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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



YASHILI INTERNATIONAL HOLDINGS LTD (THE "COMPANY" OR "YASHILI") (STOCK CODE: 01230) and its subsidiaries (collectively the "Group") as a whole is a domestically leading professional infant formula producer with international presence.

The Group has factories in Guangdong, Shanghai, Shanxi, Inner Mongolia and New Zealand. It sells infant formula products through widely recognized brands such as Yashily, Reeborne, Dumex, Doraler, Arla and Scient, as well as various nutrition products including adult milk powder and dissolvable products.

雅士利國際控股有限公司(「本公司」或「雅士利」)(股份代號：01230)及其子公司(統稱「本集團」)是中國領先的國際化專業嬰配奶粉生產商。

本集團在廣東、上海、山西、內蒙古、新西蘭等地擁有工廠，通過雅士利、瑞哺恩、多美滋、朵拉小羊、Arla 及施恩等廣受認可品牌銷售嬰配奶粉產品，並出售包括成人奶粉及沖調產品在內的多種營養產品。



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BOARD OF DIRECTORS

Non-executive directors

Mr. Jeffrey, Minfang Lu (*Chairman*)
Mr. Qin Peng
Mr. Zhang Ping
Ms. Lam Pik Po

Executive director

Mr. Chopin Zhang (*Chief Executive Officer*)

Independent non-executive directors

Mr. Mok Wai Bun Ben
Mr. Cheng Shoutai
Mr. Lee Kong Wai Conway

NOMINATION COMMITTEE

Mr. Jeffrey, Minfang Lu (*Chairman*)
Mr. Mok Wai Bun Ben
Mr. Cheng Shoutai

REMUNERATION COMMITTEE

Mr. Mok Wai Bun Ben (*Chairman*)
Mr. Jeffrey, Minfang Lu
Mr. Qin Peng
Mr. Cheng Shoutai
Mr. Lee Kong Wai Conway

AUDIT COMMITTEE

Mr. Lee Kong Wai Conway (*Chairman*)
Mr. Mok Wai Bun Ben
Mr. Zhang Ping

AUTHORIZED REPRESENTATIVES

Mr. Jeffrey, Minfang Lu
Mr. Zhang Ping

董事會

非執行董事

盧敏放先生(主席)
秦鵬先生
張平先生
林碧寶女士

執行董事

張平(Chopin Zhang)先生(行政總裁)

獨立非執行董事

莫衛斌先生
程守太先生
李港衛先生

提名委員會

盧敏放先生(主席)
莫衛斌先生
程守太先生

薪酬委員會

莫衛斌先生(主席)
盧敏放先生
秦鵬先生
程守太先生
李港衛先生

審核委員會

李港衛先生(主席)
莫衛斌先生
張平先生

授權代表

盧敏放先生
張平先生

COMPANY SECRETARY

Ms. Katrina Wu

公司秘書

胡妙華女士

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Hong Kong

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INVESTOR RELATIONS DEPARTMENT

Office of the Board

投資者關係部門

董事會辦公室

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STOCK CODE

Hong Kong Stock Exchange 01230

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PRINCIPAL BANKERS

Industrial and Commercial Bank of China (Asia) Limited
Australia and New Zealand Banking Group Limited
Hong Kong Branch
Bank of China, Guangdong Pilot Free Trade Zone Nansha Branch
Industrial Bank Co., Limited, Hong Kong Branch

LEGAL ADVISERS**As to Hong Kong law**

Sullivan & Cromwell (Hong Kong) LLP

As to Cayman law

Conyers, Dill & Pearman

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公司網站

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主要往來銀行

中國工商銀行(亞洲)有限公司
澳大利亞和新西蘭銀行集團有限公司
香港分行
中國銀行廣東自貿試驗區南沙分行
興業銀行股份有限公司香港分行

法律顧問**香港法律**

蘇利文•克倫威爾律師事務所(香港)有限
法律責任合夥

開曼法律

康德明律師事務所

核數師

安永會計師事務所·執業會計師

		For the six months ended 30 June		
		截至6月30日止6個月		
		2018	2017	Percentage
		RMB million	RMB million	change
		人民幣百萬元	人民幣百萬元	變動比例
Revenue	收入	1,504.1	966.7	55.6%
Gross profit	毛利	652.9	447.6	45.9%
Profit attributable to equity holders of the Company	本公司股權持有人應佔利潤	41.3	(121.9)	(133.9%)
Earnings per share (RMB cents)	每股盈利(人民幣分)			
— Basic and diluted	— 基本及攤薄	0.9	(2.6)	(134.6%)

For the six months ended 30 June 2018, the Group's revenue amounted to RMB1,504.1 million (the same period of 2017: RMB966.7 million), representing an increase of 55.6% as compared to the same period of last year. The increase in revenue of the Group was mainly because:

1. Channel integration has shown its initial effect since the beginning of the period, with sales in gradual recovery;
2. During the period, the Group strengthened its advertising campaign and improved its brand awareness;
3. China has started enforcing "The Recipe Registration Requirement of National Infant Formula" (《國家嬰幼兒配方乳粉產品配方註冊制》) (the "Recipe Registration Requirement"), putting the Group in a relatively favourable position in market competition.

截至2018年6月30日止六個月，本集團之收入達人民幣1,504.1百萬元(2017年同期：人民幣966.7百萬元)，較去年同期上升55.6%。本集團收入上升主要是由於：

1. 渠道整合從本期開始初見成效，銷售逐漸回暖；
2. 本集團本期加大了廣告宣傳力度，提升了品牌知名度；
3. 中國開始實施《國家嬰幼兒配方乳粉產品配方註冊制》(「配方註冊制」)，本集團在市場競爭中處於較有利地位。

INDUSTRY REVIEW

During the first half of 2018, the Chinese economy sustained its momentum of stable and positive development, featuring basically stable production demand, continuously optimistic employment, moderate inflation, improving supply-and-demand structure and higher corporate efficiency. According to the preliminary statistics released by the National Bureau of Statistics of China, gross domestic product amounted to RMB41,896.1 billion for the first half of the year, representing a 6.8% increase from the previous year based on comparable prices. In general, the favourable conditions that supported quality economic development have laid a solid foundation for achieving the major goals of economic and social development throughout the year. However, amidst multiple uncertainties from the external environment, China is in a critical stage of domestic structural adjustment.

Regarding the overall situation of Chinese demographic development, it is expected to see limited birth rate growth for “First Children” and “Second Children” in 2018. In view of a year-on-year decline of 7.5% in marriage registration and a 10% rise in divorce rate for the first half of 2017, it is estimated that there will be at least a 5% drop in the number of First Children born in 2018. Based on the monthly data of newborn population, the number of newborn Second Children peaked from November 2016 to March 2017, after which such number fell on a month-on-month basis to a level approximate to that prior to the launch of the “Second-Child Policy” by the end of 2017. In respect of residents’ income, the disposable income per capita averaged RMB14,063 nationwide for the first half of the year, representing a nominal year-on-year increase of 8.7% and a real growth of 6.6% after excluding price factors. By permanent residence, per capita disposable income amounted to an average of RMB19,770 for urban residents, representing a nominal year-on-year increase of 7.9% and a real growth of 5.8% after excluding price factors; and average per capital disposable income was RMB7,142 for rural residents, representing a nominal year-on-year growth of 8.8% and a real growth of 6.8% after excluding price factors. The national consumption expenditure per capita amounted to RMB9,609, representing a nominal year-on-year growth of 8.8% (an increase of 1.2 percentage points from the first quarter) and a real growth of 6.7% after excluding price factors (an increase of 1.3 percentage points from the first quarter). In particular, urban residents experienced a nominal increase of 6.8% in average consumption expenditure, which was an increase of 1.1 percentage points from the first quarter; and rural residents saw their average consumption expenditure increased by 12.2% on nominal terms,

行業回顧

2018年上半年，中國經濟繼續保持總體平穩、穩中向好的發展態勢，生產需求基本平穩，就業持續向好，物價漲勢溫和，供求結構和企業效益不斷改善。根據中國國家統計局公佈的初步核算數據顯示，上半年國內生產總值人民幣41,896.1億元，按可比價格計算，同比增長6.8%。總體來說，支撐經濟邁向高質量發展的有利條件，為實現全年經濟社會主要發展目標打下良好基礎，但由於外部環境諸多不確定因素，國內結構調整正處於攻關期。

綜觀國家人口發展，預計2018年「一胎」、「二胎」出生人口增幅有限。有鑑2017年上半年結婚登記同比下跌7.5%，離婚率上漲10%，估計2018年一胎出生人口至少下跌5%；根據按月出生人口，二胎出生高峰期由2016年11月至2017年3月，其後出生人口按月下跌，2017年底已經接近二胎政策出台前水平。從居民收入來看，上半年，全國居民人均可支配收入人民幣14,063元，同比名義增長8.7%，扣除價格因素實際增長6.6%。按常住地分，城鎮居民人均可支配收入人民幣19,770元，同比名義增長7.9%，扣除價格因素實際增長5.8%；農村居民人均可支配收入人民幣7,142元，同比名義增長8.8%，扣除價格因素實際增長6.8%。全國居民人均消費支出人民幣9,609元，同比名義增長8.8%，比第一季度增加1.2個百分點，扣除價格因素實際增長6.7%，比第一季度增加1.3個百分點。其中，城鎮居民人均消費支出名義增長6.8%，比第一季度增加1.1個百分點；農村居民人均消費支出名義增長12.2%，比第一

which was an increase of 1.2 percentage points from the first quarter. In the first half of the year, the total retail sales of consumer goods amounted to RMB18,001.8 billion, representing a year-on-year growth of 9.4%, which represented a drop of 0.4 percentage point from the first quarter.

Followed by steady growth of the Chinese economy, a “Quality Revolution” was in full swing at the domestic market of infant formula milk powder. Dubbed “The Most Stringent New Policy for Milk Powder Products Historically”, the Recipe Registration Requirement took effect on 1 January 2018, implementing infant milk powder safety regulations from product to the entire production system. The industry is experiencing thriving growth, and the favorable factors brought by new policies on milk powder formula registration, upgrade on consumptions and the nationwide two-child policy, resulted in the recovery of the overall domestic infant milk powder market. Domestic milk powder enterprises have raised their sales targets for the year and expanded their influence via e-commerce platforms. On 12 March, top six domestic milk powder brands started the “Festival of Domestic Milk Powder” with JD.com, launching an initiative and appeal for ensuring the quality of domestic milk powder. This is also the first time that the top six domestic milk powder giants have appeared under the overall image of “Domestic Milk Powder”.

As of August 2018, a total of 153 enterprises have completed the registration for 1,177 infant formula milk powder products, including 106 domestic enterprises with 897 recipes and 47 overseas enterprises with 280 recipes. The State Administration for Market Regulation (formerly known as the China Food and Drug Administration (“CFDA”)) has carried out 118 system inspections on 108 milk enterprises. Local regulatory authorities have seriously dealt with problematic enterprises, ordering 21 enterprises to suspend production and conduct rectification, investigating 11 enterprises and revoking the food production licenses of 2 enterprises.

With the population aging, families becoming smaller and younger consumers emerging as the main consumption power in society, consumption demands have been shifting towards the high-end, diversified, good-for-health products and unique consumption experience. The phenomenon has encouraged industries to pursue the upgrade of industry structure, and exerting on product innovation and enhancing brand influence continuously have become the strategies of corporations to attract consumers. In addition, ongoing urbanization drives the channel penetration into lower-tier markets, which has turned third-tier and

季度增加1.2個百分點。上半年，社會消費品零售總額人民幣180,018億元，同比增長9.4%，增速比第一季度回落0.4個百分點。

中國經濟平穩發展的同時，國內嬰幼兒配方乳粉市場的「品質革命」也如火如荼的展開。號稱「史上最嚴奶粉新政」的配方註冊制已經於2018年1月1日正式實施，嬰幼兒奶粉的安全監管從產品層面上升到整個生產體系。行業的走勢蒸蒸日上，而在奶粉配方註冊制等新政出台、消費升級及全面二孩政策的利好下，國內嬰幼兒奶粉市場整體回暖，國產奶粉企業紛紛上調今年的銷售目標並借助電商平台擴大其影響力。於3月12日，六大國貨奶粉品牌攜手京東拉開「國貨奶粉盛典」大幕，並發起保障國貨嬰幼兒奶粉品質的倡議和呼籲，這也是六大國產奶粉企業首次以「國貨奶粉」的整體形象出現。

截至2018年8月，共有153家企業1,177個嬰幼兒奶粉配方產品完成註冊，包括境內106家企業897個配方，境外47家企業280個配方。國家市場監督管理總局(前稱國家食品藥品監督管理總局(「食藥監總局」))已對108家乳企開展了118次體系檢查，各地監管部門嚴肅處理查出問題的企業，責令停產整改21家，立案查處11家，吊銷食品生產許可證2家。

隨著社會老齡化，家庭小型化和年輕消費者成為消費主力，消費需求趨向高端、多元、健康且具獨特體驗的產品，推動產業結構升級；創新產品及持續提升品牌影響力，成為企業吸引消費者的策略。此外，城鎮化的推進帶動渠道下沉，三、四線城市的

fourth-tier cities into a growth driver of the infant powder product industry. Also, with online shopping becoming more popular today, e-commerce sales of fast-moving consumer goods have been climbing rapidly. As online shopping has been gaining popularity, enterprises have to hasten e-commerce penetration, push for integration of online and offline marketing, and speed up deployment of the “New Retail” industry mode to capture market share.

BUSINESS REVIEW

In 2013, Mengniu Group commenced strategic cooperation with the Group by way of a general offer, thereby becoming the Group’s controlling shareholder. In 2014, the Group, China Mengniu International Company Limited (“Mengniu International”) and Danone Asia Baby Nutrition Pte. Ltd. (“Danone Asia”) entered into a share subscription agreement. As the transaction closed in February 2015, Danone Asia officially became the Group’s second largest shareholder. In December 2015, the Group completed the acquisition of the entire equity interest in Oushi Mengniu (Inner Mongolia) Dairy Products Co., Ltd. (“Oushi Mengniu”), a member of Mengniu Group. In May 2016, the Group completed the acquisition of the entire equity interest in Dumex Baby Food Co., Ltd., (“Dumex China”), a member of Danone Group, and completed the initial stage of its brand consolidation and domestic capacity expansion.

The Group is committed to developing wholesome nutritious products for consumers, including the branded product series for promoting healthy growth of infants and toddlers such as “Yashily”, “Reeborne”, “Dumex”, “Doraler”, “Arla” and “Scient”, as well as those designed to meet the nutritional needs of adults such as “Youyi”, “Huanqing” and “Zhengwei”. The Group’s business model incorporates such key factors as premium imported dairy raw materials, premium imported original infant formula milk powder products, self-developed recipes, an advanced manufacturing system and professional marketing teams with sufficient knowledge of local consumer markets, which enables the Group to offer trustworthy products to consumers.

消費需求成為奶粉行業的其中一個增長動力。與此同時，由於網購已成為消費者常用購物模式，快速消費品的電商銷售額正高速增长，線上購買形式逐漸普及，企業紛紛加強電商營銷上滲透力，建造線上線下融合行銷及加快「新零售」業態佈局，以爭取市場份額。

業務回顧

2013年，蒙牛集團以全面股權要約收購形式實現與本集團的戰略合作，成為本集團控股股東。2014年，本集團、中國蒙牛國際有限公司（「蒙牛國際」）與Danone Asia Baby Nutrition Pte. Ltd.（「達能亞洲」）簽署股份認購協議並於2015年2月完成交割，達能亞洲正式成為本集團第二大股東。2015年12月，本集團完成對蒙牛集團旗下內蒙古歐世蒙牛乳製品有限責任公司（「歐世蒙牛」）的全資收購。2016年5月，本集團完成對達能集團旗下多美滋嬰幼兒食品有限公司（「多美滋中國」）的全資收購，初步完成品牌整合及國內產能新佈局。

本集團致力於開發值得消費者信賴的健康營養產品，包括促進嬰幼兒健康成長的「雅士利」、「瑞哺恩」、「多美滋」、「朵拉小羊」、「Arla」、「施恩」等品牌產品系列，以及滿足成人營養需要的「優怡」、「煥輕」、「正味」等品牌產品系列。本集團的業務模式結合了進口優質乳品原材料、進口優質原裝嬰幼兒配方奶粉產品、自主研發配方、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。

Introduction of Product Categories

Infant Formula Products:

The infant milk formula products developed by the Group are mainly aimed at satisfying the health and nutritional needs of infants and toddlers during daily feeding, and can serve as a major source of nutrition for infants and toddlers supplementary to breast milk. All branded infant milk formula products are produced using premium imported raw materials. The Group is striving to develop infant formula with the most ideal nutrition composition to well cater for the needs of infants and toddlers during different stages of growth and development.

In order to meet the diversified consumer demands, the Group continuously enriches its brand matrix and improves its product structure, endeavoring to become the preferred brand of all-round nutrition and health solutions for Chinese mothers and babies. Under the Group, there are “Yashily”, “Dumex”, “Reeborne”, “Doraler” and “Arla” with extensive product lines that cover the consumer demands of different classes from mainstream to high-end markets. As of August 2018, the Group and its partner Arla have obtained the approval for registering 48 infant formula recipes of 16 series.

The Group has established different infant formula product lines targeting customers at different consumption levels. Among them, Yashily’s “Kieember”, originally canned and imported from New Zealand, targets mid-range to high-end consumers. The INFAT™ active energy system promotes growth of babies’ own probiotic group by six times, releasing internal intestinal vitality and improving gastrointestinal digestion of nutrients, which will keep the babies energetic. Yashily’s “Kieevagour”, originally canned and imported from New Zealand, targets mid-range customer groups. The product is supplemented with prebiotics combinations to help maintain gastrointestinal health. Products of this series contain the 1+1 nutrition mix to supply key nutrition for physical and intellectual growth, providing all-round nutrition for babies and toddlers. Also targeting mid-range customers, Yashily’s “Qin’ershi” is painstakingly developed based on the growth characteristics and nutritional needs of infants and toddlers, to provide them with necessary nutrition to suit their physical constitution for better digestion. Yashily’s “Qin’ershuo” is positioned to be an affordable product that offers balanced nutrition for excellent growth performance. Yashily’s “New Formula” contains prebiotics combinations, DHA and nucleotides to help maintain gastrointestinal health, facilitate intellectual development and develop the immune system. The product is supplemented with probiotics and lactoferrin to enable babies to build up physical strength and enjoy

分類產品介紹

嬰幼兒配方產品：

本集團開發的嬰幼兒配方奶粉產品主要滿足嬰幼兒日常餵哺的健康營養需求，可輔助母乳作為嬰幼兒的主要營養來源，所有品牌嬰幼兒配方奶粉產品均主要使用進口優質原料，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。

為滿足消費者多元化的需求，本集團不斷豐富品牌矩陣，完善產品結構，致力成為中國媽媽和寶寶營養健康全方位的首選品牌。本集團旗下「雅士利」、「多美滋」、「瑞哺恩」、「朵拉小羊」和「Arla」品牌豐富的產品線覆蓋了主流市場到高端市場不同階層的消費需求。截至2018年8月，本集團及其合作夥伴Arla已有16個系列48個嬰幼兒配方奶粉註冊獲批。

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。其中，雅士利「菁珀」定位中高端，新西蘭原罐進口，INFAT™動態活力系統，6倍提升寶寶自身益生菌群生長，腸道營養好吸收，讓寶寶全面活力滿格。雅士利「菁躍」定位中端，新西蘭原罐進口，添加益生元組合，呵護腸道環境，更含1+1營養組合包，補充體格智力發展關鍵營養素，為寶寶及幼兒提供全方位營養。雅士利「親兒適」定位中端，根據嬰幼兒生長特點和營養需求精心調配，為寶寶提供所需營養，親適好吸收。雅士利「親兒碩」定位更親民，提供均衡營養，促進成長優表現。雅士利「新配方」，含益生元組合、DHA和核苷酸，幫助維持腸道健康，促進智力發展及激發免疫細胞活性，更添加益生菌及乳鐵蛋白，打造寶寶好體質，成長更出

better growth. Dumex's "Diamor", originated in Europe, has been focused on studying the immune system of Chinese babies for 25 years and has obtained two patents granted by European authorities (i.e., the patented prebiotics mixture and the patented technology of DHA microencapsulated flavour). The product also contains OPO and Omega3 unsaturated fatty acids, with an aim to developing professional pediatric solutions.

While solidifying its regular milk powder market, the Group is highly attentive to market trends and consumer insights and actively expands the market segment of organic and goat milk. Currently, the Group has launched two organic milk powder brands of "Arla Baby & Me" and "Reeborne" and goat milk powder brands of "Doraler" and "Dumex". "Arla Baby & Me Organic", a "Brand Consumed by the Danish Royal Family", is originally canned and imported from Denmark and targets ultra-high-end consumers. For 137 years, the brand has imposed strict quality controls spanning the entire processes ranging from forage, research and development to transportation and marketing, so as to ensure the organic nature and health of every drop of milk. Targeting the high-end consumers, "Reeborne" works to be a leading brand in China's organic market. "Doraler" is originally canned and imported from Australia with 100% goat milk protein, which is mild, smooth and easily absorbed.

Going forward, the Group will launch more brands in line with the pursuit of consumers, research and develop more innovative products suitable for Chinese infants, optimize its brands and product structure at a faster pace, and give back to the market and consumers.

Adult Milk Powder Products:

To meet the nutritious needs of different people, the Group also produces and sells various types of adult powder, which include: nutritional milk powder for adult family members, high-end functional milk powder for middle-aged and elderly people, and nutritional milk powder for children.

"Mengniu"-branded adult milk powder targets customers demanding daily nutritional supplements, such as middle-aged and elderly people, students and women. Leveraging on 100% premium milk sources, technologies from Northern Europe and scientific formula, the product offers Chinese consumers milk powder of international quality at any time.

"Youyi"-branded adult milk powder, with a track record of 17 years, focuses on consumers including middle-aged and elderly people, students and women. It contains calcium, vitamin A/D/E, dietary fiber and other beneficial elements. Produced in compliance with international standards, products of this series are reliable for their high quality.

色。多美滋「致粹」源於歐洲，25年專注中國寶寶抵抗力研究，擁有歐洲雙重專利(即專利配比益生元，專利DHA微膠囊包埋技術)，更含OPO和Omega3不飽和脂肪酸，致力打造專業的兒科解決方案。

在鞏固常規牛奶粉市場的同時，本集團密切關注市場趨勢和消費者洞察，積極開拓有機和羊奶細分市場，本集團目前已推出「Arla寶貝與我」和「瑞哺恩」兩大有機奶粉品牌，及「朵拉小羊」和「多美滋」羊奶粉品牌。丹麥「皇室御用品牌」「Arla寶貝與我有機」，定位超高端消費者，丹麥原裝進口，137年來，品牌有嚴格的品質控制，堅持從牧草、研發，到運輸及銷售全程自家把控，真正做到每一滴奶源的有機健康。「瑞哺恩」主要針對高端消費者，力將成為中國有機市場的領導品牌。「朵拉小羊」是澳洲原罐原裝進口，100%純羊乳蛋白，溫和細膩易吸收。

未來，本集團將推出更多符合消費者理念的品牌，研發更多適合中國寶寶的創新產品，加速完善品牌和產品結構，回饋市場和消費者。

成人奶粉產品：

為滿足不同人群的營養需要，本集團亦生產和銷售多種成人粉，包括：大眾型全家營養奶粉、中老年高端功能性奶粉和兒童配方的營養奶粉。

「蒙牛」品牌成人奶粉，針對有日常營養補充需求的中老年人、學生、女士等消費者，採用100%優質奶源和北歐技術，提供科學產品配方，讓中國消費者能隨時享用國際品質。

「優怡」品牌成人奶粉，上市17載，專為中老年、學生、女士等人群研製，含鈣、維生素A/D/E、膳食纖維等有益成分，產品符合國際生產標準並值得信賴。

“Huanqing”-branded milk powder for middle-aged and elderly people addresses their needs for strong bones and a healthy cardiovascular system to regain youthful vitality.

“Future Star” milk powder for children’s growth contains 58 dietary mixes, including 28 fruit-vegetable powders, probiotics + prebiotics and DHA. Such products are suitable for children who are slow or picky eaters or who eat less.

Dissolvable Products:

The Group’s products also include a number of dissolvable product series:

“Zhengwei”-branded cereal is positioned to provide consumers with premium nutrition balanced mix. Featuring natural and pure, the cereal product supplements daily dietary fiber and is suitable for daily drinking among all family members.

“Yashily”-branded nutritious milk rice cereal for infants and toddlers is developed based on the babies’ characteristics of growth and development. Products of this series are made from premium rice as raw material and an optimised new mix of nutrition, and are processed on a high-speed production line, sealed equipment and a fine packaging process to ensure stable quality and safety.

Brand Strategy

In the first half of 2018, the Group continued its differentiated brand strategy in 2017 to re-integrate and re-define the mission, responsibility and positioning of the Group and its five major brands. The move, as a response to the trend of consumption upgrade, aims to achieve full coverage of all levels of markets. Specifically, “Yashily” and “Dumex” are of mid to high-end positioning, “Reeborne” and “Doraler” target on high-end consumers, while “Arla Baby & Me” is designed for the ultra-high-end market.

In response to the demand of consumers for higher standard products, the Group successfully completed the brand image upgrade of Yashily International Group and launched a brand conference named “April 20th “Gathering Momentum, Delivering Ingenuity and Winning the Future”” to highlight the brand’s vitality and strength, promote channels and boost consumer confidence. To enhance brand awareness and reputation, the Group has tapped into two core IP resources: “Craftmanship Brand” (匠心品牌) from China Central Television (“CCTV”) and “Official Partner of 2018 World Cup”, serving as the first infant milk powder brand to sponsor the world-class matches to deploy 360-degree branding strategy via TV advertisement, outdoor display, new media exposure and offline activities.

「煥輕」品牌中老年奶粉，主要針對有骨骼與心血管健康需求的中老年人，煥活年輕狀態。

「未來星」兒童成長奶粉，含有58種膳食組合，包括28種果蔬粉、益生菌+益生元、DHA，適合吃得少、吃得挑、吃得慢的兒童使用。

沖調產品：

本集團產品亦包括多個系列沖調產品：

「正味」品牌麥片，定位為消費者提供優質均衡的營養組合，產品自然純正，補充每日膳食纖維，適合全家人日常食用。

「雅士利」嬰幼兒營養奶米粉，根據寶寶成長發育特點，精選大米為主要原料，優化營養新組合，同時採用高速生產線、封閉式設備及精細包裝工藝，確保更穩定和安全的產品質量。

品牌策略

承接2017年差異化佈局的品牌戰略，2018年上半年本集團重新整合與定義本集團品牌與旗下5大品牌的使命、任務和定位，順應消費升級趨勢，實現各層級市場全面覆蓋：中到中高端定位的「雅士利」和「多美滋」；高端定位的「瑞哺恩」和「朵拉小羊」；超高端市場的「Arla寶貝與我」。

因應消費者對產品有更高標準的需求，本集團順利完成了雅士利國際集團品牌的形象升級，召開了名為「4.20「聚勢·匠心·贏未來」品牌發佈會」，彰顯品牌活力和實力，提振渠道和消費者信心。為提升品牌知名度和美譽度，鎖定兩大核心IP資源：中央電視台（「央視」）「匠心品牌」及「2018年世界杯官方合作夥伴」，成為全球首個贊助世界頂級賽事的嬰幼兒奶粉品牌，通過電視廣告、戶外展示、新媒體曝光、線下活動引流360度全方位品牌推廣。

As for TV promotion, the Group joined hands with CCTV as a “Craftmanship Brand” to leverage the Group’s leading position against competitors of the industry, enhance brand awareness and intensively engage consumer groups with the support of satellite TV channels. In respect of new media, the Group precisely reached target groups via social media, maternal and child vertical media, news feed, etc., to deliver products’ selling points specifically, to bolster brand reputation and penetration. In the meantime, Yashili optimised Baidu operation channel to explore potential consumers. Each brand is equipped with its own official Weibo account where frequent interaction takes place in relation to hot topics and festival events to enhance consumer stickiness and brand loyalty. To establish better connection with consumers, the Group sought for better sales market coverage with significant exposure via outdoor and high-speed rail stations advertisements, as well as the most engaging media resources to achieve intimate communication with customers. During the World Cup, the Group launched a large-scale roadshow activity called “Baby World Cup” across the country to provide interactive activities through offline baby football games and online marketing platforms, to echo brand exposure and enhance the stickiness of terminal consumers.

Product R&D

Creating the advantages of differentiated products is the Group’s key strategy. In the first half of 2018, the Group’s professional and extensive R&D team responded to the demand from domestic and global markets, with substantial progress made in the registration of domestic milk powder recipes, joint projects on products with overseas factories, as well as research and technology on nutrition products.

1. Infant Formula Recipe Registration

As of August 2018, the Group had 4 more series, i.e. 12 products, approved for recipe registration this year. Following the approval, the Group and its partner Arla have obtained the approval for registering a total of 48 infant formula recipes of 16 series.

電視推廣方面，本集團聯同央視合作，以衛視頻道全力補強，深度觸及消費群體。新媒體方面，成為央視「匠心品牌」，彰顯行業領先地位，喚醒品牌信仰。本集團通過社交媒體、母嬰垂直媒體、信息流等形式精準鎖定目標組群，針對性傳播推廣產品賣點，提升品牌口碑及滲透度，同時優化百度運營，挖掘潛在消費者。各品牌官微借助熱點話題並結合節日大事件，實現高頻次互動，增加消費者黏性，提升品牌忠誠度。為更好的消費者連接，本集團力求更好的覆蓋銷售市場，通過戶外廣告以及高鐵站的強勢曝光，用最接地氣的媒體資源，對消費者實行最貼近的溝通。世界杯期間，全國各地推出「萌寶世界杯」大型路演活動，線下有寶寶足球互動遊戲，線上平台有互動活動，呼應品牌曝光，增強消費者終端黏性。

產品研發

創造差異化產品優勢是本集團的重點戰略，2018年上半年，本集團專業龐大的研發團隊因應國內及全球市場需求，在國內奶粉配方註冊工作、海外工廠產品合作項目以及營養產品科研技術上均取得顯著進展。

1. 嬰配產品配方註冊

截至2018年8月，本集團今年又有4個系列，即12款產品通過配方註冊，令本集團及其合作夥伴Arla總計共16個系列48個嬰幼兒配方奶粉註冊獲批。

2. Science and Research Technology for Nutrition Products

Staying on top of the leading international technology, the Group proactively introduced various fresh elements for the design of new infant formula products with “organic”, “A2-β casein” and “OPO” as key factors as a solid foundation of quality milk powder for Chinese babies. The market focus — a new raw material called “HMO” (Human Milk Oligosaccharides), is now under scientific evaluation for the coming strategic formula innovation.

In addition to the R&D of infant formula products, the Group responded to the aging Chinese population by developing the “Yourui” series of high-end milk powder for middle-aged and elderly people. The series includes a formula for soothing intestines (“Shunyi”), a formula for stabilizing blood sugar (“Yitian”) and a formula for nurturing joints (“Guyi”). Such products have been added with a number of functional new ingredients such as bifidobacterium lactis, polydextrose, isomerised lactose and collagen. Furthermore, the Group’s new products include probiotic solid drinks and the “Future Star” series with a variety of fruit and vegetable flavors.

3. 13th Five-Year Plan Projects

Among the 13th Five-Year Plan Projects, the Group has involved in specific research work on formula design, factory trial production and animal experiment regarding breast milk composition. Based on the research on breast milk in eight cities nationwide, the Group has carried out the study on “Optimizing the Design and Development of Proteins and Amino Acids in Infant Foods” (《優化蛋白質和氨基酸在嬰配食品中的設計和開發》).

2. 營養產品科研技術

本集團緊隨國際領先技術，以「有機」、「A2-β 酪蛋白」、「OPO」等為亮點，積極為新嬰幼兒配方產品設計引入多項新元素，為中國寶寶鑄造精品奶粉奠定基礎。市場聚焦的新型原料「HMO」母乳低聚糖正在科研評估過程中，為迎接戰略性配方創新做好準備。

除了嬰幼兒配方產品的研發之外，面對中國老齡化的日趨嚴重，本集團研發中老年高端成人奶粉「悠瑞」系列，包括舒緩腸道的配方（「順宜」）、穩定血糖的配方（「怡添」）、以及骨骼關節養護配方（「骨宜」）。產品選擇添加了多種功能性新原料，如乳雙歧杆菌、聚葡萄糖、異構化乳糖、膠原蛋白等。此外，本集團新添產品還包括益生菌固體飲料、「未來星」系列多種果蔬口味等。

3. 十三五項目

在本集團所參與的十三五項目中，本集團就母乳營養成分的研究針對性開展配方設計、工廠試產、以及動物實驗等展開各項研究工作，並基於全國8個城市母乳成分的研究，進行《優化蛋白質和氨基酸在嬰配食品中的設計和開發》的課題研究。

Sales Channels

During the first half of 2018, the Group continued to implement the strategic plan for channel restructuring as well as enhancement. Four separate business units have been established for infant formula. In addition, three new independent business units have been set up. As such, the Group has a lineup of seven business units responsible for different product lines, to jointly facilitate the Group in the structural layout for its market business. The seven units actively promote the Group's star products, while driving the development of other products as well.

As for the mother-and-baby store channel, the Group maintains its intensive work on developing the channel with outlets set up in counties and townships, to better localise the outlets of the Group. In respect of the modern trade channel, the Group has built on the main channel of KA markets for adult milk powder, set up a team to fine-tune the modern trade channel and products, consolidate and raise the market share of milk powder, extending the edge of "Reeborne" in the market and firmly retain its leadership in the organic market. On the other hand, the Group eyed on the goat milk market and its goat milk powder strategy will be launched officially by securing its goat milk market with its products "Australian Doraler" and "Dumex" goat milk powder, as well as "Dumex TruYn". At the same time, the Group has been actively upgrading its formulas to build a Chinese milk lineup composed of multiple milk powder products. Yashili effectively leverages on its 16 approved formula series, catering to high, mid and low-end consumers to fully tap into the market.

In respect of marketing, aside from basic promotion activities, the Group worked hard on developing innovative approaches in the first half of 2018, while pursuing more new channels to draw new customers and deliver more effective promotion campaigns. One example is the large-scale World Cup roadshow for babies, which leveraged on the super IP of World Cup. From April to June, over 200 roadshows were staged, greatly improving the market atmosphere and team morale and strongly boosting the confidence for channels.

銷售渠道

2018年上半年，本集團持續落實渠道重整強化的戰略佈局，除了完成四大嬰配事業部，體現獨立業務單元建設，新增三大獨立事業部，形成七大事業部的格局，分管不同產品線，共同推進本集團市場業務的結構佈局。本集團七大事業部積極發展旗下明星產品，帶動其他產品並駕齊驅。

母嬰渠道方面，本集團堅持渠道深耕工作，網點開發直達縣級、鄉鎮級，大力加強本集團網點下沉建設；商超渠道方面，本集團立足成人奶粉主銷渠道KA賣場，組建團隊，將商超渠道及其產品做精做細，穩固、提升牛奶粉市場規模，擴大「瑞哺恩」的市場優勢，牢牢保持有機領先地位。另一方面，本集團重點蓄勢羊奶市場，羊奶粉戰略正式開展：「澳洲朵拉小羊」、「多美滋」羊奶粉以及「多美滋初穎」將多方位出擊，全面爭奪羊奶市場。與此同時，本集團積極實現配方升級，以多款奶粉聯合打造中國奶粉陣營，有效利用已經通過的16個系列配方，產品搭配高、中、低組合，全面開發市場。

市場推廣方面，2018年上半年在基礎推廣活動開展的同時，本集團加大招新方式方法的創新，同時尋求更多的招新渠道，從而實現推廣活動的效能提升，其中借助世界盃超級IP開展的萌寶世界盃大型路演活動，僅4至6月已安排超過200場路演，市場氛圍和團隊士氣得到了大幅提升，渠道信心倍增。

Quality Control

2018 has been named as the “Quality Year” for Yashili, featuring the slogan “Quality, I Promise” as the core of quality culture. The newly integrated Yashili International Group is 100% committed to improving the overall quality standard which represents the lifeline of an enterprise. At the beginning of 2018, all staff from the management to first-tier production team, have been engaged in quality improvement activities. The core management and key management personnel of each factory have signed a quality assurance statement to show their full commitment to improve quality and enhance market competitiveness.

As part of the Quality Year initiatives, Yashili’s Quality Centre has successively launched series of training activities on quality during the first half of the year. In addition to inviting external senior auditing experts for on-site inspection trainings in Horinger factory, members from the Quality Centre were sent to respective production bases to carry out trainings on basic quality standards and microbial cleansing so that the factories can improve their quality continuously. Moreover, the Quality Centre has prepared a guideline of training materials on GMP-related practices for the infant formula milk powder industry. The guideline has been distributed to all of the Group’s factories for learning and promotion, coupled with on-site guidance and quality trainings to comprehensively upgrade the level of quality among all the factory staff. Meanwhile, based on the arrangements of the Quality Year initiatives, respective factories successively conducted their own internal training activities on relevant standards and regulations, which covered directly related personnel such as workshop staff, team leaders and supervisors. Learning about quality allows the relevant personnel to think more broadly and provide better quality management.

質量控制

2018年為雅士利的「質量年」，以口號「質量，我保證；Quality, I Promise」作為質量文化的核心，全新整合後的雅士利國際集團為全面提升質量水平，為企業的生命之源—質量給予100%的承諾。在2018年之始，從管理層到一線員工全員參與到質量建設改進活動中，中心管理層和各工廠主要管理人員都簽署了質量承諾書，全面承諾改進質量，提升市場競爭力。

作為質量年活動的一部分，雅士利質量中心上半年陸續開展了一系列的質量培訓活動。除了邀請外部資深的審核專家到和林工廠進行現場檢查培訓外，質量中心相關人員也深入到各生產基地，進行雅士利基本質量標準和微生物清潔等方面的培訓，推動各工廠質量方面的持續改進。此外，質量中心還製作了針對嬰幼兒配方乳粉行業的GMP相關規範培訓資料指南，全面分發到集團各工廠進行普及宣傳，通過現場指導以及質量培訓，全面提升工廠全員的質量水平。同時，各工廠根據質量年活動的安排也陸續開展了各自內部有關標準、法規的培訓活動，活動涵蓋了車間人員、班組長、主管等質量責任直接相關人員，通過質量學習，引導相關人員拓寬思路，從而改進質量管理水平。

As for practical operation, the Group has further reinforced quality management on the whole supply chain with the following actions:

1. In the first half of 2018, the Group's Quality Centre carried out trainings on advanced audit techniques for the audit team members of suppliers, sorted out the "List of Approved Suppliers of Packaging Materials" (《包裝材料合格供應商清單》) and completed the on-site audit of 33 various suppliers according to unified auditing standards. Besides, the factories further optimized the internal inspection plan for incoming goods by sharing of resources and ensured proper use of materials through the strict inspection of incoming goods.
2. As for the operation of internal quality system, each factory continued to improve its quality system operation through self-inspection, assistant inspection, etc. From January to June, all five factories under the Group passed a total of 19 external audits in relation to production licensing, GMP, HACCP, FSSC22000, organic certification and others. Given increasingly stringent regulation on the infant formula milk powder industry, the Shanghai, Chaozhou and Horinger factories have passed the national inspection on the safety production practice for infant formula milk powder, which represents the recognition of their effective food safety and quality operation system. This proves the sound operation of such systems in the respective factories and ensures that the products are in line with standards.
3. The Group constantly promoted the application of advanced technology in the production process. In order to mitigate the quality risks caused by faulty feeding in the front-end process of production, Chaozhou factory took the lead in the application of an error-proof product feeding system to avoid the misuse of materials by electronic systems, with continuous improvement of electronic records for the production process. At present, the Shanxi and Horinger factories have also successively started the preliminary work of this project.
4. As for the capacity building among the laboratories, respective factories have conducted proficiency testing according to their work plans. Chaozhou factory developed the testing method based on liquid chromatography-mass spectrometry for casein phosphopeptides and the testing method based on ion chromatography for FOS and GOS in the first half of the year.

在具體運作方面，本集團在覆蓋全供應鏈的基礎上，繼續進行以下深化質量管理工作：

1. 2018年上半年，本集團的質量管理中心對供應商審核團隊人員進行進階的審核技巧培訓，並梳理本集團的《包裝材料合格供應商清單》，按統一審核標準完成對33家各類供應商的現場審核。此外，各工廠通過資源分享，進一步完善內部的進貨檢驗計劃，通過嚴格的進貨查驗，確保物料的正确使用。
2. 在內部質量體系運作方面，各工廠持續通過自查、協查等方式持續完善質量體系運作。由1月到6月，本集團旗下5家工廠均順利通過共計19次，涉及生產許可、GMP、HACCP、FSSC22000、有機認證等各種類的外部審核。在嬰幼兒配方乳粉行業監管越來越嚴的背景下，上海工廠、潮州工廠、和林工廠均順利通過了國家的嬰幼兒配方乳粉食品安全生產規範體系檢查，認可各工廠有效的食品安全質量運行體系，證明了各工廠食品安全質量體系的有效運行，確保生產出符合標準的產品。
3. 本集團持續推動先進技術在生產過程中的應用。為降低生產前端工序投料錯誤的質量風險，潮州工廠率先開展了防呆、防錯的產品投料系統的應用，通過電子系統防止物料的誤用，同時還不斷完善生產過程的電子記錄。目前，山西工廠及和林工廠也陸續開展了該項目的前期工作。
4. 實驗室能力建設方面，各工廠按照工作計劃陸續開展了能力驗證工作。潮州工廠上半年開發了液相質譜的酪蛋白磷酸肽檢測方法，離子色譜的低聚果糖和低聚半乳糖的檢測方法。

In the first half of 2018, the Group recorded a 100% pass rate in both ready-for-delivery products and external spot checks. The products complied with national requirements in respect of risk monitoring, which proves that the Group has stable operation of its quality system to ensure better-than-expected products and boost consumer confidence in the Group and its products.

Supply Chain

In the first half of 2018, the Group's Supply Chain Centre worked in the principle of "Strict Management, Collaborative Operations" to push forward the Six Empowerment Projects, with improvements made in supply chain culture, talent pool, lean production, excellent supply chain operation, key projects, production-sales coordination, upstream-downstream coordinated management for the supply chain.

Increased Volumes in Own Production and Contract Processing with Notable Achievement in Cost Effectiveness

In respect of production management, Yashili continued to grow its own production volume. Owing to the close cooperation with Mengniu Group and its strong support, the Group recorded a higher production volume in its subcontracting business for the raw materials of whole milk powder in the first half of the year. Production volume also grew on the basis of the wet production technology, which significantly raised the overall utilization of production capacity and slashed the fixed cost of products in the first half of the year. Effective ongoing production-sales coordination and safe inventory planning improved the Group's inventory turnover compared to 2017 and effectively improve the holding cost of Yashili's products. At the same time, the Group's reasonable scheduling and enhancement of manufacturing productivity led to an increase in average output compared to 2017. For the first half of 2018, the Group saw a major decline in the overall manufacturing cost of its products. Owing to the aforementioned measures, Yashili enhanced the profitability of its products.

Cultivation of New Supply Chain Management Culture for Yashili

In respect of the integrating supply chain culture, the Group has put forward a management framework composed of "One-centre Strategy, End-to-end Management, Four Pillars and Four Bases" to serve as a unified concept for Yashili's diverse supply chain culture, cultivating the supply chain management culture of "New Yashili" and providing the unified management objectives. The Six Empowerments resulted in greater flexibility of the overall supply chain. Eventually, the four domestic factories have successively passed all the spot checks by the CFDA under the most stringent administrative measures for infant formula foods.

2018年上半年，本集團所有產品出廠合格率100%，外部抽檢合格率100%，產品風險監測符合國家要求，證明了本集團的質量系統運作穩定，能完全保證生產出符合消費者預期的產品，也加強了消費者對本集團及產品的信心。

供應鏈

2018上半年，本集團供應鏈中心秉承「從嚴治廠、協同作戰」的整體工作思路，積極推動六大賦能項目的開展，在供應鏈文化、人才梯隊、精益生產、卓越供應鏈運營、關鍵項目、產銷協調、「鏈」通上下游管理上取得改善成果。

自有產量代工量提升 降本增效成果顯著

在生產調配方面，雅士利自有產量持續增長，在蒙牛集團的緊密合作及強勢加持下，本集團的全脂乳粉原料代工業務在上半年的產量增加，在濕法生產工藝上取得產量上的增長，使上半年整體產能利用率明顯提升，同時大大降低產品固定成本。持續有效的產銷協調以及安全庫存的規劃，使得本集團的存貨周轉情況較2017年度提升，雅士利的產品持有成本得到有效改善。同時，本集團採取合理計劃排班，加強製造生產力，人均產出較2017年度錄得提升。2018年上半年度，本集團整體產品製造成本獲得顯著下降，上述幾項強化雅士利產品的盈利能力。

建造新雅士利供應鏈管理文化

在供應鏈文化整合上，本集團提出「一個中心戰略、端到端管理、四大支柱、四項基礎」的管理構架，使得多元文化的雅士利供應鏈獲得新的思想統一，打造「新雅士利」供應鏈管理文化，統一管理目標。在六大賦能的驅動下，使得整體供應鏈柔性得到良好的提升。最終，國內的四個工廠先後通過了最嚴嬰幼兒配方食品管理法下食藥監總局的各項飛行審查。

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2018, the Group's revenue amounted to RMB1,504.1 million (the same period of 2017: RMB966.7 million), representing an increase of 55.6% as compared to the same period of last year.

Revenue by brand and product category — for the six months ended 30 June (unaudited)

		2018 RMB million 人民幣百萬元	2017 RMB million 人民幣百萬元	Percentage change 變動比例
By product category	按產品類別劃分			
Milk powder products	奶粉產品	1,144.2	820.8	39.4%
Dissolvable products	沖調產品	91.2	99.7	(8.5%)
Others	其他	268.7	46.2	481.6%
Total	總計	1,504.1	966.7	55.6%

For the six months ended 30 June 2018, revenue from milk powder products amounted to RMB1,144.2 million (the same period of 2017: RMB820.8 million), representing an increase of 39.4% from the same period of 2017; among total sales of infant formula milk powder, sales of high-end infant milk powder accounted for 42.3% in the first half of 2018, up from 22.5% in the first half of 2017 and 26.9% in the second half of 2017. Revenue from dissolvable product amounted to RMB91.2 million (the same period of 2017: RMB99.7 million), representing a decrease of 8.5% from the same period of 2017. Revenue from other products amounted to RMB268.7 million (the same period of 2017: RMB46.2 million), representing an increase of 481.6% from the same period of 2017, which was mainly derived from the sale of base powder by Yashili New Zealand Dairy Co., Limited ("Yashili New Zealand") to Danone Asia Pacific Holdings Pte Ltd., a subsidiary of Danone SA.

財務回顧

收入

截至2018年6月30日止六個月，本集團之收入達人民幣1,504.1百萬元(2017年同期：人民幣966.7百萬元)，較去年同期上升55.6%。

按品牌及產品類別劃分之收入 — 截至6月30日止六個月(未經審核)

截至2018年6月30日止六個月，奶粉產品實現收入人民幣1,144.2百萬元(2017年同期：人民幣820.8百萬元)，較2017年同期增加39.4%；其中，高端嬰幼兒奶粉在嬰幼兒配方奶粉中的銷售佔比從2017年上半年的22.5%，2017年下半年的26.9%提升至2018年上半年的42.3%；而沖調產品實現收入人民幣91.2百萬元(2017年同期：人民幣99.7百萬元)，較2017年同期下降8.5%；其他產品實現收入人民幣268.7百萬元(2017年同期：人民幣46.2百萬元)，較2017年同期增加481.6%，主要是雅士利新西蘭乳業有限公司(「新西蘭乳業」)銷售基粉給達能SA子公司達能亞太有限公司產生。

The increase in the Group's revenue was mainly due to: 1. Channel integration has shown its initial effect since the beginning of the period, with sales in gradual recovery. 2. During the period, the Group strengthened its advertising campaign and improved its brand awareness. 3. China has started enforcing the Recipe Registration Requirement, putting the Group in a relatively favourable position in market competition.

Gross profit

For the six months ended 30 June 2018, the Group recorded a gross profit of RMB652.9 million (the same period of 2017: RMB447.6 million), representing an increase of 45.9% from the same period of last year. The gross profit margin was 43.4%, representing a decrease of 2.9 percentage points due to an increase in the proportion of the sales of base powder with a lower margin, which was partly offset by an increase in the proportion of the sales of high-end infant milk powder with a relatively higher margin.

Selling and distribution expenses

For the six months ended 30 June 2018, the Group generated selling and distribution expenses of RMB573.5 million (the same period of 2017: RMB490.7 million), representing an increase of 16.9% from the same period of last year. In terms of the percentage of revenue, the selling and distribution expenses was 38.1% for the first half of 2018 (the same period of 2017: 50.8%), representing a decrease of 12.7 percentage points from the same period of last year, which was mainly due to the increase in sales revenue and the enhancement of utilisation efficiency of selling and distribution expenses.

Administrative expenses

For the six months ended 30 June 2018, administrative expenses amounted to RMB87.9 million (the same period of 2017: RMB114.0 million), representing a decrease of 22.9% from the same period of last year, mainly attributable to improvement of operating efficiency.

Net finance income

For the six months ended 30 June 2018, net finance income amounted to RMB54.1 million (the same period of 2017: RMB54.5 million). The decrease in net finance income of 0.7% was mainly attributable to the decrease of working capital available for investment as a result of repayment of borrowings.

本集團收入上升主要是由於：1. 渠道整合從本期開始初見成效，銷售逐漸回暖；2. 本集團本期加大了廣告宣傳力度，提升了品牌知名度；3. 中國開始實施配方註冊制，本集團在市場競爭中處於較有利地位。

毛利

截至2018年6月30日止六個月，本集團錄得毛利為人民幣652.9百萬元(2017年同期：人民幣447.6百萬元)，較去年同期上升45.9%。毛利率為43.4%，毛利率下降2.9個百分點，下降原因在於毛利率較低的基粉銷售佔比有所上升，該影響被毛利率較高的高端嬰幼兒奶粉佔比提升部分抵銷。

銷售及經銷開支

截至2018年6月30日止六個月，本集團產生銷售及經銷開支為人民幣573.5百萬元(2017年同期：人民幣490.7百萬元)，較去年同期上升了16.9%；銷售及經銷開支佔收入比例2018年上半年為38.1%(2017年同期：50.8%)，較去年同期下降了12.7個百分點；下降的主要因為銷售收入上升同時加強銷售及經銷開支的使用效率。

行政開支

截至2018年6月30日止六個月，行政開支為人民幣87.9百萬元(2017年同期：人民幣114.0百萬元)，較去年同期下降了22.9%，主要是運營效率提升所致。

淨財務收入

截至2018年6月30日止六個月，財務收入淨額為人民幣54.1百萬元(2017年同期：人民幣54.5百萬元)。財務收入淨額下降0.7%，主要由於歸還借款導致可用於投資的流動資金減少。

Income tax credit

For the six months ended 30 June 2018, the income tax credit provided for by the Group amounted to RMB47.7 million (the same period of 2017: RMB37.7 million), and the effective income tax rate was -745.3% (the same period of 2017: -23.6%). The increase in income tax credit was mainly because the Group utilised the unrecognised tax losses from previous years during the period.

Inventory

As at 30 June 2018, the balance of inventory of the Group amounted to RMB718.8 million (31 December 2017: RMB786.3 million). The decrease in inventory was mainly due to an increase in impairment provided for inventory in accordance with the group policy as compared to the same period.

Other current financial assets

As at 30 June 2018, other current financial assets included bank wealth management products with principal guarantee and stable growth of RMB626.6 million, with an anticipated annualised yields of 4.1% to 4.9% (31 December 2017: 3.1% to 4.0%).

Trade and bills receivables

As at 30 June 2018, the Group's trade and bills receivables amounted to RMB166.9 million (31 December 2017: RMB144.3 million). During the first half of 2018, the trade receivables turnover days were 20 days (the same period of 2017: 30 days), representing a decrease of 10 days as compared to the same period of 2017, which was mainly attributable to a decrease in the proportion of the sales to customers on credit.

所得稅抵減

截至2018年6月30日止六個月，本集團計提的所得稅抵減為人民幣47.7百萬元(2017年同期：人民幣37.7百萬元)，實際所得稅率為-745.3%(2017年同期：-23.6%)。所得稅抵減上升的原因主要是本期利用了以前年度未確認的稅務虧損。

存貨

於2018年6月30日，本集團存貨餘額為人民幣718.8百萬元(2017年12月31日：人民幣786.3百萬元)，存貨減少主要是根據集團政策對存貨計提的減值較同期增加。

其他流動金融資產

於2018年6月30日，其他流動金融資產包含穩健型保本銀行理財產品人民幣626.6百萬元，預期年化收益率為4.1%至4.9%(2017年12月31日：3.1%至4.0%)。

貿易應收款及票據

於2018年6月30日，本集團貿易應收款及應收票據金額為人民幣166.9百萬元(2017年12月31日：人民幣144.3百萬元)。於2018年上半年，貿易應收款周轉天數為20天(2017年同期：30天)，周轉天數較2017年同期減少10天，主要由於除銷客戶的銷售佔比減少。

Human resources and employees' remuneration

As at 30 June 2018, the Group had a total of 2,310 full-time employees (30 June 2017: 2,634). The total staff cost for the period was approximately RMB231.4 million (the same period of 2017: RMB272.0 million). The decrease in total staff cost was mainly due to a reduction in the number of staff following the downsizing of the group structure.

Contingent liabilities

As at 30 June 2018, the Group had no material contingent liabilities (31 December 2017: Nil).

Capital commitment

As at 30 June 2018, the Group's capital commitment was RMB8.8 million (31 December 2017: RMB23.1 million), which was mainly related to the rectification project under the Recipe Registration Requirement and the purchase of milk powder production equipment.

人力資源及僱員薪酬

於2018年6月30日，本集團共有全職僱員2,310名(2017年6月30日：2,634名)。僱員本期總成本約為人民幣231.4百萬元(2017年同期：人民幣272.0百萬元)。僱員總成本的減少主要是因為隨著集團精簡組織結構，以致員工人數減少所致。

或然負債

於2018年6月30日，本集團並無重大或然負債(2017年12月31日：無)。

資本承擔

於2018年6月30日，本集團資本承擔額為人民幣8.8百萬元(2017年12月31日：人民幣23.1百萬元)，主要為配方註冊制整改項目及購置奶粉生產設備。

Use of net proceeds from the Initial Public Offering

The Company's net proceeds from the Initial Public Offering amounted to approximately RMB1,965.8 million after deduction of relevant expenses. The Company had applied these net proceeds in the manner as disclosed in the section headed "Future Plans and Use of Proceeds" in the prospectus dated 30 October 2010. Therefore, the use of net proceeds as of 30 June 2018 is set out as below:

首次公開招股所得款項淨額用途

本公司於扣除有關開支後的首次公開發售所得款項淨額約為人民幣1,965.8百萬元。本公司已按照2010年10月30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2018年6月30日所得款項淨額用途如下：

Items	項目	Available at	Applied during	Unutilised
		the end of	the six months	during the six
		2017	ended	months ended
			30 June 2018	30 June 2018
			截至2018年	於截至2018年
			6月30日止	6月30日止
			6個月動用	6個月未動用
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Expansion of production capacity for infant formula milk powder and nutrition food	用於擴大嬰幼兒配方奶粉及營養食品之產能	46,353	46,353	—
Enhancement on the Group's research and development capabilities	提高本集團的研發能力	196	196	—
Total	總計	46,549	46,549	—

HUMAN RESOURCES

In the first half of 2018, the Human Resources Centre proactively carried out a wide range of activities in support of the steady transformation of the Group:

1. Streamlining Administration and Delegating Powers to Stimulate Organisation

Based on the Group's general strategy and performance objectives, the Human Resources Centre focused on key businesses and transformed marketing structure into one that consisted of four business units and one project department. Each business unit is independently accounted and is fully authorised, so as to stimulate its initiative and improve the speed of response to the market, thereby enhancing the Group's overall vitality and market adaptability. In terms of incentives, in order to fully mobilise employees' initiative and inspire their potential, the Group has adopted more measures to retain key talents such as a unified salary structure for the Group, an increase in the proportion of appraisal indicators relating to group performance, and amendment to the sales commission proposals which increases the commission percentage for the outperforming target achievement rate. Owing to the various incentives, net sales revenue increased to an extent in the first half of 2018, as compared to the corresponding period of last year.

2. Improving the Training System to Facilitate Talent Development

In order to improve the capability and professionalism of the business team and build up a structured talent pool, the Group has further optimised its talent training system, including the improvement of the learning platform of "Yashili Business School". The platform offers five modules, namely, "Yashili International Overview", "Sales Trainee", "Management College", "Functions College", and "Yazhiyin College" (雅之音學院). The platform facilitates the study and information exchange of each business unit and the whole Group.

人力資源

2018年上半年，人力資源中心積極開展各項支持工作，助力本集團穩步轉型：

1. 簡政放權，激活組織

根據本集團整體戰略及業績目標，聚焦關鍵業務，實施營銷架構變革，成立四個事業部及一個項目部架構。各事業部獨立核算、充分授權，激發主觀能動性，提高市場反應速度，增強了本集團整體活力及市場適應性。在激勵方面，為充分調動人員主動性並激發潛力，本集團加強了關鍵人才保留措施，統一集團薪酬結構，增加考核指標與集團業績關聯部分的佔比，並重新修定銷售提成方案，提高超目標達成率的提成比例。通過各項激勵措施，2018上半年淨銷售收入比去年同期有一定提升。

2. 完善培訓體系，促進人才發展

為提升業務團隊人員能力及專業度，搭建人才梯隊，本集團進一步完善了人才培訓體系，包括完善「雅士利商學院」學習平台，提供「雅士利國際概覽」、「銷售學員」、「管理學院」、「職能學院」、「雅之音學院」5大模塊。學習平台促進了各事業部及本集團的學習及信息交流。

Meanwhile, the Group made great efforts to establish a marketing team training system, by building the platform “Yashili Good Lecturers” (雅士利好講師) to develop sales lecturers and ramp up the team’s professional capability. The Group has launched the “mini MBA” project for mid to high-end talents, with systematic training to improve their integrated operational capability and develop reserve talents for future management of respective business units. The effort aims to prepare for future business development and ensure smooth operation of business. Meanwhile, by sorting out the talents of key positions, the Group conducted targeted assessment on talents and analyse the whole team, thus providing guidelines and reference for the strategies of selecting, recruiting, cultivating and retaining talents.

3. Strengthening Corporate Culture to Improve Cohesion

The Group organised diversified corporate culture activities to enhance the sense of belonging among employees. In the first half of the year, the Group organised themed activities for such festivals as Women’s Day, Mother’s Day and Children’s Day, involving a total of 1,168 participants. These activities realized online and offline participation in innovative forms, serving as unique festive activities of Yashili.

2018 is a year of World Cup. As an official sponsor to the 2018 FIFA World Cup, Yashili has closely centred on the World Cup theme for its corporate culture activities. Yashili organised annual meetings, “Danone Friendship Football Matches” and other activities to help every employee balance their life, work and health. These activities covered all major business units, enhancing the staff’s sense of belonging and recognition.

In addition, the Group hosted corporate culture workshops of “Inspiring a Shared Dream” (共啟夢想), including eight for the marketing team and three for the supply chain team, to ignite their ambition and stimulate their vitality. The Group has also set up a direct communication platform between average staff and senior management, to collect employees’ opinions and give feedback timely. The platform is designed to improve the Group’s mechanism by opening up the channel for staff communication, and to cultivate employees’ sense of ownership.

同時，大力組建營銷隊伍培訓體系，搭建「雅士利好講師」平台，培養銷售講師人才，提升團隊專業能力。針對中高端人才，啟動「mini MBA」項目，系統地培養提升綜合經營能力，儲備各個事業部未來管理人才，為業務發展未雨綢繆，確保業務順利運作。同時，通過關鍵崗位的人才盤點，對人才進行針對性評估及整體團隊分析，從而為人才的選、用、育、留策略提供指導參考。

3. 強化文化，凝聚人心

實施多樣化的企業文化活動，增強員工歸屬感。上半年，本集團開展了三八婦女節、母親節、兒童節等節日主題活動，參與人次共計1,168人。這些活動通過創新形式實現了線上線下共同參與，形成雅士利特色節日活動。

2018年是世界杯年，雅士利作為2018 FIFA世界杯官方贊助商，企業文化活動緊密結合世界杯主題，組織開展年會、「達能足球友誼賽」等活動，致力讓每一位員工生活、工作、健康三平衡，活動覆蓋各大事業部，提升廣大同事的歸屬感和認同感。

除此之外，本集團還通過8場營銷隊伍及3場供應鏈團隊的「共啟夢想」企業文化工作坊，點燃銷售及供應鏈團隊的雄心，激發活力。推廣高管直通車平台，及時收集並反饋員工意見，打通上下層的溝通渠道，不斷完善機制，打造員工主人翁意識。

CORPORATE SOCIAL RESPONSIBILITY

In 2018, the Group continued to make contributions to giving back to society, and bring warmth and love to everyone.

In April, the Group held a national wedding event named “Waiting for You A Thousand Years, Falling in Love in Chaozhou” (等你千年·愛在潮州) in Chaozhou. In response to the government’s call, the Group donated milk powder as gifts for the public welfare event, and gained the title “Enterprise with Love” (愛心企業).

Weining County in Guizhou Province is a national severely poverty-stricken county and a key county for national poverty alleviation and development. The Group is very concerned about the health of students from poor mountainous areas. In May 2018, to actively respond to the government’s call, the Group fulfilled its social responsibilities by donating “Yashily Youyi High-Calcium Milk Powder for Growth of Primary and Secondary School Students” (雅士利優怡中小學生高鈣成長奶粉) to the People’s Government of Weining County, Guizhou Province, and received a thank you letter from the education bureau of the county.

In June, the Group actively participated in “Realizing the Chinese Dream together, Having Safe Trips” (同圓中國夢守護安全行) organised by the Red Cross Foundation of Anhui Province to promote safety protection schoolbags donation. The Group purchased and donated safety protection schoolbags, for supporting the primary and secondary school students who were left-behind in poor counties and rural areas, so as to protect the health of such teenagers and children, keep them safe on their way to school and improve their safety knowledge as well as self-help and mutual aid abilities.

In addition, the Group also donated cash to the Charity Association of Xinyi in Maoming City, Guangdong Province to help improve the living facilities in poor and backward areas.

社會責任

2018年，本集團繼續在回饋社會的道路上做出貢獻，把溫暖和愛心帶給大家。

4月份，本集團於潮州市舉辦「等你千年·愛在潮州」全國城市新人婚戀活動，通過活動積極響應政府號召，捐贈奶粉作為此次公益活動的伴手禮，獲得「愛心企業」稱號。

貴州省威寧縣是全國深度貧困縣，是國家扶貧開發重點縣。本集團十分關心貧困山區學生健康，在2018年5月，積極響應政府號召，履行社會責任，向貴州省威寧縣人民政府捐贈「雅士利優怡中小學生高鈣成長奶粉」，並獲得該縣教育局撰寫感謝信予以讚揚。

6月份，本集團積極參與安徽省紅十字基金會舉辦的「同圓中國夢守護安全行」安全防護書包捐贈活動，認購安全防護書包，並捐贈給貧困縣和農村留守中小學生，保護少年兒童的生命健康，守護少年兒童上學路上的安全，提高少年兒童的安全素質和自助互救能力。

另外，本集團也向廣東省茂名信宜市慈善會捐贈現金幫助貧困落後的地區改善生活設施。

PUBLIC RELATIONS AND CRISIS MANAGEMENT

In the first half of 2018, the Group amended a complete set of corporate crisis management systems, and organised trainings in this regard. Such systematic amendment to the corporate crisis management systems enables the Group to publicise relevant information in a better, active and effective, open and transparent manner. This not only helps maintain sound communications among departments and improve teamwork efficiency, but also promotes timely publication of latest information of the Company, and active participation in various public welfare undertakings and charitable activities.

Owing to its crisis management system and the cooperation from respective departments and the key role played by the department of public affairs management, the Group is able to handle various consumer complaints in a timely and accurate fashion, actively cooperate with government enquiries, and respond to issues that media are concerning about. In addition, the Group puts great emphasis on market services and coordinates with market sales, by providing solid support for sales and better information services for consumers in advance to prevent the outbreak of a crisis. Meanwhile, the Group pays close attention to the trends and news of the industry, and monitors public opinions in real time to timely respond to industry incidents. The Group aims to eliminate the negative impact and maintains a good reputation in the industry through effective communication with and information disclosure to the public and the media.

INVESTOR RELATIONS

The Group believes that effective communication with shareholders, investors and prospective investors is essential for enhancing investor relations and enabling investors to understand its business performance and strategies. The Group conducts communication and exchanges with investors through various channels and means such as onsite receptions, telephone conferences, non-trading roadshows and investment summits of securities companies. To facilitate wider communication, the Group has set up a website (www.yashili.hk) to post the latest financial information, corporate governance practices and other data available for public reference.

公共關係及危機處理

2018年上半年，本集團重新修訂了一套完整的企業危機管理制度，並對此組織培訓。此次系統修訂企業危機處理制度能更好的、積極有效的、公開透明的向外界傳達相關信息，幫助各部門保持良好溝通關係，提高各部門協同工作效率，及時發佈公司最新活動消息、積極參與各項公益事業與慈善活動。

本集團通過危機管理制度，在以公共事務管理部為主，各個部門的共同合作下，能夠及時、準確地處理各種消費者的投訴，積極協助配合政府部門的諮詢以及回應媒體關注的問題；除此之外，本集團也高度重視市場服務和配合市場銷售，為銷售提供堅實的後台保障，也提前為消費者提供更好的信息服務，預防危機事件的發生。同時，本集團對於行業動向、新聞事件高度關注，並且實時對輿情進行監控，對行業事件及時作出反應。通過與公眾及媒體有效溝通，公佈信息，消除負面影響，樹立在行業中的良好地位。

投資者關係

本集團認為，與股東、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、非交易路演及參加券商投資峰會等多種渠道和方式與投資者進行溝通和交流。為促進更廣泛的溝通，本集團還設有網站(www.yashili.hk)，刊載有關本集團財務資料、企業管治常規及其他數據的最新情況，以供公眾查閱。

FUTURE PROSPECTS

Policy Implications

In recent years, China has taken strict control over the quality of infant formula foods, dedicating to creating a reliable and well-established ecosystem for infant foods. A number of stringent initiatives have been launched to regulate formula foods for special medical purposes and infant formula foods, including “Administrative Measures on the Registration of Formula Foods for Special Medical Purposes” (《特殊醫學用途配方食品註冊管理辦法》) and “Administrative Measures on Product Formula Registration of Infant Formula Milk Powder” (《嬰幼兒配方乳粉產品配方註冊管理辦法》) introduced by former CFDA in 2016. More related measures will be released in the second half of 2018, which include “Administrative Measures on Product Formula Registration of Infant Formula Milk Powder” (Revision) (《嬰幼兒配方乳粉產品配方註冊管理辦法》(修訂稿)), “Administrative Measures on Alternation of Product Formula Registration of Infant Formula Milk Powder” (《嬰幼兒配方乳粉產品配方註冊變更管理辦法》), “Administrative Measures on Filing of Infant Formula Foods” (《嬰幼兒配方食品備案管理辦法》), “Rules for Reviewing Production License of Formula Foods for Special Medical Purposes” (《特殊醫學用途配方食品生產許可審查細則》) and etc., which will inevitably result in new influence on the registration and alternation of infant formula milk powders. In the second half of the year, the State Administration for Market Regulation will also step up its efforts in administrating both registered and unregistered products more stringently, further deepening the reform of review and approval systems of pharmaceuticals, medical devices and foods for special purposes. It will also optimize the review and approval procedure for registration of foods for special purposes, and accelerate the registration of healthcare food, infant formula milk powder and formula foods for special purposes, with an aim to regain consumer confidence and steer the industry to develop at a healthier and sustainable pace.

未來展望

政策影響

國家近年嚴正管控嬰幼兒配方食品的品質，致力建立可靠優良的嬰幼兒食品生態圈，推出多項嚴厲舉措，包括原食藥監總局於2016年出台的《特殊醫學用途配方食品註冊管理辦法》及《嬰幼兒配方乳粉產品配方註冊管理辦法》，針對特殊醫學用途配方食品及嬰幼兒配方食品監管。2018年下半年，將有更多相關措施發佈，包括《嬰幼兒配方乳粉產品配方註冊管理辦法》(修訂稿)、《嬰幼兒配方乳粉產品配方註冊變更管理辦法》、《嬰幼兒配方食品備案管理辦法》、《特殊醫學用途配方食品生產許可審查細則》等，勢為嬰幼兒配方乳粉配方註冊、變更等產生新的影響。國家市場監督管理總局在下半年，也將對已註冊和未註冊的產品進行更嚴格的管理工作，進一步深化藥品醫療器械特殊食品評審審批改革，優化特殊食品註冊審批流程，加快推進保健食品、嬰幼兒配方乳粉及特殊醫學用途配方食品註冊，旨在重拾消費者信心的同時，也促成行業以更健康、可持續的步伐發展。

Penetration of milk powder products quality control will continue to be increasingly stringent, and the import market will further develop as driven by favorable trade policies. The “Notice of the General Office of the State Council on Forwarding the Opinions of MOFCOM and Other Departments on Expanding Imports to Promote Balanced Development of Foreign Trade” (《國務院辦公廳轉發商務部等部門關於擴大進口促進對外貿易平衡發展意見的通知》) promulgated on 2 July 2018 put forward “Three Major” directions for cross-border commerce. First, taking advantage of the “Belt and Road” Initiative to leverage on bilateral economic and trade cooperation mechanism with special focus on the development of relevant countries as major sources of import, so as to enhance strategic alignment and expand trade scales by appropriately increasing imports of unique and quality products in response to domestic demand from consumption upgrading. Second, proactively developing diversified channels for cross-border commerce, including the continuous promotion of the effective interaction of foreign capital in trade and investment through China International Import Expo; by using innovative import trade policies, accelerating the introduction of specific plans of post-transition supervision of cross-border e-commerce retail imports and making overall adjustments to the white list of cross-border e-commerce retail imports, while studying the possibility of expanding the pilot scope by learning from the successful experience and practice of cross-border e-commerce comprehensive pilot zones. Third, introducing well-established technical trade measures and determining reasonable fees, including the reduction of import-related institutional cost, further regulating non-tariff measures on import, strengthening the establishment of supervision system following cancelation or delegation of import administrative review and approval, formulating China’s tax and cost reduction policies for enterprises with strict implementation of the announcement system for charges to clear out improper charges on import, and taking the initiative to expand scale of import, in order to promote the balanced development of foreign trade. Through the improvement of cross-border commerce system, it is going to optimise the industrial structure, promote economic development, bring a better life for people, and drive domestic demand for quality development of national economy, thereby achieving the mutually beneficial and win-win opening strategy and a brand new pattern for full liberalisation.

奶粉產品將繼續質量把控的深化工程，並將在有利的貿易政策推動下，加大進口市場藍圖發展。2018年7月2日頒佈的《國務院辦公廳轉發商務部等部門關於擴大進口促進對外貿易平衡發展意見的通知》指出跨境商貿的「三大」躍進方向。第一，乘「一帶一路」發揮雙邊經貿合作機制作用，視相關國家為重點開拓的進口來源地，加強戰略對接，因應國內消費升級需求適度增加特色優質產品進口，擴大貿易規模。第二，積極發展多元跨境商貿渠道，包括通過中國國際進口博覽會等形式，持續推動外資在貿易及投資的有效互動，並利用創新進口貿易的政策，加快出臺跨境電子商務零售進口過渡期後監管具體方案，統籌調整跨境電子商務零售進口正面清單，借鑑跨境電子商務綜合試驗區的成熟經驗做法，研究擴大試點範圍。第三，推出健全完善技術性貿易措施及調整合理收費，包括降低進口環節制度性成本，進一步規範進口非關稅措施，同時加強進口行政審批取消或下放後的監管體系建設，並落實國家對企業減稅降費政策，嚴格執行收費項目公示制度，清理進口環節不合理收費，主動擴大進口規模，促進對外貿易平衡發展。通過跨境商貿體系的優化，改善產業結構、促進經濟發展，成就人民美好生活，推動國家經濟高質量發展的內在需要，實現堅持互利共贏開放戰略、全面開放新格局。

Industry Trend

At the national level, China's economy will maintain a stable positive momentum with a new life pattern of transformation in overall social consumption and high quality services. For the infant milk powders, high-end products and differentiated services will be the keys to success in future competition. The dividend of two-child policy is unlikely to be reflected in 2018 as a result of a low birth rate in 2018, resulting in the further competition among enterprises.

At the corporate level, due to the Recipe Registration Requirement, some regional enterprises in this sector are transforming their operation models and beginning to procure business partners and recruit staff nationwide, with an effort to grab the nationwide market shares upon the implementation of the Recipe Registration Requirement. Registered products under the Recipe Registration Requirement in the first half of 2018 have basically completed their construction of marketing channels and are expected to keep on ploughing their channels deeply in the second half of this year, aiming at further expanding their market shares for further development. For those products that have not been registered under the Recipe Registration Requirement, there will be some actions in the second half of 2018, including material disposal at low prices with short-term small profits, which may bring about disorders in market prices and channels, causing certain impact on the development of branded products.

At the channel level, as the mainstream channels are facing transition while the trend toward the modern trade channel for the mother-and-baby stores begins to appear, more mother-and-baby stores call for unity in order to seek for a better way to survive. As a result, "E-commerce", "Cross-border" and "New retail" are among the hot topics in the development course of mother-and-baby store channel. More and more branded enterprises start to extend their business channels to wider areas to acquire more market shares. In respect of marketing approaches, they have invested more capital and human resources in the channel training, refined management and integration of online and offline channels in addition to the traditional store distribution and promotion activities.

行業趨勢

從國家層面看，中國經濟將持續向好，整體社會消費轉型、高品質和服務將成為新的生活形態，對於嬰幼兒奶粉來說，產品的高端化和服務的差異化是未來競爭勝利的關鍵。2018年人口出生率偏低，二胎政策紅利在2018年難以顯現，造成進一步加劇的企業競爭。

從企業層面看，受配方註冊制影響，部分區域性行業企業轉變經營模式，開始全國性招商、招人，開始切割配方註冊制後的全國市場份額，2018年上半年已通過配方註冊制的產品，基本完成了市場渠道建設，預計下半年將繼續深耕渠道，試圖繼續擴大紅利份額，謀求發展。而未獲通過配方註冊制的產品，將在2018年下半年有所動作，包括通過大規模的短期渠道低價、薄利甩貨，或造成市場價格、渠道紊亂，對大品牌產品發展造成一定衝擊。

從渠道方面看，主流渠道面臨轉型，母嬰商超化的趨勢開始顯現，更多的母嬰店開始聯合，尋求更好的生存方式，「電商」、「跨境」、「新零售」成為母嬰渠道發展的熱詞。更多的品牌企業開始下沉渠道，尋求更多的市場份額，在營銷方式上，除去傳統的鋪市、促銷以外，在渠道培訓、精細化管理、線上線下融合上投入更多的資金和人力。

At the consumer level, the consumer purchasing power remains robust given the economy is improving. At the same time, in recent years, the education level of consumers tends to be polarised, that is, towards high-end, good quality and fair prices. Consumer distribution will be diverted from originally the high concentration on the medium-priced products to those high-end products at fair prices. The consumption hierarchy will become more rigid with minor differences, and therefore the development of new categories of products will be promoted using the differentiated strategies. Pure goat milk powder and organic milk powder will be the new favourite among consumers.

Company Strategies

Brand Strategies

After the brand reshuffling due to “The New Policy for Milk Powder Products”, the Group gains more confidence of consumers through differentiated business strategies and successively acquires the market share left by the eliminated brands. The global enthusiasm for the World Cup magnificently unveiled the Group’s brand building program for the first half of 2018, and in the second half of this year, the Group will join a new round of brand marketing battle, continue to empower the five major brands and define its development direction, ultimately realising resource sharing. The Group will expand its high-end product pipeline through further improving the brand matrix, including strengthening the public confidence in the “Yashily” brand which is of high quality and originally canned and imported from New Zealand. For high-end products including “Dumex” goat milk powder products, the Group will invest in the reconstruction of the channels to complete the process towards high-end products, and also develop the products of the special business lines and probiotics business lines to enhance their leadership in professional competence. For the “Reeborne” brand, the Group will stick to its core brand assets of being “pure and organic” in order to strengthen the upgrading of organic products; for the “Doraler” brand, the Group will emphasize its origin endorsement of “A country riding on the back of the sheep” with an aim to gradually build and establish the IP marketing of “Doraler”; and for “Arla Baby & Me” brand, the Group will take advantage of both organic and purity features and continue to strengthen its brand assets of being royal, rare and more proficient at organic business.

從消費者層面看，經濟向好下令消費者購買力保持強勁，同時近年來企業消費教育趨向兩極化，即高端化及優質優價，消費者分佈將由原來的中等價位高度集中向高端、價優分流，消費層級更加清晰且差距減少，差異化推動新品類的發展，純羊奶粉、有機奶粉將成為消費的新網紅。

公司策略

品牌策略

經歷「奶粉新政」下的品牌洗禮後，本集團通過差異化的業務戰略，擄獲消費者的信心，陸續搶佔品牌淘汰戰後的市場空白。本集團通過世界盃的全球熱潮，為2018年上半年揭開亮麗的品牌建設工程序幕，下半年將加入新一輪的品牌營銷戰，繼續賦能5大品牌，明確發展方向，實現資源共享。本集團將通過進一步完善品牌矩陣，包括在新西蘭原罐原裝產品的高質量產品基礎，強化「雅士利」品牌的信任度，增加高端產品線；推動「多美滋」羊奶粉等高端產品重建渠道的力度，完成產品高端化進程，同時發展特配線及益生菌線產品，提升其專業領先力。「瑞哺恩」則持續「純淨、有機」品牌核心資產，強化有機產品升級；「朵拉小羊」則加強「騎在羊背上的國家」產地背書，逐步打造及建立「朵拉小羊」IP營銷；「Arla寶貝與我」有機和純淨共同發力，繼續強化皇家、珍稀、更懂有機的品牌資產。

The Group will integrate multi-channel resources to achieve a comprehensive brand promotion strategy and enhance brand authority, including deepening its cooperation with CCTV's "Craftmanship Brand Program" for in-depth product exposure and selecting popular satellite channels and local television channels to expand its coverage among the public. Meanwhile, the Group will continue to strengthen the use of new media, such as using in-feed advertising to accurately target the target population for identifying potential users, mother-and-baby vertical media to enhance basic presence, key opinion leaders to procure new customers and boost sales, and marketing regarding hot topics to increase the publicity of products and exert the word-of-mouth effect. In order to better enhance the interaction with the target users, the Group will launch the promotion activities with the theme of "Organic Week" and "Susceptible Baby" in the second half of the year. At the same time, in order to effectively promote sales, the Group will also carry out activities aiming at enhancing the images of terminal brands and products in local markets, during which, the major five brands will have active participation and collaboration.

Product R&D

It is the Group's key task to upgrade its existing product formulas and innovate and develop new categories of products on product R&D, which is in an effort to expand the profit growth points for the Group. In the second half of 2018, the Group's R&D centre will proceed on the formula registration for infant formula products, including the submission of registration materials for new product formula recipes, as well as supplementary work for product formulas that have been submitted for registration in the first half of the year. The middle-aged and elderly functional formula milk powder and the infant formula food products for special medical purposes will become the development direction for the Group's new product R&D in the second half of this year.

The Group will further explore the research topics on nutritional composition of breast milk listed in the 13th Five-Year Plan and move towards the research stage of clinical feeding. The research results will help to accumulate clinical data to support the Group's infant formula products.

本集團將整合多元渠道資源，實現全面品牌推廣策略，提升品牌權威性，包括深化與央視「匠心品牌」的合作關係，進行深度產品曝光，選定受歡迎的衛視與地方台，擴大人群覆蓋率；同時，本集團會繼續加強新媒體運用，信息流廣告精準鎖定向目標人群，挖掘潛在用戶，並以母嬰垂直媒體增強基礎聲量，利用關鍵意見領袖吸粉獲取新客，助力銷售，熱點營銷提升產品熱度，發揮口碑效應。為更好地加強與目標用戶的互動，本集團在下半年將推出「有機周」與「易感寶寶」的推廣活動，同時為有效拉動銷售，各地市場也將執行提升終端品牌和產品形象展示的活動，五大品牌將積極參與，共同配合。

產品研發

現有產品配方的升級和新品類產品的創新開發，是本集團在產品研發上的重點任務，致力為集團拓展利潤增長點。2018年下半年，本集團研發中心將繼續嬰幼兒配方產品的配方註冊工作，其中包括新產品配方的註冊材料遞交，以及對於上半年已遞交註冊的產品配方進行相關補充工作。中老年功能性配方奶粉和嬰幼兒特殊醫學用途配方食品，將成為本集團下半年新產品研發的發展方向。

本集團亦會進一步深化十三五項目中，有關母乳中營養成分的研究課題，邁向臨床餵養的研究階段，研究成果將有助積累本集團嬰幼兒配方產品的臨床數據支持。

Sales Channels

With the establishment and operation of the seven major business units in the first half of 2018, the Group will intensify its efforts to deepen the construction of sales channels in the second half of 2018 regarding the following major aspects:

1. Adhering to the In-depth Building of Channels (Channels)

The Group will continuously adhere to the in-depth building of sales channels. The outlet network will be extended to wider areas including counties, towns and villages, and the modern trade channel will help increase the single-store's output. The deepened cooperation with the modern trade channel will help establish a cooperative relationship with large vendors and enable the adult milk powder products to be back to the important position in the modern trade channel while breaking even.

2. Continuous Upgrading of Products (Products)

The Group will be dedicated to stabilising milk powder products, expanding the share of organic products, and developing a new goat milk powder market. While implementing the layout of product lines, the Group will continuously optimise product formulas and drive sales of products to meet additional requirements from different customers under market development, and continuously provide products with higher quality and differentiated products to enhance product competitiveness.

3. Innovation of Promotion Methods (Promotion)

The Group has been paying close attention to the changes and characteristics of consumption pattern. In the future, based on the existing promotion activities and promotion methods, the Group will enhance connections with the channels, share sales volume and improve efficiency, and the Group will also try new promotion methods and approaches, such as "Community" promotion, to serve consumers in a precise way. At the same time, the Group will be more creative, explore additional promotion methods in different channels, and carry out a series of promotion activities according to the needs and concerns of the target groups.

4. Refined Management and Precision Marketing

The Group will continue to implement and optimise the information management of channels, control the purchase, sales and inventory data of channels, and provide consumers with accurate products and services, to further promote big data analysis, improve product supply and distribution efficiency, thus enhancing the standard of service for consumers.

銷售渠道

隨著2018年上半年七大事業部的成立及營運，本集團將在2018年下半年加大力度進行銷售渠道深耕建設，從以下幾個方面重點出發：

1. 堅持渠道深耕(渠道)

本集團將繼續堅持銷售渠道深耕工作，網點建設下沉到縣、鄉鎮、村，商超渠道提升單店產出，深化合作，滿足盈虧平衡的同時，建立與大系統的廠商合作關係，重返成人奶粉產品在商超渠道的重要位置。

2. 繼續產品升級(產品)

本集團將致力穩固牛奶粉產品、擴大有機產品份額，同時開發新的羊奶粉市場，在落實產品線佈局的同時，繼續優化產品配方，提升產品賣點，貼合市場發展情況下不同消費者的更多要求，並不斷提供更優質產品和差異化產品，提升產品競爭力。

3. 創新推廣方式(促銷)

本集團一直密切留意消費模式的變化及特色，未來將在現有的推廣活動、促銷方式的基礎上，增強與渠道的黏性，銷量共享，提升效能，嘗試新的推廣方式和方法，精準服務消費者，如「社群」推廣等。同時，本集團會加大創意投放，探索更多不同渠道的促銷方式，根據目標人群的需求點、關注點，開展系列推廣活動。

4. 精細管理、精準營銷

本集團會繼續實施及優化渠道的信息化管理，掌控渠道的進銷存數據，為消費者提供精準到位的產品服務，進一步推進大數據分析，改善產品供應、物流配送的效率，提升對消費者的服務水平。

5. E-commerce and New Retail

In order to grasp the opportunities brought by e-commerce and new retail models, the Group further increases its cooperation with e-commerce companies such as JD.com (京東) and Tmall.com (天貓). By leveraging the big data analysis on consumers, the Group enhances customers redirection, improves service standard and involves in offline integration projects such as LST (零售通) to create new growth point with innovative marketing models.

Supply Chain

Based on the management results achieved in the first half of 2018, the Group will continue to strengthen the management of the six functional aspects of Yashili's supply chain to enhance the driving force of the Group's supply chain. The main objectives of the second half of this year are as follows:

- Cultivation of an International Team of "Yashili":** Yashili will establish an internationally competitive supply chain talent team by introducing and nurturing more professional supply chain talents. The implementation of the six functional cultures will be promoted to create a unified supply chain culture system of "New Yashili".
- From Refined Management to Precise Control:** Upholding the management principle of "Stringent Control over Factories and Collaborative Operations" and striving for precise cost control, the Group will pay strict attention to the review items, QESA (Quality, Environment, Safety and Audit) and strictly comply with the principles of "Four Basics" to become an enterprise with social responsibility, achieving the objective of "EVEN ONE IS TOO MUCH".
- Excellent Supply Chain Operation:** The Group will introduce additional mature international supply chain management concepts and methodology to build the KPI system, and consolidate the management foundation by introducing the management methods such as balanced score cards and benchmarking management.
- Enhancement of Big Data Analysis Capability and Improvement of Sales Operations:** The Group will firmly capitalise on the advantages of production-marketing coordination to establish an effective demand model, thus enhancing big data analysis capability. It will also accurately grasp the market trends and properly manage the market demand forecast, as well as continuously improving the inventory turnover capacity and enhancing the standard of service for customers.

5. 電商和新零售

為了緊握電商及新零售模式帶來的機遇，本集團進一步加大和京東、天貓的電商合作，利用消費者大數據分析，增強引流、提升服務水平，參與零售通等線下融合項目，創新的營銷模式，帶來新的增長點。

供應鏈

本集團將2018年上半年取得的各項管理成果上，繼續深化雅士利供應鏈六大賦能的管理工作，提升本集團的供應鏈驅動力，下半年主要開展的目標工作如下：

- 培養「雅士利」國際級團隊：**雅士利通過引入及培養更多的專業化供應鏈人才，建立具有國際競爭力的雅士利供應鏈人才梯隊；繼續推進六大賦能文化的落實，打造統一的「新雅士利」的供應鏈文化體系。
- 從精細化管理到精益控制：**本集團秉承「從嚴治廠、協同作戰」的管理方針，在力求精準成本控制的同時，嚴抓QESA(質量、環境、安全、審計)各項審核，嚴守「四項基礎」紅線，做有社會責任的企業，做到「事故零容忍(EVEN ONE IS TOO MUCH)」。
- 卓越供應鏈運營：**本集團引入更多國際成熟的供應鏈管理理念及方法論，做好KPI體系搭建，通過平衡計分卡、標杆管理等管理方法引進，夯實管理基礎。
- 提升大數據分析力，改善銷售運營：**本集團牢牢把握產銷協調的優勢，建立有效的需求模型，提升大數據分析能力，準確把握市場動向以及做好市場需求預測管理，持續提升存貨周轉能力，提升客戶服務水準。

5. **Innovation-led R&D System:** Yashili will be optimised in three major aspects, including optimisations in R&D of new products, improvement of production technology and layout of production, with the aim to continuously improve innovation capacity and establish an innovative “New Yashili” supply chain system.
6. **Upstream and Downstream Integration:** The Group will conduct additional supplier management projects and deepen supplier operation management, so as to ensure the quality and quantity of upstream supply. The Group will develop strategic cooperation with key suppliers to secure the supply of major raw materials, strive to achieve common development with key suppliers, and continuously conduct customer satisfaction surveys to ensure that the supply chain services of Yashili are always close to the market and meet the needs of the market and customers.

Human Resources

Upholding the philosophy of “Taking All Efforts to Support Business” and the business-oriented principle, the Human Resources Centre will continue to provide professional, prompt and strong human resources services and support for its business in the second half of 2018.

I. Continuous Motivation and Business Support

Based on the business development, it will further rationalise the structure of business units and assist the business units to rationalise procedures as a way to improve operational efficiency. In order to facilitate its expansion of market coverage, establishment of an effective marketing team and improvement of the overall quality of sales personnel, the Group will reserve sales personnel in the second half of this year, among which the business units will focus on recruitment of market development personnel, whilst consolidating and expanding the force of sales training team and looking for sales training personnel, in a bid to provide sufficient personnel and professional support for business development.

While enhancing the strength of marketing team, the Group also provides incentive mechanism to improve the team’s vigour, which makes it more challenging to conduct marketing activities with the regional marketing performance goals. This helps observe outstanding employees through the diversified incentive mechanism and provides stable and long-term motivation for employees by full recognition with special honour.

5. **創新先導的研發體系：**雅士利將朝向三大方向進行優化，包括在新品研發上、生產技術改進上及生產佈局優化，旨在不斷提升創新能力，打造創新型「新雅士利」供應鏈體系。
6. **「鏈」通上下游：**本集團將開展更多的供應商管理項目，深入供應商運營管理，確保上游供應保質保量。本集團將開展關鍵供應商的戰略合作，確保戰略性主要原料的供應，力求與關鍵供應商的實現共同發展，並持續進行客戶滿意度調查工作，確保雅士利供應鏈服務始終貼近市場，滿足市場、客戶的需求。

人力資源

2018年下半年，人力資源中心將繼續秉持「全力以赴，支持業務」的理念，繼續堅持以業務為導向，為業務提供專業、迅速、有力的人力資源服務和支持。

一、持續激活組織，助力業務

根據業務發展情況，對事業部架構的進一步梳理，協助事業部梳理流程，提升營運效率。為協助本集團擴大市場覆蓋率，打造有戰鬥力的營銷團隊，提高銷售人員整體素質，本集團下半年將進行銷售人員儲備，其中，事業部將重點聚焦招聘市場拓展人員，同時夯實和擴大銷售培訓團隊力量，並物色銷售培訓人員，為業務拓展提供充足的人員及專業支持。

在提升營銷團隊的實力的同時，本集團亦不忘提供獎勵機制提升團隊的活力，通過區域營銷績效目標，令營銷工作更具挑戰性，通過多樣化的激勵機制，將能彰顯表現優秀的員工，通過特殊榮耀予以充分肯定，以穩定、長期地提升員工的積極性。

II. Optimisation of Training System to Promote Talent Development

The Group will further optimise the training system for marketing team by conducting training and selection based on the marketing professional capability and management capability at target levels, and establishing the Group's seven major channels of talent development based on the philosophy of 70/20/10: channel of training-based learning, channel of tutorial learning, channel of rotational learning, channel of market-visit-based learning, channel of on-the-job learning, inter-departmental project learning and internal trainer learning. For talents in key positions, the Group will, based on the needs of their individual development, provide them with matching resources as well as learning guidance and mechanism, and develop and implement individual development plans to cultivate the practical talents who meet the needs of business.

III. Strengthen Development of Corporate Culture to Improve Cohesion

The Group will improve the organisational capacity of Yashili International from three aspects, namely "Mechanism", "Personnel Capability" and "Culture". Accordingly, the Group will continue to introduce and set the values of "Entrepreneurship, Responsibility and Integrity" to develop the quarterly assessment mechanism, and also develop and implement new corporate culture in a top-down way through diversified corporate culture activities and by means of giving likes. In order to keep the team abreast of the business, the Group will set up a "Live broadcast room" under the business school, which will enable the sales team to share their high-quality working experience and knowledge resources, and even help enhance the business capability and raise morale.

二、完善培訓體系，促進人才發展

本集團將進一步完善營銷團隊的培養體系，針對營銷專業能力和管理能力進行針對性層級培養、選拔，以70/20/10為理念建立集團七大人才發展渠道：培訓學習渠道、輔導學習渠道、輪崗學習渠道、市場走訪學習渠道、在崗學習渠道、跨部門項目學習、內訓師學習。對於關鍵崗位人才，本集團將根據其個性發展需求，匹配資源及學習指引和機制，制定並實施個人發展計劃，培養符合業務需要的實踐型人才。

三、強化文化，凝聚人心

本集團將從「機制」、「人員能力」、「文化」三方面提升雅士利國際的組織能力，繼續推出並落實「創業精神、擔當、誠信」的價值觀，制定季度評估機制，結合多樣式的企業文化活動和點讚方式，自上而下宣導及貫徹落實新企業文化。為了讓團隊緊密貼近業務，本集團將開設商學院「直播間」，讓銷售團隊進行優質工作經驗和知識資源的共享共有，更能幫助業務能力提升及士氣凝聚。

The board of directors (the “Directors” or the “Board”) of the Company 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 2018.

INTERIM DIVIDENDS

The Board does not recommend an interim dividend for the six months ended 30 June 2018 (for the six months ended 30 June 2017: Nil), and recommends to retain the earnings for the period.

DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES AS AT 30 JUNE 2018

As at 30 June 2018, the Directors and the chief executives of the Company had the following interests or short positions in the shares, underlying shares and debentures of the Company 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 Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Division 7 and 8 of Part XV of the SFO, or which are recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company 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 (the “Listing Rules”):

本公司董事會（「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2018年6月30日止六個月的未經審核簡明合併財務報表。

中期股息

董事會不建議派發截至2018年6月30日止六個月的中期股息（截至2017年6月30日止六個月：無）並建議保留本期盈利。

於2018年6月30日董事及最高行政人員於股份、相關股份及債券的權益及淡倉

於2018年6月30日，本公司董事及最高行政人員於本公司及其相聯法團（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）的股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及第8分部知會本公司及香港聯合交易所有限公司（「聯交所」）的權益或淡倉，或記錄於根據證券及期貨條例第352條規定須存置登記冊內的權益或淡倉，或另行根據證券上市規則（「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」）知會本公司及聯交所的權益或淡倉如下：

Directors' interests in the shares of China Mengniu Dairy Company Limited ("Mengniu Dairy") (being a holding company and hence an associated corporation of the Company):

董事於中國蒙牛乳業有限公司(「蒙牛乳業」, 即本公司的控股公司及相關法團)股份中的權益:

Name of director 董事姓名	Capacity/Nature of interest 身份/權益性質	Number of ordinary shares 普通股數目
Mr. Jeffrey, Minfang Lu 盧敏放先生	Beneficial owner 實益擁有人	1,807,442 ⁽¹⁾
Mr. Zhang Ping 張平先生	Beneficial owner 實益擁有人	494,470 ⁽¹⁾
Mr. Chopin Zhang 張平(Chopin Zhang)先生	Beneficial owner 實益擁有人	541,040 ⁽¹⁾

Note:

(1) All the shares are held in long position.

Save as disclosed above, as at 30 June 2018, none of the Directors or chief executives of the Company had or was deemed to have any interest or short positions 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 contained in the Listing Rules. Save as disclosed above, 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 executives 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 Company or its associated corporations (within the meaning of Part XV of the SFO).

附註:

(1) 所有股份均以好倉持有。

除上文所披露者外, 於2018年6月30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被視作擁有記錄於本公司根據證券及期貨條例第352條存置的登記冊的權益或淡倉, 或已根據上市規則所載的標準守則知會本公司及聯交所的任何權益或淡倉。除上文所披露者外, 於任何時間, 本公司、其控股公司或其任何子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十八歲的子女)於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份或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 AS AT 30 JUNE 2018**

To the best of knowledge of any Director or chief executive of the Company, as at 30 June 2018, the persons or corporations (other than Directors or chief executives 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 Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register required to be kept under section 336 of the SFO were as follows:

**於2018年6月30日主要股東於
股份及相關股份的權益及淡倉**

就本公司任何董事或最高行政人員所深知，於2018年6月30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淡倉，或須記入根據證券及期貨條例第336條規定須存置的登記冊內的權益或淡倉的人士或法團（並非本公司董事或主要行政人員）如下：

Name of substantial shareholder 主要股東名稱	Capacity/Nature of interest 身份／權益性質	Number of shares ⁽⁶⁾ 股份數目 ⁽⁶⁾	Approximate percentage to the issued share capital ⁽⁷⁾ 佔已發行股本概約百分比 ⁽⁷⁾
Mengniu Dairy ⁽¹⁾ 蒙牛乳業 ⁽¹⁾	Interests in a controlled corporation 受控制法團的權益	2,422,150,437	51.04%
Mengniu International ⁽²⁾ 蒙牛國際 ⁽²⁾	Beneficial owner 實益擁有人	2,422,150,437	51.04%
Danone SA ⁽³⁾ 達能SA ⁽³⁾	Interests in a controlled corporation 受控制法團的權益	1,186,390,074	25.00%
Danone Baby and Medical Holding ⁽³⁾	Interests in a controlled corporation 受控制法團的權益	1,186,390,074	25.00%
Danone Baby and Medical Nutrition BV ⁽³⁾	Interests in a controlled corporation 受控制法團的權益	1,186,390,074	25.00%
Nutricia International BV ⁽³⁾	Interests in a controlled corporation 受控制法團的權益	1,186,390,074	25.00%
Danone Asia ⁽⁴⁾ 達能亞洲 ⁽⁴⁾	Beneficial owner 實益擁有人	1,186,390,074	25.00%
Zhang International Investment Limited ⁽⁵⁾ 張氏國際投資有限公司 ⁽⁵⁾	Beneficial owner 實益擁有人	303,462,119	6.39%

Notes:

- (1) As at 30 June 2018, Mengniu Dairy held 99.95% interest in Mengniu International.
- (2) As at 30 June 2018, Mengniu International directly held the relevant shares.
- (3) As at 30 June 2018, Danone SA held 100% interest in Danone Baby and Medical Holding. Danone Baby and Medical Holding held 100% interest in Danone Baby and Medical Nutrition BV. Danone Baby and Medical Nutrition BV held 100% interest in Nutricia International BV. Nutricia International BV held 100% interest in Danone Asia.
- (4) As at 30 June 2018, Danone Asia directly held the relevant shares.
- (5) Zhang International Investment Ltd. is held by Mr. Zhang Lihui, Mr. Zhang Likun, Mr. Zhang Liming, Mr. Zhang Lidian, Mr. Zhang Libo and Ms. She Lifang as their wholly-owned investment holding company to hold their shares in the Company.
- (6) All the above shares are held in long position.
- (7) The total number of issued shares of the Company as at 30 June 2018 was 4,745,560,296.

Save as disclosed above, as at 30 June 2018, the Directors of the Company were 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 were required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

附註：

- (1) 於2018年6月30日，蒙牛乳業持有蒙牛國際的99.95%權益。
- (2) 於2018年6月30日，蒙牛國際直接持有有關股份。
- (3) 於2018年6月30日，達能SA持有Danone Baby and Medical Holding的100%權益。Danone Baby and Medical Holding持有Danone Baby and Medical Nutrition BV的100%權益。Danone Baby and Medical Nutrition BV持有Nutricia International BV的100%權益。Nutricia International BV持有達能亞洲的100%權益。
- (4) 於2018年6月30日，達能亞洲直接持有有關股份。
- (5) 張氏國際投資有限公司由張利輝先生、張利坤先生、張利明先生、張利鈿先生、張利波先生及余麗芳女士持有，作為彼等的全資投資控股公司以持有彼等於本公司的股份。
- (6) 以上所持股份皆屬好倉。
- (7) 於2018年6月30日，本公司已發行股份總數為4,745,560,296股。

除上文所披露者外，於2018年6月30日，本公司董事概不知悉任何其他人士或法團於本公司或其相聯法團的股份及相關股份中擁有須記入本公司根據證券及期貨條例第336條須存置的登記冊的權益或淡倉。

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Pre-IPO Share Option Scheme”) on 8 October 2010, and adopted a share option scheme (the “Share Option Scheme”) on 8 October 2010. On 23 July 2013, Mengniu International made a voluntary general offer to option holders of the Company (“Option Offer”), to cancel the outstanding options granted under the Pre-IPO Share Option Scheme and the Share Option Scheme. On 13 August 2013 (being the final closing date of the Option Offer), the Option Offer was accepted in respect of 52,088,266 options. The underlying options together with all the rights attached thereto were cancelled and given up and all the outstanding options automatically lapsed upon acceptance of the Option Offer.

No option was granted by the Company nor was there any outstanding option granted by the Company from 1 January 2018 to 30 June 2018.

FOREIGN CURRENCY RISK

The Group is exposed to foreign currency risk primarily from bank deposits, other receivables and bank loans, denominated in foreign currencies, that are currencies other than the functional currencies of the operations to which the transactions relate. The currencies giving rise to this risk are primarily Hong Kong dollars, US dollars and New Zealand dollars.

PLEDGED ASSETS

As at 30 June 2018, the Group has pledged bank deposits, other current assets and non-current assets in aggregate of approximately RMB1,926.5 million (31 December 2017: RMB1,848.4 million).

購股權計劃

本公司已於2010年10月8日採納一項購股權計劃(「首次公開發售前購股權計劃」)，且已於2010年10月8日採納一項購股權計劃(「購股權計劃」)。於2013年7月23日，蒙牛國際向本公司的期權持有人提出自願性全面收購要約(「期權要約」)，以註銷首次公開發售前購股權計劃及購股權計劃項下授出的未行使期權。於2013年8月13日(即期權要約的最後截止日期)，有關52,088,266份期權的期權要約已獲接納。於期權要約獲接納後，相關期權連同其附帶的所有權利已被註銷及放棄，而所有未行使期權亦自動失效。

自2018年1月1日至2018年6月30日，本公司並無授出期權，亦概無任何本公司授出的尚未行使期權。

外幣風險

本集團面對的外幣風險主要來自以外幣(即營運相關交易的功能貨幣以外的貨幣)計價的銀行存款、其他應收款及銀行貸款。引致該項風險的貨幣主要為港元、美元及新西蘭元。

已抵押資產

於2018年6月30日，本集團已抵押的銀行存款、其他流動資產及非流動資產合共約為人民幣1,926.5百萬元(2017年12月31日：人民幣1,848.4百萬元)。

LIQUIDITY AND CAPITAL RESOURCES

As at 30 June 2018, the liquidity of the Group was comprised of cash and cash equivalents, pledged deposits to be released within one year, long-term bank deposits and other current financial assets amounted to RMB3,019.4 million in aggregate (31 December 2017: RMB2,716.7 million), representing an increase of 11%. The increase was mainly due to the increase in sales revenue and the decline in turnover days of trade receivables.

OPERATING ACTIVITIES

For the six months ended 30 June 2018, the Group's net cash inflows from operating activities amounted to RMB77.8 million (six months ended 30 June 2017: net outflows of RMB119.1 million). Net cash inflows from operating activities increased from that of the same period of 2017, which was mainly due to the increase in revenue and greater efforts of the Group to collect trade receivables during the period.

INVESTING ACTIVITIES

For the six months ended 30 June 2018, the net cash inflow used in investing activities amounted to RMB146.6 million (six months ended 30 June 2017: net outflows of RMB13.5 million), mainly arising from disposing factory equipment and a land use right of Scient (China) Baby Nourishment Co., Ltd. ("Scient (China)").

FINANCING ACTIVITIES

For the six months ended 30 June 2018, the net cash outflows generated from financing activities amounted to RMB146.3 million (six months ended 30 June 2017: net outflows of RMB20.8 million). The increase in net cash outflows from financing activities as compared to the same period last year was mainly attributable to the repayment of loans upon maturity.

流動資金及資本資源

於2018年6月30日，本集團的流動資金包括現金及現金等價物、於一年內解除的有抵押存款、長期銀行存款及其他流動金融資產合計人民幣3,019.4百萬元(2017年12月31日：人民幣2,716.7百萬元)，上升11%。上升的原因主要是銷售收入增加，同時應收賬款周轉天數減少。

經營活動

截至2018年6月30日止六個月，本集團的經營活動現金流入淨額為人民幣77.8百萬元(截至2017年6月30日止六個月：流出淨額人民幣119.1百萬元)。經營活動現金流入淨額較2017年同期增加，主要由於本期收入增加，同時本集團加強貿易應收款項的回收力度。

投資活動

截至2018年6月30日止六個月，投資活動所用現金淨流入淨額為人民幣146.6百萬元(截至2017年6月30日止六個月：淨流出額人民幣13.5百萬元)，主要是出售施恩(中國)嬰幼兒營養品有限公司(「施恩(中國)」)工廠廠房設備及土地使用權所致。

融資活動

截至2018年6月30日止六個月，融資活動所得現金淨流出額為人民幣146.3百萬元(截至2017年6月30日止六個月：淨流出額人民幣20.8百萬元)。融資活動現金流出淨額較去年同期增加主要歸因於歸還了到期的借款。

LOANS AND BORROWINGS

As at 30 June 2018, the Group's bank loans amounted to RMB558.8 million (31 December 2017: RMB529.7 million), which was repayable on demand. As at 30 June 2018, the total equity of the Group amounted to RMB5,497.7 million (31 December 2017: RMB5,490.9 million), debt to assets ratio (total bank loans at period end divided by total assets) was 7.4% (31 December 2017: 7.1%).

The capital structure of the Group is reviewed by the Board annually, including the dividend policy and share repurchase activities of the Group.

CORPORATE GOVERNANCE

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

During the period from 1 January 2018 to 30 June 2018, the Company has complied with all code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

BOARD OF DIRECTORS

For the six months ended 30 June 2018, the Board's composition had undergone the following changes:

- (1) Mr. Hua Li resigned as an executive Director of the Company with effect from 16 March 2018.

As at 30 June 2018, the Board was comprised of four non-executive Directors, one executive Director, and three independent non-executive Directors. The non-executive Directors were Mr. Jeffrey, Minfang Lu (Chairman), Mr. Qin Peng, Mr. Zhang Ping and Ms. Lam Pik Po; the executive Director was Mr. Chopin Zhang (Chief Executive Officer); and the independent non-executive Directors were Mr. Mok Wai Bun Ben, Mr. Cheng Shoutai and Mr. Lee Kong Wai Conway.

貸款及借款

於2018年6月30日，本集團的銀行貸款為人民幣558.8百萬元(2017年12月31日：人民幣529.7百萬元)，須按要求償還。於2018年6月30日，本集團的總權益為人民幣5,497.7百萬元(2017年12月31日：人民幣5,490.9百萬元)，而資產負債比率(銀行貸款期末總額除以總資產)則為7.4%(2017年12月31日：7.1%)。

董事會每年審閱本集團資本結構，包括本集團股息政策及股份回購活動。

企業管治

本集團致力確保企業管治達致高水平，着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。

於2018年1月1日至2018年6月30日期間，本公司已遵守上市規則附錄十四所載的企業管治守則的所有守則條文。

董事會

截至2018年6月30日止六個月，董事會組成有以下變更：

- (1) 華力先生辭任本公司執行董事，自2018年3月16日起生效。

於2018年6月30日，董事會由四名非執行董事、一名執行董事及三名獨立非執行董事組成。非執行董事為盧敏放先生(主席)、秦鵬先生、張平先生及林碧寶女士；執行董事為張平(Chopin Zhang)先生(行政總裁)；及獨立非執行董事為莫衛斌先生、程守太先生及李港衛先生。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to Rule 3.10A of the Listing Rules, independent non-executive Directors shall represent at least one-third of the board. During the period from 1 January 2018 to 30 June 2018, the Board of the Company comprises eight members, three of whom are independent non-executive Directors. Therefore, Rule 3.10A has been duly complied with by the Company during the said period.

DISCLOSURE OF INFORMATION OF DIRECTORS UNDER RULES 13.51(2) AND 13.51(B)(1) OF THE LISTING RULES

Mr. Hua Li resigned as an executive Director and Mr. Zhang Ping, a non-executive Director, became an authorized representative of the Company, both with effect from 16 March 2018. Save as disclosed above, there are no changes in the directors' biographical details since the date of the 2017 annual report of the Company, which are required to be disclosed pursuant to Rules 13.51(2) and 13.51(B)(1) of the Listing Rules.

DIRECTORS' ATTENDANCE RECORDS

For the six months ended 30 June 2018, 6 board meetings were held by the Company. The attendance record of each Director at the board meetings are set out below:

Name of Director 董事姓名		Attendance 出席次數
Mr. Jeffrey, Minfang Lu (Chairman)	盧敏放先生(主席)	4
Mr. Qin Peng	秦鵬先生	6
Mr. Zhang Ping	張平先生	6
Ms. Lam Pik Po	林碧寶女士	5
Mr. Chopin Zhang	張平(Chopin Zhang)先生	6
Mr. Hua Li ⁽¹⁾	華力先生 ⁽¹⁾	0
Mr. Mok Wai Bun Ben	莫衛斌先生	5
Mr. Cheng Shoutai	程守太先生	6
Mr. Lee Kong Wai Conway	李港衛先生	5

Note:

(1) Mr. Hua Li resigned as an executive Director with effect from 16 March 2018.

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。於2018年1月1日至2018年6月30日期間，本公司董事會由八名成員組成，其中三名為獨立非執行董事。因此，本公司於上述期間已妥為遵守第3.10A條。

根據上市規則第13.51(2)及13.51(B)(1)條披露董事資料

華力先生辭任執行董事，非執行董事張平先生成為本公司授權代表，均自2018年3月16日起生效。除上述所披露者外，自本公司2017年年報刊發日期以來，概無根據上市規則第13.51(2)及13.51(B)(1)條須予披露的各董事履歷詳情變動。

董事出席會議的記錄

截至2018年6月30日止六個月，本公司舉行六次董事會會議。各董事出席董事會會議的記錄載列如下：

附註：

(1) 華力先生辭任執行董事，自2018年3月16日生效。

SECURITIES TRANSACTIONS OF DIRECTORS

The Board has adopted the Model Code as the Company's code of conduct and rules governing dealings by all Directors in the securities of the Company.

The Directors have confirmed, following specific enquiries by the Company, that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2018.

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

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

COMPANY SECRETARY

Following the resignation of Ms. Ho Siu Pik on 14 December 2017, Ms. Wu Miu Wah was appointed as the sole company secretary of the Company. Ms. Wu is a senior manager of the Corporate Services Department of Tricor Services Limited and is not an employee of the Company. Ms. Wu contacts the management of the Company and report to the chairman of the Board and/or the chief executive officer of the Company through Mr. Eric Fang of Investment Management Division, when necessary in accordance with the code provisions set out in the Corporate Governance Code in Appendix 14 of the Listing Rules.

AUDIT COMMITTEE

As at 29 August 2018, the Audit Committee comprises two independent non-executive Directors, namely Mr. Lee Kong Wai Conway (Chairman) and Mr. Mok Wai Bun Ben and one non-executive Director, namely Mr. Zhang Ping (including one independent non-executive Director who possesses the appropriate professional qualifications or accounting or related financial management expertise).

董事的證券交易

董事會已採納標準守則作為本公司所有董事進行本公司證券交易的行為守則及規則。

董事已於本公司作出特定查詢後確認，彼等於截至2018年6月30日止六個月一直遵守標準守則所載的規定準則。

購買、出售或贖回本公司上市證券

本公司或其任何子公司於截至2018年6月30日止六個月概無購買、出售或贖回任何本公司上市證券。

公司秘書

何小碧女士於2017年12月14日辭任後，胡妙華女士獲委任為本公司的唯一公司秘書。胡女士為卓佳專業商務有限公司企業服務部高級經理，並非為本公司僱員。胡女士將於有需要時根據上市規則附錄十四企業管治守則所載守則條文透過投資管理部方紹東先生與本公司管理層聯繫，並向董事會主席及／或本公司行政總裁報告。

審核委員會

於2018年8月29日，審核委員會成員包括兩名獨立非執行董事李港衛先生(主席)及莫衛斌先生，以及一名非執行董事張平先生(當中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)。

The audit committee has reviewed together with the management, the accounting principles and policies adopted by the Group and the Group's unaudited interim results for the six months ended 30 June 2018, and was of the opinion that the preparation of such interim results complied with the applicable accounting standards and requirements and that adequate disclosures have been made. The audit committee has also reviewed this report.

In addition, the independent auditors of the Company, Ernst & Young, have reviewed unaudited interim results for the six months ended 30 June 2018 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.

OTHERS

According to paragraph 40 of Appendix 16 to the Listing Rules headed "Disclosure of Financial Information", save as disclosed herein, the Company confirms that the Company's current information in relation to those matters set out in paragraph 32 of Appendix 16 has not been changed significantly from the information disclosed in the Company's 2017 Annual Report.

On behalf of the Board
Jeffrey, Minfang Lu
Chairman

Hong Kong, 29 August 2018

審核委員會連同管理層已審閱有本集團採納的會計原則及政策以及本集團截至2018年6月30日止六個月的未經審核中期業績，並認為該等中期業績根據適用會計準則及規定編製，且已作出充分披露。審核委員會亦已審閱本報告。

此外，本公司獨立核數師安永會計師事務所已根據香港會計師公會頒佈的香港審閱工作準則第2410號「實體獨立核數師對中期財務資料的審閱」，審閱截至2018年6月30日止六個月的未經審核中期業績。

其他

根據上市規則附錄十六第40段「財務資料披露」，除本報告所披露者外，本公司確認，本公司有關附錄十六第32段所列事宜的現有資料與本公司2017年年報所披露的資料並無重大變動。

代表董事會
主席
盧敏放

香港，2018年8月29日



Ernst & Young
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**To the shareholders 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股東
(於開曼群島註冊成立的有限責任公司)

INTRODUCTION

We have reviewed the interim financial information set out on pages 48 to 100, which comprises the condensed consolidated statement of financial position of Yashili International Holdings Ltd (the "Company") and its subsidiaries (the "Group") as at 30 June 2018 and the related condensed consolidated statement of profit or loss, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six months then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made 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.

引言

我們已審閱刊於第48頁至第100頁的雅士利國際控股有限公司(「貴公司」)及其子公司(「貴集團」)中期財務資料，包括於2018年6月30日的簡明合併財務狀況表以及截至該日止六個月期間的相關簡明合併損益表、簡明合併全面收益表、簡明合併權益變動表、簡明合併現金流量表以及解釋附註《香港聯合交易所有限公司證券上市規則》規定，中期財務資料報告的編製必須符合其相關條文及國際會計準則理事會頒佈的《國際會計準則》第34號—「中期財務報告」(「《國際會計準則》第34號」)的規定。貴公司董事須負責根據《國際會計準則》第34號編製及呈列本中期財務資料。我們的責任是根據我們審閱工作的結果，對本中期財務資料作出審閱結論。根據委聘條款，我們的報告僅向董事會作出。除此之外，不作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔任何責任。

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 interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong

29 August 2018

審閱範圍

我們是按照香港會計師公會頒佈的《香港審閱聘用協定準則》第2410號—「由實體的獨立核數師執行的中期財務資料審閱」的規定進行審閱。中期財務資料的審閱主要包括向負責財務會計事宜的人士作出詢問，並採取分析性和其他審閱程式。審閱的範圍遠較根據《香港核數準則》進行的審核範圍為小，故我們不能保證我們知悉一切可能於審核中識別的重大事宜。因此，我們不發表審核意見。

結論

根據我們的審閱，我們並未察覺任何事宜致使我們相信隨附中期財務資料在一切重大方面並未按照《國際會計準則》第34號編製。

安永會計師事務所
執業會計師
香港

2018年8月29日

Unaudited Interim Condensed Consolidated Statement of Profit or Loss

未經審核中期簡明合併損益表

		Unaudited 未經審核	
		For the six months ended 30 June	
		截至6月30日止6個月	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		Notes 附註	
Revenue from contracts with customers	與客戶訂立合同獲得的收入	3	1,504,084
Cost of sales	銷售成本	7	(851,200)
Gross profit	毛利		652,884
Other income and gains	其他收入及收益	5	69,100
Selling and distribution expenses	銷售及經銷開支		(573,470)
Administrative expenses	行政開支		(87,915)
Other expenses	其他開支	6	(121,117)
Loss from operations	經營虧損		(60,518)
Finance income	財務收入	7	59,833
Finance costs	財務成本	8	(5,759)
Net finance income	淨財務收入		54,074
Loss before tax	除稅前虧損	7	(6,444)
Income tax credit	所得稅抵減	9	47,742
Profit/(loss) for the period	本期溢利/(虧損)		41,298
Attributable to:	以下各方應佔：		
Owners of the parent	母公司擁有人	10	41,298
			RMB cents
			人民幣分
Earning/(loss) per share attributable to ordinary equity holders of the parent	母公司普通股擁有人應佔每股盈利/(虧損)		
Basic and diluted	基本及攤薄	10	0.9
			(2.6)

Unaudited Interim Condensed Consolidated Statement of Comprehensive Income

未經審核中期簡明合併全面收益表

		Unaudited 未經審核 For the six months ended 30 June 截至6月30日止6個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Profit/(loss) for the period	本期溢利/(虧損)	41,298	(121,938)
Other comprehensive (loss)/income	其他全面(損失)/收益		
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:	於以後期間可重分類至損益的其他全面(損失)/收益：		
Exchange differences on translation of financial statements of overseas subsidiaries	海外子公司外幣報表折算差額	(36,906)	40,508
Other comprehensive (loss)/income for the period	本期其他全面(損失)/收益	(36,906)	40,508
Total comprehensive profit/(loss) for the period	本期全面收益/(損失)總額	4,392	(81,430)
Attributable to:	以下各方應佔：		
Owners of the parent	母公司擁有人	4,392	(81,430)

Unaudited Interim Condensed Consolidated Statement of Financial Position

未經審核中期簡明合併財務狀況表

			Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
		Notes 附註		
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	12	1,493,731	1,602,976
Construction in progress	在建工程	13	81,734	64,383
Investment properties	投資物業	14	74,458	59,333
Land use rights	土地使用權		87,473	88,793
Intangible assets	無形資產		315,876	316,750
Goodwill	商譽	15	991,236	991,236
Deferred tax assets	遞延稅項資產		327,435	277,793
Prepayments, deposits and other receivables	預付款項、押金及其他應收款項	18	6,452	3,462
Total non-current assets	非流動資產總額		3,378,395	3,404,726
CURRENT ASSETS	流動資產			
Inventories	存貨	16	718,834	786,324
Trade and bills receivables	貿易應收款及票據	17	166,942	144,336
Prepayments, deposits and other receivables	預付款項、押金及其他應收款項	18	217,870	191,189
Other current financial assets	其他流動金融資產	19	626,646	724,748
Pledged deposits	保證金存款	20	329,691	243,621
Right of return assets	應收退貨成本		1,012	—
Cash and bank balances	現金及銀行結餘	20	2,063,096	1,748,395
Assets of a disposal group classified as held for sale	分類為持有待售的處置組資產	27	4,124,091	3,838,613
			—	187,237
Total current assets	流動資產總額		4,124,091	4,025,850
CURRENT LIABILITIES	流動負債			
Trade payables	貿易應付款	21	289,387	338,440
Other payables and accruals	其他應付款及應計費用	22	950,338	1,037,658
Contract liabilities	合同負債		181,895	—
Interest-bearing bank loans	計息銀行借款	23	558,844	529,696
Refund liabilities	預計負債—應付退貨款		1,345	—
Tax payable	應付所得稅		14,247	12,192
Total current liabilities	流動負債總額		1,996,056	1,917,986
NET CURRENT ASSETS	流動資產淨值		2,128,035	2,107,864
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		5,506,430	5,512,590

		Notes 附註	Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
NON-CURRENT LIABILITIES				
Deferred income	非流動負債 遞延收益		1,703	2,245
Deferred tax liabilities	遞延所得稅負債		7,013	19,418
Total non-current liabilities	非流動負債總額		8,716	21,663
NET ASSETS			5,497,714	5,490,927
EQUITY				
Equity attributable to owners of the parent				
Share capital	權益 母公司擁有人應佔權益 股本	24	399,352	399,352
Reserves	儲備	25	5,098,362	5,091,575
TOTAL EQUITY	權益總額		5,497,714	5,490,927

Mr. Chopin Zhang
張平(Chopin Zhang)先生
Director
董事

Mr. Zhang Ping
張平先生
Director
董事

Unaudited Interim Condensed Consolidated Statement of Changes in Equity

未經審核中期簡明合併權益變動表

		Share capital	Share premium	Capital redemption reserve	PRC statutory reserves	Other capital reserve	Share option reserve/ share award reserve	Translation reserve	Merger reserve	Contributed surplus	Retained earnings	Total
		股本	股份溢價	股份回購儲備	中國法定儲備	其他資本儲備	購股權儲備/股份獎勵儲備	匯兌儲備	合併儲備	實繳盈餘	保留盈利	總計
		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
		(附註 23)										
For the six months ended 30 June 2018 (unaudited)	截至2018年6月30日止6個月(未經審核)											
As at 1 January 2018	於2018年1月1日	399,352	3,845,616	818	182,021	(44,615)	2,374	23,817	(850,504)	1,367,204	564,844	5,490,927
Profit for the period	本期溢利	—	—	—	—	—	—	—	—	—	41,298	41,298
Exchange differences on translation of financial statements of overseas subsidiaries	海外子公司外幣報表折算差額	—	—	—	—	—	—	(36,906)	—	—	—	(36,906)
Total comprehensive profit for the period	全面收益總額	—	—	—	—	—	—	(36,906)	—	—	41,298	4,392
Share option and share award arrangements**	股票期權及股權激勵計劃**	—	—	—	—	—	2,395	—	—	—	—	2,395
As at 31 December 2018	於2018年12月31日	399,352	3,845,616*	818*	182,021*	(44,615)*	4,769*	(13,089)*	(850,504)*	1,367,204*	606,142*	5,497,714
For the six months ended 30 June 2017 (unaudited)	截至2017年6月30日止6個月(未經審核)											
As at 1 January 2017	於2017年1月1日	399,352	3,845,616	818	182,021	(44,615)	—	57,067	(850,504)	1,367,204	744,655	5,701,614
Loss for the period	本期虧損	—	—	—	—	—	—	—	—	—	(121,938)	(121,938)
Exchange differences on translation of financial statements of overseas subsidiaries	海外子公司外幣報表折算差額	—	—	—	—	—	—	40,508	—	—	—	40,508
Total comprehensive loss for the period	全面損失總額	—	—	—	—	—	—	40,508	—	—	(121,938)	(81,430)
As at 30 June 2017	於2017年6月30日	399,352	3,845,616*	818*	182,021*	(44,615)*	—*	97,575*	(850,504)*	1,367,204*	622,717*	5,620,184

* These reserve amounts comprise the consolidated reserves of RMB5,098,362,000 (31 December 2017: RMB5,091,575,000) in the consolidated statement of financial position.

** On 13 July 2017 and 7 May 2018, China Mengniu Dairy Company Limited ("Mengniu Dairy"), the Company's ultimate holding company, granted 570,845 unit of shares and 1,070,870 unit of share options under its share award scheme and share option scheme, respectively, to the directors and management of the Group for the purpose of providing incentives and rewards to eligible participants who contributed to the success of Mengniu Dairy. The amount represented the fair value amortisation of these share options and share awards at 30 June 2018.

* 這些儲備金額組成2018年6月30日財務狀況合併表中的儲備人民幣5,098,362,000元(2017年12月31日: 人民幣5,091,575,000元)。

** 於2017年7月13日和2018年5月7日, 中國蒙牛乳業有限公司(「蒙牛乳業」), 本公司之最終控股公司, 根據其股票期權及股權激勵計劃向本公司董事及管理人員授出570,845股股票和1,070,870股期權, 以向為中國蒙牛業務成功作出貢獻的重要人員提供激勵及獎勵。列式金額為以上股票期權及股權激勵截至2018年6月30日的公允價值攤銷額。

Unaudited Interim Condensed Consolidated Statement of Cash Flows

未經審核中期簡明合併現金流量表

		Unaudited 未經審核	
		For the six months ended 30 June 截至6月30日止6個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
	Notes 附註		
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動現金流量		
Loss before tax	稅前虧損	(6,444)	(159,680)
Adjustments for:	調整項目：		
Depreciation and amortisation	折舊及攤銷	79,774	86,208
Net gain on disposal of assets classified as held for sale	出售持有待售資產組的收益淨額	(42,806)	—
Net loss/(gain) on disposal of non-current assets	出售非流動資產的損失/(收益)淨額	2,308	(2,881)
Provision of impairment for items of property plant and equipment	物業、廠房及設備的減值	—	1,814
Provision/(write-back) of impairment for trade and other receivables	貿易及其他應收款的減值準備/(轉回)	1,146	(191)
Provision of impairment for inventories	存貨跌價準備	97,805	39,110
Interest income	利息收入	(41,149)	(58,195)
Interest expense	利息開支	5,759	10,366
Foreign exchange difference, net	匯兌損益淨額	10,958	(12,155)
Loss on disposal of a subsidiary	處置一個子公司損失	—	11,698
Gain on other investments	其他投資收益	(18,684)	(6,630)
Share option and share award arrangements	股票期權及股權激勵計劃	2,395	—
		91,062	(90,536)
Increase in inventories	存貨的增加	(35,849)	(100,932)
(Increase)/decrease in trade and bills receivables	貿易應收賬款及票據(增加)/減少	(27,407)	219
(Increase)/decrease in prepayments, deposits and other receivables	預付款項、押金及其他應收款項(增加)/減少	(52,512)	9,842
Decrease/(increase) in pledged deposits related to letters of credit	受限制銀行存款和其他金融資產減少/(增加)	116,283	(25,885)
Increase in trade payables, other payables and accruals	貿易應付賬款、其他應付款項和應計費用增加	6,702	94,547
Decrease in deferred income	遞延收益減少	(542)	(542)
Cash generated from/(used in) operations	經營活動所得/(流出)現金	97,737	(113,287)
Income tax paid	已付所得稅	(19,943)	(5,836)
Net cash flows from/(used in) operating activities	經營活動產生/(所用)現金淨額	77,794	(119,123)

		Unaudited 未經審核	
		For the six months ended 30 June 截至6月30日止6個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
	Notes 附註		
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動現金流量		
Interest and gain on investments received	已收利息	87,703	11,516
Proceeds from disposal of property, plant, equipment and land use rights	出售物業、廠房、設備及土地使用權所得款項	6,878	6,048
Proceeds from disposal of assets classified as held for sale	出售持有待售資產組所得款項	252,822	—
Proceeds from sales of other current financial assets	出售其他流動金融資產所得款項	1,276,943	1,319,025
Receipts of bank deposits with original maturity of more than three months	原到期日為三個月以上的銀行存款到期的收款	412,459	69,863
Proceeds from disposal of a subsidiary	出售子公司所收到的款項	—	4,747
Payment of bank deposits with original maturity of more than three months	原到期日為三個月以上的銀行存款的付款	(649,540)	(116,936)
Acquisition of property, plant and equipment	購買物業、廠房及設備	(4,946)	(4,915)
Payment of construction in progress	在建工程項目的付款	(29,605)	(46,612)
Acquisition of intangible assets	購買無形資產	(525)	(524)
Acquisition of other current financial assets	購買其他流動金融資產	(1,205,586)	(1,255,737)
Net cash flows from/(used in) investing activities	投資活動產生/(所用)現金淨額	146,603	(13,525)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動現金流量		
Proceeds from bank loans	貸款所得款項	479,102	757,801
Receipts of pledged deposits at maturity in relation to bank loans	與銀行借款相關的到期抵押存款收款	150,491	34,289
Repayments of interest-bearing bank loans	償還計息貸款	(446,351)	(764,364)
Payment of pledged deposits in relation to bank loans	與銀行借款相關的抵押存款的付款	(326,100)	(38,311)
Interest paid	已付利息	(3,486)	(10,196)
Net cash flows used in financing activities	融資活動所用現金淨額	(146,344)	(20,781)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加/(減少)淨額	78,053	(153,429)
Cash and cash equivalents at beginning of period	期初現金及現金等價物	668,962	581,491
Effect of exchange rate changes on cash and cash equivalents	匯率變動對現金及現金等價物的影響	(433)	5,802
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期末現金及現金等價物	746,582	433,864

1 CORPORATE INFORMATION

Yashili International Holdings Ltd (the “Company”) was incorporated in the Cayman Islands on 3 June 2010 as an exempted company with limited liability under the Companies Law, Chapter 22, (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Group is primarily engaged in the manufacture and sale of dairy and nourishment products.

In the opinion of the directors, the holding company and the ultimate holding company of the Company are China Mengniu International Company Limited (“Mengniu International”) and China Mengniu Dairy Company Limited (“Mengniu Dairy”), respectively.

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP’S ACCOUNTING POLICIES

2.1 Basis of preparation

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2018 have been prepared in accordance with IAS 34 *Interim Financial Reporting* and the disclosure requirements of Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2017.

1 公司資料

雅士利國際控股有限公司(「本公司」)於2010年6月3日根據開曼群島公司法第22章(1961年第三號法例，經合併及修訂)在開曼群島註冊成立為獲豁免有限公司。其註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。

本集團主要從事製造及銷售乳製品及營養品。

董事認為，本公司控股股東及最終控股股東分別為中國蒙牛國際有限公司(「蒙牛國際」)及中國蒙牛乳業有限公司(「蒙牛乳業」)。

2 編製基礎及本集團會計政策變動

2.1 編製基礎

截至2018年6月30日止六個月的未經審核中期簡明合併財務報表是按照國際會計準則第34號中期財務報告之披露規定和香港聯合交易所有限公司證券上市規則編製。

該未經審核中期簡明合併財務報表並未載有年度財務報表所需的全部資訊和披露，故應與本集團截至2017年12月31日止年度的財務報表一併閱覽。

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

(Continued)

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual condensed financial statements for the year ended 31 December 2017, except for the adoption of new standards effective as of 1 January 2018. The Group has early adopted IFRS 9 (2013) on 1 July 2014.

The Group applied, for the first time, IFRS 15 *Revenue from Contracts with Customers*. As required by IAS 34, the nature and effect of these changes are disclosed below.

Several other amendments and interpretations are adopted for the first time in 2018, but do not have an impact on the interim condensed consolidated financial statements of the Group.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 supersedes IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Group adopted IFRS 15 using the modified retrospective method of adoption, and applied the method only to contracts that are not completed at the date of initial application.

2 編製基礎及本集團會計政策變動(續)

2.2 本集團已採納的新準則，解釋和修訂

除因採納以下截至2018年1月1日生效的新頒佈及經修訂的國際財務報告準則外，編製本未經審核中期簡明合併財務報表所採納的會計政策，與編製本集團截至2017年12月31日止年度的財務報表所採納者保持一致。本集團於2014年7月1日提前採用了國際財務報告準則第9號(2013)。

本集團首次採納國際財務報告準則第15號與客戶訂立合同獲得的收入。根據國際會計準則第34號，修訂的性質及影響如下。

其他若干修訂及詮釋於2018年首次適用，但對本集團的中期簡明合併財務報表並無影響。

國際財務報告準則第15號與客戶訂立合同獲得的收入

國際財務報告準則第15號取代國際會計準則第11號*建造合同*和國際會計準則第18號*收入*及相關詮釋，其適用於與客戶訂立合同產生的所有收入，除非該等合同屬於其他準則的範圍。新標準建立了一個五步模型，以說明與客戶簽訂的合同產生的收入。根據國際財務報告準則第15號，收入確認的金額應反映實體預期向客戶轉移貨品或服務的而換取的代價。

該準則要求實體在將模型的每個步驟應用於與客戶簽訂合同時考慮所有相關事實和情況，從而進行判斷。本集團使用經修改追溯法採納了國際財務報告準則第15號，該方法僅對於從採用該準則期初尚未完成的合同。

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (Continued)

2.2 New standards, interpretations and amendments adopted by the Group (Continued)

IFRS 15 *Revenue from Contracts with Customers* (Continued)

The Group's principal activity consists of the manufacture and sale of dairy products.

The Group's contracts with customers for the sale of dairy products generally include one performance obligation. The Group has concluded that revenue from sale of dairy products should be recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the dairy products.

The Group provides a right of return and trade discounts for certain the sales contracts of dairy products with customers. Prior to the adoption of IFRS 15, the Group recognised revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowances and trade discounts. If revenue could not be reliably measured, the Group deferred revenue recognition until the uncertainty was resolved.

Under IFRS 15, rights of return and trade discounts give rise to variable consideration. The variable consideration is estimated at contract inception and constrained until the associated uncertainty is subsequently resolved. The Group applies the requirements in IFRS 15 on constraining estimates of variable consideration to determine the amount of variable consideration that can be included in the transaction price.

2 編製基礎及本集團會計政策變動(續)

2.2 本集團已採納的新準則，解釋和修訂(續)

國際財務報告準則第15號與客戶訂立合同獲得的收入(續)

本集團主要業務包括生產和製造乳製品。

本集團與客戶就銷售乳製品的合約一般僅包含一項履約責任。本集團的結論是，銷售乳製品的收入應在資產控制權轉移至客戶的時間點確認，一般應在交付乳製品時確認。

本集團為部分特定乳製品銷售合約提供退貨權及銷售折扣。於採納國際財務報告準則第15號前，本集團按已收或應收對價的公允價值，扣除退貨及折讓及銷售折扣確認出售貨品的收入。如果收入無法可靠計量，則本集團將收入確認遞延至不確定性得到解決。

根據國際財務報告準則第15號，退貨權和銷售折扣引起可變對價。可變對價自合同成立時即進行估算並受到限制，直到相關的不確定性得以解決。本集團應用國際財務報告準則第15號的規定約束可變對價的估計，以確定可計入交易價格的可變對價金額。

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (Continued)

2.2 New standards, interpretations and amendments adopted by the Group (Continued)

IFRS 15 *Revenue from Contracts with Customers* (Continued)

The Group recognised *Right of return assets* and *Refund liabilities* amounting to RMB1,012,000 and RMB1,345,000, respectively in the unaudited interim condensed consolidated statement of financial position as at 30 June 2018.

The Group received short-term advances from customers. Prior to the adoption of IFRS 15, the Group represented these advances in "*Other payables and accruals*" in the consolidated statement of financial position. Upon the adoption of IFRS 15, the Group reclassified the advances amount to "*Contract liabilities*". As at 1 January 2018, the Group had short-term advances from customers amounting to RMB289,320,000 reclassified to "*Contract liabilities*" at the initial application of IFRS 15.

Refer to Note 3 for the disclosure on disaggregated revenue.

IFRS 9 *Financial Instruments*

The Group has early adopted IFRS 9 (2013) on 1 July 2014, the Group has adopted the full text of IFRS 9 (2014) from 1 January 2018. The impact arising from the adoption of IFRS 9 (2014) on the Group is summarised as follows:

The adoption of IFRS 9 (2014) has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

2 編製基礎及本集團會計政策變動(續)

2.2 本集團已採納的新準則，解釋和修訂(續)

國際財務報告準則第15號與客戶訂立合同獲得的收入(續)

本集團於2018年6月30日的未經審核中期簡明綜合財務狀況表中分別確認應收退貨成本及預計負債一應付退貨款人民幣1,012,000元及人民幣1,345,000元。

本集團會向客戶收取短期預付款。於採納國際財務報告準則第15號前，本集團將該客戶預付款列示於綜合財務狀況表中「其他應付款項及應計費用」中。採納國際財務報告準則第15號後，本集團將該客戶預付款重新分類為「合同負債」。於2018年1月1日，本集團的客戶預付款為人民幣289,320,000元，於國際財務報告準則第15號之初步確認日期被重新分類為「合同負債」。

有關分解收入的披露，請參閱附註3。

國際財務報告準則第9號金融工具

本集團於2014年7月1日提前採用了國際財務報告準則第9號(2013)，本集團於2018年1月1日採用國際財務報告準則第9號(2014)。本集團採用國際財務報告準則第9號(2014)影響的總結如下：

採用國際財務報告準則第9號從根本上改變了本集團對金融資產減值損失的會計處理辦法，採用前瞻性的預期信用損失(ECL)方法取代國際會計準則第39號的已發生損失方法。

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (Continued)

2.2 New standards, interpretations and amendments adopted by the Group (Continued)

IFRS 9 *Financial Instruments* (Continued)

IFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at fair value through profit or loss.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Group applies the IFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and other receivables. To measure the ECL, trade receivables and other receivables had been grouped based on shared credit risk characteristics and historical credit loss experience.

For other debt financial assets, the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after that reporting date.

The adoption of the ECL requirements of IFRS 9 does not have any significant impact on the Group's financial statements.

2 編製基礎及本集團會計政策變動(續)

2.2 本集團已採納的新準則，解釋和修訂(續)

國際財務報告準則第9號 *金融工具*(續)

國際財務報告準則第9號要求本集團為所有貸款和未確認為公允價值變動計入損益的金融資產的其他債務確認預期信用損失的準備金。

預期信用損失基於合同約定的到期現金流量與本集團預期收到的所有現金流量之間的差額。差額以估計的該等資產初始實際收益率進行折現。

本集團應用國際財務報告準則第9號之簡化方法以計量預期信貸虧損，其就所有貿易應收款項及其他應收款採用全期預期信貸虧損。為計量預期信貸虧損，貿易應收款項及其他應收款已根據共同的信貸風險特徵及歷史信貸損失進行分類。

其他按攤銷成本計量之財務資產的虧損撥備乃按12個月預期信貸虧損基準計量。12個月預期信貸虧損僅考慮全期預期信貸虧損中報告日後12個月內發生的違約事件導致的虧損。

採用國際財務報告準則第9號的預期信用損失要求對本集團的財務報表並無重大影響。

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

(Continued)

2.2 New standards, interpretations and amendments adopted by the Group

(Continued)

IFRIC Interpretation 22 *Foreign Currency Transactions and Advance Considerations*

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Group's unaudited interim condensed consolidated financial statements.

Amendments to IAS 40 *Transfers of Investment Property*

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Group's unaudited interim condensed consolidated financial statements.

2 編製基礎及本集團會計政策變動(續)

2.2 本集團已採納的新準則，解釋和修訂(續)

國際財務報告詮釋委員會詮釋第22號外幣交易及其預收款項

該解釋闡明，在確定終止確認預先考慮相關的非貨幣性資產或非貨幣性負債的相關資產、費用或收入(或部分)時使用的即期匯率時，交易日期為公司初始確認預先考慮所產生的非貨幣性資產或非貨幣性負債的日期。如果預先有多筆支付或收款，則公司必須確定每筆付款或預收對價的交易日期。該等解釋對本集團未經審核的中期合併財務報表沒有任何影響。

國際會計準則第40號的修訂投資物業的轉移

該等修訂闡釋了公司何時應將物業(包括在建物業或在開發物業)轉入或轉出投資物業。該等修訂規定，當財產符合或不再符合投資財產的定義且有使用變更的證據時，發生使用變更。僅改變管理層使用財產的意圖並不能提供使用變更的證據。該等修訂對本集團未經審核的中期合併財務報表並無任何影響。

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

(Continued)

2.2 New standards, interpretations and amendments adopted by the Group

(Continued)

Amendments to IFRS 2 *Classification and Measurement of Share-based Payment Transactions*

The IASB issued amendments to IFRS 2 *Share-based Payment* that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The Group's accounting policy for cash-settled share based payments is consistent with the approach clarified in the amendments. In addition, the Group has no share-based payment transaction with net settlement features for withholding tax obligations and had not made any modifications to the terms and conditions of its share-based payment transaction. Therefore, these amendments do not have any impact on the Group's unaudited interim condensed consolidated financial statements.

2 編製基礎及本集團會計政策變動(續)

2.2 本集團已採納的新準則，解釋和修訂(續)

國際財務報告準則第2號的修訂股份支付交易的分類及計量

國際會計準則理事會發佈了國際財務報告準則第2號股份支付的修訂，涉及三個主要領域：歸屬條件對計量以現金結算的股份支付交易的影響；對扣稅義務具有淨值結算特徵的股份支付交易的分類；和對股份支付交易的條款和條件的修改將股份支付交易的分類從現金結算變為權益結算時對其的會計處理。採用時，公司必須在不重述前期的情況下應用修訂，但如果涉及所有三項修正並符合其他標準，則允許追溯適用。本集團以現金結算的股份支付的會計政策與修訂中闡述的方法一致。此外，本集團並無扣稅義務具有淨值結算特徵的股份支付交易，亦未對其股份支付交易的條款及條件作出任何修改。因此，該等修訂對本集團未經審核的中期的合併財務報表並無任何影響。

3 REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Group's revenue from contracts with customers:

3 與客戶訂立合同獲得的收入

以下列出的本集團依據與客戶訂立合同收入明細：

		For the six months ended 30 June 2018 (Unaudited) 截至2018年6月30日止6個月(未經審核)			
		Milk powder products 奶粉產品 RMB'000 人民幣千元	Dissolvable products 沖調產品 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
Types of goods or service 產品服務類別					
Sale of goods	銷售商品	1,144,161	91,182	199,030	1,434,373
Consigned processing operation	受託代加工	—	—	69,711	69,711
Total revenue from contracts with customers 依據與客戶訂立合同總收入		1,144,161	91,182	268,741	1,504,084
Geographical markets 地區市場					
Mainland China	中國大陸	1,119,789	91,182	55,178	1,266,149
Overseas	海外	24,372	—	213,563	237,935
Total revenue from contracts with customers 依據與客戶訂立合同總收入		1,144,161	91,182	268,741	1,504,084
Timing of revenue recognition 收入確認時點					
Goods transferred at a point in time	於時點交接貨物	1,144,161	91,182	268,741	1,504,084
Total revenue from contracts with customers 依據與客戶訂立合同總收入		1,144,161	91,182	268,741	1,504,084

4 OPERATING SEGMENT INFORMATION

Since the acquisition of Oushi Mengniu (Inner Mongolia) Dairy Products Co., Ltd. (“Oushi Mengniu”) and Dumex Baby Food Co., Ltd. (“Dumex China”) in 2015 and 2016, respectively, and the operation of Yashili New Zealand Dairy Co., Limited (“Yashili New Zealand”) at the end of 2015, the Group underwent various group reorganisation, including the purchase, production and sales functions.

From the first half of 2018, the Group is reorganised into business units based on their products and services and has three reportable operating segments as follows:

- (a) Production and sale of milk powder products — this segment includes the development, manufacture and sale of milk powder products in the PRC and overseas.
- (b) Sale of dissolvable products — this segment includes the development, manufacture and sale of soymilk powder, rice flour and cereal products.
- (c) Other operations mainly include the sale of surplus raw materials, the production and sale of base-powder and consigned processing operation. The results of these operations are included in the “others” column.

The change was made to improve the way in which the business units can be managed.

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 allocated selling and distribution expenses”. The Group does not allocate other income and gains, net finance costs, expenses other than certain selling and distribution expenses to its segments, as the senior executive management does not use such 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 is not presented in these unaudited interim condensed financial statements.

4 經營分部資料

自從2015年收購內蒙古歐世蒙牛乳製品有限責任公司(「歐世蒙牛」)、2016年收購多美滋嬰幼兒食品有限公司(「多美滋中國」),以及2015年底雅士利新西蘭乳業有限公司(「新西蘭乳業」)的運營,本集團經歷了數次集團重組,包括採購、生產及銷售功能。

自2018年上半年,本集團根據產品和服務對經營分部進行重新分類,共有下列三個可報告經營分部:

- (a) 生產及銷售奶粉產品 — 該分部包括在中國及海外開發、製造及銷售奶粉產品。
- (b) 銷售沖調產品 — 該分部包括開發、製造及銷售豆奶粉、米粉及麥片產品。
- (c) 其他業務主要包括銷售盈餘原材料及生產、出售基粉及受託加工。該等業務的業績載於「其他」一欄。

經營分部的改變是為了優化業務單元的管理。

為便於在分部之間評估分部表現及分配資源,高級行政管理團隊會根據「可呈報分部溢利」的計量(即「收入減去銷售成本和可分攤的銷售及經銷開支」)來評估經營分部的表現。本集團不會把其他收入及收益、財務成本淨額、部份銷售及經銷開支以外的開支分配至分部中,原因是高級行政管理人員並不會使用上述資料分配資源至經營分部或評估其表現。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,此等未經審核中期簡明財務報表內,並無呈列可呈報分部資產及負債的資料。

4 OPERATING SEGMENT INFORMATION (Continued)

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

4 經營分部資料(續)

分部間銷售及轉讓是參考以當時市價向第三者銷售所採用的售價進行交易。

		For the six months ended 30 June 2018 (Unaudited) 截至2018年6月30日止6個月(未經審核)			
		Milk powder products 奶粉產品 RMB'000 人民幣千元	Dissolvable products 沖調產品 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
Segment revenue:	分部收入：				
Sales to external customers	銷售予外部客戶	1,144,161	91,182	268,741	1,504,084
Intersegment sales	分部間銷售	—	—	39,511	39,511
		1,144,161	91,182	308,252	1,543,595
<i>Reconciliation:</i>	<i>對賬：</i>				
Elimination of intersegment sales	抵銷分部間銷售	—	—	(39,511)	(39,511)
Total revenue	總收入				1,504,084
Segment results	分部業績	85,947	7,257	27,964	121,168
<i>Reconciliation:</i>	<i>對賬：</i>				
Finance income	財務收入				59,833
Finance costs	財務成本				(5,759)
Other income and gains	其他收入及收益				69,100
Unallocated other expenses	未分配的其他支出				(250,786)
Loss before tax	除稅前虧損				(6,444)

4 OPERATING SEGMENT INFORMATION
(Continued)

4 經營分部資料(續)

For the six months ended 30 June 2017 (Unaudited) 截至2017年6月30日止6個月(未經審核)				
Milk powder products	Dissolvable products	Others	Total	
奶粉產品	沖調產品	其他	合計	
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	

Segment revenue:	分部收入：				
Sales to external customers	銷售予外部客戶	820,787	99,747	46,160	966,694
Intersegment sales	分部間銷售	1,920	—	—	1,920
		820,707	99,747	46,160	968,614
<i>Reconciliation:</i>	<i>對賬：</i>				
Elimination of intersegment sales	抵銷分部間銷售	(1,920)	—	—	(1,920)
Total revenue	總收入				966,694
Segment results	分部業績	(34,422)	(9,786)	2,469	(41,739)
<i>Reconciliation:</i>	<i>對賬：</i>				
Finance income	財務收入				64,825
Finance costs	財務成本				(10,366)
Other income and gains	其他收入及收益				52,152
Unallocated other expenses	未分配的其他支出				(224,552)
Loss before tax	除稅前虧損				(159,680)

5 OTHER INCOME AND GAINS

An analysis of the Group's other income and gains is as follows:

5 其他收入及收益

本集團的其他收入及收益的分析如下：

		Unaudited 未經審核	
		For the six months ended 30 June 截至6月30日止6個月	
		2018 二零一八年	2017 二零一七年
		RMB'000 人民幣千元	RMB'000 人民幣千元
	Notes 附註		
Government grants	政府補助		
— Taxes refunded	— 退稅	19,220	355
— Compensation for acquisition of assets	— 對購買資產的補償	542	542
— Compensation for expenses incurred	— 對已產生支出的補償	322	30
Consigned processing operation	受託加工收入	—	32,503
Foreign exchange gains, net	匯兌收益	—	10,200
Net gain on disposal of non-current assets	出售非流動資產的收益淨額	—	2,880
Net gain on disposal of assets classified as held for sale	出售持有待售資產組的收益淨額	(a) 42,806	—
Others	其他	6,210	5,642
		69,100	52,152

Note:

- (a) During the six months ended 30 June 2018, the Group received a consideration of RMB252,822,000 or disposing property, plant and equipment and a land use right of Scient (China) Baby Nourishment Co., Ltd. ("Scient (China)"), the cost of which amounting to RMB210,016,000, resulting a net gain of RMB42,806,000 before income tax.

附註：

- (a) 本期處置施恩(中國)嬰幼兒營養品有限公司(「施恩(中國)」)工廠廠房、設備及土地使用權，收到補償款人民幣252,822,000元，處置資產及發生費用共計人民幣210,016,000元，形成所得稅前處置收益人民幣42,806,000元。

6 OTHER EXPENSES

6 其他開支

		Unaudited 未經審核	
		For the six months ended 30 June 截至6月30日止6個月	
		2018 二零一八年	2017 二零一七年
		RMB'000 人民幣千元	RMB'000 人民幣千元
	Notes 附註		
Provision for impairment of inventories	存貨跌價準備	97,805	39,110
Foreign exchange losses	匯兌損失	10,958	—
Bank charges	銀行手續費	2,574	3,042
Net loss on disposal of non-current assets	出售非流動資產的收益淨額	2,308	—
Loss on disposal of inventories	存貨報廢損失	1,416	14,522
Provision/(write-back) of impairment for trade and other receivables	貿易及其他應收款的減值/(轉回)	1,146	(191)
Provision of impairment for items of property, plant and equipment	固定資產跌價	—	1,814
Donations	捐贈支出	150	581
Costs for consigned processing operation	受託加工成本	—	36,565
Loss on disposal of a subsidiary	處置一個子公司的損失	—	11,698
Others	其他	4,760	2,102
		121,117	109,243

7 LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

7 除稅前虧損本集團的稅前虧損乃經扣除/(增加)
下列各項後計算所得：

		Unaudited 未經審核	
		For the six months ended 30 June 截至6月30日止6個月	
		2018 二零一八年	2017 二零一七年
		RMB'000 人民幣千元	RMB'000 人民幣千元
	Notes 附註		
Cost of goods sold	貨品銷售成本	801,363	519,103
Cost of consigned processing operation	受託加工成本	49,837	—
Depreciation of items of property, plant and equipment	物業、廠房及設備折舊	71,686	79,248
	12		
Depreciation of investment properties	投資物業折舊	1,318	1,293
	14		
Amortisation of land use rights	土地使用權攤銷	1,320	2,260
Amortisation of other non-current assets	其他非流動資產攤銷	1,349	2,107
Amortisation of intangible assets	無形資產攤銷	4,101	1,300
Total depreciation and amortisation	折舊及攤銷總額	79,774	86,208
Minimum lease payments under operating leases of buildings	房屋的經營租賃最低 租金	13,482	9,613
Employee benefit expense (excluding directors' and chief executive's remuneration):	僱員福利費 (不包括董事及主要 行政人員之薪酬):		
Wages, salaries and allowances	工資、薪金及津貼	215,293	226,681
Termination benefits	辭退福利	1,797	26,778
Pension scheme contributions (defined contribution schemes)	退休金計劃供款 (定額供款計劃)	14,316	18,517
		231,406	271,976
Interest income	利息收入	(41,149)	(58,195)
Gain on other current financial assets	其他流動金融資產收益	(18,684)	(6,630)
Total finance income	財務收入總額	(59,833)	(64,825)

8 FINANCE COSTS

An analysis of finance costs is as follows:

		Unaudited 未經審核 For the six months ended 30 June 截至6月30日止6個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Interest on bank loans wholly repayable within five years	須於五年內悉數償還的 銀行貸款的利息	5,759	10,366

8 財務成本

財務成本分析如下：

9 INCOME TAX CREDIT

The major components of income tax credit in the unaudited interim condensed consolidated statement of profit or loss are:

		Unaudited 未經審核 For the six months ended 30 June 截至6月30日止6個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Current tax	即期稅項		
Provision for the period	期間撥備	15,604	1,155
Adjustments recognised in the period for current tax of prior years	本期內確認以往年度的 稅收調整	—	4,794
Deferred tax	遞延稅項	(63,346)	(43,691)
Total income tax credit	所得稅抵減總額	(47,742)	(37,742)

9 所得稅抵減

未經審核中期簡明合併損益表內所得稅抵減的主要成分為：

9 INCOME TAX CREDIT (Continued)

Pursuant to the Corporate Income Tax Law of the PRC passed by the Tenth National People's Congress on 16 March 2007 (the "Income Tax Law"), the statutory income tax rate of the Group's subsidiaries located in Mainland of PRC is 25%, except for Oushi Mengniu which is subject to a preferential tax rate of 15%, in accordance with "The Notice of Tax Policies Relating to The Implementation of Western China Development Strategy".

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

The provision for Hong Kong profits tax for the six months ended 30 June 2018 was calculated at 16.5% (six months ended 30 June 2017: 16.5%) of the assessable profit for the period.

Pursuant to the rules and regulations of New Zealand, the Group's subsidiary located in New Zealand was subject to income tax at a rate of 28% during the six months ended 30 June 2018 (six months ended 30 June 2017: 28%).

10 EARNING/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The basic earning/(loss) per share amount for the period is calculated by dividing the loss for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

The parent has no dilutive potential shares during the period.

9 所得稅抵減(續)

根據第十屆全國人民代表大會於2007年3月16日通過的《中華人民共和國企業所得稅法》(「所得稅法」)，本集團位於中國大陸的附屬公司的法定所得稅稅率為25%。根據「關於深入實施西部大開發戰略有關稅收政策問題的通知」，歐世蒙牛享有15%的優惠稅率。

根據開曼群島及英屬處女群島(「英屬處女群島」)的規定及法規，本集團無須在開曼群島及英屬處女群島繳納任何所得稅。

本集團截至2018年6月30日止六個月期間香港利得稅撥備是以本期間的應課稅溢利，按照16.5%(截至2017年6月30日止六個月期間：16.5%)的稅率計提。

根據新西蘭的法律法規，本集團位於新西蘭的子公司截至2018年6月30日止六個月期間按照28%(截至2017年6月30日止六個月期間：28%)的所得稅率計繳所得稅。

10 母公司普通股擁有人應佔每股盈利/(虧損)

本期的每股基本盈利/(虧損)乃根據期內母公司普通股擁有人應佔虧損除以期內已發行普通股的加權平均數計算。

母公司期內無潛在攤薄股份。

10 EARNING/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (Continued)

The calculations of basic and diluted earning/(loss) per share are based on:

10 母公司普通股擁有人應佔 每股盈利/(虧損)(續)

每股基本及攤薄盈利/(虧損)的計算基於如下：

		Unaudited 未經審核 For the six months ended 30 June 截至6月30日止6個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
		Number of shares 股份數量	
		(in thousand) (千股)	(in thousand) (千股)
Earning/(loss):	盈利/(虧損)：		
Earning/(loss) attributable to ordinary equity holders of the parent, used in the loss per share calculations	用於計算每股基本盈利/(虧損)的母公司普通權益持有人應佔損失	41,298	(121,938)
		Shares	
		(in thousand) (千股)	(in thousand) (千股)
Shares:	股份：		
Weighted average number of ordinary shares for the purpose of the basic earning/(loss) per share calculations	計算每股基本盈利/(虧損)所用的普通股加權平均數	4,745,560	4,745,560

11 DIVIDENDS

The directors did not recommend the payment of an interim dividend for six months ended 30 June 2018 (the six months ended 30 June 2017: Nil).

11 股息

董事不建議派發截至2018年6月30日六個月的中期股息(截至2017年6月30日止六個月：無)。

12 PROPERTY, PLANT AND EQUIPMENT

12 物業、廠房及設備

		Notes 附註	Unaudited 未經審核 2018 二零一八年 RMB'000 人民幣千元	Unaudited 未經審核 2017 二零一七年 RMB'000 人民幣千元
Carrying amount at 1 January	於1月1日的賬面值		1,602,976	1,788,658
Additions	增加		4,946	4,915
Transfer from assets of a disposal group classified as held for sale	轉撥自持有待售的處 置資產組		—	302
Transfer from construction in progress	轉撥自在建工程	13	20,659	6,342
Transfer from investment properties	轉撥自投資物業	14	—	35,564
Transfer to investment properties	轉撥至投資物業	14	(16,443)	—
Disposals	處置		(8,731)	(1,952)
Disposal of a subsidiary	處置一家子公司	26	—	(25,289)
Depreciation charge for the period	本期折舊費用	7	(71,686)	(79,248)
Impairment	本期減值	6	—	(1,814)
Exchange realignment	匯率調整		(37,990)	30,913
Carrying amount at 30 June	於6月30日的賬面值		1,493,731	1,758,391

As at 30 June 2018, all the assets of Yashili New Zealand including property, plant and equipment of RMB1,031,471,000 were collateralised for a bank loan of RMB100,058,000 under a general security agreement (31 December 2017: RMB66,883,000).

截至2018年6月30日止，新西蘭乳業的全部資產包括價值人民幣1,031,471,000元的物業、廠房及設備處於一般保證協議下，以獲取數額約為人民幣100,058,000元的銀行貸款(2017年12月31日：人民幣66,883,000元)。

13 CONSTRUCTION IN PROGRESS

13 在建工程

		Notes	Unaudited 未經審核 2018 二零一八年 RMB'000 人民幣千元	Unaudited 未經審核 2017 二零一七年 RMB'000 人民幣千元
		附註		
Carrying amount at 1 January	於1月1日的賬面值		64,383	38,812
Additions	增加		41,447	20,912
Transfer from assets of a disposal group classified as held for sale	轉撥自持有待售的處置資產組		—	634
Transfer to property, plant and equipment	轉撥至物業、廠房及設備	12	(20,659)	(6,342)
Transfer to intangible assets	轉撥至無形資產		(3,312)	(471)
Disposal	處置		—	(640)
Disposal of a subsidiary	處置一家子公司	26	—	(41)
Exchange realignment	匯率調整		(125)	31
Carrying amount at 30 June	於6月30日的賬面值		81,734	52,895

As at 30 June 2018, all the assets of Yashili New Zealand including construction in progress of RMB3,393,000 were collateralised for a bank loan of RMB100,058,000 under a general security agreement (31 December 2017: RMB66,883,000).

None of the interest expense was capitalised to construction in progress for the six months ended 30 June 2018 (six months ended 30 June 2017: Nil).

截至2018年6月30日止，新西蘭乳業的全部資產包括價值人民幣3,393,000元的在建工程處於一般保證協議下，以獲取數額約為人民幣100,058,000元的銀行貸款(2017年12月31日：人民幣66,883,000元)。

於截至2018年6月30日止六個月期間，無被資本化為在建工程的利息費用(2017年6月30日止六個月期間：無)。

14 INVESTMENT PROPERTIES

14 投資物業

		Notes 附註	Unaudited 未經審核 2018 二零一八年 RMB'000 人民幣千元	Unaudited 未經審核 2017 二零一七年 RMB'000 人民幣千元
Cost:	成本：			
At 1 January	於1月1日		73,295	75,032
Transfer to property, plant and equipment	轉撥至物業、廠房及設備	12	—	(36,683)
Transfer from property, plant and equipment	轉撥自物業、廠房及設備	12	20,049	—
At 30 June	於6月30日		93,344	38,349
Accumulated depreciation:	累計折舊：			
At 1 January	於1月1日		(13,962)	(7,546)
Charge for the period	本期內折舊	7	(1,318)	(1,293)
Transfer to property, plant and equipment	轉撥至物業、廠房及設備	12	—	1,119
Transfer from property, plant and equipment	轉撥自物業、廠房及設備	12	(3,606)	—
At 30 June	於6月30日		(18,886)	(7,720)
Carrying amount at 30 June	於6月30日的賬面價值		74,458	30,629

15 GOODWILL

15 商譽

		Unaudited 未經審核 2018 二零一八年 RMB'000 人民幣千元	Unaudited 未經審核 2017 二零一七年 RMB'000 人民幣千元
Carrying amount at 1 January	於1月1日的賬面價值	991,236	991,236
Carrying amount at 30 June	於6月30日的賬面價值	991,236	991,236

As at 31 May 2016, Yashili International Group Ltd. (“Yashili (Guangdong)”), a subsidiary of the Group, acquired a 100% equity interest in Dumex China. The business acquisition gave rise to goodwill of RMB718,476,000.

於2016年5月31日，雅士利國際集團有限公司（「雅士利(廣東)」），本集團的一家子公司，收購多美滋中國100%股權。此項業務收購帶來價值人民幣718,476,000元之商譽。

In 2015, Yashili (Guangdong) acquired a 100% equity interest in Oushi Mengniu, a subsidiary of Mengniu Dairy. The acquisition gave rise to goodwill amounting to RMB272,760,000, which was originally recorded by Mengniu Dairy, the ultimate holding company of the Company. The acquisition was accounted for as a business combination under common control as Oushi Mengniu was under the control of Mengniu Dairy both before and after the acquisition.

於2015年雅士利(廣東)，收購歐世蒙牛的100%股權(蒙牛乳業的一家子公司)。本次收購產生了人民幣約272,760,000元的商譽。該商譽原為本公司之最終母公司蒙牛乳業賬面記錄的商譽。本次收購為同一控制下企業合併，因為歐世蒙牛在本次收購前后均受蒙牛乳業控制。

16 INVENTORIES

16 存貨

		Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Raw materials	原材料	284,315	214,107
Finished goods	成品	347,091	413,011
Work in progress	半成品	180,451	167,254
Packing materials	包裝材料	27,760	18,226
Low value consumables	低價消耗品	1,133	1,089
		840,750	813,687
Provisions	跌價準備	(121,916)	(27,363)
		718,834	786,324

As at 30 June 2018, all the assets of Yashili New Zealand including inventories of RMB220,784,000 were collateralised for a bank loan of RMB100,058,000 under a general security agreement (31 December 2017: RMB66,883,000).

截至2018年6月30日止，新西蘭乳業的全部資產包括價值人民幣220,784,000元的存貨處於一般保證協議下，以獲取數額約為人民幣100,058,000元的銀行貸款(2017年12月31日：人民幣66,883,000元)。

17 TRADE AND BILLS RECEIVABLES

17 貿易應收款及票據

		Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Trade and bills receivables	貿易應收款及票據	176,924	153,455
Provision for impairment	撥備	(9,982)	(9,119)
		166,942	144,336

The Group normally allows a credit limit and a credit term to its customers which are adjustable in certain circumstances. Trade and bills receivables are non-interest-bearing.

本集團通常給予客戶特定信貸額度和信貸期限，並可在特定情況下調整。貿易應收款及票據並無附帶利息。

17 TRADE AND BILLS RECEIVABLES (Continued)

An aging analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of provision, was as follows:

		Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Within 3 months	三個月以內	140,627	126,288
3 to 6 months	三至六個月	18,687	4,606
More than 6 months	六個月以上	7,628	13,442
		166,942	144,336

The Group use forward-looking expected credit loss (ECL) approach as accounting policy for impairment losses for trade and bills receivables.

As at 30 June 2018, all the assets of Yashili New Zealand including trade receivable of RMB115,257,000 were collateralized for a bank loan of RMB100,058,000 under a general security agreement (31 December 2017: RMB66,883,000).

17 貿易應收款及票據(續)

報告期末，經扣除撥備的貿易應收款及票據按發票日期的賬齡分析如下：

本集團採用前瞻性的預期信用損失(ECL)方法為本集團對貿易應收款及票據減值損失的會計處理辦法。

截至2018年6月30日止，新西蘭乳業的全部資產包括價值人民幣115,257,000元的貿易應收款處於一般保證協議下，以獲取數額約為人民幣100,058,000元的銀行貸款(2017年12月31日：人民幣66,883,000元)。

17 TRADE AND BILLS RECEIVABLES (Continued)

The amounts due from related parties of the Group included in the trade receivables are as follows:

17 貿易應收款及票據(續)

列入貿易應收款的應收本集團關聯方款項如下：

		Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Subsidiaries of the ultimate holding company	最終控股股東的子公司	7,686	2
A substantial shareholder and its subsidiaries	對本集團有重大影響的投資方及其附屬公司	112,929	98,796
		120,615	98,798

The above amounts are unsecured, non-interest-bearing and repayable on credit terms similar to those offered to the major customers of the Group.

上述款項為無抵押、免息及須按給予本集團主要客戶的類似信貸期限償還。

18 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES**18 預付款項、押金及其他應收款項**

		Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Interest receivable	應收利息	29,246	57,116
Value-added tax recoverable	待抵扣增值稅	83,518	81,065
Advances to sales offices	聯絡點備用金	1,204	3,172
Prepayments for purchase of raw materials	購買原材料的預付款	52,660	14,939
Others	其他	57,694	38,359
		224,322	194,651
Less: Non-current prepayments	減：長期待攤費用	6,452	3,462
		217,870	191,189

The amounts due from related parties included in prepayments, deposits and other receivables are as follows:

列入預付款、押金及其他應收款項的應收關聯方款項如下：

		Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Subsidiaries of the ultimate holding company	最終控股股東的子公司	32	33
Subsidiaries of the parent's main shareholder	最終控股公司的主要股東的附屬公司	35	241
A substantial shareholder and its subsidiaries	對本集團有重大影響的投資方及其附屬公司	350	1,641
		417	1,915

The above amounts are unsecured, non-interest-bearing and have no fixed terms of repayment.

上述結餘均為無抵押及免息，沒有固定還款日期。

19 OTHER CURRENT FINANCIAL ASSETS

19 其他流動金融資產

	Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Commercial bank wealth investment products (i)	626,646	724,748

(i) As at 30 June 2018, the Group's commercial bank wealth investment products were mainly financial products purchased from banks with good credit rating and were stated at fair value, with expected annual interest rates ranging from 4.14% to 4.85% (31 December 2017: 2.0% to 5.1%). The investment products were acquired with original maturity of one month to one year and were not allowed to be withdrawn prior to the maturity date without the banks' consent.

As at 30 June 2018, the bank wealth management products amounting to RMB172,360,000 (31 December 2017: RMB49,052,000) were pledged to certain bank loans amounting to RMB170,926,000 (31 December 2017: RMB49,421,000).

As at 30 June 2018, none (31 December 2017: RMB150,053,000) of the bank wealth management products were pledged for letters of credit.

(i) 於2018年6月30日，本集團的商業銀行理財產品主要為從良好的信貸評級的銀行購買並按公允價值列賬的金融產品，預期的年利率為4.14%至4.85%（2017年12月31日：2.0%至5.1%）。這些投資為一個月到一年到期且到期前沒有銀行的同意不得撤回。

於2018年6月30日，總金額為人民幣172,360,000元（2017年12月31日：人民幣49,052,000元）商業銀行財富投資產品被質押用於獲取人民幣170,926,000元（2017年12月31日：人民幣49,421,000元）的銀行貸款。

於2018年6月30日，無商業銀行財富投資產品被質押用於擔保信用證（2017年12月31日：人民幣150,053,000元）。

20 CASH AND BANK BALANCES AND LONG-TERM BANK DEPOSITS AND PLEDGED DEPOSITS

20 現金及銀行結餘和長期銀行存款和保證金存款

		Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
	Note 附註		
Cash and cash equivalents	現金及現金等價物	726,732	668,962
Pledged deposits with banks	受限制銀行存款	329,691	243,621
Time deposits with maturity of less than 3 months	到期日為三個月以下的定期存款	19,850	—
Time deposits with maturity of more than 3 months	到期日為三個月以上的定期存款	1,316,514	1,079,433
		2,392,787	1,992,016
Less: Pledged deposits with banks	減：銀行融資之短期保證金存款	(a) 329,691	243,621
Cash and bank balances	現金及銀行結餘	2,063,096	1,748,395

Note:

- (a) As at 30 June 2018, the bank deposits amounting to RMB326,100,000 (31 December 2017: RMB234,731,000) were pledged to certain bank loans amounting to RMB287,860,000 (31 December 2017: RMB213,392,000).

As at 30 June 2018, a deposit of RMB3,591,000 (31 December 2017: RMB8,890,000) was pledged for letters of credit.

附註：

- (a) 於2018年6月30日，總金額為人民幣326,100,000元(2017年12月31日：人民幣234,731,000元)的銀行存款被質押用於獲取人民幣287,860,000元(2017年12月31日：人民幣213,392,000元)的銀行貸款。

於2018年6月30日，金額為人民幣3,591,000元(2017年12月31日：人民幣8,890,000元)的銀行存款被作為開具信用證的保證金。

21 TRADE PAYABLES

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

		Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Within 3 months	三個月以內	148,504	116,634
3 to 6 months	三個月至六個月	65,243	122,870
More than 6 months	六個月以上	75,640	98,936
		289,387	338,440

The amounts due to related parties included in trade payables are as follows:

		Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Subsidiaries of the ultimate holding company	最終控股股東的子公司	28,786	23,205
Subsidiaries of the parent's main shareholder	最終控股公司一主要股東的附屬公司	8,848	18,695
Subsidiaries of a substantial shareholder	對本集團有重大影響的投資方的附屬公司	—	127
		37,634	42,027

Trade payables, including amounts due to related parties, are non-interest-bearing and are normally settled within one month to three months.

21 貿易應付款

於報告日期，本集團根據發票日期的貿易應付款的賬齡分析如下：

列入貿易應付款的應付關聯方的款項如下：

貿易應付款，包括應付關聯方的賬款，為不計息且一般於一至三個月內結算。

22 OTHER PAYABLES AND ACCRUALS

22 其他應付款及應計費用

		Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Advances from customers	客戶預付款	—	289,320
Accrued payroll	應計薪金	140,808	158,160
Termination benefits payables	應付離職補償	5,386	7,103
Interest payables	應付利息	2,467	194
Other tax payables	其他應付稅項	39,214	28,089
Guarantee deposits from customers	客戶保證金	80,766	67,280
Accrued expenses	預提費用	613,480	429,849
Payables for constructions of property, plant and equipment	應付工程款	41,123	30,849
Others	其他	27,094	26,814
		950,338	1,037,658

The above amounts, including those due to related parties, are unsecured, non-interest-bearing and have no fixed terms of repayment.

上述款項，包括這些應付關聯方的賬款，為無抵押、免息及無固定還款期。

22 OTHER PAYABLES AND ACCRUALS (Continued) 22 其他應付款及應計費用(續)

The amounts due to related parties included in other payables and accruals are as follows:

列入其他應付款項和應計費用的應付關聯方的款項如下：

	Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Subsidiaries of the parent's main shareholder 最終控股公司的主要股東的附屬公司	20	40
A substantial shareholder and its subsidiaries 對本集團有重大影響的投資方及其附屬公司	7,897	4,639
	7,917	4,679

23 INTEREST-BEARING BANK LOANS

23 計息銀行借款

		Unaudited 未經審核 As at 30 June 2018 於2018年6月30日			Audited 經審核 As at 31 December 2017 於2017年12月31日		
		Effective interest	Maturity	RMB'000	Effective interest	Maturity	RMB'000
Notes		rate (%)			rate (%)		
附註		實際利率(%)	到期時間	人民幣千元	實際利率(%)	到期時間	人民幣千元
Current	即期						
Short-term bank loans:	短期銀行貸款：						
— Pledged loans	— 質押借款	(a) 0.30 to 3.30*	2019	558,844	0.80 to 3.30	2018	262,813
— Pledged and guaranteed loans	— 抵押借款及擔保借款	(b) —	—	—	2.41 to 2.76	2018	66,883
— Credit loans	— 信用借款	—	—	—	1.47	2018	200,000
				558,844			529,696

		Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Bank loans denominated in	銀行貸款		
— Renminbi ("RMB")	— 以人民幣計值	320,927	249,421
— Hong Kong Dollar ("HKD")	— 以港幣計值	129,837	128,729
— New Zealand Dollar ("NZD")	— 以紐幣計值	54,704	53,498
— European Dollar ("EUR")	— 以歐元計值	45,354	52,197
— United States Dollar ("USD")	— 以美元計值	8,022	33,799
— Australian Dollar ("AUD")	— 以澳元計值	—	12,052
		558,844	529,696

23 INTEREST-BEARING BANK LOANS (Continued)

Notes:

(a) As at 30 June 2018, certain bank loans with an aggregate amount of approximately RMB287,860,000 (31 December 2017: RMB213,392,000) were secured by bank balances amounting to RMB326,100,000 (31 December 2017: RMB234,731,000). A bank loan with an amount of approximately RMB170,926,000 (31 December 2017: RMB49,421,000) was secured by a bank wealth management product amounting to RMB172,360,000 (31 December 2017: RMB49,052,000). A bank loan of RMB100,058,000 (31 December 2017: RMB66,883,000) was secured by the total assets of Yashili New Zealand. As at 30 June 2018, the carrying amount of the total assets of Yashili New Zealand was NZD318,437,000 (31 December 2017: NZD305,333,000).

(b) As at 30 June 2018, none of the bank loans was pledged or guaranteed (31 December 2017: RMB66,883,000 was guaranteed by Yashili (Guangdong)).

* The contracted interest rates were HIBOR+0.7, HIBOR+0.8, LIBOR+1.0, BKBM¹+1.0, 0.3, 3.0, 3.1 or 3.3.

1. BKBM: The New Zealand Bank Bill Benchmark Rate (BKBM) is a base rate in New Zealand.

23 計息銀行借款(續)

附註：

(a) 於2018年6月30日，一些總數額約為人民幣287,860,000元(2017年12月31日：人民幣213,392,000元)的銀行貸款以人民幣326,100,000元(2017年12月31日：人民幣234,731,000元)的存款進行質押。一些總數額約為人民幣170,926,000元(2017年12月31日：49,421,000元)的銀行貸款以人民幣172,360,000元(2017年12月31日：人民幣49,052,000元)的商業銀行財富投資產品進行質押。一些總數額約為人民幣100,058,000元(2017年12月31日：人民幣66,883,000元)的銀行貸款以新西蘭乳業截至2018年6月30日價值約為紐幣318,437,000元(2017年12月31日：紐幣305,333,000元)的全部資產進行抵押。

(b) 於2018年6月30日，無被抵押或被擔保的銀行貸款(2017年12月31日：人民幣66,883,000元的銀行貸款由雅士利(廣東)擔保)。

* 合同利率為HIBOR+0.7，HIBOR+0.8，LIBOR+1.0，BKBM¹+1.0，0.3，3.0，3.1或3.3。

1. BKBM：新西蘭銀行票據基準利率為新西蘭金融市場中的基礎參考匯率。

24 SHARE CAPITAL

24 股本

		Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Authorised: 10,000,000,000 ordinary shares of HK\$0.1 each	已註冊： 10,000,000,000股每股面值 0.1港元的普通股	861,600	861,600
		Number of ordinary shares 普通股數目 (in thousand) (千股)	Nominal value 面值 RMB'000 人民幣千元
Issued and fully paid: At 1 January 2018 (Audited)	已發行及繳足： 於2018年1月1日(經審核)	4,745,560	399,352
As 30 June 2018 (Unaudited)	於2018年6月30日 (未經審核)	4,745,560	399,352
At 1 January 2017 (Audited)	於2017年1月1日(經審核)	4,745,560	399,352
As 30 June 2017 (Unaudited)	於2017年6月30日(未經 審核)	4,745,560	399,352

25 RESERVES

The amounts of the Group's reserves and the movements therein for the six months ended 30 June 2018 and 2017 are presented in the unaudited interim consolidated statement of changes in equity on page 52 of these unaudited interim condensed consolidated financial statements.

26 DISPOSAL OF A SUBSIDIARY

Disposal of Yashili (Heilongjiang)

In June 2017, the Group disposed of a 100% equity interest in Heilongjiang Yashili Dairy Co., Ltd ("Yashili (Heilongjiang)") to an independent third party.

The net assets of Yashili (Heilongjiang) as at the date of disposal were as follows:

25 儲備

本集團分別截至2018年6月30日及2017年6月30日止6個月期間的儲備金額及其變動呈列於本未經審核中期簡明合併財務報表第52頁未經審核中期合併權益變動表。

26 處置子公司

處置雅士利(黑龍江)

於2017年6月，本集團將持有的黑龍江雅士利乳業有限公司(以下簡稱雅士利(黑龍江))的100%權益轉讓給了獨立第三方。

於處置日，雅士利(黑龍江)之淨資產如下：

		Notes 附註	RMB'000 人民幣千元
Net assets disposed of:	處置的淨資產賬面價值：		
Property, plant and equipment	物業、廠房及設備	12	25,289
Construction in progress	在建工程	13	41
Intangible assets	無形資產		2,506
Inventories	存貨		588
Prepayments, deposits and other receivables	預付款項、押金及其他應收款項		60
Trade payables	貿易應付款		(635)
Accruals and other payables	應計費用及其他應付款		(11,445)
Tax payable	應付所得稅		41
			16,445
Loss on disposal of a subsidiary	處置子公司損失	6	(11,698)
			4,747
Satisfied by:	收到的對價：		
Cash	現金		4,747

26 DISPOSAL OF A SUBSIDIARY (Continued)**Disposal of Yashili (Heilongjiang) (Continued)**

An analysis of the cash flows in respect of the disposal of Yashili (Heilongjiang) for the current period is as follows:

		RMB'000 人民幣千元
Cash consideration	現金對價	4,747
Cash and bank balances disposed of	處置現金及銀行存款	—
Net outflow of cash and cash equivalents in respect of the disposal of a subsidiary	計入投資活動產生的現金流量之現金及 現金等價物流出淨額	4,747

27 ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH THE ASSETS CLASSIFIED AS HELD FOR SALE

In December 2015, the Company decided to dispose of Scient (China). As at 31 December 2017, the related assets of the subsidiary were classified as held for sale.

26 處置子公司(續)**處置雅士利(黑龍江)(續)**

於本期間，有關處置雅士利(黑龍江)事項之現金流分束列載如下：

27 分類為持有待售的處置組資產及與分類為持有待售資產直接相關的負債

2015年12月，本公司決定出售子公司施恩(中國)。於2017年12月31日，這家子公司的相關資產被劃分至持有待售資產組。

27 ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH THE ASSETS CLASSIFIED AS HELD FOR SALE (Continued)

27 分類為持有待售的處置組資產及與分類為持有待售資產直接相關的負債(續)

On 22 December 2017, Scient (China), Guangdong Development District Land Development and Reserve Exchange (“GDD”) and its agents entered into an expropriation and compensation agreement pursuant to which certain properties of Scient (China) will be expropriated by GDD for a compensation amount of RMB252,822,000. The transaction was completed in January 2018.

於2017年12月22日，施恩(中國)、廣州開發區土地開發儲備交易中心及其代理訂立一項徵收補償協議，據此廣州開發區土地開發儲備交易中心將自施恩(中國)徵收物業，補償金額為人民幣252,822,000元。該交易已於2018年1月完成。

		Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Assets:	資產：		
Property, plant and equipment	物業、廠房及設備	—	159,550
Land use rights	土地使用權	—	27,687
Assets classified as held for sale	分類為持有待售的處置資產	—	187,237
Net assets directly associated with the disposal group	與處置組直接相關的淨資產	—	187,237

28 CAPITAL COMMITMENTS

The Group had the following outstanding capital commitments in respect of the purchase and construction of items of property, plant and equipment as at the end of the reporting period:

28 資本承擔

於報告期末，本集團有關購置及興建物業、廠房及設備的資本承擔如下：

		Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Contracted, but not provided for:	已訂約但未撥備：		
Land and buildings	房屋及建築物	3,063	7,592
Plant and machinery	機械設備	5,770	15,509
		8,833	23,101

29 RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions and balances which are disclosed elsewhere in these financial statements, the Group had the following significant transactions with its related parties.

29 關聯方交易

- (a) 除於本財務報表其他段落披露的交易及結餘外，本集團與其關聯人士進行下列重大交易。

		Unaudited 未經審核 For the six months ended 30 June 截至6月30日止6個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Transactions with subsidiaries of the ultimate holding company	與最終控股公司的子公司的 關聯方交易		
Sale of raw materials	銷售原料	—	35
Sale of milk powder products	銷售奶粉產品	160	534
Purchase of milk powder products	購買奶粉產品	—	11,573
Purchase of raw materials	購買原料	29,956	32,999
Purchase of complimentary products	購買搭贈商品	3,259	1,213
Income from consigned processing	受託加工收入	44,882	32,503
Service expense	服務費	250	655
Purchase of sponsorship rights	購買贊助權	5,617	—
Trademark licence fee	商標使用許可費	—	—

29 RELATED PARTY TRANSACTIONS (Continued)

29 關聯方交易(續)

(a) (Continued)

(a) (續)

		Unaudited 未經審核 For the six months ended 30 June 截至6月30日止6個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Transactions with subsidiaries of the parent's main shareholder	與最終控股公司的主要股東的聯屬公司的關聯方交易		
Purchase of packing materials	購買包裝材料	21,137	16,194
Purchase of raw materials	購買原料	1,328	3,041
Purchase of products	購買產品	—	358
Transactions with a substantial shareholder and its subsidiaries	對本集團有重大影響的投資方及其附屬公司		
Sale of base powder	銷售基粉	184,010	25,858
Testing service income	檢測服務收入	44	2,553
Rental Income	租賃收入	605	—
Income from consigned processing	受託加工收入	24,829	—
Service expense	服務費支出	—	424
Transactions with associates of the ultimate holding company	與最終控股公司的聯屬公司的關聯方交易		
Purchase of raw materials	購買原料	9,389	—

The directors of the Company are of the opinion that the above related party transactions were conducted on normal commercial terms during 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進行，並在日常業務過程中進行。

29 RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties

Details of the outstanding balances with related parties are set out in notes 17, 18, 21 and 22 to these unaudited interim condensed consolidated financial statements.

(c) Compensation of key management personnel of the Group

		Unaudited 未經審核 For the six months ended 30 June 截至6月30日止6個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Directors' fees	董事袍金	330	330
Salaries and allowances	薪金及津貼	892	1,209
Retirement benefit contributions	退休福利供款	37	45

The key management compensation represented the remuneration paid or payable to the directors and senior executives of the Company.

主要管理人員的報酬指已付或須付予本公司董事和高級行政人員的酬金。

29 關聯方交易(續)

(b) 與關聯方的未償還結餘

有關與關聯方的未償還結餘詳情載於本未經審核中期簡明合併財務報表附註17、18、21及22。

(c) 本集團主要管理人員的酬金

30 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below, is an overview of financial assets, other than cash and short-term deposits, held by the Group as at 30 June 2018 and 31 December 2017.

30 按類別劃分的金融工具

以下為2018年6月30日和2017年12月31日本集團持有的現金和短期存款以外的金融資產。

		Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Financial assets	金融資產		
Financial instruments at amortised cost	以攤餘成本計量的金融工具		
Trade and bills receivables	貿易應收款及票據	166,942	144,336
Deposits and other receivables	押金及其他應收款項	35,953	69,065
Pledged deposits	受限制銀行存款	329,691	243,621
Cash and bank balances	現金及銀行結餘	2,063,096	1,748,395
Financial assets at fair value through profit or loss	以公允價值變動計損益計量的金融資產		
Other current financial assets	其他流動金融資產	626,646	724,748
Total	總計	3,222,328	2,930,165

30 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Continued)

30 按類別劃分的金融工具(續)

Set out below is an overview of financial liabilities held by the Group as at 30 June 2018 and 31 December 2017.

以下為本集團於2018年6月30日及2017年12月31日持有的金融負債。

		Unaudited 未經審核 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Audited 經審核 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元
Financial liabilities	金融負債		
Financial liabilities at amortised cost	以攤餘成本計量的金融負債		
Trade payables	貿易應付款	289,387	338,440
Other payables and accruals	其他應付款及應計費用	764,930	554,986
Short-term interest-bearing bank loans	短期計息銀行借款	558,844	529,696
Total	合計	1,613,161	1,423,122

31 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, the current portion of pledged deposits, trade and bills receivables, other current financial assets, trade payables, financial assets included in prepayments and deposits, interest receivable, and other receivables, financial liabilities included in accruals and customers' deposits, interest payables and other payables and accruals, short-term bank loans approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's corporate finance team headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the management. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the management. The valuation process and results are discussed with the management twice a year for interim and annual financial reporting.

The fair values of the financial assets are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of pledged deposits and long-term bank deposits have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

31 金融工具之公允值及公允值層級

管理部門已評估現金和現金等價物、計入流動資產部分的抵押存款、貿易應收款及應收票據、其他金融資產、貿易應付款項、計入預付款及按金、應收利息及其他應收款項的金融資產、計入預提費用及客戶訂金、應付利息及其他應付款項的金融負債、短期計息銀行借款的公允價值與其賬面價值相同，由於這些金融工具的大部分將在短期內到期。

本集團由財務經理負責的財務團隊負責確定金融工具公允價值計量的政策和程序。財務團隊直接向管理層報告。在每個報告日，公司財務團隊分析金融工具價值的變動並確定應用於估值的主要輸入值。該估值由管理層審核與批准。為了中期和年度財務報告，估值過程和結果與管理層每年討論兩次。

金融資產的公允價值以該工具自願交易方(強迫或清盤出售除外)當前交易下之可交易金額入賬。下列方法及假設乃用以估計公允價值：

計入非流動資產的抵押存款、長期銀行存款的公允價值乃採用類似條款、信貸風險及餘下到期日的工具現時可獲的利率折現預期未來現金流量的方式計算。

31 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

Assets for which fair values are disclosed:

		Fair value measurement using 公允價值計量的應用	
		As at 30 June 2018 於2018年 6月30日 Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三等級) RMB'000 人民幣千元	As at 31 December 2017 於2017年 12月31日 Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三等級) RMB'000 人民幣千元
Other current financial assets	其他流動金融資產	626,646	724,748

During the six months ended 30 June 2018, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets (six months ended 30 June 2017: Nil).

31 金融工具之公允價值及公允價值層級(續)

公允價值層級

本集團採用以下層次以說明金融工具的公允價值計量：

按公允價值計量的資產：

於截至2018年6月30日止六個月期間，金融資產並無第一等級與第二等級之間的公允價值轉移，且無自第三等級的轉入或轉出(截至2017年6月30日止六個月：無)。

32 EVENTS AFTER THE REPORTING PERIOD

As at the approval date of the unaudited interim condensed consolidated financial statements, the Group had no significant events after the reporting period which need to be disclosed.

33 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current period's presentation.

34 APPROVAL OF THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 29 August 2018.

32 報告期後事項

於本未經審核中期簡明合併財務報表批准日，本集團無需披露的重大報告期後事項需披露。

33 比較數字

若干比較數字乃經重新編排，以符合本期之呈報形式。

34 批准未經審核中期簡明合併財務報表

本未經審核中期簡明合併財務報表於2018年8月29日經董事會批准並授權刊發。



雅士利®

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Design And Produced By: EDICO Financial Press Services Limited
設計及製作：鉅京財經印刷服務有限公司