



中糧
COFCO

INTERIM REPORT 中期報告

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

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 01610

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CORPORATE INFORMATION

公司資料

DIRECTORS

Chairman of the Board and Non-executive Director

Mr. Ma Jianping

Executive Director

Mr. Xu Jianong

Non-executive Directors

Ms. Yang Hong

Mr. Xu Yang

Mr. Wolhardt Julian Juul

Dr. Cui Guiyong

Dr. Wu Hai

Mr. Zhou Qi

Independent Non-executive Directors

Dr. Chen Huanchun

Mr. Fu Tingmei

Mr. Li Michael Hankin

Mr. Wu Chi Keung

AUDIT COMMITTEE

Mr. Wu Chi Keung (Chairman)

Mr. Fu Tingmei

Dr. Cui Guiyong

NOMINATION COMMITTEE

Mr. Ma Jianping (Chairman)

Dr. Chen Huanchun

Mr. Fu Tingmei

REMUNERATION COMMITTEE

Mr. Li Michael Hankin (Chairman)

Mr. Wu Chi Keung

Mr. Ma Jianping

FOOD SAFETY COMMITTEE

Dr. Chen Huanchun (Chairman)

Dr. Wu Hai

Mr. Xu Jianong

董事

董事會主席兼非執行董事

馬建平先生

執行董事

徐稼農先生

非執行董事

楊紅女士

徐陽先生

Wolhardt Julian Juul先生

崔桂勇博士

吳海博士

周奇先生

獨立非執行董事

陳煥春博士

傅廷美先生

李恆健先生

胡志強先生

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傅廷美先生

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馬建平先生

食品安全委員會

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吳海博士

徐稼農先生

CORPORATE INFORMATION

公司資料

JOINT COMPANY SECRETARIES

Dr. Zhang Nan
Ms. Chau Hing Ling

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As to Hong Kong law:
Clifford Chance

As to Cayman Islands law:
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PRINCIPAL BANKS

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

AUTHORISED REPRESENTATIVES

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Ms. Chau Hing Ling

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Principal

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高偉紳律師行

開曼群島法律：
邁普達律師事務所

主要往來銀行

中國農業銀行股份有限公司
交通銀行北京分行
中國工商銀行股份有限公司

授權代表

徐稼農先生
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CORPORATE INFORMATION

公司資料

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MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

I. BUSINESS REVIEW

1. Market Overview

In 2016, China's hog production industry recorded a historic high of profit. In the first half of 2017, domestic pork production slightly increased by 0.8% year-on-year to 25 million tons, while hog stock and hog production volume increased by 0.4% and 0.7% year-on-year, respectively; the hog price kept high at the beginning of 2017, decreased after the spring festival and then rebounded slightly. The fall of hog price as compared with last year produces no impediment to the transformation and upgrading of meat industry. The continuous exit of backyard farming and the rise of mid and high-end fresh food retail constitute a solid foundation for the healthy and stable growth of the Group.

Large-scale Farming Has Characteristics of High Technology and High Barrier. Backyard Farming Exits from the Industry Continuously Due to the Big Gaps in Technology and Cost as Compared with Large-Scale Enterprises

Hog production is China's traditional industry. Along with the expansion of large-scale farming in China in the recent years, large-scale enterprises have strived to improve efficiency from various aspects and established competitive advantages as compared with backyard farming, including but not limited to: (i) large-scale farming imports high performance breeding stocks and enhances female reproductive performance through further genetic improvement, as a result, the litter size is remarkably higher than the average level of the industry and production cost is reduced; (ii) large-scale farming generally has inhouse feed mills, and can reduce purchase cost by mass purchasing of feed ingredients and raw materials and improve feed conversion ratio through employing professional nutrition teams; (iii) the labor cost of large-scale farming is lower due to use of automatic facilities and high average labour productivity in barns; (iv) large-scale farming adopts enclosed pig raising and precisely controls temperature and humidity in barns, leading to stable production less affected by weather; and (v) large-scale farming has adequate capital to survive fluctuations.

一、業務回顧

1. 市場概覽

二零一六年，中國生豬養殖行業實現了歷史性盈利。二零一七年上半年，中國豬肉產量同比小幅增長0.8%達25百萬噸，生豬存欄量、生豬出欄量分別同比增長0.4%和0.7%；生豬價格於二零一七年年初保持高位，春節後下行，後小幅回升。雖然豬價同比去年有所回落，但肉類行業的轉型升級卻毫無減速，散養戶持續退出、中高端生鮮零售崛起，為本集團健康穩定增長奠定了堅實的基礎。

規模養殖具有高技術、高壁壘的特性，散養戶在技術和成本方面與規模企業的差距拉大，正持續退出行業

生豬養殖是中國的傳統產業，但近年來，隨著規模養殖在國內的發展壯大，大型養殖企業在各個環節尋找效率提升空間，具備散養戶不可比擬的優勢，包括但不限於：(i)進口國外高性能種豬，並通過進一步育種改善母豬生產性能，產仔數顯著高於行業平均水平，攤低了養殖成本；(ii)普遍自建飼料廠，大規模採購飼料原料降低採購成本，並有專業的配方團隊，飼料成本低、造肉效率高；(iii)豬舍採用自動化設施，人均飼養量大，勞動成本低；(iv)全密閉飼養，精準控制豬舍內部的溫度和濕度，生產穩定，受天氣影響小；及(v)資金實力雄厚，抵禦波動能力強。

MANAGEMENT DISCUSSION AND ANALYSIS

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Backyard farming continuously exits from the industry due to the increasing cost gap as compared with large-scale farming enterprises. It is expected that the proportion of national hog production volume of backyard farming will decrease to below 52% by the end of 2017 from 57% in 2015, representing a reduction of hog production capacity of 66.0 million heads in the recent three years. Moreover, the national hog stock has also been reduced due to the increasingly strict environmental protection requirements on backyard farms and scale enterprises. All of the abovementioned factors have generated huge development space for modern scale enterprises.

Transformation of Food Retail Pattern, and Rapid Development of Convenience Stores, Mid and High-end Fresh Food Stores and Fresh Food E-commerce Platforms

The consumption upgrading has led to the stagnant growth of traditional supermarkets and hypermarkets but robust growth of convenience stores, mid and high-end fresh food stores and e-commerce platforms. The information from China Chain Store & Franchise Association (CCFA) shows that in 2016 the industry of branded chain convenience stores increased by 13%, and the market scale amounted to over RMB130 billion. Specifically, rapid development has been seen in the chain convenience stores represented by 7-Eleven and LAWSON, and community convenience stores like NGS, JiaDeLi, DIA Tian Tian and Century Mart, which provide abundant fast food and beverage for customers and have gradually become people's backup kitchen. Mid and high-end fresh food stores represented by Yonghui Fresh Food and Hema Fresh Food also developed quickly, and so did fresh food e-commerce platforms represented by Benlai.com and Miss Fresh, the customers of which are increasing remarkably. Transformation of food retail pattern contributed to the growth of sales volume of suppliers of high quality meat products, putting forward higher requirements to upstream production enterprises on the product quality, food safety and supply chain system.

由於散養戶與規模養殖企業的成本差距逐步拉大，散養戶持續退出行業。預計到二零一七年底，全國散養戶養殖出欄佔比將由二零一五年的57%降至52%以下，三年內降低了66.0百萬頭的產能。此外，日益嚴格的環保要求對散戶和規模企業均有影響，壓減了全國的生豬存欄規模。以上因素都為現代化規模企業的發展留下了巨大空間。

食品零售業態轉型，便利店、中高端生鮮店及生鮮電商迅猛發展

伴隨著消費升級，傳統超市和大賣場等業態增速停滯，便利店、中高端生鮮店和電商增幅強勁。根據中國連鎖經營協會(CCFA)數據，二零一六年中國連鎖品牌化便利店行業增速達13%，市場規模已超過人民幣130十億元，以7-11、羅森為代表的連鎖便利店發展迅猛，農工商、家得利、迪亞天天、世紀聯華等社區便利商超也增幅強勁，為消費者提供種類豐富的現飲即食類食品，逐漸成為百姓的後廚房；以永輝生鮮、盒馬鮮生為代表的中高端生鮮店發展迅速；生鮮電商平台的發展也日新月異，本來生活、每日優鮮等生鮮電商客流快速增加。食品零售業態的轉型，助推了高品質肉類產品供應商的銷量增長，同時倒逼上游生產環節，對食品企業的產品品質、食品安全以及供應鏈體系提出了更高要求。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

2. Results of Operation

Core Businesses Maintained at a High Growth Rate. Prior to Adjustments of Fair Value of the Group's Biological Assets, the Net Profit was RMB289 Million

In the first half of 2017, the Group's core businesses still maintained a high growth rate despite the price fall. The hog production volume and sales volume of fresh pork increased by 35.7% and 29.5% year-on-year, respectively. The Group recorded a revenue of RMB3,299 million, increasing by 10.4% year-on-year.

In the first half of 2017, the Group's net profit before the adjustments of fair value of biological assets was RMB289 million, decreasing by 38.2% year-on-year. Despite the uncontrollable fall of hog price, the segment results of fresh pork and processed meat products increased significantly year-on-year benefited from the Group's concentration on cost management and control, operation improvement as well as its enhanced brand promotion and channel expansion. The revenue of branded fresh pork business recorded a growth of 49.5% year-on-year.

Flattening Management Structure, Enjoying Financing Advantages, Leading to Decreasing Expenses

In the first half of 2017, the Group continued optimising its organisational structure and adopted flattening management structure. Meanwhile, the Group strictly controlled the size of staffing and formulated budget of total remuneration, contributing to the continuous decrease of administrative expenses. In the first half of 2017, the administrative expenses rate decreased by 0.5 percentage point year-on-year. Relying on COFCO Group and making use of the strengths on finance cost, the Group is granted with preferential terms like discount loans and lower benchmark interest rate, which have greatly facilitated the fast expansion of the Group.

2. 經營業績

核心業務保持高速增長，本集團生物性資產公允價值調整前淨利潤人民幣289百萬元

二零一七年上半年，雖價格有所下行，但本集團核心業務繼續保持高速增長，生豬出欄量、生鮮豬肉銷量同比分別增長35.7%、29.5%，本集團整體實現營業收入人民幣3,299百萬元，同比增長10.4%。

二零一七年上半年，本集團生物性資產公允價值調整前淨利潤為人民幣289百萬元，同比下降38.2%。本集團克服豬價下降的不可控因素，聚焦成本費用管控和運營提升，同時繼續加大品牌推廣和渠道開拓力度，生鮮豬肉和肉製品分部業績同比大幅增加，品牌生鮮豬肉業務營收同比增長49.5%。

管理架構扁平化，享有融資優勢，費用不斷降低

二零一七年上半年，本集團繼續優化組織架構，實現了管理結構扁平化，並嚴控人員編製，制定薪酬總額預算，引導管理費用不斷降低。二零一七年上半年，管理費用率同比下降0.5個百分點。本集團背靠中糧集團，利用融資成本優勢，獲得貼息貸款、基準利率下浮等優惠條件，為本集團快速擴張提供了強有力的支持。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Remarkable Strengths in Food Safety with a 100% Passing Rate for the Product Inspection

The Group has always focused on food safety and introduced advanced food safety management system in various aspects of supply chain. Currently, the Group's feed, breeding, slaughtering and meat products processing subsidiaries have been granted with certificates of quality and food safety management system like ISO9001, ISO22000 or HACCP (Hazard Analysis and Critical Control Points). Moreover, the fresh pork of Wuhan COFCO Meat Foods Co., Ltd. and COFCO Meat (Jiangsu) Co., Ltd. has been granted with certification of green food and pollution-free food, respectively.

In the first half of 2017, the Group further enlarged the volume of pigs supplied by own farms and improved its controlling capability on the source of supply chain. Meanwhile, the Group has formulated and implemented strict internal control standard of food safety, enhanced the management and control of production process and strictly controlled ex-factory inspection of products. In the first half of 2017, the Group achieved a 100% passing rate of more than 50 batches of inspections held by China Food and Drug Administration and other regulatory institutions.

Hog Production Business

In the first half of 2017, hog production business recorded a segment revenue of RMB1,627 million, increasing by 9.3% year-on-year. It also recorded a segment profit of RMB341 million, decreasing by 36.0% year-on-year. Significant increase of production volume and average finishing weight partly offset the adverse effects brought by the fall of hog price.

Fast growth of hog production volume and continuous increase of finishing weight

In the first half of 2017, the hog production volume of the Group reached 1,009 thousand heads, increasing by 35.7% year-on-year. The average finishing weight per head was 107.0 kg, increasing by 1.2 kg year-on-year. And the days to market (if calculated with the 100 kg standard) decreased to 168.3 days, decreasing by 2.4 days year-on-year.

食品安全優勢突出，產品檢測合格率100%

本集團歷來重視食品安全，在產業鏈各環節引進先進的食品安全管理體系。目前，本集團下屬飼料、養殖、屠宰、肉製品加工企業獲得了ISO9001、ISO22000或HACCP（危害分析與關鍵控制點）體系等質量及食品安全管理體系認證；除此之外，武漢中糧肉食品有限公司和中糧肉食（江蘇）有限公司的生鮮豬肉分別獲得綠色食品、無公害食品的相關認證。

二零一七年上半年，本集團進一步擴大自有養殖規模，提高了對產業鏈源頭的掌控能力。同時，本集團制定並落實嚴格的食品內部控制標準，強化生產過程管控，嚴格把控產品出廠檢驗。二零一七年上半年，本集團產品經國家食品藥品監督管理總局等監管機構抽檢50餘批次，合格率達100%。

生豬養殖業務

二零一七年上半年，生豬養殖業務實現分部營業收入人民幣1,627百萬元，同比增長9.3%；亦錄得分部溢利人民幣341百萬元，同比下降36.0%。出欄量大幅提升，伴隨出欄均重提高，部分抵消了豬價下行的不利影響。

生豬出欄量保持高速增長，出欄體重繼續提升

二零一七年上半年，本集團生豬出欄量升至1,009千頭，同比增長35.7%。頭均出欄重為107.0公斤，同比增加1.2公斤；校正為100公斤的出欄日齡降至168.3天，同比下降2.4天。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Despite the increasingly strict requirements of environmental protection and land registration formalities in 2017, the Group launched hog production projects of Phase II of Guangshui in Hubei, Phase I of Zunhua in Hebei and Phase I of Yongcheng in Henan in the first half of the year. And the hog production project of Jiangsu CM/Merit Agriculture Development Co., Ltd., a joint venture with Chainwin Agriculture and Animal Technology (Cayman Islands) LTD has been successfully put into operation, of which the shares held by the Group has been increased from 40% to 51% (being the controlling Shareholder), and the production capacity of piglet increased by 350 thousand heads. As of June 30, 2017, our total hog production capacity amounted to 3,492 thousand heads.

Inhouse feed mills put into operation, and enable us to take full advantages of the raw materials procurement of COFCO Group, our substantial Shareholder

In order to improve the feed self-sufficiency ratio and reduce the feed cost, the Group started to build feed mills around the production sites since 2015. The feed production capacity in Songyuan of Jilin, Chifeng of Inner Mongolia and Zhangbei of Hebei amounted to 540 thousand tons as of June 30, 2017, catering to the feed needs of annual output of 1,500 thousand hogs. And the feed mills in Jiangsu and Hubei are currently under construction. The feed self-sufficiency ratio of the Group keeps increasing in the first half of 2017.

Thanks to the advantages provided by COFCO Group for procurement of raw materials and the strategic cooperation of sharing the information and channels with fellow subsidiaries, the Group enjoyed preferential conditions like favourable fee quote, preferential supply and convenient logistics, which could reduce the purchase cost of feed ingredients and raw materials.

Fresh Pork Business

In the first half of 2017, fresh pork segment recorded a historic high of profit and scale growth. The sales volume increased by 29.5% year-on-year to 80 thousand tons, mainly contributed from the growth in sales volume of Eastern China; the segment revenue amounted to RMB1,382 million, increasing by 12.2% year-on-year; the segment profit amounted to RMB45 million, increasing by RMB47 million year-on-year; and the gross profit margin of the segment increased by 4.1 percentage points year-on-year, among which the gross profit margin of branded fresh pork business increased by 5.4 percentage points year-on-year.

二零一七年，面對日益嚴峻的環保要求和土地辦理手續趨於嚴格的形勢，本集團湖北廣水二期、河北遵化一期及河南永城一期生豬養殖項目於上半年開工，全穩農牧科技（開曼）有限公司的合資公司江蘇中慕農業發展有限公司生豬養殖項目亦順利投產，本集團於該公司由參股40%轉為控股51%（為控股股東），增加仔豬產能350千頭。截至二零一七年六月三十日，本集團生豬養殖總產能為3,492千頭。

配套飼料廠發揮效能，充分利用主要股東中糧集團原料採購優勢

為提高飼料自給率、降低飼料成本，本集團自二零一五年起在養殖場周邊配套建設飼料廠。截至二零一七年六月三十日，已在吉林松原、內蒙赤峰、河北張北形成飼料產能540千噸，可滿足年出欄1,500千頭生豬的飼料需求。目前江蘇和湖北飼料廠正在建設中。二零一七年上半年本集團內部飼料供應比例繼續提高。

本集團利用中糧集團的原料採購優勢，與兄弟公司開展戰略合作，進行信息和渠道共享，享有優惠報價、優先保供、便捷物流等優惠條件，有利於降低飼料原料的採購成本。

生鮮豬肉業務

二零一七年上半年，生鮮豬肉分部實現了歷史性盈利和規模增長。銷量同比增長29.5%達80千噸，主要由於華東區銷量增長的貢獻；實現分部營業收入人民幣1,382百萬元，同比增長12.2%；錄得分部溢利人民幣45百萬元，同比增加47百萬元；分部毛利率同比提高4.1個百分點，其中品牌生鮮豬肉業務毛利率同比提高5.4個百分點。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Developing channels and customers leads to significant increase of sales volume and huge improvement of branded business

In the first half of 2017, thanks to vigorous development of channels and customers, the slaughtering capacity utilization rate of the Group increased by 7.4 percentage points year-on-year to 76.7% and the sales volume of fresh pork segment increased by 29.5% year-on-year, under which, the sales volume in Eastern China increased by 37.2% year-on-year. The increase in sales volume and slaughtering capacity utilization rate also led to the reduction of processing cost per head. In the first half of 2017, the processing cost per head of fresh pork segment decreased by 8.0% year-on-year; especially in the Eastern China factories, driven by the scale effect, the slaughtering capacity utilization rate increased to 69.3% from 58.9%, and the processing cost per head became lower than that in Central China factories.

In the first half of 2017, the revenue of branded fresh pork business amounted to RMB326 million, increasing by 49.5% year-on-year, under which, the revenue of branded fresh pork business in Eastern China significantly increased by 89.7% year-on-year to RMB201 million. The revenue of branded fresh pork business accounted for 23.6% of the entire revenue of fresh pork business, increasing by 5.9 percentage points year-on-year.

Fine cutting maximizes the product premium

Based on the advanced factory equipments and diversified distribution channels, the Group spares no efforts in carrying out fine cutting and constantly optimizing product mix based on market feedbacks. We sell each type of product to its most profitable channel so as to maximize the value of each hog. Compared with traditional "butcher", factory based fine cutting has obvious superiority in order delivery speed and products standardization and order fulfill rate is relatively high, leading to a stable increase in market share.

深耕渠道和客戶，銷量大幅上升，品牌業務全面發力

二零一七年上半年，本集團屠宰產能利用率同比提升7.4個百分點至76.7%，生鮮豬肉分部銷量同比增長29.5%，其中華東區的銷量同比增長37.2%，主要得益於深耕渠道和客戶。銷量及屠宰產能利用率的上升亦導致頭均加工成本降低。二零一七年上半年，生鮮豬肉分部的頭均加工成本同比下降8.0%，特別是華東區工廠，受規模效應所驅動，其屠宰產能利用率由58.9%上升為69.3%，頭均加工成本已低於華中區工廠。

二零一七年上半年，生鮮豬肉品牌業務收入達人民幣326百萬元，同比提升49.5%，其中華東區品牌生鮮豬肉業務收入同比大增89.7%達到人民幣201百萬元。品牌生鮮豬肉業務營收佔生鮮豬肉業務整體收入的比例達到23.6%，同比增加5.9個百分點。

精細化分割，最大程度提升產品溢價

在工廠設備先進、分銷渠道多元化的基礎上，本集團大力開展精細化分割，並根據市場反饋不斷優化產品結構。我們將不同產品銷售到能產生其最大溢價的渠道，力爭實現每頭豬價值最大化。與傳統「刀手」模式相比，工廠化精細分割模式的訂單供應速度和產品標準化優勢明顯，訂單滿足率較高，市場份額穩步提升。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

With increased investment in on-line and off-line campaigns, the brand has been gaining higher awareness

In the first half of 2017, the Group made more efforts on on-line and off-line brand promotion activities. The brand awareness in Shanghai has increased to 23%, with purchase conversion rate increasing to 43%. The number of sales terminals (branded) in Eastern China increased by 13.0% year-on-year to 1,213, among which, the number of supermarkets and mid-to-high end fresh food stores increased from 166 for the same period in 2016 to 202, community convenience stores increased from 792 to 890, franchised stores and E-commerce platforms increased from 115 to 121. Sales volume of small-pack products in Eastern China increased by 53.7% to 1,948 thousand boxes.

The Company continually promoted the brand positioning of "five checkpoints for product safety and quality assurance from company owned farms" through on-line channels including TV news and the Orient CJ to deliver safety benefits to consumers, and further improved the brand awareness of Joycome by displaying the brand logo. By holding 74 community mini-shows in respect of the off-line channel, the brand information has been communicated to approximately 96,000 people. COFCO Meat (Jiangsu) Co., Ltd., the subsidiary of the Company, organized 54 on-site visits to hog farms and fresh pork processing plants in Dongtai of Jiangsu, which has attracted approximately 24,000 consumers to attend. The on-site visits fully demonstrated the Group's vertical integrated supply chain model winning consumers' recognition of the products' reliability and increasing consumer stickiness as a result.

Processed Meat Products Business

During the first half of 2017, the processed meat products business moved forward steadily and achieved a sales volume of 4.7 thousand tons, increasing by 2.1% year-on-year; segment revenue of RMB164 million, increasing by 2.9% year-on-year; and segment profit of RMB2.0 million, increasing by RMB3.2 million year-on-year.

線上線下投入力度加大，品牌知名度持續提升

二零一七年上半年，本集團加大了線上線下品牌推廣力度，在上海的品牌知名度提升至23%、購買轉換率提升至43%。華東區品牌終端數量同比增長13.0%至1,213個，其中商超及中高端生鮮店的數量由二零一六年同期的166個增加到202個，社區便利店由792個增加到890個，專賣店及電商由115個增加到121個。華東區品牌小包裝銷量增加53.7%至1,948千盒。

本公司在線上渠道通過電視新聞、東方CJ等渠道持續宣傳「安全五道關，自養好品質」的品牌定位，將安全的利益點傳遞給消費者，並通過品牌標識的展示，進一步提升家佳康品牌的辨識度。在線下渠道舉辦社區迷你秀74場，品牌累計宣傳約達96,000人次。本公司下屬中糧肉食（江蘇）有限公司組織基地游活動54次，帶領消費者參觀位於江蘇東台的生豬養殖及生鮮豬肉加工廠，累計參與消費者約達24,000人次。基地游活動向消費者充分展示了本集團垂直整合產業鏈運作模式，取得了消費者對產品可靠性的廣泛認可，且因此增強了消費黏性。

肉製品業務

二零一七年上半年，肉製品業務穩紮穩打，實現銷量4.7千噸，同比增長2.1%；分部營業收入人民幣164百萬元，同比增長2.9%；分部溢利人民幣2.0百萬元，同比增長人民幣3.2百萬元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Transforming channel structure with a focus on strategic channels including bakeries, food services and convenience stores

In recent years, new channels in first-tier cities of China including convenience stores and E-commerce thrived. The Group seized the development trend of the industries and stepped up the efforts in channel transformation. For supermarkets with poor performance, direct selling was shifted to distributor-based to improve profitability. We exploited the channels of convenience stores vigorously and have developed approximately 10,000 stores as of June 30, 2017. Meanwhile, we also focus on food service clients and medium to large scale bakeries, increasing the profit margin of food service channel by 5.6 percentage points year-on-year.

With the construction of new plant in Dongtai of Jiangsu, the capability to serve food service clients will be further improved

To better serve large Western food service clients, construction of the meat processing plant with a capacity of 10,000 tons in Dongtai, Jiangsu started successfully in 2017, and is expected to be officially committed to operation in early 2018. Upon operation, the new plant will focus on further processing of imported beef to offer products like seasoned steaks and patties to food service clients. So far the Company has developed various further processing new products with imported beef including seasoned steaks, which have been put into trial production in Wuhan plant and will be delivered to markets in the second half of 2017, as a preparation for the operation of the Dongtai new plant.

Intensive study of market demand, new products including cheese-filled sausage and chewy meat stick perform well

In the first half of 2017, processed meat products segment launched 38 stock keeping units (SKUs) to the market, achieving new products sales of 216 tons, or RMB5.8 million. "Cheese-filled sausage" is a new product launched by the team after researching in Japan market, and has high requirements on equipment, raw material quality and processing technology, making relatively high technical barrier. From its launch in March 2017, it has made a sales of over 215,000 packs in Southern China market and became top-10 best seller in many outlets. Chewy meat sticks series room temperature snack products have been further improved, reaching sales of over 150,000 packs in June 2017 and a sales growth of 159.7% for the first half of 2017, leading a new trend for snack products.

渠道結構轉型，重點發展烘焙、餐飲、便利店等戰略渠道

近年國內一線城市便利店和電商等新渠道興起。本集團把握行業趨勢，大力開展渠道轉型工作：對於效益不佳的商超，採取直營轉為經銷的方式提升利潤；大力開發便利店渠道，截至二零一七年六月三十日，已開發門店數量約10,000家；同時重點服務餐飲客戶及大中型烘焙商，餐飲渠道利潤率同比提升5.6個百分點。

江蘇東台新工廠順利開工，服務餐飲客戶能力將進一步增強

為更好的服務大型西式餐飲客戶，江蘇東台年產能10,000噸的肉製品廠於二零一七年順利開工，預計二零一八年年初正式投產。新廠投產後，將聚焦進口牛肉深加工業務，為餐飲客戶提供調理牛排、肉餅等產品。目前本公司已開發包括調理牛排在內的多種進口牛肉深加工新品，並在武漢工廠試產，二零一七年下半年將投放市場，為東台新廠投產做好鋪墊。

深挖市場需求，新產品芝心腸、嚼真棒等表現突出

二零一七年上半年，肉製品分部上市新品庫存量單位 (SKU) 38個，實現新品銷量216噸，銷售額人民幣5.8百萬元。「芝心腸」是團隊調研日本市場後推出的一款新品，對設備、原料品質和加工技術的要求很高，形成較高技術壁壘，自二零一七年三月上市以來，在華南市場累計銷量突破215,000包，成為多家門店的前十大暢銷單品。嚼真棒系列常溫休閒食品產品品類進一步完善，二零一七年六月單月銷量突破150,000包，2017年上半年累計銷量增長159.7%，引領休閒食品新潮流。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Meat Import Business

In the first half of 2017, considering the drop in domestic meat prices, the meat import segment continued its operation model transformation, combined trading with processing, strengthened risk control and stepped up beef products sales effort. For the first half of 2017, it has achieved sales volume of 40.3 thousand tons, decreasing by 16.3% year-on-year. It also achieved revenue of RMB865 million, decreasing by 4.4% year-on-year; and segment profit of RMB3.9 million, decreasing by 91.7% year-on-year.

Combining trading with processing and carrying out cooperation with key accounts on project basis

In the first half of 2017, the meat import segment continued to push forward trading-plus-processing business model, worked with our Wuhan plant on imported pork cutting business, and supplied products for COFCO's womai.com. The Group also worked with key accounts such as certain famous steak restaurant chain in China on project basis. By binding upstream suppliers, the Group introduced high value-added products such as premium beef and small original foreign packages for our clients, bringing more value to cooperation.

By working with the largest beef producer in the U.S., the Group successfully imported the first batch of U.S. beef

In April 2017, China and U.S. leaders jointly proffered "Hundred Days Plan" for China-U.S. economy cooperation during their meetings. The plan encompasses five parts including agricultural products trading, energy, financial services, investment and China-U.S. interactions as well as ten essential areas, in which importing U.S. beef is top on the agenda. As one of the largest meat importers and distributors in China, the Group has obtained the qualification for importing the first batch of U.S. beef due to its close business relationship with overseas well-known meat supplier and remarkable advantages in sourcing implementation, custom clearance efficiency and food safety.

In June 2017, the delegation of the Group arrived in the U.S. to verify the beef source information, and ensured that cattle farming standard, traceability system, manufacturing process and product quality are in line with China's requirements on imported products. On June 23, 2017, the Group successfully completed the import of the first batch of beef from the U.S. to China and the number of orders is currently increasing.

肉類進口業務

二零一七年上半年，面對國內肉類價格下行的情況，肉類進口分部繼續進行模式轉型，工貿結合，加強風險控制，並加大牛肉產品銷售，二零一七年上半年銷量40.3千噸，同比下降16.3%。亦取得營業收入人民幣865百萬元，同比下降4.4%；分部溢利人民幣3.9百萬元，同比下降91.7%。

工貿結合，與重點客戶開展項目制合作

二零一七年上半年，肉類進口分部繼續推進工貿結合的業務模式，與武漢工廠共同開展進口豬肉分割業務，為中糧我買網供貨。本集團還與國內某知名牛排連鎖餐飲企業等重點客戶開展項目制合作，綁定上游供應商，為客戶引進高端牛肉、國外原廠小包裝等高附加值產品，提升合作價值。

與美國第一大牛肉生產商合作，成功進口首批美國牛肉

二零一七年四月，中美兩國元首在會晤期間提出中美經濟合作「百日計劃」，該計劃涉及農產品貿易、能源、金融服務、投資和中美往來等五個部分和十個要點，其中，進口美國牛肉居首。作為國內最大的肉類進口分銷商之一，本集團因其與海外知名肉類供應商的緊密業務關係及在落實貨源、通關效率、食品安全方面的明顯優勢，獲得了執行首單美國牛肉進口的資質。

二零一七年六月，本集團率隊赴美落實牛源信息，確保牛隻養殖標準、可追溯體系、加工流程和產品質量符合中國進口要求，二零一七年六月二十三日，本集團成功完成中國首批美國牛肉進口，目前訂單量不斷增加。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

II. FINANCIAL REVIEW

1. Overall Performance

During the first half of 2017, revenue of the Group from continuing operations was RMB3,299 million, representing a year-on-year increase of 10.4% as compared with RMB2,989 million for the same period in 2016. During the first half of 2017, the net profit of the Group was RMB226 million, representing a year-on-year decrease of 68.7% as compared with RMB722 million for the same period in 2016. Prior to the adjustments of fair value of biological assets, the net profit of the Group was RMB289 million, representing a year-on-year decrease of RMB179 million as compared with RMB468 million for the same period in 2016.

Revenue

During the first half of 2017, revenue of the Group from continuing operations was RMB3,299 million, representing a year-on-year increase of RMB310 million as compared with RMB2,989 million for the same period in 2016, mainly benefiting from the effective development of branded business channels and the rapid growth of overall sales volume. Meanwhile, hog production volume recorded a year-on-year increase of 35.7%, which jointly offset the effect from the year-on-year decrease of commodity pig price during the first half of 2017.

Gross Profit Margin

During the first half of 2017, the gross profit margin of continuing operations prior to adjustment of fair value decreased from 23.5% to 17.0%, mainly due to the effect of the year-on-year decrease of commodity pig price during the first half of 2017, which was offset in part by the increased space of overall gross profit of branded business including fresh pork and processed meat products.

Selling and Distribution Expenses and Administrative Expenses

During the first half of 2017, the total selling and distribution expenses and administrative expenses of the continuing operations amounted to RMB218 million, representing a slight increase year-on-year of 0.5% as compared with RMB217 million for the same period in 2016, mainly due to the increase of selling and distribution expenses resulting from energetically expanding of the market and deepening of the sales channels. Meanwhile, the strict control over daily costs resulted in a decrease of 7.3% in administrative expenses as compared with that for the same period in 2016.

二、財務回顧

1. 整體業績

二零一七年上半年，本集團持續經營業務的收入為人民幣3,299百萬元，較二零一六年同期人民幣2,989百萬元上升10.4%。二零一七年上半年，本集團淨利潤為人民幣226百萬元，較二零一六年同期人民幣722百萬元下降68.7%。在生物資產公允價值調整前，本集團淨利潤為人民幣289百萬元，較二零一六年同期人民幣468百萬元減少人民幣179百萬元。

收入

二零一七年上半年，本集團持續經營業務的收入為人民幣3,299百萬元，較二零一六年同期人民幣2,989百萬元上升人民幣310百萬元，主要受益於品牌業務渠道開拓頗見成效，整體銷售規模迅速增長；同時，養殖業務生豬出欄量同比增長35.7%，共同抵消二零一七年上半年商品大豬價格同比下滑的影響。

毛利率

二零一七年上半年，持續經營業務的毛利率在公允價值調整前由23.5%下降至17.0%，主要受二零一七年上半年商品大豬價格較去年同期下降的影響，同時被生鮮豬肉、肉製品等品牌業務整體毛利空間擴大所部分抵消。

銷售及分銷支出及行政支出

二零一七年上半年，持續經營業務的銷售及分銷支出、行政支出合計為人民幣218百萬元，較二零一六年同期人民幣217百萬元微增0.5%，主要是由於大力開拓市場、深耕銷售渠道帶來的銷售及分銷支出增加，對日常費用的嚴格管控使得行政支出較二零一六年同期下降了7.3%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Finance Costs

During the first half of 2017, the finance costs of continuing operations were RMB41 million, representing a year-on-year decrease of 30.3% as compared with RMB58 million for the same period in 2016, which was mainly because we raised funds (before deducting related listing expenses) of approximately RMB1,704 million in November 2016, and the Company was operating well with adequate operating cash flow during the first half of 2017, meanwhile, the Group implemented the centralised management of funds, promoted the efficiency of cash flow and repaid some bank loans in advance.

Other Income, Other Gains and Losses

During the first half of 2017, other income from continuing operations was RMB31 million, representing an increase of RMB15 million, mainly due to the increase of RMB10 million in government grants (including pig insurance indemnity).

Other gains and losses turned from gains of RMB29 million for the same period in 2016 to losses of RMB40 million for the first half of 2017, mainly because the volatility in the exchange rates caused exchange losses and losses of foreign exchange forward contract amounting to RMB36 million in total, while the insurance indemnity from the damaged inventory due to the explosion at Tianjin Port happening in August 2015 received and confirmed for the same period in 2016 amounted to RMB37 million.

Profit/Loss for the Period from Continuing Operations

For the reasons above, the Group recorded a profit of RMB289 million from the continuing operations of the Group prior to biological assets fair value adjustments during the first half of 2017, representing a decrease of RMB181 million as compared with RMB470 million for the same period in 2016.

Significant Investments, Acquisitions and Disposals of Subsidiaries

Save as disclosed in this interim report, the Group has neither any other significant investments nor significant acquisitions and disposals of the relevant subsidiaries during the first half of 2017.

融資成本

二零一七年上半年，持續經營業務的融資成本為人民幣41百萬元，較二零一六年同期人民幣58百萬元減少30.3%，乃主要由於二零一六年十一月取得募集資金（扣除相關上市開支前）約人民幣1,704百萬元，加上二零一七年上半年，本公司經營情況良好，經營現金流充足，同時本集團實行資金集中管理，提升資金周轉效率，提前歸還了部分銀行貸款。

其他收入、其他收益及虧損

二零一七年上半年，持續經營業務的其他收益為人民幣31百萬元，增加人民幣15百萬元，主要是由於政府補助（含豬隻保險賠款）增加人民幣10百萬元。

其他收益及虧損由二零一六年同期的收益人民幣29百萬元逆轉為二零一七年上半年的虧損人民幣40百萬元，主要由於匯率波動導致匯兌損失、外匯遠期合約損失共人民幣36百萬元，而本公司於二零一六年同期收到並確認了於二零一五年八月發生的天津港爆炸所損毀的存貨帶來的保險賠償人民幣37百萬元。

持續經營業務期內溢利／虧損

基於上述各項原因，本集團於二零一七年上半年錄得持續經營業務生物資產公允價值調整前溢利人民幣289百萬元，較二零一六年同期的人人民幣470百萬元相比減少人民幣181百萬元。

持有的重大投資、附屬公司的重大收購及出售

除本中期報告所披露者外，本集團於二零一七年上半年概無持有其他重大投資或有關附屬公司的重大收購及出售。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

2. Analysis on Capital Resources

Liquidity and Financial Policy

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

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

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

As at June 30, 2017, the cash and cash equivalents owned by the Group amounted to approximately RMB1,279 million (December 31, 2016: approximately RMB1,588 million). The decrease was primarily attributable to expenditures on construction of fixed assets, repayment of borrowings, etc.

As at June 30, 2017, the current ratio was 1.25 (December 31, 2016: 1.25), our unused bank credit facilities were RMB7,593 million.

2. 資本資源分析

流動性及財務政策

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

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

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

於二零一七年六月三十日，本集團擁有現金及現金等價物約為人民幣1,279百萬元（二零一六年十二月三十一日：約人民幣1,588百萬元），有關減少乃主要由於固定資產建設支出，歸還借款等。

我們於二零一七年六月三十日的流動比率為1.25（二零一六年十二月三十一日：1.25），未動用銀行融資額度為人民幣7,593百萬元。

MANAGEMENT DISCUSSION AND ANALYSIS

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EBITDA and Cash Flow

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

For the six months ended June 30, 2017, the EBITDA (prior to biological assets fair value adjustments) of the Group's continuing operations was RMB484 million (corresponding period of 2016: RMB649 million). Net cash generated from our operating activities was RMB201 million (corresponding period of 2016: RMB651 million). The net cash used in our investment activities was RMB310 million (corresponding period of 2016: RMB264 million), including RMB395 million (corresponding period of 2016: RMB356 million) for (amongst others) the purchase of property, plant and equipment. The net cash used in our financing activities was RMB172 million (corresponding period of 2016: RMB89 million). In summary, our net losses in cash of RMB281 million during the first half of 2017 were mainly due to the purchase of property, plant and equipment, as well as the repayment of bank borrowings during the period.

Capital Structure

As at June 30, 2017, the total numbers of issued shares of the Company remained unchanged at 3,901,998,323 shares.

As at June 30, 2017, the Group had interest-bearing bank loans of approximately RMB2,102 million (December 31, 2016: approximately RMB2,586 million). The annual interest rate on bank loans ranged from 2.03% to 4.90% (December 31, 2016: from 1.33% to 5.15%). Most of the bank loans were based on floating interest rates.

EBITDA及現金流量

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

截至二零一七年六月三十日止六個月，本集團持續經營業務的EBITDA（生物資產公允價值調整前）為人民幣484百萬元（二零一六年同期：人民幣649百萬元）。我們的經營活動所得現金淨額為人民幣201百萬元（二零一六年同期：人民幣651百萬元）。我們的投資活動所用現金淨額為人民幣310百萬元（二零一六年同期：人民幣264百萬元），包括購買物業、廠房及設備人民幣395百萬元（二零一六年同期：人民幣356百萬元）。我們的融資活動所用現金淨額為人民幣172百萬元（二零一六年同期：人民幣89百萬元）。總括而言，我們二零一七年上半年的現金減少淨額為人民幣281百萬元，主要是我們本期購買物業、廠房及設備和償還銀行借款導致。

資本結構

於二零一七年六月三十日，本公司之已發行股份總數保持不變，仍為3,901,998,323股股份。

於二零一七年六月三十日，本集團有計息銀行借貸約人民幣2,102百萬元（二零一六年十二月三十一日：約人民幣2,586百萬元）。銀行借貸按年利率介乎2.03%至4.90%（二零一六年十二月三十一日：介乎1.33%至5.15%）計息。大部分銀行借貸按浮動利率計息。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

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

計息銀行借貸的到期詳情分析如下：

Unit: RMB in million 單位：人民幣百萬元		June 30, 2017 二零一七年 六月三十日	December 31, 2016 二零一六年 十二月三十一日
Within one year	一年以內	1,282	1,737
One to two years	一年至兩年	173	195
Two to three years	兩年至三年	215	0
Three to five years	三年至五年	359	593
More than five years	五年以上	73	61
Total	總計	2,102	2,586

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

固定利率借款和浮動利率借款詳情分析如下：

Unit: RMB in million 單位：人民幣百萬元		June 30, 2017 二零一七年 六月三十日	December 31, 2016 二零一六年 十二月三十一日
Fixed-rate borrowings	固定利率借款	288	300
Variable-rate borrowings	浮動利率借款	1,814	2,286
Total	總計	2,102	2,586

As at June 30, 2017, the Group had approximately RMB428 million loans from related parties (December 31, 2016: approximately RMB87 million).

於二零一七年六月三十日，本集團有來自關聯方的貸款約人民幣428百萬元（二零一六年十二月三十一日：約人民幣87百萬元）。

As at June 30, 2017, the Group had net assets of approximately RMB4,713 million (December 31, 2016: approximately RMB4,438 million). The net debts of the Group¹ amounted to approximately RMB1,251 million (December 31, 2016: approximately RMB1,085 million), while the net debt to equity ratio was approximately 26.5% (December 31, 2016: approximately 24.4%).

於二零一七年六月三十日，本集團淨資產約為人民幣4,713百萬元（二零一六年十二月三十一日：約人民幣4,438百萬元），本集團淨債務¹約為人民幣1,251百萬元（二零一六年十二月三十一日：約人民幣1,085百萬元）及淨債務對權益比率約為26.5%（二零一六年十二月三十一日：約24.4%）。

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

1. 本集團淨債務指計息銀行借貸及來自關聯方的貸款減現金及現金等價物。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Contingent Liabilities and Pledge of Assets

As at June 30, 2017 and December 31, 2016, the Group had no significant contingent liabilities.

As at June 30, 2017 and December 31, 2016, the Group had no bank loans pledged with buildings, land use rights and time deposits of the Group as mortgages.

Capital Expenditure

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

For the six months ended June 30, 2017, the Group's capital expenditure was RMB405 million (corresponding period of 2016: RMB364 million). The following table set forth the capital expenditure for the first half of 2017 indicated:

Unit: RMB in million
單位：人民幣百萬元

		2017 二零一七年	2016 二零一六年
Payments for property, plant and equipment	就物業廠房及設施的付款	395	356
Payment for prepayment for lease payments	就預付租賃款項的付款	10	8
Total	合計	405	364

As of June 30, 2017, our demand for capital expenditure mainly came from the construction of hog farms in Hebei Province, Hubei Province and Jilin Province and feed mills in Hubei Province and Hebei Province.

或有負債及資產抵押

於二零一七年六月三十日及二零一六年十二月三十一日，本集團並無任何重大或有負債。

於二零一七年六月三十日及二零一六年十二月三十一日，本集團並無銀行借貸以本集團樓宇、土地使用權和定期存款作抵押。

資本開支

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

截至二零一七年六月三十日止六個月，本集團的資本開支為人民幣405百萬元（二零一六年同期：人民幣364百萬元）。下表載列所示二零一七年上半年我們的資本開支：

For the six months ended June 30, 截至六月三十日止六個月

截至二零一七年六月三十日，我們的資本開支需求主要包括位於河北省、湖北省及吉林省生豬養殖場的建設及位於湖北省、河北省的飼料加工廠建設。

MANAGEMENT DISCUSSION AND ANALYSIS

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Capital Commitment

The capital commitment of the Group is mainly related to the construction of hog farms and other production and ancillary facilities. For the six months ended June 30, 2017, the capital commitment of the Group is RMB452 million (December 31, 2016: RMB359 million).

Biological Assets (Continuing Operations)

Biological assets of the Group consist primarily of commodity pigs at various stages of development and breeding hogs used to create future animals. As at June 30, 2017, we owned 1,345 thousand live hogs, which included 1,209 thousand commodity pigs and 136 thousand breeding hogs in total, representing an increase of 14.9% as compared with 1,171 thousand heads as at December 31, 2016. The fair value of our biological assets was RMB1,517 million as at June 30, 2017 and RMB1,468 million as at December 31, 2016. Our results have been and are expected to be affected by changes in fair value of biological assets.

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

For the six months ended June 30, 2017 and the same period in 2016, such adjustments have increased our cost of sales by RMB553 million and RMB670 million, respectively. Additionally, during the first half of 2017, gains arising from fair value less costs to sell of agricultural products at the point of harvest and from changes in fair value less costs to sell of biological assets resulted in earnings of RMB41 million and RMB449 million, respectively (the same period of 2016: earnings of RMB284 million and RMB634 million, respectively). In general, net effect of biological assets fair value adjustment on profit was losses of RMB63 million during the six months ended June 30, 2017 and was gains of RMB248 million during the same period in 2016.

資本承擔

本集團資本承擔主要與建造生豬養殖廠以及其他生產及配套設施相關。截至二零一七年六月三十日止六個月，本集團的資本承擔為人民幣452百萬元（二零一六年十二月三十一日：人民幣359百萬元）。

生物資產 (持續經營業務)

本集團生物資產主要包括不同成長階段的商品豬及日後用作生產動物的種豬。於二零一七年六月三十日，我們共擁有1,345千頭生豬，包括1,209千頭商品豬及136千頭種豬。較二零一六年十二月三十一日的1,171千頭增加14.9%。我們生物資產的公允價值於二零一七年六月三十日為人民幣1,517百萬元，而於二零一六年十二月三十一日則為人民幣1,468百萬元。我們的業績一直且預期將繼續受生物資產公允價值變動所影響。

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

截至二零一七年六月三十日止六個月及二零一六年同期，該等調整令我們的銷售成本分別增加人民幣553百萬元及增加人民幣670百萬元。此外，農產品收穫時的公允價值減銷售成本產生的收益及生物資產公允價值變動減銷售成本產生的收益亦使得我們於二零一七年上半年分別錄得盈利人民幣41百萬元及人民幣449百萬元（二零一六年同期：分別錄得收益人民幣284百萬元及人民幣634百萬元）。整體而言，截至二零一七年六月三十日止六個月，生物資產公允價值調整對利潤的影響淨額為損失人民幣63百萬元，二零一六年同期則為收益人民幣248百萬元。

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III. HUMAN RESOURCES

The continuing operations of the Group hired 5,682 employees as of June 30, 2017 (As of December 31, 2016: 5,161 employees). Remuneration for employees was determined according to job nature, personal performance and market trends. For the six months ended June 30, 2017, total remuneration of the Group amounted to approximately RMB261 million (corresponding period of 2016: RMB197 million).

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

IV. SIGNIFICANT RISKS AND UNCERTAINTIES

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

Fluctuations in Commodity Prices

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

三、人力資源

本集團持續經營業務於二零一七年六月三十日僱用5,682名員工(二零一六年十二月三十一日：5,161名員工)。僱員的薪酬按工作性質、個人表現及市場趨勢而定。截至二零一七年六月三十日止六個月，本集團的薪酬總額約為人民幣261百萬元(二零一六年同期：人民幣197百萬元)。

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

四、重大風險及不確定性

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

商品價格波動

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

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Changes in Fair Value of Biological Assets

The results of operations of the Group are significantly affected by changes in fair value of our biological assets. Our biological assets include breeding hogs and commodity pigs. As of June 30, 2017, such changes added up to a decrease of RMB63 million in profit for the period of our continuing operations. For a presentation of our full results of operations both before and after biological assets fair value adjustments and showing the amounts of these three types of adjustments, please refer to the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income under Financial Information of this interim report.

Currency Risks

The Group collects most of the revenue in RMB and pays most of our expenditures, including costs incurred for sales of goods and capital expenditures, in RMB. However, several of our subsidiaries that are engaged in import of frozen meat products or that have foreign currency borrowings may expose us to exchange rate risks. A substantial portion of our cost of sales denominated in currencies other than RMB was related to our meat import business and was denominated in U.S. dollars. Exchange rate risks arise when commercial sales and purchases transactions or recognized assets or liabilities are denominated in currencies that are not our relevant subsidiaries' functional currencies. We are primarily exposed to exchange rate risks related to U.S. dollars and Hong Kong dollars, which is pegged with U.S. dollars.

The management of the Company paid attention to our prevention against exchange rate risks and have communicated timely on foreign exchange rates and forward prices with COFCO Finance and commercial banks with which we have business relationships. We entered into currency forward contracts to cover the majority of our exchange rate risks for our purchases in the meat import business, and reviewed the contracts and monitored risks on a monthly or semi-monthly basis according to the conditions of the foreign exchange market. In addition, we also fixed a foreign exchange rate in advance for the imported meat purchase price with our domestic customers according to market conditions. We also update our exchange rate risks and internal records on a weekly basis and, before making a major foreign exchange decision (including whether to use currency forward contracts to manage our exchange rate risks), conduct a sensitivity analysis and stress test.

生物資產公允價值變動

本集團的經營業績受生物資產公允價值變動的重大影響。我們的生物資產包括種豬、商品豬。於截至二零一七年六月三十日，該等變動合計減少我們於持續經營業務的期內溢利人民幣63百萬元。有關我們在經生物資產公允價值調整以前及以後整個經營業績以及反映三類調整金額的呈報，請參閱本中期報告財務資料的簡明綜合損益及其他全面收益表。

貨幣風險

本集團以人民幣收取大部分收益及以人民幣支付大部分開支，包括銷售貨品產生的成本及資本開支。然而，我們的若干附屬公司從事進口冷凍肉類產品或擁有外幣借款，可能令我們承擔匯率風險。我們以非人民幣貨幣計值的大部分銷售成本與肉類進口業務有關，並以美元計值。匯率風險於商業買賣交易或已確認資產或負債以我們有關附屬公司功能貨幣以外的貨幣計值時產生。我們主要承擔與美元及與美元掛鈎的港元有關的匯率風險。

本公司管理層關注對匯率風險的防範，並就外匯匯率及遠期價格與中糧財務及我們與之有業務關係的商業銀行及時溝通。我們訂立貨幣遠期合約以涵蓋我們於肉類進口業務的採購的大部分匯率風險，且根據外匯市況按月或半個月基準檢視合約，監控風險。此外，我們還根據市況就進口肉類採購價提前與國內客戶確定外匯匯率。我們還每週更新匯率風險及內部記錄，且在作出重大外匯決策（包括是否使用貨幣遠期合約控制我們的匯率風險）前，將進行敏感度分析及壓力測試。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Credit Risks

Our credit risks arise from the carrying amount of our recognized financial assets in our consolidated statements of financial position. The Group's credit risks are primarily attributable to our accounts receivable; other receivables; amounts due from fellow subsidiaries, ultimate holding companies, intermediate holding companies and related companies and loans to fellow subsidiaries; pledged and restricted bank deposits; and cash and cash equivalents.

We monitor our exposure to credit risks on an ongoing basis and perform credit evaluations on customers who require credit in excess of a certain amount. We monitor receivable balances on an ongoing basis to ensure that our exposure to bad debts is not significant. We have monitoring procedures to ensure that follow-up actions are taken to recover overdue debts. We review the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. The Group does not have any significant concentration of credit risks.

V. THE OUTLOOK

In the first half of 2017, the Group's operations performed steadily. Looking forward, the Group will further improve vertical integration of the business to improve upstream and downstream matching, reinforce the stability of the Group's profitability, and create greater value for Shareholders.

In the upstream business, the Group will expand hog production capacity and inhouse feed capacity in order, reinforce the investment in technology and continue to reduce the production cost. Meanwhile, the Group will also start contract farming with scaled farmers.

In the downstream business, the Group will continuously study the market demand, develop channels and customers, continue to enhance products premium, and promote the branded business to achieve a leapfrog growth.

As COFCO Group's meat production platform, the Group will continue to take "Leading the Safety Standards in the Industry and Assuring the Safety of Meat for the Consumers" as its responsibility, and provide safer and higher quality meat products to consumers.

信用風險

信用風險來自綜合財務狀況表的已確認金融資產賬面值。本集團的信用風險主要是由於應收賬款；其他應收款項；應收同系附屬公司、最終控股公司、中間控股公司及關聯公司款項及向同系附屬公司貸款；已抵押及受限制銀行存款；以及現金及現金等價物。

我們按持續基準監控我們的信貸風險承擔，並對需要超逾一定金額的信用期的客戶進行信用評估。我們按持續基準監控應收款項結餘，以確保我們的壞賬承擔並不重大。我們訂有監控程序，以確保採取跟進措施收回逾期債務。我們於各報告期末檢討每項個人債務的可收回款項，以確保就不可收回款項作出充分的減值虧損。本集團並無任何重大集中信用風險。


五、展望

二零一七年上半年，本集團各業務表現穩健。展望未來，本集團將進一步加強垂直整合的業務模式，提高上下游匹配度，提升本集團穩定盈利能力，為股東創造更大價值。

在產業鏈上游，本集團將有序擴張養殖產能及配套飼料產能，加大科技投入，持續降低生產成本，並將與規模養殖戶合作，發展合作養殖業務。

在產業鏈下游，本集團將深挖市場需求，開發渠道和客戶，繼續提升產品溢價，推動品牌業務取得質的增長。

作為中糧集團的肉食業務平台，本集團將繼續以「引領行業安全標準，保障國民肉食安全」為己任，為消費者提供更安全與高品質的肉食產品。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

China's pork industry currently witnesses opportunities and challenges. In the face of opportunities brought by industrial upgrading and challenges of environmental protection, land and talents, we firmly believe that through solid operation, the Group will create more impressive performance, establish a national renowned brand and become a role model in China's meat industry.

中國當前的豬肉行業機遇與挑戰並存，面對產業轉型帶來的機遇以及環保、土地、人才等方面面臨的挑戰，我們堅信，通過扎扎實實的經營，本集團將創造更加驕人的業績，建立全國性品牌，成為肉類行業示範。

CORPORATE GOVERNANCE HIGHLIGHTS AND OTHER INFORMATION

企業管治摘要及其他資料

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

As at June 30, 2017, the interests and short positions of the directors and the chief executive of the Company and their associates in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register of interests of the Company required to be kept under section 352 of the SFO; or as notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under such provisions of the SFO) or pursuant to the Model Code contained in the Listing Rules (collectively the "Discloseable Interests") were set out below.

Discloseable Interests in the shares and underlying shares of the Company

董事及最高行政人員於股份及相關股份之權益及淡倉

於二零一七年六月三十日，本公司董事（「董事」）、最高行政人員及彼等之聯繫人於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中擁有之權益及淡倉而根據證券及期貨條例第352條記錄於本公司所存置之權益登記冊內；或根據證券及期貨條例第XV部第7及第8分部（包括據此他們被視作或當作擁有之權益及淡倉）或根據上市規則所載標準守則知會本公司及聯交所（統稱「須披露權益」）之記錄載於下文。

於本公司之股份及相關股份之須披露權益

Name of Director 董事姓名	Capacity/Nature of Interest 身份／權益性質	Number of Underlying Shares held in long position 所持相關股份好倉數目	Approximate percentage of shareholding interest 佔權益概約百分比
Xu Jianong 徐稼農	Beneficial owner 實益擁有人	5,071,599	0.13%

CORPORATE GOVERNANCE HIGHLIGHTS AND OTHER INFORMATION

企業管治摘要及其他資料

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

As at June 30, 2017, the interests and short positions of substantial Shareholders in the shares and underlying shares of the Company as notified to the Company under Divisions 2 and 3 of Part XV of the SFO; or as recorded in the register of interests of the Company required to be kept under Section 336 of the SFO, were as follows:

主要股東及其他人士於股份及相關股份之權益及淡倉

於二零一七年六月三十日，根據證券及期貨條例第XV部第2及第3分部而知會本公司；或根據證券及期貨條例第336條記錄於本公司所存置之權益登記冊內，主要股東於本公司股份及相關股份之權益及淡倉如下：

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

於本公司股份及相關股份之好倉總數

Substantial Shareholders and other persons 主要股東及其他人士	Notes 附註	Capacity/Nature of Interests 身份／權益性質	Number of ordinary Shares of the Company held 持有本公司普通股數目	Approximate percentage of aggregate interests in issued share capital of the Company 佔本公司已發行股本權益總額的概約百分比
Mainfield 明暉	(1), (3)	Beneficial owner 實益擁有人	1,078,377,782	27.64%
China Foods (Holdings) 中國食品（控股）	(1), (3)	Interest in controlled corporation 於受控法團的權益	1,078,377,782	27.64%
COFCO (HK) 中糧香港	(1), (3)	Interest in controlled corporation 於受控法團的權益	1,078,377,782	27.64%
COFCO 中糧	(1), (3)	Interest in controlled corporation 於受控法團的權益	1,078,377,782	27.64%
MIY	(1), (4)	Beneficial owner 實益擁有人	531,141,296	13.61%
Itoham Yonekyu Holdings	(1), (4)	Interest in controlled corporation 於受控法團的權益	531,141,296	13.61%
Mitsubishi 三菱	(1), (4)	Interest in controlled corporation 於受控法團的權益	531,141,296	13.61%
KKR	(1), (5) (2), (9)	Beneficial owner 實益擁有人	567,721,276	14.55%

CORPORATE GOVERNANCE HIGHLIGHTS AND OTHER INFORMATION

企業管治摘要及其他資料

Substantial Shareholders and other persons 主要股東及其他人士	Notes 附註	Capacity/Nature of Interests 身份／權益性質	Number of ordinary Shares of the Company held 持有本公司 普通股數目	Approximate percentage of aggregate interests in issued share capital of the Company 佔本公司 已發行股本 權益總額的 概約百分比
Promise Meat Investment I Ltd.	(1), (5) (2), (9)	Interest in controlled corporation 於受控法團的權益	567,721,276	14.55%
KKR Asian Fund II L.P.	(1), (5) (2), (9)	Interest in controlled corporation 於受控法團的權益	567,721,276	14.55%
KKR Associates Asia II L.P.	(1), (5) (2), (9)	Interest in controlled corporation 於受控法團的權益	567,721,276	14.55%
KKR Asia II Limited	(1), (5) (2), (9)	Interest in controlled corporation 於受控法團的權益	567,721,276	14.55%
KKR Fund Holdings L. P.	(1), (5) (2), (9)	Interest in controlled corporation 於受控法團的權益	567,721,276	14.55%
KKR Fund Holdings GP Limited	(1), (5) (2), (9)	Interest in controlled corporation 於受控法團的權益	567,721,276	14.55%
KKR Group Holdings L.P.	(1), (5) (2), (9)	Interest in controlled corporation 於受控法團的權益	567,721,276	14.55%
KKR Group Limited	(1), (5) (2), (9)	Interest in controlled corporation 於受控法團的權益	567,721,276	14.55%
KKR & Co. L.P.	(1), (5) (2), (9)	Interest in controlled corporation 於受控法團的權益	567,721,276	14.55%
KKR Management LLC	(1), (5) (2), (9)	Interest in controlled corporation 於受控法團的權益	567,721,276	14.55%
Mr. Henry R. Kravis and Mr. George R. Roberts	(1), (5) (2), (9)	Interest in controlled corporation 於受控法團的權益	567,721,276	14.55%
Baring	(1), (6) (2), (9)	Beneficial owner 實益擁有人	263,375,849 31,869,610	6.75% 0.82%
The Baring Asia Private Equity Fund V, L.P.	(1), (6) (2), (9)	Interest in controlled corporation 於受控法團的權益	263,375,849 31,869,610	6.75% 0.82%

CORPORATE GOVERNANCE HIGHLIGHTS AND OTHER INFORMATION

企業管治摘要及其他資料

Substantial Shareholders and other persons 主要股東及其他人士	Notes 附註	Capacity/Nature of Interests 身份／權益性質	Number of ordinary Shares of the Company held 持有本公司 普通股數目	Approximate percentage of aggregate interests in issued share capital of the Company 佔本公司 已發行股本 權益總額的 概約百分比
Baring Private Equity Asia GP V, L.P.	(1), (6) (2), (9)	Interest in controlled corporation 於受控法團的權益	263,375,849 31,869,610	6.75% 0.82%
Baring Private Equity Asia GP V Limited	(1), (6) (2), (9)	Interest in controlled corporation 於受控法團的權益	263,375,849 31,869,610	6.75% 0.82%
Jean Eric Salata	(1), (6) (2), (9)	Interest in controlled corporation 於受控法團的權益	263,375,849 31,869,610	6.75% 0.82%
Temasek	(1), (7)	Beneficial owner 實益擁有人	232,765,723	5.97%
Temasek Life Sciences Private Limited	(1), (7)	Interest in controlled corporation 於受控法團的權益	232,765,723	5.97%
Fullerton Management Pte. Ltd.	(1), (7)	Interest in controlled corporation 於受控法團的權益	232,765,723	5.97%
Temasek Holdings (Private) Limited	(1), (7)	Interest in controlled corporation 於受控法團的權益	232,765,723	5.97%
Boyu	(1), (8) (2), (9)	Beneficial owner 實益擁有人	228,259,069 6,847,772	5.85% 0.18%
Boyu Capital Fund I, L.P.	(1), (8) (2), (9)	Interest in controlled corporation 於受控法團的權益	228,259,069 6,847,772	5.85% 0.18%
Boyu Capital General Partner I, L.P.	(1), (8) (2), (9)	Interest in controlled corporation 於受控法團的權益	228,259,069 6,847,772	5.85% 0.18%
Boyu Capital General Partner I, Ltd.	(1), (8) (2), (9)	Interest in controlled corporation 於受控法團的權益	228,259,069 6,847,772	5.85% 0.18%
Boyu Capital Holdings Ltd.	(1), (8) (2), (9)	Interest in controlled corporation 於受控法團的權益	228,259,069 6,847,772	5.85% 0.18%
Haier Group (HK) Financial Holdings Limited 海爾集團(香港)金融控股有限公司	(1)	Beneficial owner 實益擁有人	222,740,000	5.71%

CORPORATE GOVERNANCE HIGHLIGHTS AND OTHER INFORMATION

企業管治摘要及其他資料

Notes:

- (1) Long position in the shares of the Company.
- (2) Short position in the shares of the Company.
- (3) Mainfield is a wholly-owned subsidiary of China Foods (Holdings). China Foods (Holdings) is wholly-owned by COFCO (HK), which in turn is wholly-owned by COFCO. Accordingly, each of COFCO, COFCO (HK) and China Foods (Holdings) is deemed to be interested in such shares.
- (4) MIY is a direct holder of such shares. Each of Itoham Yonekyu Holdings (as the indirect controlling shareholder of MIY) and Mitsubishi (as the controlling shareholder of MIY) is deemed to be interested in such shares.
- (5) Each of Promise Meat Investment I Ltd. (as the sole shareholder of KKR), KKR Asian Fund II L.P. (as the controlling shareholder of Promise Meat Investment I Ltd.), KKR Associates Asia II L.P. (as the general partner of KKR Asian Fund II L.P.), KKR Asia II Limited (as the general partner of KKR Associates Asia II L.P.), KKR Fund Holdings L.P. (as the sole shareholder of KKR Asia II Limited), KKR Fund Holdings GP Limited (as the general partner of KKR Fund Holdings L.P.), KKR Group Holdings L.P. (as the general partner of KKR Fund Holdings GP Limited), KKR Group Limited (as the general partner of KKR Group Holdings L.P.), KKR & Co. L.P. (as the sole shareholder of KKR Group Limited), KKR Management LLC (as the general partner of KKR & Co L.P.), and Mr. Henry R. Kravis and Mr. George R. Roberts (as designated members of KKR Management LLC) is deemed to be interested in such shares. Mr. Henry R. Kravis and Mr. George R. Roberts disclaim beneficial ownership of such shares.
- (6) Each of The Baring Asia Private Equity Fund V, L.P. (as the controlling shareholder of Baring), Baring Private Equity Asia GP V, L.P. (as the general partner of The Baring Asia Private Equity Fund V, L.P.), Baring Private Equity Asia GP V Limited (as the general partner of Baring Private Equity Asia GP V, L.P.), and Mr. Jean Eric Salata (as the sole shareholder of Baring Private Equity Asia GP V Limited) is deemed to be interested in such shares. Mr. Jean Eric Salata disclaims beneficial ownership of such shares, except to the extent of his economic interest in such entities.

附註：

- (1) 於本公司股份中的好倉。
- (2) 於本公司股份中的淡倉。
- (3) 明暉為中國食品（控股）的全資附屬公司。中國食品（控股）由中糧香港全資擁有，而中糧香港由中糧全資擁有。因此，中糧、中糧香港及中國食品（控股）均被視為於有關股份中擁有權益。
- (4) MIY為有關股份的直接持有人。Itoham Yonekyu Holdings（作為MIY的間接控股股東）及三菱（作為MIY的控股股東）均被視為於有關股份中擁有權益。
- (5) Promise Meat Investment I Ltd.（作為KKR的唯一股東）、KKR Asian Fund II L.P.（作為Promise Meat Investment I Ltd.的控股股東）、KKR Associates Asia II L.P.（作為KKR Asian Fund II L.P.的普通合夥人）、KKR Asia II Limited（作為KKR Associates Asia II L.P.的普通合夥人）、KKR Fund Holdings L.P.（作為KKR Asia II Limited的唯一股東）、KKR Fund Holdings GP Limited（作為KKR Fund Holdings L.P.的普通合夥人）、KKR Group Holdings L.P.（作為KKR Fund Holdings GP Limited的唯一股東）、KKR Group Limited（作為KKR Group Holdings L.P.的普通合夥人）、KKR & Co. L.P.（作為KKR Group Limited的唯一股東）、KKR Management LLC（作為KKR & Co L.P.的普通合夥人）、及Henry R. Kravis先生及George R. Roberts先生（作為KKR Management LLC的指定成員）均被視為於有關股份中擁有權益。Henry R. Kravis先生及George R. Roberts先生放棄有關股份的實益擁有權。
- (6) The Baring Asia Private Equity Fund V, L.P.（作為Baring的控股股東）、Baring Private Equity Asia GP V, L.P.（作為The Baring Asia Private Equity Fund V, L.P.的普通合夥人）、Baring Private Equity Asia GP V Limited（作為Baring Private Equity Asia GP V, L.P.的普通合夥人）、及Jean Eric Salata先生（作為Baring Private Equity Asia GP V Limited的唯一股東）均被視為於有關股份中擁有權益。Jean Eric Salata先生放棄有關股份的實益擁有權，惟其於該等實體的經濟利益除外。

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企業管治摘要及其他資料

- (7) Each of Temasek Life Sciences Private Limited (as the sole shareholder of Temasek), Fullerton Management Pte. Ltd. (as the sole shareholder of Temasek Life Sciences Private Limited) and Temasek Holdings (Private) Limited (as the sole shareholder of Fullerton Management Pte. Ltd.) is deemed to be interested in such shares.
- (8) Each of Boyu Capital Fund I, L.P. (as the sole shareholder of Boyu), Boyu Capital General Partner I, L.P. (as the general partner of Boyu Capital Fund I, L.P.), Boyu Capital General Partner I, Ltd. (as the general partner of Boyu Capital General Partner I, L.P.) and Boyu Capital Holdings Ltd. (as the sole shareholder of Boyu Capital General Partner I, Ltd.) is deemed to be interested in such shares.
- (9) Each of the Company, KKR, Baring, Temasek and Boyu has agreed to negotiate in good faith and use reasonable endeavours to reach an agreement in relation to the structure of the employee benefit trust (or any other structure of similar nature) proposed to be set up to administer the grant of options and, upon reaching such agreement and the fulfillment of certain other conditions, these shares will be transferred to a trustee to be set up for the purpose of the Former Share Incentive Scheme.
- (7) Temasek Life Sciences Private Limited (作為 Temasek 的唯一股東)、Fullerton Management Pte. Ltd. (作為 Temasek Life Sciences Private Limited 的唯一股東) 及 Temasek Holdings (Private) Limited (作為 Fullerton Management Pte. Ltd. 的唯一股東) 均被視為於有關股份中擁有權益。
- (8) Boyu Capital Fund I, L.P. (作為 Boyu 的唯一股東)、Boyu Capital General Partner I, L.P. (作為 Boyu Capital Fund I, L.P. 的普通合夥人)、Boyu Capital General Partner I, Ltd. (作為 Boyu Capital General Partner I, L.P. 的普通合夥人) 及 Boyu Capital Holdings Ltd. (作為 Boyu Capital General Partner I, Ltd. 的唯一股東) 均被視為於有關股份中擁有權益。
- (9) 本公司、KKR、Baring、Temasek 及 Boyu 均同意就為管理購股權的授出而建議設立的僱員福利信託架構 (或任何其他類似性質的架構) 進行真誠協商並盡合理努力達成協議，且於該協議達成及若干其他條件獲履行後，該等股份將轉讓予將就原股份獎勵計劃設立的受託人。

Save as disclosed herein, as at June 30, 2017, so far as was known to the Directors, no other persons had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the interest register kept by the Company under section 336 of the SFO.

SHARE INCENTIVE SCHEME AND ITS UPDATES

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

除本報告披露者外，於二零一七年六月三十日，就董事所知悉，概無其他人士於本公司的股份及相關股份中擁有權益或淡倉而須根據證券及期貨條例第XV部第2及第3分部條文的規定向本公司及聯交所披露，或根據證券及期貨條例第336條的規定須記錄於本公司所存置的權益登記冊內。

股份獎勵計劃及其進展

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

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As disclosed in the Prospectus, in the Former Share Incentive Scheme, the Company, on behalf of KKR, Baring, Temasek and Boyu (collectively referred to as the **“Former Covenantors”**), has granted options to 40 employees for acquiring from the Former Covenantors a total of 33,511,318 Shares of the Company according to the relevant terms and conditions at an Exercise Price of the Hong Kong dollar equivalent of RMB1.00 per Share (subsequently adjusted to RMB1.37 per Share after the disposal of COFCO Poultry Co., Ltd. (中糧禽業有限公司)). In order to realize the above options, the Company entered into an undertaking with the Former Covenantors on June 24, 2016 (the **“Former Undertaking”**), the content of which was related to the specific arrangements, such as the establishment of a trust to manage the options granted, completion of necessary approval and filings, and the transfer of shares.

In order to perform the agreement of the Former Undertaking and have MIY joined the New Share Incentive Scheme, on March 27, 2017, upon unanimous negotiation with MIY and the Former Covenantors (collectively referred to as the **“New Covenantors”**), the Board convened a meeting, considered and approved the amendment of the Former Share Incentive Scheme and the related documents. After this amendment, MIY shall contribute Shares representing 3% of its shareholding (that is, 0.4083% of the total Shares issued by the Company) to the New Share Incentive Scheme, and the number of option Shares granted to the employees under the New Share Incentive Scheme shall be adjusted accordingly. The Exercise Price shall be on the basis of RMB1.37 per Share, after making the downward adjustment based on the assets arrangement by the New Covenantors for the poultry business already terminated by the Company, and subject to the amount per Share decided by the Board from time to time according to the above-mentioned assets arrangement, however, on the premise that the Exercise Price after adjustment shall not be less than the Hong Kong dollar equivalent of RMB1.00 per Share (the **“Exercise Price”**). On the same day, the Board has resolved to adjust Exercise Price from the Hong Kong dollars equivalent of RMB1.37 per share to the Hong Kong dollars equivalent of RMB1.18 per share. Such currency conversion shall be subject to the central parity of the benchmark exchange rate of Renminbi to Hong Kong dollar published by the PBOC on the day (that is, March 27, 2017) when the Board determines the effective Exercise Price at that time.

根據招股章程之披露，於原股份獎勵計劃中，本公司代表KKR、Baring、Temasek及Boyu（合稱「**原契諾人**」）授出購股權以供40名僱員根據相關條款及條件向原契諾人認購合共33,511,318股本公司股份，行使價為每股股份人民幣1.00元（其後於出售中糧禽業有限公司後調整至每股股份人民幣1.37元）的港元等值金額。為變現上述購股權，於二零一六年六月二十四日，本公司與原契諾人訂立承諾（「**原承諾**」），內容有關為管理已授出購股權而建立信託、完成必要批准及備案、轉讓股份等具體安排。

為履行原承諾之約定及使MIY加入新股份獎勵計劃，經與MIY及原契諾人（合稱「**新契諾人**」）協商一致，董事會於二零一七年三月二十七日召開會議審議批准修訂原股份獎勵計劃及所涉及的文件。經本次修訂，MIY將給予其所持股份的3%（即本公司已發行總股份的0.4083%）加入新股份獎勵計劃，新股份獎勵計劃員工獲授予期權可認購股份的數量亦相應調整。行使價調整為以每股股份人民幣1.37元為基礎，並根據新契諾人對本公司已終止禽肉業務的資產安排予以調減後，經董事會根據上述資產安排，不時決定的每股金額，唯前提是調整後的行使價不得低於每股股份人民幣1.00元的港元等值金額（「**行使價**」）。同日，董事會決議將行使價由每股股份人民幣1.37元的港元等值金額調整為每股股份人民幣1.18元的港元等值金額，該等貨幣轉換應當根據董事會決定當時有效的行使價當日（即二零一七年三月二十七日）的中國人民銀行公佈的人民幣兌換港幣的匯率中間值折算。

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On the same day, the Board also approved (i) the establishment of the trust for the New Share Incentive Scheme, with the Company as the settlor and Acheson Limited (a limited company incorporated in Hong Kong) as the trustee, and the entering into of a deed of trust with the trustee; (ii) the entering into of the Share Transfer Agreement on the Employees' Share Option Incentive Scheme (the "Share Transfer Agreement") and related appendixes with the New Covenantors; (iii) the entering into of the Revised Irrevocable Undertaking on the Employees' Share Option Incentive Scheme (the "Irrevocable Undertaking") and related appendixes with the New Covenantors; and (iv) other documents related to the New Share Incentive Scheme.

On March 27, 2017, the trust for the New Share Incentive Scheme has been officially set up pursuant to the deed of trust entered into between the Company and Acheson Limited.

On April 19, 2017, the Company entered into the Share Transfer Agreement, the Irrevocable Undertaking and other related documents with the New Covenantors, pursuant to the Share Transfer Agreement and the Irrevocable Undertaking, the New Covenantors agreed to transfer 3% of their respective shareholdings in the Company to Acheson Limited for the New Share Incentive Scheme (the "Share Transfer"). The Share Transfer was formally completed on May 31, 2017.

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

Terms of the New Share Incentive Scheme

(a) Number of Shares Required to be Transferred

Pursuant to the Former Share Incentive Scheme, the number of Shares required to be transferred by the Former Covenantors was 39,506,375 Shares. Adding 15,934,238 Shares contributed by MIY, the number of the Shares required to be transferred under the New Share Incentive Scheme shall be changed to 55,440,613 Shares.

同日，董事會亦批准(i)成立新股份獎勵計劃之信託，以本公司作為信託的成立人，委任 Acheson Limited (一家註冊在香港的股份有限公司) 為信託的受託人並與其訂立信託契約；(ii)與新契諾人訂立《關於員工期權激勵計劃的股份轉讓協議》(「《股份轉讓協議》」)及相關附件；(iii)與新契諾人訂立《關於員工期權激勵計劃的經修訂不可撤銷承諾協議》(「《不可撤銷承諾協議》」)及相關附件；及(iv)與新股份獎勵計劃相關的其他文件。

二零一七年三月二十七日，根據本公司與 Acheson Limited 訂立的信託契約，用於新股份獎勵計劃的信託正式設立。

二零一七年四月十九日，本公司與新契諾人簽署了《股份轉讓協議》《不可撤銷承諾協議》及其他相關文件，根據《股份轉讓協議》及《不可撤銷承諾協議》，新契諾人同意將彼等各自持有的本公司股份的3%轉讓給 Acheson Limited 用於新股份獎勵計劃(「股份轉讓」)。二零一七年五月三十一日，股份轉讓正式完成。

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

新股份獎勵計劃條款

(a) 須轉讓股份數目

原股份獎勵計劃中，原契諾人需要轉讓的股份數目為39,506,375股股份。加入MIY貢獻的15,934,238股股份後，新股份獎勵計劃的須轉讓股份數目變更為55,440,613股。

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(b) Consideration for the Grant of the Options, Exercise Period and Exercise Price

The scheme participants are not required to pay for the grant of the options. The granted options shall be terminated on the 50th day prior to the date of terminating the trust¹. The Exercise Price shall be on the basis of RMB1.37 per Share, after making the downward adjustment based on the assets arrangement by the New Covenantors for the poultry business already terminated by the Company, and subject to the amount per Share decided by the Board from time to time according to the above-mentioned assets arrangement, however, on the premise that the Exercise Price after adjustment shall not be less than the Hong Kong dollar equivalent of RMB1.00 per Share. On March 27, 2017, the Board has resolved to adjust Exercise Price from the Hong Kong dollars equivalent of RMB1.37 per share to the Hong Kong dollars equivalent of RMB1.18 per share. Such currency conversion shall be subject to the central parity of the benchmark exchange rate of Renminbi to Hong Kong dollar published by the PBOC on the day (that is, March 27, 2017) when the Board determines the effective Exercise Price at that time.

(c) Time of Vesting of the Option

The options shall be vested consecutively in four years from the date of grant in equal numbers, subject to the following adjustments based on the performance of a scheme participant during the relevant period:

- (i) if the department in which the scheme participant is employed achieves less than 80% of the performance target during the relevant period, no options will be vested;
- (ii) if department in which the scheme participant is employed achieves between 80% and 120% of the performance target during the relevant period, the same percentage of options will be vested; and
- (iii) if department in which the scheme participant is employed achieves more than 120% of the performance target during the relevant period, 120% of the options will be vested.

¹ Trust period is proposed to be ten years, starting from the date of signing trust deed by the Company (as the settlor) and Acheson Limited (as trustee). However, in the event of the Company (as the settlor) expressed its intention to extend or shorten the proposed trust period of ten years to Acheson Limited (as trustee), the trust period would be changed to the one after the proposed adjustment by the Company (as the settlor).

(b) 授出購股權的代價、行使期及行使價

計劃參與者毋須於購股權授出時支付款項。授出的購股權自信託終止日前的第50日終止¹。行使購股權的價格以每股股份人民幣1.37元為基礎，並根據新契諾人對本公司已終止禽肉業務的資產安排予以調減後，經董事會根據上述資產安排，不時決定的每股金額，唯前提是調整後的行使價不得低於每股股份人民幣1.00元的港元等值金額。於二零一七年三月二十七日，董事會決議將行使價由每股股份人民幣1.37元的港元等值金額調整為每股股份人民幣1.18元的港元等值金額，該等貨幣轉換應當根據董事會決定當時有效的行使價當日（即二零一七年三月二十七日）的中國人民銀行公佈的人民幣兌換港幣的匯率中間值折算。

(c) 購股權歸屬時間

購股權自授出日期起以相等數目於連續四年內歸屬，但可根據相關期間計劃參與者的表現作出以下調整：

- (i) 如果計劃參與者的僱用部門於相關期間達成的表現目標少於80%，不會歸屬任何購股權；
- (ii) 如果計劃參與者的僱用部門於相關期間達成的表現目標在80%至120%之間，將會歸屬相同百分比的購股權；及
- (iii) 如果計劃參與者的僱用部門於相關期間達成的表現目標超過120%，將會歸屬120%的購股權。

¹ 信託期暫擬為10年，自本公司（信託成立人）與Acheson Limited（受託人）簽署信託契約之日起計；但如本公司（信託成立人）向Acheson Limited（受託人）表達了延長或縮短暫擬的10年信託期之意願，則信託期改為本公司（信託成立人）所擬調整後的年期。

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(d) Lock-up Period

No vested options may be exercised during the first 12 months from the Listing Date, after which a Scheme Participant may exercise the vested options in accordance with the following schedule:

(I) Exercise date for options vested before the Listing Date	Maximum percentage of the vested options exercisable
On the first anniversary of the Listing Date	33.3% (one-third)
On the second anniversary of the Listing Date	66.7% (two-thirds)
On the third anniversary of the Listing Date	100%

(II) Exercise date for options vested after the Listing Date	Maximum percentage of the vested options exercisable
On the first anniversary of the Listing Date after the options are vested	33.3% (one-third)
On the second anniversary of the Listing Date after the options are vested	66.7% (two-thirds)
On the third anniversary of the Listing Date after the options are vested	100%

(e) Exercise of the Option

A scheme participant shall exercise the vested options by sending a written notice to Acheson Limited through the Company, specifying the number of the option Shares he/she intends to exercise. The trustee shall arrange to sell the option Shares concerned in an open market and pay the net proceeds, being the proceeds of sale less the Exercise Price and all relevant costs, expenses and taxes, to the relevant scheme participants.

(d) 禁售期

自上市日期起計首12個月內不得行使已歸屬的購股權，其後計劃參與者可根據以下時間表行使已歸屬的購股權：

(I) 上市日期前已歸屬購股權的行使日期	可行使獲授予購股權的最高百分比
上市日期的第一週年	33.3% (三分之一)
上市日期的第二週年	66.7% (三分之二)
上市日期的第三週年	100%

(II) 上市日期後已歸屬購股權的行使日期	可行使獲授予購股權的最高百分比
購股權歸屬後的上市日期的第一週年	33.3% (三分之一)
購股權歸屬後的上市日期的第二週年	66.7% (三分之二)
購股權歸屬後的上市日期的第三週年	100%

(e) 行使購股權

計劃參與者可經本公司向Acheson Limited發出書面通知以行使已歸屬購股權，列明其擬行使的購股權股份數目。受託人須安排在公開市場出售有關的購股權股份，並向相關計劃參與者支付所得款項淨額（即出售所得款項減行使價及所有相關成本、開支及稅項）。

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(f) *Personal Rights of the Scheme Participant*

An option shall not be transferable or assignable and shall only be exercised by the relevant scheme participant or his nominee, unless the trustee determines otherwise.

(g) *Rights on Cessation of Employment by Reason of Resignation*

If a scheme participant ceases to be an eligible person by reason of resignation, he is not entitled to exercise the options to the extent vested but not already exercised by the date of his cessation of employment. The options that have not been vested will immediately lapse on the date of his cessation of employment.

(h) *Rights on Cessation of Employment with Cause*

If a scheme participant ceases to be an eligible person by reason of cessation of employment on the grounds that (i) he has been convicted of any criminal offence; (ii) he has intentionally breached any applicable laws and regulations in relation to the business of our Group or the provisions set out in his contract of employment; (iii) he has been found guilty of certain serious misconduct that adversely affects the interests of our Group; (iv) he has breached our by-laws or our internal policies; or (v) he has breached any contracts he has entered into with our Group or any of our affiliates, his options (to the extent not already exercised and irrespective of whether they are vested or not) will lapse immediately on the date of his cessation of employment.

(i) *Rights on Retirement or Cessation of Employment as a Result of Serious Illness, Physical Disability, etc.*

If a scheme participant retires or ceases to be an eligible person by reason of serious illness and none of the grounds for dismissal as set out in sub-paragraph (h) above has occurred, such scheme participant is entitled to exercise the granted options to the extent vested but not already exercised on the date of his cessation of the employment. The options that have not been vested will immediately lapse on the date of his cessation of employment.

(j) *Rights on Death*

If a Scheme Participant dies and none of the grounds for dismissal as set out in sub-paragraph (h) above has occurred, his personal representative(s) may exercise the options to the extent vested but not already exercised on the date of death of such scheme participant. The options that have not been vested will immediately lapse on the date of his death.

(f) *權利為計劃參與者的個人權利*

除非受託人另作決定，否則購股權不可轉讓或轉移，僅可由相關計劃參與者或其代名人行使。

(g) *因辭職而終止僱用的權利*

如果計劃參與者因辭職而終止作為合資格人士，其無權行使購股權，以截至其終止僱用日期已歸屬但尚未行使者為限。尚未歸屬的購股權將於其終止僱用日期即告失效。

(h) *因違責而終止僱用的權利*

如果計劃參與者因以下理由終止僱用而終止作為合資格人士，(i)因其觸犯任何刑事罪行而被判有罪；(ii)因其故意違反與本集團業務有關的任何適用法律及法規或其僱用合約所載條文；(iii)因其觸犯若干嚴重失當行為被定罪而對本集團的利益造成不利影響；(iv)因其違反我們的細則或內部政策；或(v)因其違反與本集團或任何聯屬公司已訂立的任何合約，則其購股權（以尚未行使者為限，不論已歸屬與否）將於其終止僱用日期即告失效。

(i) *因嚴重疾病、身體殘障等理由退休或終止僱用的權利*

如果計劃參與者因嚴重疾病而退休或終止作為合資格人士，且並無發生上述(h)分段所述的免職理由，則該名計劃參與者將有權行使其獲授的購股權，並以截至其終止僱用日期已歸屬但尚未行使者為限。尚未歸屬的購股權將於其終止僱用日期即告失效。

(j) *身故的權利*

如果計劃參與者身故，且並無發生上述(h)分段所述的免職理由，其遺產代理人可行使購股權，並以該名計劃參與者身故日期已歸屬但尚未行使者為限。尚未歸屬的購股權將於其身故日期即告失效。

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Details of the Scheme Participant

All of the scheme participants are employees of our Group. Except for Mr. Xu Jianong, being the executive Director, none of the scheme participant holds directorship in our Company. On March 27, 2017, with approval from the Board of Directors, the details of participants of the New Share Incentive Scheme are set out below:

No.	Employee's Name	Number of Option Shares
1.	Xu Jianong (徐稼農)	5,071,599
2.	Shen Yunxiang (沈雲祥)	4,034,226
3.	Miao Wen (繆文)	1,844,218
4.	Li Danbing (李丹兵)	1,844,218
5.	Liao Xiaoyan (廖曉妍)	461,054
6.	Jiang Zengyan (蔣增艷)	691,582
7.	Ni Suzhen (倪素珍)	1,844,218
8.	Liu Youmao (柳友茂)	1,014,320
9.	Wang Qiaozhen (王巧珍)	1,152,636
10.	Long Jinxue (龍進學)	461,054
11.	Ji Yingming (吉英明)	1,254,068
12.	Niu Ruguang (牛如廣)	1,014,320
13.	He Yang (何洋)	461,054
14.	Zou Shifu (鄒士福)	461,054
15.	Yang Yuanrong (楊遠榮)	1,383,163
16.	Liu Tong (劉通)	922,109
17.	Chu Desheng (褚德勝)	728,466
18.	Zhang Changxin (張昌新)	1,844,218
19.	Yang Jun (楊軍)	1,383,163
20.	Zhou Yu (周宇)	922,109
21.	Qin Nan (秦楠)	1,383,163
22.	Zhang Jinglei (張京雷)	1,152,636
23.	Zheng Gang (鄭剛)	461,054
24.	He Zhike (賀志科)	461,054
25.	Yin Rui (殷睿)	461,054
26.	Shen Libin (申立斌) ^{Note}	461,054
27.	Xia Xiaoji (夏小記) ^{Note}	461,054
28.	Li Zhili (李志利)	2,651,063
29.	Lv Weilin (呂維林)	553,265
30.	Chen Qianzheng (陳前政)	1,383,163
31.	Li Zhengfang (李正芳)	1,152,636
32.	Xu Yi (徐怡)	461,054
33.	Li Lei (李雷)	1,936,429
34.	Niu Wu (牛武) ^{Note}	461,054
35.	Wang Zongfang (王宗房)	1,106,531
36.	Li Fangfang (李芳芳)	1,383,163
37.	Liu Min (劉敏) ^{Note}	461,054
38.	Zhang Nan (張楠)	1,383,163

計劃參與者詳情

所有計劃參與者為本集團僱員。除了徐稼農先生為執行董事外，概無計劃參與者於本公司擔任董事職務。二零一七年三月二十七日，經董事會批准，新股份獎勵計劃之參與者詳情載列如下：

序號	員工姓名	購股權股份數目
1.	徐稼農	5,071,599
2.	沈雲祥	4,034,226
3.	繆文	1,844,218
4.	李丹兵	1,844,218
5.	廖曉妍	461,054
6.	蔣增艷	691,582
7.	倪素珍	1,844,218
8.	柳友茂	1,014,320
9.	王巧珍	1,152,636
10.	龍進學	461,054
11.	吉英明	1,254,068
12.	牛如廣	1,014,320
13.	何洋	461,054
14.	鄒士福	461,054
15.	楊遠榮	1,383,163
16.	劉通	922,109
17.	褚德勝	728,466
18.	張昌新	1,844,218
19.	楊軍	1,383,163
20.	周宇	922,109
21.	秦楠	1,383,163
22.	張京雷	1,152,636
23.	鄭剛	461,054
24.	賀志科	461,054
25.	殷睿	461,054
26.	申立斌 ^註	461,054
27.	夏小記 ^註	461,054
28.	李志利	2,651,063
29.	呂維林	553,265
30.	陳前政	1,383,163
31.	李正芳	1,152,636
32.	徐怡	461,054
33.	李雷	1,936,429
34.	牛武 ^註	461,054
35.	王宗房	1,106,531
36.	李芳芳	1,383,163
37.	劉敏 ^註	461,054
38.	張楠	1,383,163

CORPORATE GOVERNANCE HIGHLIGHTS AND OTHER INFORMATION

企業管治摘要及其他資料

No.	Employee's Name	Number of Option Shares
39.	Kong Weiju (孔維菊)	461,054
40.	Cong Liansheng (叢連升)	507,160
41.	Liu Jieyou (劉結友)	507,160
42.	Tong Jinghan (童京漢)	368,844
43.	Guo Junyong (郭軍勇)	230,527
44.	Lin Qiang (林強)	230,527
Total		48,871,765

Note:

The Board approved the resolution on March 27, 2017 to ratify the grant of the options on December 9, 2016 for 461,054 Shares to each of Shen Libin (申立斌), Xia Xiaoji (夏小記), Niu Wu (牛武) and Liu Min (劉敏) respectively, which took effect on December 9, 2016.

No options were exercised, cancelled or lapsed during the six months ended June 30, 2017.

USE OF PROCEEDS

After deducting the underwriting expenses and other related expenses incurred by the Company in connection with the global offering, we raised a total of HK\$1,847 million, equivalent to RMB1,613 million in 2016. As at June 30, 2017, we have used the proceeds for the following purposes as disclosed in the Prospectus:

Projects	Intended percentage for use	Actual percentage for use
Construction of new hog farms and feed mills	65%	36%
Repayment of borrowings	20%	20%
Development of our sales network and promotion of our brands	5%	4%
Working capital and other general corporate purposes	10%	10%
Total	100%	70%

序號	員工姓名	購股權股份數目
39.	孔維菊	461,054
40.	叢連升	507,160
41.	劉結友	507,160
42.	童京漢	368,844
43.	郭軍勇	230,527
44.	林強	230,527
合計		48,871,765

註：

董事會於二零一七年三月二十七日通過決議案，批准於二零一六年十二月九日分別向申立斌、夏小記、牛武及劉敏授出461,054股股份的購股權，有關購股權於二零一六年十二月九日生效。

概無任何購股權於截至二零一七年六月三十日止六個月內行使、註銷或失效。

募集資金用途

經扣除本公司就全球發售應付的承銷費用及其他相關開支之後，本公司於二零一六年共募得18.47億元港幣，折合人民幣16.13億元。截至二零一七年六月三十日，本公司已根據招股章程披露之建議用途使用如下：

項目	計劃使用比例	實際使用比例
興建新的生豬養殖場及飼料加工廠	65%	36%
償還借款	20%	20%
開發銷售網絡及推廣品牌	5%	4%
營運資金及其他一般公司用途	10%	10%
合計	100%	70%

CORPORATE GOVERNANCE HIGHLIGHTS AND OTHER INFORMATION

企業管治摘要及其他資料

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed securities for the six months ended June 30, 2017.

CORPORATE GOVERNANCE CODE

The Company has applied the principles and complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules throughout the six months ended June 30, 2017.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct regarding Directors' securities transactions. Following specific enquiries by the Company, all Directors confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended June 30, 2017.

OBLIGATIONS OF ON-GOING DISCLOSURE UNDER THE LISTING RULES

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

SUBSEQUENT EVENTS

The Group has no significant subsequent events after June 30, 2017 which are required to be disclosed.

UPDATES ON DIRECTORS' INFORMATION

Changes in the information of the Directors since the date of the Company's 2016 annual report are as follows:

1. Mr. Fu Tingmei retired as an independent non-executive director of Beijing Enterprises Holdings Limited (listed on the Stock Exchange, stock code: 392) in June 2017.
2. Ms. Yang Hong retired as the chairlady of Tully Sugar Limited in August 2017.

購買、出售或贖回本公司之上市證券

本公司及其任何附屬公司於截至二零一七年六月三十日止六個月之期間並無購買、出售或贖回其任何上市證券。

企業管治守則

本公司於截至二零一七年六月三十日止六個月整個期間內一直採用上市規則附錄十四所載《企業管治守則》之原則並遵守其所有守則條文。

董事進行的證券交易

本公司已採納標準守則作為董事進行證券交易之操守守則。經本公司作出具體查詢後，本公司所有董事確認彼等於截至二零一七年六月三十日止六個月整個期間內一直遵守標準守則所載列之規定標準。

根據上市規則持續披露責任

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

期後事項

本集團並無須予披露的二零一七年六月三十日之後的重大期後事項。

更新有關董事信息

自本公司二零一六年年度報告日期以來，董事資料變動如下：

1. 傅廷美先生於二零一七年六月退任北京控股有限公司（聯交所上市公司，股份代號：392）的獨立非執行董事。
2. 楊紅女士於二零一七年八月退任塔裡糖業有限公司董事長。

CORPORATE GOVERNANCE HIGHLIGHTS AND OTHER INFORMATION

企業管治摘要及其他資料

3. Mr. Li Michael Hankin serves as an independent non-executive director of Huiyin Smart Community Co., Ltd. (listed on the Stock Exchange, stock code: 1280) since August 2017 and serves as a director of Banvo Corporation (listed on the New York Stock Exchange and Toronto Stock Exchange) since June 2017.

REVIEW OF INTERIM RESULTS

The unaudited condensed consolidated interim financial information of the Group for the six months ended June 30, 2017 has been reviewed by the Audit Committee of the Board. The Audit Committee is of the view that the interim report of the Group is prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

The unaudited condensed consolidated interim financial statements of the Group for the six months ended June 30, 2017 have also been reviewed by the auditor of the Company, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended June 30, 2017 (for the six months ended June 30, 2016: Nil).

3. 李恒健先生自二零一七年八月擔任匯銀智慧社區有限公司(聯交所上市公司, 股份代號: 1280)的獨立非執行董事及自二零一七年六月擔任Banvo Corporation(紐約證券交易所及多倫多證券交易所上市公司)的董事。

審閱中期業績

本集團截至二零一七年六月三十日止六個月之未經審核簡明綜合中期財務資料已由董事會轄下的審核委員會審閱。審核委員會認為, 本集團中期報告符合適用會計準則、規則及條例, 並已正式作出適當披露。

本集團截至二零一七年六月三十日止六個月的未經審核簡明綜合中期財務報表亦已由本公司核數師德勤•關黃陳方會計師行根據由香港會計師公會頒佈的香港審閱委聘準則第2410號「由實體之獨立核數師審閱中期財務資料」進行審閱。

中期股息

董事會不建議就截至二零一七年六月三十日止六個月派發中期股息(截至二零一六年六月三十日止六個月: 無)。

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表審閱報告

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF COFCO MEAT HOLDINGS LIMITED

(Incorporated in Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of COFCO Meat Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 42 to 88 which comprise the condensed consolidated statement of financial position as at June 30, 2017 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

致中糧肉食控股有限公司董事會

(於開曼群島註冊成立的有限公司)

引言

我們已審閱載於第42頁至88頁的中糧肉食控股有限公司（「貴公司」）及其附屬公司（統稱為「貴集團」）的簡明綜合財務報表，包括於二零一七年六月三十日的簡明綜合財務狀況表，以及截至該日止六個月期間的相關簡明綜合損益及其他全面收益表、權益變動表及現金流量表，以及若干解釋附註。根據香港聯合交易所有限公司證券上市規則規定，中期財務資料報告須按照其相關條文以及香港會計師公會頒佈的香港會計準則第34號「中期財務報告」（「香港會計準則第34號」）編製。貴公司董事負責按照香港會計準則第34號編製及呈報該等簡明綜合財務報表。我們的責任為根據我們的審閱工作對該等簡明綜合財務報表發表結論，並根據我們受聘的協定條款，僅向閣下全體匯報我們的結論，而不作任何其他用途。我們不會就本報告之內容向任何其他人士承擔或負上任何責任。

審閱範圍

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

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表審閱報告

CONCLUSION

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

August 28, 2017

結論

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

德勤·關黃陳方會計師行
執業會計師
香港

二零一七年八月二十八日

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

簡明綜合損益及其他全面收益表

For the six months ended June 30, 2017

截至二零一七年六月三十日止六個月

				Six months ended June 30, 截至六月三十日止六個月				
		2017 二零一七年			2016 二零一六年			
		Results before biological assets fair value adjustments 生物資產 公允價值 調整前業績	Biological assets fair value adjustments 生物資產 公允價值 調整	Total	Results before biological assets fair value adjustments 生物資產 公允價值 調整前業績	Biological assets fair value adjustments 生物資產 公允價值 調整	Total	
NOTES 附註		RMB'000 人民幣千元 (Unaudited) (未經審核)	RMB'000 人民幣千元 (Unaudited) (未經審核)	RMB'000 人民幣千元 (Unaudited) (未經審核)	RMB'000 人民幣千元 (Unaudited) (未經審核)	RMB'000 人民幣千元 (Unaudited) (未經審核)	RMB'000 人民幣千元 (Unaudited) (未經審核)	
Continuing operations	持續經營業務							
	Revenue	3	3,298,803	-	3,298,803	2,989,358	-	2,989,358
	Cost of sales		(2,739,183)	(553,202)	(3,292,385)	(2,287,280)	(670,391)	(2,957,671)
	Gross profit		559,620	(553,202)	6,418	702,078	(670,391)	31,687
	Other income	5	30,586	-	30,586	15,186	-	15,186
	Other gains and losses, net	6	(40,274)	-	(40,274)	29,359	-	29,359
	Distribution and selling costs		(123,999)	-	(123,999)	(115,497)	-	(115,497)
	Administrative expenses		(94,090)	-	(94,090)	(101,518)	-	(101,518)
	Share of loss of joint ventures		(847)	-	(847)	(158)	-	(158)
	Gain arising from agricultural produce at fair value less costs to sell at the point of harvest		-	40,971	40,971	-	284,167	284,167
	Gain arising from changes in fair value less costs to sell of biological assets		-	448,944	448,944	-	633,752	633,752
	Finance costs	7	(40,640)	-	(40,640)	(58,344)	-	(58,344)
	Profit before tax	8	290,356	(63,287)	227,069	471,106	247,528	718,634
	Income tax expense	9	(919)	-	(919)	(930)	-	(930)
	Profit for the period from continuing operations		289,437	(63,287)	226,150	470,176	247,528	717,704
	Discontinued operations							
	(Loss)/profit for the period from discontinued operations	10	-	-	-	(1,843)	5,764	3,921
	Profit for the period		289,437	(63,287)	226,150	468,333	253,292	721,625

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

簡明綜合損益及其他全面收益表

For the six months ended June 30, 2017

截至二零一七年六月三十日止六個月

		Six months ended June 30, 截至六月三十日止六個月					
		2017 二零一七年			2016 二零一六年		
		Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total
		生物資產 公允價值 調整前業績	生物資產 公允價值 調整	總計	生物資產 公允價值 調整前業績	生物資產 公允價值 調整	總計
NOTES 附註		RMB'000 人民幣千元 (Unaudited) (未經審核)	RMB'000 人民幣千元 (Unaudited) (未經審核)	RMB'000 人民幣千元 (Unaudited) (未經審核)	RMB'000 人民幣千元 (Unaudited) (未經審核)	RMB'000 人民幣千元 (Unaudited) (未經審核)	RMB'000 人民幣千元 (Unaudited) (未經審核)
Other comprehensive (expense)/income, net of income tax:	除所得稅後其他 全面(開支)/收入:						
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可重新分類至損益的 項目:</i>						
Exchange differences arising on translation	換算的匯兌差額			2,294			6,052
Fair value loss on hedging instruments in cash flow hedges	現金流量套期中的套期 工具公允價值虧損			(4,307)			-
Other comprehensive (expense)/income for the period, net of income tax	除所得稅後期內其他 全面(開支)/收入			(2,013)			6,052
Total comprehensive income for the period attributable to the owners of the Company	本公司擁有人應佔期內 全面收入總額			224,137			727,677
Profit for the period attributable to the owners of the Company:	本公司擁有人應佔期內溢利:						
- from continuing operations	- 來自持續經營業務			226,417			717,704
- from discontinued operations	- 來自已終止經營業務			-			3,921
Loss for the period attributable to non-controlling interests from continuing operations	來自持續經營業務 非控股權益應佔 期內虧損			226,417			721,625
				(267)			-
Profit for the period	期內溢利			226,150			721,625

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

簡明綜合損益及其他全面收益表

For the six months ended June 30, 2017

截至二零一七年六月三十日止六個月

		Six months ended June 30, 截至六月三十日止六個月			2016 二零一六年		
		2017 二零一七年			2016 二零一六年		
		Results before biological assets fair value adjustments 生物資產 公允價值 調整前業績	Biological assets fair value adjustments 生物資產 公允價值 調整	Total	Results before biological assets fair value adjustments 生物資產 公允價值 調整前業績	Biological assets fair value adjustments 生物資產 公允價值 調整	Total
NOTES 附註		RMB'000 人民幣千元 (Unaudited) (未經審核)	RMB'000 人民幣千元 (Unaudited) (未經審核)	RMB'000 人民幣千元 (Unaudited) (未經審核)	RMB'000 人民幣千元 (Unaudited) (未經審核)	RMB'000 人民幣千元 (Unaudited) (未經審核)	RMB'000 人民幣千元 (Unaudited) (未經審核)
Total comprehensive income/(expense) attributable to:	以下者應佔全面收入/(開支)總額：						
Owners of the Company	本公司擁有人			224,404			727,677
Non-controlling interests	非控股權益			(267)			-
				224,137			727,677
Basic earnings per share:	每股基本盈利：						
From continuing and discontinued operations	來自持續經營及已終止經營業務	11		人民幣5.80分 RMB5.80 cents			人民幣19.86分 RMB19.86 cents
				人民幣5.80分 RMB5.80 cents			人民幣19.75分 RMB19.75 cents
Diluted earnings per share:	每股攤薄盈利：						
From continuing and discontinued operations	來自持續經營及已終止經營業務	11		人民幣5.80分 RMB5.80 cents			不適用 N/A
				人民幣5.80分 RMB5.80 cents			不適用 N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

June 30, 2017

於二零一七年六月三十日

		NOTES 附註	June 30, 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	December 31, 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Non-current assets	非流動資產			
Goodwill	商譽		100,609	100,609
Property, plant and equipment	物業、廠房及設備	13	4,390,309	4,130,624
Prepaid lease payments	預付租賃款項		129,605	119,465
Intangible assets	無形資產		1,922	2,362
Investments in joint ventures	於合營企業的投資		21,751	36,071
Available-for-sale investments	可供出售投資		23,516	23,516
Biological assets	生物資產	14	431,768	359,721
Deposits paid for purchase of property, plant and equipment	購買物業、廠房及設備所付按金		1,643	8,708
Deposits paid for purchase of biological assets	購買生物資產所付按金		2,468	12,028
			5,103,591	4,793,104
Current assets	流動資產			
Inventories	存貨		468,956	408,477
Biological assets	生物資產	14	1,085,147	1,108,437
Derivative financial instruments	衍生金融工具	15	-	3,418
Accounts receivable	應收款項	16	136,139	159,471
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		193,781	177,342
Amounts due from related companies	應收關聯公司款項	17	34,816	18,172
Pledged and restricted bank deposits	已抵押及受限制銀行存款		24,565	50,093
Cash and cash equivalents	現金及現金等價物		1,279,417	1,588,163
			3,222,821	3,513,573

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

June 30, 2017

於二零一七年六月三十日

		NOTES 附註	June 30, 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	December 31, 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Current liabilities	流動負債			
Accounts and bills payables	應付賬款及應付票據	19	352,903	394,073
Bank borrowings	銀行借款		1,281,791	1,737,080
Other payables, accruals and deposits received	其他應付款項、應計費用及已收按金		487,603	602,588
Derivative financial instruments	衍生金融工具	15	17,912	-
Amounts due to related companies	應付關聯公司款項	17	89,670	64,973
Loans from related companies	來自關聯公司的貸款	18	342,500	2,500
Current tax liabilities	即期稅項負債		43	59
			2,572,422	2,801,273
Net current assets	流動資產淨額		650,399	712,300
Total assets less current liabilities	總資產減流動負債		5,753,990	5,505,404
Non-current liabilities	非流動負債			
Bank borrowings	銀行借款		820,684	848,759
Loans from a related company	來自關聯公司的貸款	18	85,769	84,629
Deferred income	遞延收入		134,385	133,757
			1,040,838	1,067,145
Net assets	資產淨值		4,713,152	4,438,259
Capital and reserves	資本及儲備			
Share capital	股本		1,668,978	1,668,978
Reserves	儲備		2,993,679	2,765,969
Equity attributable to the owners of the Company	本公司擁有人應佔權益		4,662,657	4,434,947
Non-controlling interests	非控股權益		50,495	3,312
Total equity	權益總額		4,713,152	4,438,259

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合股本變動報表

For the six months ended June 30, 2017

截至二零一七年六月三十日止六個月

Attributable to the owners of the Company 本公司擁有人應佔

	Share capital	Share premium	Special reserve	Capital reserve	Statutory reserve	Cash flow hedging reserve	Translation reserve	Retained earnings/ (accumulated losses)	Total	Non-controlling interests	Total equity
	股份資本	股份溢價	特別儲備金	資本儲備	法定儲備金	現金流量套期儲備	匯兌儲備	保留盈利/ (累計虧損)	總計	非控股權益	權益總額
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At January 1, 2017 (audited)	1,668,978	1,645,960	858,459	65,875	80,372	-	46,277	69,026	4,434,947	3,312	4,438,259
Profit for the period (unaudited)	-	-	-	-	-	-	-	226,417	226,417	(267)	226,150
Other comprehensive (expense)/income for the period (unaudited)	-	-	-	-	-	(4,307)	2,294	-	(2,013)	-	(2,013)
Total comprehensive (expense)/income for the period (unaudited)	-	-	-	-	-	(4,307)	2,294	226,417	224,404	(267)	224,137
Recognition of equity-settled share based payments granted by shareholders	-	-	-	3,306	-	-	-	-	3,306	-	3,306
Deemed acquisition of a subsidiary (Note 24)	-	-	-	-	-	-	-	-	-	47,450	47,450
At June 30, 2017 (unaudited)	1,668,978	1,645,960	858,459	69,181	80,372	(4,307)	48,571	295,443	4,662,657	50,495	4,713,152

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合股本變動報表

For the six months ended June 30, 2017

截至二零一七年六月三十日止六個月

	Attributable to the owners of the Company 本公司擁有人應佔		Retained earnings/ earnings/ (accumulated losses) 保留 盈利/ (累計 虧損)	Translation reserve 匯兌 儲備	Cash flow hedging reserve 現金流量 套期 儲備	Statutory reserve 法定 儲備金	Capital reserve 資本 儲備	Special reserve 特別 儲備金	Share premium 股份 溢價	Share capital 股份 資本	Non-controlling interests 非 控股 權益	Total equity 總計 權益總額
	RMB'000 人民幣千元	RMB'000 人民幣千元										
At January 1, 2016 (audited)												
Profit for the period (unaudited)	2,568,360		(816,856)	50,347	-	14,322	(30,464)	858,459	-	2,568,360	-	2,644,188
Other comprehensive income for the period (unaudited)	-	-	721,625	-	-	-	-	-	-	-	-	721,625
Total comprehensive income for the period (unaudited)	-	-	721,625	6,052	-	-	-	-	-	-	-	6,052
Total comprehensive income for the period (unaudited)	-	-	721,625	6,052	-	-	-	-	-	-	-	727,677
Repurchase of shares	(899,389)		-	-	-	-	-	-	-	-	-	(899,389)
Recognition of equity-settled share based payments granted by shareholders	-		-	-	-	-	2,547	-	-	-	-	2,547
Reclassification upon disposal of subsidiaries (Note 10)	-		5,741	-	-	(5,741)	-	-	-	-	-	-
Deemed contribution upon disposal of subsidiaries (Note 10)	-		-	-	-	-	90,377	-	-	-	-	90,377
At June 30, 2016 (unaudited)												
於二零一六年六月三十日 (未經審核)	1,668,971		(89,470)	56,399	-	8,581	62,460	858,459	-	1,668,971	-	2,565,400

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended June 30, 2017

截至二零一七年六月三十日止六個月

		Six months ended 截至以下日期止六個月	
		June 30, 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	June 30, 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)
Net cash generated from operating activities	經營活動所得現金淨額	201,058	650,516
Net cash used in investing activities	投資活動所用現金淨額		
Interest received	已收利息	50,180	4,858
Rental income received	已收租金收入	-	5,621
Dividend received from available-for-sale investments	自可供出售投資收取的股息	-	63
Purchase of financial assets designated at fair value through profit or loss ("FVTPL")	購買按公允價值計入損益的金融資產	-	(304,536)
Proceeds from disposal of financial assets designated at FVTPL	出售按公允價值計入損益的金融資產的所得款項	-	467,084
Payments for property, plant and equipment	支付物業、廠房及設備款項	(395,291)	(355,506)
Payments for prepaid lease payments	支付預付租賃款項	(9,991)	(8,019)
Payments for intangible assets	支付無形資產款項	-	(140)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備的所得款項	2,783	3,002
Disposal of subsidiaries	出售附屬公司	-	(17,193)
Placement of pledged and restricted bank deposits	存放已抵押及受限制銀行存款	(24,565)	(42,242)
Withdrawal of pledged and restricted bank deposits	提取已抵押及受限制銀行存款	50,093	39,878
Investments in joint ventures	於一間合營企業的投資	(1,375)	(36,302)
Deemed acquisition of a subsidiary (Note 24)	視作收購一家附屬公司 (附註24)	8,808	-
Repayment of loans to fellow subsidiaries	償還同系附屬公司的貸款	-	60,000
Advance to fellow subsidiaries	對同系附屬公司的墊款	-	(82,641)
Other investing cash flows	其他投資類現金流量	7,227	1,600
		(312,131)	(264,473)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended June 30, 2017

截至二零一七年六月三十日止六個月

		Six months ended 截至以下日期止六個月	
		June 30, 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	June 30, 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)
Net cash used in financing activities			
	融資活動所用現金淨額		
Interest paid	已付利息	(41,564)	(52,316)
New bank borrowings	新增銀行借款	519,380	1,968,858
Repayment of bank borrowings	償還銀行借款	(1,002,744)	(1,888,570)
Repayment to shareholders	償還股東	-	(331,854)
Loans from a related company	來自一家關聯公司的貸款	340,000	-
Advance from related companies	來自關聯公司的墊款	13,381	-
Advance from fellow subsidiaries	來自同系附屬公司的墊款	-	126,120
Repayment to fellow subsidiaries	償還同系附屬公司	-	(64,985)
Advance from the ultimate holding company	來自最終控股公司的墊款	-	154,000
Contribution from a minority shareholder	少數股東的出資	2,053	-
		(169,494)	(88,747)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物 (減少)/增加淨值	(280,567)	297,296
Cash and cash equivalents at the beginning of period	期初現金及現金等價物	1,588,163	182,006
Effects of exchange rate changes on the balance of cash held in foreign currencies	匯率變動對以外幣持有的現金結餘的影響	(28,179)	26,010
Cash and cash equivalents at the end of period	期末現金及現金等價物	1,279,417	505,312

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

June 30, 2017

二零一七年六月三十日

1. BASIS OF PREPARATION AND PRESENTATION

The unaudited condensed consolidated financial statements of COFCO Meat Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) for the six months ended June 30, 2017 have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended December 31, 2016.

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

2. PRINCIPAL ACCOUNTING POLICIES

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2017 are consistent with those followed in the Group’s annual financial statements for the year ended December 31, 2016.

1. 編製及呈列基礎

中糧肉食控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）截至二零一七年六月三十日止六個月的未經審核簡明綜合財務報表乃根據香港會計師公會頒佈的香港會計準則第34號「中期財務報告」以及香港聯合交易所有限公司證券上市規則附錄16的適用披露規定編製。

簡明綜合財務報表不包括年度財務報表中規定的一切資料及披露，應連同本集團截至二零一六年十二月三十一日止年度的年度財務報表一併閱讀。

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

2. 主要會計政策

簡明綜合財務報表已按歷史成本基準編製，惟於按公允價值計量的生物資產、按公允價值計入損益的金融資產及衍生金融工具除外（如適用）。

除下文所述外，截至二零一七年六月三十日止六個月的簡明綜合財務報表所採用的會計政策及計算方法與本集團截至二零一六年十二月三十一日止年度的年度財務報表的編製所採用者相同。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

June 30, 2017

二零一七年六月三十日

2. PRINCIPAL ACCOUNTING POLICIES

(continued)

Hedge accounting

In the current interim period, the Group has designated certain derivatives as hedging instruments for cash flow hedges.

At the inception of the hedging relationship the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and included in "other gains and losses" line item.

Amounts previously recognised in other comprehensive income and accumulated in equity (hedging reserve) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line of the consolidated statement of profit or loss and other comprehensive income as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

2. 主要會計政策 (續)

套期會計法

在本中期期間，本集團指定若干衍生工具為用於現金流量套期的套期工具。

於套期關係開始時，本集團已記錄套期工具和被套期項目的關係，及進行各類套期交易的風險管理目標及其策略。此外，於套期開始時和進行期間，本集團記錄套期工具對抵銷被套期項目的公允價值或現金流量變動（應佔套期風險）是否高度有效。

現金流量套期

被指定及符合資格作為現金流量套期的衍生工具的公允價值變動的有效部分乃於其他全面收入內確認並於現金流量套期儲備項下累計。與無效部分有關的收益或虧損會即時於損益中確認並計入「其他收益及虧損」項目內。

先前於其他全面收入確認並於權益（套期儲備）累計的金額乃於被套期項目影響損益期間重新分類至損益，與已於綜合損益及其他全面收益表確認被套期項目一致。然而，倘套期預測交易導致確認非財務資產或非財務負債，則先前於其他全面收入內確認並於權益中累計的收益及虧損會自權益內轉出，並計入初步計量之非財務資產或非財務負債成本內。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

June 30, 2017

二零一七年六月三十日

2. PRINCIPAL ACCOUNTING POLICIES

(continued)

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are mandatorily effective for the current interim period.

Amendments to HKAS 7	<i>Disclosure Initiative</i>
Amendments to HKAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>
Amendments to HKFRS 12	<i>As part of the Annual Improvements to HKFRSs 2014-2016 Cycle</i>

The application of these amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements. Additional disclosures about changes in liabilities arising from financing activities, including both changes from cash flows and non-cash changes on application of amendments to HKAS 7 will be provided in the consolidated financial statements for the year ending December 31, 2017.

2. 主要會計政策 (續)

於本中期期間，本集團已首次採納以下由香港會計師公會頒佈的於本中期期間強制生效的香港財務報告準則（「香港財務報告準則」）修訂本。

香港會計準則 第7號修訂本	<i>披露計劃</i>
香港會計準則 第12號修訂本	<i>就未變現虧損確認 遞延稅項資產</i>
香港財務報告 準則第12號 修訂本	<i>作為香港財務報告 準則二零一四年至 二零一六年週期 之年度改進的 一部分</i>

本中期期間採用該等香港財務報告準則修訂本概未對該等簡明綜合財務報表中呈報的金額及／或該等簡明綜合財務報表所載的披露產生重大影響。有關融資活動所產生的負債變動的其他披露（包括採用香港會計準則第7號修訂本的現金流量變動及非現金變動）將於截至二零一七年十二月三十一日止年度的綜合財務報表中提供。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

June 30, 2017

二零一七年六月三十日

3. REVENUE

An analysis of the Group's revenue, which is also turnover of the Group, from continuing operations is as follows:

3. 收益

本集團來自持續經營業務的收益（亦為本集團營業額）分析如下：

		Six months ended 截至以下日期止六個月	
		June 30, 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	June 30, 2016 二零一六 年六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)
Hog production	生豬養殖	934,706	727,717
Sales of fresh pork	銷售生鮮豬肉	1,344,818	1,224,520
Sales of processed meat products	銷售肉製品	164,068	159,299
Sales of imported meat products	銷售進口肉類產品	855,211	877,822
		3,298,803	2,989,358

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

June 30, 2017

二零一七年六月三十日

4. SEGMENT INFORMATION

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

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

An operating segment regarding the poultry production business, which represents chicken breeding and processing, was discontinued in April 2016. The segment information reported below does not include any amounts for the discontinued operations, which are described in more details in Note 10.

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

4. 分部資料

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

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

一個有關禽肉生產業務的經營分部（即生雞養殖及加工）已於二零一六年四月終止。下文所呈報分部資料不包括已終止經營業務的任何金額，有關更多詳情載於附註10。

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

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4. SEGMENT INFORMATION (continued)

Segment revenue and segment results

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

4. 分部資料 (續)

分部收益及分部業績

按可呈報及經營分部劃分，本集團來自持續經營業務的收益及業績分析如下。

		Hog production	Fresh pork	Processed meat products	Meat import	Segment total	Inter- segment elimination	Total
		生豬養殖	生鮮豬肉	肉製品	肉類進口	分部總計	分部間對銷	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
Six months ended	截至二零一七年							
June 30, 2017	六月三十日止六個月							
Segment revenue	分部收益							
External customers	外部客戶	934,706	1,344,818	164,068	855,211	3,298,803	-	3,298,803
Inter-segment sales	分部間銷售	691,795	37,644	291	9,372	739,102	(739,102)	-
Segment revenue	分部收益	1,626,501	1,382,462	164,359	864,583	4,037,905	(739,102)	3,298,803
Segment results	分部業績	340,877	45,353	2,005	3,917	392,152	-	392,152
Unallocated corporate income	未獲分配企業收入							9,407
Unallocated corporate expenses	未獲分配企業開支							(69,716)
Share of loss of joint ventures	應佔合資企業之虧損							(847)
Fair value adjustments on biological assets	有關生物資產的公允價值調整							(63,287)
Finance costs	融資成本							(40,640)
Profit before tax from continuing operations	來自持續經營業務的除稅前溢利							227,069

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4. SEGMENT INFORMATION (continued)

Segment revenue and segment results (continued)

	Hog production	Fresh pork	Processed meat products	Meat import	Segment total	Inter-segment elimination	Total
	生豬養殖	生鮮豬肉	肉製品	肉類進口	分部總計	分部間對銷	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)

4. 分部資料 (續)

分部收益及分部業績 (續)

	Hog production	Fresh pork	Processed meat products	Meat import	Segment total	Inter-segment elimination	Total	
	生豬養殖	生鮮豬肉	肉製品	肉類進口	分部總計	分部間對銷	總計	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	
	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	
Six months ended	截至二零一六年							
June 30, 2016	六月三十日止六個月							
Segment revenue	分部收益							
External customers	外部客戶	727,717	1,224,520	159,299	877,822	2,989,358	-	2,989,358
Inter-segment sales	分部間銷售	759,841	8,003	379	26,266	794,489	(794,489)	-
Segment revenue	分部收益	1,487,558	1,232,523	159,678	904,088	3,783,847	(794,489)	2,989,358
Segment results	分部業績							
Unallocated corporate income	未獲分配企業收入							7,881
Unallocated corporate expenses	未獲分配企業開支							(54,708)
Share of loss of joint ventures	應佔合資企業之虧損							(158)
Fair value adjustments on biological assets	有關生物資產的公允價值調整							247,528
Finance costs	融資成本							(58,344)
Profit before tax from continuing operations	來自持續經營業務的除稅前溢利							718,634

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4. SEGMENT INFORMATION *(continued)*

Segment revenue and segment results *(continued)*

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

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

Segment assets and liabilities

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

4. 分部資料 *(續)*

分部收益及分部業績 *(續)*

分部溢利／(虧損)指各分部所賺取的溢利／(產生的虧損)，未經分配中央行政成本、董事酬金、有關生物資產的公允價值調整、應佔合營企業虧損、若干其他收益及虧損以及融資成本。此乃向主要經營決策者呈報以作資源分配及表現評估的方法。

分部間對銷乃按各集團實體之間議定的價格收取。

分部資產及負債

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

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5. OTHER INCOME

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

5. 其他收入

本集團來自持續經營業務的其他收入分析如下：

		Six months ended 截至以下日期止六個月	
		June 30, 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	June 30, 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)
Interest income from banks	銀行利息收入	9,454	1,359
Interest income from fellow subsidiaries	同系附屬公司的利息收入	-	3,461
Interest income from a related company	關聯公司產生之利息收入	496	-
Government grants*	政府補助*	20,636	10,303
Dividend income from available-for-sale investments	可供出售投資產生之股息收入	-	63
		30,586	15,186

* Government grants are mainly related to innocuous treatment of died hogs. There are no unfulfilled conditions or contingencies relating to these grants.

Government grants for which related to acquisition of lands and property, plant and equipment are included in deferred income and are credited to profit or loss on a systematic basis over the useful lives of the related assets. Included in the above balances are government grants released from deferred income of RMB2,064,000 (unaudited) for the six months ended June 30, 2017 (six months ended June 30, 2016: RMB1,367,000 (unaudited)).

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

有關收購土地以及物業、廠房及設備的政府補助載於遞延收入內，且於相關資產的可使用年期以系統方式計入損益。截至二零一七年六月三十日止六個月自遞延收入解除的政府補助人民幣2,064,000元（未經審核）（截至二零一六年六月三十日止六個月：人民幣1,367,000元（未經審核））載入上述結餘。

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6. OTHER GAINS AND LOSSES, NET

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

6. 其他收益及虧損淨額

本集團來自持續經營業務的其他收益／(虧損)分析如下：

		Six months ended 截至以下日期止六個月	
		June 30, 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	June 30, 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)
Exchange loss, net	匯兌虧損淨額	(18,516)	(19,570)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	(1,778)	(44)
Write-down of inventories	存貨撇減	-	(87)
Reversal of impairment/(impairment) on accounts receivable, net	應收賬款減值撥回／(減值)淨額	204	(7,830)
Reversal of impairment on other receivables, net	其他應收款項減值撥回淨額	147	-
Gain/(loss) from changes in fair value of:	以下公允價值變動收益／(虧損)：		
Financial assets designated at FVTPL	指定以公允價值計入損益的金融資產	-	6,880
Foreign currency forward contracts	外幣遠期合約	(17,023)	12,956
Insurance compensation	保險賠償	-	36,783
Others	其他	(3,308)	271
		(40,274)	29,359

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7. FINANCE COSTS

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

7. 融資成本

本集團來自持續經營業務的融資成本分析如下：

		Six months ended 截至以下日期止六個月	
		June 30, 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	June 30, 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)
Interest on:	以下各項的利息：		
Bank borrowings	銀行借款	45,584	40,646
Loans from a fellow subsidiary	同系附屬公司提供的貸款	-	8,421
Loans from the immediate holding company	直接控股公司提供的貸款	-	13,837
Loans from the ultimate holding company	最終控股公司提供的貸款	-	1,317
Loans from related companies	關聯公司提供的貸款	5,520	-
Total borrowing costs	借貸成本總額	51,104	64,221
Less: Borrowing costs capitalised in the cost of qualifying assets	減：於合資格資產成本中資本化的借貸成本	(10,464)	(5,877)
		40,640	58,344

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8. PROFIT BEFORE TAX

The Group's profit before tax from continuing operations is arrived at after charging:

8. 除稅前溢利

本集團來自持續經營業務的除稅前溢利扣除以下各項後得出：

		Six months ended 截至以下日期止六個月	
		June 30, 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	June 30, 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)
Cost of sales (represented the cost of inventories recognised as expenses during the period)	銷售成本（指期內確認為開支的存貨成本）	3,292,385	2,957,671
Depreciation	折舊	91,588	79,087
Amortisation of prepaid lease payments	預付租賃款項攤銷	3,798	3,301
Amortisation of intangible assets	無形資產攤銷	440	436
Minimum lease payments under operating leases in respect of land and buildings	土地及樓宇經營租賃項下的最低租賃付款	6,601	4,586

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9. INCOME TAX EXPENSE

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

		Six months ended 截至以下日期止六個月	
		June 30, 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	June 30, 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)
Current tax:	即期稅項：		
People's Republic of China ("PRC")	中華人民共和國(「中國」)		
– Enterprise Income Tax	– 企業所得稅	919	930

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and the Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% during the six months ended June 30, 2017 (six months ended June 30, 2016: 25%).

Certain of the Group's subsidiaries operating in the PRC are eligible for certain tax concessions and certain of their operations were exempted from PRC income taxes during both 2017 and 2016. According to the Implementation Regulation of the EIT Law and the EIT exemptions regulation set out in the Circular of the Ministry of Finance and the State Administration on Releasing the Primary Processing Ranges of Agricultural Products Entitled to Preferential Policies on Enterprise Income Tax (Trial Implementation) (Cai Shui [2008] No. 149), and the requirements of Article 86 of the Implementation Regulation of the EIT Law, the income from primary processing for agriculture products are exempted from EIT. In addition, pursuant to related regulations in respect of the Implementation Regulation of the EIT Law, the income from projects of animal-husbandry and poultry feeding, is also entitled to exemption from EIT during the current and prior periods.

9. 所得稅開支

本集團持續經營業務的所得稅開支分析如下：

		Six months ended 截至以下日期止六個月	
		June 30, 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	June 30, 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)
Current tax:	即期稅項：		
People's Republic of China ("PRC")	中華人民共和國(「中國」)		
– Enterprise Income Tax	– 企業所得稅	919	930

根據《中華人民共和國企業所得稅法》(「企業所得稅法」)及《企業所得稅法實施條例》，中國附屬公司截至二零一七年六月三十日止六個月的稅率為25% (截至二零一六年六月三十日止六個月：25%)。

本集團若干於中國經營的附屬公司可享受若干稅項減免，且其若干業務於二零一七年及二零一六年免繳中國所得稅。根據《企業所得稅法實施條例》及《財政部、國家稅務總局關於發佈享受企業所得稅優惠政策的農產品初加工範圍(試行)的通知》(財稅[2008]149號)中免繳企業所得稅的規定，以及《企業所得稅法實施條例》第八十六條的規定，農產品初加工所得免徵企業所得稅。此外，根據《企業所得稅法實施條例》相關規定，牧畜、家禽飼養項目收入亦於當前及之前期間免徵企業所得稅。

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10. DISCONTINUED OPERATIONS

On November 20, 2015, the directors of the Company resolved to dispose of certain subsidiaries, which carried out all of the Group's poultry production business. On April 22, 2016, the poultry production business was disposed of to a company beneficially owned by the shareholders of the Company at a consideration of RMB1. The difference between this consideration and the net liabilities of the disposal group at the disposal date of RMB90,377,000 is recorded to capital reserve. Upon the disposal, the statutory reserve attributable to the Group's poultry production business of RMB5,741,000 has been reclassified to retained profits.

The condensed consolidated statement of profit or loss and other comprehensive income for the six months ended June 30, 2016 has presented the poultry production business as discontinued operations. The profit for the six months ended June 30, 2016 from the discontinued poultry production business attributable to the Group is set out below.

10. 已終止經營業務

於二零一五年十一月二十日，本公司董事議決出售若干從事本集團所有禽肉生產業務的附屬公司。於二零一六年四月二十二日，禽肉生產業務被出售予一間由本公司股東實益擁有的公司，代價為人民幣1元。該代價與出售組別於出售日期的負債淨額人民幣90,377,000元的差異錄入資本儲備。出售之後，本集團禽肉生產業務應佔的法定儲備人民幣5,741,000元已重新歸類至保留溢利。

截至二零一六年六月三十日止六個月的簡明綜合損益及其他全面收益表已將禽肉生產業務呈列為已終止經營業務。本集團應佔已終止禽肉生產業務於截至二零一六年六月三十日止六個月的溢利載於下文。

Six months ended
June 30, 2016
截至二零一六年
六月三十日止六個月
RMB'000
人民幣千元
(Unaudited)
(未經審核)

Revenue	收益	339,500
Cost of sales	銷售成本	(342,973)
Gross loss	毛損	(3,473)
Other income	其他收入	7,582
Other gains and losses	其他收益及虧損	2,201
Selling and distribution expenses	銷售及分銷開支	(10,640)
Administrative expenses	行政開支	(7,812)
Gain arising from agricultural produce at fair value less costs to sell at the point of harvest	按農產品收穫時的公允價值減銷售成本產生的收益	15,227
Gain arising from changes in fair value less costs to sell of biological assets	因生物資產的公允價值變動減銷售成本而產生的收益	3,738
Finance costs	融資成本	(1,932)
Profit before tax	除稅前溢利	4,891
Income tax expense	所得稅開支	(970)
Profit for the period	期內溢利	3,921

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10. DISCONTINUED OPERATIONS (continued)

10. 已終止經營業務 (續)

Six months ended
June 30, 2016
截至二零一六年
六月三十日止六個月
RMB'000
人民幣千元
(Unaudited)
(未經審核)

The Group's profit before tax from discontinued operations is arrived at after charging/(crediting):	本集團已終止經營業務的除稅前溢利乃經扣除／(計入)以下各項後得出：	
Interest income from banks	銀行利息收入	(38)
Gross rental income from investment properties	投資物業的租金收入總額	(5,621)
Depreciation	折舊	15,424
Amortisation of prepaid lease payments	預付租賃款項攤銷	187
Amortisation of intangible assets	無形資產攤銷	183
Write-back of inventories	存貨撤回	(12)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備的收益	(152)
Recognition of deferred government grants	確認遞延政府補助	(753)
The cash flow profile of the discontinued operations is as follows:	已終止經營業務的現金流量狀況如下：	
Net cash (used in)/generated from:	以下活動(所用)／所得現金淨額：	
Operating activities	經營活動	(62,701)
Investing activities	投資活動	6,011
Financing activities	融資活動	67,612
Net cash inflows	現金流入淨額	10,922

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11. EARNINGS PER SHARE

From continuing and discontinued operations

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

Earnings

		Six months ended 截至以下日期止六個月	
		June 30, 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	June 30, 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)
Earnings for the purpose of basic earnings per share (Profit for the period attributable to the owners of the Company)	就計算每股基本盈利而言的 盈利(本公司擁有人 應佔期內溢利)	226,417	721,625

Number of shares

		Six months ended 截至以下日期止六個月	
		June 30, 2017 二零一七年 六月三十日 '000 千股	June 30, 2016 二零一六年 六月三十日 '000 千股
Weighted average number of ordinary shares for the purpose of basic earnings per share	就計算每股基本盈利而言的 普通股加權平均數	3,901,998	3,633,762

11. 每股盈利

來自持續及已終止經營業務

本公司擁有人應佔每股基本盈利乃根據以下數據計算：

盈利

		Six months ended 截至以下日期止六個月	
		June 30, 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	June 30, 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)
Earnings for the purpose of basic earnings per share (Profit for the period attributable to the owners of the Company)	就計算每股基本盈利而言的 盈利(本公司擁有人 應佔期內溢利)	226,417	721,625

股份數目

		Six months ended 截至以下日期止六個月	
		June 30, 2017 二零一七年 六月三十日 '000 千股	June 30, 2016 二零一六年 六月三十日 '000 千股
Weighted average number of ordinary shares for the purpose of basic earnings per share	就計算每股基本盈利而言的 普通股加權平均數	3,901,998	3,633,762

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11. EARNINGS PER SHARE (continued)

From continuing operations

The calculation of the basic earnings per share from continuing operations attributable to the owners of the Company is based on profit for the period attributable to the owners of the Company from continuing operations of RMB226,417,000 (unaudited) (six months ended June 30, 2016: RMB717,704,000 (unaudited)). The denominators used are the same as those detailed above for basic earnings per share.

From discontinued operations

For the six months ended June 30, 2016, basic earnings per share for the discontinued operations is RMB0.11 cents per share, based on the profit for the period from the discontinued operations of RMB3,921,000, and the denominators detailed above for basic earnings per share.

Diluted earnings per share

The grant of share options is not considered in the calculation of diluted earnings per share as there is no issuable new share under the related share option scheme. No diluted earnings per share is presented for the prior period as the Company did not have any dilutive potential shares in issue.

11. 每股盈利 (續)

來自持續經營業務

本公司擁有人應佔持續經營業務的每股基本盈利乃根據本公司擁有人應佔持續經營業務的期內溢利人民幣226,417,000元(未經審核)(截至二零一六年六月三十日止六個月:人民幣717,704,000元(未經審核))計算。採用的分母與上文所述計算每股基本盈利的分母相同。

來自已終止經營業務

截至二零一六年六月三十日止六個月,已終止經營業務的每股基本盈利為每股人民幣0.11分,乃基於已終止經營業務的期內溢利人民幣3,921,000元及上文所述計算每股基本盈利的分母計算。

每股攤薄盈利

由於相關購股權計劃並無可發行的新股份,因此計算每股攤薄盈利時並不計及購股權有否授予。本公司概無呈列過往期間的每股攤薄盈利,原因是當時並無任何已發行的潛在攤薄股份。

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12. DIVIDENDS

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

13. PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group paid approximately RMB395,291,000 (unaudited) for the construction costs of new farms and for the acquisition of plant and equipment.

In addition, during the current interim period, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of RMB4,561,000 (unaudited) (six months ended June 30, 2016: RMB3,046,000 (unaudited)) for cash proceeds of RMB2,783,000 (unaudited) (six months ended June 30, 2016: RMB3,002,000 (unaudited)), resulting in a loss on disposal of RMB1,778,000 (unaudited) (six months ended June 30, 2016: RMB44,000 (unaudited)).

12. 股息

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

13. 物業、廠房及設備

於本中期期間，本集團就新養殖場的建設成本及廠房與設備的採購支付了約人民幣395,291,000元（未經審核）。

此外，於本中期期間，本集團出售了賬面總值為人民幣4,561,000元（未經審核）（截至二零一六年六月三十日止六個月：人民幣3,046,000元（未經審核））的若干物業、廠房及設備，所得現金款項為人民幣2,783,000元（未經審核）（截至二零一六年六月三十日止六個月：人民幣3,002,000元（未經審核）），引起的出售虧損為人民幣1,778,000元（未經審核）（截至二零一六年六月三十日止六個月：人民幣44,000元（未經審核））。

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14. BIOLOGICAL ASSETS

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

Carrying value of the Group's biological assets

14. 生物資產

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

本集團生物資產的賬面值

		Live hogs 生豬 RMB'000 人民幣千元
At January 1, 2017 (audited)	於二零一七年一月一日 (經審核)	1,468,158
Additions: Breeding costs	添置：養殖成本	1,353,735
Acquisition of a subsidiary (Note 24)	收購附屬公司 (附註24)	19,172
Gain arising from changes in fair value less costs to sell of biological assets	生物資產公允價值變動減銷售成本產生的收益	489,915
Transfer to cost at the point of harvest	收穫時轉至成本	(1,626,501)
Decrease due to culling	因死淘減少	(187,564)
At June 30, 2017 (unaudited)	於二零一七年六月三十日 (未經審核)	1,516,915
Less: current portion (unaudited)	減：流動部分 (未經審核)	(1,085,147)
Non-current portion (unaudited)	非流動部分 (未經審核)	431,768

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14. BIOLOGICAL ASSETS (continued)

Carrying value of the Group's biological assets (continued)

		Live hogs 生豬 RMB'000 人民幣千元 (Audited) (經審核)
At January 1, 2016	於二零一六年一月一日	1,192,566
Additions: Breeding costs	添置：養殖成本	2,303,636
Gain arising from changes in fair value less costs to sell of biological assets	生物資產公允價值變動減銷售成本產生的收益	1,394,461
Transfer to cost at the point of harvest	收穫時轉至成本	(3,150,266)
Decrease due to culling	因死淘減少	(272,239)
At December 31, 2016	於二零一六年十二月三十一日	1,468,158
Less: current portion	減：流動部分	(1,108,437)
Non-current portion	非流動部分	359,721

Fair value measurement

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

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

14. 生物資產 (續)

本集團生物資產的賬面值 (續)

		Live hogs 生豬 RMB'000 人民幣千元 (Audited) (經審核)
At January 1, 2016	於二零一六年一月一日	1,192,566
Additions: Breeding costs	添置：養殖成本	2,303,636
Gain arising from changes in fair value less costs to sell of biological assets	生物資產公允價值變動減銷售成本產生的收益	1,394,461
Transfer to cost at the point of harvest	收穫時轉至成本	(3,150,266)
Decrease due to culling	因死淘減少	(272,239)
At December 31, 2016	於二零一六年十二月三十一日	1,468,158
Less: current portion	減：流動部分	(1,108,437)
Non-current portion	非流動部分	359,721

公允價值計量

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

生物資產的公允價值變動減銷售成本計入於各報告期末生豬的公平價值變動。

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14. BIOLOGICAL ASSETS (continued)

Key assumptions and inputs

The major significant unobservable inputs to the valuation of the biological assets include estimated market price, rearing costs, survival rate and risk in price uncertainty upon completion.

Set forth below are the valuation techniques, key assumptions and inputs adopted in the valuation process to determine the fair values of the Group's biological assets as at June 30, 2017 and December 31, 2016.

14. 生物資產 (續)

主要假設及輸入數據

生物資產估值的主要重大不可觀察輸入數據包括估計市價、飼養成本、存活率及完成時價格不確定性風險。

下文載列於二零一七年六月三十日及二零一六年十二月三十一日釐定本集團生物資產公允價值的估值過程中採用的估值方法、主要假設及輸入數據。

		At June 30, 2017 於二零一七年 六月三十日 RMB 人民幣 (Unaudited) (未經審核)	At December 31, 2016 於二零一六年 十二月三十一日 RMB 人民幣 (audited) (經審核)
Live hogs	生豬		
Piglets (Note (a))	仔豬 (附註(a))		
<i>Per head replacement cost</i>	<i>每頭重置成本</i>	135 to 235 135至235	192 to 384 192至384
Nursery hogs (Note (b))	保育豬 (附註(b))		
<i>Per head market price</i>	<i>每頭市價</i>	392 to 700 392至700	477 to 823 477至823
Medium and large finishing hogs (Note (c))	中型及大型育肥豬 (附註(c))		
<i>Per head market price</i>	<i>每頭市價</i>	827 to 1,530 827至1,530	963 to 1,925 963至1,925
Replacement studs and gilts (Note (d))	後備公豬及後備母豬 (附註(d))		
<i>Per head cost</i>	<i>每頭成本</i>	1,138 to 20,837 1,138至20,837	1,168 to 14,810 1,168至14,810
Breeding stock (Note (e))	種豬 (附註(e))		
<i>Per head replacement cost</i>	<i>每頭重置成本</i>	1,617 to 20,000 1,617至20,000	1,303 to 18,000 1,303至18,000

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14. BIOLOGICAL ASSETS (continued)

Key assumptions and inputs (continued)

Notes:

- (a) As there was no active market for piglets, replacement cost approach have been adopted to reflect the depreciation of value due to use of breeding stock and other associated costs.
- (b) As there were active markets for the nursery hogs in certain locations, the market prices of nursery hogs have been adopted. For the location that did not have an active market, similar approach as those for medium finishing hogs discussed below has been adopted as there is no alternative actively traded market accessible for nursery hogs within the region.
- (c) Market prices have been adopted for large finishing hogs as there were active markets for the large finishing hogs as at respective valuation dates.

As there was no active market for the medium finishing hogs, the market price of medium finishing hogs has been estimated based on the market prices of large finishing hogs, less cost of completion, and adjusted with survival rate and risk in price uncertainty upon completion.

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

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

14. 生物資產 (續)

主要假設及輸入數據 (續)

附註：

- (a) 仔豬並無活躍市場，故採用重置成本法以反映因使用種豬的價值折舊及其他相關成本。
- (b) 在若干地方保育豬存在活躍市場，故採用保育豬的市價。就無活躍市場的地方而言，因該地區並無適用於保育豬的其他活躍交易市場，故採用下文所討論中型育肥豬的類似方法。
- (c) 大型育肥豬於各估值日期有活躍市場，故採用市價。

中型育肥豬無活躍市場，故中型育肥豬的市價按大型育肥豬的市價進行估計，減完成成本，並就存活率及完成時的價格不確定性風險作出調整。

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

存活率按各估值日期各地的過往統計數據及豬的分類估計。

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14. BIOLOGICAL ASSETS (continued)

Key assumptions and inputs (continued)

Notes: (continued)

- (d) As replacement studs and gilts are yet to generate income to the Group due to their immature physical condition and in the absence of a market price from an actively traded market for the replacement studs and gilts, cost approach has been adopted. The fair value of the replacement studs and gilts is determined based on the original cost plus the rearing costs (e.g. cost of vaccine, feeding, labour) subsequent to purchase or transfer.
- (e) Since there was no active market for breeding stock at specific age, the replacement cost approach has been adopted. Market prices for different species of boar and gilt have been obtained as a basis for the replacement cost, and adjusted for the reduction/consumption of economic useful life by applying the respective metrics to estimate the fair value of breeding stock in different species.

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

The fair values of the Group's biological assets at June 30, 2017 and December 31, 2016 are grouped into Level 3 of fair value measurement. There were no transfers into or out of Level 3 during the current and prior periods.

14. 生物資產 (續)

主要假設及輸入數據 (續)

附註：(續)

- (d) 後備公豬及後備母豬因生理條件未成熟而尚未為本集團產生收入且並無活躍交易市場的市價，故採用成本法。後備公豬及後備母豬的公允價值按原成本加購買或轉欄之後的養殖成本（如疫苗、飼養、勞工成本）釐定。
- (e) 特定年齡種豬並無活躍市場，故採用重置成本法。取得不同品種公豬及母豬的市價作為重置成本的基準，並就供銷壽命的減少／消耗作出調整，採用相關指標估計不同品種種豬的公允價值。

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

本集團生物資產於二零一七年六月三十日及二零一六年十二月三十一日的公允價值分類為公允價值計量第三級。於當前及過往期間，並無轉入或轉出第三級。

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15. DERIVATIVE FINANCIAL INSTRUMENTS

15. 衍生金融工具

		June 30, 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	December 31, 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Classified under current assets:	分類為流動資產：		
<i>Derivatives not under hedge accounting</i>	並未按套期會計法處理的 衍生工具		
Foreign currency forward contracts	遠期外匯合約	-	3,418
Classified under current liabilities:	分類為流動負債：		
<i>Derivatives not under hedge accounting</i>	並未按套期會計法處理的 衍生工具		
Foreign currency forward contracts	遠期外匯合約	13,605	-
<i>Derivatives under hedge accounting</i>	按套期會計法處理的衍生工具		
Cash flow hedges – Foreign currency forward contracts	現金流量套期 – 遠期外匯合約	4,307	-
		17,912	-

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

Certain of the foreign currency forward contracts are designated as hedging instruments in order to manage the Group's foreign currency exposure. During the current interim period, fair value loss of RMB4,307,000 (unaudited) (six months ended June 30, 2016: Nil (unaudited)) has been recognised in other comprehensive income and accumulated in equity.

本集團與若干銀行訂立遠期外匯合約，以管理若干以美元（「美元」）計值的應付賬款產生的外匯風險。

若干遠期外匯合約被計為套期工具，以管理本集團的外匯風險。於本中期期間，公允價值虧損人民幣4,307,000元（未經審核）（截至二零一六年六月三十日止六個月：零（未經審核））於其他全面收入確認並於權益中累計。

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15. DERIVATIVE FINANCIAL INSTRUMENTS

(continued)

For foreign currency forward contracts not designated as hedging instruments, fair value loss of RMB17,023,000 (unaudited) has been recorded and recognised in profit or loss during the current interim period (six months ended June 30, 2016: fair value gain of RMB12,956,000 (unaudited)).

Major terms of the foreign currency forward contracts are as follows:

As at June 30, 2017

Nominal amount 面值	Exchange rates 匯率	Maturity Date 到期日
<i>Designated as hedging instruments</i> 計為套期工具		
Buy USD30,580,316 購買30,580,316美元	USD1: RMB6.8420 to RMB7.0411 1美元：人民幣6.8420元至 人民幣7.0411元	July 28, 2017 to November 30, 2017 二零一七年七月二十八日至 二零一七年十一月三十日
Buy EUR995,280 購買995,280歐元	EUR1: RMB7.6100 to RMB7.7455 1歐元：人民幣7.6100元至 人民幣7.7455元	July 28, 2017 to September 28, 2017 二零一七年七月二十八日至 二零一七年九月二十八日
<i>Not designated as hedging instruments</i> 未計為套期工具		
Buy USD58,462,800 購買58,462,800美元	USD1: RMB6.8210 to RMB7.1095 1美元：人民幣6.8210元至 人民幣7.1095元	July 3, 2017 to November 3, 2017 二零一七年七月三日至 二零一七年十一月三日

As at December 31, 2016

Nominal amount 面值	Exchange rates 匯率	Maturity Date 到期日
Buy USD73,732,241 購買73,732,241美元	USD1: RMB6.7316 to RMB7.0089 1美元：人民幣6.7316元至 人民幣7.0089元	January 26, 2017 to March 30, 2017 二零一七年一月二十六日至 二零一七年三月三十日

15. 衍生金融工具 (續)

就未計為套期工具的遠期外匯合約而言，於本中期期間，公允價值虧損人民幣17,023,000元（未經審核）於損益中記錄及確認（截至二零一六年六月三十日止六個月：公允價值收益人民幣12,956,000元（未經審核））。

遠期外匯合約的主要條款如下：

於二零一七年六月三十日

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16. ACCOUNTS RECEIVABLE

		June 30, 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	December 31, 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Accounts receivable	應收賬款	136,339	159,875
Impairment loss	減值虧損	(200)	(404)
		136,139	159,471

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

The Group does not hold any collateral or other credit enhancements over its accounts receivable. The Group's accounts receivable from related parties as disclosed in Note 17 are repayable on similar credit terms to those offered to the major customers of the Group.

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

16. 應收賬款

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

本集團並無就其應收賬款持有任何抵押品或其他加強信用措施。本集團的應收關聯方賬款（如附註17披露）應按與給予本集團主要客戶的信貸條款類似者償還。

於報告期末應收賬款（以交付日期為基準及經扣減減值虧損）的賬齡分析如下：

		June 30, 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	December 31, 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Within 3 months	3個月內	125,866	149,606
3 to 6 months	3至6個月	7,521	5,160
6 months to 1 year	6個月至1年	2,255	1,846
Over 1 year	1年以上	497	2,859
		136,139	159,471

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17. BALANCES WITH RELATED COMPANIES

Related companies include entities controlled by major shareholders and its affiliates.

Included in amounts due from related companies as at June 30, 2017 were receivables in trade nature of RMB32,957,000 (unaudited) (December 31, 2016: RMB11,778,000). These receivables are unsecured, interest-free and repayable according to relevant sales contracts. An aged analysis of these receivables as at the end of the reporting period, based on the delivery date and net of impairment loss, is as follows:

		June 30, 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	December 31, 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Within 3 months	3個月內	31,636	8,226
Over 3 months but less than 1 year	3個月以上1年以內	1,280	3,451
Over 1 year	1年以上	41	101
		32,957	11,778

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

17. 與關聯公司的結餘

關聯公司包括由主要股東及其聯營公司控制的實體。

於二零一七年六月三十日，有人民幣32,957,000元（未經審核）（二零一六年十二月三十一日：人民幣11,778,000元）的貿易性質應收款項計入應收關聯公司款項。該等應收款項無抵押、不計息及須根據相關銷售合約償還。於報告期末，該等應收款項（以交付日期為基準及經扣除減值虧損）的賬齡分析如下：

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

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17. BALANCES WITH RELATED COMPANIES

(continued)

Included in amounts due to related companies as at June 30, 2017 were payables in trade nature of RMB68,125,000 (unaudited) (December 31, 2016: RMB56,809,000), which are unsecured, interest-free and repayable according to the relevant purchase contracts.

17. 與關聯公司的結餘 (續)

於二零一七年六月三十日，有人民幣68,125,000元（未經審核）（二零一六年十二月三十一日：人民幣56,809,000元）的貿易性質應付款項計入應付關聯公司款項，該等款項無抵押、不計息及須根據相關購買合約償還。

		June 30, 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	December 31, 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Within 3 months	3個月內	67,682	56,466
Over 3 months but less than 1 year	3個月以上1年以內	443	317
Over 1 year	1年以上	-	26
		68,125	56,809

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

其餘的應付關聯公司款項結餘（包括與商品銷售相關的已收按金及往來賬戶結餘）為無抵押、不計息及須於要求時償還。

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18. LOANS FROM RELATED COMPANIES

The loans from related companies, which are entities controlled by a major shareholder, classified under current liabilities are unsecured and repayable within one year. Except for loans from a related company of RMB340,000,000 (unaudited) (December 31, 2016: Nil) which bear interest at 3.915% per annum, the remaining loans are interest-free.

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

18. 來自關聯公司的貸款

分類為流動負債的關聯公司(由主要股東控制的實體)貸款無抵押及須於一年內償還。除來自關聯公司的貸款人民幣340,000,000元(未經審核)(二零一六年十二月三十一日:零)按年利率3.915%計息外,其餘的貸款均不計息。

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

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19. ACCOUNTS AND BILLS PAYABLES

		June 30, 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	December 31, 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Accounts payable	應付賬款	328,915	239,785
Bills payable	應付票據	23,988	154,288
		352,903	394,073

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

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

		June 30, 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	December 31, 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Within 1 year	1年內	325,607	236,573
1 to 2 years	1至2年	1,241	2,111
Over 2 years	2年以上	2,067	1,101
		328,915	239,785

19. 應付賬款及應付票據

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

於報告期末基於發票日期作出的應付賬款賬齡分析如下：

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20. PLEDGE OF ASSETS

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

	June 30, 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	December 31, 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Bank deposits 銀行存款	24,565	50,093

20. 資產抵押

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

21. CAPITAL COMMITMENTS

	June 30, 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	December 31, 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Contracted but not provided for in respect of: 就以下各項已訂約但未撥備：		
Purchase of property, plant and equipment 購買物業、廠房及設備	426,095	314,169
Investments in joint ventures 投資合營企業	26,285	44,952

21. 資本承擔

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22. OPERATING LEASE ARRANGEMENTS

The Group as lessee

At the end of each reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of land use rights, office premises, retail shops and warehouses with fixed rentals, which fall due as follows:

		June 30, 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	December 31, 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Within one year	一年以內	16,235	16,110
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	44,474	38,524
After five years	五年以後	219,710	196,900
		280,419	251,534

Leases for land use rights were negotiated for terms ranging from 5 to 70 years, and leases for office premises, retail shops and warehouses were negotiated for terms ranging from 1 to 8 years.

22. 經營租賃安排

本集團作為承租人

於各報告期末，本集團就租金固定的土地使用權、辦公物業、零售店及倉庫的不可撤銷經營租賃下的未來最低租賃付款擁有承擔，其到期情況如下：

土地使用權租賃按期限5至70年協商，辦公物業、零售店及倉庫租賃按期限1至8年協商。

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23. RELATED PARTY TRANSACTIONS

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

23. 關聯方交易

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

		Six months ended 截至以下日期止六個月	
		June 30, 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	June 30, 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)
Transactions with the ultimate holding company:	與最終控股公司的交易：		
Rental expenses	租金開支	-	2,757
Interest expense	利息開支	-	1,317
Transactions with the immediate holding company:	與直接控股公司的交易：		
Interest expense	利息開支	-	13,837
Transactions with fellow subsidiaries:	與同系附屬公司的交易：		
Sales of goods	銷售貨品	-	40,922
Purchases of goods	購買貨品	-	247,522
Feeding materials processing fee expense	飼料加工費開支	-	5,958
Interest income	利息收入	-	3,461
Interest expense	利息開支	-	8,421
Transactions with related companies:	與關聯公司的交易：		
Sales of goods	銷售貨品	68,783	2,022
Purchases of goods	購買貨品	347,978	-
Feeding materials processing fee income	飼料加工費收入	2,425	-
Interest income	利息收入	496	-
Interest expense	利息開支	5,520	-
Warehouse rental expense	倉庫租金開支	2,661	-
Office rental expenses	辦公室租金開支	3,742	-

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23. RELATED PARTY TRANSACTIONS (continued)

Related companies include entities controlled by major shareholders and its affiliates.

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

In addition, at June 30, 2017, certain deposits included in cash and cash equivalents are placed with COFCO Finance, which is a non-bank financial institution regulated by the People's Bank of China (the "PBOC") and the China Banking Regulatory Commission. In the PRC, deposit rates are set by the PBOC which is applicable to all financial institutions. The interest rates offered by COFCO Finance are the same as the rates promulgated by the PBOC. The deposits placed with COFCO Finance by the Group at June 30, 2017 amounted to RMB57,372,000 (unaudited) (December 31, 2016: RMB98,742,000).

Compensation of key management personnel of the Group

Salaries, allowances and other benefits 薪金、津貼及其他福利

Retirement benefit scheme contributions 退休福利計劃供款

Equity-settled share option expense 權益結算購股權開支

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

23. 關聯方交易 (續)

關聯公司包括由主要股東及其聯營公司控制的實體。

上述銷售及購買交易乃按有關各方相互協定的條款及條件進行。

此外，於二零一七年六月三十日，計入現金及現金等價物內的若干按金存放於中糧財務，該公司為受中國人民銀行（「中國人民銀行」）及中國銀行業監督管理委員會監管的非銀行金融機構。於中國，中國人民銀行設定的存款利率適用於所有金融機構。中糧財務提供的利率與中國人民銀行公佈的利率相同。於二零一七年六月三十日，本集團存放於中糧財務的存款為人民幣57,372,000元（未經審核）（二零一六年十二月三十一日：人民幣98,742,000元）。

本集團主要管理人員的薪酬

		Six months ended 截至以下日期止六個月	
		June 30, 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	June 30, 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)
Salaries, allowances and other benefits	薪金、津貼及其他福利	4,418	4,858
Retirement benefit scheme contributions	退休福利計劃供款	170	160
Equity-settled share option expense	權益結算購股權開支	959	513
		5,547	5,531

本集團的主要管理人員包括本公司董事及若干高級管理人員。

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24. BUSINESS COMBINATION

During the current interim period, the Group injected additional capital of RMB34,871,000 to Jiangsu CM/Merit Agriculture Development Co., Ltd ("Jiangsu CM"), a then joint venture of the Group which is principally involved in hog production. Subsequent to the capital injection, the Group's equity interests in Jiangsu CM increased from 40% to 51% and the Group has obtained control over its board of directors, and Jiangsu CM became a subsidiary of the Group thereafter. Jiangsu CM was acquired so as to continue the expansion of the Group's hog production business.

Assets and liabilities recognised at the date of the deemed acquisition (determined on a provisional basis)

24. 業務合併

於本中期期間，本集團向其當時的合營企業江蘇中慕農業發展有限公司（「江蘇中慕」）（主要從事生豬養殖）額外注資人民幣34,871,000元。注資後，本集團於江蘇中慕的股權從40%增至51%，且本集團取得對其董事會的控制權，此後江蘇中慕成為本集團的附屬公司。收購江蘇中慕目的在於繼續拓展本集團的生豬養殖業務。

於視作收購日期確認的資產及負債（臨時釐定）

		RMB'000 人民幣千元 (Unaudited) (未經審核)
Property, plant and equipment	物業、廠房及設備	80,172
Prepaid lease payments	預付租賃款項	4,911
Biological assets	生物資產	19,172
Deposits paid for purchase of property, plant and equipment	購買物業、廠房及設備所付按金	408
Deposits paid for purchase of biological assets	購買生物資產所付按金	1,239
Inventories	存貨	1,346
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	418
Amounts due from shareholders*	應收股東款項*	36,924
Cash and cash equivalents	現金及現金等價物	8,808
Accounts payables	應付賬款	(3,390)
Other payables, accruals and deposits received	其他應付款項、應計費用及已收按金	(53,170)
		96,838

* The gross contractual amounts of amounts due from shareholders acquired amounted to RMB36,924,000 at the date of acquisition and the amounts were fully settled before the end of the reporting period.

* 應收股東款項中，於收購日期已收到總合約金額人民幣36,924,000元，且該等金額於報告期末前已悉數結清。

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24. BUSINESS COMBINATION (continued)

Goodwill arising on the deemed acquisition

Consideration:	代價：	
– Interest in a joint venture	– 於合營企業的利息	14,517
– Other payable	– 其他應付款項	34,871
Plus: Non-controlling interests (49% in Jiangsu CM)	加：非控股權益（江蘇中慕49%的權益）	47,450
Less: Net assets acquired	減：已收購資產淨值	(96,838)

The non-controlling interests (49%) in Jiangsu CM recognised at the acquisition date was measured by proportionate share of net assets acquired.

Cash inflows from the deemed acquisition

Cash and cash equivalents acquired	獲得的現金及現金等價物	8,808
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Since the acquisition date, Jiangsu CM contributed revenue of RMB86,000 (unaudited) and a net loss of RMB528,000 (unaudited) to the Group's consolidated revenue and profit for the six months ended June 30, 2017, respectively. Had the acquisition been completed on January 1, 2017, the total revenue of the Group and the profit of the Group's for the six months ended June 30, 2017 would have been RMB3,299,262,000 (unaudited) and RMB224,508,000 (unaudited), respectively. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2017, nor is it intended to be a projection of future results.

24. 業務合併 (續)

視作收購產生的商譽

RMB'000
人民幣千元
(Unaudited)
(未經審核)

於收購日期確認的於江蘇中慕的非控股權益(49%)按分佔已收購資產淨值的比例計量。

視作收購產生的現金流入

RMB'000
人民幣千元
(Unaudited)
(未經審核)

自收購日期後，截至二零一七年六月三十日止六個月，江蘇中慕在本集團綜合收入及溢利中所佔收入及淨虧損分別為人民幣86,000元（未經審核）及人民幣528,000元（未經審核）。假使收購已於二零一七年一月一日完成，則截至二零一七年六月三十日止六個月本集團的總收入及溢利將分別為人民幣3,299,262,000元（未經審核）及人民幣224,508,000元（未經審核）。備考資料僅供說明之用，未必反映假使收購已於二零一七年一月一日完成，本集團實際將獲得的收入及經營業績，亦不表示對未來業績的預測。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

June 30, 2017

二零一七年六月三十日

25. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of financial instruments that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about the level of the fair value hierarchy into which fair value measurements are categorised (level 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

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

25. 金融工具之公允價值計量

按累計基準以公允價值計量的金 融工具公允價值

本集團部分金融資產及金融負債於各報告期末按公允價值計量。下表呈列公允價值計量所劃分的公允價值等級（第一至三級）相關資料，此等級別的劃分乃基於公允價值計量輸入數據的可觀察程度。

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

GLOSSARY

釋義

“associate(s)” 「聯繫人」	has the meaning ascribed thereto under the Listing Rules 具有上市規則賦予該詞的涵義
“Audit Committee” 「審核委員會」	the Audit Committee of the Board 董事會審核委員會
“Baring” 「Baring」	Baring Private Equity Asia V Holding (16) Limited, a limited liability company incorporated in the BVI on February 20, 2014, and one of our Shareholders Baring Private Equity Asia V Holding (16) Limited，一家於二零一四年二月二十日在英屬處女群島註冊成立的有限公司，為股東之一
“Board” or “Board of Directors” 「董事會」	our board of Directors 我們的董事會
“Boyuu” 「Boyuu」	Shiny Joyful Limited, an exempted company with limited liability incorporated in the Cayman Islands on February 10, 2014, and one of our Shareholders Shiny Joyful Limited，一家於二零一四年二月十日在開曼群島註冊成立的獲豁免有限公司，為股東之一
“China Foods (Holdings)” 「中國食品（控股）」	China Foods (Holdings) Limited (中國食品（控股）有限公司) (formerly known as COFCO (BVI) No. 108 Limited), a company incorporated in the BVI with limited liability on August 30, 2000, and a wholly-owned subsidiary of COFCO (HK) 中國食品（控股）有限公司（前稱COFCO (BVI) No. 108 Limited），一家於二零零零年八月三十日在英屬處女群島註冊成立的有限公司，為中糧香港的全資附屬公司
“COFCO” 「中糧」	COFCO Corporation (中糧集團有限公司), a wholly state-owned enterprise incorporated in the PRC in September 1952 currently under the purview of the SASAC and a major shareholder of our Company 中糧集團有限公司，一家於一九五二年九月在中國註冊成立的國有獨資企業，目前隸屬於國資委，並為本公司的主要股東
“COFCO Finance” 「中糧財務」	COFCO Finance Corporation Limited (中糧財務有限責任公司), a non-bank financial institution incorporated with limited liability in the PRC on September 24, 2002, and an indirect wholly-owned subsidiary of COFCO 中糧財務有限責任公司，一家於二零零二年九月二十四日在中國註冊成立的有限責任非銀行金融機構，為中糧的間接全資附屬公司
“COFCO Group” 「中糧集團」	COFCO and its subsidiaries other than our Group and including the Disposal Group (unless the context indicates otherwise) 中糧及其附屬公司（本集團除外但包括出售集團）（除非文義另有所指）

GLOSSARY

釋義

“COFCO (HK)” 「中糧香港」	COFCO (Hong Kong) Limited (中糧集團(香港)有限公司), a company incorporated in Hong Kong with limited liability on August 14, 1981, and a direct wholly-owned subsidiary of COFCO and a major shareholder of the Company 中糧集團(香港)有限公司，一家於一九八一年八月十四日在香港註冊成立的有限公司，為中糧的直接全資附屬公司及我們的主要股東
“Company” or “our Company” 「本公司」	COFCO Meat Holdings Limited (中糧肉食控股有限公司) (formerly known as Charm Thrive Investments Limited (燦旺投資有限公司)), a company incorporated in the BVI with limited liability on March 11, 2014 and re-domiciled to the Cayman Islands as an exempted company with limited liability on May 4, 2016 中糧肉食控股有限公司(前稱燦旺投資有限公司)，一家於二零一四年三月十一日在英屬處女群島註冊成立的有限公司，並於二零一六年五月四日遷冊至開曼群島，作為一家獲豁免有限公司
“COFCO Meat Investments” 「中糧肉食投資」	COFCO Meat Investments Co., Ltd. (中糧肉食投資有限公司), a limited liability company incorporated under the laws of the PRC on March 20, 2009 and an indirect wholly-owned subsidiary of our Company 中糧肉食投資有限公司，一家於二零零九年三月二十日根據中國法律註冊成立的有限公司，為本公司的間接全資附屬公司
“Corporate Governance Code” 「企業管治守則」	the Corporate Governance Code and Corporate Governance Report set out in Appendix 14 of the Listing Rules 上市規則附錄十四《企業管治守則》及《企業管治報告》
“Director(s)” 「董事」	director(s) of our Company 本公司董事
“Food Safety Committee” 「食品安全委員會」	the Food Safety Committee of the Board 董事會食品安全委員會
“Former Share Incentive Scheme” 「原股份獎勵計劃」	the pre-IPO share incentive scheme as disclosed under the section headed Appendix IV “Statutory and General Information” of the Prospectus 招股章程附錄四「法定及一般資料」章節中載明的首次公開發售前股份獎勵計劃
“Group”, “our Group”, “we” or “us” 「本集團」或「我們」	our Company and its subsidiaries or, where the context so requires in respect of the period before our Company became the holding company of our present subsidiaries, the entities which carried on the business of the present Group at the relevant time 本公司及其附屬公司，或如文義所需，就本公司成為其現有附屬公司的控股公司之前的期間而言，則指於相關時間經營現有集團業務的實體
“HK\$” or “Hong Kong dollar(s)” or “HKD” 「港元」	the lawful currency of Hong Kong 香港法定貨幣

GLOSSARY

釋義

“Itoham Yonekyu Holdings”	Itoham Yonekyu Holdings Inc, a limited liability company incorporated under the laws of Japan on April 1, 2016, the shares of which are listed on the Tokyo Stock Exchange with stock code 22960, and the sole shareholder of each of Itoham Foods Inc. and Yonekyu Corp.
「Itoham Yonekyu Holdings」	Itoham Yonekyu Holdings Inc，一家於二零一六年四月一日根據日本法律註冊成立的有限公司，其股份於東京證券交易所上市（股份代號：22960），並為Itoham Foods Inc.及Yonekyu Corp.的唯一股東
“KKR”	Promise Meat Investment II Ltd, an exempted company with limited liability incorporated in the Cayman Islands on March 18, 2014, and one of our Shareholders
「KKR」	Promise Meat Investment II Ltd，一家於二零一四年三月十八日在開曼群島註冊成立的獲豁免有限公司，為股東之一
“Listing Date”	the date, November 1, 2016, on which the Shares were listed and from which dealings therein were permitted to commence on the Stock Exchange
「上市日期」	股份上市及獲准於聯交所開始買賣的日期，為二零一六年十一月一日
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
「上市規則」	聯交所證券上市規則
“Mainfield”	Mainfield International Limited (明暉國際有限公司), a limited liability company incorporated in the BVI on October 8, 2008, and a major Shareholder of our Company
「明暉」	明暉國際有限公司，一家於二零零八年十月八日在英屬處女群島註冊成立的有限公司，為本公司的主要股東
“Mitsubishi”	Mitsubishi Corporation, a limited liability company incorporated under the laws of Japan on April 1, 1950, the shares of which are listed on the Tokyo Stock Exchange with stock code 80580, and a 57.42% shareholder of MIY
「三菱」	Mitsubishi Corporation，一家於一九五零年四月一日根據日本法律註冊成立的有限公司，其股份在東京證券交易所上市（股份代號：80580），為於MIY持股57.42%的股東
“MIY”	MIY Corporation, a limited liability company incorporated under the laws of Japan on January 18, 2011 and one of our Shareholders
「MIY」	MIY Corporation，一家於二零一一年一月十八日根據日本法律註冊成立的有限公司，為股東之一
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Companies set out in Appendix 10 of the Listing Rules
「標準守則」	上市規則附錄十《上市發行人董事進行證券交易的標準守則》

GLOSSARY

釋義

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



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