

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



2012
Interim Report
中期報告



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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. Chang Herman Hsiu-Guo
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

張淑國先生
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

Authorised representatives

Mr. Zhang Lidian
Mr. Wu Xiaonan

授權代表

張利鈿先生
吳曉南先生

Joint Company secretaries

Mr. Wu Xiaonan
Ms. Ho Siu Pik

聯席公司秘書

吳曉南先生
何小碧女士

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

Corporate Information (continued)

公司資料(續)

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
The People's Republic of China

總辦事處及中國 主要營業地點

中華人民共和國
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

+86-768-5820546

投資者諮詢電話

+86-768-5820546

Investor enquiry email address

ir@yashili.com

Company's website

www.yashili.hk

Hong Kong legal adviser

Orrick, Herrington & Sutcliffe

Cayman legal adviser

Conyers, Dill & Pearman

Auditors

KPMG

Principal bankers

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

投資者諮詢郵箱

ir@yashili.com

公司網站

www.yashili.hk

香港法律顧問

奧睿律師事務所

開曼法律顧問

Conyers, Dill & Pearman

核數師

畢馬威會計師事務所

主要往來銀行

中國銀行潮安支行
中國工商銀行潮安支行

Financial Highlights

財務摘要

Six months ended 30 June 截至六月三十日止六個月

		2012	2011	Percentage change
		二零一二年	二零一一年	變動比例
		RMB million	RMB million	
		人民幣百萬元	人民幣百萬元	
Turnover	營業額	1,689.1	1,443.9	17.0%
Gross profit	毛利	917.0	782.0	17.3%
Profit attributable to equity shareholders of the Company	本公司股權持有人應佔利潤	218.9	150.1	45.8%
Net cash inflow from operation	經營活動所得淨現金流入	218.3	237.1	-7.9%
Earnings per share (RMB cents)	每股盈利(人民幣：分)			
— Basic	— 基本	6.2	4.3	44.2%
— Diluted	— 攤薄	6.2	4.2	47.6%

- The Group recorded sales revenue of RMB1,689.1 million for the six months ended 30 June 2012, representing an increase of 17.0% over the same period in 2011.
 - For the six months ended 30 June 2012, sales revenue grew by 17.0%, driving the gross profit up by 17.3%. In addition, the sales expense ratio declined from 35.8% for the six months ended 30 June 2011 to 33.5% over the same period in 2012 and finance income increased by RMB21.0 million over the same period in 2011. Due to the combined factors abovementioned, net profit attributable to equity shareholders of the Company for the six months ended 30 June 2012 amounted to RMB218.9 million, representing an increase of RMB68.8 million over the same period in 2011.
 - The Group's basic earnings per share amounted to RMB6.2 cents for the six months ended 30 June 2012, representing an increase of 44.2% over the same period in 2011, and diluted earnings per share amounted to RMB6.2 cents for the six months ended 30 June 2012, representing an increase of 47.6% over the same period in 2011.
- 集團於截至二零一二年六月三十日止六個月內共實現銷售收入人民幣1,689.1百萬元，較二零一一年同期增加17.0%。
 - 截至二零一二年六月三十日止六個月內，主要由於營業額增長17.0%，拉動毛利增長17.3%，銷售費用率從截至二零一一年六月三十日止六個月的35.8%下降至二零一二年同期的33.5%，財務收入則較二零一一年同期增加人民幣21.0百萬元，綜合上述因素後，本公司於截至二零一二年六月三十日止六個月歸屬於股權持有人的淨利潤為人民幣218.9百萬元，較二零一一年同期增加了人民幣68.8百萬元。
 - 集團於截至二零一二年六月三十日止六個月內每股基本盈利為人民幣6.2分，較二零一一年同期上升了44.2%，於截至二零一二年六月三十日止六個月內每股攤薄盈利為人民幣6.2分，較二零一一年同期上升了47.6%。

Management's Discussion and Analysis

管理層討論及分析

Industry Overview

According to the statistics of National Bureau of Statistics of China, in the first half of 2012, economic growth in China has shown a trend of slowdown. In the first half of the year, GDP of China increased by 7.8% from the same period of last year, representing a slowdown as compared with the growth rate in the same period of last year, while the overall national consumer price level surged by 3.3% from the same period of last year. Under the guidance of policies on driving domestic demand, boosting growth and enhancing consumption power, total retail sales of social consumer goods reached RMB9,822.2 billion in the first half of the year, representing a real growth of 11.24% from the same period of last year after excluding price factors. Growth of income per capita for urban residents (excluding price factors) recorded a real growth of 9.7%, while the income per capita for rural residents also recorded a real growth of 12.4%. In view of the fact that the growth rate of income for rural residents exceeded that of both income for urban residents and GDP, the development potential for rural consumer market is increasingly significant.

Along with the continuous growth in income, parents, whether from urban or rural areas, are becoming more concerned about the nutrition and health of their babies with more requirements for food quality, and thus the paediatric food market has shown a development trend towards the high-end side. As compared with the price competition found in the previous low-end market, the competition in the middle and high-end paediatric milk powder market primarily focuses on brand and quality, and those products generate a higher gross profit margin. Meanwhile, enterprises also need to invest more resources on product manufacturing, brand building, channel expansion as well as sales and promotion. Under increasingly keen market competition, those enterprises with brand influence, outstanding channel competitiveness, premium product quality and strong capital strength would acquire a more extensive development space. As such, strengthening of the establishment of brand and quality structure as well as focus on creating customer loyalty is replacing the traditional price competition, and has become the major means of building up core competitiveness among industry players.

行業回顧

根據國家統計局的統計數據，二零一二年上半年，我國經濟增長呈現放緩趨勢，上半年國內GDP同比增長7.8%，較去年同期增速有所放緩，全國居民消費價格總水平比去年同期上漲3.3%。在拉動內需，促進增長，增強人民消費能力的政策指引下，上半年社會消費品零售總額達人民幣98,222億元，同比扣除價格因素後實際增長11.24%。城鎮居民人均收入增長扣除價格因素實際增長9.7%，農村居民人均收入實際增長12.4%。農村居民收入增速超過城鎮居民收入增速及GDP增速，農村消費市場發展潛力日益彰顯。

隨著人民收入的不斷增加，無論身處城鎮還是農村，家長越來越重視寶寶的營養和健康，對食品品質要求越來越高，嬰幼兒食品市場呈現高端化發展趨勢。和以前低端的價格競爭不同，中高端嬰幼兒奶粉的市場競爭主要集中在品牌和質量競爭，產品毛利率較高。同時，企業在產品生產、品牌建設、渠道拓展及銷售推廣方面投入資源較多。隨著市場競爭日趨激烈，具有品牌號召力、渠道優勢突出、產品質量過硬、資金實力雄厚的企業獲得了更廣闊的發展空間。因此加強品牌和質量體系建設，著力培育消費者忠誠度，正在取代傳統價格競爭，成為行業內企業塑造核心競爭力的主要手段。

Management's Discussion and Analysis (continued)

管理層討論及分析(續)

In addition, according to "Global Food Prospects" report published by Food and Agriculture Organization of the United Nations, since the mid-2011, the improvement of international market supply together with the favourable weather conditions have increased milk production volume, and thus led to the drop in price of global dairy products in the first half of 2012. According to the forecast of the US Department of Agriculture (USDA), the milk production volume of New Zealand, a main dairy product exporter in the world, will surge in the milk season in 2011/2012, while the supply of other major dairy producers also maintained a stable growth in 2012, which represents a favourable phenomenon for the paediatric milk powder industry.

此外，據聯合國糧食農業組織(Food and Agriculture Organization of the United Nations)發布的《全球糧食展望》報告稱，從二零一一年年中開始，國際市場供應得到改善，再加上有利的氣候條件使產奶量增加，導致二零一二年上半年全球乳製品價格下跌。根據美國農業部(the US Department of Agriculture (USDA))預測，全球乳品出口大國新西蘭2011/2012奶季產奶量將上漲，其他主要產奶大國二零一二年供應量也將保持穩定增長。這對嬰幼兒配方奶粉行業是利好現象。

Basic Information of the Company

Established in 1983, we mainly focus on the production and sales of paediatric milk formula products and nutrition food since 1998. In 2002, we launched the Scient brand paediatric 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 paediatric 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 dairy 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 paediatric 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 recognised brands, under which various product series are sold targeting different consumer segments. We also sell four types of nutrition food, namely soymilk powder and paediatric rice flour under Yashily brand, cereal under Zhengwei brand as well as milk powder for adults and teenagers under Youyi brand.

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的產品。

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。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。

Business Highlights

Leveraging on the product series under well recognised 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 dairy raw materials, proprietary milk formula, advanced production system and professional marketing team with thorough knowledge on local consumer market, thereby providing all consumers with products of assurance.

Introduction by Products

Paediatric milk formula products

We mainly develop paediatric milk formula products to satisfy the health and nutrition needs of infants and young children during daily feeding, acting as a major source of nutrition of infants and young children in auxiliary to breast milk. All of our branded paediatric milk formula products are mainly produced by imported premium raw materials procured from New Zealand. 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.

The Group has established different paediatric milk formula product lines aiming at target customers of various consumption distributions. The Group launched out paediatric milk formula serial products in Golden Ambery brand under *Yashily* and Merla brand under *Scient*, which possess quality nutrition and target at consumers in high-end market. The Group's core products, *Yashily a-Golden* series and *Scient Golden* series, mainly focus on middle to high-end consumer groups, while *Yashily's Newwitt* series and *Scient's Ordinary Pack Series* mainly focus on middle-end consumer groups. *Yashily's New Formula* series mainly focuses on low to middle-end consumer groups.

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、先進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。

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，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採購的優質進口原料，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。

本集團已設立針對不同消費水平分佈的目標客戶的嬰幼兒配方奶粉產品線。本集團雅士利旗下子產品金裝安貝慧以及施恩旗下美兒樂系列的嬰幼兒配方奶粉系列產品，具備優質營養元素，針對高端市場消費者。核心產品雅士利 a 金裝系列以及施恩金裝系列主要針對中高端消費群，雅士利旗下能慧系列以及施恩普裝系列主要針對中端消費群。雅士利旗下新配方系列主要針對中低端消費群。

Management's Discussion and Analysis (continued)

管理層討論及分析(續)

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. These products include products with different nutritional combinations to suit special needs of consumers and products suitable for ordinary people.

Marketing

We sell our products via a comprehensive national sales and distribution network, which covers all regions within mainland China. The milk powder products sales network comprises of around 1,500 regional distributors, who directly or indirectly further distribute our products to over 105,000 retail outlets, including supermarkets, department stores, specialty stores and large membership chain supermarkets as well as grocery stores, among which we have made remarked achievements in maternity channel development from the first half of 2012. We sell our products to 15,000 more maternal and child stores, which have effectively pushed up market share in this channel, bringing new growth points for the Group's performance. Our extensive milk powder products distribution network is formed by more than 2,300 marketing staff under the support of over 600 liaison locations.

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 40% of our distributors had maintained a business relationship with us for over five years, of which some even span for more than 20 years.

營養食品

本集團亦出售四種營養食品，即優怡品牌的成人及青少年奶粉、雅士利品牌的豆奶粉、米粉、麥片及正味麥片系列。產品包括專為具有特殊需要的消費者而設的不同營養組合產品以及適合一般人士的產品。

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。奶粉銷售網絡由超過1,500家經銷商構成，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105,000家零售點，包括超級市場、百貨公司、母嬰產品專賣店及大型會員連鎖超市、雜貨店。其中，二零一二年上半年，本公司在母嬰渠道的開拓方面取得了明顯成效，新開拓母嬰店15,000家，有效推高在此渠道的市場佔有率，帶來了業績的新增長點。本集團廣闊的奶粉分銷網絡由超過2,300人組成的營銷人員，超過600個聯絡點組成。

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網絡進行管理。本集團高效的產品追蹤系統是在各個包裝的內外部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，並防止經銷商竄貨。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四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20年以上的合作關係。

Management's Discussion and Analysis (continued)

管理層討論及分析(續)

To provide more detailed and better services for the market and realise professionalism in our operation, in 2011, the Group has conducted the reconstruction and division of the marketing structure to form different departments, namely the milk powder business department, brewed food business department, liquid business department and nutrition department. In the first half of 2012, a relatively satisfactory result was achieved, while significant enhancement was also recorded for respective management indicators. Currently, the milk powder business department is mainly responsible for the operations related to paediatric milk powder, rice flour and milk powder for adults; the brewed food business department is mainly responsible for the operations related to soy milk powder and cereal; the liquid business department is mainly responsible for the development and sales of new liquid products; and the nutrition department is mainly responsible for the advertisement and promotion of products and the nutrition contents via organising academic activities such as medical salon to enhance the interaction with consumers and education of infant care knowledge.

In the first half of 2012, a brand new brand promotion slogan, "Genuine New Zealand, Love from Yashili", was adopted with a view to promote to consumers that all Yashily paediatric milk powder are made by the excellent milk source originated from New Zealand in a more direct manner.

Brand Building

In terms of brand building, we have continuously enhanced investment and promotion on premium milk source, professional manufacturing and professional services, while kept on commencing activities in terms of giving birth, raising up and educating infants for consumers, which aim to establish the image of safe milk source, professional services and premium quality to give returns to our consumers with love and care.

In this regard, we have continuously undergone brand building and re-rationalised the brand positioning and image of Yashily. For branding strategies, we made promotions on our premium quality and 100% imported milk source to enhance consumers' confidence on our brand and products. Our new brand slogan "Genuine New Zealand, Love from Yashili" and the brand connotation of "100% pure, confidence and love" were spread via multi-dimensional and cross-coverage of CCTV, satellite television channels as well as popular provincial and local channels, networks and printed media. We also enhanced the interaction in and off the internet. In the internet, an upgraded version of the large

為了更精細服務好市場，實現專業化的經營，二零一一年起本集團重整、拆分，組建成的奶粉事業部、沖調事業部、液態事業部和營養部營銷組織架構，於二零一二年上半年產生了較大的績效，各項管理指標都有較大的提升。目前奶粉事業部主要負責經營嬰幼兒奶粉，米粉以及成人奶粉；沖調事業部主要負責經營豆奶粉及麥片；液態事業部主要負責液態新品的開發與銷售；營養部主要負責產品和營養元素的宣傳及推廣，通過舉辦醫學沙龍等學術活動等方式，加強與消費者的互動及育嬰知識的教育。

二零一二年上半年，啟用全新的品牌宣傳口號「純淨新西蘭，真愛雅士利」，向消費者更直接地傳播雅士利嬰幼兒奶粉均來自於新西蘭的好奶源。

品牌建設

在品牌建設方面，我們不斷強化優質奶源、專業製造、專業服務的投入和宣傳，惠及消費者生養教方面的活動持續開展，以樹立安全奶源、專業服務、高品質的形象，以真愛回饋消費者。

為此我們持續進行品牌建設，重新梳理雅士利的品牌定位及形象，品牌策略上宣傳高質量和百分百進口奶源，以增強消費者對公司品牌和產品的信任度；純淨新西蘭，真愛雅士利的新品牌口號及純淨百分百，信任百分百，愛百分百的品牌內涵通過央視、衛視及主流省級地面頻道、網絡及平面媒體的立體交叉覆蓋組合傳播。我們同時強化線上及線下的互動，線上今年再次啟動升級版的大型網絡互動活動「體驗好奶

Management's Discussion and Analysis (continued)

管理層討論及分析(續)

interactive event on the internet named "Experience excellent milk sources with a trip in New Zealand" was recommenced this period with 5 million participants and enthusiastic response. Going offline, over 2,000 parent-child roadshows and activities were held from first-tier cities to second and third-tier cities, and those winning consumers were invited to participate in "6-day trip to experience milk source in New Zealand". The activities have thoroughly shortened the distance between the Company and millions of consumers, and achieved excellent promotion effect. Through the above events, in May 2012, Yashily was awarded the sole "Best Annual Marketing Innovation Award" in the "First Chinese Entertainment and Marketing Summit". The increase in brand value and consumers' confidence has directly facilitated the accumulation of brand assets and growth in market share.

Yashili strongly believes that maternal and child health is the root of our people and future of our nation. As a renowned domestic brand and a leading enterprise among domestic paediatric milk powder manufacturers, Yashili assumes the responsibility of developing maternal and child health business in China. On such basis, the Group co-operates with Chinese Eugenic Science Association (中國優生科學協會) and has organised "Medical Salon on Chinese Maternal and Child Health" with the participation of over 10 thousands maternal and child medical and nursery personnel, while continuously commenced consumer education activities to promote and spread the knowledge on eugenic birth, raising and education of children and infants. In May 2012, Yashili co-organised the "Seventh National Eugenic Science Meeting" in Lanzhou, China, which promoted the concept of raising up children with eugenic science with a view to raise up the overall quality of Chinese people and realise Yashily's grand objectives of making contributions to China. Such activities have also injected new energy and influence for Yashily's brands.

Apart from obtaining returns from the market and consumers' recognition, Yashily's brand building efforts also resulted in recognition of a large number of social organizations as well as authoritative brand evaluation and research institutions in the world. For instance, in the "2011 Annual Meeting on Competitiveness of Chinese Brand and Third Summit of Chinese Brands and Brand Leaders" held in Beijing in March 2012, Yashily was conferred the "2011 Most Influential Brand Award in China". In July 2012, "Yashily" was named 500 Most Valuable Brand in China again with brand value of RMB9.865 billion, ranking 154 and representing its ninth consecutive times being named. As compared to 2011, our brand value has increased by RMB2.09 billion, while our rank has climbed up 9 places.

源·玩轉新西蘭」，參與人數500萬人，反應熱烈。線下從一線城市到二、三線城市，已舉辦超過2,000場親子路演活動，中獎消費者獲邀參加「新西蘭奶源體驗6日游」充分地拉近了公司與千萬消費者的距離，取得了良好宣傳效果，藉此，二零一二年五月雅士利在「中國第一屆娛樂營銷高峰論壇」活動中獲得唯一的「年度最佳營銷創新獎」。提高了品牌的價值和消費者的信心，直接促進了品牌資產的積累和市場份額的提升。

雅士利深信，母嬰健康關乎民族的根基與國家的未來，雅士利作為民族著名品牌，也是國內嬰幼兒奶粉生產廠家的領軍企業，肩負著發展中國母嬰健康事業的使命。基於此，集團携手中國優生科學協會，在全國各地舉辦了超過1萬名婦幼醫護人員參加的「中國母嬰健康主題醫學沙龍」，同時不斷開展消費者教育活動，對優生、養、教知識推行宣傳和普及。並於二零一二年五月在中國蘭州市協辦了「第七屆全國優生科學大會」，為推廣優生科學育兒理念，提升中華民族的整體素質、實現雅士利產業報國的宏偉目標作出了應有的貢獻，這些活動也為雅士利品牌注入了新的活力和影響力。

雅士利的品牌建設成果，除了獲得市場的回報、消費者的認可以外，還被大量社會組織和世界權威的品牌評估和研究機構所認可。比如二零一二年三月在北京舉辦的「二零一一中國品牌競爭力年會暨第三屆中國品牌與品牌領袖峰會」，雅士利榮獲「二零一一年度中國最具影響力品牌獎」。二零一二年七月，「雅士利」再次榮膺中國500最具價值品牌，品牌價值人民幣98.65億元，排行第154位，連續九次登榜，相比二零一一年，品牌價值提升了人民幣20.9億元，排位提升了9位。

Management's Discussion and Analysis (continued)

管理層討論及分析(續)

To improve nutrition absorption among infants and children and foster healthy growth of Chinese babies, in May 2012, Scient co-operated with Dong Jie, a fresh and beautiful youth charity star, on launching Scient Merla series milk formula, a new and specifically developed high-end product for enhancing the absorption of nutrition among infants and children. Merla series milk formula is specifically made with reference to the standards of CAC of FAO/WHO as well as the new standards for Chinese dairy industry. Scient also initiated plans on improving paediatric nutrition named "witness the achievement in future via absorption" with Chinese Eugenic Science Association (中國優生科學協會).

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 paediatric milk formula, we have carefully selected reputable suppliers located outside China such as Fonterra Limited and Synlait Milk Limited, to secure reliable and high-quality raw milk. Even for daily inspection, the Group's headquarter as well as all subsidiaries spend a tremendous amount every year, comprehensively introducing various advanced inspection equipments including High Performance Liquid Chromatography and Atomic Absorption Spectrophotometer. 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.

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 imported raw materials and impose strict raw materials reception 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 raw milk to production and from inspection to distribution; and (5) continuously attract outstanding talents to conduct production management in a highly efficient manner.

為改善嬰幼兒營養吸收，促進中國寶寶健康成長，二零一二年五月，施恩携手清新可人的青年公益明星董潔推出為嬰幼兒更好營養吸收而精心研發高端新產品—施恩美兒樂系列配方奶粉。美兒樂系列奶粉配方參照聯合國糧食農業組織/世界衛生組織(FAO/WHO)食品法典委員會(CAC)標準及中國乳業新標準精心配製而成。施恩還聯合中國優生科學協會發起了名為「見證吸收，成就未來」嬰幼兒營養的改善計劃。

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新西蘭恒天然(Fonterra Limited)、新萊特(Synlait Milk Limited)等知名供貨商為本集團提供可靠和優質的原料。僅在日常檢測上，集團總部連同各子公司每年就要花費巨資，全面引進了包括高效液相色譜儀、原子吸收儀等各種先進檢測分析設備。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。

我們堅持每個產品從奶源到成品的質量管理要嚴格按照以下五項原則進行生產管理：第一、採購優質進口乳品原料，加之嚴格原料驗收管理；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、嚴格的過程質量管理，嚴謹檢測制度和先進完善的檢測設備；第四、嚴格保證從原料到生產、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。

Management's Discussion and Analysis (continued)

管理層討論及分析(續)

In August 2010, the Group was the first to establish the Food Quality and Safety Committee, which is formed by various experts worldwide and reports to the Board directly. The Committee is a supervisory entity on food safety, and six top and authoritative experts covering academic fields such as food researches, dairy industry researches, food supervision, micro-organism and physical and chemical researches as well as paediatric nutrition from the United States, New Zealand, Australia, China and Hong Kong were employed. The Committee introduces an industry-leading operation mode, providing strategic guidance on relevant standards and procedures of the Group, while provides industry information related to food safety and quality control and assesses on the quality control system of the Group. As such, it is ensured that the Group's quality and safety management structure is in line with the top level around the world. The Committee could also conduct independent investigation on the Group's quality and safety structure at any time.

In the first half of the year, the Committee reviewed the operation of milk powder workshops and laboratories, while provided professional advices on the Group's production management, quality control and direction of product research and development. In addition, the Committee also strived to guide the Group on participating in more training in respect of international food safety standards and excellent operation regulations to ensure that its food safety rules are in line with international standards. The Committee will help the Group to make continuous and active participation in food safety programmes and activities organised by Asia-Pacific Economic Cooperation with a view to enhance its international vision and food safety control.

According to the results of the monthly random examination scheme conducted by the Administration Centre of Quality Supervision, Inspection and Quarantine on Dairy Products of the People's Republic of China (國家乳製品質量監督檢驗中心) as commissioned by the China Dairy Industry Association, the quality of paediatric milk powder products of the Group has been stable and reliable, which complies with the requirements under the prevailing compulsory national standards of China.

於二零一零年八月，本集團率先成立由來自世界各地的專家組成的食品質量安全委員會，向董事會直接匯報。委員會是專門針對食品安全的監管機構，聘請六位來自美國、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。委員會引進業內先進的運作模式、對本集團的有關準則及程序提供策略性指導、提供有關食品安全及質量控制的行業信息及評估本集團的質量控制系統，以確保本集團質量安全管理體系與國際一流水平保持一致，委員會亦可隨時就本集團的質量安全體系進行獨立調查。

今年上半年，委員會審查了奶粉生產車間和實驗室運作情況，針對集團的生產管理、質量控制及產品研發方向提供了專業性意見。此外，委員會還致力於引導本集團參與更多國際食品安全標準和優良操作規範方面的培訓，以確保其食品安全規則與國際標準接軌。委員會將幫助本集團繼續積極參與亞太經貿組織的食品安全項目及活動，以提高其國際視野和食品安全控制水平。

由中國乳製品工業協會委託國家乳製品質量監督檢驗中心進行的「月月抽檢計劃」也顯示，本集團嬰幼兒配方奶粉產品質量穩定可靠，符合我國現行的強制性國家標準的要求。

Management's Discussion and Analysis (continued)

管理層討論及分析(續)

In 2011, the Ministry of Industry and Information Technology organised and guided 4,000 food enterprises, including all paediatric milk formula manufacturers, on establishing the Creditability Management System. The expert team on Creditability Management System mainly conducted assessment on different aspects of food enterprises, such as sources of procurement, examination process, production process, administrative activities, financial work and research and development results, and the expert team of Technology Research Institutes under National Accreditation Service for Conformity Assessment was invited to conduct on-site review. The expert team on creditability has conducted detailed review and on-site assessment in accordance with the standards on Creditability Management System. In November 2011, Yashili (Guangdong), a subsidiary of the Group, has passed the review on the Credibility Management System (CMS) on Food and Industrial Enterprises (國家食品工業企業誠信管理體系) and has become the first food production enterprise to participate in creditability assessment and ultimately conferred with the certificate in Guangdong Province. Scient (Guangzhou) has also been conferred with the certificate in the early 2012.

Research and development

The Group's development of new products adopts the concept of "apply research and development as well as advanced researches by generation", and the Group has increased efforts on new product research and development in 2012 with classification and re-planning on products of different series, while adjusted product structure and optimised formulas to enhance products' competitiveness. Targeting at high-end consumers, Yashili launched out Golden Ambery series with an aim to meet the main needs in respect of digestion and absorption. The ingredients of the product mainly include structural fats, α -whey protein and prebiotics combinations, and is currently positioned as a high-end paediatric milk formula in the market in China. The product provides infants with sufficient nutrition, while reduces the possibility of diarrhea and infant constipation by enhancing the digestion and absorption system of infants.

二零一一年，工業和信息化部組織指導包括所有嬰幼兒配方奶粉生產企業在內的全國4,000家食品企業建立誠信管理體系。誠信管理體系專家組主要對食品企業的採購源頭、檢驗過程、生產過程、行政活動、財務工作、研發成果等方面進行考核，並邀請國家認可委技術研究所專家組進行現場評審，誠信專家組依據誠信管理體系標準進行了詳細的審查並現場評價。二零一一年十一月，本集團旗下子公司廣東雅士利通過了國家食品工業企業誠信管理體系(CMS)評審，成為廣東省首家參加誠信評價並最終獲得證書的食品生產企業。施恩(廣州)嬰幼兒營養品有限公司也在二零一二年初獲得誠信管理體系證書。

研發

本集團新品開發採用了「裝備一代，研發一代，預研一代」的理念，二零一二年加大新產品研發力度，針對不同系列產品進行細分和重新規劃，調整產品結構和優化產品配方，增強了產品競爭力。針對高端消費者雅士利推出了金裝安貝慧系列，該系列產品以消化吸收為主要訴求，配方以結構性油脂、 α -乳清蛋白、益生元組合為主要特點，是目前中國市場上高端的嬰兒奶粉配方，為嬰兒提供充足營養的同時促進嬰兒消化吸收，降低腹瀉及嬰兒便秘的機率。

Management's Discussion and Analysis (continued)

管理層討論及分析(續)

Yashili Group will use new formula on the upgrading and development of its existing products. The new formula combines adjustments on protein, fats, vitamin and minerals to allow products achieve a feeding effect close to maternal milk, and thus the quality of products would be comprehensively enhanced. These new products will be gradually introduced into the market in the second half of the year.

The co-operation with China Agriculture University on developing high protein content nutritional milk powder for the middle-aged and elderly has been completed, and Yashili Group will launch out this product at appropriate time based on market needs.

To adapt to the overall requirements on safety and nutrition by the Chinese market and consumers, product lines of Yashili paediatric milk powder series have been enriched. Yashili Group will introduce imported infant milk powder with original packaging jointly developed with renowned milk powder manufacturer in New Zealand, which combines product formula suitable for Chinese people and premium milk sources overseas to enhance overall quality of paediatric milk powder.

As market competition for soymilk powder and cereal products is keen, Yashili Group strives to achieve dual-breakthrough in terms of functions and favours of its products. In 2012, the Group has gradually introduced various comprehensive nutritional soymilk powder with focus on vitamins as well as enriched the favours of its cereal products, thereby fully raising the positioning of its soymilk powder and cereal products and enriching its product lines, among which, high-end series Genuine Nuts Cereal was launched into the market.

Social responsibilities

As a domestic leading 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. For the six months ended 30 June 2012, the Group has donated cash in "Poverty Alleviation Day in Guangdong", 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 RMB2.3 million were donated.

針對原有產品雅士利集團將使用新一代配方進行產品升級開發，結合蛋白質、脂肪、維生素、礦物質的調整使產品更加接近母乳的餵養效果，全面提升產品品質，新一代產品將在下半年逐步投入市場。

與中國農業大學合作開發的高蛋白中老年營養奶粉項目已經完成，雅士利集團將根據市場需要適時推廣該產品。

為適應中國市場及消費者對奶粉安全性和營養性的全面要求，豐富雅士利嬰兒系列奶粉的產品線，雅士利集團將新推出與新西蘭知名奶粉廠商合作開發的原裝進口系列嬰幼兒奶粉，利用適合中國人的產品配方和外國優質奶源的結合提升整體嬰兒奶粉品質。

豆奶粉及麥片產品市場競爭激烈，雅士利集團力爭在產品功能和產品口味上進行雙向突破，二零一二年陸續推出了多款以維生素為主全面營養的豆奶粉和以豐富產品口味為主的麥片產品，全面提升了豆奶粉及麥片產品的檔次豐富了產品線，其中，麥片方面推出真果仁高端系列。

社會責任

本集團作為國內嬰幼兒奶粉的領軍企業，具備高度的社會責任感，在企業發展的同時，積極、熱心履行企業社會責任，截至二零一二年六月三十日止六個月，集團在「廣東扶貧濟困日」捐贈了現金；在「世界牛奶日」向中國扶貧基金會捐贈了優質乳製品及現金；「全國助殘日」期間向潮州受助者發放了慰問物品，上半年合計捐款捐物超過人民幣2.3百萬元。

Management's Discussion and Analysis (continued)

管理層討論及分析(續)

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 road shows, 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, practises on corporate governance and other data.

Future prospects

In the future, the paediatric milk powder market still have plenty rooms for expansion. As reported in press, according to the statistics and forecast of Euromonitor, the end sales volume of paediatric milk formula market in China has reached RMB62.1 billion in 2011. The compound annual growth rate from 2011 to 2016 is anticipated to be 15.6%, and the market size in 2016 will reach RMB128.4 billion.

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

嬰幼兒奶粉市場未來仍有樂觀的成長空間。據媒體報道，Euromonitor統計和預測，二零一一年我國嬰幼兒配方奶粉市場終端銷售額已達到人民幣621億元。二零一至二零一六年，複合增長率預計將達到15.6%，二零一六年市場規模將達到人民幣1,284億元。

Management's Discussion and Analysis (continued)

管理層討論及分析(續)

In 2012, the year of Dragon, birth rate is relatively higher, which in turn boosts up the demand for paediatric products, including paediatric milk powder, between 2012 and 2015. In addition, as the growth rate of average income of rural residents greatly exceeds that of GDP and average income of urban residents in recent years, we expect that the growth of paediatric food market in second and third-tier cities would greatly exceed that in first-tier cities. In our opinion, the popularity of Yashili Group in second and third-tier cities enables us to maintain competitive edges against competitors with international brands. In the future, the Group's marketing strategy will focus on the followings key areas:

Brand Building

Building up a strong brand and accumulating brand assets is a long-term work, which is an essential component of core competitiveness for manufacturing and sales enterprises like Yashili Group. The Group continues to invest in brand building and enhances market coverage and media exposure to rise above major competitors in main and core markets to ensure its leading position. In the second half of the year and the following year, the Group will continue to enhance the promotion of its brand slogan "Genuine New Zealand, Love from Yashili" to further strengthen brand reputation; increase investment in major provincial, satellite and local channels; reinforce professional education on giving birth, raising up and educating children and infants for consumers to enhance its professional image of brand; edge up the implementation and involvement in brand activities on and off the internet. In respect of network investment, games such as "Go Go Milk Powder" and Yashili magic card will be launched out with integration of elements including Yashili's "New Zealand origination", "top Babies in three aspects" and "genuine grassland", while organising activities via official micro blog to enhance its attraction and influence. In addition, the Group will also launch out network advertisements at the same time to match with the offline promotion activity, "Experience good milk source with a trip to New Zealand Season 3".

二零一二龍年，會有較高的嬰兒出生率，從而刺激包括嬰幼兒奶粉在內的嬰童用品在二零一二至二零一五年的需求。此外，近年以來農村居民平均收入增速遠超GDP增速，並且遠超城市居民平均收入增速，所以我們預期二三線城市的嬰幼兒食品市場將會遠超一線城市的幅度增長，我們認為雅士利集團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將會繼續保持競爭優勢。未來本集團的營銷策略圍繞以下幾個重點方面開展：

品牌建設

「塑造強勢品牌，積累品牌資產」是一項長期的工作，對於雅士利集團這樣的生產銷售型企業來說，是核心競爭力的重要組成要素。集團持續在品牌建設方面進行投資，增加了市場覆蓋和媒體音量水平，在重要的核心市場要求超越主要競爭對手，從而保證優勢地位。今年下半年以及明年，本集團將繼續加強「純淨新西蘭，真愛雅士利」品牌口號的傳播以進一步強化品牌的美譽度；加大省級、衛視及地方主要頻道的投入；加強對消費者生、養、教知識的專業教育，提升品牌的專業形象；加大線上線下主題品牌活動的開展和投入。網絡投放方面，將推出「奶粉沖沖沖」、雅士利魔法卡片遊戲，植入雅士利的「新西蘭來源」、「三優寶寶」、「純淨草原」等元素，通過官方微博舉辦活動擴大吸引力和影響力。除此之外，網絡廣告同時推出配合線下推廣的「體驗好奶源，玩轉新西蘭第三季」活動。

Expansion by brands and business segments

Yashily brand: In respect of milk powder business segment, riding on the Group's strong distribution capability, Yashily launched out high-end pricing products in the first half of the year, and has achieved a relatively high coverage till now. It is anticipated that we will achieve excellent sales in second and third-tier cities with our strong presence. With the introduction of such high-end pricing products, we will increase our end-investment in first and second-tier cities in the second half of the year to enhance coverage, and it is anticipated that new growth point of results would be brought along with optimistic prospects. In the second half of the year, the Group will continue its works and capture opportunities to re-launch the new milk powder product originally imported from New Zealand, which will adopt a higher-end nutrition formula including OPO. With comprehensive efforts put in first, second and third-tier cities, the Group will actively explore the market and expand the sales share of the product. In respect of brewed drink business segment, new products will be added continuously to our cereal series to increase market coverage and enhance the selling power. In addition, the Group will conduct brand promotion for Zhengwei cereal. Relevant advertisement creation and design works are being commenced in an active manner, and it is anticipated that we will make advertisements in some markets in the fourth quarter of this year. Our future target is to make Zhengwei the number one brand in the cereal market and establish its leading market position.

Scient brand: In the first half of the year, Scient introduced Merla, a high-end product series, with the concept of innovative and leading product packaging and formula. As the advantages of the product are in line with the development trend of the industry, the Group has increasingly put its spirit of active exploration in the ultra high-end market into full play. Besides, the Group also worked with Chinese Eugenic Science Association (中國優生科學協會) and Dong Jie, a television and film star, to commence a project named "Plans on Improving Nutrition Absorption among Infants and Children". Such project was well recognised and supported, and has significantly enhanced brand image and value, while optimising the overall product structure. The introduction of Merla will enable Scient to capture the opportunities brought along with the process for paediatric milk powder market moving towards the high-end market. In the second half of the year, the Group will continue to make investment in media to further enhance its awareness, and actively plan on Scient's originally imported product series with a view to enrich product lines while enhance products' profitability to offer confidence to consumers for their purchase.

按品牌及事業部模塊的拓展

雅士利品牌：奶粉事業部方面，憑據集團雄厚的分銷能力，雅士利於上半年上市高端價位產品，至今已取得較高鋪市率，預計在我們強勢的二三線城市將會取得好的銷售，籍該高端價位產品的上市，下半年我們將加大對一二線城市的終端投入，提高鋪市率，預計將帶來新的業績增長，前景看好；下半年本集團將再接再厲，抓住機遇再推出全新的「原裝新西蘭進口」奶粉產品，該產品將採用OPO等較高端營養配方，在一二三線城市全面展開，積極拓展市場，擴大本品銷售份額。沖調事業部方面，麥片系列將不斷推出新品，加強市場的鋪市率，提升單點賣力。此外，集團將對正味麥片進行品牌推廣，相關的廣告創意和設計工作已經在積極開展，預計本年度的第四季度我們將在部分市場進行廣告投放，未來的目標是將正味打造成麥片市場的第一品牌，建立領先的市場地位。

施恩品牌：上半年強勢推出美兒樂高端產品系列，提出具有創新及領先意義的產品包裝及配方，產品利益點也匹配行業發展趨勢，在超高端市場日益體現了其積極進取的開拓精神，更攜手中國優生科學協會及影視明星董潔推出「嬰幼兒營養吸收改善計劃」，得到了高度讚譽與支持，很大程度提升品牌的形象及價值，也優化整個產品結構，美兒樂的推出將令施恩把握住嬰幼兒奶粉市場高端化的進程，下半年將持續進行媒介投資，進一步擴大知名度，並積極規劃施恩原裝進口產品系列，豐富產品線的同時，增加產品盈利能力，並給予消費者購買信心。

Management's Discussion and Analysis (continued)

管理層討論及分析(續)

New products for liquid drink: The Group has completed the second interim test and consumer acceptance survey in the first half of the year, and the results were satisfactory. Research and development, packaging and design for relevant products as well as creation and production of advertisement have been actively commenced. The Group will actively foster the establishment of production plant and equipment in Zhengzhou in Henan Province in China using proceeds from its listing in the second half of the year. Such liquid product is anticipated to be launched out in the market in the first half of 2013.

Expansion of operation networks and channels

For development of different tiers of cities, the Group will enhance its efforts in first and second-tier cities while consolidating its presence in second and third-tier cities. For end sales channels, on the foundation of consolidating our competitiveness in large, medium and small malls and supermarkets, the Group will reinforce its efforts in outlets in first and second-tier cities while placing focus on the establishment of networks in maternal and child store channels. In respect of products, the Group will continue to enhance its coverage for middle and high-end products, as well as strengthen the promotion of Golden Ambery and Merla and introduce the "Supreme a Golden" high-end product originally imported from New Zealand with an aim to strongly capture the high-end market and pull up average product price, which will in turn increase its market share.

Besides, the Group has already established a specialised team to foster the establishment of overseas production base or co-operation projects, using proceeds from its listing, to enhance its integrated competitiveness.

Looking forward, the Group will continue to place focus on enhancing sales and management level, brand building, research and development, improving production capability, strengthening its internal management capability, subliming corporate culture and fostering the overseas production base project with a view to achieve the operation targets for 2012 in an orderly manner, while paving the way and laying more foundations for the sustainable development of the Group.

液態飲料新品：本集團上半年已完成產品第二次中試以及消費者接受度調查，結果令人滿意。相關產品的開發、包裝設計、廣告創意和製作都已經積極展開。本集團將於下半年利用上市募集資金積極推進中國河南省鄭州的生產廠房及設備建設。預計液態產品於二零一三年上半年投放市場。

經營網絡渠道的拓展

在城市級別發展方面，在鞏固二三線市場的同時，加大一二線城市的投入；在終端銷售渠道方面，在鞏固大中小商超的強勢的基礎上，強化一二線城市大賣場投入以及重點進行婦嬰店渠道的網絡建設；在產品方面，繼續加強中高端產品的鋪市，強化金裝安貝慧以及美兒樂的推廣並引入新西蘭原裝進口的高端產品「超級a金裝」，以強力搶佔高端市場，以拉高產品的平均單價，從而提升市場份額。

此外，本集團已成立專門的團隊利用上市募集資金推進海外生產基地建設或合作項目，提升本集團的綜合競爭力。

展望未來，本集團將繼續圍繞提升銷售管理水平、品牌建設、研究與開發、提高生產能力、強化集團內部管理能力昇華集團文化以及推進海外生產基地項目，有序推進二零一二年的經營目標並為本集團的可持續發展道路建設添磚加瓦。

Financial Review

Turnover

For the six months ended 30 June 2012, the Group's revenue amounted to RMB1,689.1 million (same period of 2011: RMB1,443.9 million), a 17.0% increase compared to the same period of the preceding year.

Revenue breakdown by brand and product category

		Six months ended 30 June		
		截至六月三十日止六個月		Percentage
		2012	2011	change
		二零一二年	二零一一年	變動比例
		RMB million	RMB million	
		人民幣百萬元	人民幣百萬元	
Yashily paediatric milk formula products	雅士利嬰幼兒配方奶粉	1,144.2	899.0	27.3%
Scient paediatric milk formula products	施恩嬰幼兒配方奶粉	304.7	307.2	-0.8%
Nutrition products	營養食品	227.4	223.4	1.8%
Others	其他	12.8	14.3	-10.5%
Total	總計	1,689.1	1,443.9	17.0%

For the six months ended 30 June 2012, sales revenue from our Yashily paediatric milk formula products amounted to RMB1,144.2 million (same period in 2011: RMB899.0 million), representing an increase of 27.3% from the same period last year, which was mainly attributable to the growth of sales volume boosted by the successful sales strategies. Sales revenue from our Scient paediatric milk formula amounted to RMB304.7 million (same period in 2011: RMB307.2 million), representing a slight decline of 0.8% from the same period last year.

財務回顧

收入

截至二零一二年六月三十日止六個月，本集團之收入達人民幣1,689.1百萬元(二零一一年同期：人民幣1,443.9百萬元)，較去年同期增長17.0%。

按品牌及產品類別劃分之收入

截至二零一二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1,144.2百萬元(二零一一年同期：人民幣899.0百萬元)，較去年同期增長27.3%，增長主要源自成功的銷售策略拉動的銷售量增長；而施恩品牌嬰幼兒配方奶粉產品則實現銷售收入人民幣304.7百萬元(二零一一年同期：人民幣307.2百萬元)，相比去年同期稍下降了0.8%。

Management's Discussion and Analysis (continued)

管理層討論及分析(續)

For the six months ended 30 June 2012, sales revenue from our nutrition products amounted to RMB227.4 million (same period in 2011: RMB223.4 million), representing an increase of 1.8% from the same period last year, which was mainly due to the growth in sales revenue from oatmeal and milk powder for adults driven by the growth in market demand.

截至二零一二年六月三十日止六個月，營養食品實現銷售收入人民幣227.4百萬元（二零一一年同期：人民幣223.4百萬元），較去年同期增長1.8%，增長主要來自於市場業務增加而拉動的麥片以及成人系列奶粉銷售收入的增長。

Revenue by city tiers

— Yashily paediatric milk formula

		Six months ended 30 June		Percentage change 變動比例
		截至六月三十日止六個月 2012 二零一二年 RMB million 人民幣百萬元	2011 二零一一年 RMB million 人民幣百萬元	
First-tier cities ⁽¹⁾	一線城市 ⁽¹⁾	155.5	132.0	17.8%
Second-tier cities ⁽²⁾	二線城市 ⁽²⁾	530.5	470.0	12.9%
Third-tier cities and others ⁽³⁾	三線城市及其他 ⁽³⁾	458.2	297.1	54.2%
Total	總計	1,144.2	899.0	27.3%

按城市級別劃分之收入

— 雅士利嬰幼兒配方奶粉

— Scient paediatric milk formula

		Six months ended 30 June		Percentage change 變動比例
		截至六月三十日止六個月 2012 二零一二年 RMB million 人民幣百萬元	2011 二零一一年 RMB million 人民幣百萬元	
First-tier cities ⁽¹⁾	一線城市 ⁽¹⁾	31.2	36.4	-14.3%
Second-tier cities ⁽²⁾	二線城市 ⁽²⁾	204.0	221.9	-8.1%
Third-tier cities and others ⁽³⁾	三線城市及其他 ⁽³⁾	69.5	48.9	42.1%
Total	總計	304.7	307.2	-0.8%

— 施恩嬰幼兒配方奶粉

Management's Discussion and Analysis (continued)

管理層討論及分析(續)

⁽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。

The above sales are classified based on the tier of the cities where the distributors are registered.

上述銷售是以經銷商註冊所在地歸屬的城市級別劃分的。

Boosted by the successful sales strategies, sales for Yashily paediatric milk formula grew on all city tiers. In addition, the growth rate in the third-tier and other market is higher. Yashily brand paediatric milk formula also achieved higher growth in these regions.

在成功的銷售策略拉動下，雅士利嬰幼兒奶粉實現了全綫上漲。此外，三線城市及其他市場增速較快，雅士利品牌嬰幼兒奶粉在此區域的提升也更為迅速。

In the first half of 2012, Scient has further expanded its distribution channel downward. Some of the third-tier and other markets covered by distributors in first and second-tier cities are operated by local distributors. Mainly due to the above, the sales in first and second-tier cities for Scient brand dropped while the sales in third-tier cities and others increased mainly due to the above reason.

於二零一二年上半年，施恩進一步進行分銷渠道下沉，部份的原由一二線城市經銷商覆蓋的三線城市及其他市場由當地的經銷商經營。主要由於上述原因，施恩品牌一二線城市銷售有所下降而三線城市及其他銷售有所上升。

Gross Profit

For the six months ended 30 June 2012, the Group recorded gross profit of RMB917.0 million (same period in 2011: RMB782.0 million), representing an increase of 17.3% from the same period last year, and gross profit margin was 54.3% (same period in 2011: 54.2%). In order to push the further development of the market, more sales discount has been granted by the Group, of which the impact on gross profit margin has been offset by optimization of product structure and the decrease in the average cost of raw milk powder during the period. Due to the combined effects, gross profit margin grew slightly compared with the same period last year.

毛利

截至二零一二年六月三十日止六個月，本集團錄得毛利為人民幣917.0百萬元(二零一一年同期：人民幣782.0百萬元)，較去年同期上升17.3%，毛利率為54.3%(二零一一年同期：54.2%)。為了拉動市場進一步發展，本集團於本期給與了更多銷售折扣，該影響被產品優化結構以及原料粉平均成本均有所下降對毛利率的影響所抵消。綜合影響下，毛利率較去年同期略有上升。

Management's Discussion and Analysis (continued)

管理層討論及分析(續)

Selling and Distribution Costs

For the six months ended 30 June 2012, the Group has incurred selling and distribution expenses of RMB565.8 million (same period in 2011: RMB517.5 million), representing an increase of 9.3% from the same period last year, which was mainly due to the increase in salary, social security fees and promotion expenses. However, sales revenue grew by 17.0% while selling and distribution expenses increased by only 9.3% and therefore, the ratio of selling and distribution expenses over the Group revenue decreased to 33.5% (same period in 2011: 35.8%).

Administrative Expenses

For the six months ended 30 June 2012, administrative expenses amounted to RMB98.3 million (same period in 2011: RMB85.7 million), representing an increase of 14.7% from the same period last year, which was mainly due to the increase in salary, social security fees and other taxes expenses.

Net finance income

For the six months ended 30 June 2012, net finance income amounted to RMB46.9 million (same period in 2011: net finance income of RMB24.1 million). It was primarily due to the increase in investment income during the period and fair value gain from the conservative wealth management products as at 30 June 2012.

Income tax expense

For the six months ended 30 June 2012, the Group has provided income tax expense of RMB86.0 million (same period in 2011: RMB57.0 million), and the effective income tax rate was 28.1% (same period in 2011: 27.4%). The increase in income tax expense was mainly due to the surge in total profit before tax.

銷售及經銷成本

截至二零一二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565.8百萬元(二零一一年同期：人民幣517.5百萬元)，較去年同期增加了9.3%，主要由於工資社保費以及推廣促銷費用的增加所致。主要是因為本期銷售額增長17.0%，而銷售及經銷開支增幅只有9.3%，銷售及經銷開支佔本集團收入的比例下降至33.5%(二零一一年同期：35.8%)。

行政開支

截至二零一二年六月三十日止六個月，管理費用為人民幣98.3百萬元(二零一一年同期：人民幣85.7百萬元)，較去年同期增加了14.7%，主要由於工資福利社保費用以及稅費增加所致。

財務收入淨額

截至二零一二年六月三十日止六個月，財務淨收入為人民幣46.9百萬元(二零一一年同期：財務淨收入為人民幣24.1百萬元)。主要是由於本集團於本期來自穩健型理財產品的投資收益及於二零一二年六月三十日的公允價值變動收益增加。

所得稅開支

截至二零一二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86.0百萬元(二零一一年同期：人民幣57.0百萬元)，實際所得稅率為28.1%(二零一一年同期：27.4%)。所得稅費用的增加主要是因為稅前利潤總額的增長。

Inventory

As at 30 June 2012, the Group's inventory balance amounted to RMB668.1 million (31 December 2011: RMB577.7 million), of which, raw materials increased from RMB303.5 million as at 31 December 2011 to RMB398.1 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. In addition, the Group adopted a strategic policy to purchase more raw materials which are of unstable supply. The balance for raw materials increased accordingly.

Other investment

As at 30 June 2012, other investment was conservative wealth management products. As at 31 July 2012, wealth management products of RMB 348.9 million were due and redeemed, and average annualised yields from 2.7% to 6.0% was achieved. As at 31 July 2012, the remaining outstanding amounts were all short-term wealth management products with capital preservation nature and mature in one year and anticipated annualised yields from 2.8% to 7.8%. The yields vary mainly due to different investment terms of the products.

Trade and bills receivables

As at 30 June 2012, the Group's trade and bills receivables amounted to RMB22.7 million (31 December 2011: RMB52.3 million), which was mainly due to the improvement of credit limit control by the Group. In the first half of 2012, the trade receivable turnover days were 2.4 days (same period in 2011: 6.5 days).

Human resources and Employees' remuneration

As at 30 June 2012, the Group had a total of 5,576 (30 June 2011: 5,035) full time employees. Total employee cost for the period was approximately RMB150.7 million (same period in 2011: RMB111.7 million). The increment in employee cost was mainly due to the increase in head count, average salary and expenses on social insurance.

存貨

於二零一二年六月三十日，本集團存貨餘額為人民幣668.1百萬元(二零一一年十二月三十一日：人民幣577.7百萬元)，其中原材料從二零一一年十二月三十一日人民幣303.5百萬元增加至本期末的人民幣398.1百萬元。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。此外，有一部分的原材料供應不穩定，本集團於上半年實施了策略增加採購，原材料庫存相應增加。

其他投資

於二零一二年六月三十日，其他投資為穩健型理財產品。於二零一二年七月三十一日，人民幣348.9百萬元的理財產品已到期購回並取得平均年化收益2.7%至6.0%。於二零一二年七月三十一日，其餘尚未購回的金額均為短期保本理財產品，亦會於一年內到期，預期年化收益率為2.8%到7.8%。收益不同主要因投資期限而有所不同。

貿易應收款及應收票據

於二零一二年六月三十日，本集團貿易應收款及應收票據金額為人民幣22.7百萬元(二零一一年十二月三十一日：人民幣52.3百萬元)，主要由於本集團更完善的信限控制。於二零一二年上半年，貿易應收款周轉天數為2.4天(二零一一年同期：6.5天)。

人力資源及僱員薪酬

於二零一二年六月三十日，本集團共有5,576名全職僱員(二零一一年六月三十日：5,035名)。僱員本期總成本約為人民幣150.7百萬元(二零一一年同期：人民幣111.7百萬元)。僱員總成本的增加主要是因為員工人數的增加以及員工平均薪酬及社保費用增加。

Management's Discussion and Analysis (continued)

管理層討論及分析(續)

We place high concern on the motivation of staff, and have established and maintained a performance review system based on staff's performance and competence and remuneration incentive system, which matches employee's income positively with personal effectiveness, providing directions in substantial improvement of staff's career development and capabilities, together with basic salary and basic incentives such as performance-based bonus, welfare and benefits as well as long-term incentive of share option schemes, to attract and retain more outstanding talents.

Upholding the concept that talents are the most invaluable asset of the Company, the Group formulates middle and long term human resources planning in accordance with its needs on strategic development in the future, while fosters the building of its pools of talents and provide elites with systematic and specific nurturing plans. The Group will also continue to promote the optimization of its training system with an aim to establish a strong talent development system in line with its future corporate development.

The Group will also strive to deepen the establishment of corporate culture, and fully utilise its functions of soft power via the establishment of core culture and sharing of value and objectives, matching of strategies as well as guidance on the establishment of corporate system and human resources structure. The Group will stimulate the motivity and activeness of its staff and build up a professional team with passion and pursuit of excellence, which will in turn enhance the overall operation efficiency of the enterprise, staff loyalty as well as overall profitability.

Contingent liabilities

As at 30 June 2012, the Group did not have any material contingent liabilities (31 December 2011: nil).

Capital commitment

As at 30 June 2012, total capital commitment of the Group amounted to RMB47.5 million (31 December 2011: RMB63.0 million).

本集團注重員工激勵，建立健全基於業績和能力的績效評價與薪酬激勵體系，將僱員的收益和個人工作成效正向匹配，為僱員的職業發展和能力的有效提升提供方向指引，同時結合基本薪金、績效花紅及福利等基礎激勵，股權計劃的長期激勵，以吸引和保留更多優秀人才。

本集團貫徹「人才是公司最重要資產」的理念，結合未來戰略發展需要建立中長期人力規劃，推進人才梯隊建設，並為優秀人才提供系統及針對性的培養計劃。集團還將持續推動培訓體系的精進，以期建立配合未來企業發展的強大人才發展系統。

本集團還致力於深化企業文化建設，通過建立核心文化與共享價值理念，匹配戰略、並指引公司制度與人力資源體系建設，充分發揮軟實力功能，激發員工的工作源動力與積極性，建設富於激情、追求卓越的職業化團隊，從而提高企業的整體運營效率員工向心力和整體盈利能力。

或然負債

於二零一二年六月三十日，本集團並無重大或然負債(二零一一年十二月三十一日：無)。

資本承擔

於二零一二年六月三十日，本集團資本承擔總額為人民幣47.5百萬元(二零一一年十二月三十一日：人民幣63.0百萬元)。

Management's Discussion and Analysis (continued)

管理層討論及分析(續)

Application of net IPO Proceeds

The net proceeds from IPO were approximately RMB1,965.8 million, after deduction of related expenses. We have utilised such net proceeds in the manner consistent with that mentioned on the Company's prospectus dated 30 October 2010 under the section headed "Future Plans and Use of Proceeds". As such, the net proceeds utilised up to 30 June 2012 was as follows:

首次公開招股所得款項淨額用途

上市於扣除有關開支後的所得款項淨額約為人民幣 1,965.8 百萬元。本公司已按照二零一零年十月三十日的招股章程「未來計劃及所得款項用途」一節所披露的方式運用這些款項淨額。因此，截至二零一二年六月三十日所得款項淨額用途相應如下：

Item	項目	Available for	Utilised in the six	Unutilised as at
		utilisation as at the end of 2011	months ended 30 June 2012	30 June 2012
		於 二零一一年底 可動用 RMB'000 人民幣千元	截至 二零一二年 六月三十日止 六個月動用 RMB'000 人民幣千元	於 二零一二年 六月三十日 未動用 RMB'000 人民幣千元
Expansion of production capacity for paediatric milk formula and nutritional food products:	用於擴大嬰幼兒配方奶粉及營養食品之產能：	433,876	33,040	400,836
Acquisition of integrated dairy companies engaged in the production of raw milk and raw milk powder and establishment of vertically-integrated production facilities overseas	收購從事原奶及原料奶粉生產的綜合乳製品公司及在海外建立垂直整合的生產設施	490,341	1,097	489,244
Promotional activities in television networks and popular baby nursing forums as well as major magazines, newspapers and other printed media	電視網絡及流行育嬰論壇網站，以及主要雜誌、報紙及其他印刷媒體的廣告活動	431,681	23,361	408,320
Enhancement on our research and development capabilities	提高本集團的研發能力	143,181	1,720	141,461
Development and promotion of sales of existing and new products	開發及推銷現有產品及新產品	102,820	102,820	—
Funding of our working capital and general corporate purposes	本集團營運資金及一般企業用途	157,267	157,267	—
Total	合計	1,759,166	319,305	1,439,861



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 2012 (“Interim Financial Statements”).

Interim Dividends

The Board does not recommend an interim dividend for the six months ended 30 June 2012 (for the six months ended 30 June 2011: nil), and recommends 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」)截至二零一二年六月三十日止六個月的未經審核簡明合並財務報表(「中期財務報表」)。

中期股息

董事會建議不派發截至二零一二年六月三十日止六個月的中期股息(截至二零一一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

As at 30 June 2012, 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 (chapter 571 of the Laws of Hong Kong) ("SFO")) which have been notified to the Group and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Division 7 and 8 of Part XV of the SFO, including interests and short positions which the directors and the chief executives of the Company are taken and deemed to have under such provisions of the SFO, or which are required to be and are 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 Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules")

(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 佔已發行股本百分比
董事名稱	身份／權益性質	股份數目	
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

截至二零一二年六月三十日，本集團董事及主要行政人員及彼等各自的聯繫人於本集團及其相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部份)之股份、相關股份及債權證中，擁有已根據證券及期貨條例第XV部第7及第8分部知會本集團及香港聯合交易所有限公司(「聯交所」)的權益及淡倉(包括本公司董事及主要行政人員根據證券及期貨條例的該等條文被當作或視為擁有的權益及淡倉)，或須根據證券及期貨條例第352條規定存置的登記冊內之權益及淡倉，或根據聯交所證券上市規則(「上市規則」)附錄十所載的上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本集團及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

Report of the Directors (continued)

董事會報告(續)

(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
董事名稱	身份/權益性質	股份數目	佔已發行股本百分比
Zhang Lidian ⁽¹⁾	Beneficial owner	15,547,248(L)(長) ⁽³⁾	0.44%
張利鈿 ⁽¹⁾	實益擁有人		
Zhang Yanpeng ⁽²⁾	Beneficial owner	2,374,489(L)(長) ⁽³⁾	0.07%
張雁鵬 ⁽²⁾	實益擁有人		

Notes:

1. Zhang Lidian, an executive director, owns 6,218,896 Shares and Pre-IPO Share Options to subscribe for 9,328,352 Shares of the listed company.
2. Zhang Yanpeng, an executive director, owns 949,792 Shares and Pre-IPO Share Options to subscribe for 1,424,697 Shares of the listed company.
3. "L" denotes long position.

附註:

1. 執行董事張利鈿擁有6,218,896股股份及首次公開發售前購股權，以認購9,328,352股上市公司股份。
2. 執行董事張雁鵬擁有949,792股股份及首次公開發售前購股權，以認購1,424,697股上市公司股份。
3. 「長」指長倉。

Save as disclosed above, as at 30 June 2012, none of the directors or chief executive of the Company had, or was deemed to have any interests or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which had been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which had been notified to the Company and the Stock Exchange pursuant to the Model Code.

At no time was the Company, its holding company, or any of its subsidiaries a party to any arrangements to enable the Directors and chief executive of the Company (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).

除上文所披露者外，於二零一二年六月三十日，本公司董事或主要行政人員概無於本公司及其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債券中擁有或視作擁有本公司根據證券及期貨條例第352條存置的登記冊所記錄的任何權益或淡倉，或根據標準守則已知會本公司及聯交所的權益或淡倉。

於任何時間，本公司、其控股公司或其任何附屬公司概無訂立任何安排，致使本公司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 and short positions in shares and underlying shares

So far as is known to any director or chief executive of the Company, as at 30 June 2012, the persons or corporations (other than director or chief executive of the Company) who had interest or short positions in the shares and underlying shares of the Company or its associated corporation(s) which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

主要股東於股份及相關股份的權益及短倉

就本公司董事或主要行政人員所知，於二零一二年六月三十日，於本公司或其相聯法團的股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須披露予本公司的權益或短倉，或已記入根據證券及期貨條例第336條規定存置的登記冊內的權益或短倉的人士或法團(並非本公司董事或主要行政人員)如下：

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	佔已發行股本百分比
Zhang International ⁽¹⁾ 張氏國際 ⁽¹⁾	Beneficial owner 實益擁有人	1,826,808,760 (L)(長) ⁽³⁾	51.85%
CA Dairy Holdings ("Carlyle") ⁽²⁾ CA Dairy Holdings (「凱雷」) ⁽²⁾	Beneficial owner 實益擁有人	853,631,240 (L)(長) ⁽³⁾	24.23%
Carlyle Asia Partners III L.P.	Interest in a controlled corporation 受控制法團權益	853,631,240(L)(長) ⁽³⁾	24.23%

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。

Save as disclosed above, as at 30 June 2012, the directors of the Company are not aware of any other person or corporation having an interest or short position in shares and underlying shares of the Company or its associated corporation(s) which would require to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

除上文所披露者外，於二零一二年六月三十日，本公司董事概不知悉任何其他人士或公司於本公司或其相聯法團的股份或相關股份中擁有須記入本公司根據證券及期貨條例第336條存置的登記冊的權益或短倉。

Report of the Directors (continued)

董事會報告(續)

Share Options Schemes

Pre-IPO Share Option Scheme

The Company has adopted a share option scheme on 8 October 2010 (the “**Pre-IPO Share Option Scheme**”) for the purpose of giving its employees an opportunity to have a personal stake in the Company and helping motivate employees to optimise their performance and efficiency, and retaining its employees whose contributions are important to the long term growth and profitability of the Group. Options to subscribe for an aggregate of 94,975,662 Shares (the “**Underlying Shares**”) were granted to 181 participants, including 2 executive directors. 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.

No further options were granted under the Pre-IPO Share Option Scheme on or after the 1 November 2010, the date of our Shares first commenced dealings on the 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 were vested 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;

購股權計劃

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**」)，其目標為向員工提供於本公司擁有個人權益之機會及鼓勵員工發揮彼等所長，提升工作效率，及挽留對本集團之長期增長及盈利能力有重要貢獻之員工。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。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。

於二零一零年十一月一日(即股份首次於聯交所買賣當日(「**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；
- 五分之一的購股權已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；

Report of the Directors (continued)

董事會報告(續)

- 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
- 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

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

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。

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	As at 1 January 2012	Exercised during the period	Lapsed during the period	As at 30 June 2012	Date of grant of share options	Exercise price of share options	Closing market price
							per share for Exercised options
參與者名稱或類別	於二零一二年一月一日	期內行使	期內失效	於二零一二年六月三十日	授出購股權日期	購股權行使價 RMB 人民幣	行使股份每股收市價 HK\$ 港元
Directors							
董事							
Zhang Lidian 張利鈿	12,437,800	3,109,448	—	9,328,352	1 January 2009 二零零九年一月一日	0.11	1.19
Zhang Yanpeng 張雁鵬	1,899,593	474,896	—	1,424,697	1 January 2009 二零零九年一月一日	0.11	1.19
Other staff 其他員工	41,417,275	10,441,707	913,696	30,061,872	1 January 2009 二零零九年一月一日	0.11	1.19
Other staff 其他員工	15,057,106	—	5,296,691	9,760,415	1 August 2010 二零一零年八月一日	1.84	Not applicable 不適用
	70,811,774	14,026,051	6,210,387	50,575,336			

Report of the Directors (continued)

董事會報告(續)

Share Option Scheme

The Company has adopted the Share Option Scheme on 8 October 2010 for the purpose of motivating eligible persons to optimise their future contributions to the Group and/or reward them for their past contributions, attracting and retaining or otherwise maintaining on-going relationships with such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group.

The maximum number of share which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the shares in issue as at the Listing Date, that is, 350,000,000 Shares. No option may be granted to any participant of the Share Option Scheme such that the total number of shares issued and to be issued upon exercise of the options granted and to be granted to that person in any 12-month period up to the date of the latest grant exceeds 1% of the Company's issued share capital from time to time.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as determined by the board and not exceeding 10 years from the date of the grant. There is no minimum period for which an option must be held before it can be exercised. Participants of the Share Option Scheme are required to pay the Company HK\$1 upon acceptance of the grant on or before the 28 days after the offer date. The exercise price of the options is determined by the board in its absolute discretion and shall not be less than whichever is the highest of:

- (a) the nominal value of a share;
- (b) the closing price of a share as stated in the Stock Exchange's daily quotations sheets on the offer date; and
- (c) the average closing price of a share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date.

The Share Option Scheme shall be valid and effective for a period of 10 years from the Listing Date, after which no further options will be granted or offered.

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，其目標為激勵相關參與者，令其對本集團的未來貢獻達致最佳及／或獎勵彼等過往的貢獻，吸引及挽留或以其他方式維持與該等對本集團的表現、增長或成功而言屬有利或將會有利的參與者。

因行使根據購股權計劃及本集團任何其他計劃將予授出的所有購股權而可能發行的最高股份數目，合共不得超過截至上市日期已發行股份的10%，即350,000,000股股份。本公司概不得向任何一名購股權計劃參與人士授出購股權，致使在任何截至最終授出當日止12個月期間行使已授出及將授出的購股權而發行及將予發行的股份總數超過本公司不時已發行股本的1%。

購股權可根據購股權計劃條款於任何董事會釐定的期間內任何時間予以行使，惟不得超過授出日期起計10年。於購股權可獲行使前並無最短持有購股權的期限。購股權計劃參與人在要約日期起計28天內接納授出購股權須向本公司繳付1港元。購股權的行使價由董事會全權酌情釐定，惟不得低於下列三者中的最高者：

- (a) 股份面值；
- (b) 於要約日期在聯交所每日報價表所列的股份收市；及
- (c) 緊接要約日期前五個營業日股份於聯交所每日報價表所列的平均收市價。

購股權計劃將由上市日期起計10年期間內有效及生效，於該期間後，將不會授出或提呈其他購股權。

Report of the Directors (continued)

董事會報告(續)

During the six months ended 30 June 2012, movements in the share options granted under the Share Option Scheme are set out below:

根據購股權計劃，截至二零一二年六月三十日止六個月授出的購股權的變動列載如下：

Date of grant	Exercise price per share HK\$	As at 1 January 2012 於二零一二年一月一日	Exercised during the period 期內行使	Cancelled/lapsed during the period 期內註銷/失效	As at 30 June 2012 於二零一二年六月三十日
授出日期	每股行使價 港元				
29 August 2011 二零一一年八月二十九日	1.50	48,148,214	—	—/6,445,555	41,702,659

The vesting schedule is as follows:

歸屬期的時間表如下：

Vesting date 歸屬日期	Percentage of the share option to vest 購股權歸屬比例
29 August 2011 二零一一年八月二十九日	25% of the share option 購股權的25%
29 August 2012 二零一二年八月二十九日	25% of the share option 購股權的25%
29 August 2013 二零一三年八月二十九日	25% of the share option 購股權的25%
29 August 2014 二零一四年八月二十九日	25% of the share option 購股權的25%

Subject to the Share Option Scheme, none of the Grantees with share option is a director, chief executive or substantial shareholder of the Company or any associate of any of them.

根據購股權計劃，獲授予購股權的承授人概不是公司董事，主要行政人員或主要股東或是彼等的相聯法團。

Foreign Currency Risk

The Group is exposed to foreign currency risk primarily from bank deposits, other receivable and bank loan, denominated in foreign currency, of the operations to which the transactions relate. The currencies giving rise to this risk are primarily Hong Kong dollars and US dollars.

外幣風險

本集團的外匯風險主要來自以外幣計價之銀行存款、其他應收款以及銀行貸款，即與營運相關交易之功能貨幣以外的貨幣。引致風險之貨幣主要為港幣及美元。

Report of the Directors (continued)

董事會報告(續)

Pledge of Assets

As at 30 June 2012, the Group has pledged bank deposits, other investments and certain property, plant and equipment of approximately RMB153.7 million in aggregate (31 December 2011: RMB92.5 million).

Capital Structure, Liquidity and Financial Resources

As at 30 June 2012, cash and cash equivalents of the Group were RMB1,625.5 million (31 December 2011: RMB2,581.6 million), representing a decrease of 37.0%. The decrease was mainly due to increment by RMB986.5 million in the balance of the fund utilised in other investment.

Operating activities

For the six months ended 30 June 2012, our operations provided RMB218.3 million of cash (same period in 2011: RMB237.1 million). The strong cash inflow was mainly attributable to the profit achieved in the six months ended 30 June 2012.

Investing activities

For the six months ended 30 June 2012, net cash used in investing activities amounted to RMB1,022.3 million, cash outflow for investing activities were mainly used in the investment of conservative wealth management products and the acquisition and construction of facilities and plants.

Financing activities

For the six months ended 30 June 2012, net cash used in financing activities amounted to RMB150.3 million, primarily reflecting RMB112.2 million of proceeds from loans and borrowings, RMB61.8 million for the repayment of bank loans and RMB200.1 million for the distribution of dividends.

資產抵押

於二零一二年六月三十日，本集團已抵押之銀行存款、其他投資及若干物業、廠房及設備合共約人民幣153.7百萬元(二零一一年十二月三十一日：人民幣92.5百萬元)。

資本結構、流動資金及財務資源

於二零一二年六月三十日，本集團的現金及現金等價物為人民幣1,625.5百萬元(二零一一年十二月三十一日：人民幣2,581.6百萬元)，下降37.0%。下跌的原因主要是因為用作其他投資的資金餘額增加人民幣986.5百萬元。

經營活動

截至二零一二年六月三十日止六個月內，本集團的業務帶來人民幣218.3百萬元現金(二零一一年同期：人民幣237.1百萬元)。強勁的現金流入主要來自截至二零一二年六月三十日止六個月取得的利潤。

投資活動

截至二零一二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1,022.3百萬元，投資活動現金流出主要用於購買穩健型理財產品及設備及廠房的購建。

融資活動

截至二零一二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150.3百萬元，主要反映貸款及借款所得款項人民幣112.2百萬元，和償還銀行貸款人民幣61.8百萬元及派發股息人民幣200.1百萬元。

Loans and borrowings

As at 30 June 2012, our bank loans amounted to RMB81.8 million (31 December 2011: RMB31.4 million), which are required to be repaid on demand within a year.

As at 30 June 2012, our total equity amounted to RMB3,826.9 million (31 December 2011: RMB3,804.0 million), and the debt-to-equity ratio (total bank loans at period end divided by total equity at period end) was 2.14% (31 December 2011: 0.8%).

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 practises and procedures are beneficial to the Group and its shareholders.

Save as disclosed below, the Company has applied the principles and complied with all code provisions of the Code on Corporate Governance Practices during the period from 1 January 2012 to 31 March 2012 and the Corporate Governance Code ("CG Code") during the period from 1 April 2012 to 30 June 2012 as set out in Appendix 14 to the Listing Rules. In respect of code provision A.2.1 of the CG Code, 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

於二零一二年六月三十日，本集團銀行的貸款為人民幣81.8百萬元(二零一一年十二月三十一日：人民幣31.4百萬元)需於一年內按要求償還。

於二零一二年六月三十日，本集團的總權益為人民幣3,826.9百萬元(二零一一年十二月三十一日：人民幣3,804.0百萬元)，債務權益比率(銀行貸款期末總額除以權益期末總額)為2.14%(二零一一年十二月三十一日：0.8%)。

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間責任性。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。

除下文所披露者外，本公司已於二零一二年一月一日至二零一二年三月三十一日期間採納該等原則，並已遵守企業管治常規守則的所有守則條文及已於二零一二年四月一日至二零一二年六月三十日期間內遵守上市規則附錄十四所載的企業管治守則(「守則」)。就守則的守則條文第A.2.1條而言，本公司並無任何人員擔任「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。

Report of the Directors (continued)

董事會報告(續)

Board of Directors

For the six months ended 30 June 2012, 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; the non-executive directors of the Company are Mr. Zhang Chi and Mr. Chang Herman Hsiu-Guo; 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 Likun, Mr. Chang Herman Hsiu-Guo, Mr. Zhang Chi and Mr. Yu Shimao have retired by rotation in the 2012 annual general meeting on 30 May 2012, and were re-elected in that meeting.

Independent non-executive directors ("INED")

Pursuant to Rule 3.10A of the Listing Rules, INED should represent at least one-third of the board. Currently the Company's board comprises 10 members, only 3 of whom are considered to be INEDs. The Board will consider appointing one more INED in order to comply with the said Rule by 31 December 2012.

董事會

截至二零一二年六月三十日止六個月內，董事會由五位執行董事、兩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；非執行董事為張弛先生、張淑國先生；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下一次股東大會上接受股東重選。張利坤先生、張淑國先生、張弛先生及余世茂先生已於二零一二年五月三十日股東周年大會上輪值退任，並在二零一二年股東周年大會重選連任。

獨立非執行董事

根據上市規則第3.10A條，獨立非執行董事應最少佔董事會成員的三分之一。目前，本公司董事會由10名成員組成，當中僅3人為獨立非執行董事。董事會將考慮額外委任一名獨立非執行董事，以於二零一二年十二月三十一日前遵守上述規則。

Directors' Attendance Records

For the six months ended 30 June 2012, 4 board meetings were held. The attendance records of each director at the board meetings are set out below:

Name of Director 董事姓名	Attendance 出席次數
Mr. Zhang Lidian 張利鈿先生	4
Mr. Zhang Likun 張利坤先生	4
Mr. Zhang Liming 張利明先生	4
Mr. Zhang Libo 張利波先生	4
Mr. Zhang Yanpeng 張雁鵬先生	4
Mr. Chang Herman Hsiu-Guo 張淑國先生	4
Mr. Zhang Chi 張弛先生	4
Mr. Yu Shimao 余世茂先生	4
Mr. Chen Yongquan 陳永泉先生	4
Mr. Samuel King On Wong 黃敬安先生	4

董事與會記錄

截至二零一二年六月三十日止六個月內，本集團舉行了4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：

Securities Transactions of Directors

The Group has adopted the Model Code as its code and rule for the practises 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 for the six months ended 30 June 2012.

董事的證券交易

本集團已採納標準守則，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，彼等於截至二零一二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

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 2012.

購買、出售或贖回本集團上市股份

截至二零一二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。

Report of the Directors (continued)

董事會報告(續)

Company Secretary

Ms. Ho Siu Pik has been appointed as a joint company secretary of the Company with effect from 20 June 2012. Mr. Wu Xiaonan remained as the other joint company secretary of the Company after Ms. Ho's appointment.

Audit Committee

The audit committee comprises two independent non-executive directors, namely Mr. Samuel King On Wong (Chairman) and Mr. Yu Shimaο, 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 audit committee has reviewed the unaudited financial statements for the six months ended 30 June 2012 and considered that the results complied with relevant accounting standards and that the Company has made appropriate disclosures.

Publication of Interim Report

The interim report of the Company for the six months ended 30 June 2012 containing all the applicable information required by the Listing Rules will be dispatched to the shareholders of the Company and made available for review on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.yashili.hk) in due course.

By the order of the Board

Zhang Lidian
Chairman

Hong Kong, 16 August 2012

公司秘書

由二零一二年六月二十日起，何小碧女士已獲委任為本公司的聯席公司秘書。吳曉南先生於何女士獲委任後留任本公司的另一位聯席公司秘書。

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。

審核委員會已審閱截至二零一二年六月三十日止六個月的未經審核財務報表，並認為結果符合相關會計準則且本公司已作出適當披露。

刊登中期報告

載有上市規則規定的所有適用資料的本公司截至二零一二年六月三十日止六個月中期報告將會寄發予本公司股東，並將可在適當時間於聯交所網站(www.hkexnews.hk)及本公司網站(www.yashili.hk)備供查閱。

承董事會命

張利鈿
主席

香港，二零一二年八月十六日

Consolidated Income Statement

合併收益表

For the six months ended 30 June 2012 — unaudited (Expressed in Renminbi)
截至二零一二年六月三十日止六個月(未經審核)(以人民幣列值)

		Six months ended 30 June		
		截至六月三十日止六個月		
		2012	2011	
		二零一二年	二零一一年	
		RMB'000	RMB'000	
		人民幣千元	人民幣千元	
	Note 附註			
Turnover	營業額	4	1,689,114	1,443,866
Cost of sales	銷售成本		(772,151)	(661,819)
Gross profit	毛利		916,963	782,047
Other revenue	其他收入		18,563	12,487
Other net loss	其他虧損淨額		(204)	(201)
Selling and distribution costs	銷售及經銷成本		(565,827)	(517,498)
Administrative expenses	行政開支		(98,270)	(85,704)
Other expenses	其他開支		(12,513)	(7,376)
Profit from operations	經營溢利		258,712	183,755
Finance income	財務收入	5(a)	47,562	26,611
Finance costs	財務成本	5(a)	(690)	(2,553)
Net finance income	財務收入淨額		46,872	24,058
Profit before taxation	除稅前溢利	5	305,584	207,813
Income tax expense	所得稅開支	6	(86,039)	(56,953)
Profit for the period	期間溢利		219,545	150,860
Attributable to:	以下人士分佔：			
Equity shareholders of the Company	本公司股權持有人		218,903	150,132
Non-controlling interests	非控股權益		642	728
Profit for the period	期間溢利		219,545	150,860
			RMB cents	RMB cents
			人民幣分	人民幣分
Earnings per share	每股盈利			
Basic	基本	7(a)	6.2	4.3
Diluted	攤薄	7(b)	6.2	4.2

The notes on pages 47 to 74 form part of this interim financial report.

第47頁至74頁所載的附註為本中期財務報告的一部份。

Details of dividends payable to equity shareholders of the Company are set out in note 18(a).

有關應付本公司股權持有人股息的詳情載於附註18(a)。

Consolidated Statement of Comprehensive Income

合併綜合收益表

For the six months ended 30 June 2012 — unaudited (Expressed in Renminbi)
截至二零一二年六月三十日止六個月(未經審核)(以人民幣列值)

		Six months ended 30 June	
		截至六月三十日止六個月	
		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit for the period	期間溢利	219,545	150,860
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	(1,831)	(3,196)
Total comprehensive income for the period	期間綜合收益總額	217,714	147,664
Attributable to:	以下人士分佔：		
Equity shareholders of the Company	本公司股權持有人	217,072	146,936
Non-controlling interests	非控股權益	642	728
Total comprehensive income for the period	期間綜合收益總額	217,714	147,664

The notes on pages 47 to 74 form part of this interim financial report.

第47頁至74頁所載的附註為本中期財務報告的一部份。

Consolidated Balance Sheet

合併資產負債表

At 30 June 2012 — unaudited (Expressed in Renminbi)
於二零一二年六月三十日(未經審核)(以人民幣列值)

			At 30 June 2012 於二零一二年 六月三十日	At 31 December 2011 於二零一一年 十二月三十一日
		Note 附註	RMB'000 人民幣千元	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	753,686	729,525
Intangible assets	無形資產		4,355	5,346
Investment properties	投資物業		75,466	76,334
Lease prepayments	預付租金	9	131,899	133,367
Deferred tax assets	遞延稅項資產		73,189	77,048
Prepayment for acquisition of property, plant and equipment	收購物業、廠房及設備的 預付款		19,616	11,016
Other non-current assets	其他非流動資產		7,946	6,875
			1,066,157	1,039,511
Current assets	流動資產			
Inventories	存貨	10	668,127	577,731
Trade and bills receivables	貿易應收款及應收票據	11	22,686	52,344
Prepayments and other receivables	預付款及其他應收款	12	137,832	138,148
Restricted bank deposits	受限制銀行存款	13	35,033	72,456
Cash and cash equivalents	現金及現金等價物	14	1,625,471	2,581,563
Amounts due from related parties	應收關連方款項	21	2,063	1,816
Other investments	其他投資	15	1,166,538	180,000
			3,657,750	3,604,058
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款	16	730,429	720,118
Loans and borrowings	貸款及借款	17	81,833	31,359
Amounts due to related parties	應付關連方款項	21	2,510	1,722
Income tax payables	應付所得稅		44,531	53,102
			859,303	806,301
Net current assets	流動資產淨額		2,798,447	2,797,757
Total assets less current liabilities	總資產減流動負債		3,864,604	3,837,268

Consolidated Balance Sheet (continued)

合併資產負債表(續)

At 30 June 2012 — unaudited (Expressed in Renminbi)
於二零一二年六月三十日(未經審核)(以人民幣列值)

			At 30 June 2012	At 31 December 2011
			於二零一二年 六月三十日	於二零一一年 十二月三十一日
		Note 附註	RMB'000	RMB'000
			人民幣千元	人民幣千元 (audited) (經審核)
Non-current liabilities	非流動負債			
Deferred income	遞延收益		24,648	30,669
Deferred tax liabilities	遞延稅項負債		13,018	2,600
			37,666	33,269
Net assets	資產淨額		3,826,938	3,803,999
Capital and reserves	資本及儲備			
Capital	資本	18	302,601	301,463
Reserves	儲備	18	3,522,394	3,501,235
Total equity attributable to equity shareholders of the Company	本公司股權持有人應佔 權益總額		3,824,995	3,802,698
Non-controlling interests	非控股權益		1,943	1,301
Total equity	權益總額		3,826,938	3,803,999

Approved and authorised for issue by the board of directors on 16 August 2012.

於二零一二年八月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

The notes on pages 47 to 74 form part of this interim financial report.

第47頁至74頁所載的附註為本中期財務報告的一部份。

Consolidated Statement of Changes in Equity

合併權益變動表

For the six months ended 30 June 2012 — unaudited (Expressed in Renminbi)
截至二零一二年六月三十日止六個月(未經審核)(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	Capital redemption reserve	PRC statutory reserves	Equity-settled share-based payment reserve	Other capital reserve	Translation reserve	Merger reserve	Retained earnings	Total	Non-controlling interests	Total equity	
		股本	股份溢價	回購儲備	法定儲備	結算股份	其他	匯兌儲備	合併儲備	保留盈利	總計	非控制權益	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	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	人民幣千元	
		Note	(note 18(b))	(note 18(c))	(note 18(b))	(note 18(e))	(note 18(f))	(note 18(g))	(note 18(d))	(note 18(d))	(note 18(d))	(note 18(d))	(note 18(d))	
		附註	(附註18(b))	(附註18(c))	(附註18(b))	(附註18(e))	(附註18(f))	(附註18(g))	(附註18(d))	(附註18(d))	(附註18(d))	(附註18(d))	(附註18(d))	
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	18(a)	—	—	—	—	—	—	—	(234,692)	(234,692)	—	(234,692)	
Purchase of own shares	回購自身股份	18(b)	—	—	—	—	—	—	—	(15,509)	(15,509)	—	(15,509)	
Shares issued for exercise of share options	就行使購股權發行股份		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	19	—	—	—	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
At 1 January 2012	於二零一二年一月一日		301,463	1,680,437	818	74,923	10,189	(18,279)	(23,149)	1,367,204	409,092	3,802,698	1,301	3,803,999
Changes in equity for the six months ended 30 June 2012	截至二零一二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	18(a)	—	—	—	—	—	—	—	(200,103)	(200,103)	—	(200,103)	
Shares issued for exercise of share options	就行使購股權發行股份		1,138	1,923	—	(1,519)	—	—	—	—	1,542	—	1,542	
Profit for the period	期間溢利		—	—	—	—	—	—	—	218,903	218,903	642	219,545	
Other comprehensive income for the period	期間其他綜合收益		—	—	—	—	—	(1,831)	—	—	(1,831)	—	(1,831)	
Total comprehensive income for the period	期間綜合收益總額		—	—	—	—	—	(1,831)	—	218,903	217,072	642	217,714	
Equity-settled share-based payment transactions	股權結算股份支付交易	19	—	—	—	3,786	—	—	—	—	3,786	—	3,786	
At 30 June 2012	於二零一二年六月三十日		302,601	1,682,360	818	74,923	12,456	(18,279)	(24,980)	1,367,204	427,892	3,824,995	1,943	3,826,938

The notes on pages 47 to 74 form part of this interim financial report.

第47頁至74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

For the six months ended 30 June 2012 — unaudited (Expressed in Renminbi)
截至二零一二年六月三十日止六個月(未經審核)(以人民幣列值)

		Six months ended 30 June	
		截至六月三十日止六個月	
		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		Note	
		附註	
Cash generated from operations	經營活動所得現金		298,599
Income tax paid	已付所得稅		(80,333)
Net cash generated from operating activities	經營活動所得現金淨額		218,266
Net cash used in investing activities	投資活動所用現金淨額		(1,022,250)
Net cash used in financing activities	融資活動所用現金淨額		(150,277)
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額		(954,261)
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物		2,581,563
Effect of foreign exchange rate changes	匯率波動影響		(1,831)
Cash and cash equivalents at 30 June	於六月三十日的現金及現金等價物	14	1,625,471
			2,634,772

The notes on pages 47 to 74 form part of this interim financial report.

第47頁至74頁所載的附註為本中期財務報告的一部份。

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 2012 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 16 August 2012.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2011 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2012 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 2011 annual financial statements.

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 2011 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”).

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。本公司於二零一二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二零一二年八月十六日獲准刊發。

除預期於二零一二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二零一一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，與應用於二零一一年年度財務報表者相同。

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二零一一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。

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)

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 75 and page 76.

The financial information relating to the financial year ended 31 December 2011 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2011 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 20 March 2012.

2 Changes in accounting policies

The IASB has issued a few amendments to IFRSs that are first effective for the current accounting period of the Group and the Company. None of the developments are relevant to the Group's financial statements and the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

1 編製基準(續)

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75和第76頁。

載入本中期財務報告中的屬於之前已呈報資料的截至二零一一年十二月三十一日止財政年度財務資料並不構成本公司該財政年度的法定財務報表，惟乃摘錄自法定財務報表。截至二零一一年十二月三十一日止財政年度的財務報表可以從本公司之註冊辦事處索取。核數師於二零一二年三月二十日出具的報告中，對該等財務報表發表無保留意見。

2 會計政策變更

國際會計準則理事會已頒佈個別國際財務報告準則的修訂，於本集團及本公司的本會計期間首次生效。該等變更並不適用於本集團財務報表的詮釋。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。

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

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

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。
- 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。

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)

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 costs". The Group does not allocate other revenue, other net income or loss, net finance income, expenses other than selling and distribution costs 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.

(a) Information about reportable segments

For the six months ended 30 June 2012

		Yashily paediatric milk formula products 雅士利 嬰幼兒配方 奶粉產品 RMB'000 人民幣千元	Scient paediatric 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	1,144,153	304,752	227,396	12,813	1,689,114
Inter-segment revenue	分部間收入	—	—	—	63,554	63,554
Reportable segment revenue	可呈報分部收入	1,144,153	304,752	227,396	76,367	1,752,668
Reportable segment profit	可呈報分部溢利	341,362	37,158	64,278	1,241	444,039
Segment depreciation and amortisation	分部折舊及攤銷	16,580	10,564	2,598	1,506	31,248

3 分部呈報(續)

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成本」)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、財務收入淨額、銷售及經銷成本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。

(a) 有關可呈報分部的資料

截至二零一二年六月三十日
止六個月

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 2011

3 分部呈報(續)

(a) 有關可呈報分部的資料

(續)

截至二零一一年六月三十日
止六個月

		Yashily paediatric milk formula products 雅士利 嬰幼兒配方 奶粉產品 RMB'000 人民幣千元	Scient paediatric 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)

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

3 分部呈報(續)

(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	
		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue	收入		
Total reportable segment revenue	可呈報分部收入總額	1,752,668	1,502,637
Elimination of inter-segment revenue	抵銷分部間收入	(63,554)	(58,771)
Consolidated revenue	合併收入	1,689,114	1,443,866
Profit or loss	損益		
Reportable segment profit	可呈報分部溢利	444,039	326,046
Other revenue and net income	其他收入及收益淨額	18,359	12,286
Unallocated amounts:	未分配金額：		
Selling and distribution costs	銷售及經銷成本	(92,903)	(61,497)
Administrative expenses	行政開支	(98,270)	(85,704)
Net finance income	財務收入淨額	46,872	24,058
Other expenses	其他開支	(12,513)	(7,376)
Consolidated profit before taxation	除所得稅前 合併溢利	305,584	207,813

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 2011 and 2012. The Group's senior executive management periodically review the geographic analysis of the revenue derived from Yashily and Scient paediatric 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, Jiujiang, Mianyang and Foshan. As there is no official classification, such classification is determined based on our directors' knowledge and experience;
- 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

於本期間，本集團的收入全部源自內銷。截至二零一一年及二零一二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。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、九江、綿陽及佛山。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；
- 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。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)

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 (Continued)

		Six months ended 30 June	
		截至六月三十日止六個月	
		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Yashily paediatric 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	155,475	131,983
— Second-tier cities	— 二線城市	530,490	469,960
— Third-tier cities and others	— 三線城市及其他	458,188	297,066
Total	合計	1,144,153	899,009
Scient paediatric 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	31,163	36,424
— Second-tier cities	— 二線城市	203,975	221,913
— Third-tier cities and others	— 三線城市及其他	69,614	48,876
Total	合計	304,752	307,213

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 surcharge 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.

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。

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)

5 Profit before taxation

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

(a) Finance (income)/costs

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	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Finance income	財務收入		
Interest income	利息收入	(17,970)	(21,666)
Net foreign exchange gain	匯兌收益淨額	(622)	(1,659)
Net realised and unrealised gains on other investments	其他投資的已實現及未實現收益淨額	(28,970)	(3,286)
Sub-total	小計	(47,562)	(26,611)
Finance costs	財務成本		
Interest expense	利息開支	649	1,924
Net foreign exchange loss	匯兌虧損淨額	41	535
Net unrealised loss on forward contracts	遠期合約的未實現虧損淨額	—	94
Sub-total	小計	690	2,553
Net finance income	財務收入淨額	(46,872)	(24,058)

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)

5 Profit before taxation (Continued)

(b) Staff costs

		Six months ended 30 June	
		截至六月三十日止六個月	
		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries, wages and other benefits	薪金、工資及其他福利	133,865	102,011
Contributions to defined contribution retirement schemes	界定供款退休計劃供款	13,069	7,044
Equity-settled share-based payment expenses	股權結算股份支付開支	3,786	2,655
Total	合計	150,720	111,710

Staff costs include 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.

員工成本包括董事及高級管理人員的薪金。

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。

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)

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	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Cost of inventories (i)	存貨成本(i)	876,884	669,004
Depreciation:	折舊：		
— Property, plant and equipment (i)	— 物業、廠房及設備(i)	35,858	35,467
— Investment properties	— 投資物業	869	699
Amortisation:	攤銷：		
— Lease prepayments	— 預付租金	1,467	1,468
— Intangible assets	— 無形資產	992	1,065
— Other non-current assets	— 其他非流動資產	1,169	509
Operating lease charges	經營租賃費用		
— Hire of plant, machinery and properties	— 租用廠房、機器及物業	6,245	6,525
Auditors' remuneration	核數師酬金	1,200	1,965
Net loss on disposal of plant and equipment	出售廠房及設備的虧損淨額	204	201
Impairment write-back	減值轉回		
— on trade receivables	— 貿易應收款	(6)	(184)
Rentals receivable from investment properties less direct outgoings (ii)	投資物業應收租金減去直接支出(ii)	(2,380)	(2,491)

(i) Cost of inventories includes RMB54,421,000 for the six months ended 30 June 2012 relating to staff costs and depreciation (for the six months ended 30 June 2011: RMB48,282,500), 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) 存貨成本包括截至二零一二年六月三十日止六個月的人民幣54,421,000元，乃與員工成本及折舊有關(截至二零一一年六月三十日止六個月：人民幣48,282,500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。

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)

5 Profit before taxation (Continued)

(c) Other items (Continued)

- (ii) No direct outgoing (excluding depreciation) of investment properties was recorded for the six months ended 30 June 2012 (for the six months ended 30 June 2011: RMB nil).

6 Income tax expense

5 除稅前溢利(續)

(c) 其他項目(續)

- (ii) 截至二零一二年六月三十日止六個月未有錄得投資物業的直接支出(不含折舊)(截至二零一一年六月三十日止六個月：人民幣零元)。

6 所得稅開支

		Six months ended 30 June	
		截至六月三十日止六個月	
		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current tax — PRC income tax	即期稅項 — 中國所得稅		
Provision for the period	期間撥備	72,019	47,656
Over provision in respect of prior year	過往年度超額撥備	(257)	(534)
Deferred tax — PRC income tax	遞延稅項 — 中國所得稅	14,277	9,831
Total income tax expense	所得稅開支總額	86,039	56,953

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)

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 2012 of RMB218,903,000 (six months ended 30 June 2011: RMB150,132,000) and the weighted average of 3,522,946,132 ordinary shares (six months ended 30 June 2011: 3,517,909,152 ordinary shares) in issue during the interim period.

(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 2012 of RMB218,903,000 (six months ended 30 June 2011: RMB150,132,000) and the weighted average number of ordinary shares (diluted) of 3,557,618,354 shares (six months ended 30 June 2011: 3,582,231,715 shares) after adjusting for the effect of deemed issue of shares for nil consideration under the Company's share option schemes.

The Company's three share option schemes were granted on 1 January 2009, 1 August 2010 and 29 August 2011 respectively.

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二零一二年六月三十日止六個月應佔合併溢利人民幣218,903,000元(截至二零一一年六月三十日止六個月：人民幣150,132,000元)，以及中期期間已發行3,522,946,132股普通股(截至二零一一年六月三十日止六個月：3,517,909,152股普通股)的加權平均數計算。

(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二零一二年六月三十日止六個月應佔合併溢利人民幣218,903,000元(截至二零一一年六月三十日止六個月：人民幣150,132,000元)，以及普通股(攤薄)加權平均數3,557,618,354股(截至二零一一年六月三十日止六個月：3,582,231,715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)。

本公司的三項員工購股權計劃分別於二零零九年一月一日、二零一零年八月一日及二零一一年八月二十九日授出。

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)

8 Property, plant and equipment

8 物業、廠房及設備

		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 2012	於二零一二年 一月一日	112,635	407,364	360,115	52,560	66,242	998,916
Addition	添置	51,098	46	3,784	2,825	3,296	61,049
Transfer from/(to) construction in progress	轉撥出/(入) 在建工程	1,071	532	(3,293)	—	(286)	(1,976)
Disposal	處置	(15)	—	(942)	(233)	(381)	(1,571)
At 30 June 2012	於二零一二年 六月三十日	164,789	407,942	359,664	55,152	68,871	1,056,418
Accumulated depreciation:	累計折舊：						
At 1 January 2012	於二零一二年 一月一日	—	(66,712)	(130,606)	(34,558)	(37,515)	(269,391)
Charge for the period	期間折舊	—	(8,898)	(18,003)	(3,453)	(5,504)	(35,858)
Transfer to construction in progress	轉撥入 在建工程	—	—	1,926	—	50	1,976
Write back on disposal	處置時轉回	—	—	330	51	160	541
At 30 June 2012	於二零一二年 六月三十日	—	(75,610)	(146,353)	(37,960)	(42,809)	(302,732)
Net book value:	賬面淨值：						
At 30 June 2012	於二零一二年 六月三十日	164,789	332,332	213,311	17,192	26,062	753,686
At 31 December 2011	於二零一一年 十二月三十一日	112,635	340,652	229,509	18,002	28,727	729,525

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)

9 Lease prepayments

Interest in leasehold land represents prepayment of land use right premium to the PRC authorities by the Group. The Group is granted land use rights for a period of 50 years.

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。本集團獲授為期50年的土地使用權。

10 Inventories

10 存貨

		At 30 June 2012 於二零一二年 六月三十日 RMB'000 人民幣千元	At 31 December 2011 於二零一一年 十二月三十一日 RMB'000 人民幣千元
Raw materials	原材料	398,142	303,468
Finished goods	成品	139,429	156,579
Work in progress	在製品	94,906	78,274
Packing materials	包裝材料	28,314	31,172
Low value consumables	低值易耗品	7,336	8,238
		668,127	577,731

During the six months ended 30 June 2012, RMB8,755,000 (for the six months ended 30 June 2011: RMB7,074,000) 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.

於截至二零一二年六月三十日止六個月，人民幣8,755,000元(截至二零一一年六月三十日止六個月：人民幣7,074,000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。

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)

11 Trade and bills receivables

		At 30 June 2012	At 31 December 2011
		於二零一二年 六月三十日	於二零一一年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Bills receivables	應收票據	1,987	1,021
Trade receivables	貿易應收款	22,233	52,863
Less: Allowance for doubtful debts	減：呆賬撥備	(1,534)	(1,540)
		22,686	52,344

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:

		At 30 June 2012	At 31 December 2011
		於二零一二年 六月三十日	於二零一一年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current	即期	20,354	49,456
Less than 3 months past due	逾期不足3個月	1,994	1,100
More than 3 months	逾期超過3個月	338	1,788
		22,686	52,344

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.

11 貿易應收款及應收票據

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：

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業績記錄。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。

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)

12 Prepayments and other receivables

12 預付款及其他應收款

		At 30 June 2012 於二零一二年 六月三十日 RMB'000 人民幣千元	At 31 December 2011 於二零一一年 十二月三十一日 RMB'000 人民幣千元
Prepaid advertising expenses	預付廣告開支	19,904	27,109
Prepayments for purchase of raw materials	購買原材料的預付款	8,923	4,017
Advances to sales offices	聯絡點備用金	1,450	2,444
VAT recoverable	待抵扣增值稅	85,767	73,940
Others	其他	21,788	30,638
		137,832	138,148

13 Restricted bank deposits

13 受限制銀行存款

		At 30 June 2012 於二零一二年 六月三十日 RMB'000 人民幣千元	At 31 December 2011 於二零一一年 十二月三十一日 RMB'000 人民幣千元
Pledged for	已質押用於下列各項：		
— issuing letters of credit	— 開具信用證	35,033	28,331
— bank loans	— 獲取銀行貸款	—	34,719
Frozen deposits	凍結存款	—	9,406
		35,033	72,456

14 Cash and cash equivalents

14 現金及現金等價物

		At 30 June 2012 於二零一二年 六月三十日 RMB'000 人民幣千元	At 31 December 2011 於二零一一年 十二月三十一日 RMB'000 人民幣千元
Cash on hand	手頭現金	726	1,472
Cash at bank	銀行存款	1,624,745	2,580,091
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	1,625,471	2,581,563

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)

15 Other investments

As at 30 June 2012, the short-term principal guaranteed financial products with a carrying amount of RMB1.167 billion have stated annualised interest rate of 2.7% to 7.8% and mature in 1 year.

15 其他投資

於二零一二年六月三十日，本集團持有市值為人民幣11.67億元的短期保本理財產品，預計年利率為2.7%至7.8%之間，均會於一年內到期。

16 Trade and other payables

16 貿易及其他應付款

		At 30 June 2012 於二零一二年 六月三十日 RMB'000 人民幣千元	At 31 December 2011 於二零一一年 十二月三十一日 RMB'000 人民幣千元
Trade payables (i)	貿易應付款(i)	318,021	287,807
Advances from customers	客戶預付款	234,943	255,465
Accrued payroll	應計薪金	34,445	43,274
Other taxes payable	其他應付稅項	36,318	29,245
Advances from local government (ii)	地方政府借款(ii)	33,521	31,000
Pledged deposits from customers	客戶的有抵押保證金	30,547	29,625
Other payables and accruals (iii)	其他應付款及應計費用(iii)	42,634	43,702
		730,429	720,118

(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 2012 於二零一二年 六月三十日 RMB'000 人民幣千元	At 31 December 2011 於二零一一年 十二月三十一日 RMB'000 人民幣千元
Due within 1 month or on demand	一個月內或按要求	185,401	81,991
Due after 1 month but within 3 months	一個月後但三個月內	114,618	174,375
Due after 3 months but within 6 months	三個月後但六個月內	7,447	29,756
After 6 months	六個月後	10,555	1,685
		318,021	287,807

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)

16 Trade and other payables (Continued)

- (ii) At 30 June 2012, an advance of RMB30,000,000 was from the People's Government of Ying County (at 31 December 2011: 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 2012.
- (iii) Other payables and accruals mainly consist of payables for acquisition of non-current assets and other accrued expenses.

17 Loans and borrowings

The bank loans were repayable as follows:

		At 30 June 2012	At 31 December 2011
		於二零一二年 六月三十日	於二零一一年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 1 year or on demand	一年內或按要求	81,833	31,359

Details of the loans and borrowings are as follows:

		At 30 June 2012	At 31 December 2011
		於二零一二年 六月三十日	於二零一一年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Bank loans denominated in	銀行貸款		
— United States dollar ("US dollar")	— 以美元計值	—	31,359
— Hong Kong dollar ("HK dollar")	— 以港幣計值	81,833	—

The bank loans carried a weighted average interest rate of 1.49% per annum as at 30 June 2012 (at 31 December 2011: 3.43%).

16 貿易及其他應付款(續)

- (ii) 於二零一二年六月三十日，來自應縣人民政府的人民幣30,000,000元預支款(於二零一一年十二月三十一日：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。於二零一二年六月三十日，該等預支款並無固定還款期。
- (iii) 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。

17 貸款及借款

銀行貸款的償還方式如下：

貸款及借款的詳情如下：

於二零一二年六月三十日，銀行貸款按加權平均年利率1.49%(於二零一一年十二月三十一日：3.43%)計息。

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)

18 Capital, reserves and dividends

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

Final dividend in respect of the previous financial year, approved and paid during the following interim period, of RMB5.68 cents per ordinary share (distributed at equivalent value of HK\$6.97 cents) (six months ended 30 June 2011: RMB7 cents per ordinary share (distributed at equivalent value of HK\$8 cents))

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5.68分(按等值港幣6.97仙派發)(截至二零一一年六月三十日止六個月：每股普通股人民幣7分(按等值港幣8仙派發))

(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 2012, 3,522,946,132 shares (31 December 2011: 3,508,920,081) had been issued and were fully paid.

18 股本、儲備及股息

(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

2012	2011
二零一二年	二零一一年
RMB'000	RMB'000
人民幣千元	人民幣千元

200,103

234,692

(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。

於二零一二年六月三十日，3,522,946,132股股份已發行及繳足(二零一一年十二月三十一日：3,508,920,081股)。

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)

18 Capital, reserves and dividends (Continued)

(b) Share capital (Continued)

During the period, pursuant to the Company's share option schemes (note 19), options were exercised to subscribe for 14,026,051 (2011: 18,920,081) ordinary shares in the Company at a consideration of RMB1,542,000 (2011: RMB9,362,000) of which RMB404,000 (2011: RMB7,766,000) was credited into the share premium account, and meanwhile, RMB1,519,000 (2011: RMB7,360,000) has been transferred from the equity-settled share-based payment reserve to share premium account. As at 30 June 2012, the total number of shares which may be issued upon the exercise of all options outstanding from the Company's share option schemes is 92,277,995 (31 December 2011: 118,959,988).

During the six months ended 30 June 2011, the Company totally repurchased its own ordinary shares of 10,000,000 shares at aggregate price of HK\$18,692,000 (equivalent to RMB15,509,000), which was charged to retained profits.

The repurchased shares were cancelled in the second half of 2011 and an amount equivalent to the par value of the shares cancelled of HK\$1,000,000 (equivalent to RMB818,000) was transferred to the capital redemption reserve.

No repurchased shares were held by the Company for the six months ended 30 June 2012.

18 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19)行使購股權，引致認購14,026,051股(二零一一年：18,920,081)本公司普通股，代價為人民幣1,542,000元(二零一一年：人民幣9,362,000元)，其中人民幣404,000元(二零一一年：人民幣7,766,000元)計入股份溢價。人民幣1,519,000元(二零一一年：人民幣7,360,000元)已自股權結算股份支付儲備轉撥至股份溢價。於二零一二年六月三十日，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92,277,995股(二零一一年十二月三十一日：118,959,988股)。

於二零一一年六月三十日止六個月，本公司合共購回其自身的普通股10,000,000股，總價格為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。

回購股份已於二零一一年下半年被註銷，註銷股份的面值港幣1,000,000元(等值人民幣818,000元)轉入股份回購儲備中。

於二零一二年六月三十日止六個月本公司無回購自身股份。

Notes to the Unaudited Interim Financial Report (continued)

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(Expressed in Renminbi unless otherwise indicated)
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18 Capital, reserves and dividends (Continued)

(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.

(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.

18 股本、儲備及股息(續)

(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。

(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於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。

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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18 Capital, reserves and dividends (Continued)

(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 股本、儲備及股息(續)

(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。

19 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 2011.

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

19 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二零一一年十二月三十一日以及截至該日止年度的合併財務報表。

- (i) 購股權的數目及加權平均行使價如下：

		At 30 June 2012		At 31 December 2011	
		於二零一二年 六月三十日		於二零一一年 十二月三十一日	
		Weighted average exercise price per share	Number of options	Weighted average exercise price per share	Number of options
		每股加權 平均行使價 RMB 人民幣	購股權數目	每股加權 平均行使價 RMB 人民幣	購股權數目
Outstanding at the beginning of the period	期初尚未行使	0.78	118,959,988	0.50	94,601,115
Granted during the period	期內已授出	—	—	1.23	48,148,214
Forfeited during the period	期內已失效	1.40	(12,655,942)	0.81	(4,869,260)
Exercised during the period	期內已行使	0.11	(14,026,051)	0.50	(18,920,081)
Outstanding at the end of the period	期末尚未行使	0.80	92,277,995	0.78	118,959,988

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)

19 Equity-settled share-based transaction (Continued)

The 2009 and 2010 Employee Share Options outstanding at 30 June 2012 weighted average remaining expected life 0.7 years (31 December 2011: 1.2 years).

The 2011 Employee Share Options outstanding at 30 June 2012 weighted average remaining expected life 8.3 years (31 December 2011: 8.8 years).

(ii) Fair value of share options and assumptions:

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.

During the six months ended 30 June 2012, equity-settled share-based payment expenses amounting to RMB3,786,000 (six months ended 30 June 2011: RMB2,655,000) were recognised in the consolidated income statement.

19 股權結算股份支付交易(續)

於二零一二年六月三十日尚未行使的二零零九年及二零一零年員工購股權的加權平均剩餘預期年期為0.7年(二零一一年十二月三十一日：1.2年)。

於二零一二年六月三十日尚未行使的二零一一年員工購股權的加權平均剩餘預期年期為8.3年(二零一一年十二月三十一日：8.8年)。

(ii) 購股權公允價值及假設：

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。

截至二零一二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3,786,000元(截至二零一一年六月三十日止六個月：人民幣2,655,000元)，並已於合併收益表確認。

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 Commitments

- (a) Capital commitments, outstanding at 30 June 2012 not provided for in the financial statements were as follows:

		At 30 June 2012	At 31 December 2011
		於二零一二年 六月三十日	於二零一一年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Contracted for	已訂約	47,494	63,021

- (b) At 30 June 2012, the total future minimum lease payments under non-cancellable operating leases in respect of land and properties were payable as follows:

		At 30 June 2012	At 31 December 2011
		於二零一二年 六月三十日	於二零一一年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within one year	一年內	7,240	12,125
After one year but within five years	一年後但五年內	613	10,757
After five years	五年後	—	3,350
		7,853	26,232

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

本集團以經營租賃租入若干土地及物業。租賃為期一至三年，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。

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)

21 Material related party transactions

During the six months ended 30 June 2012, 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	Relationship 關係
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、張利波先生及余麗芳女士 (統稱為「張氏家族」)	the Controlling Shareholders 控股股東
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)	Under common control of the Controlling Shareholders 受控股股東的共同控制
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)	Under common control of the Controlling Shareholders 受控股股東的共同控制
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)	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

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

21 重大關連方交易

於截至二零一二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。

(i) 實體官方名稱為中文名稱。英文譯名僅供參考。

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)

21 Material related party transactions (Continued)

(a) Recurring transactions

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

		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Sale of packing materials to Haoweijia Food	銷售包裝材料予好味佳食品	857	1,010
Purchase of preserved fruit products from Haoweijia Food	自好味佳食品購買涼果產品	1,396	2,200
Rent of property and plant from the Zhang's Investment	自張氏投資租賃物業及廠房	1,515	1,340
Purchase of plastic spoons and covers from Yingjia	自營佳購買塑料湯匙及蓋子	4,774	4,102

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。

(b) Balances with related parties

(i) Amounts due from related parties

		At 30 June 2012 於二零一二年 六月三十日 RMB'000 人民幣千元	At 31 December 2011 於二零一一年 十二月三十一日 RMB'000 人民幣千元
Trade related	貿易相關		
— Haoweijia Food	— 好味佳食品	698	1,801
Non-trade related	非貿易相關		
Other receivables from — Haoweijia Food	來自以下的其他應收款 — 好味佳食品	25	15
Prepaid rental to — Zhang's investment	付至以下的預付租賃款 — 張氏投資	1,340	—
		2,063	1,816

(b) 與關連方的結餘

(i) 應收關連方款項

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)

21 Material related party transactions (Continued)

(b) Balances with related parties (Continued)

(ii) Amounts due to related parties

		At 30 June 2012 於二零一二年 六月三十日 RMB'000 人民幣千元	At 31 December 2011 於二零一一年 十二月三十一日 RMB'000 人民幣千元
Trade related	貿易相關		
— Yingjia	— 營佳	1,999	815
— Haoweijia Food	— 好味佳食品	511	878
Non-trade related	非貿易相關		
Other payable to	來自以下的其他應付款		
— Zhang's Investment	— 張氏投資	—	29
		2,510	1,722

The amounts due from/to related parties as at 30 June 2012 and 31 December 2011 were expected to be recovered/repaid within one year. All advances to/from related parties are unsecured.

於二零一二年六月三十日及二零一一年十二月三十一日，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 41 to 74 which comprises the consolidated balance sheet of Yashili International Holdings Ltd as of 30 June 2012 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41頁至第74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二零一二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。

Review Report (continued)

審閱報告(續)

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 2012 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
16 August 2012

結論

根據我們的審閱工作，我們並沒有注意到任何事項，使我們相信於二零一二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
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太子大廈8樓
二零一二年八月十六日



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