



凤祥食品

山東鳳祥股份有限公司 Shandong Fengxiang Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)
(於中華人民共和國註冊成立的股份有限公司)

Stock Code 股份代號 : 9977



Interim Report 中期報告 2020



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CORPORATE INFORMATION

公司基本情況

Legal Name in Chinese 法定中文名稱	山東鳳祥股份有限公司
Legal Name in English 法定英文名稱	Shandong Fengxiang Co., Ltd.
Legal Representative 法定代表	Mr. Liu Zhiguang 劉志光先生
Executive Directors 執行董事	Mr. Liu Zhiguang 劉志光先生 Mr. Xiao Dongsheng 肖東生先生 Mr. Ow Weng Cheong 區永昌先生 Mr. Wang Jinsheng 王進聖先生
Non-executive Directors 非執行董事	Mr. Liu Xuejing 劉學景先生 Mr. Zhang Chuanli 張傳立先生
Independent Non-executive Directors 獨立非執行董事	Mr. Guo Tianyong 郭田勇先生 Mr. Zhang Ye 張曄先生 Mr. Chung Wai Man 鍾偉文先生
Supervisors 監事	Mr. Kong Xiangwei 孔祥偉先生 Mr. Chen Dehe 陳德賀先生 Ms. Lian Xianmin 廉憲敏女士
Authorised Representatives 授權代表	Mr. Liu Zhiguang 劉志光先生 Mr. Shi Lei 石磊先生
Secretary to the Board 董事會秘書	Mr. Shi Lei 石磊先生

Joint Company Secretaries
聯席公司秘書

Mr. Shi Lei
石磊先生
Ms. Mok Ming Wai
莫明慧女士

Registered Office

註冊辦事處

Liumiao Village, Anle Town, Yanggu County
Liaocheng City, Shandong Province
PRC
中國
山東省聊城市
陽穀縣安樂鎮劉廟村

Headquarters in the PRC

中國總部

Liumiao Village, Anle Town, Yanggu County
Liaocheng City, Shandong Province
PRC
中國
山東省聊城市
陽穀縣安樂鎮劉廟村

Company's Website
公司網站

www.fengxiang.com

Principal Place of Business in Hong Kong

香港主要營業地點

14th Floor, Golden Centre
188 Des Voeux Road Central
Hong Kong
香港
德輔道中188號
金龍中心14樓

**Website of Hong Kong Stock Exchange for
Publishing the Interim Report**
登載中期報告的香港聯交所網站

www.hkexnews.hk

Location where copies of Interim Report are kept

中期報告備置地點

Liumiao Village, Anle Town, Yanggu County
Liaocheng City, Shandong Province
PRC
中國
山東省聊城市
陽穀縣安樂鎮劉廟村

Place of Listing of H Shares
H股上市地點

The Stock Exchange of Hong Kong Limited
香港聯合交易所有限公司

Stock Short Name
股票簡稱

FENGXIANG CO
鳳祥股份

Stock Code
股份代號

9977

CORPORATE INFORMATION

公司基本情況

H Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
H股過戶登記處	香港中央證券登記有限公司 香港灣仔 皇后大道東183號 合和中心 17樓1712-1716室
Legal Adviser as to Hong Kong Laws	Fangda Partners 26th Floor, One Exchange Square 8 Connaught Place Central Hong Kong
香港法律顧問	方達律師事務所 香港 中環 康樂廣場8號 交易廣場1期26樓
Independent Auditor	BDO Limited (Certified Public Accountants) 25th Floor, Wing On Centre 111 Connaught Road Central Hong Kong
獨立核數師	香港立信德豪會計師事務所有限公司(執業會計師) 香港 干諾道中111號 永安中心25樓

CORPORATE INFORMATION

公司基本情況

Compliance Adviser

Southwest Securities (HK) Capital Limited
40/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

合規顧問

西證(香港)融資有限公司
香港
銅鑼灣
希慎道33號
利園一期40樓

Principal Bankers

China Development Bank, Shandong Branch
Agricultural Development Bank of China, Yanggu Sub-Branch
Agricultural Bank of China Limited, Yanggu Sub-Branch

主要往來銀行

國家開發銀行山東省分行
中國農業發展銀行陽穀縣支行
中國農業銀行股份有限公司陽穀縣支行

MAJOR FINANCIAL INDICATORS AND KEY OPERATING DATA

主要財務指標及主要經營數據

KEY FINANCIAL DATA

主要財務數據

		For the six months ended 30 June 截至6月30日止六個月			
		2020 2020年		2019 2019年	
		Before biological assets fair value adjustments 於生物資產 公允價值調整前 RMB'000 人民幣千元 (Unaudited) (未經審核)	After biological assets fair value adjustments 於生物資產 公允價值調整後 RMB'000 人民幣千元 (Unaudited) (未經審核)	Before biological assets fair value adjustments 於生物資產 公允價值調整前 RMB'000 人民幣千元 (Unaudited) (未經審核)	After biological assets fair value adjustments 於生物資產 公允價值調整後 RMB'000 人民幣千元 (Unaudited) (未經審核)
Revenue	收入	1,902,759	1,902,759	1,681,322	1,681,322
Gross profit	毛利	369,712	227,390	495,474	146,871
Profit for the period	期內利潤	146,572	144,674	332,177	340,616
Profit attributable to the owners of the Company	本公司擁有人應佔利潤	—	145,415	—	340,762
Basic earnings per share (in RMB cents)	每股基本盈利 (人民幣分)	—	13.92	—	32.61

MAJOR FINANCIAL INDICATORS AND KEY OPERATING DATA

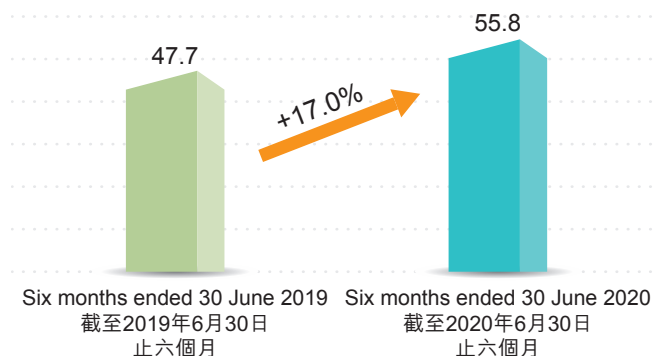
主要財務指標及主要經營數據

KEY OPERATING DATA

主要經營數據

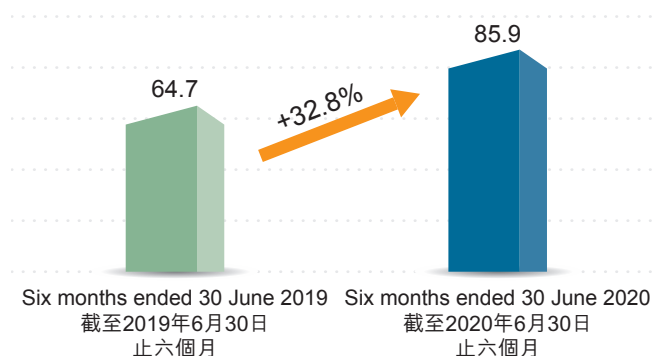
White-feathered broilers bred 白羽肉雞飼養量

unit: million birds
單位：百萬隻



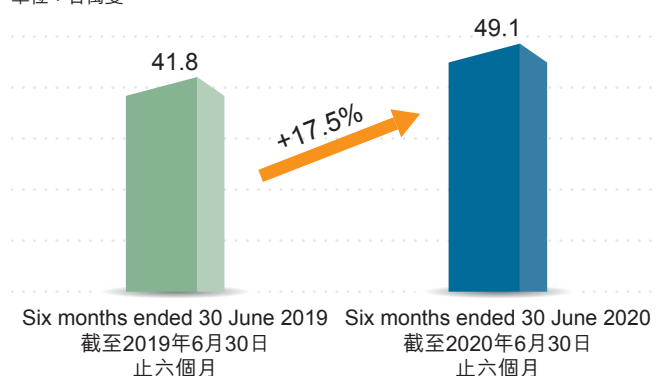
Sales volume of raw chicken meat products 生雞肉製品銷量

unit: million kg
單位：百萬千克



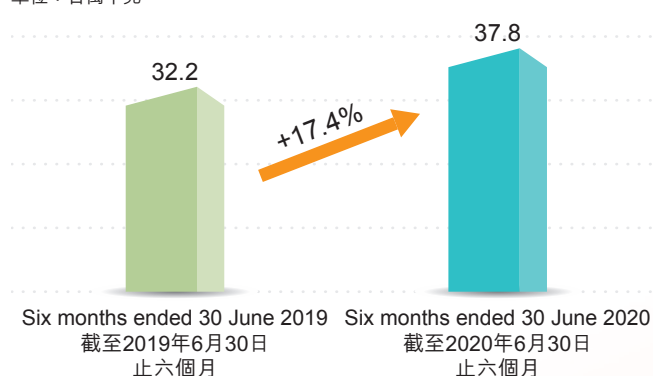
White-feathered broilers slaughtered 白羽肉雞屠宰量

unit: million birds
單位：百萬隻



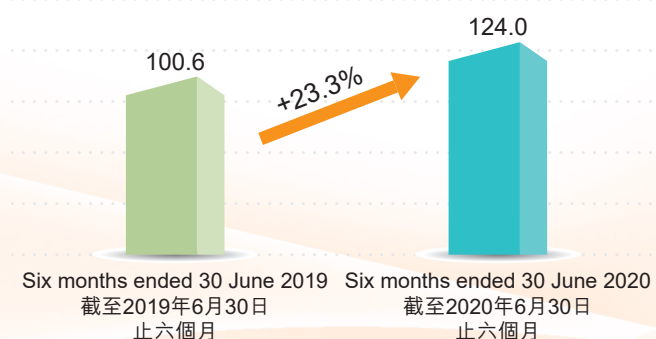
Sales volume of processed chicken meat products 深加工雞肉製品銷量

unit: million kg
單位：百萬千克



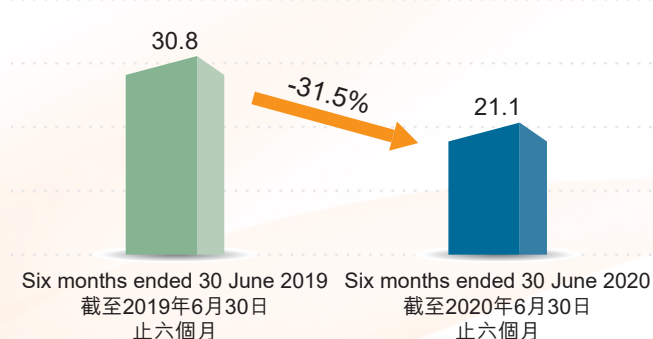
White-feathered broilers processed 白羽肉雞加工量

unit: million kg
單位：百萬千克



Sales volume of chicken breeds 雞苗銷量

unit: million birds
單位：百萬隻





"iShape 優形" products have entered one of the convenience stores' distribution channel
 優形產品已進入的便利店渠道之一



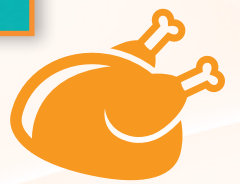
Research and development centre in Shandong
 位於山東的研發中心



An underground metro advertisement of "iShape 優形"
 優形投放的地鐵廣告



Wan Qian, the latest ambassador of "iShape 優形"
 優形最新的品牌代言人萬茜



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The following discussion and analysis contains certain amounts and percentage figures that have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them and all monetary amounts shown are approximate amounts only.

COMPANY PROFILE

Introduction

Shandong Fengxiang Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) is the largest white-feathered broiler meat exporter and the leading retail enterprise of chicken meat products in the People’s Republic of China (the “**PRC**”), which was established as a joint stock limited liability company in the PRC on 17 December 2010 and listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 16 July 2020 (stock code: 9977).

The Group is principally based in Shandong in the PRC and produces chicken meat products substantially from white-feathered broilers. The Group also manufactures and markets a wide range of processed chicken meat products. The main products include (1) processed chicken meat products; (2) raw chicken meat products; (3) chicken breeds; and (4) others. The Group also produces a small portion of chicken meat products from Sichuan Mountain Black Bone Chicken bred in Sichuan in the PRC, in which part of the production facilities are based. Apart from its leading domestic market position in the PRC, the Group has an established and growing export business supplying a wide range of premium quality chicken meat products to overseas customers in Japan, Malaysia, the European Union, Korea, Mongolia and Singapore. The Group’s white-feathered chicken meat products are halal certified by adopting Islamic slaughter rituals.

The Group adopts an integrated “*poultry to plate*” model which enables it to control every stage of the poultry lifecycle, allowing the Group to effectively manage quality and cost throughout the process starting from the breeding of broilers to the distribution and sale of chicken meat products.

以下討論及分析包括若干經約整的數額及百分比數字。因此，若干表格中合計一欄數字未必為其上市所列數字的算術總和，而所有列示的財政金額僅為概約金額。

公司概況

簡介

山東鳳祥股份有限公司(「**本公司**」)連同其附屬公司統稱為「**本集團**」為中華人民共和國(「**中國**」)最大的白羽肉雞出口商及領先的雞肉製品零售企業，於2010年12月17日在中國成立為股份有限公司，並於2020年7月16日在香港聯合交易所有限公司(「**聯交所**」)主板上市(股份代號：9977)。

本集團主要位於中國山東，主要用白羽肉雞生產雞肉製品。本集團亦生產及推銷各種深加工雞肉製品。主要產品包括(1)深加工雞肉製品；(2)生雞肉製品；(3)雞苗；及(4)其他。本集團亦用於中國四川(部分生產設施位於此地)養殖的四川山地烏骨雞生產一小部分雞肉製品。除在中國的領先國內市場地位外，本集團亦擁有成熟並不斷壯大的出口業務，向日本、馬來西亞、歐盟、韓國、蒙古及新加坡的海外客戶供應多種優質雞肉製品。本集團的白羽雞肉製品採用伊斯蘭屠宰儀式進行清真認證。

本集團採用一體化「從農場到餐桌」模式，使本集團能夠控制家禽生命週期的每個階段，從而有效管理從肉雞養殖到雞肉製品分銷及銷售整個流程的質量及成本。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Business Segments

Raw Chicken Meat Products

The Group offers raw white-feathered chicken meat products, which include whole frozen chickens and chicken portions, such as chicken wings, chicken breast, chicken drumsticks, chicken drumettes, bone-in chicken thighs, boneless chicken fillets, chicken head, chicken feet and chicken legs. The Group's broilers are then cut into portions according to its internal or customers' requirements, which will be chilled or frozen depending on the product nature. For the six months ended 30 June 2020, the sales volume of raw chicken meat products increased by 32.8% to 85.9 million kilogram ("kg") (six months ended 30 June 2019: 64.7 million kg). Revenue from external sale of raw chicken meat products grew by 31.7% to RMB963.5 million for the six months ended 30 June 2020 (six months ended 30 June 2019: RMB731.8 million), representing 50.6% of the Group's total revenue.

Processed Chicken Meat Products

The Group markets its processed chicken meat products under "鳳祥食品 (Fovo Foods)", "優形 (iShape)" and "五更爐 (Wu Genglu)" brands. Processed chicken meat products comprise cooked, semi-cooked and seasoned chicken meat products. Depending on the processing methods, these processed products are required to be chilled or frozen. The raw chicken meat the Group uses in its processed chicken meat production is either supplied by itself, or procured from independent third party suppliers in the PRC and overseas. The cooked chicken meat products comprise ready-to-eat chicken meat products and frozen chicken meat products, which are fully cooked and sterilised (end consumers will need to reheat the frozen cooked chicken meat products before consumption according to the instructions provided on the packaging). The semi-cooked chicken meat products are processed, chilled or frozen and boxed (end consumers will need to further process (including steaming, grilling, roasting or frying) such semi-cooked chicken meat products before consumption according to the instructions provided on the packaging). The seasoned chicken meat products include raw chicken meat flavoured with certain ingredients or spices. The Group also offers ready-to-cook pre-prepared meal solutions, including Chinese cuisine. For the six months ended 30 June 2020, the sales volume of processed chicken meat products was 37.8 million kg (six months ended 30 June 2019: 32.2 million kg). Revenue from sale of processed chicken meat products (after elimination of inter-segment transactions) grew by 24.6% to RMB822.0 million for the six months ended 30 June 2020 (six months ended 30 June 2019: RMB659.7 million), representing 43.2% of the Group's total revenue.

業務分部

生雞肉製品

本集團提供生白羽雞肉製品，其中包括冷凍全雞及雞部位，如雞翅尖、雞胸、雞小腿、雞翅根、帶骨雞腿、無骨雞柳、雞頭、雞爪及雞腿。本集團屆時將根據內部或客戶要求將肉雞切成各個部位，並根據產品性質將其冷藏或冷凍。截至2020年6月30日止六個月，生雞肉製品的銷量增加32.8%至85.9百萬千克（截至2019年6月30日止六個月：64.7百萬千克）。對外銷售生雞肉製品所得收入增長31.7%至截至2020年6月30日止六個月的人民幣963.5百萬元（截至2019年6月30日止六個月：人民幣731.8百萬元），佔本集團總收入的50.6%。

深加工雞肉製品

本集團以「鳳祥食品(Fovo Foods)」、「優形(iShape)」及「五更爐(Wu Genglu)」品牌推廣深加工雞肉製品。深加工雞肉製品包括雞肉熟食製品、雞肉半熟食製品及調味雞肉製品。該等深加工產品需冷藏或冷凍，視乎加工方法而定。本集團於深加工雞肉生產中所使用的生雞肉由其自身供應，或自中國及海外的獨立第三方供應商採購。雞肉熟食製品包括即食雞肉製品及冷凍雞肉製品，均已完全煮熟並消毒（最終消費者於食用前需根據包裝上的指示重新加熱冷凍雞肉熟食製品）。雞肉半熟食製品已經加工、冷藏或冷凍及包裝（最終消費者於食用前需根據包裝上的指示進一步加工（包括清蒸、炙烤、燒烤或油炸）雞肉半熟食製品）。調味雞肉製品採用生雞肉與若干原料或香辛料調製而成。本集團亦提供預先加工的即烹肉類食品，包括中式菜餚。截至2020年6月30日止六個月，深加工雞肉製品的銷量為37.8百萬千克（截至2019年6月30日止六個月：32.2百萬千克）。銷售深加工雞肉製品所得收入（於對銷分部間交易後）增長24.6%至截至2020年6月30日止六個月的人民幣822.0百萬元（截至2019年6月30日止六個月：人民幣659.7百萬元），佔本集團總收入的43.2%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Chicken Breeds

The Group sells some of its chicken breeds hatched from broiler eggs to other independent third parties for breeding into broilers. The sales volume of the Group's chicken breeds is based on the average selling prices of chicken breeds, which is market-driven. The Group sells chicken breeds to local chicken farmers and other poultry business operators, who are independent third parties. For the six months ended 30 June 2020, the sales volume of chicken breeds was 21.1 million birds (six months ended 30 June 2019: 30.8 million birds). Revenue from external sale of chicken breeds significantly dropped by 70.6% to RMB60.3 million for the six months ended 30 June 2020 (six months ended 30 June 2019: RMB205.2 million), representing 3.2% of the Group's total revenue.

Other Products

The Group sells other products, including sale of broilers that cannot satisfy the Group's quality requirements and excess broiler eggs that exceed the Group's internal needs, by-products (such as chicken feather, chicken blood and unused chicken organs), organic fertiliser, black-bone chicken meat products (being the Group's Sichuan Mountain Black Bone Chicken), packing materials and other miscellaneous products. This business segment was relatively stable for the first half of 2020 as compared to the corresponding in 2019. Revenue from external sale of other products dropped by 32.8% to RMB56.9 million for the six months ended 30 June 2020 (six months ended 30 June 2019: RMB84.7 million), representing 3.0% of the Group's total revenue.

The Group is dedicated to ensuring a high standard of safety and quality of its chicken meat products and the raw materials for its production of animal feeds, Parent Stock Day-old Chicks, chicken breeds and chicken meat products the Group procures. The Group has obtained the Halal Certification issued by China Shandong Islamic Association and the Group's white-feathered chicken meat products are halal certified by adopting Islamic slaughter rituals. The Group has obtained, among other things, ISO22000 (Food Safety) Certificate and ISO9001 (Quality) Certificate. Further, the Group has been accredited with HACCP (Hazard Analysis and Critical Control Points) for its food processing plant of chilled and frozen chicken meat products. Being named an "area with broilers lacking highly pathogenic avian influenza" (肉雞無高致病性禽流感小區) by the Ministry of Agriculture and Rural Affairs of the PRC in May 2019, it is proved that no infected case of the avian influenza was found in the Group's breeder and broiler farms. The Group currently has 20 veterinarians who have passed the national veterinarian qualification examination of the PRC.

雞苗

本集團銷售一部分由種蛋孵化成的雞苗予其他獨立第三方，以飼養成肉雞。本集團的雞苗銷量基於受市場驅動的雞苗平均售價。本集團向當地雞農及其他家禽業務經營者(均為獨立第三方)銷售雞苗。截至2020年6月30日止六個月，雞苗的銷量為21.1百萬隻(截至2019年6月30日止六個月：30.8百萬隻)。對外銷售雞苗所得收入大幅下跌70.6%至截至2020年6月30日止六個月的人民幣60.3百萬元(截至2019年6月30日止六個月：人民幣205.2百萬元)，佔本集團總收入的3.2%。

其他產品

本集團銷售其他產品，包括銷售淘汰雞及超出本集團內部需要的多餘種蛋、副產品(如雞毛、雞血及尚未使用的雞隻內臟)、有機肥料、烏骨雞肉製品(即本集團的四川山地烏骨雞)、包裝材料和其他雜項產品。相較於2019年同期，本業務分部於2020年上半年相對穩定。截至2020年6月30日止六個月，對外銷售其他產品所得收入下降32.8%至人民幣56.9百萬元(截至2019年6月30日止六個月：人民幣84.7百萬元)，佔本集團總收入的3.0%。

本集團致力於確保生產的雞肉製品及本集團採購用以生產飼料、父母代種雞苗、雞苗及雞肉製品的原材料的安全及質量之高標準。本集團已獲得由中國山東省伊斯蘭教協會所頒佈的清真證書，以及本集團的白羽雞肉製品採用伊斯蘭屠宰儀式進行清真認證。本集團已獲得(其中包括)ISO22000(食品安全)認證及ISO9001(質量)認證。此外，本集團的冷藏與冷凍雞肉製品食品加工廠還通過了HACCP(危害分析與關鍵控制點)認證。於2019年5月獲中國農業農村部認定為「肉雞無高致病性禽流感小區」後，證實在本集團種雞場及肉雞場中均未發現禽流感個案。目前，本集團擁有20名通過中國國家獸醫資格考試的獸醫。

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BUSINESS REVIEW

During the six months ended 30 June 2020, benefiting from the leapfrog development of new retail business, the further development of new centralised procurement business targeted at domestic leading catering enterprises and the long-term trust of key customers of new export business, the Company realised revenue growth amid the downturn pressure, recording RMB1,902.8 million and booking a period-on-period growth of 13.2%.

Industry Overview: Positive Development Trend and Optimistic Growth Outlook

We are optimistic about the development of chicken meat and other high-quality animal protein food products. The development trend of meat products industry of China in recent years can be summarised in four key aspects:

1. Significant Improvement of Nutrition Structure

Over the past 30 years, China's meat products consumption market maintained an overall rapid growth, with chicken meat and beef developing at a faster pace. In the meantime, the proportion of poultry meat grows at a much quicker speed, and it is expected to continue to grow at a faster rate in the next ten years, even taking into account negative impacts including the breeding capacity restrictions and the post-pandemic influence.

2. Greater Penetration of Health Concept

Since China “emerges”, it is now “getting richer” and “getting stronger”. The society has developed from “having enough food” to “having a good diet” and “having a healthy diet”; and food with high protein, low fat, low cholesterol and low calorie becomes the mainstream. Under such circumstances, it is timely for the launch and development of the “iShape (優形)” brand, which is now on the right track of exponential demand growth.

業務回顧

截至2020年6月30日止六個月，得益於新零售業務的跨越式增長，新集採業務對國內優秀餐飲企業的深度拓展，新出口業務關鍵客戶的長期信任，本公司銷售收入實現逆勢增長，取得1,902.8百萬元，同比增長13.2%。

行業概覽：趨勢向好，增長可期

我們對雞肉等優質動物蛋白食品的發展持樂觀態度，可以從四個主要方面來概括中國肉製品行業近年發展趨勢：

1. 營養結構大幅升級

30多年來，中國肉製品消費市場始終處於整體快速增長且雞肉及牛肉發展更快的態勢。同時禽類佔比增速更快，即使考慮到基地養殖的產能限制、後疫情餘波等不利影響，預計未來十年仍將處於一個較快增長期。

2. 健康理念深入人心

中國從「站起來」，到「富起來」、「強起來」，社會從「吃得飽」到「吃得好」、「吃得健康」，高蛋白質、低脂肪、低膽固醇、低熱量食品漸成主流，在此等情況下，以「優形」為代表的品牌適逢其時，已經站在消費需求爆發式增長的跑道上。

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3. More Stringent Food Processing Regulation

In the post-pandemic era, the PRC government has enhanced the implementation of regulatory policies on poultry breeding and processing; leading players of the catering industry have set more diversified and higher indicators for selecting raw material suppliers, and placed more weight on corporations' comprehensive ability. Therefore, the cooperation between these companies and leading enterprises of the industry with designated scale, such as the Group, will expand and deepen.

4. Inevitable Trend of Low-temperature Transformation

Owing to the penetration and development of relevant industries over the years, the online and offline channel capacity has improved, the cold chain network has upgraded and expanded to the lower-end of the market, the promotion of low-temperature chicken meat products can be realised in a more cost-effective way, and the proportion of such category will grow further, which will become an irresistible trend. From a long-term perspective, the level is expected to be comparable with the European Union and Japanese markets, and the market capacity and potential will be enormous.

3. 食品加工規範更加嚴格

後疫情時代，中國政府對於禽類養殖和加工的監管政策執行力度加大，餐飲行業優秀企業選擇原料提供商的指標也明顯豐富和提高，更加看重企業綜合實力，與本集團等行業龍頭企業合作空間因此拓寬和加深。

4. 低溫轉型大勢所趨

隨著相關產業多年的滲透與發展，線上線下渠道能力的提高，冷鏈網路的升級和下沉，低溫雞肉製品的市場推廣獲得了更為優質的性價比，品類佔比繼續上揚，勢不可擋，長期來看，有望接近歐盟與日本市場水準，市場容量與潛力巨大。

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Transformation and Upgrading Plan over the Past Three Years: Sticking to the “123” Strategy, Realising the B2B and B2C Business Layout, and Creating Leading Brands

Strategic Positioning: Sticking to the “123” Strategy

Cultivating deeply in the industry for approximately 30 years, the Group has secured a leading position in the white-feathered broiler breeding and production end and the B2B end. It was awarded the title of national key leading enterprise for agricultural industrialisation and was the largest white-feathered broiler meat exporter in the PRC. Since 1996, it has been exporting products to overseas markets, including Japan, South Korea, Mongolia, the European Union and Southeast Asia, and has been offering products to KFC, McDonald's and other global catering giants. Over the past three years, the Group has been committed to transformation and upgrading, implementing the “123” development strategy (one foundation, two major market and three driving forces) and creating China's leading chicken meat product brand.

(1) “One foundation”:

To strengthen the Group's advantage in its vertically integrated business model across the entire industry value chain and to effectively manage the supply chain, so as to ensure food quality and safety, offer consumers with quality-assured products and lay down a solid quality foundation.

(2) “Two major markets”:

To simultaneously develop the domestic market and the international market, ensure “same production line, same standard, same quality” for domestic sales and export sales, and facilitate the mutual circulation of the domestic and international markets.

三年來的轉型升級計劃：堅持「123」戰略，實現B2B及B2C業務佈局，創建領先品牌

戰略定位：堅持「123」戰略

經過近30年的行業深耕，本集團已經在白羽雞養殖生產端與B2B端取得了行業龍頭地位，是農業產業化國家級重點企業及中國最大的白羽雞肉出口商。從1996年開始持續出口，海外市場包括日本、韓國、蒙古、歐盟、東南亞等，並且向肯德基、麥當勞等全球餐飲巨頭提供產品。三年來，本集團一直決心轉型升級，實施「123」發展戰略（「一個基礎、兩大市場、三駕馬車」），創造中國領先的雞肉品牌。

(1) 「一個基礎」：

強化本集團縱向一體化業務模式優勢擴展至全產業價值鏈，有效管控供應鏈，確保食品品質安全，為消費者提供安心的產品，奠定堅實的品質基礎。

(2) 「兩大市場」：

同步發展國內市場與國際市場，堅持內外銷「同線同標同質」，加速促進國內、國際雙循環。

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(3) “Three driving forces”:

Firstly, to coordinate online and offline resources to focus on the new retail business. New retail represents the B2C business of the Group which has undergone vigorously development over the past few years, providing “Fovo Foods (鳳祥食品)” and “iShape (優形)” products directly to consumers through online e-commerce services, offline convenience stores and boutique supermarkets.

Secondly, to develop the new centralised procurement business targeted at the catering industry and the convenience store system. New centralised procurement, in relation to the food and beverage industry on which the Group has been focusing on, refers to the provision of high quality products to leading enterprises of the catering industry and the convenience store system with high-quality products, by leveraging its years of experience in serving KFC, McDonald’s and other large-scaled international catering chains and in line with the trend of the upgrading of procurement standards.

Thirdly, to construct the new export business through product optimisation and multiple channels. New export refers to the upgrading of the long-term leading position in the Group’s export business, through accumulation of its export experience for 20 years, to deliver supreme services and to achieve diversified channels through upgrading services, developing markets and expanding channels.

As the Group advances the implementation of the new strategy, the domestic market and the international market supplement and boost each other, and great synergy is created among the new retail business, the new centralised procurement business and the new export business. With the quality and standard for serving global top catering giants for years, the Group is committed to providing hundreds of millions of families with high-quality products and creating China’s leading chicken meat product brand.

(3) 「三駕馬車」:

一是線上線下協力重點發展新零售業務。新零售，對應本集團從幾年前開始大力發展的B2C業務，主要通過線上電商、線下便利店及精品商超等渠道，直接向消費者提供「鳳祥食品」、「優形」等品牌產品。

二是面向餐飲行業與便利店系統開拓新集採業務。新集採，對應本集團之前所重點佈局的餐飲行業，指本集團借助多年服務肯德基、麥當勞等國際大型連鎖餐飲企業的經驗，順應採購標準升級趨勢，向餐飲行業與便利店系統的優秀企業提供優質的產品。

三是通過優化產品與渠道構建新出口業務。新出口，對應本集團長期領先的出口業務的升級，指本集團借助20多年出口積澱，升級服務，開發市場，拓寬渠道，實現服務的極致化與渠道的多元化。

本集團通過新戰略的實施，實現國內市場與國際市場的相互促進，新零售、新集採與新出口業務的高效協同，本集團以多年服務全球頂級餐飲巨頭的品質與標準，為億萬家庭提供優質產品，創造中國領先的雞肉品牌。

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Brand Series: Fovo Foods Series Focuses on Nutritious and Delicious Food, and the iShape Series Targets the Middle to High-End Market

The Group is proactively creating a leading chicken meat brand in China, with sub-brands targeting different consumer groups for satisfying consumer demands and establishing clear positioning.

The *iShape* (優形) series: responds to the consumption upgrade trend, targets the middle and high-end income groups, portrays as a middle to high-end brands, and focuses on yearning for a better life and advocates the concept of healthy living; the *Fovo Foods* (鳳祥食品) series: targets the family and personal consumption scenes, provides consumers with assurance and deliciousness, emphasises quality; the *Wu Genglu* (五更爐) series: targets Liaocheng City and surrounding areas, inheriting historical taste; and other sub-brands achieves expansion and breakthrough of categories through production, supply and service of high-quality protein, to satisfy more needs of consumers.

Business Review: Pursuing Change Aggressively, Growing amid Downturn Pressure

Revenue and Profit Performance

During the six months ended 30 June 2020, benefiting from the leapfrog development of new retail business, the further development of new centralised procurement business targeted at domestic leading catering enterprises and the long-term trust of customers of new export business, the Group realised revenue growth amid the downturn pressure, recording RMB1,902.8 million and booking a period-on-period growth of 13.2%. The analysis of major products and channels is set out below:

Sales revenue from processed chicken meat products amounted to RMB822.0 million, representing a period-on-period increase of 24.6%. Sales revenue from new retail channel reached RMB373.1 million, representing a period-on-period increase of 431.5%. Export sales revenue amounted to RMB450.7 million, representing a period-on-period increase of 1.0%.

品牌體系：鳳祥系列主攻營養美味，優形系列中高端定位

本集團積極創造中國領先的雞肉品牌，各子品牌針對不同消費群且滿足客戶需求及建立鮮明定位。

優形系列：呼應消費升級趨勢，面對中高端收入人群，塑造中高端品牌，主張嚮往美好，倡導健康；*鳳祥食品系列*：面對家庭與個人消費場景，主打安心、美味，突出品質；*五更爐系列*：面向聊城市及周邊區域，傳承歷史品味；以及其他子品牌以基於優質蛋白的生產、供應與服務，實現對品類的延伸與突破，滿足消費者更多需求。

業績回顧：主動求變，逆勢增長

收入與利潤表現

截至2020年6月30日止六個月期間，得益於新零售業務的跨越式增長，新集採業務對國內頭部餐飲企業深度拓展，新出口業務面對客戶的長期信任，本集團收入實現逆勢增長，取得人民幣1,902.8百萬元，同比增長13.2%。主要產品、渠道分析如下：

深加工雞肉製品銷售收入為人民幣822.0百萬元，同比增長24.6%；新零售渠道銷售收入為人民幣373.1百萬元，同比增長431.5%；出口銷售收入人民幣450.7百萬元，同比增長1.0%。

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For the six months ended 30 June 2020, the net profit amounted to RMB144.7 million, representing a period-on-period decrease of 57.5%. The main reasons for the decrease in net profit include:

(1) Chicken breeds business recorded a significant decrease in profit

Sales volume of chicken breeds stood at 21.1 million (six months ended 30 June 2019: 30.8 million), representing a period-on-period decrease of 31.5%. Sales revenue from chicken breeds amounted to RMB60.3 million (six months ended 30 June 2019: RMB205.2 million), representing a period-on-period decrease of 70.6%. Gross profit from sales of chicken breeds amounted to RMB16.9 million (six months ended 30 June 2019: RMB150.6 million), dropping by RMB133.7 million and representing a period-on-period decrease of 88.8%.

Such decrease was attributable to the Company's proactive measures to significantly reduce the production and sales volume of chicken breeds based on the strategic consideration and the drastic fluctuations of the price of chicken breeds:

- by accumulating the production capacity of chicken breeds to support the expansion in production capacity of broilers, eliminate mature chickens ahead of schedule, introduce new Parent Stock Day-old Chicks, and reduce the production of current chicken breeds;
- by pooling more resources to develop the core business of chicken meat products, take proactive measures to reduce the external sales of chicken breeds, and increase the number of chicken breeds bred; and
- the average selling price of chicken breeds stayed at RMB2.9 per bird, representing a period-on-period decrease of 57.1%, as the consumption demand has not returned to the normal level due to the coronavirus pandemic.

截至2020年6月30日止六個月，純利錄得人民幣144.7百萬元，同比下降57.5%。純利下降的主要原因是：

(1) 雞苗業務盈利大幅下降

雞苗銷量21.1百萬隻(截至2019年6月30日止六個月：30.8百萬隻)，同比下降31.5%；雞苗銷售收入人民幣60.3百萬元(截至2019年6月30日止六個月：人民幣205.2百萬元)，同比下降70.6%；雞苗銷售毛利人民幣16.9百萬元(截至2019年6月30日止六個月：人民幣150.6百萬元)，減少人民幣133.7百萬元，同比下降88.8%。

該下降是因為，基於策略考慮主動大幅減少雞苗產量與銷量，同時也受到了雞苗價格劇烈波動的影響：

- 為肉雞產能擴張儲備雞苗產能，提前淘汰老齡雞群，引進新父母代種雞苗，減少當期雞苗產量；
- 更加專注發展主營雞肉製品業務，主動減少對外雞苗的銷售數量，並增加雞苗自養數量；及
- 受到新冠疫情影响，消費需求未恢復至正常水準，雞苗銷售平均人民幣2.9元/隻，同比下降57.1%。

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(2) Marketing and research and development expenses increased significantly, representing a period-on-period increase of RMB60.8 million

Marketing expenses amounted to RMB121.0 million, representing a period-on-period increase of RMB58.8 million or 94.4%. Research and development expenses amounted to RMB10.0 million, representing a period-on-period increase of RMB2.0 million or 25.9%. Such increase was attributable to the Group's resource input in its new retail end, including increasing marketing and promotion expenses, expanding its new retail professional team and increasing research and development expenses in the chicken meat products end and the breeding end.

(3) Costs of purchased chicken meat products were relatively high

To implement the "123" strategy, the Group made advance arrangements and purchased sources of high-quality chicken meat products to further expand the coverage of new channels and new market, but such a move has been initiated under the circumstances where the Group's potential capacity has not been fully utilised. To ensure long-term stable and quality foundation, the Group purchased chicken meat from breeding and processing enterprises of the same quality as itself, adopted a strategic cooperation model and made settlement by cost-plus pricing, which led to higher purchase costs and affected the gross margin.

The Group has been taking effective measures to lower the cost pressure of purchased chicken meat products to improve its gross margin through:

- promoting its own capacity expansion plan, and making full use of its low-cost advantage of self-owned capacity; and
- establishing closer cooperative relationship with enterprises offering purchased chicken meat products, communicating with these enterprises on breeding technology, supply chain and cost management experience, and assisting strategic partners to effectively control breeding cost.

(2) 銷售及研發費用大幅提高，同比增加金額人民幣60.8百萬元

銷售費用支出人民幣121.0百萬元，同比增加人民幣58.8百萬元或94.4%；研發費用支出人民幣10.0百萬元，同比增加人民幣2.0百萬元或25.9%；主要是本集團在新零售端投入資源，包括了增加銷售及推廣費用支出、擴充新零售專業人士團隊，及增加雞肉製品與養殖端研究與發展支出等。

(3) 外購雞肉製品成本偏高

本集團為了實施「123」戰略，在本集團潛在產能未釋放的前提下，提前佈局，外購優質雞肉製品肉源，進一步提升對新渠道與新市場的覆蓋。為保證長期穩定的品質基礎，本集團選擇與我們同等品質的養殖加工企業採購肉源，採用戰略合作模式，以成本加成方式結算，形成較高採購成本，影響了毛利率。

本集團已通過有效措施降低外購雞肉製品的成本壓力，以通過以下措施提升毛利率：

- 推廣自有產能擴大計劃，充分發揮自有產能的低成本優勢；及
- 與合作外購雞肉製品企業形成更加緊密的協作關係，交流養殖技術、供應鏈與成本管理經驗，協力戰略合作企業有效控制養殖成本。

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(4) Donation

The Group donated materials of RMB8.7 million during the coronavirus pandemic. It actively fulfilled social responsibility and supported the fight against coronavirus disease by donating health food and materials for epidemic prevention and control, and offering privileges and care packages to frontline medical staffs and their families.

Revenue by Product

		Six months ended 30 June 2020	Percentage of total revenue	Six months ended 30 June 2019	Percentage of total revenue	Growth rate
		截至2020年6月30日止六個月	總收入佔比	截至2019年6月30日止六個月	總收入佔比	增長率
		RMB'000	%	RMB'000	%	%
		人民幣千元		人民幣千元		
Raw chicken meat products	生雞肉製品	963,549	50.6	731,762	43.5	31.7
Processed chicken meat products	深加工雞肉製品	822,036	43.2	659,708	39.2	24.6
Chicken breeds	雞苗	60,313	3.2	205,186	12.2	-70.6
Others	其他	56,861	3.0	84,666	5.1	-32.8
Total	合計	1,902,759	100.0	1,681,322	100.0	13.2

- (1) During the six months ended 30 June 2020, the Group recorded total revenue of RMB1,902.8 million (six months ended 30 June 2019: RMB1,681.3 million) amid the coronavirus pandemic, and maintained a growth of 13.2%.
- (2) The Group continued to adjust and improve the business structure, and sales revenue from the core business of chicken meat products maintained a rapid growth. In particular, revenue from raw chicken meat products was RMB963.5 million (six months ended 30 June 2019: RMB731.8 million) and grew by 31.7%; revenue from processed chicken meat products was RMB822.0 million (six months ended 30 June 2019: RMB659.7 million) and grew by 24.6%.

(4) 捐贈

新冠疫情期間，本集團公益捐贈物資價值人民幣8.7百萬元，本集團積極承擔社會責任，通過捐助健康食品，捐贈防疫物資，關懷疫區醫務工作者及其家庭等多種形式支持抗疫。

分產品收入情況

- (1) 截至2020年6月30日止六個月期間，在新冠疫情衝擊下，本集團總收入為人民幣1,902.8百萬元（截至2019年6月30日止六個月：人民幣1,681.3百萬元），仍然保持了13.2%的增長。
- (2) 本集團繼續主動調整和優化業務結構，主營業務雞肉製品銷售收入保持高速增長，尤其是生雞肉製品收入為人民幣963.5百萬元（截至2019年6月30日止六個月：人民幣731.8百萬元），增長31.7%；深加工雞肉製品收入為人民幣822.0百萬元（截至2019年6月30日止六個月：人民幣659.7百萬元），增長24.6%。

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- (3) After the reduction in the proportion of chicken breeds and other non-core businesses, the proportion of the Group's core business reached 93.8% (six months ended 30 June 2019: 82.7%). In particular, processed chicken meat products accounted for 43.2% (six months ended 30 June 2019: 39.2%) of the total revenue during the six months ended 30 June 2020, representing a period-on-period increase of 24.6%.
- (4) During the six months ended 30 June 2020, "iShape (優形)", the mid- and high-end brand the Group has been vigorously promoting witnessed rapid development, and "iShape (優形)" series products recorded a period-on-period growth of 316%.

- (3) 雞苗及其他非主營業務佔比下調後，本集團的主營業務佔比達到93.8%（截至2019年6月30日止六個月佔比：82.7%），其中，深加工雞肉製品截至2020年6月30日止六個月佔總收入43.2%（截至2019年6月30日止六個月佔比：39.2%），同比增長24.6%。
- (4) 截至2020年6月30日止六個月期間，本集團著力打造的中高端子品牌「優形」成長迅速，「優形」系列產品同比增長316%。

Revenue by Channel

Revenue

- (1) During the six months ended 30 June 2020, the new retail business recorded another leapfrog development, showed the most noticeable growth and realised sales revenue of RMB373.1 million (six months ended 30 June 2019: RMB70.2 million), representing a period-on-period increase of 431.5%. Specifically, the online and offline segments grew by 532% and 289% period-on-period, respectively. The new retail business during the six months ended 30 June 2020 has accounted for 19.6% of the total revenue of the Group (six months ended 30 June 2019: 4.2%), while the new retail model only accounted for 2.0%, 2.0%, 3.3% and 6.4% for the four years ended 31 December 2019, respectively.
- (2) During the six months ended 30 June 2020, the Company's domestic sales recorded RMB1,079.0 million (six months ended 30 June 2019: RMB1,164.7 million), representing a period-on-period decrease of 7.4% and accounting for 56.7% (six months ended 30 June 2019: 69.2%) of the total revenue. The decrease in revenue from overall domestic sales was partially offset by the revenue from the new centralised procurement business, which overcome the impact of the coronavirus pandemic and recorded sales revenue of RMB375.7 million (six months ended 30 June 2019: RMB336.9 million) amid the downturn pressure, representing a period-on-period increase of 11.5%. Particularly, McDonald's and KFC were still the partners in the catering industry with the closest and deepest relationship. The new centralised procurement business segment accounted for 19.7% of the total revenue (six months ended 30 June 2019: 20.0%).

分渠道收入情況

收入

- (1) 截至2020年6月30日止六個月，公司新零售業務繼續跨越式增長，體現出最為突出的成長性，取得銷售收入人民幣373.1百萬元（截至2019年6月30日止六個月：人民幣70.2百萬元），同比增長431.5%；其中，線上、線下業務同比分別取得532%、289%增長。截至2020年6月30日止六個月，新零售業務已經佔到本集團總收入的19.6%（截至2019年6月30日止六個月佔比：4.2%），而截至2019年12月31日止四個年度，新零售模式僅分別佔比2.0%、2.0%、3.3%、6.4%。
- (2) 截至2020年6月30日止六個月，本公司的國內銷售錄得人民幣1,079.0百萬元（截至2019年6月30日止六個月：人民幣1,164.7百萬元），同比減少7.4%，佔總收入的56.7%（截至2019年6月30日止六個月：69.2%）。整體國內銷售收入減少乃部分被新集採業務所得收入抵銷，而新集採業務頂住了新冠疫情的壓力，逆勢取得銷售收入人民幣375.7百萬元（截至2019年6月30日止六個月：人民幣336.9百萬元），同比增長11.5%；其中，麥當勞與肯德基仍然是公司合作最密切最深入的餐飲行業夥伴。新集採業務板塊佔總收入的19.7%（截至2019年6月30日止六個月：20.0%）。

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(3) During the six months ended 30 June 2020, the new export business upgraded to diversified channels, showed a strong risk resistance capacity and recorded sales revenue of RMB450.7 million (six months ended 30 June 2019: RMB446.4 million), representing a period-on-period increase of 1.0% and accounting for 23.7% (six months ended 30 June 2019: 26.6%) of the total revenue. Specifically, the Malaysian market and the European Union market grew by 29.8% and 4.7% respectively; the Japanese market basically remained flat.

Channel Expansion: Focusing on New Retail, New Centralised Procurement and New Export

During the six months ended 30 June 2020, consumption upgrading, downstream channel expansion, upgrading of online shopping speed, and quality and safety became the four remarkable development trends. The Group seized opportunities, increased inputs and focused on developing the new retail, new centralised development and new export businesses.

1. New Retail

(1) Offline terminals:

In the offline segment, the Group realised a coverage of about 25,000 high-quality convenience stores in more than 70 major cities during the six months ended 30 June 2020, added approximately 5,000 stores to the network as compared with the end of 2019, and became the preferred partner of many brands, including Lawson, FamilyMart, 7-11 and Bianlifeng, in respect of cooked chicken meat products and low-temperature chicken meat products. It is expected that the network will cover all provinces and regions in Mainland China this year, and the number of stores will continue to increase.

In the Group's production base in Liaocheng, Shandong Province, the Group succeeded in the pilot program of "branding" operation model during the six months ended 30 June 2020. It expanded to "community stores" and "couple operated stores" by building an all-category admission and all-scenario marketing, and recorded outstanding sales performance in Liaocheng through adopting merchandising display in terminals, standardised team maintenance and relying on physical stores to advance O2O promotion, with sales revenue growing by 341% period-on-period. The Group will promote the operation model to a larger scope in the future, and the first round will cover eight cities around Liaocheng.

(3) 截至2020年6月30日止六個月，新出口業務實現了渠道多元化的升級，體現出了極強的抗風險能力，取得銷售收入人民幣450.7百萬元(截至2019年6月30日止六個月：人民幣446.4百萬元)，同比增長1.0%，佔總收入的23.7% (截至2019年6月30日止六個月：26.6%)；其中馬來西亞與歐盟市場分別取得29.8%、4.7%的增長，日本市場基本持平。

渠道擴充：重點發展新零售、新集採、新出口

截至2020年6月30日止六個月，消費升級、渠道下沉、網購提速、品質安全成為最值得重視的四個行業發展趨勢，本集團抓住機會，加大投入，重點發展新零售、新集採與新出口業務。

1. 新零售

(1) 線下終端：

截至2020年6月30日止六個月，線下本集團實現70多個重點城市的約25,000家優質便利店的終端覆蓋，較2019年年末新增約5,000家，成為羅森、全家、7-11、便利蜂等多家品牌的熟食與低溫區首選雞肉製品，預計年內能夠覆蓋中國內地全部省區，門店數量將繼續增加。

截至2020年6月30日止六個月，在本集團生產基地山東聊城，本集團率先實現「品牌化」運營模式的試驗成功，通過构建全品類進場與全場景營銷，特別下沉到「社區小店」、「夫妻小店」，通過終端生動化陳列，團隊標準化維護，依託實體店O2O推廣傳播，聊城主場地區取得了顯著的銷售業績，銷售收入同比增長341%。本集團未來將開展運營模式複製，第一批將擴充至聊城周邊八個城市。

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(2) Online channels:

The Group expanded its coverage to leading e-commerce businesses including Tmall, JD.com, MissFresh, Freshippo, Dingdong Maicai, Meituan Maicai, YUNJI and Daling Family, and established in-depth cooperation with leading content e-commerce businesses and social media e-commerce businesses. In particular, “iShape (優形)” has become the selected “key account” merchant of Tmall and JD.com and the first strategic partner of Missfresh, YUNJI and Daling Family in respect of processed chicken meat products.

2. New Centralised Procurement:

The coronavirus pandemic has accelerated the quality upgrading of China’s catering industry and convenience store catering system, and leading players continue to improve the procurement standards. Accordingly, the development of new centralised procurement business becomes a new strategic layout and a new business growth point of the Group.

During the six months ended 30 June 2020, the Group maintained long-term cooperation with McDonald’s and KFC, provided products and services to over 30 renowned China-based catering enterprises chain, including JIGUANG Fried Chicken, BKP, Shanghai Zhengxin, Kungfu and Laoniangjiu, and will gradually reach more than 33,000 stores under these brands.

In addition, the Group realised further cooperation with approximately 9,000 boutique convenience stores.

As the negative impact of the coronavirus pandemic abates and when gradually disappear, the new centralised procurement business will generate higher revenue and profit contribution in the future.

3. New Export:

(1) Japan: Since the first export order in 1996, the Group has been developing the Japanese market for 24 years. Currently, it has established diversified marketing channels, covered segments of convenience stores, hypermarkets, low-price supermarkets, life supermarkets, catering chain stores and food processing plants, and established friendly cooperation with such segments. Owing to such layout, the Japanese market showed a strong ability to undertake the shift of business focus and a strong risk resistance capacity during the coronavirus pandemic.

(2) 線上渠道:

本集團實現天貓、京東、每日優鮮、盒馬、叮咚買菜、美團買菜、雲集、達令家等頭部電商全覆蓋，以及頭部內容電商、社交電商的深度合作。其中，「優形」已經成為天貓和京東的優質KA（重要客戶）商家，成為每日優鮮、雲集和達令家雞肉深度加工製品的首家戰略合作夥伴。

2. 新集採:

新冠疫情加速了中國餐飲行業與便利店餐飲系統的品質升級，優秀企業採購標準不斷提升，新集採業務上升為本集團新的重要戰略佈局點與業務增長點。

截至2020年6月30日止六個月，本集團與麥當勞、肯德基繼續長期合作，實現對繼光香香雞、波客派、上海正新、真功夫、老娘舅等30多家國內知名餐飲連鎖企業的產品與服務提供，將逐步觸達合作品牌旗下33,000多家門店。

本集團亦實現多家精品便利店約9,000家門店的深入合作。

隨著新冠疫情不利影響漸弱乃至逐步消失，新集採業務的收入與利潤貢獻，未來將更加顯現。

3. 新出口:

(1) 日本市場：從1996年第一筆出口訂單簽約，本集團至今已深耕日本市場24年，目前已經形成多元化銷售渠道，覆蓋便利店、大型超市、業務超市、生活超市、餐飲連鎖、食品加工廠等多種業態，並建立了良好合作關係。得益於此，日本市場在新冠疫情中體現出了較強的業務重心轉換承接能力與抗風險能力。

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- (2) European Union: Since 2010 when the Group entered the European Union market, the Group witnesses the export to European Union growing from several hundred tons to approximately 10,000 tons every year, with the number of customers increasing from two or three in the early stage to over a dozen at the end of six months ended 30 June 2020, and with the channel expanding from the catering industry at the early stages to supermarket and convenience store systems. With such diversified channel layout, the adjusted marketing structure and the promotion of sophisticated services, the Group recorded 5% of sales revenue growth amid the downturn pressure during the six months ended 30 June 2020, even though the European Union reported severe conditions in fighting the coronavirus pandemic.
- (3) Other markets: On the condition of stable business development, the Group adjusted its product and channel structure and improved the service ability.

Research and Development Upgrading: Staying Market Oriented, Accelerating Update

During the six months ended 30 June 2020, the Group remained market demand oriented and created a great synergy to accelerate new product development and commercialisation by leveraging the collaboration and interaction of “Tokyo + Shanghai + Shandong” research and development centers, with Tokyo serving as the cutting-edge technology and market center, Shanghai as the production innovation center and Shandong as the process commercialisation center, establishing strategic cooperation with international leading meat product research and development organisations.

Taking a new product as an example, with trend insight, the market's front end noticed that customers have a strong demand for deliciousness and health, and boldly came up with a new product idea. The research and development team of the Group co-operated and worked together with external partners, and the new product concept was ready in a short period of time for the process adjustment stage.

Salted egg flavored chicken (鹹蛋黃嫩骨雞) is a new product that opened another category of blue sea. The concept of the product was first proposed at the end of December 2019, and it only took three months to hit the market, with its concept, nutrition value and consumption experience being highly recognised by consumers. It is also a single popular item that many famous livestreaming anchors expect to co-operate with.

- (2) 歐盟市場：從2010年進入歐盟市場開始，本集團每年出口歐盟業務量由數百噸上升到近萬噸，本集團客戶從前幾年的兩三家擴展到截至2020年6月30日止六個月末的十幾家，渠道由最早的單純餐飲業擴充到商超與便利店系統。得益於多元化的渠道佈局，銷售結構的調整，精細服務的實施，截至2020年6月30日止六個月歐盟雖然新冠疫情非常嚴重，本集團仍實現銷售收入5%的逆勢增長。
- (3) 其他市場：在穩定業務的基礎上，本集團優化產品與渠道結構，提升服務能力。

研發升級：市場需求導向，加快迭代更新

截至2020年6月30日止六個月，本集團充分發揮「東京+上海+山東」三地研發中心協同互動的優勢，東京為引領消費和前沿技術中心，上海為產品創新中心，山東為工藝轉化中心，並與國際領先的肉製品研發機構建立戰略合作關係，實現高效協同，以市場需求為驅動和導向，加速新品開發和轉化。

以某新產品為例，市場前端通過趨勢洞察，瞭解到消費者對美味和健康等量需求的痛點，大膽提出新產品設想。本集團研發體系匯通外部合作夥伴，短時期就推出新產品創意，並進入工藝調試階段。

鹹蛋黃嫩骨雞也是一個開創品類新藍海的創新型產品，從2019年12月底啟動概念發想，僅用3個月就實現上架銷售，消費者對產品理念、營養價值、食用體驗高度認可。同時也成為很多知名主播最想合作直播銷售的網紅單品。

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In the brand end, the development of new products including protein bar expanded the coverage of “iShape (優形)”. In the product end, the Group accelerated the update of Fovo series products through the development of salted egg flavored chicken (鹹蛋黃嫩骨雞) and chicken patty squares (雞肉小方). In the marketing end, the Group developed roasted chicken products, offered strong support and effective solutions to address the particular needs of ALDI, a leading retail brand in Germany, and directly supported the Group to expand the type and path of marketing channels.

The advantage of research and development end and its continuous upgrading significantly improved the core competitiveness of the Group and its brands.

Product Portfolio: Focusing on iShape Brand, Fostering Fovo Food as High-quality Items

iShape Brand Series

iShape (優形) is the mid- and high-end brand the Group has been vigorously developing. iShape is the largest ready-to-eat chicken breast brand in China, in terms of revenue and market share for the six months ended 30 June 2020.¹

iShape features nutritious, low-fat, high-protein, ready-to-eat and convenient chicken meat products. As at 30 June 2020, it has three major categories: meal replacement series, extra meals series and leisure snack series. It has 31 stock keeping units (“SKUs”) in total and is available on major e-commerce platforms and at over 25,000 offline outlets.

iShape focuses on yearning for a better life and advocates the concept of healthy living with products which are low in fat, tasty and ready-to-eat, and will continuously develop and launch more new products to satisfy more consumption scenarios.

在品牌端，通過蛋白棒等新品的研發，實現了對「優形」品牌覆蓋品類的擴充；在產品端，本集團通過鹹蛋黃嫩骨雞、雞肉小方等新品的研發，加快了鳳祥系列產品的迭代更新；在銷售端，本集團開發烤雞產品，有效支持德國領先的零售品牌奧樂齊(ALDI)的專屬需求滿足與解決方案，直接支持本集團拓寬銷售渠道類型與通路。

研發端的優勢與不斷升級，大大提升了本集團與品牌的核心競爭力。

產品組合：重點發展優形品牌，培育鳳祥食品優質單品

優形品牌系列

優形是本集團重點發展的中高端品牌。以截至2020年6月30日止六個月的收入與市場佔有率計，優形是國內最大的即食雞胸肉品牌。¹

優形產品以營養低脂、高蛋白、即食便捷的雞肉製品為主。於2020年6月30日，主要分為三大產品系列：代餐系列、加餐系列、休閒系列，共計31個存貨單位(「SKU」)，各大電商平台及線下約2.5萬多個網點有售。

優形嚮往美好，倡導健康，產品主打低脂、美味、即食，為滿足更多消費場景，更多優形新產品也在不斷開發和上市中。

¹ Data source: Frost & Sullivan

¹ 數據來源：弗若斯特沙利文

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Fovo Food Series

As a well-known trademark in China, Fovo has three major categories: seasoned cooked chicken meat products, seasoned raw chicken meat products and fresh frozen chicken meat products. As at 30 June 2020, 80 SKUs were available in the market.

Salted egg flavored chicken (鹹蛋黃嫩骨雞) and “Jia’ge chicken drumstick” (加個雞腿) under the seasoned cooked chicken meat products and olive oil seasoned chicken (橄欖油嫩雞排) under the seasoned raw chicken meat products become the key single items of the Group by adaptation to customers’ demands, unique product features and higher gross profit potential.

Fovo Food series products focus on the desire of safety, flavor and quality, and families are their core target customers. As the market develops and customers have higher requirements, Fovo gradually introduce the health concept and launches chicken patty squares (雞肉小方) to satisfy the personal consumption scenario.

Wu Genglu Series

Wu Genglu (五更爐) has a long history, and is a well-known trademark in China and a Shandong time-honoured brand. It inherits the traditional craftsmanship and aims to provide customers with the most traditional delicacy.

The brand has two categories: Wu Genglu smoked chicken (五更爐熏雞) and Wu Genglu salt baked chicken (五更爐鹽焗風味雞), with four SKUs as at 30 June 2020.

Currently, products are made of whole chicken. Products made of chicken wings, eggs and other parts of chicken will be developed in the future to meet customers’ needs, which will instantly available for multiple scenarios including family gathering, festival gift and outing.

鳳祥食品系列

鳳祥為中國馳名商標，旗下主要分為三大產品系列：調味雞肉熟食製品、調味生雞肉製品、生鮮冷凍雞肉製品，於2020年6月30日合計在售80個SKU。

其中調味雞肉熟食製品下的鹹蛋黃嫩骨雞、加個雞腿、調味生雞肉製品下的橄欖油嫩雞排，憑藉適應消費者需求，獨特的產品賣點，更高毛利空間等優勢，成長為本集團的重點單品。

鳳祥食品系列產品一直以安心、美味、品質為主要訴求，其核心目標客群定位在家庭消費，隨著市場的發展、以及消費者需求的提升，鳳祥也逐漸引入健康理念，陸續開發適用於個人購買場景的產品，如雞肉小方等。

五更爐系列

五更爐品牌歷史悠久，是中國馳名商標與山東老字號，產品傳承古法工藝，以提供最傳統的美味給消費者為目的。

旗下產品分為五更爐熏雞、五更爐鹽焗風味雞兩大系列，於2020年6月30日，共四個SKU。

目前主要以全雞產品為主，後續順應消費者需求會陸續開發雞翅，雞蛋及其他部位的雞肉產品，家庭聚餐、節慶送禮、外出郊遊，多種場景均可食用，方便快捷。

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Supply Chain: Digitisation, Intelligence, Systematisation

During the six months ended 30 June 2020, the Group further strengthened the construction of supply chain digitisation, intelligence, systematisation and stepped up efforts to promote welfare breeding, so as to reduce breeding cost.

Currently, the Group relies on its remote control real-time big data information system and the artificial intelligence (AI) technology supply chain management plan to realise 24-hour intelligent monitoring of the key breeding processes.

The Group equips its breeder and broiler farms with comprehensive environmental management module and water and feed supply system. The system collects data of at least 400 key points every five minutes, and the monitoring data would be sent to the monitoring centre and the mobile terminal of the administrator at the same time. On such basis, the intelligent monitoring system calls historical breeding data automatically and adjusts environmental parameters, including the optimal temperature, humidity, ventilation, pressure and cooling, according to changes of weather and climate, thereby ensuring breeders and broilers grow in a comfortable and stable environment and further improving the production performance and the breeding efficiency.

Currently, the Group has globally leading technology and management ability in production performance, such as fertilisation rate, feeding quantity and size control of breeders and broilers.

With such a foundation, the Group steadily enhances the welfare breeding practice to better satisfy the demands of global customers. So far, the Group's welfare breeding has covered aspects of breeding, breeding pens, feeding and health management.

By applying big data to the supply chain, the Group realises scientific matching of raw materials, including corn, soybean meal, vegetable oil, vitamin, amino acid and mineral substance, based on the differentiated nutrition requirements in different growth stages, provides breeders and broilers with comfortable temperature, dry ground, good air quality and sufficient food according to the age of breeders and broilers. The Group insists on breeding with zero hormone and promote the growth of breeders by favorable internal and external environment and scientific and reasonable diet.

供應鏈：數據化、智慧化、系統化

截至2020年6月30日止六個月，本集團進一步加強了供應鏈的數據化、智慧化、系統化建設，並進一步增強了福利養殖的力度，以降低養殖成本。

目前，本集團依賴其遠程控制實時大數據資訊系統和應用了人工智慧(AI)技術的供應鏈管理方案，以實現對關鍵養殖環節24小時不間斷的智慧監控。

本集團在其種雞場及肉雞場中配備有完善的環境控制模塊及水料供應系統等，至少對400餘個關鍵點進行每5分鐘一次的數據採集，監控數據將同時送抵監控中心和管理員的移動終端；在此基礎上，智慧監控系統可以自動調用歷史養殖數據，並根據氣候變化自動調整最佳效率的溫度、濕度、通風、負壓、製冷等環境數值，保障種雞及肉雞在舒適穩定的環境中成長發育，從而進一步提升生產性能和養殖效率。

目前，本集團在受精率、料量、種雞及肉雞體型把控等生產性能方面擁有全球領先的技術和管理能力。

在此基礎上，為了進一步滿足全球消費者的需求，本集團始終在穩步增強福利養殖的實踐。目前，本集團的福利養殖內容已經涵蓋了育種、圈舍、飼養以及健康管理等多個方面。

通過大數據在供應鏈中的應用，本集團已實現：根據不同生長階段的差異化營養需求，將玉米、豆粕、植物油、維生素、氨基酸、礦物質等原料進行科學配比，並根據種雞及肉雞日齡提供舒適的溫度、乾燥的地面、良好的空氣品質和豐沛的食物。本集團堅持零激素添加飼養，通過良好的內外部生長環境與科學合理的飲食搭配，來促進種雞的發育生長。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Quality Control: Pursuing 100% Qualification Rate, Maximizing the Quality Advantage

Relying on the vertically integrated business model, the Group is able to produce processed chicken meat products according to customers' orders, including the variety and number of products and the delivery schedule. The Group can better control the whole production process and reduce production costs; therefore, it can continuously improve the production efficiency and have a high reliability.

The Group continues to improve the productivity and the epidemic prevention and control ability through production process standardisation and delicacy management, thereby realising product traceability to better ensure the safety and quality. During the six months ended 30 June 2020, the government conducted 115 random inspections, and products were subject to 37 spot checks in the market and 303 type tests; and achieved 100% qualification rate for all the test results of the Group.

The Group continues to apply the food safety solution that can meet import quality standards of Japan, the European Union and other countries and regions. The food safety solution covers six processes of product delivery: breeders, animal feed, breeding, quarantine, inspection and logistics, and achieves management and control of the whole process of industry chain. Under the management of this system, the Group's production system has obtained the accreditation of BRC, HACCP and ISO9001, the three international top-level management systems.

Organisational Reform: Staying Customer-centric and Market-oriented, Implementing Equity Incentive

The Group decided several years ago to vigorously develop new retail business, change the growth model, upgrade the industry structure and gradually promote organisational adjustment, and has achieved initial success.

During the six months ended 30 June 2020, the Group comprehensively promoted the "customer-centric and market-oriented" organisational reform by centering on the "123" development strategy, followed market demand and development trend to optimise organisational labor division and improve the efficiency. Combining internal cultivation with external introduction, the Group selected talents for professional positions of marketing, sales and research and development, established a "dual core" marketing team with new retail genes and food industrial characteristics, thereby developing employees' potential and stimulating organisational vitality. As at 30 June 2020, the organisational reform is being promoted further.

品質管控：追求100%合格，將品質優勢發揮到極致

本集團憑藉縱向一體化業務模式，能夠根據客戶訂單生產深加工雞肉製品，包括產品的種類及數量以及交付時間表，本集團能很好地控制整個生產流程及降低生產成本，因此能不斷提升生產效率並具有高度的可靠性。

本集團繼續通過生產流程標準化及精細化管理，提升勞動生產率及疾病防控能力，從而能夠實現產品追蹤，以更好地保證安全性及質量。截至2020年6月30日止六個月，政府監管抽樣115批次，產品在市場接受政府抽檢37批次，產品型式檢測303批次，本集團全部檢測結果均達100%合格率。

本集團繼續應用可滿足日本、歐盟等國家和地區進口質檢標準的食品安全解決方案。該食品品質安全解決方案覆蓋了種雞、飼料、養殖、防疫、檢測、物流等產品出廠的六大環節，實現了對產業鏈流程的全程管控。在該系統管理下，本集團的生產系統通過了BRC、HACCP、ISO9001等三大國際頂級管理體系認證。

組織變革：以用戶為中心，以市場為導向，實施股權激勵

本集團幾年前決心大力發展新零售業務，轉變增長方式，升級產業結構，並逐步進行相應的組織調整，初見成效。

截至2020年6月30日止六個月，本集團圍繞「123」發展戰略，全面推行「以用戶為中心、以市場為導向」的組織變革，順應市場需求及發展趨勢，優化組織分工，提高組織效率。以內部培養與外部引進相結合，本集團在營銷、銷售、研發等專業崗位選拔人才，搭建具備新零售基因與食品行業特質的「雙核」營銷梯隊，從而挖掘員工潛能，激發組織活力。於2020年6月30日，組織變革仍在繼續深入推行。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

During the six months ended 30 June 2020, the Group focused on the “123” new strategy and concentrated more resources to the marketing end. It advocated and promoted flat communication and decision-making mechanism. After collecting the latest information on market demands and customer experience, it utilised such information to form guidelines for the planning, research and development, procurement, production, logistics of the supply end. The Group motivated frontline employees effectively by empowerment, and built a complete cycle from capturing customers’ demands and market trends to delivering customers with products they desire via proper marketing channels. As at 30 June 2020, the mechanism improvement and the process rebuilding are being developed and updated continuously.

During the six months ended 30 June 2020, the Group implemented the first round of share award incentive scheme, and it will launch incentive plans with larger scope and greater benefit in batches to business key stakeholders and professional talents. The aim of incentive plans is to align interests between the Group and employees, build a community of shared values, create and share growth benefits with employees, thereby building an environment characterised by the entrepreneurship, realising the development vision and fulfilling the organisational mission.

Branding Building: Building Quality-assured Fovo and Beautiful iShape, Actively Fulfilling Social Responsibility

During the six months ended 30 June 2020, the Group stepped up efforts in branding operation and marketing promotion, striving to improve the brand recognition and reputation.

Quality is the foundation; safety and quality assurance is the gene of all brands of the Company and also the memory point of Fovo series:

- The Group’s products passed the strict test of the State General Administration of Sports — Training Council (國家體育總局訓練局) with 100% qualification rate, and was selected as the Preparation and Protection Products for National Athletes to offer them with nutritional support in all sporting events. As at 30 June 2020, the Group is the only corporation providing national athletes with chicken meat products through the State General Administration of Sports — Training Council.

截至2020年6月30日止六個月，本集團聚焦於「123」新戰略，將更多資源向營銷端傾斜；倡導與推行扁平化的溝通決策機制；收集了最新市場需求、用戶體驗信息後，反向指導供給端的規劃、研發、採購、生產、倉儲物流；本集團充分授權，激發一線人員積極性，已經形成從捕捉用戶需求與市場趨勢到通過合適營銷渠道將適銷產品送達用戶的完整閉環。於2020年6月30日，機制優化與流程再造仍在不斷探索與更新。

截至2020年6月30日止六個月，本集團已經實施了第一批股份獎勵激勵計劃，未來將針對業務骨幹和專業人才，分批推出更大範圍、更大力度的激勵計劃，以實現本集團與員工的利益一致性，締結價值觀一致的命運共同體，與員工共同創造和分享成長價值，形成創業的積極氛圍，實現發展願景，踐行組織使命。

品牌建設：安心鳳祥，美好優形，積極承擔社會責任

截至2020年6月30日止六個月，本集團繼續加大品牌化運作與營銷推廣力度，致力於知名度、美譽度的提升。

品質是基礎，安心是本公司旗下所有品牌品類的共同基因，也是鳳祥系列的最大記憶點：

- 本集團產品以100%的合格率通過了國家體育總局訓練局的嚴苛檢驗，被選定為國家隊運動員備戰保障產品，在各大體育賽事中，為運動員提供營養支持。於2020年6月30日，本集團是目前唯一一家通過國家體育總局訓練局為國家隊運動員提供各種雞肉製品的企業。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

- In 2019, Ms. Wu Minxia, the winner of five gold medals in Olympic Games and the diving queen, acted as the ambassador and the chief tasting officer of Fovo brand. Ms. Wu Minxia maintained friendly co-operation with the Group during the six months ended 30 June 2020, and offered strong champion endorsement to the Group's characteristic of brand and quality assurance.

During the six months ended 30 June 2020, the Group vigorously developed the mid- and high-end brand “iShape (優形)”. On the basis of quality and safety assurance, “iShape (優形)” advocates the “beauty, health” concept and is gradually known and accepted by customers for the healthy and high-quality image of “high protein, low fat without any use of hormones”.

- In 2020, “iShape (優形)” took the opportunity of the Sisters Riding the Winds and Breaking the Waves (《乘風破浪的姐姐》), a show of Mango TV, winning great popularity to engage Ms. Wan Qian as the ambassador. The integrated marketing campaign themed “The Attraction of Ms. Wan and iShape” (「萬優引力」) was launched vigorously, and the Group's brand reputation, the brand preference, the online hotspot initiating ability, the buzz word freshness and the follower conversion rate all witnessed significant improvement.
- During the six months ended 30 June 2020, “iShape (優形)” sponsored Back to Field 4 (《嚮往的生活4》), the top variety show of Mango TV, and many celebrities in Mainland China including Zhao Lusi, Cheng Xiao and Li Chun strongly recommended the brand on Xiaohongshu (小紅書). In the livestreaming field, which is currently under spotlight in Mainland China, “iShape (優形)” was endorsed by Wei Ya, the livestreaming queen, Zhang Guowei, the world high jump champion, and Wang Sulong, a super star, as consumer and anchor of livestreaming studios. The Group's sales consistently recorded remarkable performance, and the brand was widely recognised by anchors of livestreaming studios, which laid down a solid foundation for potential long-term cooperation.

The Group attached great importance to fulfilling social responsibility and endowed the brands with heart-warming elements. During the six months ended 30 June 2020, the Group donated over RMB8.7 million of materials for fighting the coronavirus pandemic.

- 2019年，奧運會五金獲得者、跳水女皇吳敏霞女士欣然出任鳳祥品牌代言人、首席品鑒官；截至2020年6月30日止六個月，吳敏霞女士與本集團繼續友好合作，為本集團的品牌與品質的安心特性，提供了強大的冠軍背書。

截至2020年6月30日止六個月，本集團著力發展旗下中高端品牌優形，安心基礎之上，優形佔位「美好、健康」概念，「高蛋白質，低脂肪，零激素」的健康優質形象逐漸為消費者所熟悉和接受。

- 2020年，芒果TV《乘風破浪的姐姐》火遍全網之際，優形適時借勢簽下萬茜代言，「萬優引力」的主題整合營銷行動持續升溫，本集團品牌美譽度、品牌好感度、網路議題設置能力、話題新鮮感、粉絲轉化率均有大幅提升。
- 截至2020年6月30日止六個月，優形品牌不僅入駐了芒果TV王牌綜藝節目《嚮往的生活4》，還在小紅書上獲得了趙露思、程瀟、李純等內地流量明星的熱情推薦。在內地時下大熱的直播帶貨領域中，也在直播女王薇婭、世界跳高冠軍張國偉、超級男星汪蘇瀧的直播間中，得到他們作為真實消費者和優秀主播的雙重推薦，本集團不僅屢創帶貨銷售的耀眼業績，也得到主播們的一致認可，為潛在的長期合作奠定了堅實基礎。

本集團一直重視主動承擔社會責任，為品牌增加溫度。截至2020年6月30日止六個月，本集團針對新冠疫情防護捐贈專項物資價值超過人民幣8.7百萬元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Ensuring the health and safety of staffs in the course of work

After the outbreak of the coronavirus pandemic, the Group immediately made arrangements for resumption of work and production to ensure the market supply. Simultaneously, it initiated the emergency mechanism, established the epidemic prevention and control system, and organised trainings in this regard. It closely monitored the health conditions of staff, required staff to keep reasonable distance when dining, set a series of specific requirements on production and way of living. During the coronavirus pandemic, production plants set up 120 temperature checking points and provided 171 temperature checking instruments; every staff checked the temperature twice every day and was provided with masks; materials for epidemic prevention and disinfection were sufficient. For the Group's production lines, staff washed and disinfected their hands every hour, to ensure their health and safety and the production safety of the Group.

Donating materials for epidemic prevention

The Group leveraged its position as a leading enterprise and actively participated in the initiative of stabilising the chicken price in the capacity of a market player. It launched measures for the benefit and convenience of locals, and opened exclusive online green channels for hometown products. In the meantime, it actively purchased and co-ordinated materials from overseas markets to support the epidemic prevention and control in its hometown, including a total of 11,040 protective suits, 52,360 masks and 4,400 protective goggles.

The Group sent 130,000 chicken meat products in two batches to certain hospitals in Wuhan in the first place. It also launched the "Care Package" charity activity to Hubei's medical staff, sending them chicken meat products worth of RMB4.6 million.

確保員工在崗健康和安全

新冠疫情發生後，本集團迅速組織復工復產，以保障市場供應，同步啟動應急機制，建立疫情防控制體系，組織防疫培訓，嚴格監測員工健康狀態，實行分散用餐，對生產生活方式提出多項具體要求。新冠疫情期間，在各個生產廠區設立了120個測溫點，發放了171個測溫儀，每天每人測溫2次並發放口罩，配備充足的防疫和消毒物資。就本集團的生產線而言，員工每小時進行一次洗手消毒，保障員工健康安全，確保本集團安全生產。

抗疫捐助

本集團發揮領軍企業作用，以市場主體積極參與維持雞肉價格穩定，推出多項利民便民措施，在網路開設家鄉專屬產品綠色通道；同時，從海外積極為家鄉採購調集抗疫物資：累計11,040套防護服、52,360個口罩、4,400副護目鏡。

本集團第一時間向武漢部分醫院調集兩批130,000份雞肉製品；亦推出湖北醫護人員「雞肉加油包」公益行動，送出愛心雞肉製品價值約人民幣460萬元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Overall performance

In the first half of 2020, the Group experienced an increase of 13.2% of revenue as compared to that of the first half of 2019. Before biological assets fair value adjustments, there was a decrease of 25.4% of gross profit, 55.9% of profit for the period and 57.3% of profit attributable to the owners of the Company as compared to the corresponding period in 2019. The basic earnings per share was RMB13.92 cents for the first half of 2020. Set out below is further information on the fluctuations in the Company's results for the six months ended 30 June 2020:

財務回顧

整體業績

於2020年上半年，本集團的收入較2019年上半年增加13.2%。於生物資產公允價值調整前，與2019年同期相比，毛利減少25.4%、期內利潤減少55.9%及本公司擁有人應佔利潤減少57.3%。2020年上半年的每股基本盈利為人民幣13.92分。截至2020年6月30日止六個月，本公司業績波動的詳情載列如下：

		Six months ended 30 June 截至6月30日止六個月			Change (%) 變動(%)
		2020 2020年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核)		
Revenue	收入	1,902,759	1,681,322	+13.2	
Cost of sales (Before biological assets fair value adjustments)	銷售成本(於生物資產公允價值調整前)	(1,533,047)	(1,185,848)	+29.3	
Gross profit (After biological assets fair value adjustments)	毛利(於生物資產公允價值調整後)	227,390	146,871	+54.8	
Gross profit (Before biological assets fair value adjustments)	毛利(於生物資產公允價值調整前)	369,712	495,474	-25.4	
Gain arising on initial recognition of agricultural produce at fair value less costs to sell at the point of harvest	初步按公允價值減收穫時的銷售成本確認農產品產生的收益	54,122	134,511	-59.8	
Gain arising from changes in fair value less costs to sell of biological assets	來自生物資產公允價值減銷售成本變動的收益	86,302	222,531	-61.2	
Other income and gains	其他收入及收益	12,506	17,967	-30.4	
Selling and distribution expenses	銷售及分銷開支	(121,057)	(62,276)	+94.4	
Administrative expenses	行政開支	(53,643)	(62,210)	-13.8	
Research and development expenses	研發開支	(9,974)	(7,925)	+25.9	
Provision for impairment loss/Loss allowance	減值虧損撥備/虧損準備	(133)	(691)	-80.8	
Other expenses	其他開支	(10,932)	—	—	
Finance costs	融資成本	(38,967)	(47,635)	-18.2	
Profit before income tax (After biological assets fair value adjustments)	所得稅前利潤(於生物資產公允價值調整後)	145,614	341,143	-57.3	
Income tax expense	所得稅開支	(940)	(527)	78.4	
Profit for the period (Before biological assets fair value adjustments)	期內利潤(於生物資產公允價值調整前)	146,572	332,177	-55.9	
		As at 30 June 於6月30日			
		2020 2020年 (%)	2019 2019年 (%)	Change (%) 變動(%)	
Gross profit margin (After biological assets fair value adjustments)	毛利率(於生物資產公允價值調整後)	12.0	8.7	+3.3	
Gross profit margin (Before biological assets fair value adjustments)	毛利率(於生物資產公允價值調整前)	19.4	29.5	-10.1	
Net profit margin	純利率	7.7	20.3	-12.6	

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Finance Costs

The Group's finance costs slightly decreased by 18.1% to RMB39.0 million for the six months ended 30 June 2020 (six months ended 30 June 2019: RMB47.6 million), primarily due to the average interest rate of the Group's borrowing of 4.0% in the first half of 2020, representing a period-on-period decrease of 8.0%.

Gain Arising on Initial Recognition of Agriculture Produce at Fair Value Less Costs to Sell at the Point of Harvest

Gain arising on initial recognition of agriculture produce at fair value less costs to sell at the point of harvest decreased by 59.8% to RMB54.1 million for the six months ended 30 June 2020 (six months ended 30 June 2019: RMB134.5 million), primarily due to a decrease in market prices of live broilers in the first half of 2020.

Gain Arising from Changes in Fair Value Less Costs to Sell of Biological Assets

Gain arising from changes in fair value less estimated costs to sell of biological assets decreased by 61.2% to RMB86.3 million for the six months ended 30 June 2020 (six months ended 30 June 2019: RMB222.5 million), primarily due to a decrease in the market prices of chicken breeds in the first half of 2020.

Biological Assets Fair Value Adjustments

The Group's results of operations are affected by changes in fair values of its biological assets. In aggregate, these changes decreased the Group's profit for the period by RMB1.9 million for the six months ended 30 June 2020 (six months ended 30 June 2019: increased profit for the period by RMB8.4 million). Biological assets fair value adjustments also increased the total cost of sales by RMB142.3 million for the six months ended 30 June 2020 (six months ended 30 June 2019: RMB348.6 million).

融資成本

本集團截至2020年6月30日止六個月的融資成本略微減少18.1%至人民幣39.0百萬元(截至2019年6月30日止六個月:人民幣47.6百萬元), 主要由於2020年上半年本集團借款平均利率為4.0%, 同比下降8.0%。

初步按公允價值減收穫時的銷售成本確認農產品產生的收益

初步按公允價值減收穫時的銷售成本確認農產品產生的收益減少59.8%至截至2020年6月30日止六個月的人民幣54.1百萬元(截至2019年6月30日止六個月:人民幣134.5百萬元), 主要是由於2020年上半年的活肉雞市價下跌。

來自生物資產公允價值減銷售成本變動的收益

來自生物資產公允價值減估計銷售成本變動的收益減少61.2%至截至2020年6月30日止六個月的人民幣86.3百萬元(截至2019年6月30日止六個月:人民幣222.5百萬元), 主要是由於2020年上半年的雞苗市價下跌。

生物資產公允價值調整

本集團的經營業績受生物資產公允價值變動影響。總體而言, 該等變動令本集團截至2020年6月30日止六個月的期內利潤減少人民幣1.9百萬元(截至2019年6月30日止六個月: 期內利潤增加人民幣8.4百萬元)。生物資產公允價值調整亦令截至2020年6月30日止六個月的銷售成本總額增加人民幣142.3百萬元(截至2019年6月30日止六個月: 人民幣348.6百萬元)。

Fair Value Adjustments of Biological Assets

The Group's biological assets represent breeders, broilers, chicken breeds and broiler eggs. The Group measures its biological assets at their fair value less costs to sell when they are sold or as at the balance sheet dates pursuant to IAS 41 Agriculture. A gain or loss arising on initial recognition of biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset is included in profit or loss and presented as "Gain or loss arising from changes in fair value less costs to sell of biological assets" for the period in which it arises. Changes in the fair value less costs to sell of the Group's biological assets resulted in its recognition of gain in the amount of RMB86.3 million for the six months ended 30 June 2020 (six months ended 30 June 2019: RMB222.5 million) in the Group's unaudited condensed consolidated statements of comprehensive income. These fair value gains represent fair value changes of the live breeders, live broilers and broiler eggs during the year and those remain on the Group's balance sheet at year-end less the costs to sell.

Fair values of biological assets are largely dependent on the number of chickens, type of chicken and their age. The fair value of the Group's biological assets could also be affected by, among other things, the expected market price and the estimated yield of the agricultural produce, being chicken carcass, the expected market price of breeders and survival rate. Fair value gains do not generate any cash inflow for our operations and, similarly, fair value losses do not result in any cash outflows of the Group's operations. The Group expects that its results will continue to be affected by changes in the fair value of our biological assets.

生物資產公允價值調整

本集團的生物資產指種雞、肉雞、雞苗及種蛋。根據《國際會計準則》第41號 — 農業的規定，本集團的生物資產於其出售時或於資產負債表日按公允價值減銷售成本計量。初步按公允價值減銷售成本確認生物資產所產生及來自生物資產公允價值減銷售成本變動的收益或虧損，須於其產生期間計入損益，並呈列為「來自生物資產公允價值減銷售成本變動的收益或虧損」。截至2020年6月30日止六個月，因本集團的生物資產公允價值減銷售成本變動，於本集團的未經審核簡明綜合全面收益表內確認收益人民幣86.3百萬元（截至2019年6月30日止六個月：人民幣222.5百萬元）。該等公允價值收益指於年內本集團的活種雞、活肉雞及種蛋的公允價值變動及年末本集團資產負債表內的公允價值減銷售成本變動。

生物資產的公允價值很大程度上取決於雞的數量、種類及年齡。本集團生物資產的公允價值亦可能受（其中包括）預期市價及農產品（即雞胴體）的估計產量、種雞的預期市價及存活率的影響。公允價值收益不會為我們的業務產生任何現金流入，同樣地，公允價值虧損也不會導致本集團的業務產生任何現金流出。本集團預計，其業績將繼續受到生物資產公允價值變動的影響。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Fair Value Adjustments of Agricultural Produce

Chicken meat products are produced from agricultural produce (that is, chicken carcass) harvested from the Group's biological assets. The Group measures its agricultural produce (that is, the chicken carcass) harvested from the biological assets at their fair value less costs to sell at the point of harvest. Such measurement is the cost at that date when applying IAS 2 Inventories. A gain or loss arising from agricultural produce at the point of harvest at fair value less costs to sell is included in profit or loss and presented as "Gain or loss arising from initial recognition of agricultural produce at fair value less costs to sell at the point of harvest" for the period in which it arises. Changes in the initial recognition of the Group's agricultural produce at fair value less costs to sell at the point of harvest resulted in gains in the amount of RMB54.1 million for the six months ended 30 June 2020 (six months ended 30 June 2019: RMB134.5 million) in the unaudited condensed consolidated statements of comprehensive income. Agricultural produce is then transferred to inventories and upon subsequent sales, our cost of sales are also charged for changes in the initial recognition of agricultural produce at fair value less costs to sell at point of harvest.

Analysis on Capital Resources

Liquidity and Capital Resources

The Group has funded its operations principally with cash generated from its operations, borrowings and shareholders' capital contributions. The Groups' primary uses of cash for the six months ended 30 June 2020 were for working capital purposes and capital expenditures for expansion and improvement of production facilities.

The Group had received financial assistance from GMK Finance Co., Ltd. (新鳳祥財務有限公司) ("GMK Finance"), whereby the Group pledges commercial bills received by the Group in the ordinary course of business to GMK Finance for discounting in return for cash loans extended to the Group. The discounting of the commercial bills provides the Group a way to factor and to obtain cash from the commercial bills that it receives in its ordinary course of trading, which in turn allows the Group to increase its cash flows in advance.

We sell our products to domestic customers in the PRC as well as overseas customers, and are exposed to transactional currency risk with respect to sales that were denominated in currencies other than the functional currency of the Group, namely Renminbi. While the Group did not hedge against any fluctuation in foreign currency during the six months ended 30 June 2020, the management may consider entering into currency hedging transactions to manage our exposure to fluctuations in exchange rates in the future should such need arise.

農產品公允價值調整

雞肉製品由本集團生物資產中收穫的農產品(即雞胴體)製成。自生物資產收穫的農產品(即雞胴體)於其收穫時按其公允價值減銷售成本計量。有關計量為應用《國際會計準則》第2號 — 存貨當日的成本。農產品於收穫時按公允價值減銷售成本所產生的收益或虧損，須於其產生期間計入損益，並呈列為「初步按公允價值減收穫時的銷售成本確認農產品產生的收益或虧損」。截至2020年6月30日止六個月，因初步按公允價值減收穫時的銷售成本確認本集團的農產品發生變動，於未經審核簡明綜合全面收益表內的收益為人民幣54.1百萬元(截至2019年6月30日止六個月：人民幣134.5百萬元)。隨後農產品被轉入存貨中，於隨後的銷售中，我們的銷售成本亦計入初步按公允價值減收穫時的銷售成本確認農產品的變動。

資本資源分析

流動資金及資本資源

本集團的業務資金主要來自其經營所產生的現金、借貸以及股東資本出資。截至2020年6月30日止六個月，本集團的主要現金用途為營運資金目的以及擴大及改善生產設備所需資本開支。

本集團已獲得新鳳祥財務有限公司(「新鳳祥財務」)的財務資助，據此，本集團將其於日常業務過程中收到的商業票據抵押予新鳳祥財務進行貼現，以換取本集團獲授的現金貸款。商業票據貼現為本集團提供了考慮及自其於日常交易過程中所收到的商業票據獲取現金的途徑，進而使本集團可提前增強其現金流量。

我們向中國國內客戶以及海外客戶銷售產品，且面臨有關以本集團功能貨幣(即人民幣)以外的其他貨幣進行銷售而產生的交易貨幣風險。而本集團於截至2020年6月30日止六個月並無就任何外匯波動進行對沖，日後如有需要，管理層可能考慮訂立貨幣對沖交易，以管理我們的匯率波動風險。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Capital Structure

As at 30 June 2020, the registered capital of the Company was RMB1,045,000,000, comprising 1,045,000,000 domestic shares (the "Domestic Shares") with nominal value of RMB1.00 each. Upon the listing of the Company (the "Listing") on the Stock Exchange and the completion of the global offering (the "Global Offering") of the H shares of the Company (the "H Shares") on 16 July 2020 (the "Listing Date"), the registered capital of the Company increased to RMB1,400,000,000, comprising 1,045,000,000 Domestic Shares and 355,000,000 H Shares (collectively, the "Shares").

During the six months ended 30 June 2020, the Company adopted proactive financing policies. The total borrowings of the Group amounted to RMB2,223.0 million, representing a period-on-period increase of 62.6% as at 30 June 2020. The increase is mainly attributable to (i) the grant of a one-year term loan of RMB200 million by state-owned commercial banks at a relatively low interest rate ranging from 3.2% to 3.4% to purchase raw materials, benefiting from the financial support policies promulgated by the PRC government; (ii) leveraging the Company's long established good credit rating, the Company was granted another one-year term loan of RMB485 million by a state-owned commercial bank with an interest rate ranging from 2.95% to 4.03%, for the purpose of financing its daily operations; and (iii) the Group's borrowings were renewed normally upon expiration during the six months ended 30 June 2020. The abovementioned new borrowings have effectively strengthened the Company's resilience against uncertain risks brought about by the coronavirus pandemic, and provided sufficient capital reserve for the normal operation and rapid development of the Group.

As at 30 June 2020, the debt-to-equity ratio and debt-to-asset ratio of the Company were 92.3% (31 December 2019: 60.4%) and 55.7% (31 December 2019: 48.9%), respectively. After the Company's listing on 16 July 2020, the debt-to-equity ratio and debt-to-asset ratio of the Company decreased to 61.4% and 45.0%, respectively.

As at 30 June 2020, the gearing ratio of the Company was 92.3% (31 December 2019: 60.4%), which is calculated based on dividing total borrowings by total equity.

資本架構

於2020年6月30日，本公司註冊資本為人民幣1,045,000,000元，包括1,045,000,000股內資股（「內資股」），每股面值人民幣1.00元。於2020年7月16日（「上市日期」）本公司於聯交所上市（「上市」）及本公司H股（「H股」）之全球發售（「全球發售」）完成後，本公司註冊資本增至人民幣1,400,000,000元，包括1,045,000,000股內資股及355,000,000股H股（統稱「股份」）。

於截至2020年6月30日止六個月期間，本公司採取積極的融資政策，於2020年6月30日，本集團借款總額人民幣2,223.0百萬元，同比增加62.6%。增加主要是因為：(i)本公司受益於中國政府財政支持政策，獲得國有商業銀行以較低利率（介於3.2%–3.4%）授出一年期定期貸款人民幣200百萬元，作為購買原材料的資金；(ii)基於本公司長期積累的良好信用評級，通過國有商業銀行新增一年期定期貸款人民幣485百萬元（利率介於2.95%–4.03%），用於日常經營所需資金；及(iii)於截至2020年6月30日止六個月期間，本集團到期借款得以正常續貸。以上新增借款，有效增加了本公司對新冠疫情帶來不確定風險的抵抗能力，為本集團正常運行和快速發展提供了充足資金儲備。

於2020年6月30日，本公司的負債對股本比率及資產負債比率分別為92.3%（2019年12月31日：60.4%）及55.7%（2019年12月31日：48.9%）。在本公司於2020年7月16日上市後，本公司的負債對股本比率及資產負債比率分別下降至61.4%及45.0%。

於2020年6月30日，本公司資產負債比率為92.3%（2019年12月31日：60.4%），乃根據借款總額除以權益總額計算得出。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Contingent Liabilities

As at 30 June 2020, the Group did not have any material contingent liabilities (31 December 2019: Nil).

Pledge of Assets

The Group's bank borrowings as at 30 June 2020 were secured by (i) mortgages of the Group's lands situated in the PRC with aggregate net carrying values of RMB26.4 million (31 December 2019: RMB26.7 million); (ii) pledge of the Group's bank deposits of RMB434.4 million (31 December 2019: RMB184.6 million); (iii) pledge of certain of the Group's property, plant and equipment with aggregate net carrying amount of RMB283.5 million (31 December 2019: RMB249.5 million); and (iv) pledge of certain inventories of the related company with aggregate net carrying amount of RMB535.0 million (31 December 2019: RMB539.4 million).

Human Resources

As at 30 June 2020, the Group had 7,880 employees who were directly employed by the Group, of which 7,878 employees were employed in the PRC and two employees were located in Japan. The remuneration packages for the employees include salary, bonuses and allowances. As required by the PRC regulations, the Group (i) participates in social insurance schemes operated by the relevant local government authorities, and (ii) maintains mandatory pension contribution plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance. The Group also provides continuing education and training programmes to its employees to improve their skills and develop their potential. The Company also adopted a share award scheme, and any full-time or part-time employees of the Group (including any director of the Company (the "Director(s)")) are eligible participants under the said scheme. In June 2020, the Company granted awards to certain selected participants to recognise their contribution and to provide them with incentives to retain them for the continual operation and development of the Group. The scheme has become effective on 16 July 2020.

或然負債

於2020年6月30日，本集團並無任何重大或然負債（2019年12月31日：無）。

資產抵押

本集團於2020年6月30日的銀行借款以(i)抵押本集團位於中國的總賬面淨值為人民幣26.4百萬元（2019年12月31日：人民幣26.7百萬元）的土地；(ii)抵押本集團人民幣434.4百萬元（2019年12月31日：人民幣184.6百萬元）的銀行存款；(iii)抵押本集團總賬面淨值為人民幣283.5百萬元（2019年12月31日：人民幣249.5百萬元）的若干物業、廠房及設備；及(iv)抵押關聯公司總賬面淨值為人民幣535.0百萬元（2019年12月31日：人民幣539.4百萬元）的若干存貨作為擔保。

人力資源

於2020年6月30日，本集團有7,880名直接受僱於本集團的僱員，其中在中國僱用7,878名僱員及兩名僱員位於日本。僱員薪酬待遇包括薪金、獎金及津貼。按照中國法規規定，本集團(i)參加由相關地方政府機構運作的社會保險計劃、(ii)設立強制性養老金供款計劃並投購醫療保險、工傷保險、失業保險及生育險。本集團亦向僱員提供持續教育及培訓課程，以提高其技能及發揮其潛能。本公司亦採納股份獎勵計劃，且本集團任何全職或兼職僱員（包括本公司任何董事（「董事」））均為上述計劃下的合資格參與者。於2020年6月，本公司向若干選定參與者授出獎勵以表彰彼等的貢獻，並向彼等提供獎勵以為本集團的持續經營及發展留任該等人士。該計劃於2020年7月16日生效。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS OUTLOOK

The Group is fairly confident about the healthy development of the industry and itself:

1. **New retail:** The Group will continue to increase brand building investment and further develop channels, so as to ensure the absolute leading position of “優形 (iShape)” in terms of scale, market share, brand recognition and reputation, and to build a leading brand.
2. **New centralised procurement:** The Group will seize the opportunities emerging along with the catering industry’s rising demands for high-quality suppliers, and will increase its resource input and diversify its products and services, so as to increase its market share and consolidate its leading position.
3. **New export:** The Group will, on one hand, continue to penetrate well into and cultivate the existing market, and on the other hand, continue to develop new businesses, optimise its structure and improve its services, so as to enhance its leading edge.
4. Through combining internal cultivation with external introduction, the Group will offer outstanding talents with platforms and opportunities; further optimise its organisational structure, implement its share award scheme, so as to provide institutional and cultural guarantee to the realisation of its new business strategies.
5. The Group will accelerate the integration of organic growth and the pursuance of strategic co-operation, solve the issue of insufficient production capacity, upgrade its supply chain management abilities, and engage in the internationalisation of resource allocation, so as to ensure a quality foundation for realising the mutual facilitation of its domestic and overseas markets.

業務展望

本集團對行業與自身的健康發展充滿信心：

1. **新零售：**繼續加大品牌投入，渠道深耕，保證優形市場規模、市場份額、知名度與美譽度的絕對領先，成就領先品牌。
2. **新集採：**抓住餐飲行業對高品質供應商需求上升的機遇，加大資源投入，豐富產品與服務，進一步擴大市場佔有率，鞏固領先地位。
3. **新出口：**一方面繼續把現有市場做深做透，一方面繼續開拓新業務，優化結構，提升服務，加大領先優勢。
4. 內部培養與外部引進相結合，為優秀人才提供舞台與空間；進一步優化組織結構，實施股份獎勵計劃，從制度和文化上保障新戰略的實現。
5. 加快自建與戰略合作相結合，解決產能供不應求的問題，並升級供應鏈管理能力，開展國際化的資源配置，確保品質基礎，實現國內國際兩大市場的相互促進。

CHANGES IN SHARE CAPITAL AND SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS 股本變動及主要股東持股情況

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES

Since the H Shares of the Company were listed on the Stock Exchange on 16 July 2020, the Company was not required to keep any register under Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO") as at 30 June 2020.

As at the date of this interim report, to the best knowledge of the Directors or chief executives, the following persons (not being the Directors or supervisors of the Company (the "Supervisor(s)") or chief executives) had interests or short positions in the Shares or underlying shares which were required to be entered in the register referred to in section 336 of the SFO by the Company or would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

主要股東於股份及相關股份中擁有的權益及淡倉

由於本公司H股於2020年7月16日於聯交所上市，故於2020年6月30日，本公司毋須根據香港法例第571章《證券及期貨條例》(《證券及期貨條例》)第XV部存置任何登記冊。

於本中期報告日期，就董事或最高行政人員所深知，以下人士(並非董事或本公司監事(「監事」)或最高行政人員)於股份或相關股份擁有本公司根據《證券及期貨條例》第336條須記入該條所述之登記冊或根據《證券及期貨條例》第XV部第2及第3分部條文須向本公司披露的權益或淡倉：

Name of shareholders	Nature of interest	Class of shares	Number of shares	Approximate percentage of interest in the relevant class of Shares of the Company ⁽¹⁾ 在本公司 相關股份類別中 所佔概約 權益百分比 ⁽¹⁾	Approximate percentage of interest in the total share capital of the Company ⁽²⁾ 在本公司 總股本中 所佔概約 權益百分比 ⁽²⁾
股東姓名／名稱	權益性質	股份類別	股份數目		
Ms. Zhang Xiuying ⁽³⁾ 張秀英女士 ⁽³⁾	Interest of spouse 配偶權益	Domestic Shares 內資股	992,854,500 (L)	95.01%	70.92%
Mr. Liu Zhiming ⁽⁴⁾⁽⁵⁾ 劉志明先生 ⁽⁴⁾⁽⁵⁾	Interest in controlled corporation 受控法團權益	Domestic Shares 內資股	52,145,500 (L)	4.99%	3.72%
	Interests held jointly with another person 與另一人士共同持有權益	Domestic Shares 內資股	992,854,500 (L)	95.01%	70.92%
GMK Holdings Group Co., Ltd. ("GMK Holdings") ⁽⁴⁾ 新鳳祥控股集團有限責任公司 ("新鳳祥集團") ⁽⁴⁾	Beneficial Interest 實益權益	Domestic Shares 內資股	198,654,500 (L)	19.01%	14.19%
	Interest in controlled corporation 受控法團權益	Domestic Shares 內資股	794,200,000 (L)	76.00%	56.72%
Shandong Fengxiang (Group) Co., Ltd. ("Fengxiang Group") ⁽⁶⁾ 山東鳳祥(集團)有限責任公司 ("鳳祥集團") ⁽⁶⁾	Beneficial Interest 實益權益	Domestic Shares 內資股	627,000,000 (L)	60.00%	44.79%
Shandong Fengxiang Investment Co., Ltd. ("Fengxiang Investment") ⁽⁶⁾ 山東鳳祥投資有限公司 ("鳳祥投資") ⁽⁶⁾	Beneficial Interest 實益權益	Domestic Shares 內資股	167,200,000 (L)	16.00%	11.94%
Sun Dafei 孫達飛	Beneficial owner 實益擁有人	H Shares H股	22,109,000 (L)	1.579%	6.228%
Hwa-An International Limited Hwa-An International Limited	Beneficial owner 實益擁有人	H Shares H股	34,909,000 (L)	2.494%	9.834%

CHANGES IN SHARE CAPITAL AND SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

股本變動及主要股東持股情況

Notes:

- (1) The calculation is based on the percentage of shareholding in Domestic Shares or H Shares, respectively.
- (2) The calculation is based on the total number of 1,045,000,000 Domestic Shares in issue and 355,000,000 H Shares in issue.
- (3) Ms. Zhang Xiuying and Mr. Liu Xuejing are spouses, and therefore Ms. Zhang Xiuying is deemed to have interest in all of Mr. Liu Xuejing's interests in the Company by virtue of the SFO.
- (4) Guangdong Hengqin Fengxiang Equity Investment Centre (Limited Partnership) (“**Guangdong Hengqin**”) is held as to 99% by Guangdong Hengqin Xinfengxiang Guangming Investment Limited Partnership (“**Xizang Xingfengxiang**”) and 1% by Xinfengxiang Guangming Investment Management Co., Ltd. (“**Xinfengxiang Guangming**”). Xizang Xinfengxiang is held as to 49.5% by Mr. Liu Zhiguang, 49.5% by Mr. Liu Zhiming and 1% by Xinfengxiang Guangming. Xinfengxiang Guangming is a limited liability company established in the PRC on 26 March 2015, which is owned as to 50% by Mr. Liu Zhiguang and 50% by Mr. Liu Zhiming, is the general partner of Guangdong Hengqin and Xizang Xinfengxiang. As such, Mr. Liu Zhiming is deemed to be interested in the Shares held by Guangdong Hengqin and is indirectly interested in more than 10% of the nominal value of the Domestic Shares through GMK Holdings and Guangdong Hengqin.
- (5) Fengxiang Group and Fengxiang Investment are wholly owned by GMK Holdings, while GMK Holdings is owned as to 51% by Mr. Liu Xuejing, 9% by Ms. Zhang Xiuying (Mr. Liu Xuejing's spouse), 20% by Mr. Liu Zhiguang and 20% by Mr. Liu Zhiming, respectively. By virtue of the SFO, Mr. Liu Zhiming is deemed to be interested in the Shares directly or indirectly held by GMK Holdings.
- (6) Fengxiang Group and Fengxiang Investment are wholly owned by GMK Holdings. By virtue of the SFO, GMK Holdings is deemed to be interested in the Shares held by Fengxiang Group and Fengxiang Investment.
- (7) The letter “L” denotes a long position in the Shares.

Save as disclosed above, as at the date of this interim report, the Company have not been notified by any other person (excluding the Directors or Supervisors or chief executives), who had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO, or required to be entered in the register kept by the Company under section 336 of the SFO.

附註:

- (1) 分別以內資股或H股的持股百分比為基準計算。
- (2) 以合共1,045,000,000股已發行內資股及355,000,000股已發行H股為基準計算。
- (3) 張秀英女士與劉學景先生是配偶，因此，根據《證券及期貨條例》，張秀英女士被視為在劉學景先生所擁有的本公司所有權益中擁有權益。
- (4) 廣東橫琴鳳祥股權投資中心(有限合夥)(「**廣東橫琴**」)由廣東橫琴新鳳祥光明投資合夥企業(有限合夥)(「**西藏新鳳祥**」)及新鳳祥光明投資管理有限公司(「**新鳳祥光明**」)分別持有99%及1%的股份。西藏新鳳祥由劉志光先生、劉志明先生及新鳳祥光明分別持有49.5%、49.5%及1%的股份。新鳳祥光明為一家於2015年3月26日在中國成立的有限公司，由劉志光先生及劉志明先生分別持有50%及50%的股份，為廣東橫琴及西藏新鳳祥的普通合夥人。因此，劉志明先生被視為在廣東橫琴持有的股份中擁有權益，並通過新鳳祥集團及廣東橫琴間接持有內資股面值10%以上的權益。
- (5) 新鳳祥集團全資擁有鳳祥集團及鳳祥投資，而劉學景先生、張秀英女士(劉學景先生的配偶)、劉志光先生及劉志明先生分別持有新鳳祥集團51%、9%、20%及20%的股份。根據《證券及期貨條例》，劉志明先生被視為於新鳳祥集團直接及間接持有的股份中擁有權益。
- (6) 新鳳祥集團全資擁有鳳祥集團及鳳祥投資。根據《證券及期貨條例》，新鳳祥集團被視為於鳳祥集團及鳳祥投資持有的股份中擁有權益。
- (7) 字母[L]指股份中的好倉。

除上文所披露者外，於本中期報告日期，本公司尚未接獲任何其他人士(董事或監事或最高行政人員除外)通知，表示其於本公司股份或相關股份中擁有根據《證券及期貨條例》第XV部第2及第3分部須予披露，或須記入根據《證券及期貨條例》第336條須由本公司存置的登記冊的權益或淡倉。

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

董事、監事及高級管理層情況

DIRECTORS

As at the date of this interim report, the board of Directors (the "**Board**") consists of nine Directors, comprising four executive Directors, namely, Mr. Liu Zhiguang (chairman), Mr. Xiao Dongsheng, Mr. Ow Weng Cheong and Mr. Wang Jinsheng; two non-executive Directors, namely, Mr. Liu Xuejing and Mr. Zhang Chuanli; and three independent non-executive Directors, namely, Mr. Guo Tianyong, Mr. Zhang Ye and Mr. Chung Wai Man.

SUPERVISORS

As at the date of this interim report, the board of Supervisors consists of three Supervisors, namely, Mr. Kong Xiangwei (chairman), Mr. Chen Dehe and Ms. Lian Xianmin.

SENIOR MANAGEMENT

As at the date of this interim report, the senior management of the Company comprises Mr. Xiao Dongsheng as general manager; Mr. Ow Weng Cheong, Mr. Wang Jinsheng, Mr. Wang Zhixian, Mr. Meng Tao, Ms. Zhou Jinying and Mr. Luo Pingtao as vice general managers; Mr. Shi Lei as chief financial officer, secretary to the Board and joint company secretary; Mr. Su Xiaolong as e-commerce officer; Mr. Ikeda Yoshiaki as chief consultant; and Mr. Li Libo as general manager of the domestic affair department.

CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Lian Xianmin, a Supervisor, has been the general manager of the domestic customer department I at Shandong Fengxiang Industrial Co., Ltd., a subsidiary of the Company, since August 2020. Save as disclosed above, since the Listing Date and up to the date of this interim report, there has been no change in Directors, Supervisors and senior management of the Company, and there is no other information that is required to be disclosed pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

董事

於本中期報告日期，董事會（「**董事會**」）由九名董事組成，包括四名執行董事，即劉志光先生（董事長）、肖東生先生、區永昌先生及王進聖先生；兩名非執行董事，即劉學景先生及張傳立先生；及三名獨立非執行董事，即郭田勇先生、張擘先生及鍾偉文先生。

監事

於本中期報告日期，監事會由三名監事組成，即孔祥偉先生（主席）、陳德賀先生及廉憲敏女士。

高級管理層

於本中期報告日期，本公司高級管理層包括總經理肖東生先生；副總經理區永昌先生、王進聖先生、汪之現先生、孟濤先生、周勁鷹女士及羅平濤先生；財務總監、董事會秘書兼聯席公司秘書石磊先生；電子商務總監蘇小龍先生；首席顧問池田良曉先生；及國內事業部總經理李立波先生。

董事、監事、高級管理層變動情況

廉憲敏女士（監事）自2020年8月起一直擔任本公司附屬公司山東鳳祥實業有限公司的重客一部部門總監。除上文所披露者外，自上市日期起及直至本中期報告日期，董事、監事及本公司高級管理層概無變動，且亦無其他須根據《香港聯合交易所有限公司證券上市規則》（「**上市規則**」）第13.51B(1)條須予披露的資料。

CORPORATE GOVERNANCE

Since the Listing Date, the Company continued to improve the transparency of corporate governance to protect the interests of shareholders of the Company (the "Shareholders") and enhance corporate value.

The Company has set up a relatively comprehensive corporate governance structure as required by the Listing Rules. The compositions of the Board and the special committees under the Board are in compliance with the requirements of the Listing Rules. The Company clearly classifies the responsibilities among the general meetings, the Board, the board of Supervisors and senior management. The general meeting acts as the highest authority of the Company and the Board is held accountable to the Shareholders. The Board has established special committees, which operate under the leadership of the Board and provide opinions on the decisions of the Board. The board of Supervisors oversees the steady and sound operation of the Company and the performance of duties by the Board and senior management. Under the leadership of the Board, the senior management is responsible for implementation of resolutions from the Board and the day-to-day business and management of the Company, as well as periodic reporting to the Board and the board of Supervisors.

CORPORATE GOVERNANCE CODE

Compliance with the Corporate Governance Code

The Board and the management of the Company are committed to achieving and maintaining high standards of corporate governance. The H Shares were listed on the Stock Exchange on 16 July 2020. Therefore, the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules were not applicable to the Company during the six months ended 30 June 2020 which is prior to the Listing Date.

Since the Listing Date, the management of the Company has been actively observing the latest corporate governance requirements in the PRC, Hong Kong and abroad. In the opinion of the Board, the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules since the Listing Date and up to the date of this interim report.

企業管治

自上市日期起，本公司不斷提高企業管治的透明度以保障本公司股東(「股東」)利益，提升企業價值。

本公司已按照《上市規則》的規定建立較為全面的企業管治架構。董事會及董事會轄下專門委員會的組成，均符合《上市規則》的規定。本公司明確劃分股東大會、董事會、監事會及高級管理層的職責。股東大會是本公司的最高權力機構。董事會對股東負責。董事會已成立專門委員會，專門委員會在董事會領導之下運作，並就董事會的決策提供意見。監事會監督本公司的穩健良好經營，以及董事會及高級管理層履行職責。在董事會領導下，高級管理層負責執行董事會的決議並負責本公司的日常業務與管理，並定期向董事會及監事會報告。

企業管治守則

遵守《企業管治守則》

本公司董事會及管理層致力於實現並維持高標準的企業管治。H股於2020年7月16日在聯交所上市。故上市規則附錄十四所載《企業管治守則》的守則條文於截至2020年6月30日止六個月期間(即上市日期前)並不適用於本公司。

自上市日期以來，本公司管理層一直積極遵守中國、香港及國外企業管治的最新規定。董事會認為，本公司自上市日期起及直至本中期報告日期已遵守《上市規則》附錄十四所載《企業管治守則》的守則條文。

SIGNIFICANT EVENTS

重要事項

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management and Internal Control Systems

The Board has the ultimate responsibility for oversight of the risk management and internal control systems of the Group. The Board has delegated oversight to the audit committee of the Company (the “**Audit Committee**”) to oversee the Group’s risk management and internal control systems on an ongoing basis, and to conduct reviews of the effectiveness of the Group’s risk management and internal control systems. The Group has established risk management and internal control systems, consisting of relevant organisational framework policies and procedures, financial reporting procedures and processes, compliance rules and policies and risk management measures that the Group believes are appropriate for its business operations to identify, evaluate and manage significant risks. The aforementioned systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Internal Audit

The Company has adopted an internal audit system and has external auditors responsible for the independent and objective supervision, examination and evaluation of the Company’s conditions such as revenues and expenditures, business activities, risk conditions and internal control. The auditors shall report to the Board or the Audit Committee and the board of Supervisors if any material problems are discovered during the audits procedure.

The Board was responsible for supervising, reviewing and evaluating the Company’s internal audit to ensure that the internal audit was independent and effective. The Audit Committee was responsible for reviewing the Company’s internal audit methods, audit policies and procedures and annual auditing plans and providing guidance and supervision. The Company had adhered to the principles of independence, objectivity, prudence, efficiency, importance and pertinence during the internal auditing process. The Company’s internal audit system is comprehensive covering business operation, risk management, internal control and corporate governance.

風險管理及內部控制

風險管理及內部控制系統

董事會具有監督本集團風險管理及內部控制系統的最終責任。董事會已授權予本公司審核委員會（「**審核委員會**」）以持續監督本集團的風險管理和內部控制系統，並檢討本集團風險管理及內部控制系統的有效性。本集團已設立風險管理及內部控制系統，其包含本集團認為對業務經營屬適當的相關組織框架政策及程序、財務報告程序及流程、合規規則及政策及風險管理措施，以識別、評估及管理重大風險。上述系統旨在針對有關風險作出管理，而並不會完全消除可能令我們無法實現業務目標的風險，同時只能對重大錯誤陳述或損失提供合理而非絕對的保證。

內部審計

本公司已採納內部審計系統，配備外部核數師，對本公司的收入及開支、業務活動、風險狀況、內部控制等情況進行獨立客觀的監督、檢查和評價，並就審計程序中發現的任何重大問題向董事會或審核委員會及監事會進行匯報。

董事會負責監督、審核及考核本公司的內部審計工作，以確保內部審計工作獨立及有效。審核委員會負責審核本公司的內部審計方法、審計政策與程序以及年度審計計劃，提供指導與監督。本公司在整個內部審計工作過程中堅持獨立、客觀、審慎、高效、重視及中肯的原則。本公司的內部審計系統涵蓋範圍全面，包括業務經營、風險管理、內部控制及企業管治。

INTERIM DIVIDEND

The Board did not recommend the declaration or payment of an interim dividend for the six months ended 30 June 2020 (six months ended 30 June 2019: Nil).

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The H Shares were listed on the Stock Exchange on 16 July 2020 with net proceeds received by the Group from the Global Offering amounting to HK\$1,004 million (i.e. equivalent to approximately RMB889 million) (after deducting the underwriting commission, fees and all related expenses), which will be utilised for the purposes set out in the prospectus of the Company dated 30 June 2020 (the "Prospectus").

CONTINUING CONNECTED TRANSACTIONS

The Group has entered into certain continuing connected transactions with its connected persons, namely (i) receiving financial assistance by guaranteed loans and loan facilities; (ii) sharing of administrative services; (iii) sales of substandard chicken feed and purchase of pork; (iv) procurement of health check services; (v) procurement of raw materials; (vi) purchase of natural gas and electricity; (vii) procurement of merchandise on our online marketplaces; (viii) sales of poultry products and by-products; (ix) procurement of logistics services; (x) deposit of funds; and (xi) receiving financial assistance by the discounting of commercial bills.

Such transactions as listed in (i) to (vii) will constitute fully exempt continuing connected transactions and in (viii) to (xi) will constitute non-exempt continuing connected transactions under Chapter 14A of the Listing Rules. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the announcement and/or independent shareholders' approval requirements under Chapter 14A of the Listing Rules for its non-exempted continuing connected transactions.

MATERIAL ASSETS ACQUISITION, SALE AND MERGER

As at the date of this interim report, the Company had no material assets acquisition, sale or merger.

中期股息

董事會不建議就截至2020年6月30日止六個月宣派或派付中期股息(截至2019年6月30日止六個月:無)。

全球發售所得款項用途

H股已於2020年7月16日於聯交所上市,本集團自全球發售收到所得款項淨額1,004百萬港元(即相等於約人民幣889百萬元)(經扣除包銷佣金、費用及所有相關開支),本集團將按本公司日期為2020年6月30日的招股章程(「招股章程」)所載用途動用有關款項。

持續關連交易

本集團已與其關連人士訂立若干持續關連交易,即(i)以有擔保貸款及貸款融通的方式接受財務資助;(ii)共用行政管理服務;(iii)銷售次等雞飼料及購買豬肉;(iv)採購體檢服務;(v)採購原材料;(vi)採購天然氣和電力;(vii)於我們的線上商城採購商品;(viii)出售禽肉製品及副產品;(ix)採購物流服務;(x)存款;及(xi)通過貼現商業票據接受財務資助。

根據《上市規則》第十四A章,第(i)至(vii)項中所列有關交易構成獲全面豁免持續關連交易,而第(viii)至(xi)項中所列有關交易構成不獲豁免持續關連交易。本公司已向聯交所提出申請,且聯交所已授予豁免,豁免上述不獲豁免持續關連交易嚴格遵守《上市規則》第十四A章下公告及/或獨立股東批准規定。

重大資產收購、出售及合併

於本中期報告日期,本公司並無重大資產收購、出售或合併。

SIGNIFICANT EVENTS

重要事項

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group had neither significant investments nor significant acquisitions and disposals of relevant subsidiaries, associates and joint ventures during the six months ended 30 June 2020 other than that disclosed in the Prospectus.

IMPLEMENTATION OF EQUITY INCENTIVE PLAN

A summary of the principal terms of the share award scheme was conditionally adopted by resolutions passed at the Company's extraordinary general meeting held on 4 June 2020, and effective from the Listing Date (the "**Share Award Scheme**"). The Share Award Scheme is not a share option scheme and is not subject to the provisions of Chapter 17 of the Listing Rules. On 22 June 2020, the Company established a trust in connection with the Share Award Scheme ("**Trust**") and has appointed Bank of Communications Trustee Limited as trustee ("**Trustee**") to administer the Trust. Pursuant to the Share Award Scheme, the grant of award (an "**Award**") by the Board to the selected participants may vest in the form of H Shares ("**Awarded Shares**") or the net sale proceeds of the Awarded Shares in cash in accordance with the Share Award Scheme.

On 26 June 2020, the Board granted to 18 selected participants 2,050,000 Awarded Shares under the Share Award Scheme. Subject to the compliance with applicable PRC laws and regulations and the relevant restrictions of the terms of the Share Award Scheme and the Listing Rules, the Company has instructed the Trustee to purchase 2,050,000 H Shares from the open market to satisfy the aforementioned Awards granted by the Board for the Share Award Scheme at any time after the completion of the Global Offering until 29 September 2020.

附屬公司、聯營公司及合資企業的重大投資、收購及出售事項

除招股章程所披露者外，本集團截至2020年6月30日止六個月並無重大投資，亦無重大收購及出售相關附屬公司、聯營公司及合資企業。

股權激勵計劃實施情況

本公司於2020年6月4日舉行的臨時股東大會上通過決議有條件地採納並自上市日期起生效的股份獎勵計劃(「**股份獎勵計劃**」)的主要條款摘要。股份獎勵計劃並非購股權計劃，不受《上市規則》第十七章的條文規管。於2020年6月22日，本公司已就股份獎勵計劃成立信託(「**信託**」)，並已委任交通銀行信託有限公司為受託人(「**受託人**」)管理信託。根據股份獎勵計劃，董事會向選定參與者授出的獎勵(「**獎勵**」)可以H股(「**獎勵股份**」)的形式或根據股份獎勵計劃以現金授出獎勵股份銷售所得款項淨額的形式歸屬。

於2020年6月26日，董事會根據股份獎勵計劃向18名選定參與者授出2,050,000股獎勵股份。為遵守適用中國法律法規及股份獎勵計劃條款以及《上市規則》相關限制，本公司已指示受託人於全球發售完成後直至2020年9月29日的任何時間自公開市場購買2,050,000股H股，以滿足董事會為股份獎勵計劃授出的上述獎勵。

SECURITIES TRANSACTIONS OF DIRECTORS AND SUPERVISORS

Directors' and Supervisors' Securities Transactions

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 a code of conduct for securities transactions by the Directors and Supervisors. The Company has made specific enquiries with each Director and Supervisor and each of them confirmed that he or she had complied with all required standards under the Model Code since the Listing Date and up to the date of this interim report.

DIRECTORS AND SUPERVISORS' INTERESTS IN MATERIAL TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

As at the date of this interim report, none of the Directors or Supervisors directly or indirectly had any material interest in any material transaction, arrangement or contract in relation to the Company's business, to which the Company, any of its subsidiaries or fellow subsidiaries, if any, was a party.

董事及監事的證券交易

董事及監事的證券交易

本公司已採納《上市規則》附錄十所載的《上市發行人董事進行證券交易的標準守則》(「《標準守則》」)，作為董事及監事進行證券交易的行為守則。本公司已向各董事及監事作出具體查詢並獲各董事及監事確認，其自上市日期起及直至本中期報告日期已遵守《標準守則》項下規定的所有標準。

董事及監事於重大交易、安排或合約的權益

截至本中期報告日期，概無董事或監事於本公司、其任何附屬公司或同系附屬公司(如有)作為訂約方並對本公司業務而言屬重大交易、安排或合約中直接或間接擁有任何重大權益。

SIGNIFICANT EVENTS

重要事項

INTEREST AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES OR DEBENTURES

As at the date of this interim report, the interests and short positions of the Directors, Supervisors and chief executives in any Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning as defined in Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which they were taken or deemed to have under such provisions of the SFO), or to be entered in the register to be kept pursuant to section 352 of the SFO, or otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules are as follows:

(a) The Company

董事、監事及最高行政人員於股份、相關股份或債券之權益及淡倉

於本中期報告日期，董事、監事及最高行政人員於本公司或其任何相聯法團（定義見《證券及期貨條例》第XV部）的任何股份、相關股份及債券中，擁有根據《證券及期貨條例》第XV部第7及第8分部須知會本公司及聯交所的權益及淡倉（包括根據《證券及期貨條例》有關條文被當作或視為擁有的權益及淡倉），或根據《證券及期貨條例》第352條須記入所存置的登記冊內的權益及淡倉，或根據《上市規則》附錄十所載的《標準守則》須另行知會本公司及聯交所的權益及淡倉如下：

(a) 本公司

Name of Directors/ Supervisors	Nature of interest	Class of shares	Number of shares	Approximate percentage of interest in the relevant class of Shares of the Company ⁽¹⁾ 在本公司 相關股份類別中 所佔概約 權益百分比 ⁽¹⁾	Approximate percentage of interest in the total share capital of the Company ⁽²⁾ 在本公司 總股本中 所佔概約 權益百分比 ⁽²⁾
董事／監事姓名	權益性質	股份類別	股份數目		
Mr. Liu Zhiguang ⁽³⁾⁽⁴⁾ 劉志光先生 ⁽³⁾⁽⁴⁾	Interest in controlled corporation 受控法團權益	Domestic Shares 內資股	52,145,500 (L)	4.99%	3.72%
	Interests held jointly with another person 與另一人士共同持有權益	Domestic Shares 內資股	992,854,500 (L)	95.01%	70.92%
Mr. Liu Xuejing ⁽³⁾ 劉學景先生 ⁽³⁾	Interest in controlled corporation 受控法團權益	Domestic Shares 內資股	992,854,500 (L)	95.01%	70.92%
Mr. Xiao Dongsheng ⁽⁵⁾ 肖東生先生 ⁽⁵⁾	Beneficiary of a trust 信託受益人	H Shares H股	300,000 (L)	0.085%	0.021%
Mr. Ow Weng Cheong ⁽⁵⁾ 區永昌先生 ⁽⁵⁾	Beneficiary of a trust 信託受益人	H Shares H股	200,000 (L)	0.056%	0.014%
Mr. Wang Jinsheng ⁽⁵⁾ 王進聖先生 ⁽⁵⁾	Beneficiary of a trust 信託受益人	H Shares H股	200,000 (L)	0.056%	0.014%
Ms. Lian Xianmin ⁽⁵⁾ 廉憲敏女士 ⁽⁵⁾	Beneficiary of a trust 信託受益人	H Shares H股	50,000 (L)	0.014%	0.004%

Notes:

- (1) The calculation is based on the percentage of shareholding in Domestic Shares or H Shares, respectively.
- (2) The calculation is based on the total number of 1,045,000,000 Domestic Shares in issue and 355,000,000 H Shares in issue.
- (3) Fengxiang Group and Fengxiang Investment are wholly owned by GMK Holdings and in turn held as to 51% by Mr. Liu Xuejing and 9% by Ms. Zhang Xiuying, spouse of Mr. Liu Xuejing. Guangdong Hengqin is a limited partnership established in the PRC on 13 April 2015 which is indirectly held as to 50% by Mr. Liu Zhiguang and 50% by Mr. Liu Zhiming. Xinfengxiang Guangming, which is owned as to 50% by Mr. Liu Zhiguang and 50% by Mr. Liu Zhiming, is the general partner of Guangdong Hengqin, and each of Mr. Liu Zhiguang and Mr. Liu Zhiming is deemed to be interested in the Shares held by Guangdong Hengqin. By virtue of the SFO, Mr. Liu Xuejing is deemed to be interested in the Shares directly and indirectly held by GMK Holdings.
- (4) Guangdong Hengqin is a limited partnership established in the PRC on 13 April 2015 which is indirectly held as to 50% by Mr. Liu Zhiguang and 50% by Mr. Liu Zhiming. Xinfengxiang Guangming, which is owned as to 50% by Mr. Liu Zhiguang and 50% by Mr. Liu Zhiming, is the general partner of Guangdong Hengqin. By virtue of the SFO, Mr. Liu Zhiguang is deemed to be interested in the Shares held by Guangdong Hengqin.
- (5) Mr. Xiao Dongsheng, Mr. Ow Weng Cheong, Mr. Wang Jinsheng and Ms. Lian Xianmin have been granted the Awarded Shares under the Share Award Scheme, none of which have been vested as at the date of this interim report. Therefore, they are deemed to be interested in the issued share capital of the Company for the Awarded Shares which have been granted to them pursuant to Part XV of the SFO.
- (6) The letter "L" denotes a long position in the Shares.

附註:

- (1) 分別以內資股或H股的持股百分比為基準計算。
- (2) 以合共1,045,000,000股已發行內資股及355,000,000股已發行H股為基準計算。
- (3) 新鳳祥集團全資擁有鳳祥集團及鳳祥投資，而劉學景先生及張秀英女士(劉學景先生的配偶)持有新鳳祥集團51%及9%的股份。廣東橫琴為一家於2015年4月13日在中國成立的有限合夥企業，其由劉志光先生及劉志明先生分別間接持有50%及50%的股份。新鳳祥光明由劉志光先生及劉志明先生分別持有50%及50%的股份，為廣東橫琴的普通合夥人，劉志光先生及劉志明先生各自被視為在廣東橫琴持有的股份中擁有權益。根據《證券及期貨條例》，劉學景先生被視為於新鳳祥集團直接及間接持有的股份中擁有權益。
- (4) 廣東橫琴為一家於2015年4月13日在中國成立的有限合夥企業，其由劉志光先生及劉志明先生分別間接持有50%及50%的股份。新鳳祥光明由劉志光先生及劉志明先生分別持有50%及50%的股份，為廣東橫琴的普通合夥人。根據《證券及期貨條例》，劉志光先生被視為於廣東橫琴持有的股份中擁有權益。
- (5) 肖東生先生、區永昌先生、王進聖先生及廉憲敏女士已根據股份獎勵計劃獲授獎勵股份，於本中期報告日期，該等獎勵股份尚未獲歸屬。因此，根據《證券及期貨條例》第XV部，彼等被視作就其獲授的獎勵股份而於本公司已發行股本中擁有權益。
- (6) 字母「L」指股份中的好倉。

SIGNIFICANT EVENTS

重要事項

(b) Associated Corporation

Name of Directors	Nature of interest	Associated corporation	Number of shares	Percentage of shareholding in associated corporation 於相聯法團的 持股百分比
董事姓名	權益性質	相聯法團	股份數目	
Mr. Liu Zhiguang 劉志光先生	Beneficial owner 實益擁有人	GMK Holdings 新鳳祥集團	792,000,000	20.00%
Mr. Liu Xuejing 劉學景先生	Beneficial owner 實益擁有人	GMK Holdings 新鳳祥集團	2,019,600,000	51.00%
	Interest in controlled corporation ⁽¹⁾ 受控法團權益 ⁽¹⁾	Fengxiang Investment 鳳祥投資	50,000,000	100.00%
	Interest in controlled corporation 受控法團權益	Fengxiang Group 鳳祥集團	1,126,000,000	100.00%

Note:

- (1) Fengxiang Investment and Fengxiang Group are wholly-owned by GMK Holdings.

Save as disclosed above, as at the date of this interim report, none of the Directors, Supervisors or chief executives or their associates have or are deemed to have any interests and short positions in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning as defined in Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which they were taken or deemed to have under such provisions of the SFO), or pursuant to section 352 of the SFO, required to be entered in the register referred therein, or otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed securities for the six months ended 30 June 2020 since the H Shares were not listed on the Stock Exchange during the six months ended 30 June 2020.

(b) 相聯法團

附註：

- (1) 鳳祥投資與鳳祥集團由新鳳祥集團全資擁有。

除上文所披露者外，於本中期報告日期，概無董事、監事或最高行政人員或彼等聯繫人士於或被視為於本公司或其相聯法團（定義見《證券及期貨條例》第XV部）的股份、相關股份或債券中擁有任何根據《證券及期貨條例》第XV部第7及第8分部須知會本公司及聯交所的權益及淡倉（包括根據《證券及期貨條例》有關條文被當作或視為擁有的權益及淡倉），或根據《證券及期貨條例》第352條須記入該條所述之登記冊內的權益及淡倉，或根據《標準守則》須另行知會本公司及聯交所的權益及淡倉。

購買、出售或贖回上市證券

由於截至2020年6月30日止六個月H股未在聯交所上市，故截至2020年6月30日止六個月，本公司及其任何附屬公司概無購買、出售或贖回其任何上市證券。

SUBSEQUENT EVENTS

On 16 July 2020, the Company issued 355,000,000 H Shares with nominal value of RMB1.00 each pursuant to the Global Offering at HK\$3.33 per H Share and the Company's H Shares were listed on the Stock Exchange on the same date. Save as disclosed in the Prospectus, the Group did not have other plans for material investment in capital assets as at 30 June 2020.

On 31 August 2020, the Board proposed to amend the articles of association of the Company (i) to revise the description of the current business scope based on the Directory of Specification of Business Scope Registration issued according to the Notice regarding Implementation of Regulating the Registration of Business Scope of Market Participants (Lu Shi Jian Zhu Zi [2020] No. 212) promulgated by the Shandong Administration for Market Regulation; and (ii) to update its registered capital.

On 31 August 2020, the Board proposed to re-elect all Directors of the current session of the Board as the fourth session of the Board, and the board of Supervisors resolved to re-elect Mr. Kong Xiangwei and Mr. Chen Dehe as the shareholders representative Supervisors of the fourth session of the board of Supervisors.

期後事項

於2020年7月16日，本公司根據全球發售按每股H股3.33港元發行355,000,000股每股面值人民幣1.00元的H股，且本公司H股於同日在聯交所上市。除招股章程所披露者外，本集團於2020年6月30日並無其他重大資本資產投資計劃。

於2020年8月31日，董事會建議修訂本公司的公司章程(i)以根據山東省市場監督管理局頒佈的《關於全面實行市場主體經營範圍規範化登記的通知》(魯市監註字[2020]212號)而制定印發的《經營範圍登記規範表述目錄》修訂現有經營範圍描述；及(ii)更新註冊資本。

於2020年8月31日，董事會建議重選本屆董事會全體董事為第四屆董事會，而監事會議決重選孔祥偉先生及陳德賀先生為第四屆監事會股東代表監事。

SIGNIFICANT EVENTS

重要事項

On 31 August 2020, the Company and GMK Finance entered into a deposit service framework agreement for a term of two years commencing from 1 January 2021 and ending on 31 December 2022. The transactions to be contemplated under the deposit service framework agreement are subject to reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, and the provision of deposit services under the deposit service framework agreement constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

The relevant resolutions will be proposed at the general meeting of the Company for shareholders' approval.

REVIEW OF INTERIM RESULTS

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Guo Tianyong, Mr. Zhang Ye and Mr. Chung Wai Man. Mr. Chung Wai Man serves as the chairman of the Audit Committee, who has the professional qualification and experience in financial matters in compliance with the requirements of the Listing Rules. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and the unaudited interim results of the Group for the six months ended 30 June 2020 and is of the view that the interim results of the Group is prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

By order of the Board
Liu Zhiguang
Chairman
Shandong, the PRC
31 August 2020

於2020年8月31日，本公司與新鳳祥財務訂立存款服務框架協議，自2021年1月1日起至2022年12月31日止為期兩年。存款服務框架協議下擬進行的交易須遵守《上市規則》第十四A章項下的申報、公告、年度審閱及獨立股東批准規定，且根據存款服務框架協議提供的存款服務構成本公司的須予披露交易，並須遵守《上市規則》第十四章項下的申報及公告規定。

相關決議案將提呈本公司股東大會供股東批准。

審閱中期業績

審核委員會由三名獨立非執行董事(即郭田勇先生、張擘先生及鍾偉文先生)組成。鍾偉文先生為審核委員會主席，彼具有符合《上市規則》規定的財務方面的專業資格及經驗。審核委員會已與管理層審閱本集團採納的會計原則及慣例，及本集團截至2020年6月30日止六個月的未經審核中期業績，並認為本集團的中期業績乃根據適用的會計準則、規則及規例編製，並已作出適當披露。

承董事會命
董事長
劉志光
中國山東
2020年8月31日

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

簡明綜合全面收益表

For the six months ended 30 June 2020 截至2020年6月30日止六個月

Six months ended 30 June
截至6月30日止六個月

		Notes 附註	2020 2020年			2019 2019年		
			Results before biological assets fair value adjustments 於生物資產 公允價值 調整前的業績 RMB'000 人民幣千元 (Unaudited) (未經審核)	Biological assets fair value adjustments 生物資產 公允價值調整 RMB'000 人民幣千元 (Unaudited) (未經審核)	Total 合計 RMB'000 人民幣千元 (Unaudited) (未經審核)	Results before biological assets fair value adjustments 於生物資產 公允價值 調整前的業績 RMB'000 人民幣千元 (Unaudited) (未經審核)	Biological assets fair value adjustments 生物資產 公允價值調整 RMB'000 人民幣千元 (Unaudited) (未經審核)	Total 合計 RMB'000 人民幣千元 (Unaudited) (未經審核)
Revenue	收入	3	1,902,759	—	1,902,759	1,681,322	—	1,681,322
Cost of sales	銷售成本		(1,533,047)	(142,322)	(1,675,369)	(1,185,848)	(348,603)	(1,534,451)
Gross profit	毛利		369,712	(142,322)	227,390	495,474	(348,603)	146,871
Gain arising on initial recognition of agricultural produce at fair value less costs to sell at the point of harvest	初步按公允價值減收穫時的銷售成本確認農產品產生的收益		—	54,122	54,122	—	134,511	134,511
Gain arising from changes in fair value less costs to sell of biological assets	來自生物資產公允價值減銷售成本變動的收益		—	86,302	86,302	—	222,531	222,531
Other income and gains	其他收入及收益	4	12,506	—	12,506	17,967	—	17,967
Selling and distribution costs	銷售及分銷成本		(121,057)	—	(121,057)	(62,276)	—	(62,276)
Administrative expenses	行政開支		(53,643)	—	(53,643)	(62,210)	—	(62,210)
Research and development expenses	研發開支		(9,974)	—	(9,974)	(7,925)	—	(7,925)
Provision for impairment loss	減值虧損撥備		(133)	—	(133)	(691)	—	(691)
Other expenses	其他開支		(10,932)	—	(10,932)	—	—	—
Finance costs	融資成本	5	(38,967)	—	(38,967)	(47,635)	—	(47,635)
Profit before income tax	所得稅前利潤	6	147,512	(1,898)	145,614	332,704	8,439	341,143
Income tax expense	所得稅開支	7	(940)	—	(940)	(527)	—	(527)
Profit for the period	期內利潤		146,572	(1,898)	144,674	332,177	8,439	340,616

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

簡明綜合全面收益表

For the six months ended 30 June 2020 截至2020年6月30日止六個月

Six months ended 30 June
截至6月30日止六個月

		2020			2019		
		2020年			2019年		
		Results before biological assets fair value adjustments 於生物資產 公允價值 調整前的業績 RMB'000 人民幣千元 (Unaudited) (未經審核)	Biological assets fair value adjustments 生物資產 公允價值調整 RMB'000 人民幣千元 (Unaudited) (未經審核)	Total 合計 RMB'000 人民幣千元 (Unaudited) (未經審核)	Results before biological assets fair value adjustments 於生物資產 公允價值 調整前的業績 RMB'000 人民幣千元 (Unaudited) (未經審核)	Biological assets fair value adjustments 生物資產 公允價值調整 RMB'000 人民幣千元 (Unaudited) (未經審核)	Total 合計 RMB'000 人民幣千元 (Unaudited) (未經審核)
Other comprehensive income	其他全面收益						
Other comprehensive income that may be reclassified subsequently to profit or loss:	後續可能會重新分類至損益的其他全面收益：						
Exchange difference on translation of financial statements of foreign operation	換算海外業務財務報表的匯兌差額			(3)			(67)
Other comprehensive income for the period	期內其他全面收益			(3)			(67)
Total comprehensive income for the period	期內全面收益總額			144,671			340,549
Profit attributable to:	以下各項應佔利潤：						
Owners of the Company	本公司擁有人			145,415			340,762
Non-controlling interest	非控股權益			(741)			(146)
				144,674			340,616
Total comprehensive income attributable to:	以下各項應佔全面收益總額：						
Owners of the Company	本公司擁有人			145,412			340,695
Non-controlling interest	非控股權益			(741)			(146)
				144,671			340,549
Earnings per share attributable to owners of the Company	本公司擁有人應佔每股盈利						
Basic and diluted (in RMB cents)	基本及攤薄 (人民幣分)			13.92			32.61

Notes
附註

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITIONS

簡明綜合財務狀況表

As at 30 June 2020 於2020年6月30日

		<i>Notes</i> <i>附註</i>	As at 30 June 2020 於2020年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2019 於2019年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	10	2,236,623	2,171,889
Right-of-use assets	使用權資產		295,231	287,977
Intangible assets	無形資產		10,037	9,528
Biological assets	生物資產	11	158,739	157,877
Prepayments and deposits	預付款項及按金	12	116,964	60,213
Deferred tax assets	遞延稅項資產		3,588	3,509
Total non-current assets	非流動資產總值		2,821,182	2,690,993
Current assets	流動資產			
Inventories	存貨		595,652	485,025
Biological assets	生物資產	11	131,417	141,873
Trade receivables	貿易應收款項	13	200,852	206,625
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	12	176,385	158,531
Due from a related party	應收關聯方款項		1,500	46
Pledged deposits	已抵押存款		434,378	184,590
Cash and cash equivalents	現金及現金等價物		1,084,062	563,365
Total current assets	流動資產總值		2,624,246	1,740,055

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITIONS

簡明綜合財務狀況表

As at 30 June 2020 於2020年6月30日

		<i>Notes</i> <i>附註</i>	As at 30 June 2020 於2020年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2019 於2019年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Current liabilities	流動負債			
Trade and bills payables	貿易應付款項及應付票據	14	267,042	308,120
Accruals and other payables	應計項目及其他應付款項	15	303,156	252,470
Contract liabilities	合約負債		16,435	21,160
Lease liabilities	租賃負債		5,951	3,476
Due to related parties	應付關聯方款項		10,056	5,283
Borrowings	借款	16	2,156,440	1,266,398
Deferred government grants	遞延政府補助		480	847
Income tax payable	應付所得稅		668	545
Total current liabilities	流動負債總額		2,760,228	1,858,299
Net current liabilities	流動負債淨額		(135,982)	(118,244)
Total assets less current liabilities	資產總值減流動負債		2,685,200	2,572,749
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債		189,277	193,443
Borrowings	借款	16	66,869	100,635
Deferred government grants	遞延政府補助		19,989	15,031
Total non-current liabilities	非流動負債總額		276,135	309,109
Net assets	資產淨值		2,409,065	2,263,640
Equity	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	17	1,045,000	1,045,000
Reserves	儲備		1,365,538	1,219,372
			2,410,538	2,264,372
Non-controlling interest	非控股權益		(1,473)	(732)
Total equity	權益總額		2,409,065	2,263,640

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 June 2020 截至2020年6月30日止六個月

		Equity attributable to owners of the Company 本公司擁有人應佔權益								
		Share capital	Statutory reserve	Share-based payment reserve	Merge reserve	Translation reserves	Retained profits	Non-controlling interest	Total	
		股本	法定儲備	以股份為基礎的 付款儲備	合併儲備	換算儲備	留存利潤	非控股權益	合計	
		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	
Balance at 1 January 2020	於2020年1月1日的結餘	1,045,000	136,157	—	42,257	263	1,040,695	2,264,372	(732)	2,263,640
Profit/(loss) for the period	期內利潤/(虧損)	—	—	—	—	—	145,415	145,415	(741)	144,674
Other comprehensive income:	其他全面收益:									
Exchange difference on translation of financial statements of foreign operations	換算海外業務財務報表的匯兌差額	—	—	—	—	(3)	—	(3)	—	(3)
Total comprehensive income for the period	期內全面收益總額	—	—	—	—	—	145,415	145,412	(741)	144,671
Share-based compensation	以股份為基礎的薪酬	—	—	754	—	—	—	754	—	754
Balance at 30 June 2020 (unaudited)	於2020年6月30日的結餘 (未經審核)	1,045,000	136,157	754	42,257	260	1,186,110	2,410,538	(1,473)	2,409,065
Balance at 1 January 2019	於2019年1月1日的結餘	1,045,000	65,933	—	42,257	199	273,397	1,426,786	(591)	1,426,195
Profit/(loss) for the period	期內利潤/(虧損)	—	—	—	—	—	340,762	340,762	(146)	340,616
Other comprehensive income:	其他全面收益:									
Exchange difference on translation of financial statements of foreign operations	換算海外業務財務報表的匯兌差額	—	—	—	—	(67)	—	(67)	—	(67)
Total comprehensive income for the period	期內全面收益總額	—	—	—	—	(67)	340,762	340,695	(146)	340,549
Balance at 30 June 2019 (unaudited)	於2019年6月30日的結餘 (未經審核)	1,045,000	65,933	—	42,257	132	614,159	1,767,481	(737)	1,766,744

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30 June 2020 截至2020年6月30日止六個月

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Net cash flows generated from operating activities	經營活動所得現金流量淨額	183,766	198,911
Net cash flows used in investing activities	投資活動所用現金流量淨額	(462,363)	(36,347)
Net cash flows generated from financing activities	融資活動所得現金流量淨額	799,294	80,200
Net increase cash and cash equivalents	現金及現金等價物增加淨額	520,697	242,764
Cash and cash equivalents at beginning of the period	期初現金及現金等價物	563,365	248,724
Cash and cash equivalents of the end of the period	期末現金及現金等價物	1,084,062	491,488

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2020 截至2020年6月30日止六個月

1. BASIS OF PREPARATION AND PRESENTATION

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 (“IAS 34”) and the applicable disclosure provisions of Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. These condensed consolidated interim financial statements were authorised for issue on 31 August 2020.

The preparation of these condensed consolidated interim financial statements in compliance with IAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. There have been no material revisions to the nature and amount of estimates of amounts reported in the Accountant’s Report presented in the prospectus of the Company dated 30 June 2020 (the “Prospectus”).

These condensed consolidated interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the Accountants’ Report presented in the Prospectus. These condensed consolidated interim financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”) and should be read in conjunction with the Accountants’ Report presented in the Prospectus.

The condensed consolidated results have not been audited but have been reviewed by the audit committee of the Company.

1. 呈列及編製基準

該等簡明綜合中期財務報表乃根據《國際會計準則》第34號(《國際會計準則》第34號)及香港聯合交易所有限公司主板證券上市規則的適用披露條文編製。該等簡明綜合中期財務報表獲授權於2020年8月31日刊發。

根據《國際會計準則》第34號編製該等簡明綜合中期財務報表時，須作出可影響政策應用及自年初至迄今為止所呈報資產及負債、收入及開支金額的若干判斷、估計及假設。實際結果或會與該等估計有所不同。本公司日期為2020年6月30日的招股章程(「招股章程」)所呈列之會計師報告所呈報的估計金額的性質及金額並無重大修訂。

該等簡明綜合中期財務報表包括簡明綜合財務報表及節選註釋。該等附註包括對了解本集團自招股章程中所呈列之會計師報告以來之財務狀況及表現之變動屬重大的事件及交易作出的說明。該等簡明綜合中期財務報表及附註並不包括根據《國際財務報告準則》(《國際財務報告準則》)所編製的整套財務報表所需的所有資料，且應與招股章程所呈列之會計師報告一併閱讀。

本簡明綜合業績未經審核，惟已由本公司審核委員會審閱。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2020 截至2020年6月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost convention (except for the biological assets) and are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

Other than changes in accounting policies resulting from application of new and amendments to IFRSs, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2020 are the same as those followed in the preparation of the Group's financial statements for the year ended 31 December 2019 underlying the preparation of historical financial information included in the Accountants' Report presented in the Prospectus.

Application of new and amendments to IFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to IFRSs issued by the International Accounting Standards Board which are mandatory effective for the annual period beginning on or after 1 January 2020 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 3	Definition of a Business
Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform

Further information about those IFRSs is described below.

2. 主要會計政策

該等簡明綜合財務報表乃根據歷史成本常規法編製(除生物資產外)，且除另有註明外，該等簡明綜合財務報表以人民幣呈列，所有金額均調整至最接近的千元。

除應用新訂及經修訂《國際財務報告準則》導致的會計政策變動外，截至2020年6月30日止六個月的簡明綜合財務報表所用的會計政策及計算方式與編製招股章程所呈列之會計師報告所載歷史財務資料相關之編製本集團截至2019年12月31日止年度的財務報表所遵循者一致。

應用新訂及經修訂《國際財務報告準則》

於本中期期間，本集團已首次應用國際會計準則理事會頒佈的於2020年1月1日或之後開始的年度期間強制生效的下列新訂及經修訂《國際財務報告準則》，以編製本集團簡明綜合財務報表：

《國際財務報告準則》第3號修訂本	業務的定義
《國際會計準則》第1號及《國際會計準則》第8號修訂本	重大的定義
《國際財務報告準則》第9號、《國際會計準則》第39號及《國際財務報告準則》第7號修訂本	利率基準改革

《國際財務報告準則》的詳情如下。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2020 截至2020年6月30日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business.

Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

2. 主要會計政策(續)

《國際財務報告準則》第3號修訂本闡明並提供有關業務定義的額外指引。該等修訂本闡明，一組整合的活動及資產若要構成業務，必須至少包括一項投入及一項實質性過程，二者可以共同顯著促進創造產出的能力。不包括創造產出所需的所有投入及過程亦可構成業務。該等修訂本取消對市場參與者是否有能力獲得業務並繼續創造產出的評估，而是重點關注所獲得的投入及取得的實質性過程是否可以共同顯著促進創造產出的能力。該等修訂本亦將產出的定義縮窄為重點關注向客戶提供的貨品或服務、投資收入或一般業務活動產生的其他收入。此外，該等修訂本提供指引以評估所取得的過程是否為實質性過程，並引入備選公允價值集中度測試，藉此可簡化對所獲得的一組活動及資產是否並非一項業務的評估。

《國際會計準則》第1號及《國際會計準則》第8號修訂本對重大予以重新定義。新定義列明，若可合理預期任何資料遭遺漏、錯誤陳述或模糊處理會影響通用財務報表的主要使用者根據該等財務報表作出的決定，則該等資料屬重大。該等修訂本闡明，重大性將取決於資料的性質或重要程度。若可合理預期任何資料的錯誤陳述會影響主要使用者作出的決定，則該錯誤陳述屬重大。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2020 截至2020年6月30日止六個月

3. REVENUE AND SEGMENT INFORMATION

The Group's revenue from contracts with customers is recognised upon goods transferred at a point in time. For management purposes, the Group is organised into business units based on their products and has four reportable operating segments as follows:

- (a) Production and sale of raw chicken meat products
- (b) Production and sale of processed chicken meat products
- (c) Production and sale of chicken breeds
- (d) Others comprising sale of organic fertiliser, by-products, packing materials and miscellaneous products

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment gross profit before biological assets fair value adjustments.

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

3. 收入及分部資料

本集團的客戶合約收入於貨品轉讓後於某一時間點確認。就管理目的而言，本集團按產品劃分業務單位，及擁有以下四個可呈報經營分部：

- (a) 生產及銷售生雞肉製品
- (b) 生產及銷售深加工雞肉製品
- (c) 生產及銷售雞苗
- (d) 其他(包括銷售有機肥料、副產品、包裝材料及雜項產品)

管理層單獨監察本集團經營分部的業績，以作出有關資源分配及表現評估方面的決策。分部業績根據生物資產公允價值調整前可呈報分部毛利予以評估。

由於分部資產及負債並無定期提供予管理層以作資源分配及表現評估，因此有關資料並無於未經審核簡明綜合財務報表披露。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2020 截至2020年6月30日止六個月

3. REVENUE AND SEGMENT INFORMATION (Continued)

3. 收入及分部資料(續)

Six months ended 30 June 2020 截至2020年6月30日止六個月		Raw chicken meat products 生雞肉製品 RMB'000 人民幣千元 (Unaudited) (未經審核)	Processed chicken meat products 深加工 雞肉製品 RMB'000 人民幣千元 (Unaudited) (未經審核)	Chicken breeds 雞苗 RMB'000 人民幣千元 (Unaudited) (未經審核)	Others 其他 RMB'000 人民幣千元 (Unaudited) (未經審核)	Total 合計 RMB'000 人民幣千元 (Unaudited) (未經審核)
Segment revenue:	分部收入:					
Sales to external customers	銷售予外部客戶	963,549	822,036	60,313	56,861	1,902,759
Timing of revenue recognition:	收入確認時間:					
At a point in time	某一時間點	963,549	822,036	60,313	56,861	1,902,759
Segment results	分部業績	181,301	170,925	16,929	557	369,712
Reconciliation:	對賬:					
Biological assets fair value adjustments	生物資產公允價值調整					(1,898)
Other income and gains	其他收入及收益					12,506
Corporate and unallocated expenses	企業及未分配開支					(195,739)
Finance costs	融資成本					(38,967)
Profit before income tax	所得稅前利潤					145,614
Other segment information:	其他分部資料:					
Write-off of inventories	存貨撇銷	31	149	—	—	180
Depreciation of property, plant and equipment	物業、廠房及設備折舊	56,109	14,657	3,734	1,591	76,091
Depreciation of right-of-use assets	使用權資產折舊	2,104	1,368	—	1,672	5,144
Short-term lease expenses	短期租賃開支	202	—	68	145	415

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3. REVENUE AND SEGMENT INFORMATION (Continued)

3. 收入及分部資料(續)

Six months ended 30 June 2019		Raw chicken meat products	Processed chicken meat products	Chicken breeds	Others	Total
截至2019年6月30日止六個月		生雞肉製品	深加工 雞肉製品	雞苗	其他	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
Segment revenue:	分部收入:					
Sales to external customers	銷售予外部客戶	731,762	659,708	205,186	84,666	1,681,322
Timing of revenue recognition:	收入確認時間:					
At a point in time	某一時間點	731,762	659,708	205,186	84,666	1,681,322
Segment results	分部業績	206,218	126,046	150,649	12,561	495,474
Reconciliation:	對賬:					
Biological assets fair value adjustments	生物資產公允價值調整					8,439
Other income and gains	其他收入及收益					17,967
Corporate and unallocated expenses	企業及未分配開支					(133,102)
Finance costs	融資成本					(47,635)
Profit before income tax	所得稅前利潤					341,143
Other segment information:	其他分部資料:					
Write-off of inventories	存貨撇銷	12	116	—	34	162
Depreciation of property, plant and equipment	物業、廠房及設備折舊	32,818	24,969	2,709	1,432	61,928
Depreciation of right-of-use assets	使用權資產折舊	2,073	1,272	—	1,699	5,044
Short-term lease expenses	短期租賃開支	305	—	35	64	404

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3. REVENUE AND SEGMENT INFORMATION (Continued)

3. 收入及分部資料(續)

Geographic information

地區資料

Revenue from external customers

外部客戶收入

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Mainland China	中國內地	1,452,074	1,234,916
Japan	日本	205,940	211,947
Malaysia	馬來西亞	98,043	75,548
Europe	歐洲	109,516	104,561
Others	其他	37,186	54,350
		1,902,759	1,681,322

The revenue information above is based on the location of the customers.

上述收入資料乃按客戶所在地劃分。

4. OTHER INCOME AND GAINS

4. 其他收入及收益

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Bank interest income	銀行利息收入	4,906	4,099
Exchange gain	匯兌增益	5,100	8,159
Government grants (note)	政府補助(附註)	1,565	3,521
Others	其他	935	2,188
		12,506	17,967

Note: Government grants include various subsidies received by the Group from relevant government bodies in connection with certain financial subsidies to support the Group's businesses. There are no unfulfilled conditions or contingencies relating to these grants.

附註：政府補助包括本集團自有關政府機構收取的支持本集團業務的若干財務補貼的各種相關補貼。概無有關該等補助的未達成條件或或然事項。

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5. FINANCE COSTS

5. 融資成本

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Interest on borrowings	借款利息	33,001	34,116
Interest on bills payable	應付票據利息	—	7,617
Interest on lease liabilities	租賃負債利息	5,966	5,902
		38,967	47,635

6. PROFIT BEFORE INCOME TAX

6. 所得稅前利潤

Profit before income tax is arrived at after charging:

所得稅前利潤已扣除以下各項後得出：

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Cost of inventories sold, including:	已售存貨成本，包括：		
Write-off of inventories	存貨撇銷	180	162
Amortisation of intangible assets	無形資產攤銷	995	755
Auditor's remuneration	核數師薪酬	603	745
Depreciation of property, plant and equipment	物業、廠房及設備折舊	81,399	79,484
Depreciation of right-of-use assets	使用權資產折舊	5,234	5,134
Loss on disposals of property, plant and equipment	出售物業、廠房及設備虧損	605	1,423
Loss allowance on trade receivables	貿易應收款項虧損準備	2,768	439
(Reversal of loss allowance)/loss allowance on other receivables	其他應收款項(虧損準備撥回)/虧損準備	(2,635)	252
Short-term lease expenses	短期租賃開支	4,436	4,775
Listing expenses	上市開支	2,189	—
Exchange gain	匯兌收益	(5,100)	(8,159)
Employee benefit expense (including Directors' and supervisors' remuneration):	僱員福利開支(包括董事及監事薪酬)：		
Wage, salaries and allowances, social securities and other benefits	工資、薪金及津貼、社保及其他福利	249,282	279,192
Pension scheme contributions	退休金計劃供款	15,713	20,605
		264,995	299,797

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7. INCOME TAX EXPENSE

7. 所得稅開支

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Current tax — Mainland China	即期稅項 — 中國內地		
Charge for the period	期內費用	1,019	432
Deferred tax	遞延稅項	(79)	95
		940	527

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% for the six months ended 30 June 2020 (2019: 25%) except for the followings:

- (i) According to the Implementation Regulation of the EIT Law and the 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 certain subsidiary in Mainland China engaging in primary processing for agriculture products is exempted from EIT during the period.
- (ii) Pursuant to related regulations in respect of the Implementation Regulation of the EIT Law, the income from the Company engaging in projects of animal-husbandry and poultry feeding, is entitled to exemption from EIT during the period.

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》，截至2020年6月30日止六個月，中國附屬公司的稅率為25% (2019年：25%)，惟以下各項例外：

- (i) 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)文件中免徵規定以及《企業所得稅法實施條例》第86條的規定，期內中國內地若干附屬公司從事農產品初加工所得收入免徵企業所得稅。
- (ii) 根據《企業所得稅法實施條例》相關規定，期內本公司從事畜牧及家禽飼養項目所得收入免徵企業所得稅。

8. DIVIDENDS

No dividend was paid, declared or proposed to owners of the parent for the six months ended 30 June 2020 (2019: Nil), nor has any dividend been paid, declared or proposed since the end of the reporting period.

8. 股息

本公司截至2020年6月30日止六個月並無向母公司擁有人派付、宣派或建議派付股息(2019年：無)，而自報告期末起亦無派付、宣派或建議派付任何股息。

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9. EARNINGS PER SHARE

The basic earnings per share for the six months ended 30 June 2019 and 2020 are calculated based on the profit of RMB340,762,000 (unaudited) and RMB145,415,000 (unaudited), respectively, attributable to owners of the Company and the weighted average of 1,045,000,000 ordinary shares during the period.

The Company did not have any potential dilutive shares throughout the period. Accordingly, the diluted earnings per share are the same as the basic earnings per share.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2020, the Group acquired items of plant and machinery with a cost of RMB151.7 million (six months ended 30 June 2019: RMB96.8 million). Items of plant and machinery with a net book value of RMB5.6 million were disposed of during the six months ended 30 June 2020 (six months ended 30 June 2019: RMB2.2 million), resulting in a loss on disposal of RMB0.6 million (six months ended 30 June 2019: RMB1.4 million).

11. BIOLOGICAL ASSETS

The biological assets of the Group represent breeders, broilers and broiler eggs. The broilers and broiler eggs are raised for sale and consumption in production, which are classified as current assets. Breeders are held to produce further broiler eggs and broilers, which are classified as non-current assets.

The quantity of biological assets owned by the Group are as follows:

		As at 30 June 2020 於2020年 6月30日	As at 31 December 2019 於2019年 12月31日
Breeders	種雞	1,765,980	1,615,581
Broilers	肉雞	11,892,870	10,641,754
Broiler eggs	種蛋	13,096,033	13,597,187
		26,754,883	25,854,522

9. 每股盈利

截至2019年及2020年6月30日止六個月，每股基本盈利乃根據期內本公司擁有人應佔利潤分別為人民幣340,762,000元(未經審核)及人民幣145,415,000元(未經審核)及1,045,000,000股普通股的加權平均數計算。

於整個期間內，本公司並無任何潛在攤薄股份。因此，每股攤薄盈利與每股基本盈利相同。

10. 物業、廠房及設備

截至2020年6月30日止六個月，本集團購買廠房及機器項目，成本為人民幣151.7百萬元(截至2019年6月30日止六個月：人民幣96.8百萬元)。截至2020年6月30日止六個月經已出售賬面淨值為人民幣5.6百萬元的廠房及機器項目(截至2019年6月30日止六個月：人民幣2.2百萬元)，致令產生出售虧損人民幣0.6百萬元(截至2019年6月30日止六個月：人民幣1.4百萬元)。

11. 生物資產

本集團的生物資產指種雞、肉雞及種蛋。飼養肉雞及種蛋的目的是銷售及生產消耗，因此肉雞及種蛋被分類為流動資產。持有種雞的目的是幫助進一步生產種蛋及肉雞，因此種雞被分類為非流動資產。

本集團所擁有的生物資產的數量如下：

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11. BIOLOGICAL ASSETS (Continued)

Biological assets as at 30 June 2020 and 31 December 2019 are stated as fair value less estimated costs to sell and are analysed as follows:

		As at 30 June 2020 於2020年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2019 於2019年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Non-current portion	非流動部分	158,739	157,877
Current portion	流動部分	131,417	141,873
		290,156	299,750

11. 生物資產(續)

於2020年6月30日及2019年12月31日的生物資產按公允價值減估計銷售成本列賬，並分析如下：

Measurement of fair value

The Group's chickens were independently valued by the independent and qualified valuers, Jones Lang LaSalle Sallmanns Limited. The fair value of biological assets is a level 3 recurring fair value measurement. There were no transfers into or out of level 3 during the period.

The fair value of the biological assets is determined by using the market approach and replacement cost approach and is with reference to the market-determined prices of items with similar size, species, age and weight. These adjustments are based on unobservable inputs.

公允價值計量

本集團的雞由獨立合資格估值師仲量聯行西門有限公司獨立估值。生物資產公允價值計量為第三級經常性公允價值計量。期內，並無轉入或轉出第三級。

生物資產的公允價值乃採用市場法及重置成本法經參考類似大小、品種、年齡及重量畜禽的市場定價而釐定。該等調整乃基於不可觀察輸入參數。

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12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

12. 預付款項、按金及其他應收款項

		As at 30 June 2020 於2020年 6月30日 RMB'000 人民幣千元	As at 31 December 2019 於2019年 12月31日 RMB'000 人民幣千元
Non-current	非流動		
Prepayments paid for property, plant and equipment	已付物業、廠房及設備預付款項	116,964	43,375
Deposits paid	已付按金	—	16,838
		116,964	60,213
Current	流動		
Prepayment	預付款項	96,728	69,652
Deposits paid and Other receivables	已付按金及其他應收款項	7,398	3,787
Value-added tax ("VAT") and other recoverable	增值稅(「增值稅」)及其他可收回款項	72,259	85,092
		176,385	158,531
		293,349	218,744

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13. TRADE AND BILLS RECEIVABLES

13. 貿易應收款項及應收票據

		As at 30 June 2020 於2020年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2019 於2019年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Trade receivables	貿易應收款項	206,811	209,816
Less: loss allowance	減：虧損準備	(5,959)	(3,191)
		200,852	206,625

The Group's trading terms with its customers are mainly on cash and credit. The credit period is generally 30 to 60 days. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. Concentrations of credit risk are managed by analysis by customer. The Group does not hold any collateral or other credit enhancements over these balances. Trade and bills receivables are non-interest-bearing.

An aged analysis of the balance of trade receivables based on the invoice date and net of provision, is as follows:

本集團與客戶的貿易條款以現金及除銷為主。信貸期一般為30至60日。本集團力求對其未收回的應收款項保持嚴格控制，且逾期結餘由高級管理層定期審閱。集中的信貸風險按照客戶的分析進行管理。本集團並無就該等結餘持有任何抵押品或其他信用增級。貿易應收款項及應收票據均不計息。

按發票日期呈列的貿易應收款項結餘(扣除撥備)的賬齡分析如下：

		As at 30 June 2020 於2020年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2019 於2019年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Within 1 month	一個月以內	191,059	136,053
1 to 3 months	一至三個月	873	62,779
3 months to 1 year	三個月至一年	4,746	1,403
Over 1 year	一年以上	4,174	6,390
		200,852	206,625

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13. TRADE AND BILLS RECEIVABLES (Continued)

The movement in provision for loss allowance of trade receivables is as below:

		As at 30 June 2020	As at 31 December 2019
		於2020年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	於2019年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
At beginning of period/year	期初／年初	3,191	2,650
Loss allowance recognised	已確認的虧損準備	2,768	541
At end of period/year	期末／年末	5,959	3,191

13. 貿易應收款項及應收票據(續)

貿易應收款項的虧損撥備變動如下：

14. TRADE AND BILLS PAYABLES

Trade payables are non-interest-bearing. The credit periods granted by each individual supplier are on a case-by-case basis and set out in the supplier contracts.

		As at 30 June 2020	As at 31 December 2019
		於2020年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	於2019年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Trade payables	貿易應付款項	246,835	168,120
Bills payable	應付票據	20,207	140,000
		267,042	308,120

14. 貿易應付款項及應付票據

貿易應付款項不計息。各獨立供應商授出的信貸期乃視個案而定，並載於供應商合約內。

The Group's bills payable are all aged within six months. As at 31 December 2019, the Group's bills payable represented the bills issued to Shandong Yanggu Dafeng Food Co., Ltd. (山東陽穀大豐食品有限公司), a fellow subsidiary of the Company.

本集團應付票據均在六個月以內。於2019年12月31日，本集團的應付票據為向山東陽穀大豐食品有限公司(本公司的一家同系附屬公司)開出的票據。

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14. TRADE AND BILLS PAYABLES (Continued)

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

		As at 30 June 2020	As at 31 December 2019
		於2020年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	於2019年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Within 1 month	一個月以內	178,994	123,076
1 to 3 months	一至三個月	55,939	33,364
3 months to 1 year	三個月至一年	6,418	7,469
Over 1 year	一年以上	5,484	4,211
		246,835	168,120

14. 貿易應付款項及應付票據(續)

於報告期末，本集團基於發票日期的貿易應付款項的賬齡分析如下：

15. ACCRUALS AND OTHER PAYABLES

		As at 30 June 2020	As at 31 December 2019
		於2020年 6月30日 RMB'000 人民幣千元	於2019年 12月31日 RMB'000 人民幣千元
Accrued expenses	應計費用	157,330	130,511
Other payables	其他應付款項	139,911	116,553
VAT and other taxes payables	應付增值稅及其他稅項	5,915	5,406
		303,156	252,470

15. 應計項目及其他應付款項

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16. BORROWINGS

16. 借款

		As at 30 June 2020 於2020年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2019 於2019年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Bank loans, secured	銀行貸款，有抵押	1,937,203	894,542
Other loans from financial institution, unsecured	其他金融機構貸款，無抵押	—	28,000
Other loans from financial institution, secured	其他金融機構貸款，有抵押	286,106	444,491
		2,223,309	1,367,033
Less: Non-current portion	減：非流動部分	(66,869)	(100,635)
		2,156,440	1,266,398
Effective interest rate per annum	實際年利率		
Bank loans, secured	銀行貸款，有抵押	2.85% to 5.80% 2.85%至5.80%	2.85% to 5.10% 2.85%至5.10%
Other loans from financial institution, unsecured	其他金融機構貸款，無抵押	—	6.19%
Other loans from financial institution, secured	其他金融機構貸款，有抵押	2.70% to 6.60% 2.70%至6.60%	2.70% to 6.65% 2.70%至6.65%

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17. SHARE CAPITAL

17. 股本

	As at 30 June 2020	As at 31 December 2019
	於2020年 6月30日	於2019年 12月31日
	RMB'000	RMB'000
	人民幣千元	人民幣千元
	(Unaudited)	(Audited)
	(未經審核)	(經審核)
Registered, issued and fully paid:		
1,045,000,000 shares of RMB1.00 each	1,045,000	1,045,000
已註冊、發行及繳足股本： 1,045,000,000股每股人民幣 1.00元的股份	1,045,000	1,045,000

On 16 July 2020, 355,000,000 H shares of par value RMB1.00 each of the Company were issued by way of a global offering. On the same date, the Company's H shares were listed on The Stock Exchange of Hong Kong Limited.

於2020年7月16日，本公司355,000,000股每股面值人民幣1.00元的H股以全球發售方式發行。同日，本公司H股於香港聯合交易所有限公司上市。

18. CONTINGENT LIABILITIES

18. 或然負債

As at 30 June 2020, the Group did not have any significant contingent liability.

於2020年6月30日，本集團並無任何重大或然負債。

19. COMMITMENTS

19. 承擔

Capital commitments not provided for in the interim report were as follows:

未於中期報告內作出撥備的資本承擔如下：

	As at 30 June 2020	As at 31 December 2019
	於2020年 6月30日	於2019年 12月31日
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Property, plant and equipment:		
— contracted for but not yet incurred	357,364	171,815
物業、廠房及設備： — 已訂約但尚未產生	357,364	171,815

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For the six months ended 30 June 2020 截至2020年6月30日止六個月

20. RELATED PARTY TRANSACTIONS

20. 關聯方交易

(a) In addition to the transactions detailed elsewhere in the interim report, the Group had the following material transactions with related parties during the periods:

(a) 除中期報告其他部分所詳述的交易外，本集團期內與關聯方進行了以下重大交易：

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Sales of goods			
Fellow subsidiaries:			
Yanggu Xiangguang Copper Co., Ltd. 山東鳳祥超市有限公司 ("Fengxiang Supermarket")	貨品銷售 同系附屬公司： 陽穀祥光銅業有限公司 山東鳳祥超市有限公司 ("鳳祥超市")	168	127
Zhongke Fengxiang Bitechology Co., Ltd. ("Zhongke Fengxiang")	中科鳳祥生物工程股份有限公司 ("中科鳳祥")	2,050	1,528
		1,287	1,389
Purchases of goods			
Fellow subsidiaries:			
Shandong Yanggu Dafeng Food Co., Ltd. ("Yanggu Da Feng")	貨品購買 同系附屬公司： 山東陽穀大豐食品 有限公司("陽穀大豐")	—	106,606
Transportation cost	運輸成本		
A related company:	關聯公司：		
Qingdao Xiangguang Logistics Co., Ltd. (note (i))	青島祥光物流有限公司 ("附註(i))	8,334	6,820
Utilities expenses			
Fellow subsidiaries:			
Xinfengxiang Energy Development Co., Ltd. Liaocheng Aode Energy Co., Ltd.	公共事業費 同系附屬公司： 新鳳祥能源發展 有限公司 聯城奧德能源有限公司	—	457
		23,711	23,070

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For the six months ended 30 June 2020 截至2020年6月30日止六個月

20. RELATED PARTY TRANSACTIONS (Continued)

20. 關聯方交易(續)

(a) (Continued)

(a) (續)

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Rental expense	租賃開支		
Ultimate holding company	最終控股公司	1,920	1,715
Interest income	利息收入		
A fellow subsidiary:	同系附屬公司:		
GMK Finance Co., Ltd.	新鳳祥財務有限公司		
("GMK Finance")	(「新鳳祥財務」)	2,846	986
Finance costs	融資成本		
Fellow subsidiaries:	同系附屬公司:		
GMK Finance	新鳳祥財務	3,267	8,141
Yanggu Da Feng	陽穀大豐	—	7,617
Acquisition of right-of-use asset	購買使用權資產		
Ultimate holding company	最終控股公司	—	15,066
Other expenses	其他開支		
A related company:	關聯公司:		
Shandong Ruitai Medical	山東瑞泰醫療器械科技		
Equipment Technology Co., Ltd.	有限公司(「瑞泰醫療」)		
("Ruitai Medical") (note (i))	(附註(i))	1,018	—
Donation expenses	捐贈開支		
A related company:	關聯公司:		
Ruitai Medical (note (i))	瑞泰醫療(附註(i))	1,180	—

The above related party transactions were conducted in accordance with the terms mutually agreed between the parties.

上述關聯方交易均按照雙方相互協定的條款進行。

Note:

附註:

- (i) The ultimate shareholders of the Company, Mr. Liu Xuejing, Mr. Liu Zhiguang and Mr. Liu Zhiming, have a combined 100% beneficial interest in this entity.

- (i) 本公司的最終股東(劉學景先生、劉志光先生及劉志明先生)合計擁有該實體的100%實益權益。

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20. RELATED PARTY TRANSACTIONS (Continued)

(b) Compensation of key management personnel of the Group

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Short-term employee benefits	短期僱員福利	6,647	6,616
Pension scheme contributions	退休金計劃供款	—	—
		6,647	6,616

20. 關聯方交易(續)

(b) 本集團主要管理人員薪酬

21. EVENTS AFTER THE REPORTING PERIOD

Except as disclosed elsewhere in this interim report, there are no material subsequent events undertaken by the Group after 30 June 2020.

21. 報告期後事項

除本中期報告另有披露者外，自2020年6月30日之後，本集團並無發生重大期後事項。

山東鳳祥股份有限公司
Shandong Fengxiang Co., Ltd.