a remuneration committee with specific written terms of reference in accordance with the requirements of the Code. The role of the remuneration committee is to review and make recommendations to the board on the Company's policy and structure for remuneration of directors and senior management. The remuneration committee is currently composed of two independent non-executive directors, namely, Mr. Stephen Edward Clark and Mr. Yuen Tin Fan, Francis and one executive director, namely, Mr. Qu Zhe. Mr. Yuen acts as chairman of the remuneration committee.

AUDIT COMMITTEE

The Company has established an audit committee with specific written terms of reference in accordance with the requirements of the Code. The role of the audit committee is to assist the board in fulfilling its corporate governance and oversight responsibilities in relation to financial reporting, internal control, risk management and external audit functions. The audit committee currently consists of three independent non-executive directors, namely, Messrs. Stephen Edward Clark, Li Hung Kwan, Alfred and Yuen Tin Fan, Francis. Mr. Clark acts as chairman of the audit committee. All of them have extensive experience in the accounting, financial and commercial sectors.

The audit committee has reviewed the interim financial statements of the Group for the interim period with the management and the external auditors of the Company and has reviewed the internal auditors' report for the interim period with the Company's internal auditor.

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 interim period.

By Order of the Board
China Foods Limited
Qu Zhe
Managing Director

Hong Kong, 24 August 2010

薪酬委員會

本公司根據守則的要求設立具備明確書面職權範圍的薪酬委員會。薪酬委員會的職責為審閱本公司董事及高級管理層的薪酬政策及架構並就此向董事會提供建議。薪酬委員會目前包括兩名獨立非執行董事祈立德先生及袁天凡先生及一名執行董事曲喆先生。袁先生擔任薪酬委員會主席。

審核委員會

本公司根據守則的要求設立具備明確書面職權範圍的審核委員會。審核委員會的職責是協助董事會履行其有關財務報表、內部監控、風險管理，以及外聘核數功能的企業管治及監察責任。審核委員會目前由三名獨立非執行董事組成，分別為祈立德先生、李鴻鈞先生及袁天凡先生。祈先生擔任審核委員會主席。彼等均具有廣泛會計、財務及商業經驗。

審核委員會已聯同本公司的管理層及外聘核數師審閱本集團中期期間的中期財務報表，並與本公司內部審核人員審閱了中期期間的內部審核報告。

購買、出售或贖回本公司的上市證券

本公司及其任何附屬公司於中期期間並無購買、出售或贖回本公司任何上市證券。

承董事會命
中國食品有限公司
董事總經理
曲喆

香港，2010年8月24日



中糧
COFCO

自然之源 重塑你我

CHINA FOODS LIMITED

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