BEST FOOD HOLDING COMPANY LIMITED
百 福 控 股 有 限 公 司

(Formerly known as Lee & Man Handbags Holding Limited 理文手袋集團有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01488)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2018

FINANCIAL HIGHLIGHTS

— Revenue of RMB373.6 million for the period, increased by 10.3% as compared to the last corresponding period.

— Net loss of RMB3.0 million for the period, as compared to a net profit of RMB16.1 million in the last corresponding period.

— Gross profit margin slightly decreased from 47.8% to 47.7%.

— Net loss margin of 0.8%, as compared to a net profit margin of 4.7% in the last corresponding period.

— Basic loss per share of RMB 0.25 cents for the period, as compared to a basic earnings per share of RMB 1.64 cents in the last corresponding period.

COMMENTARY ON THE BUSINESS DEVELOPMENT

Business Review

Best Food Holding Company Limited (the "**Company**" or "**Best Food**", together with its subsidiaries, the "**Group**") has increased investments and efforts in in-depth business optimization in the year 2018. In the first half of the year 2018, the Group embarked on promotion of production capacity reshuffling and personnel consolidation on the handbags segment, striving to transit stably in the process of adjustment on the one hand; and on the other, it actively increased investments in aspects such as infrastructure construction, personnel reserve and brand marketing for long-term business growth in the food and beverage segment. We are well aware of the tremendous opportunities and intense competitions co-existing in the food and beverage industry, and that only the ones who are always readily equipped as well as make best use of the advantages and plan ahead for their disadvantages will success. In the meantime, on top of striving persistently under the strategic directions, the Group has actively adopted various measures to enhance the performance:

1. For controlling brands, base on the preliminary investments in backend infrastructure and personnel, the measures the Group has taken in the following aspects are expected to take effects on the performance of the second half of the year 2018:

    (a) elevating the brands, increasing its premium capacity;

    (b) improving the efficiency of take-out business;

    (c) enhancing the supply chain collaboration, lowering the costs on raw material procurement;

2. Joint-stock brands are anticipated to grow with the overall business scale, and the main brands are expected to generate profits; meanwhile, the Group will actively promote capital operation of the joint-stock brands, with an aim to realize the potential of enhancement in brand value for certain brands;

3. Upon completion on acquisition of a leading fish hotpot restaurant chain in China under the brand name "New Spicy Way Fish Hotpot" by the Group (the "**New Spicy Way Acquisition**"), the profit-contributing sources of the food and beverage segment is expected to be significantly broaden.

For the six months ended 30 June 2018, the Group recorded a revenue of RMB373.6 million, increased by 10.3% as compared to last corresponding period, and a net loss of RMB3.0 million as compared to a net profit of RMB16.1 million in the last corresponding period.

For the six months ended 30 June 2018, the total revenue of invested companies amounted to RMB463.1 million under the food and beverage segment, representing an increase of 76.8%, as compared to RMB261.9 million in the last corresponding period. The revenue attributed to the Group amounted to RMB189.3 million, representing an increase of 2.5% as compared to RMB184.6 million in the last corresponding period. The gross margin of the food and beverage segment is 66.1% as compared to 63.8% for the last corresponding period.

For the six months ended 30 June 2018, the manufacturing and sales of handbags segment recorded a revenue of RMB184.3 million, representing an increase of 19.6%, as compared to RMB154.1 million in the last corresponding period. The gross margin of the manufacturing and sales of handbags segment is 28.8% as compared to 28.6% for the last corresponding period.

Food and Beverage Segment

Industry Review and Prospects

As indicated by the data published by National Bureau of Statistics, the total revenue generated from national food and beverage industry exceeded RMB1.9 trillion in the first half of 2018, representing an increase of 9.9% comparing to the same period of last year. Influenced by the macro environment of the overall industry, the growth has slowed down comparing to the level for the same period of last year, but still remained above that of the total retail sales of consumer goods for the same period. The Group believes that there is no change in the factors driving the long-term growth of the food and beverage industry.

In the meantime, it has come to our attention that the demands for products and consumption experience of the consumers have been continuously evolving, and that leading food and beverage enterprises are driving growth through more effective collection and analysis of consumer behavior data with upgraded algorithms derived from industrialized production and customised "innovations" for corporate business, which include innovations in respect of products, business dynamics and operation modes, brand marketing and mechanism for assessment and incentives.

Meanwhile, innovation does not come from golden-touch brainstorms, but from overall corporate efficiency upgrade driven by comprehensive informatization and digitization.

We clearly recognize that the growing brands are short of sufficient resources and professionals to complete digitization upgrade independently. The Group will therefore continue to make investments in backend infrastructure construction, assemble a professional team and consummate the "empowerment" ability of the invested companies.

Strategic Planning Review and Prospects

In the first half of this year, the Group has been persistently promoting the overall strategy on sustainable growth of corporate value through the dual engines, namely investment management and operation management.

In terms of investment management, the Group continues to propel in full capacity the perfection of the strategic planning for the core controlling brands, and upon completion of the New Spicy Way Acquisition, the profit-contributing sources of the food and beverage segment is expected to be significantly broaden. And for investment in joint-stock brands, stringent criteria will be applied in selecting brands with distinct characteristics and that have already established a leading position in the respective categories. The Group will construct an inner "empowerment" ecosystem through controlling interest and minority interest investments, so as to make up for the shortcomings of its own brands and expedite its development.

In respect of operation management, the Group continues to invest resources in forging an value-added service system, offer support to invested companies with respect to the core operation modules, namely training and human resources, data analysis, supply chain collaboration, channel expansion, product and mode research, etc. In addition, the Group will integrate the food and beverage corporate information system modules that have preliminarily come into shape to provide the invested companies with comprehensive "digitization" upgrading service.

Business Progress

Development in Investment and Investment Management

In 2016, the Group acquired the controlling interest in HHG, a leading fast food chain in Beijing featuring rice meals, and acquired a non-controlling interest in Yujian Xiaomian, a prominent emerging brand of Sichuan and Chongqing flavour noodle, and West Master, a leading Chinese fast food brand in Beijing. In addition, the Group entered into an investment contract with Sexy Salad, a rapidly emerging and prominent brand of salad within the food and beverage industry in China, in March 2017, an investment contract with Yuepin in March 2017, which owns two iconic brands of Vietnamese cuisine, Muine and Pho Nam, an investment contract with Clay Pot King in April 2017, a typical brand of Canton soup rice, an investment contract with Dafulan in May 2017, an prominent emerging brand featuring Hunan rice noodle and traditional snacks, an investment contract with Seesaw in May 2017, a typical premium coffee brand, and another investment contract with Foook in October 2017, a representative brand of spicy hot pot. The Group has completed investments in all these brands stated above. In the first half of the year 2018, the Group targeted New Spicy Way, the leading brand of fish hot pot, after preliminary preparation and continuous communication. On 19 June 2018, Delightful Year Holdings Limited, a wholly-owned subsidiary of the Company entered into a share purchase agreement with Beijing New Spicy Way Catering Management Ltd. (北京新辣道餐飲管理有限公司) and its existing shareholders in relation to, amongst other things, the New Spicy Way Acquisition which is subject to shareholders' approval of the Company. Upon completion, "New Spicy Way" will become a controlling brand of the Company. For further details of the New Spicy Way Acquisition, please refer to the announcement of the Company dated 19 June 2018. Meanwhile, the Group also has abundant project source in all major categories among the food and beverage industry.

Establishment of Management Platform

In the first half of the year 2018, the Group made significant progress in the capability of management control and value-added service.

For human resources and training, having undergone elaborate preparation and trial operation, "Best Food University" has been officially established and commenced systematic training courses. Best Food University will be positioned as the carrier for Best Food to provide human resources and training services for the invested companies. Through regular organization of in-depth yet practical "Best Food Gather (百福匯)" seminars for senior management, it offers extensive managerial and general courses distinctive from the internal brand training, as well as professional recommendation service, and consolidate quality resources in and out of the industry to build a cultivating platform with far-reaching influence for food and beverage talents.

For information system, the Group has completed the initial formation of its big data centre, and will subsequently connect the data interfaces within its controlling brands, and based on which build a data collection and analysis system.

Business Progress of Controlling Brand

HHG

Store Network: By the end of the first half of the year 2018, HHG, a Chinese fast food restaurant chain business operating under the "Hehegu (和合谷)" brand, had 141 stores, of which 7 were newly opened. In the second half of the year, HHG will continue to march into new geographical areas on the basis of increasing the market presence in Beijing, and strengthening the efforts in expansion of franchise business.

Online Channel Expansion: In the first half of the year 2018, HHG elevated the take-out business to the corporate strategy level, vigorously implemented marketing activities to deepen its influence in the top three take-out platforms, and in the meantime optimized the take-out team as well as enhanced the fineness of operation for the take-out business. In the first half of the year 2018, the revenue of the take-out service of HHG accounted for over 31.6% of total revenue.

Brand Strategy: In the first half of the year 2018, HHG conducted re-teasing for the overall brand strategy, and will continue to make improvement in aspects of product, positioning, image, etc in the second half year.

Product Development: In the first half of the year 2018, HHG extended the effective operation time of the stores by further diversifying the product portfolios in the breakfast and dinner periods. Subsequently, HHG will promote the development of retail products, and increase the conversion rate of store traffic through expanding product types.

Supply Chain: In the first half of the year 2018, the central kitchen in Tianjin has already had an elementary production capacity, and began to generate sales for external customers.

Information System: In the first half of the year 2018, HHG again upgraded the backend information system, optimized membership module and invoicing module, setting a foundation for conducting membership operation and enhancing the efficiency of supply chain.

For the six months ended 30 June 2018, the revenue of HHG amounted to RMB189.3 million, increased by 2.5% as compared to the last corresponding period. Meanwhile, the expenses increased significantly for the period due to the large-scale marketing activities implemented for take-out business, investment made in constructing the backend systems and management and operation staff reserve.

Attached is the statement of profit or loss of HHG for the six months ended 30 June 2018.

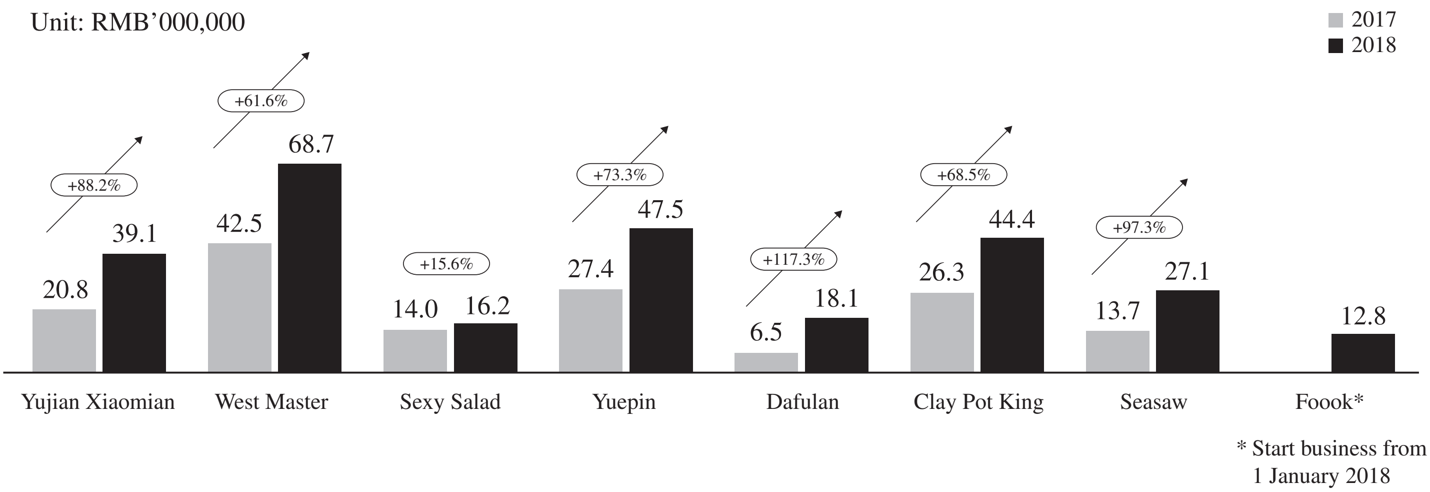
STATEMENT OF PROFIT OR LOSS OF HHG
For the six months ended 30 June 2018

	2018	2017
	RMB'000	*RMB'000*
Revenue	**189,255**	184,597
Cost of sales	**(64,151)**	(66,834)
Gross Profit	**125,104**	117,763
Other income	**6,357**	2,458
Distribution and selling expenses	**(112,178)**	(87,397)
General and administrative expenses	**(12,638)**	(12,049)
Finance expenses, net	**170**	54
Profit before taxation	**6,815**	20,829
Income tax expense	**(2,625)**	(5,705)
Profit for the period	**4,190**	15,124

Joint-Stock Brands

In the first half of the year 2018, the major joint-stock brands of the Group achieved significant growth with the improvement of profit at store level. However, the scaling effect is yet to be realized due to the limitation on size and volume, coupled with intermittent increase in investment required in order to maintain long-term growth, they are yet to contribute to the profit for the Group. The following is a summary of the business data for the six months ended 30 June 2018 of the associates invested up to the date of this announcement.

Revenue of associates for the six months ended 30 June 2017/18 and Year-on-year Growth



Yujian Xiaomian

For the six months ended 30 June 2018, the revenue of Yujian Xiaomian amounted to RMB39.1 million, increased by 88.2% as compared to the last corresponding period. For the six months ended 30 June 2018, Yujian Xiaomian owns 19 stores, of which 4 is newly opened.

West Master

For the six months ended 30 June 2018, the revenue of West Master amounted to RMB68.7 million, increased by 61.6% as compared to the last corresponding period. For the six months ended 30 June 2018, West Master owns 33 stores, of which 3 are newly opened.

Sexy Salad

For the six months ended 30 June 2018, the revenue of Sexy Salad amounted to RMB16.2 million, increased by 15.6% as compared to the last corresponding period. For the six months ended 30 June 2018, Sexy Salad owns 18 stores, of which 2 are newly opened.

Yuepin

For the six months ended 30 June 2018, the revenue of Yuepin amounted to RMB47.5 million, increased by 73.3% as compared to the last corresponding period. For the six months ended 30 June 2018, Yuepin owns 19 stores, of which 6 are newly opened.

Dafulan

For the six months ended 30 June 2018, the revenue of Dafulan amounted to RMB18.1 million, increased by 177.3% as compared to the last corresponding period. For the six months ended 30 June 2018, Dafulan owns 11 stores, of which 2 are newly opened.

Clay Pot King

For the six months ended 30 June 2018, the revenue of Clay Pot King amounted to RMB44.4 million, increased by 68.5% as compared to the last corresponding period. For the six months ended 30 June 2018, Clay Pot King owns 36 stores, of which 9 are newly opened.

Seesaw

For the six months ended 30 June 2018, the revenue of Seesaw amounted to RMB27.1 million, increased by 97.3% as compared to the last corresponding period. For the six months ended 30 June 2018, Seesaw owns 19 stores, of which 4 are newly opened.

Foook

For the six months ended 30 June 2018, the revenue of Foook amounted to RMB12.8 million. For the six months ended 30 June 2018, Foook owns 20 stores, of which 15 are newly opened.

Manufacturing and Sales of Handbags Segment

For the six months ended 30 June 2018, the manufacturing and sales of handbags segment a recorded revenue of RMB184.3 million, increased by 19.6% as compared to the last corresponding period. The increase in revenue was mainly attributable to the results obtained from efforts in expanding order sources at early stage, being new orders received from new customers, namely VERA BRADLEY and H&M in the first half of the year 2018. In the meantime, sales from existing customers remained stable with slight increase due to the long-term consistency in the quality of the Group's products.

After long-time preparation, the Group's factory in Myanmar has met the standard for official commencement of operation. In the second half of the year 2018, the Group will begin the transfer of staffs and gradually dispose capacity in Mainland China in order to further lower the cost.

INTERIM RESULTS

The board of directors (the "**Directors**") of the Company is pleased to announce the unaudited interim results of the Group for the six months ended 30 June 2018 together with comparative figures for the last corresponding period as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2018

		Six months ended 30 June	
		2018	2017
	Notes	***RMB'000***	*RMB'000*
Revenue	*3*	**373,555**	338,685
Cost of sales		**(195,379)**	(176,847)
Gross profit		**178,176**	161,838
Other income		**7,502**	2,618
Other gains, net	*4*	**2,054**	16,138
Distribution and selling expenses		**(118,816)**	(103,957)
General and administrative expenses		**(62,841)**	(45,651)
Share of loss of associates		**(2,506)**	(648)
Finance expenses, net		**(474)**	(7,551)
Profit before taxation		**3,095**	22,787
Income tax expense	*5*	**(6,066)**	(6,728)
(Loss) profit for the period	*6*	**(2,971)**	16,059
(Loss) profit for the period attributable to:			
Owners of the Company		**(3,687)**	13,561
Non-controlling interests		**716**	2,498
		(2,971)	16,059
Other comprehensive (loss) income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(37,202)**	(7,124)
Other comprehensive loss for the period		**(37,202)**	(7,124)
Total comprehensive (loss) income for the period		**(40,173)**	8,935

		Six months ended 30 June	
		2018	2017
	Notes	***RMB'000***	*RMB'000*
Total comprehensive (loss) income for the period attributable to:			
Owners of the Company		**(40,889)**	6,437
Non-controlling interests		**716**	2,498
		(40,173)	8,935
(Loss) earnings per share (RMB cents) — Basic	*8*	**(0.25)**	1.64

CONSOLIDATED BALANCE SHEET

	Notes	At 30.06.2018 RMB'000	At 31.12.2017 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**167,163**	168,643
Prepaid lease payments		**41,561**	44,007
Investment properties		**31,155**	32,896
Investments in associates		**269,294**	287,142
Goodwill		**45,495**	45,495
Intangible assets		**99,513**	101,535
Defined benefit assets		**4,460**	4,710
Trade and other receivables	*9*	**4,390**	19,565
Deferred tax assets		**9,308**	10,805
		672,339	714,798
CURRENT ASSETS			
Inventories		**74,873**	83,539
Prepaid lease payments		**502**	520
Trade and other receivables	*9*	**153,145**	100,038
Other current assets		**23,029**	—
Tax recoverable		**1,825**	795
Financial assets at fair value through profit or loss		**5,300**	27,000
Derivative financial instrument		**8**	1,029
Cash and cash equivalents		**318,105**	398,033
		576,787	610,954
Total Assets		**1,249,126**	1,325,752

	Notes	At 30.06.2018 RMB'000	At 31.12.2017 RMB'000
CURRENT LIABILITIES			
Trade and other payables	*10*	**116,868**	147,478
Contract liabilities		**3,574**	—
Loan from a third party		**213,652**	221,000
Tax payable		**3,140**	4,653
		337,234	373,131
NON-CURRENT LIABILITY			
Deferred tax liabilities		**24,584**	24,584
Deferred government grants		**1,089**	2,175
		25,673	26,759
TOTAL LIABILITIES		**362,907**	399,890
CAPITAL AND RESERVES			
Share capital		**122,949**	122,949
Reserves		**725,800**	766,158
Equity attributable to owners of the Company		**848,749**	889,107
Non-controlling interests		**37,470**	36,755
TOTAL EQUITY		**886,219**	925,862
TOTAL LIABILITIES AND EQUITY		**1,249,126**	1,325,752

Notes:

1. BASIS OF PREPARATION

The condensed consolidated interim financial information has been prepared in accordance with the Hong Kong Accounting Standard 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial information has been prepared on the historical cost basis except for investment properties, financial assets at fair value through profit or loss, and derivative financial instruments that are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated interim financial information for the six months ended 30 June 2018 are the same as those followed in the preparation of the Group's financial statements for the year ended 31 December 2017.

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

The application of the amendments to HKFRSs and Interpretations in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated interim financial information.

3. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by operating segments under HKFRS 8 Operating Segments, based on information reported to the Company's executive directors, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance, which focuses on types of goods or services delivered or provided.

The Group's operating and reportable segments under HKFRS 8 — Operating Segments are as follows:

(i) Manufacturing and sales of handbags; and

(ii) Food and beverage business.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment:

Six months ended 30 June 2018

	Manufacturing and sales of handbags *RMB'000*	**Food and beverage business** *RMB'000*	**Consolidated** *RMB'000*
Segment revenue — external	**184,300**	**189,255**	**373,555**
Segment profit	**3,679**	**6,644**	**10,323**
Change in fair value of:			
— derivative financial instruments			**(947)**
Share of loss of associates			**(2,506)**
Unallocated income			**1,043**
Unallocated expenses			**(4,344)**
Finance expenses, net			**(474)**
Profit before taxation			**3,095**

Six months ended 30 June 2017

	Manufacturing and sales of handbags *RMB'000*	Food and beverage business *RMB'000*	Consolidated *RMB'000*
Segment revenue — external	154,088	184,597	338,685
Segment profit	99	19,301	19,400
Change in fair value of:			
— derivative financial instruments			6,985
Share of loss of associates			(648)
Unallocated income			7,960
Unallocated expenses			(3,359)
Finance expenses, net			(7,551)
Profit before taxation			22,787

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the period.

For the six months ended 30 June 2018 and 2017, segment result represents the profit earned by each segment without allocation of change in fair value of derivative financial instruments, share of loss of associates, unallocated income, unallocated expenses and financial expenses. This is the measure reported to the CODM for the purpose of resources allocations and performance assessment.

Geographical Information

The Group's revenue from external customers by geographical location during the period is as follows:

	Revenue from external customers Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
PRC	**200,802**	193,681
USA	**74,061**	51,360
Canada	**21,489**	10,952
Other Asian countries	**18,005**	25,130
Other European countries	**15,603**	15,107
Germany	**14,303**	4,635
Hong Kong	**13,137**	7,927
Italy	**7,016**	23,423
South America	**4,341**	—
Netherlands	**2,195**	3,600
United Kingdom	**2,194**	2,469
Middle East and Africa	**409**	401
	373,555	338,685

4. OTHER GAINS, NET

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
Net exchange gain	**2,996**	1,725
(Loss) Gain on fair value changes on derivative financial instruments	**(947)**	6,985
Gain on disposal of property, plant and equipment	**5**	16
Recovery of other receivable from a former subsidiary	**—**	7,412
	2,054	16,138

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
The charge comprises:		
Current tax:		
Hong Kong Profits Tax	**3,849**	465
PRC Enterprise Income Tax	**1,483**	3,622
	5,332	4,087
Deferred tax:		
Current period	**734**	2,641
	6,066	6,728

Hong Kong

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the six months ended 30 June 2018 and 2017.

PRC

Under the Law of the PRC on Enterprise Income Tax and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Myanmar

The Myanmar subsidiary is subjected to Myanmar Corporate Income Tax at a rate of 25%. No provision for Myanmar Corporate Income Tax has been made for both periods as the Myanmar subsidiary incurred losses for both periods.

Thailand

The Thailand subsidiary is subjected to Thailand Corporate Income Tax at a rate of 20%. No provision for Thailand Corporate Income Tax has been made for both periods as the Thailand subsidiary incurred losses for both periods.

6. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
Profit for the period has been arrived at after charging (crediting):		
Directors' emoluments	**1,308**	1,423
Staff salaries and other benefits, excluding those of directors	**78,984**	68,998
Retirement benefit schemes contributions (excluding directors)	**746**	542
Total employee benefit expense	**81,038**	70,963
Cost of inventories recognised as expenses	**213,645**	176,760
Depreciation of property, plant and equipment	**10,931**	4,978
Auditor's remuneration	**1,197**	176
Professional services fee	**—**	886
Release of prepaid lease payments	**36,839**	31,397
Amortisation of intangible assets	**31**	363
Amortisation of deferred government grants	**3,230**	788
Net loss on fair value changes on derivative financial instruments	**947**	—
Interest income on bank balances	**(593)**	(127)
Net exchange gain	**(2,996)**	(1,725)
Gain on disposal of property, plant and equipment	**(5)**	(16)

7. DIVIDENDS

The board of directors of the Company has determined not to declare interim dividend for the six months ended 30 June 2018 (2017: nil).

8. (LOSS) EARNINGS PER SHARE

The calculation of the basic loss per share is based on the loss for the period attributable to owners of the Company of RMB3,687,000 (2017: profit of RMB13,561,000) and 1,460,593,220 (2017: 825,000,000) shares.

Diluted (loss) earnings per share is not presented because there were no dilutive ordinary shares in issue for both periods.

9. TRADE AND OTHER RECEIVABLES

	At 30.06.2018 *RMB'000*	At 31.12.2017 *RMB'000*
Trade receivables	**80,999**	54,710
Prepayments	**772**	30,716
Other receivables	**75,764**	34,177
	157,535	119,603
Less: Non-current portion	**(4,390)**	(19,565)
Trade and other receivables — current portion	**153,145**	100,038

The aging analysis of trade and bills receivables based on the invoice date at the end of the reporting period is as follows:

	At 30.06.2018 *RMB'000*	At 31.12.2017 *RMB'000*
Not exceeding 30 days	**54,556**	29,620
31–60 days	**19,257**	22,825
61–90 days	**6,072**	1,194
Over 90 days	**1,114**	1,071
	80,999	54,710

10. TRADE AND OTHER PAYABLES

	At 30.06.2018 *RMB'000*	At 31.12.2017 *RMB'000*
Trade payables	**57,871**	73,655
Other payables and accruals	**58,997**	73,823
	116,868	147,478

The aging analysis of trade and bills payables at the end of the reporting period is as follows:

	At **30.06.2017** ***RMB'000***	At 31.12.2016 *RMB'000*
Not exceeding 30 days	**37,006**	61,079
31–60 days	**8,432**	6,938
61–90 days	**7,881**	984
Over 90 days	**4,552**	4,654
	57,871	73,655

12. CAPITAL COMMITMENTS

	At **30.06.2018** ***RMB'000***	At 31.12.2017 *RMB'000*
Capital expenditure contracted for but not provided for in the condensed consolidated financial statements in respect of the acquisition of property, plant and equipment	**4,434**	7,747

13. The condensed consolidated interim financial information is unaudited, but have been reviewed by the Audit Committee of the Company.

INTERIM DIVIDEND

The board of Directors (the "**Board**") has determined not to declare interim dividend for the six months ended 30 June 2018.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The total shareholders' equity of the Group as at 30 June 2018 was RMB886.2 million (31.12.2017: RMB925.9 million). As at 30 June 2018, the Group had current assets of RMB576.8 million (31.12.2017: RMB611.0 million) and current liabilities of RMB337.2 million (31.12.2017: RMB373.1 million). The current ratio was 1.71 as at 30 June 2018 as compared to 1.64 as at 31 December 2017.

The Group generally finances its operations with internally generated cash flow and credit facilities provided by its principal bankers in Hong Kong. As at 30 June 2018, the Group had no outstanding bank borrowings (31.12.2017: nil). As at 30 June 2018, the Group maintained cash and cash equivalents of RMB318.1 million (31.12.2017: RMB398.0 million). The Group's net cash-to-equity ratio (cash and cash equivalents net of total borrowings over shareholders' equity) was 0.12 as at 30 June 2018 (31.12.2017: 0.2).

The Group possesses sufficient cash and available banking facilities to meet its commitments and working capital requirements.

CAPITAL COMMITMENTS

As at 30 June 2018, the Group had capital expenditure contracted for but not provided in the condensed consolidated interim financial information in respect of the property, plant and equipment improvement in the amount of RMB4.4 million (31.12.2017: RMB7.7 million).

The Group has sufficient cash and available bank reserve to meet the Group's capital commitments and working capital requirements.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there were no significant events after the reporting period.

HUMAN RESOURCES

At 30 June 2018, the Group had a workforce of about 5,200 people (Food and beverage business: 1,700 people, Manufacturing and sales of handbags: 3,500 people). The Group maintains a good relationship with its employees, and provides them with proper training and competitive compensation and incentives. The staffs are remunerated based on their work performance, professional experience and prevailing market situation. Remuneration packages comprise salary and bonuses based on individual merits.

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

During the six months ended 30 June 2018, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company held its annual general meeting for the year ended 31 December 2017 (the "**2017 AGM**") on 29 June 2018. Due to conflict of schedules and other prior business engagement outside Hong Kong, Mr. Zhao John Huan, the Chairman, and Mr. Wang Yuanzheng, an Executive Director, were unable to attend the 2017 AGM. Mr. Wang Xiaolong, Mr. Leung Kwai Kei, Mr. Heng Victor Ja Wei, Mr. Tsang Hin Man Terence and the Company's external auditor attended the 2017 AGM and answered questions raised by the shareholders of the Company at the meeting physically.

Mr. Zhao John Huan serves as the company's executive chairman and chief executive officer. Mr. Zhao John Huan supervised the management of the Group's business with the assistance of senior management of the Group. Other general positions to be dealt with by the chief executive are served by the senior management of the Group. The code provision stipulates that the roles of chairman and chief executive should be clearly defined and should not be performed by the same individual, and the management structure of the Group deviates from this. The Board has carefully considered the matter and has decided not to adopt the relevant provisions. The Board believes that the current management structure has effectively promoted the operation and development of the Group and its business in the past, and the Group has established a mechanism for censorship and checks and balances necessary to improve corporate governance practices. Therefore, the Board does not consider that the Group should change its existing management structure. However, the Board will review the management structure from time to time to ensure that it continues to meet its objectives.

Save as disclosed above, the Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2018.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Model Code. The Company has made specific enquiry with all Directors and they have confirmed that they have complied with the Model Code during the reporting period.

AUDIT COMMITTEE

The Audit Committee of the Company, comprising all the independent non-executive Directors of the Company, has reviewed the unaudited interim results of the Group for the six months ended 30 June 2018 and have discussed with the management the accounting principles and practices adopted by the Group and its internal controls and financial reporting matters.

INTERIM REPORT

This results announcement is published on The Stock Exchange of Hong Kong Limited's website (www.hkex.com.hk) and the Company's website (http://www.irasia.com/listco/hk/bestfood/index.htm). The interim report of the Company will be despatched to the shareholders and will be available on websites of The Stock Exchange of Hong Kong Limited and the Company in due course.

On behalf of the Board
Zhao John Huan
Chairman

Hong Kong, 31 August 2018

As at the date of this announcement, the Board of the Company comprises 3 executive Directors, namely, Mr. Zhao John Huan, Mr. Wang Xiaolong and Mr. Wang Yuanzheng and 3 independent non-executive Directors, namely, Mr. Leung Kwai Kei, Mr. Heng Victor Ja Wei and Mr. Tsang Hin Man, Terence.