

雅士利®

Yashili International Holdings Ltd
雅士利國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock code 股份代號 : 01230

Interim Report

中期報告 2011



GOOD

quality and
healthy LIFE

健康優質生活

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Corporate Information

公司資料

Board of directors

Executive directors

Mr. Zhang Lidian
Mr. Zhang Likun
Mr. Zhang Liming
Mr. Zhang Libo
Mr. Zhang Yanpeng

Non-executive directors

Mr. Luo Yi
Mr. Zhang Chi

Independent non-executive directors

Mr. Yu Shimao
Mr. Chen Yongquan
Mr. Samuel King On Wong

Nomination committee

Mr. Yu Shimao (*Chairman*)
Mr. Zhang Lidian
Mr. Chen Yongquan

Remuneration committee

Mr. Yu Shimao (*Chairman*)
Mr. Zhang Lidian
Mr. Chen Yongquan

Audit committee

Mr. Samuel King On Wong (*Chairman*)
Mr. Yu Shimao
Mr. Zhang Chi

董事會

執行董事

張利鈿先生
張利坤先生
張利明先生
張利波先生
張雁鵬先生

非執行董事

羅一先生
張弛先生

獨立非執行董事

余世茂先生
陳永泉先生
黃敬安先生

提名委員會

余世茂先生(*主席*)
張利鈿先生
陳永泉先生

薪酬委員會

余世茂先生(*主席*)
張利鈿先生
陳永泉先生

審核委員會

黃敬安先生(*主席*)
余世茂先生
張弛先生



Authorized representatives

Mr. Zhang Lidian
Mr. Wu Xiaonan

授權代表

張利鈿先生
吳曉南先生

Company secretaries

Mr. Wu Xiaonan
Mr. Joseph Chan Shing Yee

公司秘書

吳曉南先生
陳承義先生

Company legal name

Yashili International Holdings Ltd

公司法定名稱

雅士利國際控股有限公司

Date of incorporation

3 June 2010

註冊成立日期

二零一零年六月三日

Company's Registered address

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

公司註冊地址

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Stock code

Hong Kong Stock Exchange 01230

股份代碼

香港聯合交易所01230



Principal place of business in Hong Kong

Room 1614, 16th Floor
Times Square Tower 2
1 Matheson Street
Causeway Bay
Hong Kong

香港主要營業地址

香港
銅鑼灣
勿地臣街1號
時代廣場二座
16樓1614室

Head office and principal place of business in the PRC

Yashili Industrial City
Chaoan Avenue
Chaozhou City
Guangdong
515638

總辦事處及中國 主要營業地點

廣東省
潮州市
潮安大道
雅士利工業城
(郵編: 515638)

Hong Kong branch share registrar

Computershare Hong Kong Investor Services Limited
Units 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

香港股份過戶登記分處

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號舖

Investor relations department

Office of the board

公司投資者關係部門

董事會辦公室

Investor enquiry hotline

+86-768-5820544

投資者諮詢電話

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Investor enquiry email address

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投資者諮詢郵箱

qike@yashili.com



Company's website

www.yashili.hk

公司網站

www.yashili.hk

Hong Kong legal adviser

Orrick, Herrington & Sutcliffe

香港法律顧問

奧睿律師事務所

Cayman legal adviser

Conyers, Dill & Pearman

開曼法律顧問

Conyers, Dill & Pearman

Auditor

KPMG

核數師

畢馬威會計師事務所

Principal bankers

Bank of China, Chao'an Branch
Industrial and Commercial Bank of China, Chao'an Branch

主要往來銀行

中國銀行潮安支行
中國工商銀行潮安支行

Compliance adviser

Guotai Junan Capital Limited

合規顧問

國泰君安融資有限公司



Financial Highlights

財務摘要

Six months ended 30 June

截至六月三十日止六個月

		2011 二零一一年 RMB million 人民幣百萬元	2010 二零一零年 RMB million 人民幣百萬元	Percentage change 變動比例
Turnover	營業額	1,443.9	1,375.5	5.0%
Gross profit	毛利	782.0	811.6	-3.6%
Profit attributable to equity holders of the Company	本公司股權持有人應佔利潤	150.1	239.7	-37.4%
Net cash inflow/(outflow) from operation	經營活動所得 淨現金流入／(流出)	237.1	(38.5)	
Earnings per share (RMB cents)	每股盈利(人民幣：分)			
— Basic	— 基本	4.3	8.2	-47.6%
— Diluted	— 攤薄	4.2	8.0	-47.5%

- With a steady growth in operating revenue, the Group recorded sales revenue of RMB1,443.9 million during the period, representing an increase of 5.0% over the same period last year.
- 營業收入增長平穩，集團於期內共實現銷售收入人民幣1,443.9百萬元，較去年同期增加5.0%。
- For the six months ended 30 June 2011, gross profit declined by RMB29.6 million mainly due to the surge in raw material costs. In addition, taxation subsidies decreased by RMB22.8 million, advertising expenses climbed up by RMB36.5 million, and given the expiry of certain preferential taxation previously enjoyed by the Group primarily, effective tax rate increased from 15.4% in the same period last year to 27.4% in the current period. Due to the combined effect abovementioned, net profit attributable to shareholders of the Group during the period amounted to RMB150.1 million, representing a decline of 37.4% over the same period in 2010.
- 截至二零一一年六月三十日六個月內，主要由於原材料成本上升導致毛利下降人民幣29.6百萬元；稅收補貼減少人民幣22.8百萬元；廣告開支增加人民幣36.5百萬元；及主要由於集團過往享有的若干稅務優惠已終止而令實際稅率從去年同期的15.4%上升至本期的27.4%，主要受到上述因素的綜合影響，集團於期內歸屬於股東的淨利潤為人民幣150.1百萬元，較二零一零年度同期下降了37.4%。
- As the net profit fell and the number of ordinary shares of the Group after the global offering in the second half of 2010 increased, the Group's basic earnings per share amounted to RMB4.3 cents during the period, representing a decline of 47.6% over the same period in 2010, and diluted earnings per share amounted to RMB4.2 cents, representing a decline of 47.5% over the same period of 2010.
- 由於淨利潤下降以及本集團二零一零年下半年全球發售後普通股股數增加，集團於期內每股基本盈利為人民幣4.3分，較二零一零年度同期下降了47.6%，每股攤薄盈利為人民幣4.2分，較二零一零年同期下降了47.5%。

Management's Discussion and Analysis

管理層討論及分析



Industry Review

For the six months ended 30 June 2011, the Chinese economy still maintained growth with gross domestic products nationwide amounting to RMB20,445.9 billion in the first half of the year. Price level continued to show an upward trend, while the consumption power of residents is expected to continue to grow. With the continuous effect of the national policy on expanding domestic demand, the retail sales volume for consumables amounted to RMB8,583.3 billion during the period.

For the dairy product industry, the strategy of focusing on sales rather than milk source followed by enterprises in the milk industry in China had caused safety issues in dairy products. Such development prompted enterprises to enhance their control on milk source and caused consumers to pay more attention to brand and quality. With the increase in consumption and demand as well as the diversification and high-end development of consumption choices, Chinese dairy product enterprises has, during the period, raised their investment in product development. With the increasing number of enterprises introducing high-end and differentiated products as the breakthrough for expanding market shares, foreign enterprises has also further developed their channels downwards and established sales network in more cities, thereby making market competition increasingly keen.

Since 2003, China has implemented the quality and safety market entry system for food products such as pediatric milk powder and pediatric nutrient rice flour. In November 2010, General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China stipulated that all the prevailing enterprises with production permits on dairy products and pediatric milk formula shall re-apply for production permits, and those without the new production permits shall be suspended from production by the end of March 2011. On 31 March 2011, the nationwide re-examination for all dairy products and pediatric milk formula enterprises has been completed, and 643 out of 1,176 dairy product enterprises have passed the re-approval for production permits. Among the above, 114 pediatric milk formula enterprises out of the original 145 enterprises has passed the examination. All dairy product enterprises under the Group have passed the re-examination for production permits.

行業回顧

截至二零一一年六月三十日止六個月，中國經濟仍然保持增長，上半年全國國內生產總值為人民幣204,459億元，物價水平持續呈現增長態勢，居民的消費能力將繼續增強，國家擴大內需政策持續發揮作用，期內社會消費品零售總額達人民幣85,833億元。

就乳製品行業而言，之前中國乳企普遍採用的「輕奶源重銷售」的策略引發的乳製品安全問題，使企業開始加大對奶源控制力度，消費者也更加關注品牌和品質。隨著消費需求的提升和消費選擇向多樣性、高端性發展，期內，中國乳製品企業已經開始加大對產品環節投入，越來越多的企業開始推出高端差異化產品，作為擴大市場份額突破口，外資企業也開始進行渠道下沉，銷售網絡進入了更多城市，市場競爭也日趨激烈。

中國自二零零三年起對嬰幼兒奶粉、嬰幼兒營養米粉等食品實施質量安全市場准入制度。二零一零年十一月中國國家質量監督總局規定現行所有獲得乳製品及嬰幼兒配方乳粉生產許可的企業必須於重新提出生產許可申請，二零一一年三月底之前未重新獲得生產許可的將被停產。二零一一年三月三十一日，全國乳製品及嬰幼兒配方乳粉企業生產許可重新審核工作已全部結束，全國1,176家乳製品企業有643家企業通過了生產許可重新審核，這裡面嬰幼兒配方乳粉生產企業原有145家，其中114家通過審核。本集團下屬乳製品企業均已重新獲得生產許可。



Basic Information of the Company

Established in 1983, we mainly focus on the production and sales of pediatric milk formula products and nutrition food since 1998. In 2002, we launched the Scient brand pediatric milk formula. Our headquarter is situated in Chaozhou, Guangdong province with plants distributed in Guangdong, Shanxi and Heilongjiang, etc.

We are a leading player in China's pediatric milk formula industry, and also have a leading position in the soymilk powder market in China. Our business mode integrates high brand recognition, imported premium diary raw materials and proprietary formula, striving to establish a high standard of quality supervision and quality assurance system. For aspects such as supply, production and distribution chain, quality control measures are improved continuously in the pursuit of becoming a first-class enterprise in the research and production of pediatric milk formula. We strictly follows the national standard to formulate a comprehensive quality assurance plan, which is fully implemented in the corporate level, striving for providing the consumers with safe and premium products.

We have two well recognized brands, under which various product series are sold targeting different consumer segments, of which Yashily is mainly positioned to middle-end and upper-end consumer segments and Scient is positioned to high-end consumer segment. We also sell four types of nutrition food, namely soymilk powder and pediatric rice flour under *Yashily* brand, cereal under *Zhengwei* brand as well as milk powder for adults and teenagers under *Youyi* brand.

Business Highlights

Leveraging on the product series under well recognized brands such as *Yashily*, *Scient*, *Zhengwei* and *Youyi*, we strive to develop trustworthy nutrition products for consumers, with a view to facilitate the healthy growth of infants and young children nationwide and satisfy the nutrition needs of adults. Our business mode integrates key factors including imported premium diary raw materials, proprietary milk formula, top production system and professional marketing team with thorough knowledge on local consumer market, thereby providing all consumers with products of assurance.

公司基本情況

本集團始創於一九八三年，自一九九八年起主要專注於生產和銷售嬰幼兒配方奶粉產品及營養食品業務。二零零二年推出施恩品牌嬰幼兒配方奶粉。本集團總部位於廣東潮州市，在廣東、山西、黑龍江等地擁有工廠。

本集團為中國嬰幼兒配方奶粉行業的領導企業，在中國的豆奶粉市場亦屬領導地位。本集團的業務模式結合品牌的高認知度、進口優質乳品原材料、自主研發配方、致力於建立高水平的質量監控和質量保證體系，在供應、生產和經銷鏈等各方面，不斷改進質量控制措施，努力發展成為研製嬰幼兒配方奶粉的一流企業。本集團嚴格遵守國家標準，制定全面的質量保證計劃，並在企業層面全面推行，力求向消費者提供安全和優質產品。

本集團有兩大廣受認同的品牌銷售旗下嬰幼兒奶粉產品，針對不同消費群體，其中雅士利主要面向中端及中高端消費群體，而施恩則面向高端消費者。本集團亦出售四種營養食品，即雅士利品牌豆奶粉、嬰幼兒米粉和正味品牌麥片，以及優怡品牌的成人及青少年奶粉。

業務摘要

本集團憑藉雅士利、施恩、正味及優怡等品牌的產品系列，致力於開發值得用戶信賴的營養產品，以期促進全國嬰幼兒的健康成長及滿足成人營養需要。本集團的業務模式結合了進口優質的乳品原材料、自主研發的配方奶粉產品、頂級的生產系統及熟悉本地消費市場的專業營銷團隊等幾大因素，為廣大消費者提供具有信心保證的產品。



Introduction by products

— Pediatric milk formula products

We mainly develop pediatric milk formula products to satisfy the health and nutrition needs of infants and young children during daily feeding. Our pediatric milk formula could act as a major source of nutrition of infants and young children in auxiliary to breast milk. All of our branded pediatric milk formula products are mainly produced by imported premium raw milk procured from New Zealand and Australia, while some of our *Scient* series pediatric milk formula products are also imported in their original form from the United States. We are devoted to develop the milk formula with the most ideal nutrition mix to closely cater to the needs of infants and young children during different stages of their growth and development.

— Nutrition Food

We also sell four types of nutrition food, namely milk powder for adults and teenagers under *Youyi* brand, soymilk powder, rice flour and cereal under *Yashily* brand and cereal series under *Zhengwei* brand.

We manufacture and sell various milk powder products with different nutrition mix tailored for consumers with specific needs, such as milk powder for adults who need iron and calcium supplements, as well as extra vitamin and mineral products suitable for ordinary people.

Our soymilk powder series includes six products with their nutrition ingredients formulated in accordance with needs, which are not only suitable for specific consumer segments (eg. middle-aged and elderly people and women), but also for consumer segments seeking healthy choices of nutritional products.

Our rice flour series includes different nutrition products with different ingredients formula and various flavors, which satisfies the growth needs for infants and young children aged 6 to 36 months.

Our cereal products include oatmeal cereal and mixed cereal, which cater to needs of specific adult groups as well as ordinary consumers.

分產品介紹

— 嬰幼兒配方奶粉

本集團開發的嬰幼兒配方奶粉產品主要滿足嬰幼兒日常哺喂的健康營養需求。本集團的嬰幼兒配方奶粉可輔助母乳作為嬰幼兒的主要營養來源。本集團所有品牌嬰幼兒配方奶粉產品均主要使用來自新西蘭及澳洲採購的優質進口原料奶粉，本集團部分施恩系列嬰幼兒配方奶粉產品亦自美國原裝進口。本集團尋求開發營養組合最理想的配方奶粉，以切合嬰幼兒成長及發育的不同階段需要。

— 營養食品

本集團出售四種營養食物產品，即優怡品牌的成人及青少年奶粉、雅士利品牌豆奶粉、米粉、麥片及正味品牌麥片系列。

本集團生產銷售專為具有特殊需要的消費者而設的不同營養組合奶粉產品，例如需要補充鐵質及鈣質的成人奶粉，以及適合一般人士的添加維生素及礦物質產品。

本集團的豆奶粉系列包括六項產品，營養配方因需而製，既適合特定消費群，例如中老年及成年女士，亦適合尋求健康營養產品消費群。

本集團米粉系列包括不同配方多種口味的營養品，可供6至36個月的嬰幼兒成長所需。

本集團的麥片產品包括燕麥片及混合型麥片，以迎合特殊成人及一般消費者的需要。



Marketing

We sell our products via a comprehensive national sales and distribution network, which covers all regions within mainland China. Such network comprises of around 1,300 regional distributors, who directly or indirectly further distribute our products to over 90,000 retail outlets, including supermarkets, department stores, specialty stores and large membership chain supermarkets as well as grocery stores. Our extensive distribution network is formed by more than 2,000 marketing staff under the support of 290 liaison locations. In the second half of the year, we will continue to develop our channels as well as expand our retail online stores and sales promotion, particularly by increasing our investment in maternity channel.

We have implemented a system of sales management and an efficient structure of incentives to continuously attract and motivate capable distributors and staff to increase our revenue and market share. Our stringent control over our distribution network ensures that all distributors manage sales and customer contacts in their designated sales territories according to our distribution policy and sales strategy. Our effective product tracking system, in which a unique two-dimensional bar code is marked on each packaging unit, allows us to track the details and movement of every finished product by distributors and effectively prevent distributors' cross-territory sales. Over our long operating history, by providing our distributors with an effective system of sales management and superior sales and distribution network, we have been able to develop a stable network of distributors and establish close partnerships. Over 30% of our distributors had maintained a business relationship with us for over five years, of which some even span for more than 20 years.

In March 2011, Yashili opened its official flagship store in Taobao Mall, signifying the Group's first time for the entry into the online purchase market. In the second half of the year, we plan to sign agreements with more electronic commerce websites to consistently expand the scale of our online sales.

市場推廣

本集團通過全面的全國銷售與分銷網絡進行產品銷售，該銷售與分銷網絡覆蓋了中國大陸所有地區。該網絡由超過約1,300家一級經銷商構成，這些經銷商進一步直接或間接將本集團的產品分銷予超過90,000家零售點，包括超級市場、百貨公司、專賣店及大型會員連鎖超市以及雜貨店。本集團廣闊的分銷網絡由超過2,000人的營銷人員和290個聯絡點組成。下半年我們將繼續進行渠道拓展，零售網店和導購的擴充，特別是將強化在母嬰渠道的投入。

本集團實施了嚴格的銷售管理體系和高效的獎勵架構，不斷吸納優秀的經銷商和人員，以調動他們的積極性，去提升本集團的收益和市場份額。本集團嚴格的分銷網絡控制體系確保所有經分銷商按照本集團的分銷政策及銷售策略在其劃定經銷區域對銷售與客戶脈絡進行管理。本集團高效的產品追蹤系統是在各個產品包裝的內外印上獨有的二維產品編碼，使產品的質量信息具備可追溯性，本集團亦可根據此編碼準確地追蹤每件成品的詳情和變動並成功的防止經銷商竄貨。本集團在長期的營運歷史中，憑藉高效的銷售管理及出色的銷售及營銷網絡，已發展出穩定的經銷商網絡，彼此合作無間。本集團經銷商中超過三成與本集團已建立五年以上的業務關係，一些經銷商與本集團甚至已建立二十年以上的合作關係。

二零一一年三月，雅士利在淘寶商城的官方旗艦店正式開張，集團首次進入網購市場，下半年，我們計劃會和更多的電子商務網站簽訂協議，不斷擴大網絡銷售規模。



Brand building

In terms of brand building, in the first half of 2011, we have undertaken an exercise to rationalize our positioning and image. Integrated marketing broadcast for the brand was implemented through the introduction of professional planning team, which, with the promotion of high quality and 100% imported raw milk powder, has enhanced consumers' confidence in the Group's products. Celebrities with healthy image were selected as our brand spokespersons, and with the production of our new commercials, the familiarity of our brand was strengthened, while highlighting our products' premium quality and safety. The new advertisement will be released in August 2011.

In June 2011, the 2011 (8th Session) World Brand Summit and the press conference for the release of the 500 most valuable brand in China was held in Beijing, and Yashili was named one of the 500 most valuable brand in China again with a brand value of RMB7.775 billion, ranking 163 and representing its eighth consecutive times being named.

In March 2011, the Group has opened its first official micro blog in Sina Weibo, the most popular micro blog site in China, which does not only distribute corporate news, but also serves as the interaction channel with internet surfers on the exchange of information and know-how for taking care of children. We are looking forward to initiating a new channel for promoting our brands.

Quality Control

We are dedicated to creating and continuously improving a comprehensive system of quality control spanning across the entire value chain from procurement to retail sales. As dairy material is the key ingredient in pediatric milk formula, we have carefully selected reputable suppliers located outside China to secure reliable and high-quality raw milk sources. Even for daily inspection, the Group's headquarter as well as all subsidiaries spend a tremendous amount every year. The Company implements strict inspection on its own for every sampled batch. The number of samples for each batch of products is no less than 5 and 64 kinds of inspection are carried out for each batch of milk powder. With inspections at different levels, safety could be ensured and quality production of products is conducted in accordance with international standards.

品牌建設

在品牌建設方面，二零一一年上半年，我們對品牌定位及形象進行了重新梳理，引進專業的策劃團隊執行品牌的整合營銷傳播，宣傳高質和百分百進口原奶粉，強化消費者對本集團產品信任度。選用形象健康的明星為作為品牌代言人，製作了新的廣告，強化品牌形象的親和力，突出了本集團產品的優質及安全特性，新廣告將於二零一一年八月發佈。

二零一一年六月，二零一一年(第八屆)「世界品牌大會(World Brand Summit)暨中國500最具價值品牌發佈會」在京舉辦，雅士利再次榮獲中國500最具價值品牌，品牌價值人民幣77.75億元，排行第163位，連續八度蟬聯上榜。

二零一一年三月，本集團在國內最熱微博—新浪微博開通了首個官方微博，雅士利官方微博不僅發佈企業新聞，還將與網友互動，分享育兒資訊、育兒心得，我們期待微博能為自己的品牌宣傳打開新的窗口。

品質監控

本集團致力建立起一套從採購至零售的整條價值鏈的全面質量監控系統並不斷改良。由於乳品材料是嬰幼兒配方奶粉的主要成份，本集團精挑細選境外的知名供貨商為本集團提供可靠和優質的原奶來源。僅在日常檢測上，集團總部連同各分公司每年就要花費鉅資。公司嚴格執行批批抽查自檢，每批次產品抽樣不少於5份，對每批奶粉進行64項檢驗，層層篩查，確保安全，嚴格按照國際標準來指導產品的質量生產。



Management's Discussion and Analysis (continued) 管理層討論及分析(續)

We insist that the quality management for all products shall follow the five principles below from milk sources to final products in the process of production and management: (1) procure premium milk sources and impose strict milk source management; (2) comprehensively and reasonably adopt nutritious and safe formula for production with the adoption of international leading production facilities; (3) impose stringent procedure quality management, strict inspection system and use advanced and excellent inspection equipment; (4) strictly ensure the scientific management of the whole supply chain from milk source to production and from inspection to distribution; (5) continuously attract outstanding talents to conduct production management in a highly efficient manner.

In April 2011, the Group established "Yashili Professional Nursery Team with National Qualification" with various top nursery professionals in China, and organized academic activities such as "China Maternity and Infant Health • Medical-themed Salon (Chaoshan)".

In May 2011, Yashily pediatric milk formula has gone through the stringent inspection and examination by National Dairy Product Quality Supervision and Inspection Centre (國家乳製品質量監督檢驗中心) and the Administration of Quality and Technology Supervision of Guangdong Province, and has undergone comparison and evaluation on the physical quality of our products with the quality and performance indicators of similar products overseas by dairy product industry experts organized by Quality Supervision Bureau of Guangdong Province (廣東質監局). All product indicators of Yashily met the requirements for international standard Codex Stan72-1981 (Revision 2007) for pediatric formula food products, Code of Practice on Special Medical Pediatric Food (特殊醫用嬰兒配方食品法典標準) Codex Stan156-1987 (Amendment 1989) and elder pediatric formula food products. The result of the evaluation indicated that the quality and safety of our products have reached international advanced level, and the Standardization Administration of the PRC has conferred the "Product Logo on the Adoption of National Standard (採用國標標準產品標誌)" permission certificate.

我們堅持每個產品從奶源到成品的品質管理要嚴格按照以下五項原則進行生產管理：第一、採集優質奶源，加之嚴格奶源管理；第二、採用全面合理的營養安全配方並採用國際先進生產設備進行生產；第三、嚴格的過程品質管理，嚴謹檢測制度和先進完善的檢測設備；第四、嚴格保證從奶源到生產、檢測到流通的整個供應鏈科學的管理；第五、持續吸納優秀人才進行高效生產管理。

二零一一年四月，本集團攜手國內多名育兒頂級專家打造「雅士利國家級育兒專家團」，並舉辦「中國母嬰健康•醫學主題沙龍(潮汕地區)」學術活動。

二零一一年五月，雅士利嬰幼兒配方奶粉經國家乳製品質量監督檢驗中心、廣東省質量技術監督局的嚴格檢驗和審查，通過廣東質監局組織乳品行業專家對產品實物質量與國外同類產品質量性能指標進行比較評估，雅士利各項產品指標分別符合國際標準Codex Stan72-1981 (Revision 2007) 嬰兒配方食品、特殊醫用嬰兒配方食品法典標準Codex Stan156-1987(Amendment 1989)及較大嬰幼兒配方食品的要求，產品質量安全達到國際先進水平，國家標準化管理委員會予以頒發「採用國標標準產品標誌」許可證書。



In May 2011, the Group has convened the 2011 annual meeting of “Yashili Food Product Quality and Safety Committee” in its headquarter. Yashili Food Product Quality and Safety Committee is a regulatory organization specialized on food safety established by the Group in August last year. Six top professionals from the United States, New Zealand, Australia, China and Hong Kong were employed, who cover different academic fields including research of food products, research on dairy industry, monitoring of food products, micro-organisms and physical research as well as pediatric nutrition.

Research and Development

Vegetable protein, the Group's new product, has completed the interim test in the first half of the year, and the cooperation on the research of new production process of milk powder with the Massey University in New Zealand has progressed smoothly. The Group also cooperates with Agriculture University of China to conduct research and development of high protein milk formula for the middle-aged and elderly.

The Group also plans to establish a food research and development centre equipped with new laboratory equipment and facilities, which focuses on the research and development of the Group. The research and development centre will strive to conduct research and development on pediatric milk formula, bean products and other nutrient food.

Social Responsibility

As a domestic dairy product enterprise, the Group has a very high sense of social responsibilities, and performs corporate social responsibilities in an active and passionate manner when developing the enterprise. During the period, the Group has donated cash to charitable organizations in “Poverty Alleviation Day in Gaungdong”, and also distributed financial support and materials to the poor and handicapped in Chaozhou in the “National Assistance to Poor and Handicapped Day”. In the first half of the year, a total of money and materials of over RMB1.3 million were donated.

二零一一年五月，本集團在總部召開了「雅士利食品質量安全委員會」二零一一年年會。雅士利食品質量安全委員會是集團於去年八月成立的專門針對食品安全的監管機構，聘請6位來自美國、新西蘭、澳大利亞、中國、香港等國家和地區，涵蓋食品研究、乳品業研究、食品監管、微生物和理化研究、嬰幼兒營養等學術領域的頂級權威專家。

研發

本集團的新產品——植物蛋白飲料的中試過程已在上半年完成。與新西蘭梅西大學合作研究的新奶粉生產工藝進展順利。本集團亦與中國農業大學合作，以研發高蛋白質中老年配方奶粉。

本集團亦計劃新建一座配備新型實驗室設備與設施的食品研發中心，集中本集團研發工作，該研發中心將致力研發嬰幼兒配方奶粉，豆製品及其他營養食品。

社會責任

本集團作為國內一家乳品品牌企業，具備高度的社會責任感，在企業發展同時，積極、熱心地履行企業社會責任。期內，集團在「廣東扶貧濟困日」向慈善機構捐贈了現金，在「全國助殘日」期間為潮州受助者發放了慰問金和助殘物品。上半年合計捐款捐物超過人民幣1.3百萬元。



Investor Relations

The Group considers the effective communication with investors and prospective investors is the essential element for enhancing investor relations and allow investors to understand the business performance and strategies of the Group. The Group maintains good communication and exchange with investors with various channels and means such as on-site reception, telephone conference and non-trade roadshows, etc.

To foster effective communication, we have set up a website (www.yashili.hk) available for public perusal, which contains the latest information on our financial information, practices on corporate governance and other data.

Future Prospects

Along with the acceleration of urbanization in China, the resident's disposable revenue increases and the consumption level maintains growth, while the peak of birth rate sustains and the number of working mothers increases, thereby bringing unprecedented market opportunity for pediatric milk powder enterprises. According to the forecasted data of Euromonitor International, till 2015, the pediatric food market in China will reach RMB90 billion, of which, milk formula will approach RMB80 billion and supplements will reach RMB10 billion. In 2015, the size of the market is expected to be two times of that in 2010.

Given the growth rate of pediatric food market in second and third tier cities is expected to be higher than that in first tier cities, with the Group's strong distribution capability, Yashili manages to raise a relatively high penetration rate in all tier market nationwide, especially in second and third tier cities and even in county, township and villages. We consider that the popularity of Yashili in second and third tier markets will enable it to possess a relative competitive edge as compared with its multi-national brand competitors.

投資者關係

本集團認為，與投資者及潛在投資者進行有效溝通，乃提升投資者關係及讓投資者瞭解本集團業務表現及策略的要素。本集團通過現場接待、電話會議及非交易路演等多種渠道和方式與投資者進行良好地溝通和交流。

為促進有效溝通，本集團設有網站 www.yashili.hk，刊載有關本集團財務資料、企業管治常規及其他資料的最新情況，以供公眾查閱。

未來展望

中國城市化進程加快，居民可支配收入增加及消費水平持續提高，生育高峰的持續及在職母親人數上升，都為嬰幼兒奶粉企業提供了前所未有的市場機遇。根據歐睿信息諮詢公司(Euromonitor International)預測數據，到了二零一五年，中國嬰幼兒食品市場規模可達人民幣900億元，其中配方奶粉接近人民幣800億元，輔食人民幣100億元。二零一五年市場規模將較二零一零年擴大超過一倍。

鑒於預期二三線城市的嬰幼兒食品市場將會按遠超一線城市的幅度增長，而集團雄厚的分銷能力使雅士利在全國各級市場都有較高滲透率，特別是在二三線城市、甚至縣、鄉鎮地區的市場取得更高滲透率。我們認為雅士利在二三線城市的普及率使雅士利與跨國品牌競爭對手相比具有競爭優勢。



Meanwhile, to facilitate the healthy development of the industry, the government has introduced a series of policies in recent years to modify standardization and raise the entry barrier, hence fostering the integration of the industry to ensure the quality and safety of products. In our opinion, as the government and leading enterprises place high concern on food safety, the gradual optimization of policies and system framework will effectively solve the safety problem in the dairy product industry. Although it still requires a relatively long process, consumers' confidence on domestic brand is set to be recovered gradually in the future.

We intend to utilize proceeds from listing to acquire existing assets overseas which engage in the manufacturing of raw milk and raw milk powder via subsidiaries established overseas, so as to ensure a stable and premium source of raw materials for us. Currently, one target for such asset acquisition has been identified, and feasibility research including approval from government, production permits and supply of raw materials is being conducted on such investment project. We have also considered the establishment of integrated production facilities overseas to produce new ultra premium formula to satisfy the consumption needs of high revenue group in China.

In addition, we are actively conducting research and development on new products, including vegetable protein, which suit our image and distribution network, and enter into the drink market with potential. If such drink is ultimately developed successfully and marketed, we intend to utilize proceeds from listing to establish the production plant in Zhengzhou in Henan Province in China for production.

Financial Review

Turnover

For the six months ended 30 June 2011, the Group's revenue amounted to RMB1,443.9 million (same period of 2010: RMB1,375.5 million), a 5.0% increase compared to the first half of the preceding year.

同時，為促進行業的健康發展，政府近年出台了一系列政策，整頓規範並提高行業門檻，促進行業整合，以保證產品的質量安全。我們認為，隨著政府以及龍頭企業對食品安全的高度重視，政策和制度框架的逐漸完善將有效解決乳製品行業的安全問題。儘管仍需要一個較長的過程，消費者對本土品牌的信心未來必將逐漸得到恢復。

我們擬通過在海外設立的子公司利用上市所得款項收購海外現有的從事原奶及原料奶粉生產企業的資產，以保障我們可以獲得穩定及優質的原料。目前已有一個明確的資產收購對象並已開展該投資項目的可行性研究，包括政府審批、生產許可及原材料供應。我們還考慮在海外垂直整合生產設施，以生產超高端的新配方產品，以滿足國內高收入階層之消費需求。

此外，我們正積極研發適合本集團形象及分銷網絡的諸如植物蛋白類的新產品，進軍極具潛力的飲料市場。若該類飲料最終研發成功並推銷，我們擬通過使用上市所得款項復建位於中國河南省鄭州的生產廠房進行生產。

財務回顧

收入

截至二零一一年六月三十日止六個月，本集團之收入達人民幣1,443.9百萬元(二零一零年同期：人民幣1,375.5百萬元)，較去年上半年增長5.0%。



Revenue breakdown by brand and product category

按品牌及產品類別劃分之收入

Six months ended 30 June

截至六月三十日止六個月

		2011 二零一一年 RMB million 人民幣百萬元	2010 二零一零年 RMB million 人民幣百萬元	Percentage change 變動比例
Yashily pediatric milk formula products	雅士利嬰幼兒配方奶粉	899.0	840.5	7.0%
Scient pediatric milk formula products	施恩嬰幼兒配方奶粉	307.2	319.3	-3.8%
Nutrition products	營養食品	223.4	208.9	6.9%
Others	其他	14.3	6.8	110.3%
Total	總計	1,443.9	1,375.5	5.0%

For the six months ended 30 June 2011, sales revenue from our Yashily pediatric milk formula products amounted to RMB899.0 million (same period in 2010: RMB840.5 million), representing an increase of 7.0% from the same period last year, which was attributable to the growth of both average selling prices and sales volume. Sales revenue from our Scient pediatric milk formula amounted to RMB307.2 million (same period in 2010: RMB319.3 million), representing a decline of 3.8% from the same period last year, which was mainly due to the decline in sales volume.

截至二零一一年六月三十日止六個月，雅士利品牌嬰幼兒配方奶粉產品實現銷售收入人民幣899.0百萬元(二零一零年同期：人民幣840.5百萬元)，較去年同期增長7.0%，增長源自平均銷售價格和銷售量的同時增長；而施恩品牌嬰幼兒配方奶粉產品則實現銷售收入人民幣307.2百萬元(二零一零年同期：人民幣319.3百萬元)，相比去年同期下降了3.8%，主要由於銷售量下降所致。

For the six months ended 30 June 2011, sales revenue from our nutrition products amounted to RMB223.4 million (same period in 2010: RMB208.9 million), representing an increase of 6.9% from the same period last year, which was mainly due to the growth in sales revenue from soybean powder and milk powder for adults.

截至二零一一年六月三十日止六個月，營養食品實現銷售收入人民幣223.4百萬元(二零一零年同期：人民幣208.9百萬元)，較去年同期增長6.9%，增長主要來自於豆奶粉以及成人系列奶粉銷售收入的增長。



Percentage of revenue by city tiers

— *Yashily pediatric milk formula*

按城市級別劃分之收入百分比

— 雅士利嬰幼兒配方奶粉

Six months ended 30 June
截至六月三十日止六個月

		2011 二零一一年	2010 二零一零年	Percentage change 變動比例
First-tier cities ⁽¹⁾	一線城市 ⁽¹⁾	14.7%	18.1%	-3.4%
Second-tier cities ⁽²⁾	二線城市 ⁽²⁾	52.3%	55.6%	-3.3%
Third-tier cities and others ⁽³⁾	三線城市及其他 ⁽³⁾	33.0%	26.3%	6.7%
Total	總計	100.0%	100.0%	

— *Scient pediatric milk formula*

— 施恩嬰幼兒配方奶粉

Six months ended 30 June
截至六月三十日止六個月

		2011 二零一一年	2010 二零一零年	Percentage change 變動比例
First-tier cities ⁽¹⁾	一線城市 ⁽¹⁾	11.9%	15.2%	-3.3%
Second-tier cities ⁽²⁾	二線城市 ⁽²⁾	72.2%	73.6%	-1.4%
Third-tier cities and others ⁽³⁾	三線城市及其他 ⁽³⁾	15.9%	11.2%	4.7%
Total	總計	100.0%	100.0%	

⁽¹⁾ Includes direct-controlled municipalities, provincial capital cities and capital cities of autonomous regions such as Beijing, Shanghai, Guangzhou, Chongqing, Nanchang and Shijiazhuang.

⁽²⁾ Includes prefecture-level cities such as Dongguan, Nanyang, Jiujiang, Mianyang and Foshan.

⁽³⁾ Includes county-level cities such as Jinjiang, Yunmeng, Bozhou, Kunshan and Luohe.

⁽¹⁾ 包括北京、上海、廣州、重慶、南昌及石家莊等直轄市、省會城市及自治區首府。

⁽²⁾ 包括東莞、南陽、九江、綿陽及佛山等地級市。

⁽³⁾ 包括晉江、雲夢、亳州、昆山及漯河等縣級市。



Gross Profit

For the six months ended 30 June 2011, the Group recorded gross profit of RMB782.0 million (same period in 2010: RMB811.6 million), representing a decline of 3.6% from the same period last year, and gross profit margin was 54.2% (same period in 2010: 59.0%). The decline of gross profit was mainly due to the significant surge in both raw milk powder and its supplements during the period. We offset part of the impact of surge in material costs via the optimization of product structure.

Other revenue

For the six months ended 30 June 2011, other revenue of the Group amounted to RMB12.5 million (same period in 2010: RMB34.9 million), representing a decrease of 64.2% from the same period last year. The decline in other revenue was mainly due to the taxation subsidies of RMB22.8 million obtained by the Group during the same period in 2010, while it had no such subsidies in the first half of 2011.

Selling and Distribution Expenses

For the six months ended 30 June 2011, the Group has incurred selling and distribution expenses of RMB517.5 million (same period in 2010: RMB471.7 million), representing an increase of 9.7% from the same period last year, which was mainly due to the increase in advertising and promotion expenses. In the first half of 2011, to continuously enhance the awareness and reputation of the Group's products, the Group increased its investment into the TV commercial during prime time in CCTV One (19:30 to 19:32) and such commercial has finished broadcasting in the first half of 2011. Advertising expenses of the Group also increased from RMB88.0 million in the same period last year to RMB124.5 million in the current period.

Administrative Expenses

For the six months ended 30 June 2011, administrative expenses amounted to RMB85.7 million (same period in 2010: RMB80.2 million), representing an increase of 6.8% from the same period last year, which was mainly due to the increase in salary, social security fees and office expenses.

毛利

截至二零一一年六月三十日止六個月，本集團錄得毛利為人民幣782.0百萬元(二零一零年同期：人民幣811.6百萬元)，較去年同期下降3.6%，毛利率為54.2%(二零一零年同期：59.0%)。毛利下降主要原因是原料奶粉及其他輔料價格於期內均有顯著上升，我們亦通過優化產品結構從而部分抵消了材料成本上漲的影響。

其他收入

截至二零一一年六月三十日止六個月，本集團的其他收入為人民幣12.5百萬元(二零一零年同期：人民幣34.9百萬元)，較去年同期下降64.2%。其他收入減少主要是由於二零一零年同期本集團取得稅務補貼人民幣22.8百萬元，而二零一一年上半年並沒有該類補貼。

銷售及經銷開支

截至二零一一年六月三十日止六個月，本集團發生銷售及經銷費用為人民幣517.5百萬元(二零一零年同期：人民幣471.7百萬元)，較去年同期增加了9.7%，主要由於廣告以及推廣促銷費用的增加所致。二零一一年上半年，為了持續提升本集團產品的知名度和美譽度，本集團加強了在中央電視台一套黃金時段(晚上19:30至晚上19:32)的電視廣告投入，該廣告已於二零一一年上半年播放完畢。本集團的廣告費用亦從去年同期的人民幣88.0百萬元增長至本期的人民幣124.5百萬元。

管理費用

截至二零一一年六月三十日止六個月，管理費用為人民幣85.7百萬元(二零一零年同期：人民幣80.2百萬元)，較去年同期增加了6.8%，主要由於工資社保費用以及辦公費用增加所致。



Finance costs

For the six months ended 30 June 2011, net finance income amounted to RMB24.1 million (same period in 2010: net finance cost of RMB3.2 million). As the Group was listed in the Hong Kong Stock Exchange on 1 November 2010, the unutilized proceeds so raised was added to the bank deposits, thereby raising interest income.

Income tax expense

For the six months ended 30 June 2011, the Group has provided income tax expense of RMB57.0 million, and the effective income tax rate was 27.4%, representing a relatively great increase as compared to the income tax expense of RMB44.0 million and effective income tax rate of 15.4% in the same period last year, which were mainly due to the fact that the preferential taxation period for Guangdong Yashili Group Company Limited, our major subsidiary, expired. The expiry of the preferential taxation period resulted in an increase in income tax rate from 12.5% in the same period last year to 25% in the current period, thereby raising the overall effective income tax rate of the Group during the period. In addition, as the Group mainly derives its profit from China, pursuant to the requirements of tax law, the Group withheld income tax at a tax rate of 5% from the profit available for distribution in the first half of the year, which also led to the increase in provision for income tax expense and the effective tax rate of the Group during the period. In the first half of 2011, the Group applied to relevant departments to strive for the New High Technology Enterprises Qualification for the further application for preferential income tax rate.

Inventory

For the six months ended 30 June 2011, the Group's inventory balance amounted to RMB521.5 million (31 December 2010: RMB390.8 million), of which, raw materials increased from RMB220.1 million as at 31 December 2010 to RMB354.8 million at the end of the period. Higher raw material balance was kept to satisfy the increasing production demand in the second half of the year. Besides, the purchase price of raw materials also edged up the raw material balance.

財務費用

截至二零一一年六月三十日止六個月，財務淨收入為人民幣24.1百萬元(二零一零年同期：財務淨支出人民幣3.2百萬元)。由於本集團於二零一零年十一月一日於香港聯交所掛牌上市，尚未使用的上市募集資金使得銀行存款增加，從而利息收入上升。

所得稅開支

截至二零一一年六月三十日止六個月，本集團計提的所得稅費用為人民幣57.0百萬元，實際所得稅率為27.4%，相比去年同期的所得稅費用額人民幣44.0百萬元以及實際所得稅率15.4%均有較大增長，主要原因為：相比去年同期，本集團之主要子公司廣東雅士利集團有限公司享受的稅收優惠期滿，所得稅率由去年同期的12.5%上升至本期的25%，從而提高了本集團本期整體上的實際所得稅率；此外，由於本集團主要利潤來自中國境內，本集團按照中國稅法規定對上半年可用於分配的利潤按5%的稅率預提了所得稅，這也導致本集團本期計提的所得稅費用以及實際所得稅稅率較去年同期有所增加。本集團於二零一一年上半年已向相關部門遞交申請，爭取高新科技企業資格以進一步申請所得稅稅率優惠。

存貨

截至二零一一年六月三十日止六個月，本集團存貨餘額為人民幣521.5百萬元(二零一零年十二月三十一日：人民幣390.8百萬元)，其中原材料從二零一零年十二月三十一日人民幣220.1百萬元增加至本期末的人民幣354.8百萬元。為保障下半年更加旺盛的生產需求，本集團增加了原料的庫存儲備，同時原材料採購價格上升亦使得原材料餘額上升。



Trade and bills receivables

For the six months ended 30 June 2011, the Group's trade and bills receivables amounted to RMB44.7 million (31 December 2010: RMB192.3 million), which was mainly due to the improvement of credit limit control by the Group. In the first half of 2011, the trade receivable turnover days were 6 days (2010: 24 days).

Human resources and Employees' remuneration

As at 30 June 2011, the Group had a total of 5,035 full time employees. Total employee cost for the period was approximately RMB111.7 million (same period in 2010: RMB81.1 million).

We place high concern on the motivation of staff, and have established a competitive and fair remuneration management system. Staff remuneration includes basic salary, performance-based bonus, welfare and benefits, such as medical, unemployment and occupational injury insurance as well as pension. We have adopted the share options scheme with the objectives of aligning the interests of employees with the Group as well as attracting and retaining more outstanding talents.

We emphasize on long-term training of our staff, placing concern on the development and effective utilization of our staff's capabilities. A three-tier training system is also formulated to establish regular training programs for all of our employees, providing them with professional training in respect of professional knowledge and management skills in long run.

To continuously raise the standard of human resource management, we have engaged a professional management consultant firm to conduct optimization with focus on management and control mode, organization structure, positions and duties as well as performance management system and remuneration and welfare policies, thereby realizing upgrades in respect of human resources management platform and further promoting the enhancement of effectiveness of our human resources management.

貿易應收款及應收票據

截至二零一一年六月三十日止六個月，本集團貿易應收款及應收票據金額為人民幣44.7百萬元(二零一零年十二月三十一日：人民幣192.3百萬元)，主要由於本集團更完善的信限控制。二零一一年上半年的貿易應收款周轉天數為6天(二零一零年：24天)。

人力資源及僱員薪酬

於二零一一年六月三十日，本集團共有5,035名全職僱員。僱員本期總成本約為人民幣111.7百萬元(二零一零年同期：人民幣81.1百萬元)。

本集團注重員工的激勵，建立健全具有競爭性和公平性的薪酬管理體系。僱員薪酬包括基本薪金、績效花紅、福利利益，如醫療、失業、工傷保險和退休金；本集團已採納購股權計劃，其目的是為使本集團的利益與僱員利益一致，以吸引和挽留更多的優秀人才。

本集團強調僱員的長期培訓，注重僱員能力的開發和有效使用，並建立起三級培訓體系，為僱員制訂出定期的培訓計劃，長期為全體僱員提供專業知識和管理技能的專業培訓。

為不斷提高人力資源管理水平，本集團已聘請專業的管理諮詢公司，重點對管控模式、組織架構、職位職責以及績效管理系統和薪酬福利政策進行優化，從而實現人力資源管理平台的升級，進一步推動本集團人力資源管理效能的提高。



Contingent liabilities

As at 30 June 2011, the Group did not have any material contingent liabilities.

Capital commitment

As at 30 June 2011, total capital commitment of the Group amounted to RMB 23.9 million (31 December 2010: RMB 11.2 million).

或然負債

於二零一一年六月三十日，本集團並無重大或然負債。

資本承擔

於二零一一年六月三十日，本集團資本承擔總額為人民幣23.9百萬元(二零一零年十二月三十一日：人民幣11.2百萬元)。



Report of the Directors

董事會報告

The board of directors (the “Directors” or the “Board”) would like to present their interim report together with the unaudited condensed consolidated financial statements of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2011 (“Interim Financial Statements”).

Interim Dividends

The Board does not recommend an interim dividend for the six months ended 30 June 2011 (for the six months ended 30 June 2010: nil), and recommended to retain the profit for the period.

董事會(「董事」或「董事會」)謹此提呈其中期報告，連同本公司及其子公司(「本集團」)截至二零一一年六月三十日止六個月的未經審核簡明合併財務報表(「中期財務報表」)。

中期股息

董事會建議不派發截至二零一一年六月三十日止六個月的中期股息(截至二零一零年六月三十日止六個月：無)，並建議保留期內盈利。



Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

For the six months ended 30 June 2011, the Directors and the chief executives of the Group and their respective associates had the following interests and short positions in the shares, underlying shares and debentures of the Group and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which have been recorded in the register required to be kept under Section 352 of the SFO, or which are required to be notified to the Group and the Hong Kong Stock Exchange Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code"):

(i) Directors' interests in the shares of Zhang International Investment Ltd ("Zhang International") (being a holding company of the Group)

Name of director	Capacity/nature of interest	Number of shares	Percentage of the issued share capital
董事名稱	身份／權益性質	股份數目	佔已發行股本百分比
Zhang Likun 張利坤	Beneficial owner 實益擁有人	18	18%
Zhang Liming 張利明	Beneficial owner 實益擁有人	18	18%
Zhang Lidian 張利鈿	Beneficial owner 實益擁有人	18	18%
Zhang Libo 張利波	Beneficial owner 實益擁有人	18	18%

董事及主要行政人員於股份、相關股份和債權證之權益及淡倉

截至二零一一年六月三十日止六個月內，本集團董事及主要行政人員及彼等各自的連絡人於本集團及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部份)之股份、相關股份及債權證中，擁有已列入證券及期貨條例第352條規定存置的登記冊內之權益及淡倉，或根據上市公司董事進行證券交易的標準守則(「標準守則」)須知會本集團和香港聯合交易所有限公司(「聯交所」)的權益及淡倉如下：

(i) 董事於張氏國際投資有限公司(「張氏國際」)(即本集團控股公司)的股份的權益

Name of director	Capacity/nature of interest	Number of shares	Percentage of the issued share capital
董事名稱	身份／權益性質	股份數目	佔已發行股本百分比
Zhang Likun 張利坤	Beneficial owner 實益擁有人	18	18%
Zhang Liming 張利明	Beneficial owner 實益擁有人	18	18%
Zhang Lidian 張利鈿	Beneficial owner 實益擁有人	18	18%
Zhang Libo 張利波	Beneficial owner 實益擁有人	18	18%



(ii) Director's interests in the share and underlying shares of the Group

(ii) 董事於本集團的股份及相關股份的權益

Name of director	Capacity/nature of interest	Number of shares	Percentage of the issued share capital 佔已發行股本百分比
董事名稱	身份／權益性質	股份數目	百分比
Zhang Lidian ⁽¹⁾ 張利鈿 ⁽¹⁾	Beneficial owner 實益擁有人	15,547,248(L)(長)	0.44%
Zhang Yanpeng ⁽²⁾ 張雁鵬 ⁽²⁾	Beneficial owner 實益擁有人	2,374,489(L)(長)	0.07%

Notes:

1. Zhang Lidian, an executive director, owns 3,109,448 Shares and Pre-IPO Share Options to subscribe for 12,437,800 Shares of the listed company.
2. Zhang Yanpeng, an executive director, owns 474,896 Shares and Pre-IPO Share Options to subscribe for 1,899,593 Shares of the listed company.
3. "L" denotes long position.

At no time was the Group, its holding company, or any of its subsidiaries a party to any arrangements to enable the Directors and chief executive of the Group (including their spouse and children under 18 years of age) to hold any interest or short positions in the shares or underlying shares in, or debentures of, the Group or its associated corporations (within the meaning of Part XV of the SFO).

附註：

1. 執行董事張利鈿擁有3,109,448股股份及首次公開發售前購股權，以認購12,437,800股上市公司股份。
2. 執行董事張雁鵬擁有474,896股股份及首次公開發售前購股權，以認購1,899,593股上市公司股份。
3. 「長」指長倉。

於任何時間，本集團、其控股公司或其任何附屬公司概無訂立任何安排，致使本集團的董事及主要行政人員（包括彼等的配偶及未滿18歲子女）於本集團或其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中持有任何權益或淡倉。



Substantial Shareholders' Interests

For the six months ended 30 June 2011, according to the record in the register required to be kept under section 336 of the SFO, the interests or short positions of substantial shareholders in the share and underlying shares of the Group (other than those Directors and chief executives of the Group who hold interest and short positions in shares in the Group and its associated corporations (within the meaning of Part XV of the SFO) as disclosed in the above) are as follows:

Substantial shareholder's interests and short positions in the shares and underlying shares:

主要股東權益

截至二零一一年六月三十日止六個月內，根據證券及期貨條例第336條存置的登記冊所記錄，主要股東（於本集團及其相聯法團（定義見證券及期貨條例第XV部）的股份中所擁有的權益及淡倉已於上文載列的本集團董事及主要行政人員除外）於本集團股份及相關股份中的權益或淡倉如下：

主要股東於股份及相關股份的權益及淡倉：

Name	Capacity/nature of interest	Number of shares	Percentage of the issued share capital
名稱	身份／權益性質	股份數目	佔股權概約百分比
Zhang International ⁽¹⁾ 張氏國際 ⁽¹⁾	Beneficial owner 實益擁有人	1,826,808,760 (L) (長)	52.19%
CA Dairy Holdings (「Carlyle」) ⁽²⁾ CA Dairy Holdings (「凱雷」) ⁽²⁾	Beneficial owner 實益擁有人	853,631,240 (L) (長)	24.39%
Carlyle Asia Partners III L.P.	Interest in a controlled corporation 受控制法團權益	853,631,240(L) (長)	24.39%

Notes:

- Zhang International was held by Mr. Zhang Likun, Mr. Zhang Lihui, Mr. Zhang Liming, Mr. Zhang Lidian, Mr. Zhang Libo and Ms. She Lifang (collectively referred to as "Zhang's family") as their wholly-owned investment holding company to hold their shares in our Company.
- Carlyle is wholly-owned by Carlyle Asia Partners III L.P..
- "L" denotes long position.

附註：

- 張氏國際由張利坤先生、張利輝先生、張利明先生、張利鈿先生、張利波先生及余麗芳女士（統稱為「張氏家族」）擁有，作為彼等的全資投資控股公司，以持有其於本公司的股份。
- 凱雷由Carlyle Asia Partners III L.P.全資擁有。
- 「長」指長倉。



Share Options Scheme

The Group has adopted two types of share options motivation programs, namely the share options scheme and pre-IPO share option scheme, to make encouragement and reward to those eligible participants for their contribution to the Group's business, and retaining its employees whose contributions are important to the long-term growth and profitability of the Group. As at 30 June 2011, the Group has not granted or agreed to grant any share options under the share options scheme.

Pre-IPO Share Option Scheme

The Company has adopted a share option scheme on 8 October 2010 (the "Pre-IPO Share Option Scheme"). Options to subscribe for an aggregate of 94,975,662 Shares (the "Underlying Shares") were granted to 181 employees, including 2 executive directors and 8 members of the senior management of the Group. These options represent share options originally granted by our subsidiary, 廣東雅士利集團有限公司 (Guangdong Yashili Group Company Limited*) ("Yashili (Guangdong)"), to the grantees on 1 January 2009 and 1 August 2010 in respect of the shares in the Company, which were exchanged into the Pre-IPO Share Options on 8 October 2010.

Options to subscribe for an aggregate of 73,525,056 Shares at an exercise price of RMB0.11 per Share and options to subscribe for an aggregate of 21,450,606 Shares at an exercise price RMB1.84 per Share have been granted under the Pre-IPO Share Option Scheme.

購股權計劃

本集團已經採用了兩種股權激勵計劃，即購股權計劃和首次公開發售前購股權計劃，藉此對本集團業務有貢獻的合資格參與人作出鼓勵及獎賞，並以此挽留那些為集團的長遠增長及盈利能力做出重大貢獻的員工。於二零一一年六月三十日，本集團還沒有根據購股權計劃授予或同意授予任何購股權。

首次公開發售前購股權計劃

本公司已於二零一零年十月八日採納購股權計劃(「公開發售前購股權計劃」)。可供認購合共94,975,662股股份(「相關股份」)的購股權已授予181名僱員，包括2名執行董事及8名本集團高級管理層成員。該等購股權指本集團附屬公司廣東雅士利集團有限公司(「廣東雅士利」)於二零零九年一月一日及二零一零年八月一日原先授予承授人的有關本公司股份的購股權，其已於二零一零年十月八日獲交換為首次公開發售前購股權。

根據首次公開發售前購股權計劃，可供認購合共73,525,056股股份的購股權已以每股人民幣0.11元的行使價及合共21,450,606股股份的購股權已以每股人民幣1.84元的行使價授出。



No further options were granted under the Pre-IPO Share Option Scheme on or after the 1 November 2010, the date when our Shares first commenced dealings on the Hong Kong Stock Exchange (“Listing Date”). All options granted under the Pre-IPO Share Option Scheme (the “Pre-IPO Share Options”) were vested and will vest and may only be exercised in the following manner:

- one fifth of the options were vested on 1 January 2011, the date which is two months after the Listing Date (the “First Vesting Date”);
- one fifth of the options shall vest on the first anniversary of the First Vesting Date;
- one fifth of the options shall vest on the second anniversary of the First Vesting Date;
- one fifth of the options shall vest on the third anniversary of the First Vesting Date;
- one fifth of the options shall vest on the fourth anniversary of the First Vesting Date; and

each option granted under the Pre-IPO Share Option Scheme is exercisable within 15 days from the date on which such option becomes vested.

於二零一零年十一月一日(即股份首次於香港聯交所買賣當日(「上市日期」))或之後，將不會根據首次公開發售前購股權計劃授出其他購股權。根據首次公開發售前購股權計劃授出之所有購股權(「首次公開發售購股權」)已經及將會歸屬，並僅可按以下方式行使：

- 五分之一的購股權已於二零一一年一月一日(即上市日期後2個月當日(「首個歸屬日」))歸屬；
- 五分之一的購股權將於首個歸屬日首週年歸屬；
- 五分之一的購股權將於首個歸屬日第二個週年歸屬；
- 五分之一的購股權將於首個歸屬日第三個週年歸屬；
- 五分之一的購股權將於首個歸屬日第四個週年歸屬；及

首次公開發售前購股權計劃所授出的每份購股權由該等購股權歸屬日期起計十五日內可予行使。



Report of the Directors (continued)
董事會報告(續)

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

期內購股權變動之詳情列載如下：

Name or class of participants 參與者名稱或類別	Number of share options 購股權數目			Date of grant of share options 授出購股權日期	Exercise price of share options RMB 購股權 行使價 人民幣
	As at 1 January 2011 於 二零一一年 一月一日	Exercised during the period 期內行使	As at 30 June 2011 於 二零一一年 六月三十日		
Directors 董事					
Zhang Lidian 張利鈿	15,547,248	3,109,448	12,437,800	1 January 2009 二零零九年一月一日	0.11
Wu Xiaonan 吳曉南	1,434,587	286,916	1,147,671	1 January 2009 二零零九年一月一日	0.11
Zhang Yanpeng 張雁鵬	2,374,489	474,896	1,899,593	1 January 2009 二零零九年一月一日	0.11
Other staff 其他員工	53,967,678	10,793,421	43,174,257	1 January 2009 二零零九年一月一日	0.11
Other staff 其他員工	21,277,113	4,255,400	17,021,713	1 August 2010 二零一零年八月一日	1.84
	94,601,115	18,920,081	75,681,034		

Foreign Currency Risk

The Group was exposed to foreign currency risk through overseas purchases which give rise to payables that are denominated in foreign currency. Upon settlement of the trade payables denominated in US dollars, the Group entered into a number of forward exchange contracts in which the bank offered a lower rate (as compared to the spot rate) to the Group to purchase US dollars when the Group settled the due letters of credit, and at the same time the bank granted loans in US dollars with the same amounts and duration. These derivatives had not been designated as hedges for accounting purposes. In addition to above, with establishment of overseas entities, the Group is exposed to foreign currency risk on bank deposits, other receivable and bank loans of the overseas entities.

外幣風險

本集團因海外採購產生以外幣計值的應付款而面臨外幣風險。償還以美元計值的應付貿易款後，本集團簽訂數份遠期外匯合約，據此，銀行於本集團結算到期信用證時，向本集團提供較低利率（與現貨匯率比較）以購入美元，而銀行亦同時發放相同金額及期限的美元貸款。該等衍生工具尚未就會計目的被列為對沖工具，除上文述者外，由於成立海外實體，本集團預期海外實體將就銀行存款、其他應收款及銀行貸款面對外幣風險。



The Group received gross proceeds of approximately HK\$2.4 billion from the global offering. In order to mitigate the exchange risk arising from the appreciation in the value of Renminbi against HK dollars, the Company converted major into RMB.

本集團收取的全球發售所得款項總額約為24億港元。為減低人民幣對港元升值的外幣風險，本公司將大部分所得款項轉換成人民幣。

Pledge of Assets

As at 30 June 2011, the Group has pledged bank deposits, notes receivables and certain property, plant and equipment of approximately RMB101.8 million in aggregate (31 December 2010: RMB150.9 million).

資產抵押

於二零一一年六月三十日，本集團已抵押之銀行存款、應收票據及若干物業、廠房及設備合共約人民幣101.8百萬元(二零一零年十二月三十一日：人民幣150.9百萬元)。

Capital Structure, Liquidity and Financial Resources

Given the successful listing in Hong Kong in the second half of 2010, the Group's liquidity was strengthened. Net proceeds from listing amounted to RMB1,965.8 million (net of exchange loss arising from conversion of part of listing proceeds).

資本結構、流動資金及財務資源

由於二零一零年下半年成功在香港上市，本集團流動資金得到加強。由上市收取的款項淨額為人民幣1,965.8百萬元(已扣除轉換部份上市所得款項所產生的滙兌損失)。

Operating activities

For the six months ended 30 June 2011, our operations provided RMB237.1 million of cash, compared to net cash outflow of RMB38.5 million. The strong cash inflow was mainly benefited from the improvement in credit limit control by the Group, which lowered the balance of trade receivables.

經營活動

截至二零一一年六月三十日止六個月內，本集團的業務帶來人民幣237.1百萬元現金，去年則為淨現金支出人民幣38.5百萬元。強勁的現金流入主要得益於本集團更完善的信限控制使得應收賬款餘額下降。

Investing activities

For the six months ended 30 June 2011, net cash used in investing activities amounted to RMB12.5 million, expenses for investing activities were mainly used in the acquisition and construction of facilities and plants.

投資活動

截至二零一一年六月三十日止六個月內，投資活動所用現金淨額為人民幣12.5百萬元，投資活動支出主要用於設備及廠房的購建。

Financing activities

For the six months ended 30 June 2011, net cash used in financing activities amounted to RMB347.1 million, primarily reflecting RMB63.5 million of proceeds from loans and borrowings, RMB158.5 million for the repayment of bank loans, RMB234.7 million for the distribution of dividends and RMB15.5 million for share repurchases.

融資活動

截至二零一一年六月三十日止六個月內，融資活動所用現金淨額為人民幣347.1百萬元，主要反映貸款及借款所得款項人民幣63.5百萬元，和償還銀行貸款人民幣158.5百萬元、派發股息人民幣234.7百萬元和股份回購人民幣15.5百萬元。



Loans and borrowings

As at 30 June 2011, our bank loans amounted to RMB74.4 million (31 December 2010: RMB158.4 million), which are required to be repaid on demand within a year.

As at 30 June 2011, our total equity amounted to RMB3,639.4 million (31 December 2010: RMB3,729.9 million), and the debt-to-equity ratio (total bank loans at period end divided by total equity at period end) was 2.0% (31 December 2010: 4.2%).

We annually review our capital structure with our Board, including our dividend policy and share repurchase activity.

Corporate Governance

The Group is dedicated to ensure high standards of corporate governance with an emphasis on a diligent Board, sound internal control, and increasing transparency and accountability to shareholders. The Board acknowledges that good corporate governance practices and procedures are beneficial to the Group and its shareholders.

The Group has adopted the code provisions set out in the Code of Corporate Governance Practices (the "Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as its own code of corporate governance practices.

The Board has reviewed the code of corporate governance of the Group, and satisfies that, other than provision A.2.1 of the Code, the Group has complied with all applicable code provisions of the code of corporate governance for the six months ended 30 June 2011. At present, the Company does not have any officer with the title of "Chief Executive Officer". The Chairman of the board is Mr. Zhang Lidian who is primarily responsible for the overall corporate strategic planning and business development of the Group. Daily management is shared among the executive directors and senior management.

貸款及借款

於二零一一年六月三十日，本集團銀行的貸款為人民幣74.4百萬元(二零一零年十二月三十一日：人民幣158.4百萬元)需於一年內按要求償還。

於二零一一年六月三十日，本集團的總權益為人民幣3,639.4百萬元(二零一零年十二月三十一日：人民幣3,729.9百萬元)，債務權益比率(銀行貸款期末總額除以權益期末總額)為2.0%(二零一零年十二月三十一日：4.2%)。

本集團每年與董事會審閱資本結構，包括本集團股息政策以及股份購回活動。

企業管治

本集團致力確保企業管治達致高水平，尤其著重組建勤勉盡職的董事會和健全的內部監控制度，以提高透明度及對股東之問責性。董事會知悉，良好企業管治常規及程序對本集團及其股東有利。

本集團已採納聯交所證券上市規則(「上市規則」)附錄十四所載企業管治常規守則(「企業管治守則」)的守則條文，作為其本身的企業管治常規守則。

董事會已審閱本集團之企業管治守則，並信納本集團已於截至二零一一年六月三十日止六個月一直遵守企業管治守則所載之所有適用守則條文惟與守則偏離的條本第A.2.1條除外。本公司沒有安排任何人員擔任「行政總裁」職務。董事會主席張利鈿先生主要負責本集團的整體企業策略性規劃及業務發展。日常管理由執行董事及高級管理層共同分擔。



Board of Directors

For the six months ended 30 June 2011, the Board comprised of 5 executive directors, 2 non-executive directors and 3 independent non-executive directors. The executive directors are Mr. Zhang Lidian (Chairman), Mr. Zhang Likun, Mr. Zhang Liming, Mr. Zhang Libo, Mr. Zhang Yanpeng (appointed as director on 2 June 2011) and Mr. Wu Xiaonan (resigned on 19 April 2011); the non-executive directors of the Company are Mr. Luo Yi and Mr. Zhang Chi; and the independent non-executive directors of the Company are Mr. Yu Shimao, Mr. Chen Yongquan and Mr. Samuel King On Wong.

The list of directors (by category) is also disclosed in all corporate communications issued by the Group pursuant to the Listing Rules from time to time. The independent non-executive directors are expressly identified in all corporate communications pursuant to the Listing Rules.

In accordance with the Group's Articles of Association, all directors of the Group are subject to retirement by rotation at least once every three years and any director appointed to fill a causal vacancy or appointed as an addition to the existing board shall hold office only until the next general meeting for the re-election of shareholders. Mr. Zhang Lidian, Mr. Zhang Liming and Mr. Zhang Libo have retired by rotation in the first annual general meeting on 2 June 2011, and were re-elected in that meeting.

董事會

截至二零一一年六月三十日止六個月內，董事會由五位執行董事、二位非執行董事及三位獨立非執行董事組成。其中執行董事為張利鈿先生(主席)、張利坤先生、張利明先生、張利波先生、張雁鵬先生(於二零一一年六月二日獲委任為董事)、吳曉南先生(於二零一一年四月十九日辭任)；非執行董事為羅一先生、張弛先生；獨立非執行董事為余世茂先生、陳永泉先生、黃敬安先生。

董事名單(按類別排列)亦不時根據上市規則披露於本集團發出的所有企業通訊中。根據上市規則，獨立非執行董事會於所有企業通訊中明確識別。

根據本集團的組織章程細則，本集團全體董事須至少每三年輪值告退一次，而任何獲委任以填補臨時空缺或加入董事會的新增董事須於獲委任後的首次股東大會上接受股東重選。張利鈿先生、張利明先生及張利波先生已於二零一一年六月二日首屆股東周年大會上輪值退任，並在首屆股東周年大會重選連任。



Directors' Attendance Records

For the six months ended 30 June 2011, five board meetings were held. The attendance records of each director at the board meetings are set out below:

Name of Director Attendance 董事姓名		Attendance 出席次數
Mr. Zhang Lidian	張利鈿先生	5
Mr. Zhang Likun	張利坤先生	5
Mr. Zhang Liming	張利明先生	5
Mr. Zhang Libo	張利波先生	5
Mr. Zhang Yanpeng ⁽¹⁾	張雁鵬先生 ⁽¹⁾	1
Mr. Wu Xiaonan ⁽²⁾	吳曉南先生 ⁽²⁾	3
Mr. Luo Yi	羅一先生	5
Mr. Zhang Chi	張弛先生	5
Mr. Yu Shimao	余世茂先生	5
Mr. Chen Yongquan	陳永泉先生	5
Mr. Samuel King On Wong	黃敬安先生	5

Notes:

- Mr. Zhang Yanpeng was appointed as a director on 2 June 2011. The Group has held one general board meeting after Mr. Zhang Yanpeng was appointed as a director.
- Mr. Wu Xiaonan resigned on 19 April 2011. The Group has held three general board meeting before his resignation.

Securities Transactions of Directors

The Group has adopted the model code prescribed in Appendix 10 of the Listing Rules as its code and rule for the practices of the Group's securities transactions by the directors of the Group. Upon specific enquiries made by the Group, the directors have confirmed that they have complied with the necessary standards as set out in the model code in the six months ended 30 June 2011.

董事與會記錄

截至二零一一年六月三十日止六個月內，本集團舉行了五次董事會會議。每名董事於董事會會議的與會記錄載列如下：

Name of Director Attendance 董事姓名		Attendance 出席次數
Mr. Zhang Lidian	張利鈿先生	5
Mr. Zhang Likun	張利坤先生	5
Mr. Zhang Liming	張利明先生	5
Mr. Zhang Libo	張利波先生	5
Mr. Zhang Yanpeng ⁽¹⁾	張雁鵬先生 ⁽¹⁾	1
Mr. Wu Xiaonan ⁽²⁾	吳曉南先生 ⁽²⁾	3
Mr. Luo Yi	羅一先生	5
Mr. Zhang Chi	張弛先生	5
Mr. Yu Shimao	余世茂先生	5
Mr. Chen Yongquan	陳永泉先生	5
Mr. Samuel King On Wong	黃敬安先生	5

附註：

- 張雁鵬先生於二零一一年六月二日獲委任為董事，本集團在張雁鵬先生被委任董事後舉行了一次全體董事會會議。
- 吳曉南先生於二零一一年四月十九日辭任，本集團在其辭任前舉行了三次全體董事會會議。

董事的證券交易

本集團已採納上市規則附錄十中訂明的標準守則，作為本集團董事進行本集團證券交易的行為守則及規則。經本集團作出特定查詢後，董事確認，彼等於截至二零一一年六月三十日止六個月內一直遵守標準守則所載之所需準則。



Purchase, Sale or Redemption of the Group's Listed Securities

購買、出售或贖回本集團上市股份

On 10 June and 13 June 2011, the Company has made two share repurchases as set out below:

於二零一一年六月十日及六月十三日，本公司共進行了兩次股份回購，載列如下：

Repurchase date	Way of repurchase	Total amount paid (excluding procedural fees and commission) 付出總額 (不含手續費及佣金)	Number of shares	Percentage
回購日期	購回方式		股份數目	所佔比例
2011/6/10	In Hong Kong Stock Exchange 於香港聯合交易所	HK\$9,207,020 9,207,020港元	5,000,000	0.142%
2011/6/13	In Hong Kong Stock Exchange 於香港聯合交易所	HK\$9,389,940 9,389,940港元	5,000,000	0.142%

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2011.

除此以外，截至二零一一年六月三十日止六個月本公司或其任何附屬公司概無購買、贖回或出售本公司的任何上市證券。

Audit Committee

The audit committee comprises two independent non-executive directors, namely Mr. Samuel King On Wong (Chairman) and Mr. Yu Shimao, and one non-executive director, namely Mr. Zhang Chi (including one independent non-executive director who possesses the appropriate professional qualifications or accounting or related financial management expertise). None of the members of the audit committee is a former partner of the Company's existing external auditor.

The primary duties of the audit committee are mainly to make recommendation to the board on the appointment and removal of external auditor, review the financial statements, provide material advice in respect of financial reporting and oversee internal control procedures of the Group, including the unaudited interim financial statements for the six months ended 30 June 2011.

審核委員會

本集團審核委員會包括兩名獨立非執行董事(即黃敬安先生(主席)及余世茂先生)及一名非執行董事(即張弛先生)(包括一名具備適當專業資格或會計或相關財務管理專業知識的獨立非執行董事)。概無審核委員會成員為本集團現任外聘核數師的前合夥人。

審核委員會的主要職責主要為就委任及免除外聘核數師向董事會提供推薦意見；審閱財務報表及有關財務申報的重大意見及監管本集團的內部控制程序，其中包括審閱截至二零一一年六月三十日止六個月的未經審核中期財務報表。



Report of the Directors (continued)
董事會報告(續)

For the six months ended 30 June 2011, the audit committee held one meeting and the attendance records are set out below:

截至二零一一年六月三十日止六個月內，審核委員會舉行了一次會議，與會記錄載列如下：

Name of Director 董事姓名		Attendance 出席次數
Mr. Samuel King On Wong	黃敬安先生	1
Mr. Yu Shimao	余世茂先生	1
Mr. Zhang Chi	張弛先生	1

By the order of the Board

承董事會命

Zhang Lidian
Chairman

張利鈿
主席

Chaozhou, Guangdong, 26 August 2011

廣東潮州，二零一一年八月二十六日

Consolidated Income Statement

合併收益表

For the six months ended 30 June 2011 (Expressed in Renminbi)
截至二零一一年六月三十日止六個月(以人民幣列值)

		Six months ended 30 June 截至六月三十日止六個月		
		2011 二零一一年 RMB'000 人民幣千元 (unaudited) (未經審核)	2010 二零一零年 RMB'000 人民幣千元 (audited) (經審核)	
	Note 附註			
Turnover	營業額	4	1,443,866	1,375,454
Cost of sales	銷售成本		(661,819)	(563,861)
Gross profit	毛利		782,047	811,593
Other revenue	其他收入		12,487	34,908
Other net loss	其他虧損淨額		(201)	(69)
Selling and distribution costs	銷售及經銷成本		(517,498)	(471,694)
Administrative expenses	行政開支		(85,704)	(80,234)
Other expenses	其他開支		(7,376)	(6,313)
Profit from operations	經營溢利		183,755	288,191
Finance income	財務收入	5(a)	26,611	2,803
Finance costs	財務成本	5(a)	(2,553)	(6,026)
Net finance costs	財務成本淨額		24,058	(3,223)
Profit before taxation	除稅前溢利	5	207,813	284,968
Income tax expense	所得稅開支	6	(56,953)	(43,967)
Profit for the period	期間溢利		150,860	241,001
Attributable to:	以下人士分佔：			
Equity shareholders of the Company	本公司股權持有人		150,132	239,674
Non-controlling interests	非控股權益		728	1,327
Profit for the period	期間溢利		150,860	241,001
			RMB cents 人民幣分	RMB cents 人民幣分
Earnings per share	每股盈利			
Basic	基本	7(a)	4.3	8.2
Diluted	攤薄	7(b)	4.2	8.0

Details of dividends payable to equity shareholders of the Company are set out in note 17(a).

有關應付本公司股權持有人股息的詳情載於附註17(a)。



Consolidated Statement of Comprehensive Income

合併綜合收益表

For the six months ended 30 June 2011 (Expressed in Renminbi)
截至二零一一年六月三十日止六個月(以人民幣列值)

Six months ended 30 June
截至六月三十日止六個月

		2011 二零一一年 RMB'000 人民幣千元 (unaudited) (未經審核)	2010 二零一零年 RMB'000 人民幣千元 (audited) (經審核)
Profit for the period	期間溢利	150,860	241,001
Other comprehensive income for the period	期間其他綜合收益		
Exchange differences on translation of financial statements of overseas subsidiaries in foreign currency	以外幣換算海外附屬公司的財務報表所產生的匯兌差額	(3,196)	(7)
Total comprehensive income for the period	期間綜合收益總額	147,664	240,994
Attributable to:	以下人士分佔：		
Equity shareholders of the Company	本公司股權持有人	146,936	239,667
Non-controlling interests	非控股權益	728	1,327
Total comprehensive income for the period	期間綜合收益總額	147,664	240,994

Consolidated Balance Sheet

合併資產負債表

At 30 June 2011 (Expressed in Renminbi)
於二零一一年六月三十日(以人民幣列值)

		Note	At 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	8	688,161	706,550
Intangible assets	無形資產		6,225	7,278
Investment properties	投資物業		71,083	71,752
Lease prepayments	預付租金	9	134,834	136,302
Deferred tax assets	遞延稅項資產		35,570	50,780
Prepayment for acquisition of property, plant and equipment	收購物業、廠房及設備的預付款		16,078	16,525
Other non-current assets	其他非流動資產		7,357	3,342
			959,308	992,529
Current assets	流動資產			
Inventories	存貨	10	521,525	390,815
Trade and bills receivables	貿易應收款及應收票據	11	44,700	192,312
Prepayments and other receivables	預付款及其他應收款	12	140,105	102,000
Amounts due from related parties	應收關連方款項	20	1,659	1,456
Restricted bank deposits	受限制銀行存款	13	39,380	42,310
Cash and cash equivalents	現金及現金等價物	14	2,634,772	2,759,273
			3,382,141	3,488,166
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款	15	543,184	499,948
Loans and borrowings	貸款及借款	16	74,351	158,440
Amounts due to related parties	應付關連方款項	20	5,797	4,566
Income tax payables	應付所得稅		35,713	33,200
			659,045	696,154
Net current assets	流動資產淨額		2,723,096	2,792,012
Total assets less current liabilities	總資產減流動負債		3,682,404	3,784,541



Consolidated Balance Sheet (continued)
 合併資產負債表(續)

At 30 June 2011 (Expressed in Renminbi)
 於二零一一年六月三十日(以人民幣列值)

		Note 附註	At 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Non-current liabilities	非流動負債			
Deferred income	遞延收益		36,690	42,928
Deferred tax liabilities	遞延稅項負債		6,285	11,664
			42,975	54,592
Net assets	資產淨額		3,639,429	3,729,949
Capital and reserves	資本及儲備			
Capital	資本	17	302,281	300,685
Reserves	儲備	17	3,337,286	3,430,130
Total equity attributable to equity shareholders of the Company	本公司股權持有人應佔 權益總額		3,639,567	3,730,815
Non-controlling interests	非控股權益		(138)	(866)
Total equity	權益總額		3,639,429	3,729,949

Approved and authorised for issue by the board of directors on 26 August 2011.

於二零一一年八月二十六日經董事會批准及授權刊發。

Director
 董事
Zhang Lidian
 張利鈿

Director
 董事
Zhang Liming
 張利明

Consolidated Statement of Changes in Equity

合併權益變動表

For the six months ended 30 June 2011 — unaudited (Expressed in Renminbi)
未經審核截至二零一一年六月三十日止六個月(以人民幣列值)

		Attributable to equity shareholders of the Company 本公司股權持有人應佔											
		Capital	Share premium	PRC statutory reserves	Equity-settled share-based payment reserve	Other capital reserves	Translation reserve	Merger reserve	(Accumulated loss)/ retained earnings	Total	Non-controlling interests	Total equity	
		股本	股份溢價	中國法定儲備	股權結算股份支付儲備	其他資本儲備	換算儲備	合併儲備	(累計虧損)/ 保留盈利	合計	非控股權益	權益總額	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
		Note	(note	(note	(note	(note	(note	(note	(note	(note	(note	(note	
		附註	17(b)	17(c)	17(e)	17(f)	17(g)	17(d)	17(h)	17(i)	17(j)	17(k)	
		附註	(附註17(b))	(附註17(c))	(附註17(e))	(附註17(f))	(附註17(g))	(附註17(d))	(附註17(h))	(附註17(i))	(附註17(j))	(附註17(k))	
At 1 January 2010	於二零一零年一月一日		592,105	775,108	7,981	2,853	(1,233)	(2)	—	(97,886)	1,278,926	11,301	1,290,227
Changes in equity for the six months ended 30 June 2010	截至二零一零年六月三十日止六個月的權益變動												
Profit for the period	期間溢利		—	—	—	—	—	—	239,674	239,674	1,327	241,001	
Other comprehensive income for the period	期間其他綜合收益		—	—	—	—	(7)	—	—	(7)	—	(7)	
Total comprehensive income for the period	期間綜合收益總額		—	—	—	—	(7)	—	239,674	239,667	1,327	240,994	
Equity-settled share-based payment transactions	股權結算股份支付交易	18	—	—	1,430	—	—	—	—	1,430	—	1,430	
At 30 June 2010	於二零一零年六月三十日		592,105	775,108	7,981	4,283	(1,233)	(9)	141,788	1,520,023	12,628	1,532,651	
At 1 January 2011	於二零一一年一月一日		300,685	1,680,849	52,756	7,389	(18,279)	(19,482)	1,367,204	359,693	3,730,815	(866)	3,729,949
Changes in equity for the six months ended 30 June 2011	截至二零一一年六月三十日止六個月的權益變動												
Dividends approved in respect of the previous year	就往年批准的股息	17(a)	—	—	—	—	—	—	234,692	234,692	—	234,692	
Purchase of own shares	收購自身股份	17(b)	—	—	—	—	—	—	(15,509)	(15,509)	—	(15,509)	
Shares issued for exercise of share options	就行使購股權發行股份	17(b)	1,596	15,126	—	(7,360)	—	—	—	9,362	—	9,362	
Profit for the period	期間溢利		—	—	—	—	—	—	150,132	150,132	728	150,860	
Other comprehensive income for the period	期間其他綜合收益		—	—	—	—	(3,196)	—	—	(3,196)	—	(3,196)	
Total comprehensive income for the period	期間綜合收益總額		—	—	—	—	(3,196)	—	150,132	146,936	728	147,664	
Equity-settled share-based payment transactions	股權結算股份支付交易	18	—	—	2,655	—	—	—	—	2,655	—	2,655	
At 30 June 2011	於二零一一年六月三十日		302,281	1,695,975	52,756	2,684	(18,279)	22,678	1,367,204	259,624	3,639,567	(138)	3,639,429

The notes on pages 41 to 70 form part of this interim financial report.

第41至第70頁所載的附註為本中期財務報告的一部份。



Condensed Consolidated Cash Flow Statement

簡明合併現金流量表

At 30 June 2011 — unaudited (Expressed in Renminbi)
未經審核截至二零一一年六月三十日止六個月(以人民幣列值)

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
	Note 附註		
Cash generated from/(used in) operations	經營活動所得/(所用)現金	281,662	(35,515)
Income tax paid	已付所得稅	(44,608)	(2,937)
Net cash generated from/(used in) operating activities	經營活動所得/(所用)現金淨額	237,054	(38,452)
Net cash used in investing activities	投資活動所用現金淨額	(12,530)	(6,816)
Net cash used in financing activities	融資活動所用現金淨額	(347,134)	(4,936)
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(122,610)	(50,204)
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物	2,759,273	660,628
Effect of foreign exchange rate changes	匯率波動影響	(1,891)	—
Cash and cash equivalents at 30 June	於六月三十日的現金及現金等價物	2,634,772	610,424
	14		

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列值)

1 Basis of preparation

Yashili International Holdings Ltd (the “Company”) was incorporated in the Cayman Islands. The interim financial report of the Company as at and for six months ended 30 June 2011 comprises the Company and its subsidiaries (together referred to as the “Group”).

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“IAS”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“IASB”). It was authorised for issue on 26 August 2011.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2010 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2011 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. In preparing this interim financial report, the significant judgements made by management in applying the Group’s accounting policies and key sources of estimation uncertainty were the same as those that were applied to 2010 annual financial statements.

1 編製基準

雅士利國際控股有限公司(「本公司」)乃於開曼群島註冊成立。本公司於二零一一年六月三十日及截至該日止六個月的中期財務報告包括本公司及其附屬公司(統稱為「本集團」)。

本中期財務報告乃根據香港聯合交易所有限公司證券上市規則的適用披露規定編製，包括遵循國際會計準則理事會(「國際會計準則理事會」)頒佈的國際會計準則(「國際會計準則」)第34號「中期財務報告」。本中期財務報告已於二零一一年八月二十六日獲准刊發。

除預期於二零一一年年度財務報表反映的會計政策變更外，本中期財務報告所採用的會計政策與二零一零年年度財務報表所採用者相同。上述會計政策變更詳情載於附註2。

編製符合國際會計準則第34號的中期財務報告時需要管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響本年度截至現時為止所採用的政策及所呈報的資產、負債、收入及開支金額。實際結果或有別於此等估計。於編製本中期財務報告時，管理層對應用本集團會計政策及主要不確定估計因素作出的重大判斷，與應用於二零一零年年度財務報表者相同。



Notes to the Unaudited Interim Financial Report (continued) 未經審核中期財務報告附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列值)

1 Basis of preparation (Continued)

This interim financial report contains 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 2010 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). KPMG’s independent review report to the Board of Directors is included on page 71 and page 72.

The financial information relating to the six months ended 30 June 2010 and the financial year ended 31 December 2010 that is included in the interim financial report as being previously reported information does not constitute the Company’s statutory financial statements for the respective financial periods but is derived from the financial information included in the Accountants’ Report in Appendix I of the Company’s Prospectus dated 20 October 2010 (the “Prospectus”) and statutory financial statements for the year ended 31 December 2010 approved on 21 March 2011 of which the auditors have expressed an unqualified opinion on the financial statements in their report, respectively. The Prospectus and the statutory financial statements for the year ended 31 December 2010 are available for inspection from the Company’s registered office.

1 編製基準(續)

本中期財務報告載有簡明合併財務報表及相關解釋附註。附註載有對了解本集團在編製二零一零年年度財務報表後的財政狀況及表現的變動十分重要的事項及交易之闡釋。簡明合併中期財務報表及其附註並不包括根據國際財務報告準則(「國際財務報告準則」)編製整份財務報表須呈報的所有資料。

本中期財務報告乃未經審核，惟已由畢馬威會計師事務所根據香港會計師公會(「香港會計師公會」)頒佈的《香港審閱工作準則》第2410號「實體的獨立核數師對中期財務資料的審閱」進行審閱。畢馬威會計師事務所致董事會的獨立審閱報告載於第71和第72頁。

中期財務報告內關於截至二零一零年六月三十日止期間及截至二零一零年十二月三十一日止財政年度的財務資料(即中期財務報告中所載的之前已報告資料)並非本公司於該各自財政期間的法定財務報表，惟乃摘錄自本公司於二零一零年十月二十日的招股章程附錄一的會計師報告及於二零一零年三月二十一日批准的二零一零年十二月三十一日止財政年度的法定財務報表，核數師已就上述財務報表分別於其報告內發表無保留意見。上述招股章程和二零一零年十二月三十一日止財政年度的法定財務報表可於本公司的註冊辦事處查閱。

Notes to the Unaudited Interim Financial Report (continued) 未經審核中期財務報告附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列值)



2 Changes in accounting policies

The IASB has issued a number of amendments to IFRSs and one new Interpretation that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group Interpretation those are:

- Revised IAS 24, Related Party Disclosures
- Improvements to IFRSs (2010)

The developments related primarily to clarification of certain disclosure requirements applicable to the Group's financial statements. These developments have had no material impact on the contents of this interim financial report.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 Segment reporting

The Group manages its business by product lines. In a manner consistent with the way in which information is reported internally to the Group's senior executive management which has been identified as the chief operating decision-maker for the purpose of resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments:

- Production and sale of Yashily pediatric milk formula products: this segment includes development, manufacture and sale of Yashily pediatric milk formula products and milk formula for pregnant women in the PRC.

2 會計政策變更

國際會計準則理事會已頒佈多項國際財務報告準則的修訂及一項新詮釋，於本集團及本公司的本會計期間首次生效，其中與本集團詮釋有關的政策變更如下：

- 國際會計準則第24號(經修訂)「關連方披露」
- 國際財務報告準則之改進(二零一零年)

該等變更主要涉及闡明若干適用於本集團財務報表的披露規定，及並未對本中期財務報告的內容構成重大影響。

本集團並未採納任何尚未於本會計期間生效的新訂準則或詮釋。

3 分部呈報

本集團按產品種類劃分管理業務。本集團按與就資源分配及表現評估向本集團高級行政管理人員(確定為主要營運決策人)內部呈報資料方式一致的方式，呈列以下三個可呈報分部。概無將任何經營分部合併，以構成下列的可呈報分部：

- 生產及銷售雅士利嬰幼兒配方奶粉產品：包括在中國開發、生產及銷售雅士利嬰幼兒配方奶粉產品及為孕婦設計的配方奶粉。



Notes to the Unaudited Interim Financial Report (continued) 未經審核中期財務報告附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列值)

3 Segment reporting (Continued)

- Production and sale of Scient pediatric milk formula products: this segment includes development, manufacture and sale of Scient pediatric milk formula products and milk formula for pregnant women in the PRC.
- Production and sale of nutrition products: this segment includes development, manufacture and sale of milk powder for adults and teenagers, soybean milk, rice flour and cereal products in the PRC.

Other operations include the production and sale of packing materials, which mainly serve the Group's internal use, and sales of surplus raw materials. The results of these operations are included in the "Others" column.

For the purpose of assessing segment performance and allocating resources among segments, the senior executive management team assesses the performance of the operating segments based on a measure of "reportable segment profit" i.e. "revenue less cost of sales and selling and distribution expenses". The Group does not allocate other revenue, other net income or loss, finance costs, expenses other than selling and distribution expenses to its segments, as the senior executive management does not use this information to allocate resources to or evaluate the performance of the operating segments. Segment assets and liabilities are not regularly reported to the Group's senior executive management and therefore information of reportable segment assets and liabilities are not presented in these financial statements.

3 分部呈報(續)

- 生產及銷售施恩嬰幼兒配方奶粉產品：包括在中國開發、生產及銷售施恩嬰幼兒配方奶粉產品及為孕婦設計的配方奶粉。
- 生產及銷售營養品：包括在中國開發、生產及銷售成人及青少年奶粉、豆奶、米粉及麥片產品。

其他業務包括生產及銷售包裝材料（主要供本集團內部使用）及銷售盈餘原材料。該等業務的業績載於「其他」一欄。

為便於評估分部表現以及在分部之間分配資源，高級行政管理人員會根據「可呈報分部溢利」的計量（即「收入減去銷售成本和銷售及經銷開支」）來評估經營分部的表現。本集團不會把其他收入、其他收益或虧損淨額、財務成本、銷售及經銷開支以外的開支分配至分部中，原因是高級行政管理團隊並不會使用上述資料分配經營分部的資源或評估其表現。由於本集團不會定期向高級行政管理人員匯報分部資產及負債，因此，該等財務報表內並無呈列可呈報分部資產及負債的資料。

Notes to the Unaudited Interim Financial Report (continued)
未經審核中期財務報告附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列值)



3 Segment reporting (Continued)

3 分部呈報(續)

(a) Information about reportable segments

(a) 有關可呈報分部的資料

For the six months ended 30 June 2011 (unaudited)

截至二零一一年六月三十日
止六個月(未經審核)

		Yashily pediatric milk formula products 雅士利嬰幼兒 配方奶粉產品 RMB'000 人民幣千元	Scient pediatric milk formula products 施恩嬰幼兒配 方奶粉產品 RMB'000 人民幣千元	Nutrition products 營養品 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Revenue from external customers	來自外部客戶的收入	899,009	307,213	223,361	14,283	1,443,866
Inter-segment revenue	分部間收入	—	—	—	58,771	58,771
Reportable segment revenue	可呈報分部收入	899,009	307,213	223,361	73,054	1,502,637
Reportable segment profit	可呈報分部溢利	222,569	37,456	64,957	1,064	326,046
Segment depreciation and amortisation	分部折舊及攤銷	14,061	9,909	3,172	1,449	28,591



Notes to the Unaudited Interim Financial Report (continued)
 未經審核中期財務報告附註(續)

(Expressed in Renminbi unless otherwise indicated)
 (除另有指明外，以人民幣列值)

3 Segment reporting (Continued)

(a) Information about reportable segments
 (Continued)

For the six months ended 30 June 2010 (audited)

		Yashily pediatric milk formula products 雅士利嬰幼兒 配方奶粉產品 RMB'000 人民幣千元	Scient pediatric milk formula products 施恩嬰幼兒配 方奶粉產品 RMB'000 人民幣千元	Nutrition products 營養品 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Revenue from external customers	來自外部客戶的收入	840,511	319,210	208,928	6,805	1,375,454
Inter-segment revenue	分部間收入	—	—	—	50,278	50,278
Reportable segment revenue	可呈報分部收入	840,511	319,210	208,928	57,083	1,425,732
Reportable segment profit	可呈報分部溢利	271,278	38,260	75,754	1,084	386,376
Segment depreciation and amortisation	分部折舊及攤銷	12,908	10,690	3,683	1,210	28,491

3 分部呈報(續)

(a) 有關可呈報分部的資料
 (續)

截至二零一零年六月三十日
 止六個月(經審核)

Notes to the Unaudited Interim Financial Report (continued)
未經審核中期財務報告附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列值)



3 Segment reporting (Continued)

3 分部呈報(續)

(b) Reconciliations of reportable segment revenues and profit or loss

(b) 可呈報分部收入與損益的對賬

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元 (unaudited) (未經審核)	2010 二零一零年 RMB'000 人民幣千元 (audited) (經審核)
Revenue	收入		
Total reportable segment revenue	可呈報分部收入總額	1,502,637	1,425,732
Elimination of inter-segment revenue	抵銷分部間收入	(58,771)	(50,278)
Consolidated revenue	合併收入	1,443,866	1,375,454
Profit or loss	損益		
Reportable segment profit	可呈報分部溢利	326,046	386,376
Other revenue and net income	其他收入及收益淨額	12,286	34,839
Unallocated amounts:	未分配金額：		
Selling and distribution expenses	銷售及經銷開支	(61,497)	(46,477)
Administrative expenses	行政開支	(85,704)	(80,234)
Net finance income/(costs)	財務收入/(成本)淨額	24,058	(3,223)
Other expenses	其他開支	(7,376)	(6,313)
Consolidated profit before income tax	除所得稅前 合併溢利	207,813	284,968



Notes to the Unaudited Interim Financial Report (continued) 未經審核中期財務報告附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列值)

3 Segment reporting (Continued)

(c) Geographical information

The Group's revenue is solely from domestic sales during the period. No export sales were recorded during the periods ended 30 June 2010 and 2011. The Group's senior executive management periodically review the geographic analysis of the revenue derived from Yashily and Scient pediatric milk formula products, which summarises the revenue by different tiers of cities where the Group's customers operate. The classification of the tiers is set out below:

- First-tier cities generally include direct-controlled municipalities, the highest level of cities under the direct administration of the PRC central government, and provincial capital cities, including but not limited to Beijing, Shanghai, Nanchang, Chongqing, Shijiazhuang and Guangzhou, as there is no official classification, such classification is determined based on our directors' knowledge and experience;
- Second-tier cities generally refer to prefecture-level cities, the administrative division of the PRC, ranking below a province and above a county in China's administrative structure, including but not limited to Dongguan, Nanyang, Mianyang, Jiujiang and Foshan, as there is no official classification, such classification is determined based on our directors' knowledge and experience;

3 分部呈報(續)

(c) 地區資料

於本期間，本集團的收入全部源自內銷。截至二零一零年及二零一一年六月三十日止各期間，均無錄得出口銷售。本集團的高級行政管理人員定期審閱雅士利及施恩嬰幼兒配方奶粉產品所產生的收入的地區分析，當中概列本集團客戶經營所在的不同等級城市的收入。等級劃分如下：

- 一線城市一般包括直轄市、由中國中央政府直接管轄的最高層級城市及省會城市，包括但不限於北京、上海、南昌、重慶、石家莊及廣州，而由於沒有官方分類，該等分類乃根據本集團董事的知識及經驗釐定；
- 二線城市泛指地級城市，於中國的行政架構中低於省、高於縣的行政區，包括但不限於東莞、南陽、綿陽、九江及佛山，而由於沒有官方分類，該等分類乃根據本集團董事的知識及經驗釐定；

Notes to the Unaudited Interim Financial Report (continued)
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(除另有指明外，以人民幣列值)



3 Segment reporting (Continued)

(c) Geographical information (Continued)

- Third-tier cities generally refer to county-level cities, the county-level administrative divisions of the PRC, including but not limited to Jinjiang, Yunmeng, Bozhou, Kunshan and Luohe, as there is no official classification, such classification is determined based on our directors' knowledge and experience.

3 分部呈報(續)

(c) 地區資料(續)

- 三線城市泛指縣級市(即中國的縣級行政區)，包括但不限於晉江、雲夢、亳州、昆山及漯河，而由於沒有官方分類，該等分類乃根據本集團董事的知識及經驗釐定。

Six months ended 30 June
截至六月三十日止六個月

		2011 二零一一年 RMB'000 人民幣千元 (unaudited) (未經審核)	2010 二零一零年 RMB'000 人民幣千元 (audited) (經審核)
Yashily pediatric milk formula products	雅士利嬰幼兒配方奶粉產品		
Revenue derived from	來自以下地區的收入		
— First-tier cities	— 一線城市	131,983	152,118
— Second-tier cities	— 二線城市	469,960	467,686
— Third-tier cities and others	— 三線城市及其他	297,066	220,707
Total	合計	899,009	840,511
Scient pediatric milk formula products	施恩嬰幼兒配方奶粉產品		
Revenue from	來自以下地區的收入		
— First-tier cities	— 一線城市	36,424	48,440
— Second-tier cities	— 二線城市	221,913	235,105
— Third-tier cities and others	— 三線城市及其他	48,876	35,665
Total	合計	307,213	319,210



Notes to the Unaudited Interim Financial Report (continued) 未經審核中期財務報告附註(續)

(Expressed in Renminbi unless otherwise indicated)
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4 Turnover

The Group is principally engaged in the manufacturing and sales of dairy and nourishment products. Turnover represents the sales value of goods supplied to customers. Turnover excludes sales taxes and is after deduction of any trade discounts.

The Group's customer base is diversified and no revenue from transactions with a single customer amounted to 10% or more of the Group's total turnover during the period.

5 Profit before taxation

Profit before taxation is arrived at after (crediting)/charging:

(a) Finance (income)/costs

4 營業額

本集團主要從事乳製品及營養品生產及銷售。營業額指向客戶供應的貨品的銷售價值。營業額不包括銷售稅，並經扣除任何銷售折扣。

本集團的客戶基礎多元化，於本期間，並無任何與單一客戶的交易所帶來的收入佔本集團總營業額的10%或以上。

5 除稅前溢利

除稅前溢利乃經(計入)/扣除以下各項後達致：

(a) 財務(收入)/成本

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元 (unaudited) (未經審核)	2010 二零一零年 RMB'000 人民幣千元 (audited) (經審核)
Finance income	財務收入		
Interest income	利息收入	(21,666)	(2,765)
Net foreign exchange gain	匯兌收益淨額	(1,659)	—
Net realised and unrealised gains on trading assets	交易資產的已實現及未實現收益淨額	(3,286)	(38)
Sub-total	小計	(26,611)	(2,803)
Finance costs	財務成本		
Interest expense	利息開支	1,924	6,022
Net foreign exchange loss	匯兌虧損淨額	535	4
Net unrealised loss on forward contracts	遠期合約的未實現虧損淨額	94	—
Sub-total	小計	2,553	6,026
Net finance (income)/costs	財務(收入)/成本淨額	(24,058)	3,223

Notes to the Unaudited Interim Financial Report (continued)
未經審核中期財務報告附註(續)

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5 Profit before taxation (Continued)

(b) Staff costs

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元 (unaudited) (未經審核)	2010 二零一零年 RMB'000 人民幣千元 (audited) (經審核)
Salaries, wages and other benefits	薪金、工資及其他福利	102,011	73,853
Contributions to defined contribution retirement schemes	界定供款退休計劃供款	7,044	5,808
Equity-settled share-based payment expenses	股權結算股份支付開支	2,655	1,430
		111,710	81,091

Staff costs included directors' and senior management's remuneration.

Pursuant to the relevant labour rules and regulations in the PRC, the PRC subsidiaries participate in a defined contribution retirement benefit scheme (the "Scheme") organised by the local authority whereby the PRC subsidiaries are required to make contributions to the Scheme based on certain percentages of the eligible employee's salaries. The local government authority is responsible for the entire pension obligations payable to the retired employees. The Group has no other obligations for payments of retirement and other post-retirement benefits of employees other than the contributions described above.

5 除稅前溢利(續)

(b) 員工成本

員工成本包括董事及高級管理人員的酬金。

根據中國相關的勞工規定及法規，中國附屬公司參與一項由地方政府營辦的界定供款退休福利計劃(「該計劃」)，據此，中國附屬公司須按照合資格僱員的薪金的特定百分比，向該計劃作出供款。地方政府機構須負責向退休僱員支付所有退休金。本集團除按上文所述作出供款外，概不就支付僱員的退休金及其他退休後福利承擔任何其他責任。



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(Expressed in Renminbi unless otherwise indicated)
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5 Profit before taxation (Continued)

5 除稅前溢利(續)

(c) Other items:

(c) 其他項目：

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元 (unaudited) (未經審核)	2010 二零一零年 RMB'000 人民幣千元 (audited) (經審核)
Cost of inventories (i)	存貨成本(i)	669,004	652,831
Depreciation:	折舊：		
— Property, plant and equipment (i)	— 物業、廠房及設備(i)	35,467	34,032
— Investment properties	— 投資物業	699	625
Amortisation:	攤銷：		
— Lease prepayments	— 預付租金	1,468	1,216
— Intangible assets	— 無形資產	1,065	956
— Other non-current assets	— 其他非流動資產	509	360
Operating lease charges	經營租賃費用		
— Hire of plant, machinery and properties	— 租用廠房、機器及物業	6,525	5,831
Auditors' remuneration	核數師酬金	1,965	3,667
Research and development costs	研發成本	1,369	355
Net loss on disposal of plant and equipment	出售廠房及設備的虧損淨額	201	69
Impairment loss/(write-back)	減值損失/(轉回)		
— on trade receivables	— 貿易應收款	(184)	2,085
— on other receivables	— 其他應收款	—	(239)
Rentals receivable from investment properties less direct outgoings (ii)	投資物業應收租金減去直接支出(ii)	(2,491)	(1,801)

(i) Cost of inventories includes RMB48,282,500 for the six months ended 30 June 2011 relating to staff costs and depreciation (for the six months ended 30 June 2010: RMB40,169,000), which amounts are also included in the respective total amounts disclosed above or in note 5(b) for each of these types of expenses.

(i) 存貨成本包括截至二零一一年六月三十日止六個月的人民幣48,282,500元，乃與員工成本及折舊有關(截至二零一零年六月三十日止六個月：人民幣40,169,000元)，而該筆金額亦計入在上文或附註5(b)另外披露的各項相應開支總額中。

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5 Profit before taxation (Continued)

(c) Other items: (Continued)

- (ii) Direct outgoing of investment properties (excluding depreciation) are RMB nil for the six months ended 30 June 2011 (for the six months ended 30 June 2010: RMB65,000).

6 Income tax expense

5 除稅前溢利(續)

(c) 其他項目：(續)

- (ii) 截至二零一一年六月三十日止六個月的投資物業的直接支出(不含折舊)為人民幣零元(截至二零一零年六月三十日止六個月：人民幣65,000元)。

6 所得稅開支

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元 (unaudited) (未經審核)	2010 二零一零年 RMB'000 人民幣千元 (audited) (經審核)
Current tax — PRC income tax	即期稅項 — 中國所得稅		
Provision for the period	期間撥備	47,656	17,994
Over provision in respect of prior year	過往年度超額撥備	(534)	(369)
Deferred tax — PRC income tax	遞延稅項 — 中國所得稅	9,831	26,342
Total income tax expense	所得稅開支總額	56,953	43,967

7 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the consolidated profit attributable to ordinary equity shareholders of the Company for the six months ended 30 June 2011 of RMB150,132,000 (six months ended 30 June 2010: RMB239,674,000) and the weighted average of 3,517,909,152 (after considering the effect of repurchased shares) ordinary shares (six months ended 30 June 2010: 2,926,000,000 ordinary shares) in issue during the interim period.

7 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據本公司普通股持有人於截至二零一一年六月三十日止六個月應佔合併溢利人民幣150,132,000元(截至二零一零年六月三十日止六個月：人民幣239,674,000元)，以及中期期間考慮回購股份影響後的已發行3,517,909,152股普通股(截至二零一零年六月三十日止六個月：2,926,000,000股普通股)的加權平均數計算。



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7 Earnings per share (Continued)

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the consolidated profit attributable to ordinary equity shareholders of the Company for the six months ended 30 June 2011 of RMB150,132,000 (six months ended 30 June 2010: RMB239,674,000) and the weighted average number of ordinary shares (diluted) of 3,582,231,715 shares (six months ended 30 June 2010: 2,990,463,417 shares) after adjusting for the effect of deemed issue of shares for nil consideration under the Company's share option schemes.

The Company's two share option schemes were granted on 1 January 2009 and 1 August 2010 respectively.

7 每股盈利(續)

(b) 每股攤薄盈利

每股攤薄盈利乃根據本公司普通股持有人於截至二零一一年六月三十日止六個月應佔合併溢利人民幣150,132,000元(截至二零一零年六月三十日止六個月:人民幣239,674,000元),以及普通股(攤薄)加權平均數3,582,231,715股(截至二零一零年六月三十日止六個月:2,990,463,417股)計算(已就本公司購股權計劃項下的被視為以零代價發行股份的影響作出調整)。

本公司的兩項購股權計劃分別於二零零九年一月一日及二零一零年八月一日授出。

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8 Property, plant and equipment

8 物業、廠房及設備

The Group

本集團

		Construction in progress	Plant and buildings	Machinery and equipment	Motor vehicles	Office and other equipment	Total
		在建工程	廠房及樓宇	機械及設備	機動車	辦公室及 其他設備	合計
		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
Cost:	成本：						
At 1 January 2011	於二零一一年 一月一日	58,487	411,805	335,917	50,290	57,756	914,255
Add	添置	5,044	441	5,836	1,698	4,436	17,455
Transfer from/(out) construction in progress	轉撥自/(出) 在建工程	(12,836)	367	10,231	—	1,164	(1,074)
Disposal	出售	—	—	(803)	(399)	(139)	(1,341)
At 30 June 2011	於二零一一年 六月三十日	50,695	412,613	351,181	51,589	63,217	929,295
Accumulated depreciation:	累計折舊：						
At 1 January 2011	於二零一一年 一月一日	—	(49,460)	(102,251)	(29,759)	(26,235)	(207,705)
Charge for the year	年內折舊	—	(8,964)	(17,682)	(3,329)	(5,494)	(35,469)
Written back on disposal	報廢時轉回	—	—	533	354	79	966
Transfer to construction in progress	轉撥至在建工程	—	—	988	—	86	1,074
At 30 June 2011	於二零一一年 六月三十日	—	(58,424)	(118,412)	(32,734)	(31,564)	(241,134)
Net book value:	賬面淨值：						
At 30 June 2011	於二零一一年 六月三十日	50,695	354,189	232,769	18,855	31,653	688,161
At 31 December 2010	於二零一零年 十二月三十一日	58,487	362,345	233,666	20,531	31,521	706,550



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(除另有指明外，以人民幣列值)

9 Lease prepayments

Interest in leasehold land represents prepayment of land use right premium to the PRC authorities by the Group.

9 預付租金

租賃土地權益為本集團向中國機關預付的土地使用權出讓金。

10 Inventories

		At 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Raw materials	原材料	354,804	220,074
Finished goods	成品	92,069	95,935
Work in progress	在製品	38,364	40,342
Packing materials	包裝材料	28,610	24,516
Low value consumables	低價消耗品	7,678	9,948
		521,525	390,815

During the six months ended 30 June 2011, RMB7,074,000 (for the six month ended 30 June 2010: RMB1,137,000) has been recognised as an expense in profit or loss during the period, being the amount of a write-down of inventories to estimated net realisable value.

10 存貨

		At 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Raw materials	原材料	354,804	220,074
Finished goods	成品	92,069	95,935
Work in progress	在製品	38,364	40,342
Packing materials	包裝材料	28,610	24,516
Low value consumables	低價消耗品	7,678	9,948
		521,525	390,815

於截至二零一一年六月三十日止六個月，人民幣7,074,000元(截至二零一零年六月三十日止六個月：人民幣1,137,000元)於本期間損益確認為開支，即將存貨撇減至估計可變現淨值的金額。

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11 Trade and bills receivables

11 貿易應收款及應收票據

		At 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Bills receivables	應收票據	1,896	1,703
Trade receivables	貿易應收款	44,215	192,172
Less: Allowance for doubtful debts	減：呆賬撥備	(1,411)	(1,563)
		44,700	192,312

In respects of trade receivables, the Group has established a credit policy in place: fixed credits are granted to supermarkets and the periods range from 60 to 90 days; temporary credits are offered on transaction-by-transaction basis to distributor customers who have been trading with the Group for many years and have a good trading record and the credit periods range from 10 to 90 days. Special credit is granted to credit-worthy distributor customers when the Group promotes certain line of products.

An ageing analysis of trade and bills receivables (net of allowance) by due date are as follows:

就貿易應收款而言，本集團已訂有信貸政策：向大型超級市場提供介乎60至90日的固定信貸；以逐次批核的形式向與本集團交易多年且具有良好交易紀錄的經銷商客戶提供介乎10至90日的臨時信貸。倘本集團推廣某系列產品，信用良好的經銷商客戶可獲得特別信貸。

貿易應收款及應收票據(扣除撥備後)按到期日的賬齡分析如下：

		At 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Current	即期	38,571	186,600
Less than 3 months past due	逾期不足3個月	3,504	4,115
More than 3 months	逾期超過3個月	2,625	1,597
		6,129	5,712
		44,700	192,312

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

逾期但並無作出減值的應收款與多名獨立客戶有關，該等客戶與本集團維持良好往績記錄。根據過往經驗，管理層認為毋須就此等結餘作出減值撥備，原因是信貸質素並無重大變動，且結餘仍被視為可以全數收回。本集團並無就此等結餘持有任何抵押品。



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未經審核中期財務報告附註(續)

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(除另有指明外，以人民幣列值)

12 Prepayments and other receivables

12 預付款及其他應收款

		At 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Prepaid advertising expenses	預付廣告開支	31,463	31,923
Prepayments for purchase of raw materials	購買原材料的預付款	7,001	6,781
Advances to sales offices	聯絡點備用金	322	1,007
VAT recoverable	可收回增值稅	71,896	49,468
Others	其他	29,423	12,821
		140,105	102,000

13 Restricted bank deposits

13 受限制銀行存款

		At 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Pledged for	已質押用於下列各項：		
— issuing bank acceptances	— 開具銀行承兌匯票	1,718	11,124
— issuing letters of credit	— 開具信用證	28,256	10,860
— bank loans	— 獲取銀行貸款	—	10,920
Frozen deposits (i)	凍結存款(i)	9,406	9,406
		39,380	42,310



13 Restricted bank deposits (Continued)

- (i) Certain deposits of RMB5,806,000 were frozen by a local PRC court on 13 June 2009 in relation to two pending litigations between Guangdong Yashili Group Company Limited (“Yashili (Guangdong)”) (“廣東雅士利集團有限公司”) and one of its suppliers. In addition, further deposits of RMB3,600,000 were frozen on 9 June 2010 by the PRC court. However, according to a court decision dated 29 December 2009, the supplier was required to pay RMB6,375,000 to Yashili (Guangdong) as a compensation for the melamine-contaminated raw materials sold by the supplier to Yashili (Guangdong) in 2008. After consulting the Company’s PRC legal advisor, the directors of the Company are of the view that the frozen deposits are fully recoverable and no provision is necessary as at 30 June 2011.

13 受限制銀行存款(續)

- (i) 於二零零九年六月十三日，中國地方法院就廣東雅士利集團有限公司(「廣東雅士利」)與其一家供應商之間的兩宗待決訴訟，凍結若干存款人民幣5,806,000元。此外，中國法院於二零一零年六月九日進一步凍結存款人民幣3,600,000元。然而，根據法院於二零零九年十二月二十九日作出的裁決，供應商須向廣東雅士利支付人民幣6,375,000元，作為供應商於二零零八年向廣東雅士利出售受到三聚氰胺污染的原材料的補償。經諮詢本公司的中國法律顧問，本公司董事認為被凍結的存款可全數收回，故於二零一一年六月三十日毋須計提撥備。

14 Cash and cash equivalents

14 現金及現金等價物

		At 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Cash on hand	手頭現金	1,201	818
Cash at bank	銀行存款	2,633,571	2,758,455
Cash and cash equivalent in the balance sheet and cash flow statement	資產負債表及現金流量表上的現金及現金等價物	2,634,772	2,759,273



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15 Trade and other payables

15 貿易及其他應付款

		At 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Trade payables (i)	貿易應付款(i)	291,240	231,421
Bills payable (ii)	應付票據(ii)	1,718	11,124
Advances from customers	客戶預付款	100,814	71,651
Accrued payroll	應計薪金	26,696	37,936
Other taxes payable	其他應付稅項	34,145	38,870
Advances from local government (iii)	地方政府借款(iii)	30,000	30,000
Pledged deposits from customers	客戶的有抵押保證金	30,357	30,205
Other payables and accruals (iv)	其他應付款及應計費用(iv)	28,214	48,741
		543,184	499,948

(i) The credit period granted by the suppliers ranges from 30 days to 90 days. An ageing analysis of trade payables by due date is as follows:

(i) 供應商授出的信貸期介乎30日至90日不等。貿易應付款按到期日的賬齡分析如下：

		At 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Due within 1 month or on demand	一個月內或按要求	120,514	66,940
Due after 1 month but within 3 months	一個月後但三個月內	150,684	147,153
Due after 3 months but within 6 months	三個月後但六個月內	17,363	17,328
After 6 months	六個月後	2,679	—
		291,240	231,421

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15 Trade and other payables (Continued)

- (ii) Bills payable as at 30 June 2011 and 31 December 2010 were secured by pledged deposits with banks.
- (iii) At 30 June 2011, an advance of RMB30,000,000 was from the People's Government of Ying County (at 31 December 2010: RMB30,000,000), which borne a fixed interest rate of 5.76% per annum and was secured by plant and machinery of Shanxi Yashili Dairy Co.,Ltd. ("山西雅士利乳業有限公司"). There were no fixed repayment terms for the advances as at 30 June 2011.
- (iv) Other payables and accruals mainly consist of payables for acquisition of non-current assets and other accrued expenses.

15 貿易及其他應付款(續)

- (ii) 於二零一一年六月三十日及二零一零年十二月三十一日，應付票據以銀行的已質押存款作為抵押。
- (iii) 於二零一一年六月三十日，來自應縣人民政府的人民幣30,000,000元墊款(於二零一零年十二月三十一日：人民幣30,000,000元)，按固定年利率5.76%計息，並以山西雅士利乳業有限公司的廠房及機器作抵押。於二零一一年六月三十日，該等墊款並無固定還款期。
- (iv) 其他應付款及應計費用主要包括收購非流動資產及其他應計開支的應付款。



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16 Loans and borrowings

The bank loans were repayable as follows:

		At 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Within 1 year or on demand	一年內或按要求	74,351	158,440

Details of the loans and borrowings are as follows:

		At 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Bank loans denominated in	銀行貸款		
— RMB	— 以人民幣計值	—	130,000
— United States dollar ("US dollar") (i)	— 以美元計值(i)	74,351	17,437
— HK dollar	— 以港元計值	—	11,003
		74,351	158,440

(i) The bank loans carried a weighted average interest rate of 2.85% per annum as at 30 June 2011 (at 31 December 2010: 2.74%).

銀行貸款的償還方式如下：

貸款及借款的詳情如下：

(i) 於二零一一年六月三十日，銀行貸款按加權平均年利率2.85%（於二零一零年十二月三十一日：2.74%）計息。

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17 Capital, reserves and dividends

17 股本、儲備及股息

(a) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the interim period

(a) 本中期期間已批准及派付的應付本公司股權持有人的過往財政年度股息

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of RMB7 cents (distributed at equivalent value of HK\$8 cents) per ordinary share (six months ended 30 June 2010: Nil)	於其後之中期期間批准及派付的過往財政年度終期股息每股普通股人民幣7分(按等值港幣8仙派發)(截至二零一零年六月三十日止六個月：零)	234,692	—

(b) Share capital

The Company was incorporated on 3 June 2010 with authorised capital of 3,800,000 shares at HK\$0.10 per share. As part of the Reorganisation, the authorised capital of the Company was increased to HK\$1,000,000,000 divided into 10,000,000,000 shares of HK\$0.10 each. As at 30 June 2011, 3,518,920,081 shares had been issued and were fully paid.

(b) 股本

本公司於二零一零年六月三日註冊成立，法定股本為3,800,000股每股面值0.10港元的股份。作為重組的一部分，本公司的法定股本增至1,000,000,000港元，分為10,000,000,000股每股面值0.10港元之股份。於二零一一年六月三十日，3,518,920,081股股份已發行及繳足。



Notes to the Unaudited Interim Financial Report (continued) 未經審核中期財務報告附註(續)

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17 Capital, reserves and dividends (Continued)

(b) Share capital (Continued)

During the period, pursuant to the Company's share option schemes (note 18), options were exercised to subscribe for 18,920,081 (2010: nil) ordinary shares in the Company at a consideration of HK\$11,098,000 (equivalent to RMB9,362,000) (2010: RMB nil) of which RMB7,766,000 (2010: RMB nil) was credited into the share premium account. RMB7,360,000 (2010: RMB nil) has been transferred from the equity-settled share-based payment reserve to share premium account. As at 30 June 2011, the total number of shares which may be issued upon the exercise of all options outstanding from the Company's share option schemes is 75,681,034 (31 December 2010: 94,601,115).

On 10 June and 13 June 2011, the Company totally repurchased its own ordinary shares of 10,000,000 shares at aggregate price (including transaction fee and commission) of HK\$18,692,000 (equivalent to RMB15,509,000), which was charged to retained profits.

(c) Share premium

The excess of the issued price net of any issuance expenses over the par value of the shares issued has been credited to the share premium account of the Company.

Under the Companies Law (Revised) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

17 股本、儲備及股息(續)

(b) 股本(續)

於本期間，因根據本公司的購股權計劃(附註18)行使購股權，引致認購18,920,081股(二零一零年：零)本公司普通股，代價為11,098,000港元(相當於人民幣9,362,000元)(二零一零年：人民幣零元)，其中人民幣7,766,000元(二零一零年：人民幣零元)計入股份溢價。人民幣7,360,000元(二零一零年：人民幣零元)已自股權結算股份支付儲備轉撥至股份溢價。於二零一一年六月三十日，倘本公司購股權計劃中所有尚未行使的購股權獲行使，則可予發行的股份總數為75,681,034股(二零一零年十二月三十一日：94,601,115股)。

於二零一一年六月十日及六月十三日，本公司合共購回其自身的普通股10,000,000股，總價格(含手續費及佣金)為18,692,000港元(相當於人民幣15,509,000元)，並已自保留溢利中扣除。

(c) 股份溢價

發行價(扣除任何發行開支)超出已發行股份面值的數額已計入本公司的股份溢價。

根據開曼群島公司法(經修訂)，本公司股份溢價的資金可分派予本公司股東，惟緊隨建議分派股息日期後，本公司須有能力償還其於日常業務過程中的到期債務。



17 Capital, reserves and dividends (Continued)

(d) Merger reserve

As part of the Reorganisation, the then shareholders of Yashili (Guangdong) transferred their equity interests in Yashili (Guangdong) to Yashili International Group Limited on 2 July 2010. A merger reserve of RMB1,367,204,000 was resulted from these transfers for the purposes of the consolidated financial statements.

(e) PRC statutory reserves

PRC statutory reserves were established in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries in PRC. Transfers to the reserves were approved by the board of directors.

(f) Equity-settled share-based payment reserve

Equity-settled share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees of the Group in accordance with the accounting policy adopted for share-based payments.

(g) Translation reserve

Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy.

18 Equity-settled share-based transaction

The Group adopted share option schemes that entitle key management personnel to purchase shares in the Company. The terms and conditions of the share option schemes were disclosed in the consolidated financial statements as at and for the year ended 31 December 2010.

17 股本、儲備及股息(續)

(d) 合併儲備

作為重組的一部份，於二零一零年七月二日，廣東雅士利當時的股東將其在廣東雅士利的股權轉讓予雅士利國際集團有限公司。就合併財務報表而言，合併儲備人民幣1,367,204,000元乃因該等轉讓而產生。

(e) 中國法定儲備

中國法定儲備乃根據相關中國規則及法規以及本公司中國附屬公司的組織章程細則設立。向儲備的轉撥乃經董事會批准。

(f) 股權結算股份支付儲備

股權結算股份支付儲備指授予本集團僱員的未行使購股權實際或估計數目按就股份支付採納的會計政策得出的公允價值。

(g) 換算儲備

換算儲備包括因換算海外業務的財務報表而產生的所有外匯差額。該儲備乃根據會計政策處理。

18 股權結算股份支付交易

本集團已採納購股權計劃，以授予主要管理人員購買本公司股份之權利。購股權計劃的條款及條件披露於二零一零年十二月三十一日以及截至該日止年度的合併財務報表。



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18 Equity-settled share-based transaction

18 股權結算股份支付交易

- (i) The number and weighted average exercise prices of share options are as follows:

- (i) 購股權的數目及加權平均行使價如下：

		At 30 June 2011 於二零一一年六月三十日 (unaudited) (未經審核)		At 31 December 2010 於二零一零年 十二月三十一日 (audited) (經審核)	
		Weighted average exercise price per share 每股加權 平均行使價 RMB 人民幣	Number of options 購股權數目	Weighted average exercise price per share 每股加權 平均行使價 RMB 人民幣	Number of options 購股權數目
Outstanding at the beginning of the period	期初尚未行使	0.50	94,601,115	0.11	73,525,056
Granted during the period	期內已授出	—	—	1.84	21,450,606
Forfeited during the period	期內已失效	—	—	0.91	(374,547)
Exercised during the period	期內已行使	0.50	(18,920,081)	—	—
Outstanding at the end of the period	期末尚未行使	0.50	75,681,034	0.50	94,601,115

The share options outstanding at 30 June 2011 weighted average remaining expected life 1.7 years (31 December 2010: 2.2 years).

於二零一一年六月三十日尚未行使的購股權的加權平均剩餘預期年期為1.7年(二零一零年十二月三十一日：2.2年)。

- (ii) Fair value of share options and assumptions:

- (ii) 購股權公允價值及假設：

The fair value of services received in return for the share options is measured by reference to the fair value of share options granted. The estimated fair value of the share options is measured based on a binomial option pricing model. The contractual life of the share option is used as an input into this model.

作為授出購股權的代價而收取的服務的公允價值乃經參考所授出的購股權的公允價值計量。購股權的估計公允價值乃根據二項式期權定價模式計量。購股權的合約年期乃用作此模式的一項輸入參數。

During the six months ended 30 June 2011, equity-settled share-based payment expenses amounting to RMB2,655,000 (six months ended 30 June 2010: RMB1,430,000) were recognised in the consolidated income statement.

截至二零一一年六月三十日止六個月，股權結算股份支付開支錄得人民幣2,655,000元(截至二零一零年六月三十日止六個月：人民幣1,430,000元)，並已於合併收益表確認。

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19 Commitments

- (a) Capital commitments, outstanding at 30 June 2011 not provided for in the financial statements were as follows:

		At 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Contracted for	已訂約	23,856	11,226

- (b) At 30 June 2011, the total future minimum lease payments under non-cancellable operating leases in respect of land and properties were payable as follows:

		At 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Within one year	一年內	8,513	11,479
After one year but within five years	一年後但五年內	15,111	11,533
After five years	五年後	4,691	6,031
		28,315	29,043

The Group leases a number of land and properties under operating leases. The leases run for period from one to twenty-six years, certain of the leases are with an option to renew when all terms are renegotiated. None of the leases includes contingent rentals.

19 承擔

- (a) 於二零一一年六月三十日尚未履行且並無於財務報表計提撥備的資本承擔如下：

- (b) 於二零一一年六月三十日，不可取消經營租賃項下就土地及物業應付的未來最低租賃款項總額如下：

本集團以經營租賃出租若干土地及物業。租賃為期一至二十六年，部分租賃附帶選擇權，可在所有條款獲重新磋商後重續租賃。概無租賃包括或然租金。



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20 Material related party transactions

During the six months ended 30 June 2011, the directors are of the view that related parties of the Group include the following individuals/companies.

Name of related party 關連方名稱

Mr. Zhang Likun, Mr. Zhang Lihui, Mr. Zhang Liming,
Mr. Zhang Lidian, Mr. Zhang Libo and Ms. She Lifang
(collectively referred to as "Zhang's Family")
張利坤先生、張利輝先生、張利明先生、張利鈿先生、
張利波先生及佘麗芳女士(統稱為「張氏家族」)

Shantou Zhang's Investment Co., Ltd.
("Zhang's Investment") ("汕頭張氏投資有限公司") (i)
汕頭張氏投資有限公司(「張氏投資」)(i)

Haoweijia Food Co., Ltd ("Haoweijia Food")
(廣東好味佳食品有限公司) (i)
廣東好味佳食品有限公司(「好味佳食品」)(i)

Chaoan County Anbu Yingjia Paper and Plastic Products
Factory ("Yingjia") (潮安縣庵埠營佳紙塑製品廠) (i)
潮安縣庵埠營佳紙塑製品廠(「營佳」)(i)

Relationship 關係

the Controlling Shareholders

控股股東

Under common control of the Controlling Shareholders

受控股股東的共同控制

Under common control of the Controlling Shareholder

受控股股東的共同控制

Under the control of a close family member of
a director of the Company

受本公司一名董事的親屬控制

20 重大關連方交易

於截至二零一一年六月三十日止六個月，董事認為本集團的關連方包括以下人士／公司。

Notes to the Unaudited Interim Financial Report (continued)
未經審核中期財務報告附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列值)



20 Material related party transactions (Continued)

20 重大關連方交易(續)

(a) Recurring transactions

- (i) The official name of the entity is in Chinese. The English translation of the name is for reference only.

Particulars of significant transactions between the Group and the above related parties during the period are as follows:

(a) 經常性交易

- (i) 實體官方名稱為中文名稱。英文譯名僅供參考。

本集團與以上關連方於本期間內的重重大交易詳情如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元 (unaudited) (未經審核)	2010 二零一零年 RMB'000 人民幣千元 (audited) (經審核)
Sale of packing materials to Haoweijia Food	銷售包裝材料予好味佳食品	1,010	1,075
Purchase of preserved fruit products from Haoweijia Food	自好味佳食品購買涼果產品	2,200	2,634
Rent of property and plant from the Zhang's Investment	自張氏投資租賃物業及廠房	1,515	1,370
Purchase of plastic spoons and covers from Yingjia	自營佳購買塑料湯匙及蓋子	4,102	3,323

The directors of the Company are of the opinion that the above related party transactions were conducted on normal commercial terms in the ordinary course of business.

本公司董事認為，以上關連方交易乃按一般商業條款，在日常業務過程中進行。



Notes to the Unaudited Interim Financial Report (continued)
未經審核中期財務報告附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列值)

20 Material related party transactions (Continued)

20 重大關連方交易(續)

(b) Balances with related parties

(b) 與關連方的結餘

(i) Amounts due from related parties

(i) 應收關連方款項

		At 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Trade related	貿易相關		
— Haoweijia Food	— 好味佳食品	1,627	1,432
Non-trade related	非貿易相關		
Other receivables from	來自以下的其他應收款		
— Haoweijia Food	— 好味佳食品	32	24
		1,659	1,456

(ii) Amounts due to related parties

(ii) 應付關連方款項

		At 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Trade related	貿易相關		
— Yingjia	— 營佳	1,537	1,157
— Haoweijia Food	— 好味佳食品	4,230	3,356
— Zhang's Investment	— 張氏投資	30	53
		5,797	4,566

The amounts due from/to related parties as at 30 June 2011 and 31 December 2010 were expected to be recovered/repaid within one year. All advances to/from related parties are unsecured.

於二零一一年六月三十日及二零一零年十二月三十一日，應收／應付關連方款額預期會於一年內收回／償還。所有墊付予關連方／由關連方墊付的款項均為無抵押。



Review report to the board of directors of Yashili International Holdings Ltd

(incorporated in the Cayman Islands with limited liability)

致雅士利國際控股有限公司董事會之審閱報告

(於開曼群島註冊成立的有限公司)

Introduction

We have reviewed the interim financial report set out on pages 35 to 70 which comprises the consolidated balance sheet of Yashili International Holdings Ltd as of 30 June 2011 and the related consolidated income statement, consolidated statement of comprehensive income, statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

引言

我們已審閱列載於第35頁至第70頁雅士利國際控股有限公司的中期財務報告，此中期財務報告包括於二零一一年六月三十日的合併資產負債表與截至該日止六個月期間的合併損益表、合併綜合收益表、合併權益變動表和簡明合併現金流量表以及附註解釋。根據《香港聯合交易所有限公司證券上市規則》，上市公司必須符合上市規則中的相關規定和國際會計準則委員會採用的《國際會計準則》第34號「中期財務報告」的規定編製中期財務報告。董事須負責根據《國際會計準則》第34號編製及列報中期財務報告。

我們的責任是根據我們的審閱對中期財務報告作出結論，並按照我們雙方所協定的應聘條款，僅向全體董事會報告。除此以外，我們的報告書不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔法律責任。

審閱範圍

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



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2011 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim Financial Reporting*.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
26 August 2011

結論

根據我們的審閱工作，我們並沒有注意到任何事項，使我們相信於二零一一年六月三十日的中期財務報告在所有重大方面沒有按照《國際會計準則》第34號「中期財務報告」的規定編製。

畢馬威會計師事務所

執業會計師
香港中環
遮打道10號
太子大廈8樓
二零一一年八月二十六日

雅士利[®]

Yashili International Holdings Ltd
雅士利國際控股有限公司

