



蒙牛®



FIFA WORLD CUP  
RUSSIA  
2018

2018 FIFA 世界盃全球官方贊助商

China Mengniu Dairy Company Limited

中國蒙牛乳業有限公司\*

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

Stock Code 股份代號：2319

Interim Report 中期報告

2018



\* For identification purpose only 僅供識別



## CORPORATE PROFILE

China Mengniu Dairy Company Limited (the “Company”; stock code: 2319) and its subsidiaries (collectively the “Group” or “Mengniu”) manufacture and distribute quality dairy products in China. It is one of the leading dairy product manufacturers in China, with **MENGIU** as its core brand. Mengniu’s diversified products include liquid milk (such as UHT milk, milk beverages and yogurt), ice cream, milk formula and other products (such as plant-based protein beverage and cheese). Mengniu made it on the “Global Dairy Top 20” list published by Rabobank, placing itself among the top 10 of dairy industry in 2017 and 2018 consecutively. By the end of June 2018, the Group’s annual production capacity of dairy products reached 9.51 million tons. In March 2014, Mengniu became a Hang Seng Index constituent, making it the first blue chip Chinese dairy product enterprise.

### 公司簡介

中國蒙牛乳業有限公司(「本公司」；股份代號：2319)及其子公司(統稱「本集團」或「蒙牛」)於中國生產及銷售優質乳製品。憑藉其主要品牌**蒙牛**，蒙牛已成為中國領先的乳製品生產商之一。蒙牛提供多元化的產品，包括液態奶(如UHT奶、乳飲料及酸奶)、冰淇淋、奶粉及其他產品(如植物蛋白飲品、奶酪等)。蒙牛於二零一七年及二零一八年連續兩年於荷蘭合作銀行公佈的「全球乳業20強」佔據全球首十名。截至二零一八年六月底，本集團乳製品的年生產能力達951萬噸。二零一四年三月，蒙牛獲納入恒生指數成份股，成為首家中國乳製品企業藍籌股。

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# CORPORATE INFORMATION

## 公司資料

### Board of Directors

#### Executive Directors

Mr. LU Minfang  
Ms. WU Wenting

#### Non-executive Directors

Mr. MA Jianping (*Chairman*)  
Mr. NIU Gensheng  
Mr. Tim Ørting JØRGENSEN  
Mr. Pascal DE PETRINI

#### Independent Non-executive Directors

Mr. JIAO Shuge (alias JIAO Zhen) (*Vice-Chairman*)  
Mr. Julian Juul WOLHARDT  
Mr. ZHANG Xiaoya  
Mr. YAU Ka Chi

### Senior Management

Mr. ZHANG Ping  
Mr. LIU Shengli  
Mr. GAO Fei  
Mr. LUO Yan  
Mr. WEN Yongping  
Mr. ZHANG Zhaoxu  
Mr. Yu Weizu  
Mr. YANG Zhigang  
Mr. ZHANG Yong  
Mr. KWOK Wai Cheong, Chris (*Qualified Accountant & Company Secretary*)

### Stock Code

Hong Kong Stock Exchange 2319

### Investor Relations Contact

Ms. Willow Wu  
32nd Floor, COFCO Tower  
262 Gloucester Road  
Causeway Bay  
Hong Kong  
Email: ir@mengniu.cn  
Website: www.mengniuir.com

### 董事會

#### 執行董事

盧敏放先生  
吳文婷女士

#### 非執行董事

馬建平先生(*主席*)  
牛根生先生  
Tim Ørting JØRGENSEN先生  
Pascal DE PETRINI先生

#### 獨立非執行董事

焦樹閣(又名焦震)先生(*副主席*)  
Julian Juul WOLHARDT先生  
張曉亞先生  
邱家賜先生

### 高級管理層

張平先生  
劉勝利先生  
高飛先生  
羅彥先生  
溫永平先生  
張朝旭先生  
俞偉祖先生  
楊志剛先生  
張崑先生  
郭偉昌先生(*合資格會計師及公司秘書*)

### 股份代號

香港聯合交易所 2319

### 投資者關係聯絡人

吳柳英女士  
香港  
銅鑼灣  
告士打道262號  
中糧大廈32樓  
電郵地址: ir@mengniu.cn  
網址: www.mengniuir.com

CORPORATE INFORMATION  
公司資料**Place of Business in Hong Kong**

32nd Floor, COFCO Tower  
262 Gloucester Road, Causeway Bay  
Hong Kong

**Registered Office**

Maples Corporate Services Limited  
P.O. Box 309  
Ugland House  
Grand Cayman KY1-1104  
Cayman Islands

**Principal Share Registrar**

SMP Partners (Cayman) Limited  
Royal Bank House – 3rd Floor  
24 Shedden Road  
P.O. Box 1586  
Grand Cayman, KY1-1110  
Cayman Islands

**Hong Kong Branch Share Registrar**

Computershare Hong Kong Investor Services Limited  
46th Floor, Hopewell Center  
183 Queen's Road East, Wanchai  
Hong Kong

**Legal Advisors**

*As to Hong Kong Law*  
Sullivan & Cromwell (Hong Kong) LLP

*As to Cayman Islands Law*  
Maples and Calder Asia

**Principal Bankers**

Agricultural Bank of China  
BNP Paribas  
DBS Bank  
Industrial Commercial Bank of China  
Rabobank  
Standard Chartered Bank

**Auditors**

Ernst & Young

**Investor Relations Consultant**

Strategic Financial Relations (China) Limited

**香港營業地點**

香港  
銅鑼灣告士打道262號  
中糧大廈32樓

**註冊辦事處**

Maples Corporate Services Limited  
P.O. Box 309  
Ugland House  
Grand Cayman KY1-1104  
Cayman Islands

**主要股份過戶登記處**

SMP Partners (Cayman) Limited  
Royal Bank House – 3rd Floor  
24 Shedden Road  
P.O. Box 1586  
Grand Cayman, KY1-1110  
Cayman Islands

**香港股份過戶登記分處**

香港中央證券登記有限公司  
香港  
灣仔皇后大道東183號  
合和中心46樓

**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

*開曼群島法律*  
Maples and Calder Asia

**主要往來銀行**

中國農業銀行  
法國巴黎銀行  
星展銀行  
中國工商銀行  
荷蘭合作銀行  
渣打銀行

**核數師**

安永會計師事務所

**投資者關係顧問**

縱橫財經公關顧問(中國)有限公司

## HIGHLIGHTS

### 摘要

| For the six months ended<br>30 June (Unaudited) | 截至六月三十日止六個月<br>(未經審核) | 2018                      | 2017                      | Change         |
|---|-----------------------|---------------------------|---------------------------|----------------|
|   |                       | 二零一八年<br>RMB'000<br>人民幣千元 | 二零一七年<br>RMB'000<br>人民幣千元 | 變動<br>%<br>百分比 |
| Revenue   | 收入                    | <b>34,474,336</b>         | 29,465,755                | 17.0%          |
| Gross profit                                    | 毛利                    | <b>13,522,279</b>         | 10,502,573                | 28.8%          |
| Profit attributable to Owners of<br>the Company | 本公司擁有人應佔利潤            | <b>1,562,013</b>          | 1,127,900                 | 38.5%          |
| Net cash flows from operating activities        | 經營業務產生的淨現金流量          | <b>3,400,346</b>          | 3,434,149                 | (1.0%)         |
| Earnings per share (RMB)                        | 每股盈利(人民幣元)            |                           |                           |                |
| – Basic   | – 基本                  | <b>0.400</b>              | 0.290                     | 37.9%          |
| – Diluted                                       | – 攤薄                  | <b>0.400</b>              | 0.290                     | 37.9%          |

- Mengniu, for the tenth consecutive year, made the “Global Dairy Top 20” list published by Rabobank, and placed among the top 10 for the second year. It was also named one of the top 20 in the BrandZ™ list of the most valuable Chinese brands for the fourth consecutive year and ranked first on the brand contribution list.
- Mengniu, as an Official 2018 FIFA World Cup™ Sponsor, was able to push forward with its international brand building and promote four categories comprising a total of 161 products under 27 brands through its large scale all-channel integrated marketing activity. The “FIFA World Cup Fun, Scan the code for Red Packet 100%” (“Scan the Code for Red Packet”) activity received overwhelming responses with accumulatively more than 230 million times of code scanning.
- Mengniu’s room temperature and chilled products further strengthened their market leadership. Room temperature products continued to push for high-end brand upgrades. Room temperature yogurt achieved satisfactory growth in sales driven by launch of new products. As for chilled products, *Mengniu*, *Champion* and *Bio* yogurts maintained relatively fast growth. New probiotics beverage and yogurt products managed rapid growth and impressive performances in market penetration.
- 蒙牛連續十年入選荷蘭合作銀行公佈的「全球乳業20強」，並連續第二年佔據全球前十名。此外，蒙牛連續四年入選BrandZ™最具價值中國品牌榜前20強，及躍居品牌貢獻總榜第一名。
- 蒙牛作為2018 FIFA世界盃全球官方贊助商，大力推進國際化品牌建設，為旗下4大品類共27個品牌的161個產品進行大型整合營銷活動，獲得空前反響，「玩轉FIFA世界盃，掃碼紅包100%」(「掃碼紅包」)活動的掃碼人次累計超過2.3億。
- 蒙牛常溫及低溫產品進一步鞏固市場領先地位。常溫產品持續推動高端品牌升級，常溫酸奶銷售在新品的帶動下取得良好增長；低溫產品方面，蒙牛、冠益乳及碧悠品牌酸奶繼續保持較快增長，乳酸菌飲料及酸奶新品成長迅速，市場滲透表現亮眼。



HIGHLIGHTS  
摘要

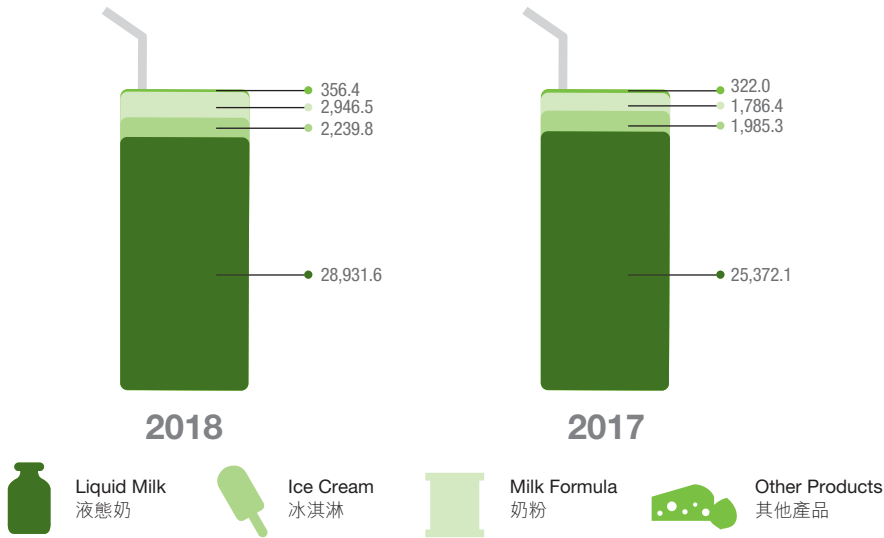
- Mengniu was committed to product innovation to continuously boost “product power”. By leveraging the 2018 FIFA World Cup™ (“World Cup”) sponsorship and related marketing, it reinforced its leading brands and carried out full product line upgrades to boost “brand power”, further promoting horizontal diversification of various product categories as well as vertical development of product brands to target middle to high-end market. Progress was also made in development of new markets for fresh milk, cheese, plant-based nutrition products and so on.
- Mengniu strived to fully execute its Route to Market (RTM) strategy and speed up development of point-of-sales. It also forged strategic partnerships with Alibaba and JD.com to help its e-commerce division accelerate development, explore new retail modes and keep optimizing channel expansion.
- Mengniu further deployed its business division system. By pursuing quality and efficiency upgrade plus cost reduction across the entire supply chain, the Group managed to continuously enhance its product quality, operational efficiency and profitability. Mengniu also led the way in using a completely data-enabled industrial chain, and launched an intelligent supply chain project in May this year.
- 蒙牛致力於創新產品以持續提升「產品力」，借力2018 FIFA世界盃（「世界盃」）贊助及相關營銷鞏固優勢品牌、全綫升級以提升「品牌力」，推進各品類橫向多元化，品牌縱向往中高端發展，及拓展鮮奶、奶酪、植物基營養品等新市場。
- 蒙牛深化通路精耕（Route to Market，簡稱「RTM」）策略，加強終端建設，同時攜手阿里巴巴及京東等戰略夥伴，加速發展電商事業部、積極拓展新零售模式，不斷優化渠道擴展。
- 蒙牛深化落實事業部制，通過供應鏈端對端提質增效、降低成本，持續提升產品質量、營運效率及盈利能力，並率先用數據賦能全產業鏈，於今年五月啟動智慧供應鏈項目。

HIGHLIGHTS  
摘要

Revenue by Product Mix  
For the six months ended 30 June

RMB Million  
人民幣百萬元

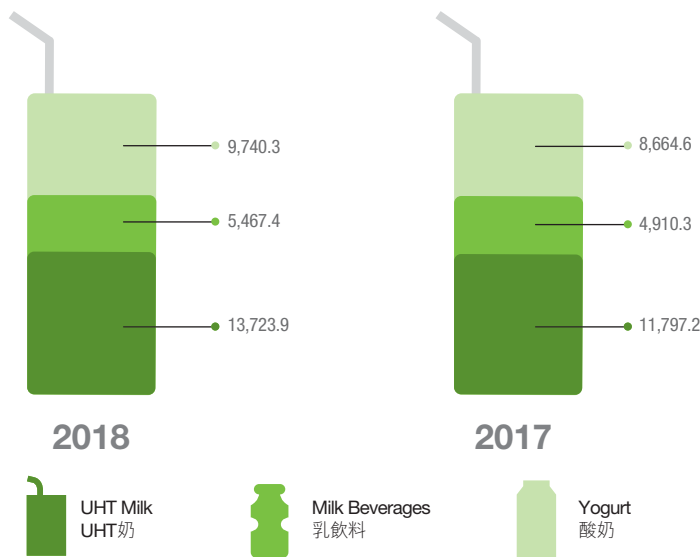
按產品劃分之收入  
截至六月三十日止六個月



Revenue by Product Mix in Liquid Milk Segment  
For the six months ended 30 June

RMB Million  
人民幣百萬元

按液體奶產品劃分之收入  
截至六月三十日止六個月





# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Industry Review

In the first half of 2018, the Chinese economy continued to develop steadily driving growth of domestic consumption demand, hence presented conditions in favor of the stable development of the dairy product industry. During the period, the GDP of China amounted to RMB41.8961 trillion, an increase of 6.8% year-on-year. National Resident Per Capita Disposable Income increased by 8.7% year-on-year to approximately RMB14,063. China's Total Retail Sales of Consumer Goods were RMB18.0018 trillion, an increase of 9.4% year-on-year.

With the society's population aging, family size becoming smaller and younger consumers emerging as the main consumption groups, consumption demands have been shifting towards high-end, diversified, health oriented products with unique consumption experience. The phenomenon has stimulated the upgrade of industry structure. Product innovation and enhancing brand power continuously have become the strategies of corporations to attract consumers. In addition, ongoing urbanization drives the channel penetration into lower-tier markets. The consumption demand from the third-tier and fourth-tier cities is becoming one of the growth drivers of the dairy product industry. Since online shopping has become common among consumers, e-commerce sales of fast-moving consumer goods have been climbing rapidly. And consumption through mobile devices has led to fragmenting of e-commerce shopping, which also requires enterprises to hasten e-commerce penetration, push for integration of online and offline marketing, and speed up deployment of the "new retail" business mode to better capture market share.

For the liquid milk market, alongside consumption demand upgrade, room temperature yogurt, high-end pure milk and chilled products have become the main growth engine of the industry. Regarding domestic infant milk formula, the market has been continuously developing in steady strides, owed mainly to quality upgrade, brand promotion and the two-child policy. The organic infant milk formula market, in particular, is growing fast. As at August this year, under the launched infant milk formula registration system, China government has approved 1,177 infant milk product formulas, which was significantly fewer than the formulas available in the market before the system took effect, meaning the market is subjected to yet more stringent regulations, which is going to benefit the stronger players.

### 行業回顧

二零一八年上半年，國內經濟保持平穩發展，帶動國民的消費需求增長，為奶製品行業的穩定發展提供有利條件。期內中國國民生產總值達人民幣41,8961億元，同比增長6.8%；全國居民人均可支配收入約人民幣14,063元，比上年同期增長8.7%。中國社會消費品零售總額達人民幣180,018億元，同比增長9.4%。

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，三四線城市的消費需求成為乳品行業的其中一個增長動力。由於網購已經成為消費者購物的普遍方式，快速消費品的電商銷售額正高速增長，而通過移動端購買的模式則推動了電商購物的碎片化，企業需要加速電商的滲透、推動線上線下融合行銷、加快「新零售」業態的佈局，以爭取市場份額。

液態奶市場方面，隨著消費需求的升級，常溫酸奶、高端純牛奶及低溫品類成為行業的主要增長引擎。國內嬰幼兒配方奶粉方面，透過品質升級及品牌推廣、加上得益於二胎政策，市場繼續維持平穩發展，有機嬰幼兒配方奶粉市場更是增長迅速。截至今年八月，中國政府已實施的嬰幼兒奶粉配方註冊制共批准1,177個嬰幼兒配方乳粉產品配方，較實施前市場上的配方存量銳減，進一步規範奶粉市場，有利於汰弱留強。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

Moreover, in June this year, the State Council of the PRC issued a circular to further revive the milk industry and improve the quality and safety of domestic dairy products. Its purposes are to further optimize the industry and product structure, promote the quality, competitiveness and reputation of dairy products, strengthen the quality and safety of dairy products and in turn consumer confidence in them, and facilitate the synergistic development of dairy production and the ecology. The target, as stated in the circular, is to completely revitalize the dairy industry by 2025. When relevant new policies are introduced, the supply-side structural reform and modernization of the dairy industry are expected to achieve yet more progress.

To speed up upgrade and transformation of China's dairy industry, industry players have been keen on "going global" to help them enhance technologies as well as research and development capability, improve overall product quality and explore overseas markets. The management of the Group believes the dairy product industry has advanced into the era of 4U, i.e. User, Universal, Unique and United (across channels). The keys to development of enterprises in China include adopting the user-oriented approach, speeding up integration into the global economy, shrewd in capturing emerging consumer groups and effectively building new consumption channels, all of which are also the corporate development strategies of Mengniu.

### Business Review

In the first half of 2018, Mengniu further deployed its business division system. Its four major business divisions, namely room temperature, chilled, milk formula and ice cream products achieved synergistic development and sustainable quality growth. By pursuing quality and efficiency upgrade as well as cost reduction across the entire supply chain, the Group managed to continuously enhance product quality, operational efficiency and profitability.

另一方面，中國國務院於今年六月發佈了「國務院辦公廳關於推進奶業振興、保障乳品質量安全的意見」，以進一步優化產業和產品結構，提升乳品的品質、競爭力和美譽度，提高乳品質量安全水平及消費信心，促進奶業生產與生態協同發展，目標為至二零二五年實現奶業全面振興。預期新政推出後，奶業供給側結構性改革及奶業現代化建設將取得更佳進展。

為加快中國乳業升級轉型，業界正積極「走出去」，以不斷提升技術和研發能力，全面提升產品品質，並開拓國外市場。本集團管理層認為，現時乳品行業已進入4U時代，即User(用戶)、Universal(國際化)、Unique(個性化)及United(跨界聯合)。以用戶為核心、更快速融入世界經濟體系、敏銳捕捉新消費群體、有效打開新消費渠道，將是中國企業發展的關鍵之鑰，也是蒙牛的企業發展策略。

### 業務回顧

二零一八年上半年，蒙牛深化落實事業部制，常溫、低溫、奶粉、冰淇淋四大事業部進一步協同發展，取得高質量的可持續增長。通過供應鏈端對端提質增效降低成本，本集團持續提升產品質量、營運效率及盈利能力。

MANAGEMENT DISCUSSION AND ANALYSIS  
管理層討論及分析

Mengniu for the first time sponsored an international sports competition, becoming an Official 2018 FIFA World Cup™ Sponsor. The Group was able to forcefully push forward with its international brand building via promoting four categories comprising a total of 161 products under 27 brands. During the period, Mengniu uses “Power of Nature, Born for Greatness” as its World Cup marketing campaign theme. “Mengniu” brand shone at Russia World Cup and captured market attention, at home and abroad, through its all-channel integrated marketing activities. At the same time, Mengniu focused on enhancing interaction with consumers, including launching the large-scale integrated marketing activity “Scan the Code for Red Packet”. The activity received overwhelming responses with accumulatively more than 230 million times of code scanning.

In 2018, Mengniu, for the tenth consecutive year, made the “Global Dairy Top 20” list published by Rabobank, and also for the second year placed among the top 10 at the forefront of dairy industry. And, it has been named one of the top 20 in the BrandZ™ list of the most valuable Chinese brands for the fourth consecutive year and ranked first in the brand contribution list, testifying again to its brand power. Also, with a consumer reach point (CRP) of over a billion, Mengniu ranked second as the most chosen brand by consumers in the PRC according to the Brand Footprint 2018 report issued by Kantar Worldpanel. Moreover, Mengniu was the official partner of Shanghai Cooperation Organization Summit, with its *Mengniu Pure Milk* series and star products such as *Milk Deluxe*, *Just Yoghurt* easy-to-carry bottle series *Xiaomanyao* and *Deluxe* as the designated products of the event. Mengniu’s quality products again gained recognition of an international conference, marking another step forward on the path of taking the brand international.

蒙牛首次贊助國際級體育賽事，正式成為2018 FIFA世界盃全球官方贊助商，旗下4大品類共27個品牌的161個產品全面聯動，大力推進國際化品牌建設。期內，蒙牛通過世界盃營銷活動主題「自然力量，天生要強」，通過全渠道整合營銷閃耀登場俄羅斯世界盃，成為海內外市場矚目的乳業品牌。同時，蒙牛著力加強與消費者互動，世界盃期間推出「掃碼紅包」大型整合營銷活動，獲得空前反響，獲得累計超過2.3億人次參與。

二零一八年，蒙牛連續十年入選荷蘭合作銀行公佈的「全球乳業二十強」榜單，並連續第二年佔據全球前十名，穩居乳業第一陣營。今年蒙牛已連續四年入選BrandZ™最具價值中國品牌榜前20強，更躍居品牌貢獻總榜第一名，品牌實力再獲背書。在凱度消費者指數發佈的二零一八年全球品牌足跡報告中，蒙牛亦以突破十億人次的消費者觸及數，位列中國市場消費者首選品牌榜第二名。此外，蒙牛成為上海合作組織工商論壇的官方合作夥伴，旗下蒙牛純牛奶系列產品及明星產品特侖蘇、純甄便攜式瓶裝系列小蠻腰、蒂蘭聖雪被授予大會指定產品稱號，「蒙牛質造」再獲世界級會議認可，繼續於品牌國際化的道路上邁前一步。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

During the period, Mengniu focused on tapping “user power” by enhancing interaction with consumers and carefully observing consumer behaviors, while committing to product innovation to help it continue to boost “product power”. To foster “brand power”, it reinforced its leading brands, carried out full product line upgrades, and further promoted horizontal diversification of various product categories as well as vertical development of product brands to target middle to high-end market. The Group also joined hands with Danone S.A. and its subsidiaries (“Danone Group”) and Arla Foods amba (“Arla Foods”) in guiding R&D innovation of the various business divisions, promoted new product launches, and as such launched a host of best-selling products and made progress in developing new markets for fresh milk, cheese, plant-based nutrition products and so on. At the same time, the Group is working on further enhancing deployment of raw milk especially premium raw milk sourcing with reference to local and overseas advanced experiences, with an aim to ensure the supply of quality and unique milk sources and the precise match in milk usage, which in turn to promote product innovation and product quality improvement, and boost product price premiums.

During the period, Mengniu’s room temperature and chilled products further strengthened their market leadership. Room temperature products continued to push for high-end brand upgrades. *Milk Deluxe* launched an upgraded organic product, and hence boosted the development of organic product riding on its brand power. Room temperature yogurts *Just Yoghurt*, *Fruit Milk Drink* and the new brand *ZUO Yogurt* enjoyed synergies and fortified their market share in room temperature yogurt segment. Basic chilled yogurt and *Bio* brand maintained relatively fast growth. New products like *Champion BB-12 Yogurt*, *Yoyi C LC-37* probiotic drink, and *European Charcoal Yogurt* managed rapid growth and impressive performances in market penetration. Yashili International Holdings Ltd (“Yashili”, stock code: 1230) deepened the deployment of business division system and completed its *Yashily* brand upgrade. As of August 2018, Yashili has completed the registration of 48 formulas in 16 series of its own brands and *Arla* which Yashili cooperates with. It has been actively preparing itself for operating against the new market landscape with the infant milk formula registration system now in place. For ice cream products, benefiting from World Cup related online interaction and brand ambassadors marketing to their fans, sales thrived.

期內，蒙牛聚焦「用戶力」，加強與消費者互動及消費者洞察，致力於創新產品以持續提升「產品力」，鞏固優勢品牌、全線升級以提升「品牌力」，推進各品類橫向多元化，品牌縱向往中高端發展。本集團並攜手Danone S.A.及其附屬公司（「Danone集團」）及Arla Foods amba（「Arla Foods」），引領各事業部創新研發，加強新品推出，創造多款熱銷產品，拓展鮮奶、奶酪、植物基營養品等新業務市場。同時，結合國內、國際先進經驗，完善原奶尤其是優質奶源佈局，以保障優質特色奶源供應，精準匹配用奶，助力產品創新、推動品質升級及提高產品溢價。

期內，蒙牛常溫及低溫產品進一步鞏固市場領先地位。常溫產品持續推動高端品牌升級，*特侖蘇*升級上市有機產品，以品牌帶動有機奶品類，常溫酸奶純甄、真果粒及新品牌*ZUO*酸奶協同鞏固常溫酸奶市場份額。低溫基礎酸奶及*碧悠*品牌繼續保持較快增長，*冠益乳BB-12*酸奶、*優益C*的*LC-37*乳酸菌飲料、*歐式炭燒酸奶*等新品成長迅速，市場滲透表現亮眼。雅士利國際控股有限公司（「雅士利」；股份代號：1230）深化事業部制運營，完成*雅士利*品牌升級，截至二零一八年八月已完成旗下產品及合作品牌*Arla*的16個系列48個配方註冊，積極備戰嬰幼兒奶粉配方註冊制施行後的市場新格局。冰淇淋產品則借勢世界盃線上互動及代言人粉絲營銷，成功拉動銷量。

## MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

During the period, the Group strived to fully execute its Route to Market (RTM) strategy by speeding up development of point-of-sales and penetration in lower-tier counties and townships to reinforce its channel advantage. It also forged strategic partnerships with Alibaba and JD.com to help its e-commerce division accelerate development, explore new retail modes and keep optimizing channel promotion.

In the advent of Big Data era, Mengniu led the way in using a completely data-enabled industrial chain and has realized its data-based “Wisdom of a Cup of Good Milk” along the full stretch – upstream and downstream – of its industrial chain. Its target was to facilitate in-depth integration of Big Data and Artificial Intelligence into the entire dairy industrial chain, therefore to achieve digital, network and intelligent transformation of the traditional dairy industry.

By pursuing the “Excellent Milk Source Operation and Management Model” and pushing forward with strengthening deployment of domestic and overseas milk sources, Mengniu strives to enhance internal operational capability, ranch management level as well as the efficiency and professionalism of ranch teams. Also, with the leverage of quality raw milk supply and the plant resources of China Modern Dairy Holdings Ltd. (“China Modern Dairy”, stock code: 1117), the Group was able to enhance synergies of upstream and downstream businesses. Apart from deploying milk sources and exploring markets overseas, as a leading Chinese dairy product enterprise and now the chairman of New Zealand-China Business Council, Mengniu will join hands with the “Belt and Road Dairy Alliance” to actively promote industrial and commercial cooperation worldwide.

### Business Division Performance

#### Room Temperature Product Business

Upgrade efforts continued for product series of various room temperature product brands with innovation pinpointing consumers' needs, resulting in sustainable increase in market shares. Room temperature pure milk products (including *Mengniu Pure Milk* and high-end pure milk *Milk Deluxe*) maintained their steady growth in sales volume and leading market shares. And, with its three major brands *Just Yoghurt*, *Fruit Milk Drink* and *ZUO Yogurt* as engine, Mengniu pushed to develop the room temperature yogurt market with immense growth potential. Room temperature yogurt products achieved satisfactory growth in sales driven by strong new products in the first half of the year.

期內蒙牛致力於深化通路精耕(Route to Market，簡稱「RTM」)策略，加速終端建設，加速渠道向縣鎮村下沉，以鞏固渠道優勢。同時攜手阿里巴巴及京東等戰略夥伴加速發展電商事業部，積極拓展新零售模式，不斷優化渠道推廣。

在大數據時代背景下，蒙牛在行業內率先用數據賦能全產業鏈，在產業鏈的上下游實現數據驅動的「一杯好奶的智慧」，目標推動乳業全產業鏈與大數據、人工智能的深度融合，實現傳統乳業的數字化、網絡化、智能化轉型。

蒙牛持續圍繞「奶源卓越運營管理模式」，深化佈局國內外奶源，同時著力提升內部運營能力、牧場管理水平及牧場團隊的效率和專業性，並持續借力中國現代牧業控股有限公司（「中國現代牧業」；股份代號：1117）的優質原奶供應及工廠資源，在上下游產生進一步協同。在海外佈局奶源及開拓市場的同時，作為中國乳品領軍企業，蒙牛成為中國—新西蘭商務理事會的中方主席單位，未來亦將攜手「一帶一路」乳業聯盟，積極促進國際間行業及經貿交流。

### 事業部表現

#### 常溫業務

常溫產品各品牌持續升級產品系列，針對消費者需求大力創新，持續提升市場份額，常溫純牛奶（包括蒙牛純牛奶和高端純牛奶特侖蘇）產品繼續保持銷量的穩健增長及市場佔有率領先。蒙牛更以純甄、真果粒、ZUO酸奶三大品牌共同驅動，開拓潛力巨大的常溫酸奶市場，常溫酸奶銷售於上半年在新品的帶動下取得良好增長。



## MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

In May this year, *Milk Deluxe Organic Milk* launched its new packaging, adopting a design concept that brings out its high-end and natural qualities. The traditional drinking straw was replaced by “DreamCap™”, making it yet easier to carry and more practical, which leads the industry in taking high-end products to even higher level of excellence. *Just Yoghurt* mounted the World Cup themed marketing activities featuring the slogan “Pure Flavor, Full Enjoyment”, and with the help of focused advertising and effort to encourage online and offline interaction, the brand gained significantly more exposure on various social media platforms. During the period, *Just Yoghurt* launched a high-end easy-to-carry bottle series *Xiaomanyao* and three new flavors in original traditional packaging, adding diversity to the product mix of the brand. For milk beverage *Fruit Milk Drink*, effort was made aiming for breakthrough in product category. Apart from maintaining the popularity of the blueberry flavor product launched to market last year, a new product *Fruit Yogurt* hit the market and quickly achieved strong word-of-mouth as well as sales, with the help of celebrities Li Yifeng and Zhao Liying as brand ambassadors rallying support of their fans, plus the use of various media channels for publicity. *ZUO Yogurt*, which targets younger consumers, launched the bitter, spicy and salty flavors, with the support of the interactive marketing event called “Look at My Face, That’s How Good it Tastes” on Douyin platform with a large younger user base, and became a red hot product on the web. In addition, around the end of last year, Mengniu introduced *Future Star A2B Casein Pure Milk*, made with premium milk in limited supply from meticulously selected ranches, supporting the healthy growth of kids. Mengniu also unveiled to the market its first weight management fiber-rich milkshake milk product *Burnlooking* during the period, and via marketing and publicity on social media presenting the product in different consumption settings, captured eyes of the health conscious mass.

今年五月，特侖蘇有機純牛奶全新包裝上市，以高端自然的設計理念作為產品包裝，以「夢幻蓋」取代傳統的吸管飲用方式，提高了牛奶的便攜性及實用性，引領行業高端品類再升級。純甄圍繞世界盃主題開展營銷活動，以「味道純純，盡享精彩」為口號，通過重點投放廣告資源及加強線上線下互動，於各社交媒體平台曝光率大幅增加。期內純甄推出高端便攜式瓶裝設計新品小蠻腰和傳統包裝的三種新口味新品，令產品組合更多樣化。乳飲料真果粒聚焦品類突破，除了保持去年推出的藍莓味產品的市場熱度外，延伸推出美粒酸奶，憑藉代言人李易峰、趙麗穎的超高人氣開展粉絲營銷，以多種傳播途徑贏得了口碑、銷量的雙豐收。而ZUO酸奶瞄準新生代消費群體推出苦、辣、咸口味，於聚集大量年輕用戶的抖音平台開展「我才是好喝表情帝」互動營銷活動，受到網絡熱議成為「網紅」產品。此外，蒙牛於去年底推出來自專屬牧場、奶源限量供應的未來星A2B-酪蛋白純牛奶，助力兒童健康成長。蒙牛亦於期內推出首款體重管理牛奶優燃纖維奶昔牛奶，通過社交營銷推廣滲透至不同的消費場景，成功吸引注重健康的消費人群。

MANAGEMENT DISCUSSION AND ANALYSIS  
管理層討論及分析**Chilled Product Business**

The chilled product division further enhanced its cooperation with the Group's strategic shareholder Danone Group on product R&D as well as quality and technique, pressing ahead with product structure changes to increase appeal to middle to high-end market and increase product price premium. Through precise and focused efforts to capture key markets and tapping innovative channels, the business was able to further boost both sales and profitability. During the period, Mengniu continued to top the chilled product market in terms of market share. Of all its chilled products, *Mengniu*, *Champion* and *Bio* yogurts maintained relatively faster growth, while *European Charcoal Yogurt* delivered strong performance and tailored-for-channel products boasted impressive growth.

During the first half of the year, Mengniu introduced seven new chilled products, which bolstered growth in sales and profit of the business division. During the period, *Champion* focused on enhancing market penetration of new products. The new product *BB-12*, which was launched last year, achieved higher than expected sales in the first half year thanks to strengthened education communication on the benefits of functional healthy yogurt which helped reinforce the product's "Professional and Functional" positioning and development of markets in southern regions. *Yoyi C LC-37* series, which was launched last year, is an innovative product which revolutionizes probiotics product offerings, overcoming the technical bottleneck faced by the low temperature probiotics industry. During the period, it adopted customized World Cup packaging with the complement of "Scan the Code for Red Packet" activity, which helped stimulate sales. Moreover, deployment was made for the *European Charcoal Yogurt* series with a realized nationwide reach and an expanded series, and as such, it prided strong sales growth in the first half year. In late June, new flavors of the yogurt – lime and peach with pulp – were also introduced. Bio's leading-edge product *Bio Kaquzi* grain mix flavored yogurt, made to address the growing demand of domestic consumers for food replacement, recorded commendable results in key markets such as Shanghai.

**低溫業務**

低溫事業部持續深化與戰略股東Danone集團在產品研發、工藝品質方面的合作，推進產品結構向中高端升級，提高產品溢價水平，通過精耕重點市場及創新拓展渠道，銷售規模及盈利能力均得到進一步提升。期內，蒙牛低溫市場份額持續排名行業第一，其中蒙牛、冠益乳及碧悠品牌酸奶繼續保持較快增長，歐式炭燒酸奶表現強勁，渠道定制產品增長亮眼。

上半年蒙牛共推出七款低溫新品，為低溫業務帶來增長動力，助力提升銷售和盈利。期內，冠益乳著力加強新品市場滲透率，其去年推出的BB-12新品，通過強化保健酸奶功能的教育傳播，鞏固其「專業功能性」酸奶定位，助力拓展南區市場，上半年銷售超越目標。優益C去年推出的LC-37系列，作為顛覆活性乳酸菌品類的創新產品，打破了低溫乳酸菌行業的技術瓶頸，在期內更推出世界盃定製包裝，配合「掃碼紅包」活動，刺激產品銷量。此外，蒙牛的歐式炭燒酸奶佈局全國，拓展系列，上半年銷售增長強勁，於六月底更推出酸青檸、黃桃果粒新口味。碧悠卡趣滋穀物組合風味發酵乳作為碧悠的尖端產品，針對國內消費者日益強烈的代餐需求，在上海等重點市場取得不俗的成績。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### **Milk Formula Business**

As for the milk formula business, Yashili, in which the Group held approximately 51% shares, has an extensive product portfolio. It is made up of such brands as *Yashily*, *Reeborne*, *Dumex*, *Doraler*, *Arla Baby & Me* and *Scient* for healthy growth of infants, and *Youyi*, *Huanqing* and *Zhengwei* for satisfying the nutritional needs of adults, meeting the demands of consumers from mass market to high-end market. As the enterprise which has the most registered formulas in the first batch, as of August 2018, Yashili has completed the registration of 48 formulas in 16 product series of its own brands and *Arla* which Yashili cooperates with in response to the implementation of China infant milk formula registration system. The Group's another milk formula brand, *Junlebao*, has also completed registration of 18 formulas in 6 product series, reflecting the recognition of brand for its professionalism and leadership.

During the period under review, Yashili continued the brand strategy of differentiated deployment. It regrouped and redefined the value, mission and positioning of the corporate brand as well as its five major product brands to respond to the consumption upgrade trend, therefore was able to accomplish coverage of markets of all tiers: *Yashily* and *Dumex* for middle to high-end markets, *Reeborne* and *Doraler* for high-end market, and *Arla Baby & Me* for ultra-high-end market. Yashili also continued to strategically restructure and reinforce its channels. Apart from the four major business units for infant milk formula, three new independent business units have been set up. The new setup with seven business units has been formed to actively promote the Group's star products, while driving the development of other products.

Yashili completed its brand image upgrade in April this year. Leveraging its status of "Craftsmanship Brand" as awarded by China Central Television ("CCTV") and "Official Partner of 2018 World Cup", Yashili promoted its brand through all channels, which resulted in stronger channel and consumer confidence and reputation of the brand.

#### **奶粉業務**

奶粉業務方面，本集團持有約51%股份的雅士利，擁有促進嬰幼兒健康成長的雅士利、瑞哺恩、多美滋、朵拉小羊、Arla寶貝與我、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，憑藉豐富的產品線覆蓋了從主流市場到高端市場不同階層的消費需求。配合中國嬰幼兒奶粉配方註冊制的實施，雅士利作為首批獲得最多嬰幼兒配方奶粉註冊產品的企業，截至二零一八年八月已為旗下產品及合作品牌Arla的16個系列共48個配方完成了註冊，本集團旗下另一品牌君樂寶亦已完成6個系列18個配方的註冊，品牌專業性及領導性備受認可。

於回顧期內，雅士利延續差異化佈局的品牌戰略，重新整合與定義企業品牌與旗下五大品牌的使命、任務和定位，順應消費升級趨勢，實現各層級市場全面覆蓋：中至中高端定位有雅士利和多美滋；高端定位有瑞哺恩和朵拉小羊；超高端市場有Arla寶貝與我。雅士利並持續落實渠道重整合強化的戰略佈局，除了建立了四大嬰配事業部，新增三大獨立事業部，形成七大事業部的格局，積極發展旗下明星產品，帶動其他產品並駕齊驅。

雅士利於今年四月完成品牌形象升級，以其獲中央電視台頒發「匠心品牌」及作為「2018年世界盃官方合作夥伴」的地位進行全方位品牌推廣，提振渠道和消費者信心，知名度及美譽度再獲提升。

MANAGEMENT DISCUSSION AND ANALYSIS  
管理層討論及分析**Ice Cream Business**

The ice cream business division focused on its flagship brand *Suibian*. With the super star Kris Wu as brand ambassador and limelight on its 12 key ice cream products, Mengniu rolled out a large-scale promotion titled “Shake for Red Packets, Win Tickets to the World Cup”, appealing to consumers online and offline, bringing the extraordinary exposure and boosting sales volume. During the period, *Suibian* introduced its new products including the double-layer crunchy belgian chocolate and cherry jam ice cream, and strawberry and chocolate flavor ice cream, made with top quality ingredients and international-grade techniques to foster advancement towards the high-end. In addition, under the high-end brand *Deluxe*, the new product wonder color crunchy ice cream was added and gave a remarkable push to sales of the brand during the first half year. *Ice+* introduced various new products, including the special football shape passion fruit flavor ice cream launched in cooperation with Lionel Messi (“Messi”), all of which far exceeded the set sales targets. New products were also added to *Russian* series and *Mood for Green* series, etc.

**New Business Development****Cheese Business**

With the consumption upgrade trend gathering momentum, the cheese market in China has strong growth prospect. Mengniu thus strengthened cooperation with Arla Foods on deployment to develop the cheese market, and established a cheese business platform to support three major areas of development, namely retail, deep processing of dairy products and cheese for catering service. In the first half of 2018, Mengniu’s cheese business recorded double-digit growth in net income. For the domestic market, Mengniu and Arla Foods together introduced *Arla* shredded mozzarella under the professional catering brand *Arla Pro* which was the first of its kind customized for and produced in China. In addition, the two partners announced the “Five New” strategy, that is, with new products, new formulas, new packaging, new intellectual rights and new marketing, to effect all-round channel deployment, develop strategic product lines, and enrich brand structure, thereby improve overall sales capability for realizing the aspiration of “revitalizing cheese industry to help make the dream of a healthy China come true”. During the period, Mengniu’s cheese business and Arla Foods together signed an agreement to be the official sponsors of the 2018 World Fencing Championships.

**冰淇淋業務**

冰淇淋事業部聚焦第一大冰淇淋品牌隨變，借勢蒙牛冰淇淋代言人一人氣偶像吳亦凡，圍繞十二款重點產品開展「隨變搖紅包，贏世界盃門票」大型主題促銷活動，線上線下全方位覆蓋消費者，通過超高曝光率拉動銷量。期內隨變推出雙脆層比利時巧克力櫻桃果醬夾心冰淇淋及草莓巧克力口味雪糕等新品，採用世界頂尖工藝及優質食材，向高端邁進。高端品牌蒞蘭聖雪推出絢彩脆皮冰淇淋，令該品牌上半年銷售貢獻增長迅猛。Ice+推出多款新品，包括聯手里奧·梅西(Lionel Messi，簡稱「梅西」)推出足球形狀定制產品一百香果口味雪泥等，均大幅超額完成目標銷量。蒙牛俄式系列、綠色心情系列等冰淇淋品牌均有新品推出。

**新業務發展****奶酪業務**

隨著消費升級趨勢日益明顯，中國的奶酪市場增長勢頭良好，蒙牛加強與Arla Foods合作，發力佈局奶酪市場，設立奶酪業務平台發展零售、乳品深加工及餐飲奶酪三大業務。二零一八年上半年，蒙牛奶酪業務淨收入同比取得雙位數增長。針對國內市場，蒙牛聯合Arla Foods引進專業餐飲品牌Arla Pro，推出第一款專為中國市場定制並本地生產的愛氏晨曦馬蘇里拉乾酪絲。此外，蒙牛連同Arla共同發佈「五新」戰略，即通過新產品、新配方、新包裝、新知識產權以及新營銷，佈局全渠道、全力打造戰略產品線、豐富品牌結構，全面提升銷售力，實現「奶酪振興，助推營養健康中國夢」。期內，蒙牛奶酪聯合Arla Foods正式簽約成為二零一八年世界擊劍錦標賽官方贊助商。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### **Fresh Milk Business**

In alignment with international standards, fresh milk business division carried out innovation and upgrade in various aspects including product quality and market coverage. Starting from integration of China Modern Dairy's resources, the quality of the Group's excellent raw milk is superior than imported milk's quality in many aspects. The Group adopt international leading technology system across the entire industrial chain to produce excellent fresh milk for the Chinese. During the period, we launched two new fresh milk products, namely *Shiny Meadow* and *Greenhouse*, which lead a healthy lifestyle of a new era, to cover the middle to high-end fresh milk market.

Since the second half of 2017, the channels of fresh milk business division have mainly covered the major cities of Eastern China, Southern China, Northern China and Central China. While we actively negotiate with, explore and establish presence in traditional channels, which mainly comprised large-scale shopping malls like Walmart, we also closely follow the new retail trend in first-tier and second-tier cities. We have now established our presence in Hema Fresh's trial stores to lead the way in seizing the opportunities in new retail channels. In the future, the fresh milk business will innovate the mode of sales in a planned way and explore the mode of sales of fresh milk more suitable in China.

#### **Plant Protein Beverage Business**

Mengniu engages in the plant-based protein beverage business under the brand *ZhiPuMoFang*. Embracing firmly the product positioning of its *Silk Americano Soymilk* with quality US brand assurance, in March this year, bannered "trendy and healthy, international quality, and great new flavors", the new North America mixed berries flavor soymilk was launched. During the period, *Silk Americano Soymilk* and Starbucks furthered their cross-sector cooperation, with the former offering plant-based solutions such as oat soymilk, almond soymilk and original taste soymilk to the latter for making coffees. The business also took advantage of existing market resources of Mengniu's liquid milk to increase channels and enhance control on point-of-sales.

#### **鮮奶業務**

鮮奶事業部對標國際品質，從產品品質與市場覆蓋等多個方面進行創新與升級，首先整合中國現代牧業資源，以多方面遠超進口奶品質的好原奶，基於全產業鏈，採用國際領先技術系統，生產中國人的好鮮奶。於期內先後發佈*每日鮮語*及*新鮮工廠*兩款鮮奶新品，引領新時代健康生活方式，佈局鮮奶中高端市場。

鮮奶事業部從二零一七年下半年起步至今，渠道主要覆蓋華東、華南、華北、華中的重點城市。在積極洽談、深挖與進駐沃爾瑪等大型商場為主的傳統渠道的同時，緊跟一二線城市新零售風向，現已進駐盒馬鮮生試點，搶佔新零售渠道先機。未來，鮮奶業務將有計劃的進行銷售模式創新，探索更為符合國情的鮮奶銷售方式。

#### **植物蛋白飲品業務**

蒙牛以植樸磨坊品牌從事植物基蛋白飲品業務，以源自美國的高質量品牌保證，堅持其*Silk*美式豆奶的產品定位，主打「時尚健康，國際品質，創新美味」，於今年三月推出全新北美混合莓果味。期內*Silk*美式豆奶加強與星巴克的跨界合作，為其咖啡產品提供燕麥豆奶、巴旦木口味豆奶和原味豆奶等植物基解決方案，並利用蒙牛液態奶現有市場資源，開拓渠道，增強終端掌控力。

MANAGEMENT DISCUSSION AND ANALYSIS  
管理層討論及分析**Overseas Business**

Mengniu's overseas business division took full benefit of the World Cup in the first half year and mounted marketing roadshows in Hong Kong, Singapore and Myanmar, highlighting the theme "Naturally Good, Naturally Strong" to help raise Mengniu's brand influence and promote sales. At the roadshows, three major products – *Just Yoghurt*, *Yoyi C* and ice cream – were spotlighted and effort was made to introduce the upgraded new products and increase market share. *Just Yoghurt* and *Yoyi C* became star products in overseas markets.

**Quality Management**

Mengniu firmly believes that quality is its lifeline. Thus, with the spirit of "Craftsman of Milk", it keeps fine-tuning every production detail in the hope of presenting quality experience perfect to the customers. The Group's different quality management departments collaborated in implementing the accountability system by business divisions and quality management standards required by the Group, assuring the consistency of quality of each product category and across the entire industrial chain. During the first half year, Mengniu started and completed the upgrade of its quality control system in accordance with advanced international standards, achieving integration of the quality control system with the management flow of the new business division system, covering the entire industrial chain from source to sales, and allowing better quality control on every link in the chain. As such, the core end-to-end quality performance indicators of the industrial chain were better than those in the last corresponding period.

The Laboratory Information Management System ("LIMS") and SAP are working in collaboration and continuously optimizing and are operating smoothly in the Group's factories. Mengniu now has the ability to track information of every point on its production chain, forward and backward, and the inspection and quality control workflows are perfectly integrated, such that the consistency of quality control throughout the Group is ensured. During the period, the Group strengthened quality management from source like market intake and suppliers and enhanced the inspection system and skills of inspection technicians, so as to improve the accuracy of laboratory work. At the same time, the Group brought in many advanced inspection facilities and approaches from overseas to help it effectively inspect performances against relevant benchmarks.

**海外業務**

蒙牛海外事業部上半年全面借力世界盃，以「源於自然，造就最強」為主題，在香港、新加坡、緬甸等開展營銷路演活動，提升品牌影響力，促進銷售。聚焦純甄、優益C及冰淇淋三大產品，著力升級推出新品、提升市場份額，純甄和優益C成為海外市場的明星產品。

**質量管理**

蒙牛堅持以品質為生命線，以「牛奶工匠」精神雕琢每個生產環節，務求鑄造以用戶為核心的完美品質體驗。各質量管理部門通力協作，落實事業部主體責任制及本集團質量管理要求，確保各品類、全產業鏈的品質如一。上半年，蒙牛對標國際先進標準啟動並完成了質量管理體系升級，與新事業部制的管理流程深度融合，從源頭到銷售覆蓋全產業鏈，加強了對各環節的質量監控，全產業鏈端到端的核心質量指標優於去年同期。

實驗室信息管理系統 (Laboratory Information Management System, 簡稱「LIMS」) 和SAP的持續協作及優化，在旗下各工廠順利運行，蒙牛實現了生產鏈上各節點正反向信息可追溯及檢驗和質量控制流程的完美融合，達至全集團質量控制統一。本集團期內從市場准入及供應商等源頭加強質量管理，對檢測體系及檢驗技術人員進行提升，全面加強實驗室準確性。同時，本集團引入多個海外先進檢測設備及方法，可高效準確地檢測各項指標。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

By entering the “Year of the National Standard Revision for Dairy Products” in 2018, the new national standards will be implemented to revitalise the dairy industry, which have bearing on over 90% of Mengniu’s business. In response to the drawing up of the new standards, Mengniu took the initiative to participate in the drafting of industry standards. It reported to the Ministry of Industry and Information Technology for the “condensed milk” and “the testing results of  $\beta$ -casein in dairy and related products”, which has helped take the quality of China’s dairy industry to a new level. Mengniu’s dedication to quality is an uncontested fact. It has been given the approval, as the only dairy enterprise selected, by the Standardization Administration of China to build a “National Innovation Base of Technical Standards”, which would become a world-leading standard innovation center in dairy product industry.

During the first half of 2018, the milk source business division adopted the Arla Foods standards and New Zealand’s AsureQuality safety management standards in its quality and technique management system, living out the principle of “quality first”. It strictly complied with relevant regulations and standards, domestic and overseas, in relation to dairy cattle rearing to ensure the safety of its quality milk source and milk source supply for the Group’s unique products. During the period, efforts were made on multiple dimensions to help improve the quality of milk supply, with a risk alarm mechanism in place to keep check on the risk exposure of each milk source and plant and the use of medications on dairy cows. The training for grooming ranch management professionals was also strengthened. In the first half year, Mengniu continued to pride a 100% passing rate for random inspection carried out on sample raw milks from its milk source suppliers by 37 inspection bodies.

二零一八年邁入「乳製品國家標準修訂年」，新修訂的國家標準將全面落實奶業振興要求，涵蓋蒙牛90%以上業務。為響應新標準，蒙牛主動參與行業標準起草，向工信部積極申報了「濃縮乳」和「乳及其製品中 $\beta$ -酪蛋白的測定」，引領中國乳品行業質量邁向新高度。蒙牛對質量的一貫堅持有目共睹，於今年獲國家標準化管理委員會批核籌建「國家技術標準創新基地」，成為唯一入選的乳業企業，將打造國際一流的乳製品行業標準創新中心。

二零一八年上半年，奶源事業部圍繞質量技術管理體系，踐行「品質至上」理念，落實Arla Foods標準及新西蘭的AsureQuality安全管理標準，嚴格遵守國內外畜牧養殖相關法規和標準，確保優質奶源品質安全及特色產品奶源供應。期內多維度推進供奶方質量提升，全面啟動風險預警機制，排查各奶源、工廠及奶牛用藥等方面的風險，及加強培養牧場管理專業人才。上半年，37家抽檢機構對蒙牛所轄各奶源部供方原奶樣品抽檢的合格率持續達100%。



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During the period, the room temperature business division pursued delicate and speedy quality management, by using the new internal laser code printing technology, to realize double tracking of products. The quantitative inspection management mode of production plants was optimized and seven techniques for speedy food safety detection were developed and applied in scale. At the same time, efforts were made to address the issue of damage to laminated carton boxes caused by precipitation due to the temperature difference between the northern and southern areas, and as a result improved the overall efficiency of product turnover. On the front of management and control of quality of student milks, Mengniu carried out major assessments of the student milk market at the beginning of spring semester, to make sure it has complete control over product quality and safety and keep the safety incident rate in relation to student milks at zero.

During the first half of the year, the chilled business division aligned with Danone's newly revised Food Safety Item ("FSI") standards and strengthened quality control on high-risk ancillary raw ingredients such as fruit products and prefabricated packaging materials to lower the probability of product deterioration. During the period, Mengniu also conducted food safety audits on nearly half of its chilled product plants for plant improvements. With customer satisfaction in mind, the ice cream business division improved product packaging and management of the production process, which contributed to standardization of the business process and assurance of all factories observing the same set of precise and consistent benchmarks in production. The factories of the fresh milk business division all strengthened auditing in strict compliance with relevant standards, gradually improved its quality data management and inspection plan and also carried out study on customer profiles and cold chain conditions. The cheese business division continued to upgrade techniques and craftsmanship to ensure various benchmarks agree with the features of new products. The cheese business division and Arla Foods together also performed two audits based on the European food safety management standards and strengthened quality and safety control and management procedures.

常溫事業部期內推動精細化、快速化質量管理，利用內噴碼鐳射新技術對產品實現雙重追蹤，優化工廠的計量檢定管理模式，推動開發了7項食品安全快速檢測技術，並進行規模化應用。同時，著力改善南北溫差導致的覆膜紙箱的濕損問題，提升了整體產品流轉效率。學生奶品質管控方面，蒙牛在春季開學對學生奶市場重點進行評審，全面把控產品質量安全，維持學生奶食品安全事件發生率為零。

上半年低溫事業部對標達能新版食品安全標準 (Food Safety Item, 簡稱「FSI」)，加強高風險原輔料例如果製品及預製包裝物料的質量管理，有效降低了產品變異的機率。期內，蒙牛並對近半數低溫工廠進行了食品安全審核，為工廠改善提供依據。冰淇淋事業部從客戶滿意度出發，改善包裝及生產流程管理，使業務流程標準化，確保不同工廠生產指標精準一致。鮮奶事業部工廠均嚴格按照標準加強審核，逐步完善質量數據管理及檢驗計劃，並對客戶資質及冷鏈條件進行排查。奶酪事業部繼續升級技術工藝，保障各項指標符合新品特性，同時聯合Arla Foods以歐洲食品安全管理標準進行兩次審核，細化品質安全管控工作。

## MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

### Milk Source Development

In the first half of 2018, the milk source business division, as a fully operational business unit, worked in synergy with all other business divisions and contributed to the steady growth of the Group's results. Guided by the "Mengniu 2020 Strategic Plan" and using the "Excellent Milk Source Operation and Management Model", it strived to enhance internal operational capability, ranch management standard and the efficiency and professionalism of ranch teams and, at the same time, kicked off digitalization of milk source operation.

Currently, the milk sources of Mengniu are primarily in Northwestern, Northeastern China, and Northern China, areas ideal for rearing dairy cattle hence afford prime quality milk supply. The Group has been able to increase the proportion of milk sources under its own control. Moreover, by acquiring stakes in renowned domestic dairy farming enterprises, the Group is able to boost its advantage in access to quality milk source. Moreover, pursuing the strategy of expanding sourcing of milk overseas, Mengniu has milk sources now in such countries as Denmark, Australia and New Zealand, which are known for their rich milk supply. During the period, the percentage of milk sources of Mengniu from standardized ranches and scaled farms was maintained at 100%.

The milk source business division has kept upgrading milk source quality to ensure the Group has consistent access to unique and quality milk source for supporting development of innovative high-end downstream products and helping boost the core competitiveness of products. Building on the experiences it has gained locally and overseas and taking reference of its two core indicators in relation to microorganism and somatic cells, it has drawn up a set of grading standards for raw milk. The system is integrated with the raw milk pricing and payment mechanism to assure the Group of quality raw milk supply. In addition, protein content benchmarks are used to match with raw milk benchmarks to aid classification for meeting precisely requirements of different products and achieving maximum economic benefit. During the period, the milk source business division and the Group's research and development and innovation division together started the "Sensory and Nutrition Map of China's Raw Milk" project, with a professional flavor evaluation team set up to collect data of raw milk from different regions and of different kinds for analysis of their nutritional content and flavor differences, so as to provide reference for product innovation.

### 奶源建設

二零一八年上半年，奶源事業部作為全面運營業務單元，持續協同各事業部，助力本集團業績穩步提升。在「蒙牛2020戰略規劃」指導下，持續圍繞「奶源卓越運營管理模式」，致力提升內部運營能力、牧場管理水準及牧場團隊的效率和專業性，同時啟動數字化奶源建設。

目前蒙牛奶源地主要分佈在西北、東北、華北適宜養牛的黃金奶源帶，持續提升自控奶源比率，通過參股國內知名的牧業公司，使本集團在優質奶源供應方面更具優勢。同時蒙牛踐行國際化戰略開拓海外奶源，奶源地延伸至丹麥、澳大利亞、新西蘭等地的黃金奶源帶。期內，蒙牛規模化、集約化的奶源比例持續達到100%。

奶源事業部不斷提升奶源品質，保障優質特色奶源的持續供應，為下游創新開發高端產品提供有力支持，提升產品核心競爭力。在國內外經驗基礎上，圍繞微生物及體細胞兩項核心指標建立原奶分級標準，並與原奶計價支付體系結合，推動高品質原奶的供應。此外，以蛋白指標值為分類標準進行原奶指標匹配，精準滿足不同產品的用奶需求，實現經濟效益最大化。期內，奶源事業部並聯合本集團研發創新部，啟動「中國原奶感官營養地圖」項目，建立專業的感官評價團隊，採集不同地區、不同原奶，加以分析其營養指標及風味的差異性，為產品創新提供決策依據。



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Upholding the principle of “quality first”, Mengniu has continued to align with the advanced Standard Operational Procedure (“SOP”) for ranch management used by its Danish partner Arla Foods in building the “Mengniu Ranch Quality and Safety Management System”, which is being applied in ranches and by milk source personnel. During the period, the China-Denmark Milk Technology Cooperation Center jointly established by Mengniu and Arla Foods rolled out the “Heat Stress Alleviation Project” and “Regional Ranch Cost-cutting and Efficiency-enhancing Pilot Project” to help ranches improve management. At the same time, to ensure its ranch management practices are on par with international standard, the Group in greater extent implemented AsureQuality from New Zealand, one of the most-respected food safety management certification standards in the world, and also aligned with the rules and regulations as well as standards for the livestock industry, at home and overseas.

Mengniu led the industry in applying digital management across its entire industrial chain upstream to downstream, helping to drive upgrade of information technology used in the dairy product industry, enabling connection of information across “cow-ranch-dairy enterprise-third party”. Using digital tools and tactics, it is building a “digital milk source” information platform to facilitate information exchange for ranch management and allow sharing of raw milk supply chain information among ranches, thereby facilitating collection of Big Data of the dairy industry ecosystem for driving the professional and effective development of the industry. The “Digital Milk Source Platform” project is expected to take three to five years to build and mature. In 2018, the overall framework of the platform will be built comprising systems for forecasting milk yield, herd record keeping, output per cow, veterinary drugs management, and clearing and settlement. The tendering process of the project has been completed and a dedicated project team has been formed to execute related work. Selected ranches will take part in the trial of the platform, which is expected to start by the end of 2018. The platform is scheduled to put into full operation in 2019.

蒙牛奉行「品質至上」理念，持續對標丹麥 Arla Foods 先進牧場標準化操作規程 (Standard Operational Procedure, 簡稱「SOP」)，構建「蒙牛牧場質量安全管理體系」，並已由牧場及奶源從業人員全面執行，期內由蒙牛與 Arla Foods 共同成立的中國—丹麥乳品技術中心實施了「熱應激改善項目」及「區域試點牧場降本增效項目」，以提升牧場細節管理。同時，本集團深化落實國際上認可度最高的食品品質安全認證之一的新西蘭 AsureQuality 安全管理標準，及對標國內外畜牧業養殖法規標準，務求令牧場管理水準與國際標準接軌。

蒙牛率先行業將數字化管理應用至上下游全產業鏈，推動乳製品行業信息化升級，貫通「牛—牧場—乳企—第三方」的信息，通過數字化工具和手段打造「數字奶源」信息化平台，以期打通牧場管理信息壁壘，實現原奶供應鏈的信息共享，構建生態圈大數據，推動行業向專業高效發展。預計「數字奶源」項目在三至五年內建構及成熟，二零一八年項目重點為整體框架搭建，建立奶量預測、牛群檔案、單產、獸藥及結算的系統。目前項目已完成招標，並成立了項目組推進工作，預計試點牧場將於二零一八年底上線測試，並於二零一九年全面落地執行。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

During the period, Mengniu actively responded to the national strategy for reviving the dairy industry. By consolidating different resources, broadening funding channels for milk suppliers, and offering upstream ranches more comprehensive, high-quality and advanced services, the Group speeded up transformation and upgrade of milk source bases. At the same time, a unique to Mengniu ranch efficiency enhancement system was set up. A ranch management model was executed in ranches and skills of the ranchers were improved, which enabled improvement of ranch operation efficiency, lowering of milk cost per kilogram and enhancement of overall profitability of the ranches.

With environmental laws in effect in China, the authority has kept stepping up related supervision and enforcement of the laws in the country. For Mengniu, it has built its Environment, Health and Safety (“EHS”) system for its milk source business division in accordance with 61 national laws and regulations and 11 sets of group standards. The milk source business division has also set up different levels of safety committees to ensure all safety and environmental protection endeavors serve their intended purposes.

### Corporate Digital Strategy

In the first half of 2018, Mengniu continued to deploy its digital strategies. It pushed on with building the “Digital Mengniu” on multiple dimensions including enhancing management standard, assuring product quality, satisfying consumption upgrade demand and embracing innovation, thereby exploring and leading development of the “dairy industry in the new digital era”. The Group completed construction of its information system management structure with SAP at the core in 2016 and it was fully synergized with LIMS. Together with the “Mengniu Cloud”, with five core constituents namely “Foundation Cloud”, “Partner Cloud”, “Channel Cloud”, “Consumer Cloud” and “Staff Cloud”, they provide full support to each of the Group’s business division, helping enhance the overall operational efficiency of the Group.

期內，蒙牛亦積極響應國家奶業振興戰略，整合多方資源，拓寬供奶方資金扶持渠道，為上游牧場提供更全面、優質和先進的服務，加速奶源基地轉型升級。同時，建立了蒙牛特色的牧場效能提升體系、植入牧場管理模型及人員技能轉型，幫助牧場提升效益，降低每公斤奶成本，提升牧場綜合盈利能力。

隨著國家環保法的出台，國家環保督查力度不斷加大。蒙牛已對標61部國家法律法規及11份本集團標準，建立奶源事業部環境健康安全（Environment, Health and Safety，簡稱「EHS」）體系，同時組建奶源事業部各層級安委會，確保安全環保工作落實到位。

### 企業數字化戰略

二零一八年上半年，蒙牛繼續深入推進數字化戰略佈局，從提升管理水準、保障產品質量、滿足消費升級需求、推動創新等角度多管齊下打造「數字蒙牛」，探索並引領「乳業數字新時代」。以SAP為核心的蒙牛信息化架構已於二零一六年完成建設，與LIMS項目已實現全面協同，加上以「基礎雲」、「夥伴雲」、「渠道雲」、「消費者雲」、「員工雲」為五大核心的「蒙牛雲」，為本集團各事業部提供全面支援，有力提升本集團整體運營效率。

MANAGEMENT DISCUSSION AND ANALYSIS  
管理層討論及分析

In June 2018, Mengniu signed an annual framework agreement with Alibaba to combine resources and pursue full scope strategic cooperation on Big Data and boost upgrade of fast-moving consumer goods consumption and smart business. Mengniu also cooperated with Alibaba Cloud to commence a consumer Big Data project aiming for in-depth cooperation on Big Data and build a “people-oriented” Mengniu consumer behavior analysis system. By setting up a consumer Big Data platform that serves the entire Group, it will be possible for the Group to amass all internal and external data and connect multiple sources, as well as apply those consumer data asset to identify precisely the characteristics and needs of consumers and drive product innovation. The Group will also be able to accurately use different channels to unearth user value, thereby provide support to marketing decision making and control cost and at the same time boost efficiency.

In response to the “Made in China 2025” strategy, Mengniu uses data to empower its entire industrial chain, enabling it to fully safeguard product quality and safety and blazing the trail for the dairy industry to achieve intelligent transformation. In May 2018, the Group also launched an intelligent supply chain project that uses a Big Data analysis model for linking upstream and downstream information to help with scientific management to lower cost and boost efficiency, realizing transformation of supply chain management with increased informatization, automation, visibility, control and intelligence. Digitalization is a continuous endeavor of the Group and, for that, Mengniu will connect with Alibaba Cloud in other cooperative projects in the future to share data and collaborate effectively to benefit the overall operation of the Group. In addition, during the period, Mengniu kicked off the intelligent manufacturing digital factory project at a high-technology factory in Helin, which would help the Group improve production efficiency, lower operational cost and redefine dairy industry standard and “Made in China”. The project had passed assessment of the Ministry of Industry and Information Technology, with the Group named “China Intelligent Manufacturing Pilot Demonstration Enterprise” and granted the highest government funding.

二零一八年六月，蒙牛與阿里巴巴簽署年度框架協議，結合雙方資源、全面展開大數據戰略合作，進一步推動快消品消費升級及智慧商業。蒙牛並攜手阿里雲開啟消費者大數據項目，在大數據方面深度合作，構建以「人」為核心的蒙牛消費者分析體系，通過建立服務全集團的消費者大數據平台，實現內外部數據匯總及多源互通，積累蒙牛自有的消費者大數據資產，精準識別消費者特徵和需求，驅動產品創新，實現多渠道精準觸達，深入挖掘用戶價值，為行銷決策提供支援，實現企業運營降本增效。

為響應「中國製造2025」戰略，蒙牛以數據驅動賦能全產業鏈，充分保障產品品質與安全，率先帶動乳製品行業實現智能化轉型。二零一八年五月，本集團更啟動智慧供應鏈項目，應用大數據分析模型，聯動上下游信息，通過科學化管理降本增效，實現供應鏈管理向資訊化、自動化、可視化、可控化、智慧化轉型。作為本集團承上啟下的數字化項目，未來蒙牛將與阿里雲其他合作項目結合起來，共用數據、高效協作，助力本集團整體運營。此外，期內蒙牛在和林高科工廠啟動了智能製造數字化工廠項目，將有助本集團進一步提升生產效率、降低運營成本，重新定義乳業標準及「中國製造」；此項目已通過中國工業和信息化部評審，本集團獲評「國家智能製造試點示範企業」，並獲得國家最高財政資金支持。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

To improve internal filing management and initiate informatization of record filing, Mengniu launched the “Mengniu Group Digital Filing Management Platform Project” in June 2018, with the aim of completing within the year construction of a digital filing management platform employing advanced technologies and with multiple channels to support rapid development of the Company and meet information sharing demand. In addition, Mengniu started a human resources sharing project during the period, which entails integration of resources and centralizing basic operations to provide business divisions with professional and standardized human resources services, thereby helps the Group develop a new operational model with “New Business Partner Relationship” at the core and construction of “Shared Service Center” as the tool.

### Branding Strategy

Mengniu continued to upgrade its international brand presence. In the summer of 2018, Mengniu drew onto itself the global limelight by becoming an Official 2018 FIFA World Cup™ Sponsor. Four categories comprising a total of 161 products under 27 brands of the Group have been awarded the titles of “Official Drinkable Yogurt of the 2018 FIFA World Cup™”, “Official Pre-packaged Ice Cream of the 2018 FIFA World Cup™”, “Official Milk of the 2018 FIFA World Cup™ (for Greater China)”, and “Official Powdered Milk of the 2018 FIFA World Cup™ (for Greater China)”. That was the first time Mengniu worked with a premier international sports event, making it the first food and beverage brand in China to be a global sponsor of the World Cup and also the first dairy product brand to cooperate with FIFA as a global sponsor. The sponsorship is an important step made by Mengniu in taking its business global as well as leading the Chinese dairy industry onto the international stage. During the World Cup, *Mengniu* brand was prominently displayed in the event venue in Russia, together with Mengniu booth set up outside the venue, enabling the brand to interact with football fans from around the world. Alongside the World Cup fever which swept the world, Mengniu’s brand value was fully released and its international brand profile has thus been markedly enhanced.

為提升本集團內部檔案管理，開啟檔案信息化轉型，蒙牛於二零一八年六月份啟動了「蒙牛集團數字化檔案管理平台項目」，目標於今年內建設完成技術先進、渠道多樣的數字化檔案管理平台，支援公司快速發展和信息共用的需求。此外，蒙牛於期內啟動了本集團人力資源共用項目，進一步整合資源，通過基礎性工作集中操作，為業務部門提供專業化、標準化人力資源服務，構建以「新型業務夥伴關係」為核心，以「共用服務中心」建設為抓手的新型運營模式。

### 品牌策略

蒙牛品牌國際化再度升級，於二零一八夏季閃耀世界舞台，蒙牛作為2018 FIFA世界盃全球官方贊助商，旗下4大品類共27個品牌的161個產品獲得「2018 FIFA世界盃全球官方飲用酸奶」、「2018 FIFA世界盃全球官方預包裝冰淇淋」、「2018 FIFA世界盃官方牛奶(大中華區)」和「2018 FIFA世界盃官方奶粉(大中華區)」的殊榮。這是蒙牛首次聯手全球矚目的頂級體育賽事，成為中國第一個作為世界盃全球贊助商的食品飲料品牌，亦是首個與FIFA合作的乳品品牌全球贊助商，亦是蒙牛加速全球化進程，引領中國乳業品牌走向世界的重大舉措。於世界盃期間蒙牛品牌亮相俄羅斯賽場，加上體育場外的蒙牛展台，與世界各地球迷互動。隨著世界盃的熱浪席捲全球，蒙牛品牌價值充分釋放，在國際間的品牌知名度大幅提升。

MANAGEMENT DISCUSSION AND ANALYSIS  
管理層討論及分析

Led by its Chief Executive Officer, the 10 major departments of the Group worked together to mount a series of 360° strategic online and offline brand upgrade and marketing activities in eight dimensions covering integrated marketing, large-scale event marketing, in-store promotion, media publicity, public relations, on-site interaction at the World Cup venue, internal publicity and overseas marketing. Through comprehensive collaboration and highly effective implementation, as well as focused and consistent devotion of resources, the Group reaped full benefit of its effort to stimulate sales and upgrade its brand.

Starting early this year, Mengniu commenced the World Cup themed packaging and marketing material upgrade for all of its product lines, complemented by all-round marketing efforts, from having the famous Argentinean football player and FIFA World Player of the Year Messi, as ambassador of *Mengniu* brand and via TV commercial themed “Power of Nature, Born for Greatness” to convey *Mengniu*'s brand value of gathering each drop of natural essence to help each of those who wishes for health and strength to help him advance towards his dream and goals. At the same time, six brands under Mengniu, namely *Fruit Milk Drink*, *Yoyi C*, *Champion*, *Just Yoghurt*, *Suan Suan Ru* and *European Charcoal Yogurt*, cooperated with 10 celebrities, namely Messi, Li Yifeng, Zhao Liying, Kris Wu, William Chan, Zhang Yixing, TFBOYS and Celina Jade to issue posters highlighting the “Born for Greatness” attitude on the Weibo platform, delivering the positive attitude of working hard for one's dream to consumers. As at 10 July 2018, the topic “Born for Greatness” had attracted over 5.0 billion page views and more than 6.8 million comments online.

Moreover, to help young football players realize their dreams and nurture the new generation of football players in China, during the Period, Mengniu launched an event called “Show Your Skills, Young Footballers!”, joined by four star team captains, namely Fan Zhiyi, Li Yi, Luis Figo and Yang Chen, who provided professional guidance to young football players. Ultimately, 24 outstanding young football players were selected and led by their honorary team captain, young actress Guan Xiaotong, to visit Russia and have a match with the Russian youth football team during the World Cup. The match was broadcasted on Jiangsu Television, helping bringing out even more the positive image of the brand and boosting brand acceptance.

蒙牛透過全面戰略部署，由總裁帶領十大部門，通過整合營銷、大型事件營銷、店內推廣、媒體傳播、公關、世界盃賽場實地互動、內部傳播、海外營銷八大維度，於線上線下進行了一系列品牌升級及營銷活動，透過全面的協同及高效執行，以及聚焦重點及持續的投入，取得刺激銷售及提升品牌方面的全面效果。

今年初，蒙牛啟動全線產品包裝及營銷物料世界盃主題升級，並啟動全方位的營銷活動，阿根廷知名球星、世界足球先生梅西簽約成為蒙牛品牌代言人，並以「自然力量，天生要強」為傳播主題，透過電視廣告，完美詮釋蒙牛匯聚一點一滴的大自然精華，幫助每一個天生要強的人，每一天向自己的夢想和目標進步的品牌理念。同時，蒙牛旗下真果粒、優益C、冠益乳、純甄、酸酸乳、歐式炭燒酸奶六大品牌，聯動梅西、李易峰、趙麗穎、吳亦凡、陳偉霆、張藝興、TFBOYS、盧靖姍十大明星共同在微博平台發佈「天生要強」態度海報，向消費者傳遞奮鬥拼搏的正能量，截至二零一八年七月十日，製造有關「天生要強」話題的線上閱讀量已超過50億，評論數量突破680萬。

蒙牛並助力少年足球夢，培育中國新一代足球力量，期內啟動了《踢球吧！少年強》活動，攜手范志毅、李毅、菲戈(Luis Figo)及楊晨四位明星隊長對參賽小球員進行專業指導，最終在全國範圍內選拔出24位優秀足球少年，在名譽隊長、青年演員關曉彤的帶領下前往俄羅斯，於世界盃期間與俄羅斯少年隊切磋球技，並在江蘇衛視播出該比賽，進一步傳播品牌的正面形象，提升品牌好感度。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

On top of World Cup promotions via advertising in all media, organizing social media events and on-site exposure, between March and July 2018, Mengniu launched a large-scale integrated marketing activity “Scan the Code for Red Packet” to share the World Cup fever with hundreds of millions of consumers. On purchase of Mengniu’s room temperature, chilled and ice cream products, consumers may scan the QR code on the packaging for a chance to receive WeChat red packets of different amounts. In addition, there was also a card collection part that provided an opportunity to win a World Cup tour for those able to collect all cow cards. According to applet statistical platform Aldwx.com, in May and June this year, boasting super high participation rate, Mengniu’s World Cup applet ranked first among all WeChat retail applets, and in June, the applet placed 16th among all applets. As at 31 July 2018, the QR code was scanned over 230 million times with total number of participants reaching over 74 million.

Mengniu also kicked off World Cup themed marketing activities in overseas markets. As the “Official Pre-packaged Ice Cream of the 2018 FIFA World Cup™”, *Deluxe* under Mengniu presented a special World Cup edition ice cream called *Royal Deluxe* crunchy oat ice cream, allowing football fans in the venue to enjoy this nice flavor from China, thereby increasing international brand awareness. Echoing the World Cup marketing theme, room temperature, chilled and ice cream products sold in overseas markets were all in the World Cup packaging. In addition, in Hong Kong, Singapore and Myanmar, the World Cup related marketing and roadshow activities were themed “Naturally Good, Naturally Strong” for the purpose of enhancing influence of the brand in overseas regions and boost sales. *Just Yoghurt* and *Yoyi C* became star products in overseas markets.

In addition, as the official partner of Shanghai Cooperation Organization Business Forum, *Mengniu Pure Milk* product series and star products such as *Milk Deluxe*, *Just Yoghurt Xiaomanyao*, and *Deluxe* made their debuts at Shanghai Cooperation Organization Qingdao Summit held in June this year as designated products of the event, showing the world the brand from China worthy of international recognition. This is the second time after the BRICS Xiamen Summit in 2017 that Mengniu products became designated products for high profile conferences for national leaders, which strengthened the international brand image of Mengniu.

配合全媒體廣告、社交媒體活動、賽事現場曝光等的世界盃宣傳，蒙牛於二零一八年三月至七月期間推出「掃碼紅包」大型整合營銷活動，與億萬消費者共渡世界盃狂歡。凡消費者購買蒙牛常溫、低溫及冰淇淋產品，可掃描包裝上的二維碼，有機會獲得金額不等的微信現金紅包，同時設置趣味集卡環節，消費者集齊牛卡可參與抽獎，贏取世界盃旅遊機會。根據阿拉丁小程序統計平台，在今年五及六月，蒙牛FIFA世界盃小程序憑藉其超高的參與流量，在微信端小程序零售類別榜單中蟬聯榜首，於六月小程序總排名更高達第十六名。截至二零一八年七月三十一日，活動掃碼人次已突破2.3億，總參與人數超過7,400萬。

蒙牛亦在海外市場同步開展了世界盃主題營銷活動。蒙牛旗下**蒂蘭聖雪**作為「2018 FIFA世界盃官方預包裝冰淇淋」，專為本屆世界盃研製出**蒂蘭聖雪**麥片脆皮雪糕，讓現場觀賽的球迷朋友享受到這款中國美味，增加國外品牌知名度。圍繞世界盃事件為營銷主線，在海外銷售的常溫、低溫、冰淇淋產品均全部切換為世界盃包裝，以「源於自然，造就最強」為主題在香港、新加坡、緬甸等開展世界盃主題的營銷和路演活動，提升品牌在海外地區的影響力，促進銷售，**純甄**和**優益C**成為海外市場的明星產品。

此外，蒙牛作為上海合作組織工商論壇的官方合作夥伴，其蒙牛**純牛奶**系列產品及明星產品**特侖蘇**、**純甄小蠻腰**、**蒂蘭聖雪**集體亮相今年六月舉辦的上海合作組織青島峰會，成為會議指定產品，彰顯了來自中國的世界級品牌的鋒芒。這也是繼二零一七年廈門金磚會議後，蒙牛品牌產品再一次成為國家級領導人會議指定產品，進一步助力蒙牛深化國際品牌形象。

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On the room temperature product business front, during the period the Group's *Milk Deluxe Organic Milk* launched its new packaging conveying the message of "Know Nature for Nature is the Best", adopting a high-end and close-to-nature design concept. Using a mix of media, it gained exposure and encouraged interaction, hence achieved an extensive reach. *Just Yoghurt* launched marketing campaign that centered on the World Cup theme and highlighting the slogan "Pure Flavor, Full Enjoyment", taking full advantage of core resources of the World Cup and crucial exposure on CCTV5 to demonstrate and consolidate brand influence. Via strong exposure online and offline, the brand attracted positive feedbacks from the mass. As for *Fruit Milk Drink*, it focused on product category breakthrough and continuously boosting its leading brand advantages. With the help of advertisements placed online and offline, brand ambassador endorsement marketing and other means of promotion, the brand earned strong word-of-mouth and reported strong sales volume. During the period, *Fruit Milk Drink Fruit Yogurt* was introduced and publicity efforts to boost its reputation and consumer acceptance took it to different districts and nationwide and powered sales. *ZUO Yogurt*, a representative new product, also launched its World Cup-themed packaging, and presented the innovative marketing initiative "Look at My Face, That's How Good it Tastes" on Douyin platform, which has a large younger userbase. The initiative became an online challenge with the highest exposure and video uploading frequency ever in the history of the platform. It was broadcasted more than 1 billion times and the product became a "red-hot" item on the web, winning the fancy of new generation consumers.

As for chilled product division, taking advantage of the World Cup, it was able to convey quickly and in greater depth and breadth to consumers the "Good Quality Yogurt" product proposition, which successfully enhanced the brand power. The full range of products changed the packaging using the World Cup theme. Chilled product division launched a "One bottle, One code" activity to engage consumers in personalized interaction.

常溫業務方面，期內本集團的**特侖蘇有機純牛奶**全新包裝上市，以「懂自然，自然更好」為溝通主題，以高端自然的設計理念全線升級產品包裝，借勢媒體組合，在曝光度、互動性等方面深化傳播。**純甄**圍繞世界盃主題開展營銷活動，以「味道純純，盡享精彩」為口號，充分利用世界盃核心資源及CCTV5關鍵權益展示強化品牌影響力，線上線下同時加強曝光率，廣受大眾好評。**真果粒**則聚焦品類突破，持續放大其領導品牌優勢，通過線上線下廣告投放、代言人粉絲營銷等多種傳播途徑，贏得了口碑、銷量的雙豐收。期內推出**真果粒美粒酸奶**，傳播由區域向全國覆蓋，聚焦新品知名度及品牌好感度，有效推動了銷量。而**ZUO酸奶**作為新品代表亦推出世界盃版產品包裝，並於聚集大量年輕用戶的抖音平台開展「我才是好喝表情帝」創新營銷活動，創造抖音有史以來曝光量及上傳視頻量第一的挑戰賽，播放超過10億次，打造新生代消費群體中的「網紅」產品。

低溫事業部則借勢世界盃，將「品質好酸奶」的理念快速、廣泛、深入地傳遞給消費者，實現品牌力提升。全線產品圍繞世界盃主題更換包裝，並開展「一瓶一碼」主題活動，與消費者進行個性化互動。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

As for the milk formula business, Yashili announced its new brand image and strategies in April this year. *Yashily*, as the “Official Powdered Milk of the 2018 FIFA World Cup™ (for Greater China)”, put more resources into the World Cup related marketing campaign. Besides, recognition for *Yashily*'s quality has been building up with it being the first to be selected as CCTV's “Craftsmanship Brand”. Through efforts to reinforce the power of the brand, it has raised its reputation among consumers and consumer loyalty, and also by vigorously expanding the domestic infant milk formula market with higher quality domestic milk formula products, *Yashili* prided success in leading the advance of domestic milk formula brands.

For the ice cream business, with the support of Mengniu's dedicated resources for World Cup marketing, focus was directed on the *Suibian* brand, with a large-scale promotion event themed “*Suibian* Shake the Red Packets, Win World Cup Tickets” mounted. Consumer demand for the product was stimulated at the drive of the chance to win tickets to the World Cup. Mengniu enhanced activity exposure through integrated promotion on TV, the Internet and outdoor advertisement. At the same time, Mengniu used brand ambassador influence to entice interaction with consumers, which in turn gave a big push to sales.

Relentless in its quest for quality and an ever stronger brand, Mengniu has kept expanding its brand influence and gaining the recognition of industry peers and the public. During the period, for the fourth consecutive year, Mengniu made it among the Top 20 in the BrandZ™ list of the most valuable Chinese brands, and rose to the top of the list of brand contribution. In the “2018 China Brand Power Index (C-BPI)” list published by the Ministry of Industry and Information Technology of the PRC, Mengniu's chilled yogurt came first in C-BPI Brand Power in China's yogurt industry for the eighth consecutive year, while Mengniu's *Yoyi C* retained the top position in C-BPI Brand Power in the Probiotics Drinks Industry. According to the research statistics of Kantar Worldpanel, the Consumer Reach Point of Mengniu rose to over one billion and was second on the list of Most Chosen Brands by Consumers in the PRC. In addition, the H5 interactive game co-launched by *Future Star* with the movie *Boonie Bears* won the H5 Gold Award in Marketing at the China Advertiser Golden Vision Award, while *XinYangDao* was elected as the most favorite brand by consumers. The VR game creation “Candle in the Tomb: Mu Ye Gui Shi” and the drama “Burning Ice” sponsored by the brand won Gold Award in the game and animation category and Silver Award in TV category respectively. Mengniu ice cream also received the Best Mobile Innovative Marketing Award – Silver in China Content Marketing Awards 2018 by V Marketing China magazine.

奶粉業務方面，今年四月，雅士利發佈全新品牌形象和戰略。*雅士利*作為「2018 FIFA世界盃官方奶粉(大中華區)」，配合世界盃營銷主題投入更多市場推廣資源；同時，*雅士利*作為首個入選的「CCTV•匠心品牌」，提升品質認可。通過多項品牌力提升舉措，提高消費者美譽度和忠誠度，同時大力拓展國內嬰配市場，將國貨奶粉品質提升至新高度，引領國產奶粉品牌打出漂亮的一仗。

冰淇淋業務方面，蒙牛借勢世界盃品牌資源，聚焦*隨變*品牌，開展大型主題促銷活動「*隨變*搖紅包，贏世界盃門票」，以世界盃門票大獎刺激消費需求，通過電視、網絡、戶外廣告整合宣傳，提升活動曝光率，同時利用代言人粉絲效應，增強與消費者的互動，助力銷售。

通過對品質的追求及品牌的鍛造，蒙牛的品牌影響力進一步擴大，備受行業及大眾認同。期內，蒙牛連續四年入選BrandZ™最具價值中國品牌榜前20強，更躍居品牌貢獻總榜第一名。在中國工業和信息化部二零一八年中國品牌力指數(C-BPI)排名中，蒙牛低溫酸奶連續第八年蟬聯C-BPI中國酸奶行業品牌力榜首，蒙牛*優益C*也蟬聯C-BPI乳酸菌飲料行業品牌力第一名。根據凱度消費者指數的調研，蒙牛以突破10億人次的消費者觸及數，位列中國市場消費者首選品牌榜第二名。此外，在中國廣告主金遠獎中，蒙牛旗下未來星與《熊出沒》大電影深度合作推出的H5互動小遊戲，摘得H5營銷類金獎，而*新養道*則獲消費者選為最喜愛的品牌，該品牌贊助的《鬼吹燈之牧野詭事》VR遊戲創意及《無證之罪》創意分別榮獲遊戲動漫類金獎和電視類銀獎。蒙牛冰淇淋並榮獲成功營銷雜誌頒發中國內容營銷金成獎二零一八年度最佳移動創新營銷獎銀獎。

MANAGEMENT DISCUSSION AND ANALYSIS  
管理層討論及分析

### Sales Management

During the period, the sales channels of Mengniu's various business divisions collaborated on innovative upgrade and at the same time pushed forcefully to develop e-commerce channel and new channels, and significant progress was made on both. The room temperature product business division continued to penetrate channels further in lower-tier markets, including towns and villages. Targeting first-tier towns and villages, there was the "Spark Program" to help enhance brand exposure and strengthen point-of-sales construction. A pilot "Towns and Villages Connection Project" was launched in Henan and Hebei provinces, applying the resources of multiple brands to help lead an innovative channel development mode that can speed up penetration of village and town markets, and as a result, the market share and sales amount in villages and towns both increased. In addition, the room temperature product business division also pursued RTM strategy, optimized market layout and, via fine market differentiation, targeted major markets and strengthened quality client bases, to help distributors boost operational capability and sales performance.

The chilled product business division stepped up RTM measures. In April this year, it started to tap core and type A market channels to develop sample markets, covering in all 112 markets nationwide. As for new retail channels, in January this year, Mengniu and Yonghui's Super Species reached strategic cooperation agreement on yogurt workshop Future Yo, and began trial operation at two physical stores. In addition, the chilled product business division and Industrial Bank's ("IB") credit card center forged strategic cooperation to launch Mengniu-IB co-branded credit card product, marking the debut of a new retail mode and at the same time consumers have access to more convenient and higher-quality services, which can help enhance consumer loyalty. During the period, Mengniu and Haier's commercial usage freezer business agreed to cooperate strategically to help Mengniu upgrade its overall cold chain solution and also pave the way for it to gain presence in Haier's restaurants.

### 銷售管理

期內，蒙牛各事業部銷售渠道協力進行創新升級，同時大力拓展電商渠道和新渠道，取得顯著成果。常溫事業部持續推進「渠道下沉、深耕鎮村」，聚焦開發一級鎮、村啟動「星火計劃」，提升品牌曝光度及加強終端建設，並通過打造「鎮村通工程」，以河南、河北試點，聯合多品牌資源，創新引領開發渠道模式、加速鄉鎮市場滲透，鄉鎮的市佔率及銷售額雙雙提升。此外，常溫事業部還著力RTM策略，優化市場佈局，通過細分市場、瞄準重點市場及鞏固優質客戶以提升經銷商運營能力，增強營銷效果。

蒙牛低溫事業部進一步推進渠道精耕，於今年四月啟動核心及A類市場渠道，打造精耕樣板市場，覆蓋全國共112個市場。新零售渠道方面，今年一月與永輝超級物種達成酸奶工坊Future Yo戰略合作，已試運行兩家實體門店。此外，蒙牛低溫事業部與興業銀行信用卡中心（「興業」）開展戰略合作，推出蒙牛興業聯名信用卡產品，開啟新零售模式，提供更便捷、優質的服務，提升消費群體的忠誠度。期內，蒙牛亦與海爾商用冷櫃達成戰略合作，升級蒙牛的冷鏈整體解決方案，同時逐步進入海爾餐廳。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

The milk formula business division continued to strategically restructure and reinforce its channels, adding three new major business divisions on top of the existing four major infant formula business divisions, each responsible for overseeing respective product line and strengthening star products. Regarding development of mother-and-baby channels, intensive efforts continued with outlets set up in counties and townships to further outlets penetrating. As for modern trade channels, Yashili pushed sales of adult milk powder via KA retail outlet channel. A team was formed to fine-tune modern channels and products, consolidate and boost the size of milk powder market, and to fortify the edge of *Reeborne* as well as maintain its leadership in the organic dairy product market. At the same time, the goat milk powder strategy had been rolled out with such products as *Doraler* from Australia and *Dumex* goat milk powder as well as *Dumex TruYn* to seize the market.

The ice cream business division recorded steady sales growth in core traditional channels and satisfactory sales growth in modern channels, while specialty channels developed rapidly. Mengniu's soft-serve ice cream business started from scratch and opened 42 outlets during the period, laying a good foundation for future development of the business.

In the advent of Big Data era, Mengniu has worked hard in using a completely data-enabled industrial chain, exploring actively ways to make its sales channels, management of point-of-sales and marketing intelligent. Early in the year, the room temperature and chilled product business divisions together with the information technology department pursued "Smart Network Action", which entails the use of a standardized distributor operation and management system to take business management to shop-level and sales management to daily level, thus serving the needs of branch offices and subsidiaries, as well as distributors in different operational settings and covering all businesses, channels, settings, departments and staff. As of June, trial operation of the Smart Network System had been successfully launched and the gradual roll out of the system is expected to take place in the second half year. In the future, the system combining with SAP and BI will enable the Group to build Big Data platform for realizing precision marketing.

奶粉事業部持續落實渠道重整強化的戰略佈局，在四大嬰配事業部的基礎上，新增三大事業部，分管不同產品綫及強化明星產品。母嬰渠道方面，堅持渠道深耕工作，網點開發直達縣級、鄉鎮級，大力加強網點下沉建設。商超渠道方面，雅士利立足成人奶粉主銷KA賣場渠道，配置團隊，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，保持有機市場領先地位，另一方面正式開展羊奶粉戰略，將通過澳洲朵拉小羊、多美滋羊奶粉以及多美滋初穎多方位出擊，全面爭奪羊奶市場。

冰淇淋事業部核心傳統渠道銷售增長穩定，現代渠道銷售增長良好，特通渠道發展迅速。蒙牛軟冰業務發展從無到有，實現零的突破，期內開設42家專賣店，為未來發展奠定了良好基礎。

在大數據時代背景下，蒙牛用數據賦能全產業鏈，積極探索銷售渠道、終端管理和營銷智能化。年初，蒙牛常、低溫事業部與信息技術部創新啟動「智網行動」，通過標準化的經銷商運營管理系統，實現業務管理到單門店、銷售管理到日行程，滿足分、子公司及經銷商多業務場景需求，覆蓋全業態、全渠道、全場景、全部門、全人員。截至六月智網系統已成功試運行上線，預計下半年逐步落地，未來將結合SAP及BI建立大數據平台，從而實現精準營銷。

MANAGEMENT DISCUSSION AND ANALYSIS  
管理層討論及分析

In the first half of 2018, Mengniu continued to strengthen strategic cooperation with e-commerce platforms, such as JD.com and Tmall, to push e-commerce sales. With access to Big Data resources, Mengniu together with JD.com and COFCO Group signed a comprehensive strategic cooperation framework agreement on setting up self-operated flagship stores for chilled and ice cream products in JD.com, and also to jointly develop intelligent supply chain system and provide more personalized products to the end of building a new flagship capable of marketing that transcends boundary. Mengniu also tightened cooperation with Alibaba to drive consumption upgrade of fast-moving consumer goods and develop intelligent business. During the period, *Milk Deluxe* and *Silk* opened flagship stores on Tmall and, during the “6.18” Shopping Festival in 2018, sales of Mengniu’s room temperature liquid milk topped the bestseller list in both liquid milk and food & beverage categories on JD.com, while its ice cream products ranked second in sales of ice cream category, and on Alibaba platform, Mengniu also claimed championship among dairy products in terms of sales volume, which have more than doubled year-on-year. In addition, the Group presented “Mengniu-JD Super Brand Day” and “Mengniu-Tmall Super Brand Day” respectively during the period, and as such gained brand exposure and stimulated sales. Furthermore, Mengniu continued to expand its new channel business, covering business platforms such as Suning.com, Vip.com, Yunjiweidian.com, Pinduoduo.com and new retail channels. Net revenue from such business increased notably during the period as compared with the corresponding period last year.

In addition, Mengniu cooperated with the new retail brand Hema Store to embark on a completely new channel promotion mode. Via Hema Store APP, consumers were given access to live broadcast of special Mengniu World Cup activities, thus realizing interaction online and offline and enabling the tying in of diverse promotion as well as consumer experience online and offline. Efforts were also made by Mengniu to work closer with Business-to-business (“B2B”) platforms including Ist.1688.com and Huixiadan.net to effectively commence online sales and marketing and set up innovative online ordering club for traditional sales outlets. The moves translated into sales growth and enlarged market coverage for the Group. Development of smart un-manned convenience stores and community channels are also part of Mengniu’s plan, creating a new retail sales channel combining APP usage with un-manned convenience stores in communities. At the same time, using such products as fiber-enriched milkshake milk *Burnlooking* as vehicles, it will actively explore social network retailing.

二零一八年上半年，蒙牛繼續與京東、天貓等電商平台加深戰略合作，發力電商銷售。依託大數據資源，蒙牛攜手中糧集團與京東簽署全面戰略合作框架協議，於京東開設低溫和冰品自營旗艦店，並聯合打造智慧供應鏈體系、提供更多的個性化定制產品，全面建成無界營銷新旗艦。蒙牛亦升級與阿里巴巴的合作，推動快消品消費升級及開展智慧商業，期內在天猫開設**特侖蘇**及**Silk**品牌官方旗艦店。於二零一八年「6.18」購物節活動期間，蒙牛於京東的常溫液態奶獲得液態奶及食品飲料品類銷售額雙第一，其冰淇淋則在冰淇淋品類中銷量第二；蒙牛亦在阿里巴巴平台榮獲乳製品銷量第一，同比增長超過1倍。此外，本集團在期內分別進行「蒙牛京東超級品牌日」及「蒙牛天貓超級品牌日」活動，有效達成品牌曝光及刺激銷售。同時，蒙牛繼續拓展新渠道業務，包括蘇寧超市、唯品會、雲集、拼多多及新零售渠道等多個業務平台，淨收入較去年同期比較大幅增長。

此外，蒙牛攜手新零售品牌盒馬鮮生開啟全新渠道推廣模式，蒙牛與盒馬鮮生APP實現線上線下聯動，在APP內設置蒙牛世界盃專屬活動直播入口，落地多樣化的推廣互動，有機結合消費者線上線下體驗。蒙牛深化與零售通及惠下單等B2B平台合作，有效開展網絡營銷，及創新開展傳統售點的線上訂貨會，銷售增長及市場拓展成效顯著。蒙牛亦積極佈局智能無人便利店及開發社區渠道，打造社區內APP加智能無人便利店的新零售銷售渠道組合，同時以纖維奶昔牛奶優燃等產品為代表積極探索社交零售。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

As for overseas business, Mengniu set up its regional head office in Singapore in 2018 to oversee investment and sales efforts in Southeast Asia, aiming at gradually expanding market coverage in the region. It was also able to leverage the World Cup theme to mount marketing activities to keep boosting the coverage of chilled, room temperature and ice cream products in the region. Apart from selling in overseas markets such as Hong Kong, Macau, Myanmar and Cambodia, it also explored the Australian market during the period with ice cream products as its chariot. Mengniu expects to enter new markets – Malaysia and the Philippines – within this year.

## Financial Review

### Revenue

Benefiting from product innovation, an optimized business structure, and World Cup themed marketing and promotion which boosted the sales volume, the Group made revenue of RMB34,474.3 million for the six months ended 30 June 2018 (2017: RMB29,465.8 million), an increase of 17% year-on-year, of which revenue of liquid milk had an increase of 14.0% year-on-year, revenue of ice-cream had an increase of 12.8% year-on-year, and revenue of the milk formula business implemented a breakthrough growth of 64.9% year-on-year.

### Gross profit

With a significantly improving product mix and raw milk price staying relatively low, the Group's gross profit for the period increased to RMB13,522.3 million (2017: RMB10,502.6 million) and gross profit margin increased by 3.6 percentage points to 39.2% as compared with the same period last year (2017: 35.6%).

### Operating expenses

To raise brand competitiveness, the Group implemented active channel development and strengthened brand promotion strategies during the period, which led to an increase in operating expenses to RMB11,843.9 million (2017: RMB8,824.0 million), representing an increase to 34.4% of the Group's revenue (2017: 29.9%).

During the period, selling and distribution expenses increased by 39.6% to RMB9,975.1 million (2017: RMB7,143.8 million), representing an increase of 4.7 percentage points to 28.9% of the Group's revenue (2017: 24.2%).

海外業務方面，蒙牛於二零一八年以新加坡作為區域總部，於東南亞進行投資與銷售，以期逐步覆蓋至東南亞區域，並借勢世界盃主題開展營銷活動，繼續深化區內低溫、常溫及冰淇淋產品的覆蓋。蒙牛銷售的海外市場除包括香港、澳門、緬甸及柬埔寨外，期內更以冰淇淋產品拓展至澳大利亞，預計今年內會進入馬來西亞和菲律賓市場。

## 財務回顧

### 收入

受益於產品創新、佈局完善以及世界盃推廣營銷所帶來的銷量增長，截至二零一八年六月三十日止六個月，本集團收入為人民幣344.743億元（二零一七年：人民幣294.658億元），同比增長17%，其中液態奶收入同比增長14.0%，冰淇淋收入同比增長12.8%，奶粉業務收入同比實現64.9%的突破性增長。

### 毛利

由於產品結構顯著優化及原奶價格維持相對較低水平，本集團期內毛利上升至人民幣135.223億元（二零一七年：人民幣105.026億元），毛利率較去年同期上升3.6個百分點至39.2%（二零一七年：35.6%）。

### 經營費用

為提升品牌競爭力，本集團期內採取積極的渠道發展及加強品牌宣傳推廣策略，使經營費用上升至人民幣118.439億元（二零一七年：人民幣88.240億元），佔本集團收入比例上升至34.4%（二零一七年：29.9%）。

期內銷售及經銷費用上升39.6%至人民幣99.751億元（二零一七年：人民幣71.438億元），佔本集團收入比例上升4.7個百分點至28.9%（二零一七年：24.2%）。



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During the period, advertising and promotion expenses increased by 66.9% to RMB4,418.0 million (2017: RMB2,647.9 million). The advertising and promotion expenses as a percentage of the Group's revenue increased to 12.8% (2017: 9.0%).

Administrative and other operating expenses increased by 11.2% to RMB1,868.8 million (2017: RMB1,680.2 million), accounting for 5.4% (2017: 5.7%) of the Group's revenue.

### Profit from operating activities and net profit

During the period, due to the significant increase of revenue and gross profit of the Group's overall business and products optimization, EBITDA increased by 19.3% to RMB2,732.6 million (2017: RMB2,289.7 million) and EBITDA margin was 7.9% (2017: 7.8%).

Profit attributable to owners of the Company increased by 38.5% year-on-year to RMB1,562.0 million (2017: RMB1,127.9 million). Basic profit per share was RMB0.400 (2017: RMB0.290), up by 37.9% year-on-year.

### Income tax expenses

For the six months ended 30 June 2018, income tax expense of the Group was RMB358.5 million (2017: RMB373.8 million), representing a decrease of 4.1% year-on-year. Effective income tax rate was 17.8% (2017: 25.1%), down by 7.3 percentage points year-on-year, mainly due to (i) a non-deductible item relating to the accounting losses on deemed disposal of partial interests in associates by the Group in the same period last year and (ii) the decrease in share of losses of associates during the period.

### Capital expenditure

For the six months ended 30 June 2018, capital expenditure ("CAPEX") of the Group was RMB1,665.9 million (2017: RMB5,313.2 million), down by 68.6% year-on-year. Of the total, RMB1,325.8 million was spent on building new production facilities and modifying existing ones and related investments, RMB104.2 million was spent on purchasing biological assets and RMB235.9 million was invested in equities (mainly including prepayment of a consideration for acquisition of Banner Baby Dairy Company Limited).

期內廣告及宣傳費用上升66.9%至人民幣44.180億元(二零一七年：人民幣26.479億元)，佔本集團收入比例上升至12.8%(二零一七年：9.0%)。

行政及其他經營費用上升11.2%至人民幣18.688億元(二零一七年：人民幣16.802億元)，佔本集團收入比例5.4%(二零一七年：5.7%)。

### 經營業務利潤及淨利潤

期內，在本集團整體業務的收入以及毛利顯著增加及產品優化的成效下，使本集團息稅折舊攤銷前利潤(EBITDA)上升19.3%至人民幣27.326億元(二零一七年：人民幣22.897億元)，EBITDA利潤率為7.9%(二零一七年：7.8%)。

本公司擁有人應佔利潤同比上升38.5%至人民幣15.620億元(二零一七年：人民幣11.279億元)。每股基本盈利為人民幣0.400元(二零一七年：人民幣0.290元)，同比上升37.9%。

### 所得稅支出

截至二零一八年六月三十日止六個月，本集團所得稅支出為人民幣3.585億元(二零一七年：人民幣3.738億元)，同比下降4.1%。所得稅有效稅率為17.8%(二零一七年：25.1%)，同比下降7.3個百分點，主要由於(i)去年同期一項無稅務抵扣的視同出售聯營公司部分權益之會計損失，以及(ii)期內應佔聯營公司虧損減少所造成。

### 資本支出

截至二零一八年六月三十日止六個月，本集團資本支出為人民幣16.659億元(二零一七年：人民幣53.132億元)，同比下降68.6%。資本支出用於新建和改建生產設備及相關投入，達人民幣13.258億元；購入生物資產達人民幣1.042億元以及股權投資(主要包括預付收購旗幟嬰兒乳品股份有限公司股權的款項)達人民幣2.359億元。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### Working capital, financial resources and capital structure

For the six months ended 30 June 2018, the Group's net cash inflow from operating activities was RMB3,400.3 million (2017: RMB3,434.1 million), remaining stable as compared to the same period last year.

For the six months ended 30 June 2018, outstanding bank loans and other borrowings of the Group increased to RMB14,708.0 million (31 December 2017: RMB13,950.1 million), of which bank loans repayable within one year amounted to RMB8,578.0 million (31 December 2017: RMB7,935.0 million). More than 50% of the bank loans and other borrowings were interest-bearing at fixed rates. The increase in bank loans and other borrowings was mainly due to consolidation of the two subsidiaries acquired during the period.

Net borrowings (total amount of bank loans and other borrowings net of cash and bank balances) of the Group as at 30 June 2018 were RMB7,861.3 million (31 December 2017: RMB7,991.2 million).

The Group's total equity as at 30 June 2018 amounted to RMB28,137.7 million (31 December 2017: RMB27,107.1 million). Its debt-to-equity ratio (total amount of interest-bearing bank and other borrowings over total equity) was 52.3% (31 December 2017: 51.5%).

Finance costs of the Group were RMB226.5 million (2017: RMB191.4 million), accounting for approximately 0.7% of the revenue (2017: 0.6%), up by 0.1 percentage points year-on-year.

#### Products

Mengniu kept pursuing product innovation and research and development, so as to meet consumption upgrade demand with more nutritious, better-tasting and higher end products. It endeavors to consolidate the advantages it has in terms of resources and use leading international technologies, resources and platforms to build a world-class Chinese brand and reinforce consumer confidence in Chinese brands. During the period, heeding different consumer requirements, Mengniu focused on developing functional and customized products putting particular emphasis on enhancing such aspects as product variety, flavor and packaging in the bid to create better experiences for consumers. It also conducted promotion and marketing actively on the back of Big Data and using new media, and the results were encouraging.

#### 營運資金、財務資源及資本架構

截至二零一八年六月三十日止六個月，本集團經營業務所產生的現金淨流入為人民幣34.003億元（二零一七年：人民幣34.341億元）與去年同期相若。

截至二零一八年六月三十日止六個月，本集團之未償還銀行貸款及其他借貸增加至人民幣147.080億元（二零一七年十二月三十一日：人民幣139.501億元），其中一年內償還的銀行貸款為人民幣85.780億元（二零一七年十二月三十一日：人民幣79.350億元）。超過五成銀行貸款及其他借貸按固定利率計算。銀行貸款及其他借貸增加主要為合併期內收購的兩家子公司所致。

本集團於二零一八年六月三十日之淨借貸（銀行貸款及其他借貸總額扣除現金及銀行存款）為人民幣78.613億元（二零一七年十二月三十一日：人民幣79.912億元）。

本集團於二零一八年六月三十日之總權益為人民幣281.377億元（二零一七年十二月三十一日：人民幣271.071億元）。債務權益比率（計息銀行及其他借貸總額除以總權益）為52.3%，（二零一七年十二月三十一日：51.5%）。

本集團的融資成本為人民幣2.265億元（二零一七年：人民幣1.914億元），佔收入比重約0.7%（二零一七年：0.6%），同比上升0.1個百分點。

#### 產品

蒙牛持續進行產品創新和研發，以更營養、更美味、更高端的產品滿足市場消費需求的升級，並著力整合優勢資源，以國際領先的技術、資源及平台，打造世界級的中國品牌，增強消費者對中國品牌的信心。期內，蒙牛按不同消費者的需求，專注發展功能性和定制產品，從產品品類、口味及包裝等多方面進行提升，為消費者帶來更佳的體驗，並積極利用大數據和新媒體進行推廣及營銷，成績令人鼓舞。

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The principal businesses of the Group are liquid milk, ice cream, milk formula and other products. Their performances during the period are outlined in the table below: 本集團主要業務分為液態奶、冰淇淋、奶粉及其他產品，期內表現如下：

|             |   |
|-------------|---|
| Liquid milk | Revenue amounted to RMB28,931.6 million (2017: RMB25,372.1 million), accounting for 83.9% of Mengniu's total revenue (2017: 86.1%)                |
| 液態奶         | 收入為人民幣 289.316 億元（二零一七年：人民幣 253.721 億元），佔蒙牛總收入的 83.9%（二零一七年：86.1%）  |
| UHT milk    | Revenue amounted to RMB13,723.9 million (2017: RMB11,797.2 million), accounting for 47.4% of the revenue of the liquid milk segment (2017: 46.5%) |
| UHT 奶       | 收入為人民幣 137.239 億元（二零一七年：人民幣 117.972 億元），佔液態奶收入 47.4%（二零一七年：46.5%）   |

- Since the two super high-end milk products, namely *M-PLUS High Protein Milk*, the first milk product tailored for sports enthusiasts in China, and *Milk Supreme* in gift packaging were launched last year, *Milk Deluxe* continued to lead the upgrade of high-end products. In May this year, it introduced a new packaging for its organic milk, conveying the message of "Know Nature as Nature is the Best", which replaced the traditional drinking straws with the "DreamCap™", making the product yet easier to carry and practical, putting up a new guidepost for dairy product packaging.
- 特侖蘇繼去年推出超高端產品 *M-PLUS 高蛋白牛奶*，打造中國首個針對運動人群之專屬牛奶產品，並推出超高端禮盒裝產品 *奶爵 6 特乳* 後，繼續引領高端品類升級，於今年五月為其有機奶推出新包裝，圍繞「懂自然，自然更好」的溝通主題，以「夢幻蓋」取代傳統的吸管飲用方式，提高了牛奶的便攜性及實用性，成為乳製品包裝的新標杆。
- *Mengniu Pure Milk* and *Prime Ranch Pure Milk* adopted an upgraded packaging design featuring the World Cup for the related promotion.
- 蒙牛純牛奶及精選牧場純牛奶採用世界盃主題升級包裝設計，配合世界盃營銷。
- At the end of last year, Mengniu introduced *Future Star A2β Casein Pure Milk*, made with premium milk in limited supply from selected designated ranches, raising yet again the quality of children milk products.
- 蒙牛於去年底推出自專屬牧場、奶源限量供應的未來星 A2β- 酪蛋白純牛奶，再次提升兒童牛奶產品品質。

## MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

- After introducing *Xianyu Pure Milk* last year with China Modern Dairy, which helped open the room temperature fresh milk niche market in between the room temperature milk and fresh milk markets, during the period, Mengniu launched *Shiny Meadow* fresh milk that targets the high-end market. Its production process employs low-temperature membrane process technology for concentrating milk and the Swedish milk fat separation technology system, thus is able to retain the most natural nutrients in quality fresh milk, with original protein up to 3.6g/100 ml and original calcium content up to 120 mg/100 ml, leading the market in quality and nutritional value.
- 蒙牛繼去年與中國現代牧業攜手推出鮮語純牛奶，在常溫牛奶和鮮牛奶市場之間，開闢出常溫鮮牛奶市場後，期內推出佈局高端市場的每日鮮語鮮牛奶。該產品採用低溫膜濃縮技術和瑞典乳脂分離技術系統生產，最大化保留優質鮮奶天然營養，原生蛋白質含量高達每百毫升 3.6g，原生高鈣每百毫升 120 mg，以高品質高營養冠領市場。
- The other newly launched product *Greenhouse* fresh milk is intended for the middle-to-high-end market. It assures freshness with 360 relevant standards used to measure milk at source, and boasts the edge of having higher protein content than peer products, hence won market preference.
- 另一款新推出的新鮮工廠鮮牛奶佈局中高端市場，以 360 項新鮮標準打造源頭上的新鮮，產品蛋白質含量高於對標產品的優勢，獲得市場青睞。
- Recently, Mengniu also launched a fiber-enriched milkshake milk *Burnlooking*, full of CLA glyceride and Resistant Dextrin, of a low-calorie formula and uses sugar substitute (maltitol). It agrees with the prevailing quest for healthy diet in the market.
- 蒙牛並最新推出纖維奶昔牛奶慢燃，它富含CLA甘油酯及抗性糊精，並採用低卡路里及代糖（麥芽糖醇）配方，迎合市場的健康飲食潮流。

## Key products:

- *Milk Deluxe*
- *Mengniu Pure Milk*
- *Mengniu Flavored Milk*
- *Future Star*
- *Student's Milk*
- *Burnlooking*

## 重點產品：

- 特侖蘇
- 蒙牛純牛奶
- 蒙牛花色奶
- 未來星
- 學生奶
- 慢燃

MANAGEMENT DISCUSSION AND ANALYSIS  
管理層討論及分析

|                       |   |
|-----------------------|---|
| Milk beverages<br>乳飲料 | <p>Revenue amounted to RMB5,467.4 million (2017: RMB4,910.3 million), accounting for 18.9% of the revenue of the liquid milk segment (2017: 19.4%)</p> <p>收入為人民幣54.674億元(二零一七年：人民幣49.103億元)，佔液態奶收入18.9%(二零一七年：19.4%)</p> <ul style="list-style-type: none"> <li>- Yoyi C launched LC-37 last year targeting the professional probiotics beverage market. Every 100 ml of the product contains 50 billion active bacteria C, 500 times that of the national standard. It also has an exclusive 37°C highly active bacterial strain, making it a revolutionary probiotics product and marking a breakthrough of the technical bottleneck of the low temperature probiotics industry. In May last year, under LC-37, an upgraded low-sugar enzyme-rich product was launched. In addition, with a limited edition of World Cup packaging featuring the national flag during the period and complemented by a “Scan the Code for Red Packet” promotion, the brand gained popularity.</li> <li>- 優益C在去年針對專業型乳酸菌市場推出LC-37系列，每100毫升含有500億活的活力C菌，高於國家標準500倍，更擁有獨家37℃強活性的菌株特性，打破了低溫乳酸菌行業的技術瓶頸，成為顛覆活性乳酸菌品類的創新產品，去年五月LC-37更升級推出低糖酵素口味新品。LC-37系列在期內限時推出了定製版國旗瓶世界盃包裝，配合「掃碼紅包」活動，進一步提升了品牌熱度。</li> </ul> <p>Key products:</p> <ul style="list-style-type: none"> <li>- Yoyi C</li> <li>- Fruit Milk Drink</li> <li>- Suan Suan Ru</li> </ul> <p>重點產品：</p> <ul style="list-style-type: none"> <li>- 優益C</li> <li>- 真果粒</li> <li>- 酸酸乳</li> </ul> |
| Yogurt<br>酸奶          | <p>Revenue amounted to RMB9,740.3 million (2017: RMB8,664.6 million), accounting for 33.7% of the revenue of the liquid milk segment (2017: 34.1%)</p> <p>收入為人民幣97.403億元(二零一七年：人民幣86.646億元)，佔液態奶收入33.7%(二零一七年：34.1%)</p> <ul style="list-style-type: none"> <li>- Just Yoghurt changed its packaging across the board to align with the World Cup theme and used the promotion slogan “Pure Flavor, Full Enjoyment” to reinforce Just Yoghurt’s status as a World Cup sponsor and the image of the brand. Just Yoghurt also introduced the PET bottle package and three new flavors, namely, mango and passion fruit, lime-matcha-avocado, and vanilla in original traditional package, to please the taste buds of consumers.</li> <li>- 純甄包裝統一換世界盃包裝，並以「味道純純，盡享精彩」作宣傳口號，強化純甄的世界盃贊助商身份及品牌形象。純甄並推出PET瓶裝和傳統包裝的芒果百香果、青檸抹茶牛油果和香草三種新口味，為消費者帶來新口味。</li> </ul>  |



## MANAGEMENT DISCUSSION AND ANALYSIS

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- *Milk Deluxe Yogurt*, launched last year, combines patented bacteria from the United States, the exclusive technique of Danone from France and premium ingredients from all over the world. During the period, continuing to uphold the brand spirit of “Not all yogurts are *Milk Deluxe*”, the brand continued to explore the high-end yogurt market.
- 去年推出的特侖蘇酸奶，是結合美國專利菌種、法國達能獨有工藝及全球優質食材打造而成，期內繼續成就「不是所有酸奶都是特侖蘇」的品牌精神，拓展高端酸奶市場。
- *Champion* stepped up promotion and education related to its “BB-12” bacteria during the period, to bring out better its positioning as a “professional and functional” yogurt.
- 冠益乳在期內強化了其擁有「BB-12」菌種的宣傳教育，進一步突出其「專業功能性」酸奶定位。
- Late last year, *Bio* introduced the *Kaquzi* grain mix flavored yogurt to meet meal replacement demand. It contains American almonds and cranberries, Australian oats and pumpkin seeds, the most of natural ingredients among similar yogurt products in the mainland market.
- 碧悠在去年底推出卡趣滋穀物組合風味發酵乳，並主打代餐，內含美國扁桃仁、蔓越莓乾、澳洲燕麥、甄選南瓜籽，是國內酸奶市場天然原料種類最豐富的穀物蓋。
- *European Charcoal Yogurt* expanded the series' packaging specifications and introduced two new flavors – lime and yellow peach with pulps.
- 歐式炭燒酸奶拓展系列包裝規格，並推出酸青檸、黃桃果粒兩款新口味。

## Key products:

- *Just Yoghurt*
- *Milk Deluxe Yogurt*
- *Champion*
- *Future Star Kid Nutritious Flavored Yogurt*
- *Inner Mongolia Solid Yogurt*
- *Bio*
- *European Charcoal Yogurt*

## 重點產品：

- 純甄
- 特侖蘇酸奶
- 冠益乳
- 未來星兒童營養風味酸牛奶
- 內蒙古老酸奶
- 碧悠
- 歐式炭燒酸奶

MANAGEMENT DISCUSSION AND ANALYSIS  
管理層討論及分析

|           |   |
|-----------|---|
| Ice Cream | Revenue amounted to RMB2,239.8 million (2017: RMB1,985.3 million), accounting for 6.5% of Mengniu's total revenue (2017: 6.7%)  |
| 冰淇淋       | <p>收入為人民幣22.398億元(二零一七年：人民幣19.853億元)，佔蒙牛總收入6.5%(二零一七年：6.7%)</p> <ul style="list-style-type: none"> <li>- As the Official 2018 FIFA World Cup™ Sponsor, Mengniu created a customized football-shape ice cream product – <i>Ice+</i> passion fruit flavor ice cream, and also launched <i>Ice+</i> pineapple popsicle and four fruits wonder popsicle, which drew much consumer enthusiasm.</li> <li>- 作為2018 FIFA世界盃全球官方贊助商，蒙牛傾力打造足球形狀訂制冰淇淋產品—冰+百香果口味雪泥、並推出冰+鳳梨冰棒和四果奇冰棒冰，獲得消費者熱烈反應。</li> <li>- The high-end ice cream brand <i>Deluxe</i> launched the new product wonder color crunchy ice cream, coming in three most trendy flavors matcha, tiramisu and toffee. The combination of the crunchy chocolate shell with soft ice cream fillings pleases the palate of consumers.</li> <li>- 高端冰淇淋品牌蒂蘭聖雪推出新品絢彩脆皮冰淇淋，優選時下最流行的抹茶、提拉米蘇、太妃焦糖三種口味，香脆的巧克力脆皮，綿柔的冰淇淋內芯，為消費者帶來多重美味體驗。</li> <li>- <i>Mood for Green</i> added a new flavor – red bean popsicle with the red beans prepared using a secret recipe that brings out their rich aroma and flavor. Another new innovative product that hit the market was the <i>Bean Mill</i> glutinous rice and red bean ice cream, an ice-cream with sweet red bean paste coated in chewy glutinous rice.</li> <li>- 綠色心情推出新口味秘制紅豆冰棒，含有大量秘方煮制紅豆，豆香濃鬱。此外還推出了甜品跨界組合樂豆坊糯米紅豆雪糕，香甜紅豆醬、配上Q彈糯米、打造創新產品。</li> <li>- Mengniu's <i>Russian</i> ice cream series had new members added, including <i>Russian</i> milk block ice cream and <i>Russian</i> style chocolate flavor ice cream of original Russian ice cream flavor. They boast rich milk content, strong milk flavor and are smooth and delicate on the palate, promising consumers exquisite enjoyment.</li> <li>- 蒙牛俄式冰淇淋系列推出新產品包括俄式奶磚冰淇淋和俄式巧純冰淇淋，還原俄羅斯冰淇淋風味，奶含量高，奶味濃鬱，口感細膩，帶給味蕾極致享受。</li> <li>- Mengniu also introduced the <i>Mengniu Premium Ranch</i> milk and grape flavor ice cream. The match of pure milk and grapes possessed using a unique method gives consumers a pure taste, fragrant and sweet.</li> <li>- 蒙牛並推出蒙牛優牧牛奶提子口味雪糕，純正牛奶搭配秘制提子，口感純正香甜。</li> <li>- <i>Suibian</i> launched the double-layer crunchy belgium chocolate and cherry jam ice cream, a product of world-class technique and with a premium selection of ingredients from all over the world. It is the first of its kind in the country and has a high-end positioning. Moreover, a new strawberry and chocolate flavor ice cream was launched.</li> <li>- 隨變推出雙脆層比利時巧克力櫻桃果醬夾心冰淇淋，採用世界頂級工藝，全球甄選食材，國內首創，定位高端。此外還推出了草莓巧克力口味雪糕。</li> </ul> |

## MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

## Key products:

- *Deluxe*
- *Mood for Green*
- *Ice+*
- *Suibian*
- *Russian*

## 重點產品：

- 蒂蘭聖雪
- 綠色心情
- 冰+
- 隨變
- 俄式

## Milk Formula

Revenue amounted to RMB2,946.5 million (2017: RMB1,786.4 million), accounting for 8.5% of Mengniu's total revenue (2017: 6.1%)

## 奶粉

收入為人民幣29.465億元(二零一七年：人民幣17.864億元)，佔蒙牛總收入8.5%(二零一七年：6.1%)

- *Yashily* brand emphasizes the provision of basic nutrients, of which *Yashily Kieember* infant milk formula, originally canned and imported from New Zealand, targets the medium-to-high end market and owns the patented INFAT™ active energy system, which ensures healthy growth of babies with its five patents. *Yashily Kieevagour* and *Yashily Qinérshi* are positioned in the middle-end market, while *Yashily Qinérshuo* appeals to the mass. The formula upgrade is completed with the original *Yashily*, with strengthened probiotics and lactoferrin content.
- 雅士利品牌側重基礎營養，其中新西蘭原罐進口的雅士利菁珀嬰幼兒奶粉定位中高端市場，擁有專利INFAT™動態活力系統，五項專利全面呵護寶寶成長；雅士利菁躍及雅士利親兒適定位中端，雅士利親兒碩則定位更親民。原雅士利新配方完成配方升級，強化益生菌及乳鐵蛋白。
- *Qinyou* series and *Organic* series of *Reeborne* completed the upgrade in packaging and formula and made increasing efforts in penetrating the organic market and significant growth is achieved.
- 瑞哺恩的親悠系列及有機系列已完成包裝及配方升級，並著力強化有機市場的滲透，取得顯著增長。
- *Dumex*, with its origin from Europe, is committed to the research on Chinese babies' immune system so as to provide professional solutions to satisfy the nutritional needs of infants. Of which, *Diamor* series possess dual patents in Europe and OPO structured fat, which is easy to be absorbed by intestines and good for brain development. *Boyoujia* series contains patented prebiotics and is of rich nutrition. *Dumex* goat milk series added easy-to-absorb OPO small molecules on top of its whole goat milk protein, which is good for preventing allergy.
- 多美滋源自歐洲，致力中國寶寶的抵抗力研究，為滿足嬰幼兒的營養需求提供專業解決方案。其中致粹系列具有歐洲雙重專利和OPO結構脂，有利腸道吸收及大腦發育。鉞優加系列含專利益生元，營養大滿罐。多美滋羊奶系列全羊乳蛋白基礎上特加入易吸收的OPO小分子，防止過敏。

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- *Arla Baby & Me* organic formula is originated from world's largest organic dairy producer in Denmark. Adhered to its organic nature for 130 years, it is famed by its royal origination. It has obtained organic certifications in 3 areas, namely hormone-free, fertilizer-free and pesticide-free. Its whole production process is under control by its own ranch and it is positioned in the super high-end market.
- *Arla* 寶貝與我有機奶粉源自丹麥全球最大的有機乳品商，130年來堅持自然歷練的好營養，有「皇室御用品牌」的美譽，獲得3大有機認證，無激素、化肥或農藥，自家牧場全程掌控，定位超高端市場。
- Yashili launched *Doraler*, its first high-end imported goat milk formula brand, last November. The product, canned in and imported from Australia, contains 100% pure goat milk protein and has a mild and smooth texture, which is easy for the body to absorb.
- 雅士利於去年十一月推出首個高端進口羊奶粉品牌朵拉小羊，為澳大利亞原罐進口，100%純羊乳蛋白，溫和細膩易吸收。
- Yashili's products also include various adult milk powder products, such as *Mengniu* brand adult milk formula, *Youyi* brand adult milk formula, *Huanqing* brand middle-age and elderly milk formula, as well as *Future Star* milk powder for children's growth, and various dissolvable products such as *Zhengwei* brand oatmeal and *Yashily* infant and toddler nutritional rice cereal.
- 雅士利的產品亦包括多種成人奶粉如蒙牛品牌成人奶粉、優怡品牌成人奶粉、煥輕品牌中老年奶粉，以及未來星兒童成長奶粉和多個系列沖調產品包括正味品牌麥片和雅士利嬰幼兒營養米粉等。

Key products:

- *Yashily Kieember and Kieevagour*
- *Reeborne*
- *Dumex Diamor*
- *Arla Baby & Me*
- *Doraler*

重點產品：

- 雅士利菁珀、菁躍
- 瑞哺恩
- 多美滋致粹
- *Arla* 寶貝與我
- 朵拉小羊

Other Products

Revenue amounted to RMB356.4 million (2017: RMB322.0 million), accounting for 1.1% of Mengniu's total revenue (2017: 1.1%)

其他產品

收入為人民幣3.564億元(二零一七年：人民幣3.220億元)，佔蒙牛總收入1.1%(二零一七年：1.1%)

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

- Adjustment and upgrade were carried out for the plant-based protein beverage *ZhiPuMoFang*, a joint creation of Mengniu and WhiteWave. Heeding future market trend, its *Silk Americano Soymilk* was launched last November in two flavors – original and almond. It is made with freshly grinded soybeans and uses the unique 8-second VTIS freshness preservation technology. During the period, the North American mixed berries flavor series was introduced.
- 蒙牛與WhiteWave共同創立的植物蛋白飲品品牌**植樸磨坊**，對產品進行了調整和升級，根據未來市場發展趨勢，在去年十一月推出**Silk美式豆奶**，採用原豆鮮磨及特有的VTIS 8秒鎖鮮技術，有原味及巴旦木兩種口味，期內再推出北美混合莓果口味。
- Mengniu joined hands with Arla Foods to introduce the professional catering brand *Arla Pro*, with *Arla* shredded mozzarella as the debut product. The product is produced in Mengniu's cheese factory, using the exclusive recipe and advanced techniques of Arla Foods and with premium imported cheese from Denmark as the ingredient, for tapping China's cheese market.
- 蒙牛攜手Arla Foods引進專業餐飲品牌**Arla Pro**，推出**愛氏晨曦馬蘇里拉乾酪絲**，採用Arla Foods的獨家配方及先進工藝，臻選來自丹麥的進口奶酪為原料，並在蒙牛的奶酪工廠進行生產，進軍國內奶酪市場。

#### Key products:

- *Silk Americano Soymilk*
- *Arla* shredded mozzarella
- *Lao Qu Bei*

#### 重點產品：

- *Silk*美式豆奶
- 愛氏晨曦馬蘇里拉乾酪絲
- 酪趣貝

## Production

Mengniu deploys its production capacity taking into account the potential of relevant markets and its own product strategy. As at 30 June 2018, Mengniu had 38 production bases in China and one in New Zealand, which together had a total production capacity of 9.51 million tons (December 2017: 9.22 million tons). To facilitate development of Southeast Asian markets, the Group is building a production base in Indonesia, which is expected to commence operation by the end of the year.

## 生產

蒙牛根據市場潛力及產品策略佈局產能，截至二零一八年六月三十日，蒙牛於全國共設有生產基地38個，新西蘭設有生產基地1個，產能合共為951萬噸(二零一七年十二月：922萬噸)。為佈局東南亞市場，蒙牛正在印尼建設生產基地，預計年底前開始投產。



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## Social Responsibility

In the first half of 2018, while striving to improve its economic benefits, Mengniu also continued to actively live up to its social responsibility as a corporate citizen, pursuing the mission of “focus on nutrition and health, deliver a drop of happiness for every moment and every day to more people”. Mengniu took the initiative to align its operations with the United Nations Sustainable Development Goals 2030, including setting up action teams to oversee works of four major themes – “nutrition and health”, “win-win growth”, “environmentally friendliness” and “targeted poverty alleviation”, so as to develop into a role model as a world-leading dairy enterprise. With the support of the teams, the Group will push forward its sustainable development strategy, embark on multi-dimensional corporate social responsibility activities to help people realize their aspiration for living a better life.

During the period, Mengniu took the charity concept underpinning its “Inclusive Nutrition Plan” to a new height by cooperating with the World Food Programme of United Nations to roll out a preschool children nutrition improvement pilot project in Xiangxi, Hunan. The move is an effort of the Group to serve as an example of how corporations can promote long-term development of “Healthcare-based Poverty Alleviation” and “Nutrition-based Poverty Alleviation”. Moreover, Mengniu and the Research Institute of Food and Nutrition Development under the Ministry of Agriculture and Rural Affairs of the PRC jointly published the “Blue Book on Inclusive Nutrition for Children in Rural China” to draw attention of the society onto the issue of improving provision of nutrition to poor children. During the period, Mengniu’s “Inclusive Nutrition Plan” donated a total of approximately 1.95 million packs of student milk to 14,886 poor students and left-behind children in 58 counties. Apart from product donation, Mengniu remained steadfast in “Supporting Intellectual Growth” starting with health education. It conducted 87 lectures on nutrition to educate and relate relevant knowledge to schools, parents and students.

## 社會責任

二零一八年上半年，蒙牛在努力提升經濟效益的同時，繼續積極承擔企業公民的社會責任，踐行「專注營養健康，每一天每一刻為更多人帶來點滴幸福」的使命。蒙牛主動對標聯合國2030年可持續發展目標，致力打造世界一流乳製品企業標桿，圍繞「營養健康」、「成長共贏」、「環境友好」、「扶貧攻堅」四大主題，設置行動小組，深入推進可持續發展戰略，開展多維度的企業社會責任活動，竭誠為人們對美好生活的嚮往而奮鬥。

期內，蒙牛將「營養普惠計劃」的公益理念推向新的高度，攜手聯合國世界糧食計劃署，支持湖南湘西學齡前兒童營養改善試點項目，以身作則推動中國「健康扶貧」、「營養扶貧」的長足發展。同時，蒙牛聯合中國農業農村部食物與營養發展研究所共同發佈了《中國鄉村兒童營養普惠藍皮書》，引導社會聚焦貧困兒童的營養改善問題。蒙牛集團的「營養普惠計劃」於期內共向58個縣、14,886個貧困學生及留守兒童捐贈約195萬包學生奶。在捐贈產品的同時，蒙牛緊抓「扶智」，從健康教育入手，進入校園開展了87場營養課堂，對學校、家長、學生進行營養知識普及教育。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

Engaging partners in win-win cooperation, Mengniu continued the “Golden Key of Milk Cow” project, which entails nurturing of professional teams and enhancing raw milk quality. During the period under review, Mengniu conducted two technical demonstration sessions under the “Golden Key of Milk Cow” project in milk source regions in China. Over 50 experts were invited to explain the latest breeding and rearing techniques to staffers of over 300 ranches in Southern and Northern China, which led to an increase in average output of partner farms and a decrease in average milk cost per kg. Through integrating the technical resources along its industrial chain, Mengniu has been able to render stronger support to its upstream rancher partners, helping the ranches with improving their effectiveness and speeding up their transformation and upgrade.

In the first half of 2018, Mengniu continued to enhance the professional skills of ranch personnel through its “University of Ranchers” program. The project, supported by such authoritative departments and organizations as the National Dairy Industry and Technology System and China Agricultural University, and also Mengniu and its top-class industrial chain partners and global industry experts, provides ranch owners and milk source technicians systematic knowledge training, technical support and financial support, thereby contributes to building a sustainable ranch ecosystem. During the period, the “University of Ranchers” held 4 offline training activities and 26 online training sessions through “Satellite Lectures”, and together those sessions benefited close to 5,000 participants helping them better understand dairy cattle rearing techniques, and among the participants were over 1,000 ranch staffers who received the training for free and subsequently more than 750 ranches were able to raise operational effectiveness. In addition, Mengniu continued to promote “Ranchers Says” knowledge sharing platform, with experts ready to provide dairy industry practitioners professional solutions to livestock-farming problems anytime, anywhere via WeChat. With the use of digital approaches in poverty alleviation, Mengniu strengthened its support to the general community of farmers and herdsmen, bringing benefits, economic and social, in other words, both the economy and the society win, and helping alleviate poverty among herdsmen by addressing the roots of the problem.

蒙牛攜手夥伴合作共贏，繼續推行「奶牛金鑰匙」計劃，培養專業隊伍、提升原奶質量。回顧期內，蒙牛於全國奶源區域內成功開展兩期「奶牛金鑰匙」計劃蒙牛技術示範專場活動，邀請專家50餘位，為華南及華北地區300餘個牧場的人員介紹最新的養殖技術，提升了合作牧場的平均產量，降低平均公斤奶成本。蒙牛通過融合產業鏈技術資源，強化了對上游牧場主夥伴們的協助，成功幫助牧場提升效益、加快轉型升級。

二零一八年上半年蒙牛繼續推行「牧場主大學」計劃，提升牧場人員的專業技能，該項目聯合國家奶牛產業技術體系、中國農業大學等權威部門和機構，依託蒙牛及產業鏈頂級夥伴與全球行業專家向牧場主及奶源技術人員提供系統的知識培訓、技術幫扶、金融幫扶等，建立可持續的牧場生態圈。期內，「牧場主大學」項目開展線下活動4次，借助「衛星大講堂」開展線上活動26次，通過線上線下聯合教學，幫助近5,000人進一步學習奶牛飼養技術，其中免費培訓牧場人員超過1,000人次，幫扶750多家牧場提升效益。此外，蒙牛持續推廣「牛人說」牧業知識分享平台，透過微信隨時隨地由專家向牧業從業人員提供畜牧上的專業答疑。蒙牛通過數字化的扶貧方法，深化對廣大農牧民的支持，實現經濟效益與社會效益的共生共贏，從根源上帶領牧民脫貧致富。

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Mengniu insists on striving for win-win in fulfilling its corporate social responsibility and that has gained for it recognition and praises from various parties in the society. In the first half of 2018, for its exertion on charitable initiatives such as “Inclusive Nutrition Plan”, “Golden Key of Milk Cow” and “University of Ranchers”, Mengniu received the “Twelfth Annual People’s Corporate Social Responsibility Award – Poverty Alleviation” from People’s Daily Online, the “Golden Bull Award of Responsibility” from the China Social Responsibility 100 Forum under the guidance of the Research Center of Corporate Social Responsibility of Chinese Academy of Social Sciences, the “Golden Bee Enterprise” award at the Thirteenth China CSR International Forum, one of the “Top 50 Brands for Chinese Corporate Citizens’ Responsibility” at the Third Chinese Corporate Citizens’ Responsibility Summit and the “Asia Responsible Enterprise Award 2018 – Social Empowerment Category” from Enterprise Asia.

### Human Resources

As at 30 June 2018, the Group had a total of about 40,015 employees in China and Hong Kong, including around 2,310 employees of Yashili. During the period, total staff costs (including salaries of directors and senior executives) amounted to approximately RMB2,729.6 million (2017: RMB2,395.7 million).

Taking into consideration international trend and Mengniu’s own strategic goals, the human resources management arm of the Group is building a new operation model centered around the forging of “new business partner relationship” and facilitated by a “shared services center”. By setting up the Human Resources Shared Services Center (“HRSSC”), administrative duties can be completed efficiently, thus release the capacity of Human Resources Business Partners (“HRBP”) and Centers of Expertise (“COE”) to offer value-added services to the Group’s businesses to help them grow. During the period, the HRSSC project was activated with formal operation scheduled for end of 2018, enabling provision of mobile, intelligent and integrated, in other words, convenient and efficient human resources services to staff.

蒙牛在企業社會責任的實踐道路上努力創造共贏，贏得了社會各界的肯定及讚譽。二零一八年上半年，蒙牛憑藉「營養普惠計劃」、「奶牛金鑰匙」、「牧場主大學」等一系列公益慈善活動，先後獲人民網頒發的「第十二屆人民企業社會責任年度扶貧獎」、中國社科院企業社會責任研究中心指導、中國社會責任百人論壇頒發的「責任金牛獎」、第十三屆中國企業社會責任國際論壇頒發的「金蜜蜂企業獎」、第三屆中國企業公民責任峰會頒發的「中國企業公民責任品牌50強」，以及亞洲企業商會頒發的「二零一八亞洲企業社會責任—社會公益發展獎」。

### 人力資源

於二零一八年六月三十日，本集團於中國大陸及香港合共聘用僱員約40,015名，包括雅士利僱員約2,310名。期內僱員總成本（包括董事及高級行政人員薪金）約為人民幣27.296億元（二零一七年：人民幣23.957億元）。

基於國際大趨勢以及蒙牛戰略目標，本集團人力資源管理正在構建以「新型業務夥伴關係」為核心，以「共享服務中心」建設為抓手的新運營模式。通過搭建人力資源共享服務中心（Human Resources Shared Services Center，簡稱「HRSSC」），高效完成事務性工作，釋放人力資源業務合作夥伴（Human Resources Business Partners，簡稱「HRBP」）和專家中心（Centers of Expertise，簡稱「COE」）更多精力為本集團業務提供增值服務，助力業務發展。期內，蒙牛已啟動HRSSC項目，目標於二零一八年底正式營運，以移動化、智能化、集成化的運作模式，為員工提供便捷高效的人力資源服務。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

During the period, Mengniu also watched closely the needs of its businesses and optimized accordingly its personnel training system. Starting with platform building on four aspects, including job orientation, training of general capabilities, leadership and professional skills, Mengniu wants to turn itself into an organization that values learning and in turn assists development of its businesses. The Group has internal trainers to mentor the staff and share with them the corporate culture, and promote a learning and development system that operates highly effectively. Apart from traditional offline mentoring, the four-in-one internet learning platform “Zhi De” has been broadly implemented and applied, offering personalized training contents to employees of different levels anytime, anywhere.

In addition, the Group issued the “Mengniu corporate culture manual (2018 edition)”, stating loyalty to its core values and at the same time refined the Mengniu spirit and enriched its concept system to preserve for passing on the genes of Mengniu’s traditional corporate culture and support its 2020 strategy. During the period, a variety of corporate culture related activities were held, including online games, role model election and lectures by senior management, to facilitate the day-to-day embrace of the corporate culture of the Group by employees.

In the first half of 2018, Mengniu optimized its existing incentive system, implemented authorization by rank, strengthened the connection between incentives for the individual and performance of the organization and pushed to evolve from focusing on labor cost control to elevating labor cost efficiency. To reward and retain core staff in key positions, Mengniu continued to implement its retention plan for key personnel, entailing awarding restricted shares as an incentive for them to stay with the Company. During the period, Mengniu granted a total of 6,693,084 shares under the share award scheme to core staff in key positions at middle management and above levels and also those affording excellent performance and strong potential. In addition, a total of 9,593,689 share options were granted under the share option scheme to eligible staffers.

期內，蒙牛並緊貼業務需求，優化人才培養體系，從入司培養、通用能力提升、領導力培養及專業力平台搭建四方面入手，打造蒙牛成為學習型組織，助力業務發展。蒙牛特設內訓師，通過推行輔導及分享文化，推動蒙牛學習發展體系高效運作。除傳統線下輔導外，四合一線上學習平台「值得」得到廣泛推行及應用，成功為不同階級員工隨時隨地提供個性化培訓內容。

此外，本集團發佈了「蒙牛企業文化手冊二零一八版」，在保持核心價值觀的同時，高度提煉了蒙牛精神，豐富理念體系，以傳承蒙牛傳統企業文化基因、支持2020戰略。蒙牛並於期內開展了包括線上遊戲、榜樣人物選舉及高管講堂等多類型企業文化活動，推動企業文化落地。

二零一八年上半年，蒙牛優化現有激勵體系，實施分級授權，加強個人激勵與組織業績的關聯，並從人工成本管控向驅動人工效能提升變革。為激勵與保留核心關鍵崗位，蒙牛繼續推行關鍵崗位員工留任計劃，通過限制性股票激勵員工留任。期內，蒙牛根據股票獎勵計劃向中級管理層及以上核心關鍵崗位、具高績效及高潛質的員工授出共6,693,084股股票，另根據購股權計劃向合資格員工授出共9,593,689份購股權。

MANAGEMENT DISCUSSION AND ANALYSIS  
管理層討論及分析

## Prospects

As the industry goes deeper into supply-side structural reform, its focus has also changed from seeking to grow in scale to achieving steady growth in per capita consumption and quality upgrade. As for consumers, apart from being more demanding on the quality of dairy products and choices of flavor, they are paying growing attention on where the products and their ingredients come from, and the sales channels as well as the consumption settings of dairy products have become more diverse. China is determined to see its dairy industry revitalized by 2025, with the industry achieving sustainable development upstream and downstream and more consolidated. Thus, dairy product enterprises are stepping up industrial deployments and pursuit of quality improvement and innovation. Moreover, the full implementation of the infant milk formula registration system in 2018 have started to change the competitive landscape for milk formula products. At the same time, as economic globalization prevails, the dairy product industry in China has kept strengthening exchange with international counterparts in a bid to drive the upgrade of Chinese dairy brands.

Looking forward, Mengniu will continue to adopt the consumer-oriented approach, focus on bolstering “user power” and, by remaining steadfast in guarding quality and striving for product excellence, innovation and internationalization, to work towards a new image of dairy products from a great nation. It will be loyal to the spirit of “No compromise on product, quality, values or execution”, so that it may provide consumers with healthy products of the highest quality and the society positive energy. To adapt to and lead consumption demand upgrade and to enhance the efficiency and quality of product innovation, Mengniu has set up a number of new departments, including consumer research and innovative product developments, to hasten research and development of innovative products in different categories, thereby enhance product price premiums. Mengniu will continue to cooperate with China Modern Dairy and Arla Foods to explore the potentials of the fresh milk and yogurt markets, quickly develop related products, and also develop the plant-based beverage market.

## 展望

隨著行業供給側改革的深化，中國乳製品行業由規模增長轉向人均飲用量穩步提升和品質升級轉變，消費者除注重乳製品的質量及口味選擇，也愈發注重產品產地及原料供應，乳製品的銷售渠道及消費場景也日趨多樣化。中國提出二零二五年振興乳業目標，實現行業上下游可持續發展，行業集中度進一步提升，乳品企業正加大產業佈局，提升品質積極創新，加上二零一八年全面實施嬰幼兒配方奶粉註冊制，奶粉產品的競爭格局正經歷重新洗牌。同時，經濟全球化的格局下，乳品行業持續加強與國際間交流合作，驅動中國乳業品牌升級。

展望未來，蒙牛繼續以消費者為核心，聚焦「用戶力」，堅守品質，圍繞「質量、創新、國際化」，打造大國乳品的新形象。蒙牛將堅持「產品不妥協、質量不妥協、價值觀不妥協，執行力不妥協」，為每一位消費者帶來最優質、健康的產品的同時，也為社會帶來正能量。為了適應並引領消費需求的升級，提升產品創新的效率和品質，蒙牛成立了消費者研究部、創新產品發展部等多個新部門，聚焦各品類全面加速產品研發創新，提升產品溢價能力。蒙牛還將繼續攜手中國現代牧業及 Arla Foods，積極挖掘鮮奶及乳酪市場潛力，快速發展有關產品，和開拓植物基飲品的市場。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

Collaboration with its three major shareholders, namely COFCO Group, Danone Group and Arla Foods, Mengniu will continue its efforts to build itself into a world-class Chinese dairy enterprise. Leveraging its standing as an official partner of the World Cup in Russia, Mengniu has reinforced its strategic global business layout and worked on building a world-class industrial chain capable of quality guarantee from milk source through to the point-of-sales. Mengniu will continue to explore overseas upstream resources and refine its global milk source supply chain. The cooperation framework agreement that the Group signed with Alibaba will enable the two partners use their respective resources to jointly enlarge the market coverage of Chinese dairy products worldwide. In 2018, Mengniu has speeded up deployment in Southeast Asia and, in the second half year, it plans to develop markets in Malaysia and the Philippines. Its factory in Indonesia is expected to be completed and commence operation this year to produce and sell *Yoyi C* products locally. Mengniu will join force with its “Belt and Road Dairy Alliance” to build a dairy community together with dairy enterprises in countries along the “Belt and Road” and lead Chinese dairy enterprises in going global.

Digitalization is the new trend in the dairy industry and Mengniu will keep in good pace with it. The Group will continue to push forward with the digital transformation of its whole industrial chain, aiming for further integration of its industrial chain from pasture to the cup and information technology with the help of strategic cooperative partners such as Alibaba and JD.com. It shall use Big Data to facilitate informatization and intelligent transformation of quality management, milk source development, innovation, research and development and sales channels. In the future, employing digital technology, Mengniu will strive to achieve seamless digital quality monitoring throughout the entire operational process, thereby create truly personalized dairy products, and accordingly present consumers with brand new digitalized consumption experiences.

蒙牛將與中糧集團、Danone集團及Arla Foods三大股東繼續共同協力，打造世界級水準的中國民族乳品企業。蒙牛以俄羅斯世界盃官方合作夥伴為新起點，深化全球化戰略佈局，從奶源到終端打造世界級品質的全產業鏈。蒙牛將繼續探索海外上游資源，完善全球化奶源供應鏈，通過與阿里巴巴簽訂合作框架協議，利用各自資源共同佈局全球乳製品市場。二零一八年，蒙牛正加快佈局東南亞，下半年計劃開拓馬來西亞及菲律賓市場，印尼工廠有望在年內竣工投產，實現優益C產品本地化生產及銷售。蒙牛將攜手「一帶一路奶業聯盟」，加強「一帶一路」沿線國家建設乳業共同體，引領中國乳企走向世界。

順應乳業數字化新趨勢，蒙牛將繼續推進全產業鏈數字化轉型，聯手阿里巴巴、京東等戰略夥伴，推動從牧草到奶杯的產業鏈與信息技術深度融合，利用大數據平台實現品質管理、奶源建設、創新研發、銷售渠道的全面信息化、智能化。未來將著力實現全流程無縫覆蓋數字化質量監控，及通過數字化手段真正實現個性化乳產品定制，創造全新的數字化乳品消費體驗。

MANAGEMENT DISCUSSION AND ANALYSIS  
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Making full use of its digitalized platform and continuing to tap the momentum resulting from World Cup marketing, Mengniu will keep increasing interaction with consumers to enhance their acceptance of the brand. In the meantime, effort to effect channel penetration in lower-tier markets and nurturing regional markets will continue and be strengthened, and provide healthier and higher quality dairy products to consumers.

Mengniu will strive to fully deliver on its “Born for Greatness” brand proposition and continue to adopt its user-oriented approach in the 4U era of the dairy industry, building itself into a world-leading Chinese dairy product enterprise. Guided by its “2020 Goals”, Mengniu will strive for breakthroughs in corporate value and sales volume drawing on its highly effective “Wolf Culture” and with determination to win and accomplish win-win.

蒙牛將充分利用數字化平台，借勢世界盃主題營銷的熱浪，持續加強與消費者互動，提升品牌的好感度。同時，繼續加強渠道下沉及區域精耕，為消費者帶來更多更健康更優質的乳製品。

蒙牛將全面釋放「天生要強」的品牌主張，在乳業4U時代持續以消費者為中心，打造全球領先的中國乳品企業。蒙牛將以「2020目標」為導向，以高效的「狼性文化」及「必贏、共贏」的決心，實現企業價值及銷售規模的全新突破。

## REPORT OF THE DIRECTORS

### 董事會報告

The board (the “Board”) of directors (the “Directors”) of the Company has the pleasure in submitting the 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 (the “Interim Financial Statements”).

#### Interim Dividend

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2018 (six months ended 30 June 2017: nil) and propose that the profit for the six months ended 30 June 2018 be retained.

#### Directors’ and Chief Executive’s Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2018, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) (the “Associated Corporation”) as 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 of Hong Kong Limited (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 Listing Rules were as follows:

本公司董事(「董事」)會(「董事會」)欣然提呈其中期報告，連同本公司及其子公司(統稱「本集團」)截至二零一八年六月三十日止六個月的未經審核簡明綜合財務報表(「中期財務報表」)。

#### 中期股息

董事不建議派發截至二零一八年六月三十日止六個月的中期股息(截至二零一七年六月三十日止六個月：無)，並建議保留截至二零一八年六月三十日止六個月的利潤。

#### 董事及主要行政人員於股份、相關股份及債權證之權益及淡倉

於二零一八年六月三十日，本公司董事及主要行政人員於本公司及其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)(「相聯法團」)之股份、相關股份及債權證中，擁有登記在根據證券及期貨條例第352條規定存置的登記冊內之權益及淡倉，或根據上市規則附錄10所載之上市發行人董事進行證券交易的標準守則(「標準守則」)另行知會本公司和香港聯合交易所有限公司(「聯交所」)之權益及淡倉如下：

REPORT OF THE DIRECTORS  
董事會報告

Long positions in the shares of the Company or any of the Associated Corporations (not including options granted under the Company's share option scheme):

於本公司或其任何相聯法團股份之好倉(不包括根據本公司購股權計劃授出的購股權)：

| Name of Director<br>董事名稱 | Nature of Interest<br>權益性質 | Total Number of Ordinary Shares<br>普通股總數 | Percentage of the Company's Issued Share Capital <sup>(2)</sup><br>佔本公司已發行股本百分比 <sup>(2)</sup> |
|--------------------------|----------------------------|--|--|
| Lu Minfang<br>盧敏放        | Personal Interest<br>個人權益  | 252,243(L) <sup>(1)</sup>                | 0.006%   |
| Wu Wenting<br>吳文婷        | Personal Interest<br>個人權益  | 136,300(L) <sup>(1)</sup>                | 0.003%   |

Notes:

附註：

(1) It represents shares granted to Mr. Lu Minfang and Ms. Wu Wenting under the Restricted Share Award Scheme of the Company.

(1) 其指根據本公司的限制性股票獎勵計劃授予盧敏放先生及吳文婷女士的股份。

(2) The calculation is based on the number of shares as a percentage of the total number of issued shares of the Company (i.e. 3,927,361,132 shares) as at 30 June 2018.

(2) 計算乃按股份數目所佔本公司截至二零一八年六月三十日之已發行股份總數(即3,927,361,132股股份)的百分比為準。

(L) Indicates a long position.

(L) 表示好倉。

## REPORT OF THE DIRECTORS 董事會報告

Certain Directors have been granted options and shares under the Company's share option scheme and share award scheme, details of which are set out in the sections headed "Share Option Scheme" and "Share Award Scheme", respectively below.

Save as disclosed above and as set out in the section headed "Share Option Scheme" below, as at 30 June 2018, none of the Directors and the chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of the Associated Corporations as recorded in the register of the Company 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.

### Substantial Shareholders' Interests

As at 30 June 2018, the interests or short positions of substantial shareholders, other than the Directors or the chief executive of the Company whose interests and short positions in the shares of the Company and of the Associated Corporations are set out above, in the shares and underlying shares of the Company as recorded in the register required to be maintained under Section 336 of the SFO were as follows:

若干董事根據本公司之購股權計劃及股票獎勵計劃獲授購股權及股票，詳情分別載於下文「購股權計劃」及「股票獎勵計劃」各節。

除上文所披露及下文「購股權計劃」一節所載者外，於二零一八年六月三十日，本公司各董事及主要行政人員於本公司或任何相聯法團之股份、相關股份及債權證中，概無擁有任何登記在根據證券及期貨條例第352條規定存置的登記冊內，或根據標準守則另行知會本公司和聯交所之權益及淡倉。

### 主要股東權益

於二零一八年六月三十日，根據證券及期貨條例第336條規定存置之登記冊所記錄，主要股東（於本公司及相聯法團的股份中所擁有的權益及淡倉已於上文載列的本公司董事或主要行政人員除外）於本公司股份及相關股份中的權益或淡倉如下：

| Name of Substantial Shareholder | 主要股東名稱              | Number of Ordinary Shares<br>普通股數目 | Percentage of the Company's Issued Share Capital <sup>(7)</sup><br>佔本公司已發行股本百分比 <sup>(7)</sup> |
|---------------------------------|---------------------|------------------------------------|--|
| COFCO Corporation               | 中糧集團有限公司            | 1,234,500,758(L) <sup>(1)</sup>    | 31.43%   |
| COFCO (Hong Kong) Limited       | 中糧集團(香港)有限公司        | 1,233,700,758(L) <sup>(2)</sup>    | 31.41%   |
| China Foods (Holdings) Limited  | 中國食品(控股)有限公司        | 1,233,700,758(L) <sup>(3)</sup>    | 31.41%   |
| Farwill Limited                 | 志遠有限公司              | 1,233,700,758(L) <sup>(2)</sup>    | 31.41%   |
| Colour Spring Limited           | 彩泉有限公司              | 1,233,700,758(L) <sup>(2)</sup>    | 31.41%   |
| COFCO Dairy Holdings Limited    | 中糧乳業控股有限公司          | 1,233,700,758(L) <sup>(2)(4)</sup> | 31.41%   |
| COFCO Dairy Investments Limited | 中糧乳業投資有限公司          | 1,233,700,758(L) <sup>(2)(5)</sup> | 31.41%   |
| Prominent Achiever Limited      | 互達有限公司              | 1,233,700,758(L) <sup>(2)(5)</sup> | 31.41%   |
| Arla Foods amba                 | Arla Foods amba     | 1,233,700,758(L) <sup>(2)</sup>    | 31.41%   |
| Danone SA                       | Danone SA           | 1,233,700,758(L) <sup>(6)</sup>    | 31.41%   |
| Danone Asia Pte Ltd             | Danone Asia Pte Ltd | 1,233,700,758(L) <sup>(2)</sup>    | 31.41%   |
| Citigroup Inc.                  | Citigroup Inc.      | 222,943,442(L)                     | 5.67%  |
|                                 |                     | 1,760,499(S)                       | 0.04%  |
|                                 |                     | 191,090,287(P)                     | 4.86%  |



REPORT OF THE DIRECTORS  
董事會報告

## Notes:

- (1) COFCO Corporation is deemed interested in an aggregate of 1,234,500,758 shares in the Company, comprising (a) 1,233,700,758 shares in the Company through its wholly-owned subsidiary, COFCO (Hong Kong) Limited and (b) 800,000 shares in the Company through another of its wholly-owned subsidiary, COFCO (BVI) Limited. COFCO (BVI) Limited is deemed interested in 800,000 shares in the Company through its wholly-owned subsidiary, COFCO (BVI) No. 9 Limited.
- (2) COFCO (Hong Kong) Limited, Farwill Limited, Colour Spring Limited, COFCO Dairy Holdings Limited, COFCO Dairy Investments Limited, Prominent Achiever Limited, Arla Foods amba, Danone Asia Pte Ltd are deemed interested in an aggregate of 1,233,700,758 shares in the Company under section 317 of the SFO.
- (3) China Foods (Holdings) Limited (previously known as COFCO (BVI) No. 108 Limited) is deemed interested in 1,233,700,758 shares in the Company through its wholly-owned subsidiary, Farwill Limited.
- (4) COFCO Dairy Holdings Limited is deemed interested in 1,233,700,758 shares in the Company through its subsidiary, COFCO Dairy Investments Limited.
- (5) COFCO Dairy Investments Limited is deemed interested in 296,028,044 shares in the Company through its wholly-owned subsidiary, Prominent Achiever Limited.
- (6) Danone SA is deemed interested in 1,233,700,758 shares in the Company through its subsidiary, Danone Asia Pte Ltd.
- (7) The total issued shares of the Company as at 30 June 2018 was 3,927,361,132.
- (L) Indicates a long position.
- (S) Indicates a short position.
- (P) Indicates a lending pool.

Save as disclosed above, as at 30 June 2018, no other interests or short positions in the shares or underlying shares of the Company were recorded in the register maintained under Section 336 of the SFO.

## 附註：

- (1) 中糧集團有限公司被視為於本公司合共1,234,500,758股股份中擁有權益，當中包括(a)透過其全資子公司中糧集團(香港)有限公司於本公司1,233,700,758股股份及(b)透過其另一全資子公司COFCO (BVI) Limited於本公司800,000股股份中擁有權益。COFCO (BVI) Limited被視為透過其全資子公司COFCO (BVI) No. 9 Limited於本公司800,000股股份中擁有權益。
- (2) 根據證券及期貨條例第317條，中糧集團(香港)有限公司、志遠有限公司、彩泉有限公司、中糧乳業控股有限公司、中糧乳業投資有限公司、互達有限公司、Arla Foods amba、Danone Asia Pte Ltd被視為於本公司合共1,233,700,758股股份中擁有權益。
- (3) 中國食品(控股)有限公司(前稱COFCO (BVI) No. 108 Limited)被視為透過其全資子公司志遠有限公司於本公司1,233,700,758股股份中擁有權益。
- (4) 中糧乳業控股有限公司被視為透過其子公司中糧乳業投資有限公司擁有本公司1,233,700,758股股份之權益。
- (5) 中糧乳業投資有限公司被視為透過其全資子公司互達有限公司擁有本公司296,028,044股股份之權益。
- (6) Danone SA被視為透過其子公司Danone Asia Pte Ltd於本公司1,233,700,758股股份中擁有權益。
- (7) 於二零一八年六月三十日，本公司已發行股份總數為3,927,361,132股。
- (L) 表示好倉。
- (S) 表示淡倉。
- (P) 表示可供借出的股份。

除上文所披露者外，於二零一八年六月三十日，根據證券及期貨條例第336條規定存置之登記冊所記錄，概無任何其他於本公司股份或相關股份中之權益或淡倉。

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## Share Option Scheme

On 3 June 2016, the shareholders of the Company approved the adoption of a new share option scheme (the “2016 Share Option Scheme”) in order to enable the Group to continue to offer valuable incentive to attract and retain quality personnel to work to increase the value of the shares of the Company. The 2016 Share Option Scheme shall be valid and effective for a period of 10 years commencing from 3 June 2016 and will expire on 2 June 2026.

The following share options are granted under the 2016 Share Option Scheme during the period.

## 購股權計劃

二零一六年六月三日，本公司股東批准採納新購股權計劃（「二零一六年購股權計劃」），以讓本集團繼續向傑出僱員提供優厚獎勵，以吸引並挽留彼等效力本集團，提高本公司股份價值。二零一六年購股權計劃自二零一六年六月三日起生效，有效期為十年，並將於二零二六年六月二日失效。

下列購股權於期內根據二零一六年購股權計劃授出。

| Name or category of participant<br>參與者姓名或類別 | Number of share options<br>購股權數目   |                                   |                                     |                                  | As at 30 June 2018<br>於二零一八年六月三十日 | Date of grant of share options<br>授出購股權日期 | Exercise period of share options (both dates inclusive) <sup>(1)</sup><br>購股權行使期間 (包括首尾兩天) <sup>(1)</sup> | Exercise price of share options<br>購股權行使價<br>HK\$<br>港元 |
|---|------------------------------------|-----------------------------------|-------------------------------------|----------------------------------|-----------------------------------|---|---|---|
|   | As at 1 January 2018<br>於二零一八年一月一日 | Granted during the period<br>期內授出 | Exercised during the period<br>期內行使 | Lapsed during the period<br>期內失效 |                                   |   |   |   |
| <b>Executive Director</b><br>執行董事           |                                    |                                   |                                     |                                  |                                   |   |   |   |
| Lu Minfang<br>盧敏放                           | 865,000                            | -                                 | -                                   | -                                | 865,000                           | 13.7.2017<br>二零一七年七月十三日                   | 13.7.2018 to 12.7.2022 <sup>(1)</sup><br>二零一八年七月十三日至二零二二年七月十二日 <sup>(1)</sup>                             | 14.812  |
|   | -                                  | 690,199                           | -                                   | -                                | 690,199                           | 7.5.2018<br>二零一八年五月七日                     | 7.5.2019 to 6.5.2023 <sup>(1)(2)</sup><br>二零一九年五月七日至二零二三年五月六日 <sup>(1)(2)</sup>                           | 26.05   |
| Wu Wenting<br>吳文婷                           | 238,300                            | -                                 | -                                   | -                                | 238,300                           | 13.7.2017<br>二零一七年七月十三日                   | 13.7.2018 to 12.7.2022 <sup>(1)</sup><br>二零一八年七月十三日至二零二二年七月十二日 <sup>(1)</sup>                             | 14.812  |
|   | -                                  | 220,084                           | -                                   | -                                | 220,084                           | 7.5.2018<br>二零一八年五月七日                     | 7.5.2019 to 6.5.2023 <sup>(1)(2)</sup><br>二零一九年五月七日至二零二三年五月六日 <sup>(1)(2)</sup>                           | 26.05   |
| Employees in Aggregate<br>僱員總計              | 9,345,915                          | -                                 | -                                   | (685,363)                        | 8,660,552                         | 13.7.2017<br>二零一七年七月十三日                   | 13.7.2018 to 12.7.2022 <sup>(1)</sup><br>二零一八年七月十三日至二零二二年七月十二日 <sup>(1)</sup>                             | 14.812  |
|   | -                                  | 8,683,406                         | -                                   | (20,950)                         | 8,662,456                         | 7.5.2018<br>二零一八年五月七日                     | 7.5.2019 to 6.5.2023 <sup>(1)(2)</sup><br>二零一九年五月七日至二零二三年五月六日 <sup>(1)(2)</sup>                           | 26.05   |
|   | 10,449,215                         | 9,593,689                         | -                                   | (706,313)                        | 19,336,591                        |   |   |   |

Notes:

- (1) The share options will be vested in two equal batches with 50% of the share options granted vesting on the first and second anniversaries of the date of grant. In addition, the share options will only be vested if and when the pre-set performance targets of both the Group and the participants are achieved. Unless all of these targets are met, the share options will lapse. The exercise period ends on a date which is no later than five years from the date of grant of such options.
- (2) The closing price of the Shares immediately before the date of grant of the Options were HK\$25.35 as of 4 May 2018.

附註：

- (1) 購股權將分為二等份歸屬，50%已授出購股權於由授出日期起第一及二個週年歸屬。此外，倘若達到本集團及參與者的預定表現目標，則有關購股權方獲歸屬。倘未能達致上述全部目標，則有關購股權將失效。行使期在授出有關購股權日期起計不超過五年當日完結。
- (2) 股份在緊接購股權授出日期之前的收市價為二零一八年五月四日之25.35港元。

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Save as disclosed above, at no time during the reporting period was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or the chief executive of the Company or their respective associates to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Save as disclosed above, none of the Directors or the chief executive during the six months ended 30 June 2018, held any interest in, or were granted any right to subscribe for, the securities of the Company and its associated corporations within the meaning of the SFO, or had exercised any such rights.

Further details of the Share Option Scheme are set out in Note 28 to the Interim Financial Statements.

## Share Award Scheme

### 1) Restricted Share Award Scheme

The Company operates a restricted share award scheme (the "Restricted Share Award Scheme") to motivate the employees to maximize the value of and share the results with the Company in order to achieve sustainable development of the Group.

During the six months ended 30 June 2018, the number of shares of the Company granted to selected participants was 6,693,084, of which 154,143 shares were granted to the Directors, details of which are as follows:

| Name of Director<br>董事姓名 | As at<br>1 January 2018<br>於二零一八年<br>一月一日 | Granted during<br>the period<br>期內授出 | Vested during<br>the period<br>期內歸屬 | Forfeited during<br>the period<br>期內失效 | As at<br>30 June 2018<br>於二零一八年<br>六月三十日 |
|--------------------------|---|--------------------------------------|-------------------------------------|--|--|
| Lu Minfang<br>盧敏放        | 164,100                                   | 88,143                               | -                                   | -                                      | 252,243                                  |
| Wu Wenting<br>吳文婷        | 70,300                                    | 66,000                               | -                                   | -                                      | 136,300                                  |

除上文披露者外，本公司或其任何子公司於報告期內概無訂立任何安排，使本公司董事或主要行政人員或各自之聯繫人士可藉收購本公司或任何其他法團之股份或債權證而獲得利益。

除上文披露者外，於截至二零一八年六月三十日止六個月期間，概無任何董事或主要行政人員持有或獲授予本公司及其相聯法團（定義見證券及期貨條例）證券之任何權益或認購權利，亦無行使任何該等權利。

購股權計劃的進一步詳情載於中期財務報表附註28。

## 股票獎勵計劃

### 1) 限制性股票獎勵計劃

本公司採納一項限制性股票獎勵計劃（「限制性股票獎勵計劃」），藉以激勵僱員為本公司創造更高價值，與本公司共享成果，推動本集團的可持續發展。

截至二零一八年六月三十日止六個月期間，已授予獲選參與者的本公司股票數目為6,693,084股，其中154,143股股份授予董事，詳情載列如下：

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### 2) Key Management Retention Plan

The Company adopted the key management retention plan (the “Retention Plan”) to retain and reward the Group’s key management personnel and employees with great potential and to drive the achievement of strategic objectives of the Company. According to the Retention Plan, the Company will contribute a maximum of RMB150 million for the execution of the Retention Plan.

During the period ended 30 June 2018, no share was granted under the Retention Plan.

Further details of the Share Award Scheme are set out in Note 29 to the Interim Financial Statements.

### Foreign Currency Risk

The Group’s businesses are principally located in Mainland China and substantially all transactions are conducted in RMB, except for the purchases of imported machinery and equipment, and sales of dairy products to Hong Kong and Macau. As at 30 June 2018, substantially all of the Group’s assets and liabilities were denominated in RMB except for the cash and bank balances of approximately RMB97,382,000 (31 December 2017: RMB102,558,000), RMB32,704,000 (31 December 2017: RMB139,753,000), RMB2,897,000 (31 December 2017: RMB1,057,000), RMB2,995,000 (31 December 2017: RMB6,000), RMB42,731,000 (31 December 2017: RMB60,443,000), RMB353,000 (31 December 2017: Nil), RMB4,000 (31 December 2017: Nil) and RMB15,924,000 (31 December 2017: Nil), which were denominated in United States dollars, Hong Kong dollars, Euro, New Zealand dollars, Danish Krone, Australian dollars, Singaporean dollars and Indonesian rupiah, respectively, a pledged deposit and investment deposit of approximately RMB33,942,000 (31 December 2017: RMB14,545,000) and RMB13,288,000 (31 December 2017: Nil) which was denominated in United States dollars, respectively, and the interest-bearing bank and other borrowings of approximately RMB3,102,077,000 (31 December 2017: RMB3,207,497,000), RMB6,488,280,000 (31 December 2017: RMB5,941,819,000), RMB45,355,000 (31 December 2017: RMB52,197,000) and RMB61,086,000 (31 December 2017: RMB74,426,000) which were denominated in Hong Kong dollars, United States dollars, Euro and New Zealand dollars, respectively. The fluctuation of the exchange rates of RMB against foreign currencies could affect the Group’s results of operations. However, in the opinion of the Directors, the foreign currency risk exposure is under management’s control.

### 2) 關鍵崗位員工留任方案

本公司採納關鍵崗位員工留任方案(「留任方案」)以挽留和激勵本集團內具有高潛質的關鍵管理崗位人員和僱員及推動本公司戰略目標的實現。根據留任方案，本公司將就留任方案的執行最多出資人民幣1.5億元。

截至二零一八年六月三十日止期間，並無根據留任方案授出任何股份。

股票獎勵計劃的進一步詳情載於中期財務報表附註29。

### 外幣風險

本集團的業務主要位於中國大陸，除了購置進口機器及設備以及向香港和澳門出售乳製品外，幾乎全部交易均以人民幣為貨幣單位。於二零一八年六月三十日，除了為數約人民幣97,382,000元(二零一七年十二月三十一日：人民幣102,558,000元)、人民幣32,704,000元(二零一七年十二月三十一日：人民幣139,753,000元)、人民幣2,897,000元(二零一七年十二月三十一日：人民幣1,057,000元)、人民幣2,995,000元(二零一七年十二月三十一日：人民幣6,000元)、人民幣42,731,000元(二零一七年十二月三十一日：人民幣60,443,000元)、人民幣353,000元(二零一七年十二月三十一日：零)、人民幣4,000元(二零一七年十二月三十一日：零)及人民幣15,924,000元(二零一七年十二月三十一日：零)的現金及銀行結存分別以美元、港元、歐元、新西蘭元、丹麥克朗、澳元、新加坡元及印尼盾計值，保證金存款及投資存款約人民幣33,942,000元(二零一七年十二月三十一日：人民幣14,545,000元)及人民幣13,288,000元(二零一七年十二月三十一日：零)分別以美元計值，及為數約人民幣3,102,077,000元(二零一七年十二月三十一日：人民幣3,207,497,000元)、人民幣6,488,280,000元(二零一七年十二月三十一日：人民幣5,941,819,000元)、人民幣45,355,000元(二零一七年十二月三十一日：人民幣52,197,000元)及人民幣61,086,000元(二零一七年十二月三十一日：人民幣74,426,000元)的計息銀行及其他借貸分別以港元、美元、歐元及新西蘭元計值外，本集團幾乎全部資產及負債均以人民幣計值。人民幣兌外幣的匯價若有波動，可能影響本集團的經營業績，但董事認為外幣風險在管理層的控制之中。

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## Pledge of Assets

As at 30 June 2018, the Group has pledged certain pledged deposits, other current assets and non-current assets aggregating to approximately RMB2,770,275,000 (31 December 2017: RMB2,594,835,000).

## Capital Commitments

Details of capital commitments are set out in Note 31 to the Interim Financial Statements.

## Corporate Governance

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

The Company has adopted the code provisions set out in the Corporate Governance Code during the period (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) as its own code of corporate governance practices.

The Board has reviewed the Company’s corporate governance practices and is satisfied that the Company has been in compliance with all code provisions of the CG Code during the six months ended 30 June 2018, except that the Company has deviated from the Code Provisions A.5.1 and E.1.2 with the reasons explained below.

Code Provision A.5.1 of the CG Code provides that an issuer should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors. The Company deviates from this provision as less than half of the members of the Nomination Committee are independent non-executive Directors during the six months ended 30 June 2018. The Directors are of the view that each of Mr. Tim Ørting Jørgensen and Mr. Pascal De Petrini is able to carry out his responsibilities as a member of the Nomination Committee in the best interest of the Shareholders notwithstanding that he is not an independent non-executive director as required under Code Provision A.5.1.

## 資產抵押

於二零一八年六月三十日，本集團已抵押之若干保證金存款、其他流動資產及非流動資產合共約人民幣2,770,275,000元(二零一七年十二月三十一日：人民幣2,594,835,000元)。

## 資本承擔

資本承擔的詳情載於中期財務報表附註31。

## 企業管治

本公司致力確保企業管治達致高水平，尤其著重組建勤勉盡職的董事會和健全的內部監控制度，以及提高透明度和對股東之間責任性。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。

本公司於期內已採納聯交所證券上市規則(「上市規則」)附錄14所載企業管治守則(「企業管治守則」)的守則條文，作為其本身的企業管治常規守則。

董事會已檢討本公司之企業管治常規，並確信於截至二零一八年六月三十日止六個月期間，除本公司偏離守則條文第A.5.1條及E.1.2條外，本公司已遵守企業管治守則之所有守則條文。以下為偏離該等守則條文的原因。

企業管治守則守則條文第A.5.1條規定發行人必須設立由董事會主席或獨立非執行董事擔任主席的提名委員會，成員須以獨立非執行董事佔大多數。於截至二零一八年六月三十日止六個月期間，本公司提名委員會中的獨立非執行董事人數不足一半，因而偏離了該條文。董事認為，儘管Tim Ørting Jørgensen先生及Pascal De Petrini先生均並非守則條文第A.5.1條規定的獨立非執行董事，但彼等均有能力履行提名委員會成員的職責，並以股東的最大利益行事。



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Code Provision E.1.2 provides that the chairman of the board should attend the annual general meeting. The Company deviates from this provision because the chairman of the Board was unable to attend the annual general meeting of the Company held on 4 May 2018 due to other unavoidable business engagement outside of Hong Kong.

### Board of Directors

As at the date of this interim report, the Board currently comprises two executive Directors, namely, Mr. Lu Minfang (chief executive officer) and Ms. Wu Wenting; four non-executive Directors, namely, Mr. Ma Jianping (Chairman), Mr. Niu Gensheng, Mr. Tim Ørting Jørgensen and Mr. Pascal De Petrini; and four independent non-executive Directors, namely, Mr. Jiao Shuge (alias Jiao Zhen) (Vice-Chairman), Mr. Julian Juul Wolhardt, Mr. Zhang Xiaoya and Mr. Yau Ka Chi.

### Securities Transactions of Directors

The Company has adopted, in terms no less exacting than, the standards required by the Model Code set out in Appendix 10 to the Listing Rules 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.

守則條文第E.1.2條規定董事會主席應出席股東週年大會。本公司就該條文有所偏離，因董事會主席因香港以外的其他要務而未能出席本公司於二零一八年五月四日舉行的股東週年大會。

### 董事會

於本中期報告之日期，董事會現包括兩位執行董事，分別為盧敏放先生(總裁)及吳文婷女士；四位非執行董事，分別為馬建平先生(主席)、牛根生先生、Tim Ørting Jørgensen先生及Pascal De Petrini先生；及四位獨立非執行董事，分別為焦樹閣(又名焦震)先生(副主席)、Julian Juul Wolhardt先生、張曉亞先生及邱家賜先生。

### 董事的證券交易

本公司已採納條款不遜於上市規則附錄10所載之標準守則為規管本公司所有董事進行本公司證券交易的行為守則和規則。本公司向所有董事作出特定查詢後，董事確認，彼等於截至二零一八年六月三十日止六個月內一直遵守標準守則之規定準則。

### 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二零一八年六月三十日止六個月內概無購買、出售或贖回本公司任何上市證券。

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### Audit Committee

The audit committee of the Company (the “Audit Committee”) currently comprises three independent non-executive Directors, namely Mr. Yau Ka Chi (chairman), Mr. Julian Juul Wolhardt and Mr. Zhang Xiaoya. The Audit Committee has reviewed with the Company’s management and the external auditors, the accounting principles and practices adopted by the Company and discussed auditing, risk management, internal control, whistleblowing policy and system and financial reporting matters, including the review of the Group’s unaudited interim financial statements for the six months ended 30 June 2018. The Audit Committee has also reviewed this interim report.

### Appendix 16 to the Listing Rules

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.

### Investor Relations and Communications

The Company adopts a proactive policy in promoting investor relations and communications. Regular meetings are held with institutional investors and financial analysts to ensure two-way communications on the Company’s performance and development.

By order of the Board

**Jeffrey, Minfang Lu**

*Chief Executive Officer & Executive Director*

Hong Kong, 29 August 2018

### 審核委員會

本公司審核委員會(「審核委員會」)成員現包括三位獨立非執行董事，分別為邱家賜先生(主席)、Julian Juul Wolhardt先生及張曉亞先生。審核委員會已與本公司管理層及外部核數師審閱本公司採納的會計原則與慣例，並討論審核、風險管理、內部監控、舉報政策及系統以及財務報告事宜，其中包括審閱本集團截至二零一八年六月三十日止六個月的未經審核中期財務報表。審核委員會亦已審閱本中期報告。

### 上市規則附錄16

根據上市規則附錄16《財務資料的披露》之第40段，除了在此報告已作披露者外，本公司確認有關附錄16第32段所列事宜的現有本公司資料與本公司二零一七年年報所披露的資料並無重大變動。

### 投資者關係與溝通

本公司採取積極政策推動投資者關係及增進溝通。本公司定期與機構投資者及財務分析員舉行會議，以確保就本公司的表現及發展維持雙向的溝通。

承董事會命

**盧敏放**

*總裁兼執行董事*

香港，二零一八年八月二十九日

# INDEPENDENT REVIEW REPORT

## 獨立審閱報告



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### To the Board of Directors

#### China Mengniu Dairy Company Limited

(Incorporated in the Cayman Islands with limited liability)

### Introduction

We have reviewed the interim financial information set out on pages 62 to 136, which comprises the condensed consolidated statement of financial position of China Mengniu Dairy Company Limited (the “Company”) and its subsidiaries (the “Group”) as at 30 June 2018 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and 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.

### 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.

致：

中國蒙牛乳業有限公司董事會

(在開曼群島註冊成立之有限公司)

### 緒言

我們已審閱刊於第62頁至136頁的中國蒙牛乳業有限公司(「貴公司」)及其子公司(「貴集團」)的中期財務資料，其中包括於二零一八年六月三十日的簡明綜合財務狀況表以及截至該日止六個月期間的相關簡明綜合損益表、全面收益表、權益變動表、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。

### 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，並採取分析性及其他審閱程序。審閱的範圍遠較根據《香港核數準則》進行的審核範圍小，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。

INDEPENDENT REVIEW REPORT  
獨立審閱報告

## 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.

*Certified Public Accountants*

Hong Kong  
29 August 2018

## 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。

執業會計師

香港  
二零一八年八月二十九日

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

## 中期簡明綜合損益表

**Unaudited**  
未經審核  
**For the six months ended 30 June**  
截至六月三十日止六個月

|   |                            | Notes<br>附註 | 2018<br>二零一八年<br>RMB'000<br>人民幣千元 | 2017<br>二零一七年<br>RMB'000<br>人民幣千元 |
|---|----------------------------|-------------|-----------------------------------|-----------------------------------|
| <b>Revenue</b>  | 收入                         | 5           | <b>34,474,336</b>                 | 29,465,755                        |
| Cost of sales   | 銷售成本                       |             | <b>(20,952,057)</b>               | (18,963,182)                      |
| <b>Gross profit</b>   | 毛利                         |             | <b>13,522,279</b>                 | 10,502,573                        |
| Other income and gains  | 其他收入及收益                    | 5           | <b>267,221</b>                    | 127,073                           |
| Selling and distribution expenses   | 銷售及經銷費用                    |             | <b>(9,975,083)</b>                | (7,143,794)                       |
| Administrative expenses   | 行政費用                       |             | <b>(1,360,443)</b>                | (1,087,499)                       |
| Other expenses  | 其他費用                       | 6           | <b>(508,327)</b>                  | (592,749)                         |
| Interest income   | 利息收入                       |             | <b>398,429</b>                    | 229,331                           |
| Finance costs   | 融資成本                       | 8           | <b>(226,497)</b>                  | (191,404)                         |
| Share of losses of associates   | 應佔聯營公司虧損                   |             | <b>(100,514)</b>                  | (354,600)                         |
| <b>Profit before tax</b>  | 稅前利潤                       | 7           | <b>2,017,065</b>                  | 1,488,931                         |
| Income tax expense  | 所得稅支出                      | 9           | <b>(358,502)</b>                  | (373,846)                         |
| <b>Profit for the period</b>  | 本期利潤                       |             | <b>1,658,563</b>                  | 1,115,085                         |
| Attributable to:  | 以下各方應佔：                    |             |                                   |                                   |
| Owners of the Company   | 本公司擁有人                     |             | <b>1,562,013</b>                  | 1,127,900                         |
| Non-controlling interests   | 非控股股東權益                    |             | <b>96,550</b>                     | (12,815)                          |
|   |                            |             | <b>1,658,563</b>                  | 1,115,085                         |
| <b>Earnings per share attributable to ordinary equity holders of the Company (expressed in RMB per share)</b> | 本公司普通股擁有人應佔每股盈利 (以每股人民幣元計) | 11          |                                   |                                   |
| Basic   | 基本                         |             | <b>0.400</b>                      | 0.290                             |
| Diluted   | 攤薄                         |             | <b>0.400</b>                      | 0.290                             |



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## 中期簡明綜合全面收益表

Unaudited  
未經審核  
For the six months ended 30 June  
截至六月三十日止六個月

|   | Notes<br>附註                  | 2018<br>二零一八年<br>RMB'000<br>人民幣千元 | 2017<br>二零一七年<br>RMB'000<br>人民幣千元 |
|---|------------------------------|-----------------------------------|-----------------------------------|
| <b>Profit for the period</b>  | 本期利潤                         | <b>1,658,563</b>                  | 1,115,085                         |
| <b>Other comprehensive income/(loss)</b>  | 其他全面收益/(虧損)                  |                                   |                                   |
| <i>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:</i>    | 其後期間重新分類至損益的其他全面收益/(虧損)：     |                                   |                                   |
| Exchange differences:   | 匯兌差額：                        |                                   |                                   |
| Exchange differences on translation of foreign operations   | 換算海外業務的匯兌差額                  | <b>(87,974)</b>                   | 129,606                           |
| Cash flow hedges:   | 現金流量對沖：                      |                                   |                                   |
| Effective portion of changes in fair value of hedging instruments arising during the period             | 來自本期對沖工具公允價值變動的實際部分          | <b>17,838</b>                     | –                                 |
|   | 24(a)                        |                                   |                                   |
| Share of other comprehensive loss of associates   | 分佔聯營公司其他全面虧損                 | <b>(12,794)</b>                   | –                                 |
| <b>Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods</b> | 其後期間重新分類至損益的其他全面收益/(虧損)淨額    | <b>(82,930)</b>                   | 129,606                           |
| <i>Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:</i>         | 其後期間不會重新分類至損益的其他全面虧損：        |                                   |                                   |
| Equity investments designated at fair value through other comprehensive income:                         | 指定為以公允價值計量且其變動計入其他全面收益的股本投資： |                                   |                                   |
| Changes in fair value   | 公允價值變動                       | <b>(143,816)</b>                  | (176,888)                         |
|   | 17(a)/(b)                    |                                   |                                   |
| <b>Net other comprehensive loss not to be reclassified to profit or loss in subsequent periods</b>      | 其後期間不會重新分類至損益的其他全面虧損淨額       | <b>(143,816)</b>                  | (176,888)                         |
| <b>Other comprehensive loss, net of tax</b>   | 其他全面虧損，扣除稅項                  | <b>(226,746)</b>                  | (47,282)                          |
| <b>Total comprehensive income for the period</b>  | 本期全面收益總額                     | <b>1,431,817</b>                  | 1,067,803                         |
| Attributable to:  | 以下各方應佔：                      |                                   |                                   |
| Owners of the Company   | 本公司擁有人                       | <b>1,353,331</b>                  | 1,060,783                         |
| Non-controlling interests   | 非控股股東權益                      | <b>78,486</b>                     | 7,020                             |
|   |                              | <b>1,431,817</b>                  | 1,067,803                         |

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 中期簡明綜合財務狀況表

|  |                |    | Unaudited<br>未經審核<br>30 June<br>2018<br>二零一八年<br>六月三十日<br>RMB'000<br>人民幣千元 | Audited<br>經審核<br>31 December<br>2017<br>二零一七年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|--|----------------|----|--|---|
|  |                |    | Notes<br>附註  |   |
| <b>NON-CURRENT ASSETS</b>                              | <b>非流動資產</b>   |    |  |   |
| Property, plant and equipment                          | 物業、廠房及設備       | 13 | 12,730,413   | 12,715,454  |
| Construction in progress                               | 在建工程           | 14 | 1,863,107  | 1,363,399   |
| Investment properties                                  | 投資物業           |    | 74,458   | 59,333  |
| Land use rights  | 土地使用權          |    | 1,062,643  | 1,055,968   |
| Goodwill   | 商譽             | 15 | 4,533,245  | 4,532,899   |
| Other intangible assets                                | 其他無形資產         |    | 2,181,453  | 2,193,901   |
| Investments in associates                              | 於聯營公司的投資       | 16 | 7,136,573  | 7,194,010   |
| Deferred tax assets                                    | 遞延稅項資產         |    | 1,020,748  | 665,364   |
| Biological assets                                      | 生物資產           |    | 680,600  | 646,143   |
| Derivative financial instruments                       | 衍生金融工具         | 24 | 73,668   | 54,602  |
| Other financial assets                                 | 其他金融資產         | 17 | 1,277,529  | 1,585,183   |
| Long term prepayments                                  | 長期預付款          |    | 66,005   | 54,769  |
| Total non-current assets                               | 總非流動資產         |    | 32,700,442   | 32,121,025  |
| <b>CURRENT ASSETS</b>                                  | <b>流動資產</b>    |    |  |   |
| Other financial assets                                 | 其他金融資產         | 17 | 11,977,944   | 10,690,539  |
| Derivative financial instruments                       | 衍生金融工具         | 24 | 15,396   | 5,584   |
| Inventories  | 存貨             | 18 | 3,840,345  | 3,510,268   |
| Right of return assets                                 | 退貨權資產          |    | 19,190   | -   |
| Trade and bills receivables                            | 應收賬款及票據        | 19 | 3,282,105  | 2,646,834   |
| Prepayments, deposits and other receivables            | 預付款、按金及其他應收款項  |    | 2,558,967  | 2,541,423   |
| Pledged deposits                                       | 保證金存款          | 20 | 680,244  | 466,265   |
| Cash and bank balances                                 | 現金及銀行結存        | 20 | 6,846,712  | 5,958,877   |
| Assets of a disposal group classified as held for sale | 分類為持有待售的處置組內資產 | 10 | -  | 197,916   |
| Total current assets                                   | 總流動資產          |    | 29,220,903   | 26,017,706  |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
中期簡明綜合財務狀況表

|   |                    | Notes<br>附註 | Unaudited<br>未經審核<br>30 June<br>2018<br>二零一八年<br>六月三十日<br>RMB'000<br>人民幣千元 | Audited<br>經審核<br>31 December<br>2017<br>二零一七年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|---|--------------------|-------------|--|---|
| <b>CURRENT LIABILITIES</b>  | <b>流動負債</b>        |             |  |   |
| Trade and bills payables  | 應付賬款及票據            | 21          | 7,202,140  | 6,342,273   |
| Other payables and accruals   | 其他應付款項及預提費用        | 22          | 6,772,517  | 7,324,223   |
| Contract liabilities  | 合同負債               |             | 1,327,565  | -   |
| Refund liabilities  | 退款負債               |             | 30,019   | -   |
| Interest-bearing bank and other borrowings                                  | 計息銀行及其他借貸          | 23          | 8,577,973  | 7,935,027   |
| Other loans   | 其他貸款               |             | 22,908   | 22,912  |
| Derivative financial instruments  | 衍生金融工具             | 24          | 9,919  | 1,222   |
| Deferred income   | 遞延收入               |             | 197,778  | 160,279   |
| Income tax payable  | 應付所得稅              |             | 448,324  | 231,899   |
| Other financial liabilities   | 其他金融負債             | 25          | 564,523  | 545,594   |
|   |                    |             | <b>25,153,666</b>  | 22,563,429  |
| Liabilities directly associated with the assets classified as held for sale | 與分類為持有待售的資產直接相關的負債 | 10          | -  | 2,864   |
| Total current liabilities   | 總流動負債              |             | <b>25,153,666</b>  | 22,566,293  |
| <b>NET CURRENT ASSETS</b>   | <b>淨流動資產</b>       |             | <b>4,067,237</b>   | 3,451,413   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                                | <b>總資產減流動負債</b>    |             | <b>36,767,679</b>  | 35,572,438  |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 中期簡明綜合財務狀況表

|   |                |    | Unaudited<br>未經審核<br>30 June<br>2018<br>二零一八年<br>六月三十日<br>RMB'000<br>人民幣千元 | Audited<br>經審核<br>31 December<br>2017<br>二零一七年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|---|----------------|----|--|---|
|   | Notes<br>附註    |    |  |   |
| <b>NON-CURRENT LIABILITIES</b>                | <b>非流動負債</b>   |    |  |   |
| Interest-bearing bank and other borrowings    | 計息銀行及其他借貸      | 23 | 6,129,972  | 6,015,097   |
| Long term payables                            | 長期應付款項         |    | 4,081  | 10,894  |
| Deferred income                               | 遞延收入           |    | 769,604  | 739,459   |
| Deferred tax liabilities                      | 遞延稅項負債         |    | 103,113  | 70,028  |
| Derivative financial instruments              | 衍生金融工具         | 24 | 2,980  | -   |
| Other financial liabilities                   | 其他金融負債         | 25 | 1,620,257  | 1,629,837   |
| Total non-current liabilities                 | 總非流動負債         |    | 8,630,007  | 8,465,315   |
| <b>NET ASSETS</b>                             | <b>淨資產</b>     |    | <b>28,137,672</b>  | 27,107,123  |
| <b>EQUITY</b>                                 | <b>權益</b>      |    |  |   |
| Equity attributable to owners of the Company  | 本公司擁有人應佔權益     |    |  |   |
| Share capital                                 | 股本             | 26 | 357,572  | 357,572   |
| Treasury shares held under share award scheme | 股票獎勵計劃下持有的庫存股份 |    | (262,929)  | (262,929)   |
| Other reserves                                | 其他儲備           | 27 | 12,117,578   | 12,716,143  |
| Retained earnings                             | 保留利潤           |    | 11,349,133   | 9,793,487   |
| Non-controlling interests                     | 非控股股東權益        |    | 23,561,354   | 22,604,273  |
|   |                |    | 4,576,318  | 4,502,850   |
| <b>TOTAL EQUITY</b>                           | <b>總權益</b>     |    | <b>28,137,672</b>  | 27,107,123  |

**Ma Jianping**  
 馬建平  
 Director  
 董事

**Jeffrey, Minfang Lu**  
 盧敏放  
 Director  
 董事

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 中期簡明綜合權益變動表

截至二零一八年六月三十日止六個月(未經審核)

For the six months ended 30 June 2018 (unaudited)

|   | Attributable to owners of the Company<br>本公司擁有人應佔 |                  |                           |                    |                                      |                                     |   |  |   |                            |                  |                   |                           |                  |
|---|---|------------------|---------------------------|--------------------|--------------------------------------|-------------------------------------|---|--|---|----------------------------|------------------|-------------------|---------------------------|------------------|
|   | Treasury shares held under share award scheme     | Share premium    | Share contributed surplus | Statutory reserves | Foreign currency translation reserve | Financial asset revaluation reserve | Share option reserve/ share award reserve | Share of other changes in equity of associates | Puttable non-controlling interest reserve | Equity transaction reserve | Hedging reserve  | Retained earnings | Non-controlling interests | Total equity     |
|   | 股票獎勵計劃下持有的庫存股份                                    | 股份溢價             | 貢獻盈餘                      | 法定儲備               | 貨幣兌換儲備                               | 金融資產重估儲備                            | 購股權儲備/股份獎勵儲備                              | 聯營公司之其他權益變動                                    | 可沽非控股股東權益儲備                               | 權益交易儲備                     | 對沖儲備             | 保留利潤              | 非控股股東權益                   | 總權益              |
| RMB'000<br>人民幣千元  | RMB'000<br>人民幣千元                                  | RMB'000<br>人民幣千元 | RMB'000<br>人民幣千元          | RMB'000<br>人民幣千元   | RMB'000<br>人民幣千元                     | RMB'000<br>人民幣千元                    | RMB'000<br>人民幣千元                          | RMB'000<br>人民幣千元                               | RMB'000<br>人民幣千元                          | RMB'000<br>人民幣千元           | RMB'000<br>人民幣千元 | RMB'000<br>人民幣千元  | RMB'000<br>人民幣千元          | RMB'000<br>人民幣千元 |
| Balance at 31 December 2017 as originally presented   | (282,929)   | 10,255,634       | 204,677                   | 3,165,566          | (64,275)                             | (140,492)                           | 71,530                                    | 30,617   | 1,023,608                                 | (1,268,281)                | 9,738,487        | 4,502,850         | 27,107,123                |                  |
| Adoption of new accounting standard   | -   | -                | -                         | -                  | (64,275)                             | (140,492)                           | 71,530                                    | -  | 1,023,608                                 | (1,268,281)                | (6,367)          | (230)             | (6,597)                   |                  |
| Restated total equity at 1 January 2018   | (282,929)   | 10,255,634       | 204,677                   | 3,165,566          | (64,275)                             | (140,492)                           | 71,530                                    | 30,617   | 1,023,608                                 | (1,268,281)                | 9,738,487        | 4,502,850         | 27,107,123                |                  |
| Profit for the period   | -   | -                | -                         | -                  | -                                    | -                                   | -   | -  | -   | -                          | 1,562,013        | 96,150            | 1,658,163                 |                  |
| Other comprehensive income/(loss) for the period  | -   | -                | -                         | -                  | (69,910)                             | (143,816)                           | -   | -  | -   | -                          | -                | (16,064)          | (87,974)                  |                  |
| Exchange differences related to foreign operations  | -   | -                | -                         | -                  | (69,910)                             | (143,816)                           | -   | -  | -   | -                          | -                | -                 | (213,726)                 |                  |
| Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax | -   | -                | -                         | -                  | -                                    | (143,816)                           | -   | -  | -   | -                          | -                | -                 | (143,816)                 |                  |
| Gain from hedges, net of tax  | -   | -                | -                         | -                  | -                                    | -                                   | 17,838                                    | -  | -   | -                          | -                | -                 | 17,838                    |                  |
| Share of other comprehensive income of associates   | -   | -                | -                         | -                  | -                                    | -                                   | -   | (12,794)                                       | -   | -                          | -                | -                 | (12,794)                  |                  |
| Total comprehensive income/(loss) for the period  | -   | -                | -                         | -                  | (69,910)                             | (143,816)                           | -   | -  | -   | -                          | 1,562,013        | 78,486            | 1,431,817                 |                  |
| Equity-settled share option arrangements  | -   | -                | -                         | -                  | -                                    | -                                   | 17,078                                    | -  | -   | -                          | -                | 1,618             | 18,696                    |                  |
| Share award scheme  | -   | -                | -                         | -                  | -                                    | -                                   | 43,405                                    | -  | -   | -                          | -                | -                 | 43,405                    |                  |
| Dividends paid to owners of the Company   | (462,827)   | -                | -                         | -                  | -                                    | -                                   | -   | -  | -   | -                          | (462,827)        | -                 | (462,827)                 |                  |
| Dividends paid payable to non-controlling interests   | -   | -                | -                         | -                  | -                                    | -                                   | -   | -  | -   | -                          | -                | -                 | -                         |                  |
| Capital injection from non-controlling interests  | -   | -                | -                         | -                  | -                                    | -                                   | -   | -  | -   | -                          | -                | (2,246)           | (2,246)                   |                  |
| Acquisition of subsidiaries   | -   | -                | -                         | -                  | -                                    | -                                   | -   | -  | -   | -                          | -                | 2,000             | 2,000                     |                  |
| Disposal of equity interests in subsidiaries without loss of control  | -   | -                | -                         | -                  | -                                    | -                                   | -   | -  | (1,091)                                   | -                          | -                | 56,206            | 56,206                    |                  |
| De-recognition of puttable non-controlling interests  | -   | -                | -                         | -                  | -                                    | -                                   | -   | 33,552   | -   | -                          | -                | 1,537             | 35,089                    |                  |
| At 30 June 2018   | (282,929)   | 9,773,807        | 204,677                   | 3,165,566          | (714,185)                            | (284,308)                           | 132,013                                   | 48,455   | 1,022,517                                 | (1,234,729)                | 11,349,133       | 4,576,316         | 28,137,672                |                  |

\* These reserve accounts comprise the consolidated other reserves of RMB12,117,578,000 (31 December 2017: RMB12,716,143,000) in the condensed consolidated statement of financial position.

該等儲備賬戶包括簡明綜合財務狀況表內的綜合其他儲備人民幣12,117,578,000元(二零一七年十二月三十一日:人民幣12,716,143,000元)。





# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

## 中期簡明綜合現金流量表

Unaudited  
未經審核  
For the six months ended 30 June  
截至六月三十日止六個月

|  | Notes<br>附註                  | 2018<br>二零一八年<br>RMB'000<br>人民幣千元 | 2017<br>二零一七年<br>RMB'000<br>人民幣千元 |
|--|------------------------------|-----------------------------------|-----------------------------------|
| <b>Cash flows from operating activities</b>                                  | <b>經營業務產生的現金流量</b>           |                                   |                                   |
| Profit before tax:   | 稅前利潤：                        | <b>2,017,065</b>                  | 1,488,931                         |
| Adjustments for:   | 就下列各項作出調整：                   |                                   |                                   |
| Interest income  | 利息收入                         | <b>(398,429)</b>                  | (229,331)                         |
| Finance costs  | 融資成本                         | <b>226,497</b>                    | 191,404                           |
| Depreciation of items of property,<br>plant and equipment                    | 物業、廠房及設備折舊                   | <b>840,178</b>                    | 800,106                           |
| Depreciation of investment properties  | 投資物業折舊                       | <b>1,318</b>                      | 1,293                             |
| Amortisation of land use rights  | 土地使用權攤銷                      | <b>14,335</b>                     | 13,292                            |
| Amortisation of other intangible assets                                      | 其他無形資產攤銷                     | <b>31,643</b>                     | 24,039                            |
| Loss on disposal of items of property,<br>plant and equipment                | 處置物業、廠房<br>及設備之虧損            | <b>11,604</b>                     | 13,062                            |
| Gain on disposal of a disposal group<br>classified as held for sale          | 出售分類為持有待售的<br>處置組收益          | <b>(34,991)</b>                   | -                                 |
| Provision for trade receivables and other<br>receivables                     | 應收賬款及其他應收<br>款項撥備            | <b>54,518</b>                     | 9,902                             |
| Write-back of provision for trade<br>receivables and other receivables       | 撥回應收賬款及其他<br>應收款項撥備          | <b>(12,042)</b>                   | (859)                             |
| Provision for of property, plant and<br>equipment                            | 物業、廠房及設備撥備                   | -                                 | 1,814                             |
| Write-down of inventories to<br>net realisable value                         | 存貨撇減至可變現淨值                   | <b>97,202</b>                     | 38,594                            |
| Amortisation of deferred income<br>– assets other than biological assets     | 遞延收入攤銷<br>– 生物資產以外的資產        | <b>(39,689)</b>                   | (44,183)                          |
| Losses on deemed disposal of<br>partial interests in associates              | 視作出售部分聯營公司<br>權益之虧損          | -                                 | 125,439                           |
| Loss on disposal of a subsidiary   | 出售一家子公司之虧損                   | -                                 | 11,698                            |
| Share of losses of associates  | 應佔聯營公司虧損                     | <b>100,514</b>                    | 354,600                           |
| Losses arising from changes in fair value<br>less cost to sell of dairy cows | 乳牛公允價值減銷售成本之<br>變動產生的虧損      | <b>52,682</b>                     | 33,026                            |
| Net fair value gain on zero coupon<br>exchangeable bonds due 2022            | 二零二二年到期的零息可換<br>股債券之公允價值收益淨額 | <b>(3,492)</b>                    | (2,777)                           |
| Foreign exchange losses/(gains), net   | 匯兌虧損/(收益)淨額                  | <b>(9,405)</b>                    | 99,315                            |
| Net fair value loss on forward<br>currency contracts                         | 遠期外幣合約公允價值<br>虧損淨額           | <b>1,626</b>                      | 2,080                             |
| Net fair value loss on a<br>convertible promissory note                      | 可換股承兌票據之<br>公允價值虧損淨額         | <b>1,045</b>                      | -                                 |
| Equity-settled share option arrangements                                     | 以股份支付的購股權安排                  | <b>18,696</b>                     | -                                 |
| Share award scheme   | 股票獎勵計劃                       | <b>43,405</b>                     | 2,611                             |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
 中期簡明綜合現金流量表

**Unaudited**  
 未經審核  
**For the six months ended 30 June**  
 截至六月三十日止六個月

|  |                                      | 2018<br>二零一八年<br>RMB'000<br>人民幣千元 | 2017<br>二零一七年<br>RMB'000<br>人民幣千元 |
|--|--------------------------------------|-----------------------------------|-----------------------------------|
|  |                                      | <b>3,014,280</b>                  | 2,934,056                         |
| Decrease in other financial assets<br>– entrusted loans to certain dairy farmers             | 其他金融資產減少<br>– 授予若干奶農的委託貸款            | <b>89,582</b>                     | 28,917                            |
| Increase in inventories and right of return assets   | 存貨及退還資產之權利增加                         | <b>(427,300)</b>                  | (43,681)                          |
| Increase in trade and bills receivables  | 應收賬款及票據增加                            | <b>(636,210)</b>                  | (395,364)                         |
| Increase in pledged deposits   | 保證金存款增加                              | <b>(122,984)</b>                  | (67,559)                          |
| Decrease in prepayments, deposits and other receivables                                      | 預付款、按金及其他<br>應收款項減少                  | <b>320,403</b>                    | 743,394                           |
| Increase in trade and bills payables   | 應付賬款及票據增加                            | <b>781,233</b>                    | 1,219,158                         |
| Increase/(decrease) in other payables, accruals, contract liabilities and refund liabilities | 其他應付款項、預提費用、<br>合同負債及退還負債<br>增加/(減少) | <b>1,064,747</b>                  | (388,458)                         |
| Cash generated from operations   | 經營業務產生的現金                            | <b>4,083,751</b>                  | 4,030,463                         |
| Interest paid  | 支付利息                                 | <b>(219,029)</b>                  | (185,898)                         |
| Income taxes paid  | 支付所得稅                                | <b>(464,376)</b>                  | (410,416)                         |
| <b>Net cash flows from operating activities</b>  | <b>經營業務產生的淨現金流量</b>                  | <b>3,400,346</b>                  | 3,434,149                         |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
中期簡明綜合現金流量表

|  |                        | <b>Unaudited</b><br>未經審核                               |                                   |
|--|------------------------|--|-----------------------------------|
|  |                        | <b>For the six months ended 30 June</b><br>截至六月三十日止六個月 |                                   |
|  |                        | 2018<br>二零一八年<br>RMB'000<br>人民幣千元                      | 2017<br>二零一七年<br>RMB'000<br>人民幣千元 |
|  | Note<br>附註             |  |                                   |
| <b>Cash flows from investing activities</b>  | <b>投資活動產生的現金流量</b>     |  |                                   |
| Proceeds from disposal of items of property, plant and equipment                       | 處置物業、廠房及設備所得款項         | 54,477   | 138,559                           |
| Proceeds from disposal of biological assets  | 處置生物資產所得款項             | 17,077   | 6,468                             |
| Proceeds from disposal of land use rights  | 處置土地使用權所得款項            | -  | 2,495                             |
| Proceeds from disposal of other intangible assets                                      | 處置其他無形資產所得款項           | 974  | 11                                |
| Proceeds from disposal of a disposal group classified as held for sale                 | 出售分類為持有待售的處置組所得款項      | 252,822  | -                                 |
| Purchase of items of property, plant and equipment                                     | 購置物業、廠房及設備             | (473,660)  | (491,096)                         |
| Purchase of construction in progress   | 購置在建工程                 | (836,643)  | (467,540)                         |
| Purchase of other intangible assets  | 購置其他無形資產               | (841)  | (10,974)                          |
| Purchase of land use rights  | 購置土地使用權                | (14,634)   | (45,341)                          |
| Purchase of biological assets  | 購置生物資產                 | (104,216)  | (79,919)                          |
| Decrease of long term time deposits  | 長期定期存款減少               | -  | 704,907                           |
| Decrease/(increase) of time deposits with original maturity of more than three months  | 原到期日為三個月以上的定期存款減少/(增加) | 1,140,350  | (3,223,785)                       |
| Purchase of investment deposits  | 購置投資存款                 | (8,976,000)  | (3,339,702)                       |
| Withdrawal of investment deposits  | 收回投資存款                 | 7,574,113  | 3,858,392                         |
| Increase in other financial assets   | 其他金融資產增加               |  |                                   |
| – entrusted loans other than loans to certain dairy farmers                            | – 委託貸款(授予若干奶農的貸款除外)    | (1,061,000)  | (377,000)                         |
| Withdrawal of other financial assets   | 收回其他金融資產               |  |                                   |
| – entrusted loans other than loans to certain dairy farmers                            | – 委託貸款(授予若干奶農的貸款除外)    | 1,061,000  | -                                 |
| Interest received  | 收取利息                   | 451,311  | 119,076                           |
| Increase in investments in associates  | 於聯營公司的投資增加             | -  | (4,194,003)                       |
| Dividends received from associates   | 收取聯營公司股息               | 1,598  | 1,198                             |
| Prepayment of purchase consideration for an acquisition of a subsidiary                | 預付收購一家子公司股權的收購款        | (328,963)  | -                                 |
| Acquisition of subsidiaries  | 收購子公司                  | 93,061   | (24,355)                          |
| Disposal of a subsidiary   | 出售一家子公司                | -  | 4,747                             |
| Receipt of government grants related to purchase of fixed assets and biological assets | 收取購買固定資產及生物資產相關之政府補助金  | 75,220   | 112,784                           |
| <b>Net cash used in investing activities</b>   | <b>投資活動所用現金淨額</b>      | <b>(1,073,954)</b>                                     | <b>(7,305,078)</b>                |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
 中期簡明綜合現金流量表

Unaudited  
 未經審核  
 For the six months ended 30 June  
 截至六月三十日止六個月

|  |                          | 2018<br>二零一八年<br>RMB'000<br>人民幣千元 | 2017<br>二零一七年<br>RMB'000<br>人民幣千元 |
|--|--------------------------|-----------------------------------|-----------------------------------|
| <b>Cash flows from financing activities</b>  | <b>融資活動產生的現金流量</b>       |                                   |                                   |
| Proceeds from interest-bearing bank loans  | 計息銀行貸款所得款項               | 3,901,312                         | 17,530,853                        |
| Repayment of interest-bearing bank loans   | 償還計息銀行貸款                 | (3,751,435)                       | (13,153,315)                      |
| Proceeds from zero coupon exchangeable bonds issued  | 發行零息可換股債券所得款項            | –                                 | 1,317,061                         |
| Decrease/(increase) in pledged deposits for bank loans   | 銀行貸款的保證金存款減少/(增加)        | (90,995)                          | 3,244                             |
| Repayment of other loans   | 償還其他貸款                   | (4)                               | (17,000)                          |
| Repayment of long term payables  | 償還長期應付款項                 | (16,641)                          | (34,083)                          |
| Acquisition of non-controlling interests   | 收購非控股股東權益                | –                                 | (132,788)                         |
| Disposal of equity interests in subsidiaries without loss of control                                   | 出售子公司之股權(沒有失去控制權)        | 446                               | 450                               |
| Capital injection from non-controlling interests   | 非控股股東權益注資                | 2,000                             | –                                 |
| Shares issued under equity-settled share option arrangements   | 根據以股份支付的購股權安排發行股份        | –                                 | 10,077                            |
| Dividends paid to owners of the Company  | 支付本公司擁有人的股息              | (482,827)                         | (344,816)                         |
| Dividends paid to non-controlling interests  | 支付非控股股東權益的股息             | (23,232)                          | (54,165)                          |
| <b>Net cash flows from/(used in) financing activities</b>  | <b>融資活動產生/(所用)淨現金流量</b>  | <b>(461,376)</b>                  | <b>5,125,518</b>                  |
| Net increase in cash and cash equivalents  | 現金及現金等價物增加淨額             | 1,865,016                         | 1,254,589                         |
| <b>Cash and cash equivalents at 1 January</b>  | <b>於一月一日的現金及現金等價物</b>    | <b>3,129,444</b>                  | <b>3,355,537</b>                  |
| Effect of foreign exchange rate changes, net   | 匯率變動的影響(淨額)              | 547                               | (11,569)                          |
| <b>Cash and cash equivalents at 30 June</b>  | <b>於六月三十日的現金及現金等價物</b>   | <b>4,995,007</b>                  | <b>4,598,557</b>                  |
| <b>Analysis of balances of cash and cash equivalents</b>   | <b>現金及現金等價物結餘分析</b>      |                                   |                                   |
| Cash and bank balances as stated in the interim condensed consolidated statement of financial position | 於中期簡明綜合財務狀況表中列賬的現金及銀行結存  | 6,846,712                         | 10,536,883                        |
| Time deposits with original maturity of more than three months   | 原到期日為三個月以上的定期存款          | (1,851,705)                       | (5,938,326)                       |
| Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows      | 於中期簡明綜合現金流量表中列賬的現金及現金等價物 | 4,995,007                         | 4,598,557                         |



# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 中期簡明綜合財務報表附註

### 1. Corporate Information

The Company was incorporated as an exempted company with limited liability in the Cayman Islands. The Company is an investment holding company and its subsidiaries are engaged in the manufacture and distribution of dairy products mainly in the People's Republic of China (the "PRC").

### 2. Basis of Preparation and Changes to the Group's Accounting Policies

#### 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 the 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.

#### New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated 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 applied, for the first time in 2018, IFRS 15 *Revenue from Contracts with Customers* and the full text of IFRS 9 (2014) *Financial Instruments*. As required by IAS 34, the nature and effect of these changes are disclosed below.

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

### 1. 公司資料

本公司為在開曼群島註冊成立的獲豁免有限公司。本公司乃一所投資控股公司，而其子公司主要在中華人民共和國（「中國」）從事乳製品生產及經銷業務。

### 2. 編製基準及本集團會計政策變動

#### 編製基準

截至二零一八年六月三十日止六個月的未經審核中期簡明綜合財務報表是按照國際會計準則第34號中期財務報告及香港聯合交易所有限公司證券上市規則之披露規定編製。

本未經審核中期簡明綜合財務報表並未載有年度財務報表所需的全部信息及披露，故應與本集團截至二零一七年十二月三十一日止年度的年度財務報表一併閱覽。

#### 本集團採納之新準則、詮釋及修訂

除因採納於二零一八年一月一日生效的新準則外，編製中期簡明綜合財務報表所採納的會計政策，與編製本集團截至二零一七年十二月三十一日止年度的年度綜合財務報表所採納者保持一致。

本集團於二零一八年首次應用國際財務報告準則第15號來自客戶合約的收益及國際財務報告準則第9號(二零一四年)金融工具全文。按國際會計準則第34號的規定，該等變動的性質及影響披露如下。

若干其他修訂及詮釋於二零一八年首次應用，惟對本集團的中期簡明綜合財務報表並無影響。

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
 中期簡明綜合財務報表附註

**2. Basis of Preparation and Changes to the Group's Accounting Policies** (continued)  
**New standards, interpretations and amendments adopted by the Group** (continued)

**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 standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group has 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.

The adoption of IFRS 15 has had no material impact on the financial statement line items and basic and diluted earnings per share of the Group.

The Group's principal activity consists of the manufacture and sale of dairy products. The Group's contracts with customers generally include one performance obligation. The Group has concluded that revenue from the 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. Therefore, the adoption of IFRS 15 did not have an impact on the timing of revenue recognition. However, the amount of revenue recognised was affected, as noted below.

**2. 編製基準及本集團會計政策變動**  
 (續)  
 本集團採納之新準則、詮釋及修訂(續)

**國際財務報告準則第15號來自客戶合約的收益**

國際財務報告準則第15號取代國際會計準則第11號*建築合約*、國際會計準則第18號*收益*及相關詮釋，其適用於所有來自客戶合約的收益，除非該等合約適用於其他準則則除外。該項新準則建立五步模型以對客戶合約收益進行入賬。根據國際財務報告準則第15號，收益按能反映實體預期就向客戶轉讓貨物或服務而有權獲得的代價金額確認。

該準則要求實體作出判斷，並考慮將該模式各步應用於彼等客戶合約時的所有相關事實及情況。該準則亦訂明獲取合約的增量成本及與履行合約直接相關的成本的會計處理。

本集團透過採用修改後的追溯採納法採納國際財務報告準則第15號，並僅將該方法應用於在首次應用日期尚未完成的合約。

採納國際財務報告準則第15號對本集團的財務報表項目以及每股基本及攤薄盈利並無重大影響。

本集團的主要業務包括製造及銷售乳製品。本集團與客戶的合約一般包括一項表現責任。本集團作出結論，銷售乳製品的收益應在資產控制權轉移給客戶時予以確認，通常是在乳製品交付時確認。因此，採納國際財務報告準則第15號對收益確認的時間概無影響。然而，將予確認的收益金額則受到影響如下。

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
 中期簡明綜合財務報表附註

**2. Basis of Preparation and Changes to the Group's Accounting Policies** (continued)  
**New standards, interpretations and amendments adopted by the Group** (continued)

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

(a) *Variable consideration*

The Group provides a right of return and trade discounts for certain 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. The Group presents a refund liability and an asset for the right to recover products from a customer separately in the statement of financial position.

**2. 編製基準及本集團會計政策變動**  
 (續)

本集團採納之新準則、詮釋及修訂(續)

**國際財務報告準則第15號來自客戶合約的收益**  
 (續)

(a) *可變代價*

本集團向若干乳製品銷售合約的客戶提供退貨及交易折扣權利。採納國際財務報告準則第15號前，本集團確認按已收或應收代價的公允價值計算來自銷售貨物的收益，已扣除退貨及撥備及交易折扣。倘未能可靠計量收益，本集團會遞延確認收益直至解除不確定因素。

根據國際財務報告準則第15號，退貨及交易折扣權利引發可變代價。可變代價於合約起始時估計，並會受到限制直至關聯之不確定性其後得以解決。本集團在限制可變代價估計下應用國際財務報告準則第15號的規定，以釐定可計入交易價的可變代價金額。本集團於財務狀況表分開呈列退還負債及就自客戶收回產品的權利的資產。

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 中期簡明綜合財務報表附註

**2. Basis of Preparation and Changes to the Group's Accounting Policies** (continued)  
**New standards, interpretations and amendments adopted by the Group** (continued)

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

(a) *Variable consideration* (continued)

The Group recognised *Right of return assets* and *Refund liabilities* amounting to RMB19,190,000 and RMB30,019,000, respectively in the 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 to *Contract liabilities*. As at 1 January 2018, the Group had short-term advances from customers amounting to RMB1,843,166,000, which were reclassified to *Contract liabilities* at the initial application of IFRS 15.

(b) *Presentation and disclosure requirements*

As required for the condensed interim consolidated financial statements, the Group disaggregated revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Group also disclosed information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for each reportable segment. Refer to Note 3 for the disclosure on disaggregated revenue.

**2. 編製基準及本集團會計政策變動**  
 (續)

本集團採納之新準則、詮釋及修訂(續)

**國際財務報告準則第15號來自客戶合約的收益**  
 (續)

(a) *可變代價*(續)

本集團於二零一八年六月三十日的中期簡明綜合財務狀況表確認退貨權資產及退款負債分別人民幣19,190,000元及人民幣30,019,000元。

本集團向客戶收取短期的預收款項。在採納國際財務報告準則第15號前，本集團將此類預收款項於綜合財務狀況表中列示為*其他應付款項及預提費用*。採納國際財務報告準則第15號後，本集團將預收款項重新分類至*合同負債*。本集團於二零一八年一月一日首次應用國際財務報告準則第15號時，將自客戶收取的人民幣1,843,166,000元短期預收款項重新分類至*合同負債*。

(b) *呈列及披露規定*

根據簡明中期綜合財務報表所規定，本集團就客戶合約確認的收益劃分為不同類別，以描述收益及現金流量的性質、金額、時間及不確定性如何受經濟因素所影響。本集團亦將披露有關披露劃分收益及就各可報告分部而披露收益資料之間的關係的資料。劃分收益的披露請參閱附註3。

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
中期簡明綜合財務報表附註

## 2. Basis of Preparation and Changes to the Group's Accounting Policies (continued)

### New standards, interpretations and amendments adopted by the Group (continued)

#### IFRS 9 Financial Instruments

The Group has early adopted IFRS 9 (2009) and IFRS 9 (2013) on 1 January 2014 and 1 July 2014, respectively. The Group has adopted the full text of IFRS 9 (2014) on 1 January 2018. The impact relates to the impairment requirement 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.

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.

For trade receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other receivables, 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 the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The adoption of the ECL requirements of IFRS 9 (2014) resulted in an increase in impairment allowances of the Group's debt financial assets. The Group recognised the cumulative catch-up adjustment amounting to RMB6,367,000 to the opening balance of retained earnings as at 1 January 2018 in the interim condensed consolidated statement of changes in equity.

## 2. 編製基準及本集團會計政策變動 (續)

### 本集團採納之新準則、詮釋及修訂(續)

#### 國際財務報告準則第9號金融工具

本集團已於二零一四年一月一日及二零一四年七月一日分別提早採納國際財務報告準則第9號(二零零九年)及國際財務報告準則第9號(二零一三年)。本集團已於二零一八年一月一日採納國際財務報告準則第9號(二零一四年)全文。減值規定相關影響概述如下：

透過以前瞻性預期信貸虧損(預期信貸虧損)法取代國際會計準則第39號的產生虧損法，採納國際財務報告準則第9號(二零一四年)已基本上改變本集團金融資產減值虧損的會計處理。

預期信貸虧損乃基於按照合約到期的合約現金流量與本集團預期收取的所有現金流量之間的差額而定。差額其後以資產的原始實際利率相若利率折讓。

就應收賬款而言，本集團已應用準則的簡化方式並已按年限內預期信貸虧損計算預期信貸虧損。本集團已設立根據本集團過往信貸虧損經驗計算的撥備矩陣，並按與債務人相關的前瞻性因素及經濟環境調整。

就其他應收款項而言，預期信貸虧損乃以12個月的預期信貸虧損計算。12個月的預期信貸虧損為年限內預期信貸虧損的一部份，其源自可能在報告日期後的12個月內發生的金融工具違約事件。然而，自發生以來信貸風險顯著增加時，撥備將以年限內預期信貸虧損為基準。

採納國際財務報告準則第9號(二零一四年)的預期信貸虧損規定導致本集團的債務金融資產減值撥備有所增加。本集團於二零一八年一月一日的中期簡明綜合權益變動表中識別出保留利潤期初結餘的累計追溯調整金額為人民幣6,367,000元。



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**2. Basis of Preparation and Changes to the Group's Accounting Policies** (continued)

**New standards, interpretations and amendments adopted by the Group** (continued)

***IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration***

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 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 condensed consolidated financial statements.

**2. 編製基準及本集團會計政策變動**  
(續)

**本集團採納之新準則、詮釋及修訂(續)**

***國際財務報告詮釋委員會詮釋第22號外幣交易及預付代價***

詮釋澄清在終止確認預付代價相關的非貨幣性資產或非貨幣性負債時，為釐定初步確定相關資產、開支或收入(或其中部分)採用的即期匯率，交易日期為實體初步確認預付代價產生的非貨幣性資產或非貨幣性負債之日。如有多次支付或收取預付款項，實體則必須釐定各項支付或收取預付代價的交易日期。該詮釋對本集團的簡明綜合財務報表並無任何影響。

***國際會計準則第40號轉讓投資物業的修訂***

該等修訂澄清實體應將物業(包括建設中或發展中物業)轉撥至或轉撥自投資物業的時間。該等修訂指明，物業用途變動於物業符合或不再符合投資物業的定義，且有證據證明用途發生變動時產生。單憑管理層對物業用途的意向產生變動不足以證明其用途有所變動。該等修訂對本集團的簡明綜合財務報表並無任何影響。



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
中期簡明綜合財務報表附註**2. Basis of Preparation and Changes to the Group's Accounting Policies** (continued)**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 has 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 condensed consolidated financial statements.

**Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts**

The amendments address concerns arising from implementing the new financial instruments standard, IFRS 9, before implementing IFRS 17 *Insurance Contracts*, which replaces IFRS 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach. These amendments are not relevant to the Group.

**2. 編製基準及本集團會計政策變動** (續)**本集團採納之新準則、詮釋及修訂** (續)**國際財務報告準則第2號以股份為基礎的支付交易的分類與計量的修訂**

國際會計準則理事會發佈的對國際財務報告準則第2號以股份為基礎的支付的修訂主要針對三個方面：歸屬條件對以現金結算的股份支付交易的計量之影響；具有以淨額結算以履行預扣稅義務特徵的以股份為基礎的支付交易之分類；以及當以股份為基礎的支付交易之條款與條件變動，使交易分類從現金結算改為以權益結算時之會計處理。採納該修訂時，實體無需重列過往期間以應用該等修訂，惟倘選擇採用上述三項修訂並滿足其他標準時，實體獲准採用追溯應用法。本集團以現金結算的股份支付的會計政策與該等修訂所澄清的方式一致。此外，本集團並無具有以淨額結算以履行預扣稅義務特徵的以股份為基礎的支付交易，且並無對其以股份支付交易的條款及條件作出任何修訂。因此，該等修訂對本集團的簡明綜合財務報表並無任何影響。

**國際財務報告準則第4號與國際財務報告準則第4號保險合約一併應用的國際財務報告準則第9號金融工具的修訂**

在實施取代國際財務報告準則第4號的國際財務報告準則第17號保險合約之前，該等修訂處理實施金融工具新準則國際財務報告準則第9號引起的事宜。該等修訂為實體發行保險合約引進兩種選擇：暫時豁免應用國際財務報告準則第9號及覆蓋法。該等修訂與本集團無關。

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## 2. Basis of Preparation and Changes to the Group's Accounting Policies (continued)

### New standards, interpretations and amendments adopted by the Group (continued)

#### *Amendments to IAS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice*

The amendments clarify that an entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. These amendments do not have any impact on the Group's condensed consolidated financial statements.

## 2. 編製基準及本集團會計政策變動 (續)

### 本集團採納之新準則、詮釋及修訂 (續)

#### *國際會計準則第28號於聯營公司及合營企業的投資 – 澄清以公允價值且其變動計入損益計量被投資方為按各項投資為基礎作出的選擇的修訂*

該等修訂澄清屬風險資本機構的實體或其他符合資格的實體可以在初步確認投資時以各項投資為基礎，選擇將其於聯營公司及合營企業的投資以公允價值且其變動計入損益計量。倘本身並非投資實體的實體於作為投資實體的聯營公司或合營企業擁有權益，則可在採用權益法核算時選擇保留以公允價值計量該投資實體的聯營公司或合營企業對該投資實體的聯營公司或合營企業於子公司的權益。該選擇於(a)初步確認投資實體的聯營公司或合營企業之日；(b)聯營公司或合營企業成為投資實體時；及(c)投資實體的聯營公司或合營企業首次成為母公司時(以較遲者為準)，就各投資實體的聯營公司或合營企業獨立作出。該等修訂對本集團的簡明綜合財務報表並無任何影響。

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
中期簡明綜合財務報表附註

### 3. Revenue from Contracts with Customers

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

### 3. 來自客戶合約的收益

下文載列本集團來自客戶合約的收益劃分：

| Segments   | 分部                | For the six months ended<br>30 June 2018 (unaudited)<br>截至二零一八年六月三十日止六個月(未經審核) |   |  |                                  |                                 |
|--|-------------------|--|---|--|----------------------------------|---------------------------------|
|  |                   | Liquid milk products<br>液態奶產品<br>RMB'000<br>人民幣千元                              | Ice cream products<br>冰淇淋產品<br>RMB'000<br>人民幣千元 | Milk powder products<br>奶粉產品<br>RMB'000<br>人民幣千元 | Others<br>其他<br>RMB'000<br>人民幣千元 | Total<br>總計<br>RMB'000<br>人民幣千元 |
| Sale of goods                                      | 銷售貨物              | 28,931,560   | 2,239,829                                       | 2,921,703  | 356,415                          | 34,449,507                      |
| Consigned processing service                       | 委託加工服務            | -  | -   | 24,829   | -                                | 24,829                          |
| <b>Total revenue from contracts with customers</b> | <b>來自客戶合約的總收益</b> | <b>28,931,560</b>  | <b>2,239,829</b>                                | <b>2,946,532</b>                                 | <b>356,415</b>                   | <b>34,474,336</b>               |

| Segments   | 分部                | For the six months ended<br>30 June 2017 (unaudited)<br>截至二零一七年六月三十日止六個月(未經審核) |   |  |                                  |                                 |
|--|-------------------|--|---|--|----------------------------------|---------------------------------|
|  |                   | Liquid milk products<br>液態奶產品<br>RMB'000<br>人民幣千元                              | Ice cream products<br>冰淇淋產品<br>RMB'000<br>人民幣千元 | Milk powder products<br>奶粉產品<br>RMB'000<br>人民幣千元 | Others<br>其他<br>RMB'000<br>人民幣千元 | Total<br>總計<br>RMB'000<br>人民幣千元 |
| Sale of goods                                      | 銷售貨物              | 25,372,096   | 1,985,259                                       | 1,786,355  | 322,045                          | 29,465,755                      |
| <b>Total revenue from contracts with customers</b> | <b>來自客戶合約的總收益</b> | <b>25,372,096</b>  | <b>1,985,259</b>                                | <b>1,786,355</b>                                 | <b>322,045</b>                   | <b>29,465,755</b>               |

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#### 4. Segment Information

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

- Liquid milk products segment – manufacture and distribution of ultra-high temperature milk (“UHT milk”), milk beverage and yogurt
- Ice cream products segment – manufacture and distribution of ice cream
- Milk powder products segment – manufacture and distribution of milk powder
- Others segment – principally the Group’s cheese and plant-based nutrition product business and trading business

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group’s profit before tax except that interest income, finance costs, share of losses of associates, income tax expense, as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude equity investments and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

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. 分部資料

出於管理需要，本集團按產品及服務構組業務單元，共有下列四個可報告經營分部：

- 液態奶產品分部 – 生產及經銷超高溫滅菌奶(「UHT奶」)、乳飲料及酸奶
- 冰淇淋產品分部 – 生產及經銷冰淇淋
- 奶粉產品分部 – 生產及經銷奶粉
- 其他分部 – 主要為本集團奶酪及植物基營養品業務及貿易業務

管理層獨立監察本集團各經營分部的業績，以作出有關資源分配及表現評估的決策。分部表現乃根據可報告分部利潤／虧損(其為對經調整稅前利潤／虧損的一種計量)予以評估。經調整稅前利潤／虧損與本集團的稅前利潤計量方式一致，惟利息收入、融資成本、應佔聯營公司虧損、所得稅支出及總部以及公司支出不計入該計量內。

分部資產並無包括股本投資，以及其他不分部的總部及公司資產，因該等資產按集團層面管理。

分部負債並無包括其他不分部的總部及公司負債，因該等負債按集團層面管理。

分部間銷售及轉讓參考以當時市價向第三者銷售所採用的售價進行交易。

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#### 4. Segment Information (continued)

The following tables present the revenue, profit and certain asset and liability information for the Group's operating segments:

#### 4. 分部資料(續)

下表呈列了本集團的經營分部的收入、利潤及部分資產及負債的資料：

| For the six months ended<br>30 June 2018 (unaudited)<br>截至二零一八年六月三十日止六個月(未經審核) |                               | Liquid milk<br>products<br>液態奶產品<br>RMB'000<br>人民幣千元 | Ice cream<br>products<br>冰淇淋產品<br>RMB'000<br>人民幣千元 | Milk powder<br>products<br>奶粉產品<br>RMB'000<br>人民幣千元 | Others<br>其他<br>RMB'000<br>人民幣千元 | Consolidated<br>綜合<br>RMB'000<br>人民幣千元 |
|--|-------------------------------|--|--|---|----------------------------------|--|
| <b>Segment revenue:</b>  | <b>分部收益：</b>                  |  |  |   |                                  |  |
| Sales to external customers  | 銷售予外部客戶                       | 28,931,560   | 2,239,829  | 2,946,532   | 356,415                          | 34,474,336                             |
| Intersegment sales   | 分部間銷售                         | 374,421  | 60,375   | 44,882  | 219,000                          | 698,678                                |
|  |                               | 29,305,981   | 2,300,204  | 2,991,414   | 575,415                          | 35,173,014                             |
| Reconciliation:  | 調整：                           |  |  |   |                                  |  |
| Elimination of intersegment sales  | 對銷分部間銷售                       |  |  |   |                                  | (698,678)                              |
| Total revenue  | 總收益                           |  |  |   |                                  | 34,474,336                             |
| <b>Segment results</b>   | <b>分部業績</b>                   | 1,569,044  | 265,113  | (4,608)   | (10,535)                         | 1,819,014                              |
| Reconciliation:  | 調整：                           |  |  |   |                                  |  |
| Interest income  | 利息收入                          |  |  |   |                                  | 398,429                                |
| Finance costs  | 融資成本                          |  |  |   |                                  | (226,497)                              |
| Share of losses of associates  | 應佔聯營公司虧損                      |  |  |   |                                  | (100,514)                              |
| Corporate and other unallocated expenses                                       | 公司及其他不分部的支出                   |  |  |   |                                  | 126,633                                |
| Profit before tax  | 稅前利潤                          |  |  |   |                                  | 2,017,065                              |
| Income tax expense   | 所得稅支出                         |  |  |   |                                  | (358,502)                              |
| Profit for the period  | 本期利潤                          |  |  |   |                                  | 1,658,563                              |
| <b>At 30 June 2018 (unaudited)</b>   | <b>於二零一八年六月三十日<br/>(未經審核)</b> |  |  |   |                                  |  |
| <b>Segment assets</b>  | <b>分部資產</b>                   | 37,320,033   | 2,859,543  | 14,104,587  | 622,761                          | 54,906,924                             |
| Reconciliation:  | 調整：                           |  |  |   |                                  |  |
| Elimination of intersegment receivables  | 對銷分部間應收款項                     |  |  |   |                                  | (12,666,600)                           |
| Corporate and other unallocated assets   | 公司及其他不分部的資產                   |  |  |   |                                  | 19,681,021                             |
| Total assets   | 總資產                           |  |  |   |                                  | 61,921,345                             |
| <b>Segment liabilities</b>   | <b>分部負債</b>                   | 18,756,540   | 2,876,312  | 4,045,218   | 1,020,852                        | 26,698,922                             |
| Reconciliation:  | 調整：                           |  |  |   |                                  |  |
| Elimination of intersegment payables   | 對銷分部間應付款項                     |  |  |   |                                  | (12,666,600)                           |
| Corporate and other unallocated liabilities                                    | 公司及其他不分部的負債                   |  |  |   |                                  | 19,751,351                             |
| Total liabilities  | 總負債                           |  |  |   |                                  | 33,783,673                             |

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4. Segment Information (continued)

4. 分部資料(續)

| For the six months ended<br>30 June 2017 (unaudited)<br>截至二零一七年六月三十日止六個月(未經審核) |                                | Liquid milk<br>products<br>液態奶產品<br>RMB'000<br>人民幣千元 | Ice cream<br>products<br>冰淇淋產品<br>RMB'000<br>人民幣千元 | Milk powder<br>products<br>奶粉產品<br>RMB'000<br>人民幣千元 | Others<br>其他<br>RMB'000<br>人民幣千元 | Consolidated<br>綜合<br>RMB'000<br>人民幣千元 |
|--|--------------------------------|--|--|---|----------------------------------|--|
| <b>Segment revenue:</b>  | <b>分部收益:</b>                   |  |  |   |                                  |  |
| Sales to external customers  | 銷售予外部客戶                        | 25,372,096   | 1,985,259  | 1,786,355   | 322,045                          | 29,465,755                             |
| Intersegment sales   | 分部間銷售                          | 287,804  | 58,345   | 32,538  | 160,339                          | 539,026                                |
|  |                                | 25,659,900   | 2,043,604  | 1,818,893   | 482,384                          | 30,004,781                             |
| Reconciliation:<br>Elimination of intersegment sales                           | 調整:<br>對銷分部間銷售                 |  |  |   |                                  | (539,026)                              |
| Total revenue  | 總收益                            |  |  |   |                                  | 29,465,755                             |
| <b>Segment results</b>   | <b>分部業績</b>                    | 2,038,688  | 190,754  | (181,140)   | (33,180)                         | 2,015,122                              |
| Reconciliation:  | 調整:                            |  |  |   |                                  |  |
| Interest income  | 利息收入                           |  |  |   |                                  | 229,331                                |
| Finance costs  | 融資成本                           |  |  |   |                                  | (191,404)                              |
| Share of losses of associates  | 應佔聯營公司虧損                       |  |  |   |                                  | (354,600)                              |
| Corporate and other unallocated expenses                                       | 公司及其他不分部的支出                    |  |  |   |                                  | (209,518)                              |
| Profit before tax  | 稅前利潤                           |  |  |   |                                  | 1,488,931                              |
| Income tax expense   | 所得稅支出                          |  |  |   |                                  | (373,846)                              |
| Profit for the period  | 本期利潤                           |  |  |   |                                  | 1,115,085                              |
| <b>At 31 December 2017 (audited)</b>   | <b>於二零一七年十二月三十一日<br/>(經審核)</b> |  |  |   |                                  |  |
| <b>Segment assets</b>  | <b>分部資產</b>                    | 35,685,811   | 2,056,731  | 12,944,969  | 663,834                          | 51,351,345                             |
| Reconciliation:  | 調整:                            |  |  |   |                                  |  |
| Elimination of intersegment receivables  | 對銷分部間應收款項                      |  |  |   |                                  | (11,223,810)                           |
| Corporate and other unallocated assets   | 公司及其他不分部的資產                    |  |  |   |                                  | 17,813,280                             |
| Assets related to a disposal group   | 涉及處置組之資產                       |  |  |   |                                  | 197,916                                |
| Total assets   | 總資產                            |  |  |   |                                  | 58,138,731                             |
| <b>Segment liabilities</b>   | <b>分部負債</b>                    | 17,946,490   | 2,206,829  | 3,206,490   | 1,031,113                        | 24,390,922                             |
| Reconciliation:  | 調整:                            |  |  |   |                                  |  |
| Elimination of intersegment payables   | 對銷分部間應付款項                      |  |  |   |                                  | (11,223,810)                           |
| Corporate and other unallocated liabilities                                    | 公司及其他不分部的負債                    |  |  |   |                                  | 17,861,632                             |
| Liabilities related to a disposal group  | 涉及處置組之負債                       |  |  |   |                                  | 2,864                                  |
| Total liabilities  | 總負債                            |  |  |   |                                  | 31,031,608                             |



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## 5. Revenue, Other Income and Gains

Revenue represents the net invoiced value of goods sold, after allowances for goods returns and trade discounts, and after eliminations of all significant intra-group transactions.

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

## 5. 收入、其他收入及收益

收入指已售出商品的發票淨值，經扣除退貨及貿易折扣，以及抵銷集團內所有公司間之重大交易後所得的數額。

本集團的收入、其他收入及收益的分析如下：

|  |                 | <b>Unaudited</b><br>未經審核                               |                                   |
|--|-----------------|--|-----------------------------------|
|  |                 | <b>For the six months ended 30 June</b><br>截至六月三十日止六個月 |                                   |
|  |                 | 2018<br>二零一八年<br>RMB'000<br>人民幣千元                      | 2017<br>二零一七年<br>RMB'000<br>人民幣千元 |
|  |                 | Notes<br>附註  |                                   |
| Revenue:   | 收入：             |  |                                   |
| Sale of goods  | 商品銷售            | <b>34,474,336</b>                                      | 29,465,755                        |
| Other income and gains:  | 其他收入及收益：        |  |                                   |
| Government grants related to                                     | 政府補助金           |  |                                   |
| – Recognition of deferred income                                 | – 與確認遞延收入有關     | (a) <b>39,689</b>                                      | 44,183                            |
| – Income and biological assets                                   | – 與收入及生物資產有關    | (b) <b>95,302</b>                                      | 45,929                            |
| Gain on disposal of a disposal group classified as held for sale | 出售分類為持有待售的處置組收益 | 10 <b>34,991</b>                                       | –                                 |
| Foreign exchange gains, net                                      | 匯兌收益淨額          | <b>9,405</b>   | –                                 |
| Net fair value gain on exchangeable bonds                        | 可換股債券的公允值收益淨額   | 23(c) <b>3,492</b>                                     | 2,777                             |
| Others   | 其他              | <b>84,342</b>  | 34,184                            |
|  |                 | <b>267,221</b>   | 127,073                           |
|  |                 | <b>34,741,557</b>                                      | 29,592,828                        |

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## 5. Revenue, Other Income and Gains (continued)

Notes:

- (a) The Group has received certain government grants in forms of property, plant and equipment donations, cash donations to purchase items of property, plant and equipment, and cash donations with certain attached conditions. These grants are initially recorded as deferred income. The grants relating to property, plant and equipment are amortised to match the depreciation charge of the underlying property, plant and equipment in accordance with estimated useful lives of the assets. The cash donations with unfulfilled conditions or contingencies are only recognised in profit or loss when the Group satisfies the attached conditions.
- (b) The government grants in the form of cash donations have been received for the Group's contribution to the development of the local dairy product industry. There are no unfulfilled conditions or contingencies attaching to these grants.

## 6. Other Expenses

## 5. 收入、其他收入及收益(續)

附註：

- (a) 政府以物業、廠房及設備捐獻或現金捐獻以購買物業、廠房及設備及現金捐獻的方式，向本集團授予若干補助，並附帶若干條件。此等補助金初步記錄為遞延收入。有關物業、廠房及設備的補助根據資產的估計可使用年期攤銷，以配對相關物業、廠房及設備的折舊開支。未能達到所附帶的條件或或然事項的現金捐獻將只會於本集團達到所附帶的條件時在損益內確認。
- (b) 本集團因對當地乳製品行業的發展有所貢獻，故獲現金捐獻形式的政府補助金。該等補助金並無附帶任何未達成的條件或或然事項。

## 6. 其他費用

Unaudited  
 未經審核  
 For the six months ended 30 June  
 截至六月三十日止六個月

|   | Notes<br>附註 | 2018<br>二零一八年<br>RMB'000<br>人民幣千元 | 2017<br>二零一七年<br>RMB'000<br>人民幣千元 |
|---|-------------|-----------------------------------|-----------------------------------|
| Provision for trade receivables and other receivables                     | (a)         | 54,518                            | 9,902                             |
| Write-back of provision for trade receivables and other receivables       |             | (12,042)                          | (859)                             |
| Write-down of inventories to net realisable value                         |             | 97,202                            | 38,594                            |
| Provision for property, plant and equipment                               | 13          | —                                 | 1,814                             |
| Losses on disposal of items of property, plant and equipment              |             | 11,604                            | 13,062                            |
| Donations   |             | 5,930                             | 1,000                             |
| Educational surcharges, city construction tax, and other taxes            |             | 233,169                           | 203,358                           |
| Losses arising from changes in fair value less cost to sell of dairy cows |             | 52,682                            | 33,026                            |
| Net fair value loss on forward currency contracts                         | 24(b)       | 1,626                             | 2,080                             |
| Foreign exchange losses, net  |             | —                                 | 99,315                            |
| Loss on disposal of a subsidiary  |             | —                                 | 11,698                            |
| Losses on deemed disposal of partial interests in associates              | (b)         | —                                 | 125,439                           |
| Net fair value loss on a convertible promissory note                      | 17(c)       | 1,045                             | —                                 |
| Others  |             | 62,593                            | 54,320                            |
|   |             | <b>508,327</b>                    | <b>592,749</b>                    |

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## 6. Other Expenses (continued)

Notes:

- (a) The Group recognised impairment losses on trade receivables arising from contracts with customers, included under other expenses in the condensed consolidated statements of profit or loss, amounting to RMB42,476,000 and RMB9,403,000 for the six months ended 30 June 2018 and 2017, respectively.
- (b) On 6 January 2017, due to the execution of share award scheme of Inner Mongolia Fuyuan International Industrial Co., Ltd., the Group's shareholding in Inner Mongolia Fuyuan International Industrial Co., Ltd. was diluted from 43.35% to 42.30%, resulting in a loss of RMB21,320,000 recognised in profit or loss.

On 25 January 2017, China Modern Dairy Holdings Ltd. ("China Modern Dairy") acquired an additional 45% equity interest in a subsidiary at the consideration of 338,602,205 shares in China Modern Dairy issued to the sellers. The acquisition diluted the Group's shareholding in China Modern Dairy from 25.41% to 23.88%, resulting in a loss of RMB53,381,000 recognised in profit or loss.

On 6 February 2017, pursuant to the exercise of the investor option granted to its investor, China Modern Dairy issued 488,036,618 consideration shares and paid a cash consideration of US\$13,424,231 to the then investor. The transaction diluted Group's shareholding in China Modern Dairy from 23.88% to 21.98%, resulting in a loss of RMB50,738,000 recognised in profit or loss.

## 6. 其他費用(續)

附註：

- (a) 本集團就來自客戶合約的貿易應收款項確認減值虧損，其計入簡明綜合損益表內其他開支，截至二零一八年及二零一七年六月三十日止六個月分別合共人民幣42,476,000元及人民幣9,403,000元。
- (b) 於二零一七年一月六日，由於內蒙古富源國際實業有限公司行使股票獎勵計劃，本集團於內蒙古富源國際實業有限公司的股權由43.35%攤薄至42.30%，導致人民幣21,320,000元虧損於損益確認。

於二零一七年一月二十五日，中國現代牧業控股有限公司(「中國現代牧業」)以中國現代牧業向賣家發行338,602,205股股份為代價收購一家子公司額外45%股權。該收購使本集團於中國現代牧業的股權由25.41%攤薄至23.88%，導致人民幣53,381,000元虧損於損益確認。

於二零一七年二月六日，根據向當時的投資者授予的投資者購股權之行使，中國現代牧業發行488,036,618股代價股份及向當時的投資者支付現金代價13,424,231美元。該交易使本集團於中國現代牧業的股權由23.88%攤薄至21.98%，導致人民幣50,738,000元虧損於損益確認。

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## 7. Profit Before Tax

The Group's profit before tax is arrived at after charging:

## 7. 稅前利潤

本集團的稅前利潤乃經扣除下列各項後計算所得：

**Unaudited**  
 未經審核  
**For the six months ended 30 June**  
 截至六月三十日止六個月

|   |                           | Notes | 2018<br>二零一八年<br>RMB'000<br>人民幣千元 | 2017<br>二零一七年<br>RMB'000<br>人民幣千元 |
|---|---------------------------|-------|-----------------------------------|-----------------------------------|
|   |                           | 附註    |                                   |                                   |
| Cost of inventories sold  | 銷售存貨成本                    |       | <b>20,958,451</b>                 | 18,950,843                        |
| Realised and unrealised fair value losses/(gains) of commodity futures contracts, net | 變現及未變現商品期貨合約公允值虧損/ (收益)淨額 | 24(c) | <b>(6,394)</b>                    | 12,339                            |
| <b>Cost of sales</b>  | <b>銷售成本</b>               |       | <b>20,952,057</b>                 | 18,963,182                        |
| Depreciation of items of property, plant and equipment                                | 物業、廠房及設備折舊                | 13    | <b>840,178</b>                    | 800,106                           |
| Depreciation of investment properties   | 投資物業折舊                    |       | <b>1,318</b>                      | 1,293                             |
| Amortisation of land use rights   | 土地使用權攤銷                   |       | <b>14,335</b>                     | 13,292                            |
| Amortisation of other intangible assets   | 其他無形資產攤銷                  |       | <b>31,643</b>                     | 24,039                            |
| Outsourcing expenses  | 外包費用                      | (a)   | <b>145,149</b>                    | 161,946                           |
| Minimum lease payments under operating leases   | 經營租賃最低租金                  |       | <b>160,245</b>                    | 145,454                           |
| Display space leasing fees  | 陳列空間租賃費                   |       | <b>1,315,087</b>                  | 614,196                           |
| Employee benefit expense (including directors' and senior executive's emoluments)     | 僱員福利費用 (包括董事及高級行政人員薪酬)    |       | <b>2,729,576</b>                  | 2,395,742                         |

Note:

- (a) For the purpose of promoting operation efficiency, the Group outsourced the production of certain products. The amounts represent the total amounts paid by the Group for purchasing outsourcing services.

附註：

- (a) 為了促進營運效率，本集團外包若干產品的生產。該金額指本集團就購買該等外包服務支付的總額。

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## 8. Finance Costs

An analysis of finance costs is as follows:

## 8. 融資成本

融資成本分析如下：

|  |  | Unaudited<br>未經審核                               |                                   |
|--|--|---|-----------------------------------|
|  |  | For the six months ended 30 June<br>截至六月三十日止六個月 |                                   |
|  |  | 2018<br>二零一八年<br>RMB'000<br>人民幣千元               | 2017<br>二零一七年<br>RMB'000<br>人民幣千元 |
| Interest on bank loans   | 銀行貸款利息                                     | <b>165,070</b>                                  | 102,693                           |
| Interest on US\$500,000,000 3.50%<br>bond due 2018                     | 息率3.50%於二零一八年<br>到期之500,000,000美元<br>債券之利息 | <b>61,731</b>                                   | 63,127                            |
| Interest on long term payables   | 長期應付款項利息                                   | <b>924</b>                                      | 2,387                             |
| Net fair value gain on interest rate<br>forward contracts (note 24(b)) | 利率遠期合約的公允值收益<br>淨額(附註24(b))                | <b>(1,228)</b>                                  | (2,440)                           |
| Bonds issuance cost and others   | 債券之發行成本及其他                                 | <b>-</b>  | 25,637                            |
|  |  | <b>226,497</b>                                  | 191,404                           |

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## 9. Income Tax Expense

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

## 9. 所得稅支出

中期簡明綜合損益表內所得稅支出的主要成分為：

|  |                    | Unaudited<br>未經審核                               |                                   |
|--|--------------------|---|-----------------------------------|
|  |                    | For the six months ended 30 June<br>截至六月三十日止六個月 |                                   |
|  |                    | 2018<br>二零一八年<br>RMB'000<br>人民幣千元               | 2017<br>二零一七年<br>RMB'000<br>人民幣千元 |
| <b>Current income tax</b>  | <b>即期所得稅</b>       |   |                                   |
| Current income tax charge  | 即期所得稅支出            | 680,801   | 474,183                           |
| <b>Deferred income tax</b>   | <b>遞延所得稅</b>       |   |                                   |
| Relating to origination and reversal of tax losses and temporary differences | 有關稅項虧損及暫時性差異的產生及回撥 | (322,299)                                       | (100,337)                         |
|  |                    | <b>358,502</b>                                  | <b>373,846</b>                    |

During the period, certain PRC subsidiaries were subject to tax concessions in accordance with (i) the PRC corporate income tax law; (ii) "The notice of tax policies relating to the implementation of western China development strategy"; and (iii) "The notice of preferential tax policy for preliminary processing of agricultural products".

期內，根據(i)中國企業所得稅法；(ii)《關於深入實施西部大開發戰略有關稅收政策問題的通知》；及(iii)《關於發佈享受企業所得稅優惠政策的農產品初加工範圍(試行)的通知》，若干中國子公司享有稅務優惠。

## 10. A Disposal Group Classified as Held for Sale

On 22 December 2017, Yashili International Holdings Ltd. ("Yashili") entered into an agreement to dispose of a piece of land of Scient (China) Baby Nourishment Co., Ltd. ("Scient China"), together with the property, plant and equipment on the land. The disposal had not been completed until January 2018. As such, as at 31 December 2017, the related assets and liabilities were classified as a disposal group classified as held for sale. As at 30 June 2018, the transaction had been completed with a disposal gain of RMB34,991,000 recognised in other income and gains (note 5) of the Group.

## 10. 分類為持有待售的處置組

於二零一七年十二月二十二日，雅士利國際控股有限公司(「雅士利」)訂立協議，出售施恩(中國)嬰幼兒營養品有限公司(「施恩中國」)的一幅土地(連同該土地上的物業、廠房及設備)。出售最終於二零一八年一月完成。因此，於二零一七年十二月三十一日，相關資產及負債分類為持有待售的處置組。於二零一八年六月三十日，交易已完成而出售收益人民幣34,991,000元已於本集團其他收入及收益(附註5)確認。



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## 11. Earnings Per Share Attributable to Ordinary Equity Holders of the Company

### (a) Basic earnings per share

The basic earnings per share amount for the period is calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

A reconciliation of the weighted average number of shares used in calculating the basic earnings per share amount is as follows:

## 11. 本公司普通股擁有人應佔的每股盈利

### (a) 每股基本盈利

本期的每股基本盈利乃根據期內本公司普通股擁有人應佔利潤除以期內已發行普通股的加權平均數計算。

計算每股基本盈利時所用加權平均股份數目調節如下：

|  |                     | Unaudited<br>未經審核   |   |
|--|---------------------|---|---|
|  |                     | For the six months ended 30 June<br>截至六月三十日止六個月                       |   |
|  |                     | 2018<br>二零一八年<br>Number of<br>shares<br>股份數目<br>(in thousand)<br>(千股) | 2017<br>二零一七年<br>Number of<br>shares<br>股份數目<br>(in thousand)<br>(千股) |
| Issued ordinary shares at 1 January  | 於一月一日已發行普通股         | 3,927,361   | 3,925,027   |
| Effect of share options exercised  | 已行使購股權的影響           | -   | 277   |
| Effect of shares purchased under share award scheme  | 根據股票獎勵計劃回購股份的影響     | (24,615)  | (30,994)  |
| Weighted average number of ordinary shares for the purpose of the basic earnings per share calculation | 計算每股基本盈利所用的普通股加權平均數 | 3,902,746   | 3,894,310   |

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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## 11. Earnings Per Share Attributable to Ordinary Equity Holders of the Company (continued)

### (b) Diluted earnings per share

The diluted earnings per share amount is calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during that period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

A reconciliation of the weighted average number of shares used in calculating the diluted earnings per share amount is as follows:

## 11. 本公司普通股擁有人應佔的每股盈利(續)

### (b) 每股攤薄盈利

每股攤薄盈利乃根據期內本公司普通股擁有人應佔利潤除以用作計算每股基本盈利所採用的期內已發行普通股加權平均數，以及假設所有具攤薄潛力的普通股被視作獲行使或轉換為普通股時按無代價發行的普通股加權平均數計算。

計算每股攤薄盈利時所用加權平均股份數目調節如下：

**Unaudited**  
 未經審核  
**For the six months ended 30 June**  
 截至六月三十日止六個月

|   |                                 | 2018<br>二零一八年<br>Number of<br>shares<br>股份數目<br>(in thousand)<br>(千股) | 2017<br>二零一七年<br>Number of<br>shares<br>股份數目<br>(in thousand)<br>(千股) |
|---|---------------------------------|---|---|
| Weighted average number of ordinary shares for the purpose of the basic earnings per share calculation  | 計算每股基本盈利所用的普通股加權平均數             | <b>3,902,746</b>  | 3,894,310   |
| Weighted average number of ordinary shares, assuming issued at no consideration on the deemed exercise of all share options during the period | 假設期內所有購股權被視作獲行使時按無代價發行之普通股加權平均數 | -   | 423   |
| Weighted average number of ordinary shares for the purpose of the diluted earnings per share calculation                                      | 計算每股攤薄盈利所用的普通股加權平均數             | <b>3,902,746</b>  | 3,894,733   |

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## 12. Dividends

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

During the six months ended 30 June 2018, the Company declared and paid a final dividend of RMB0.12 (six months ended 30 June 2017: RMB0.089) per ordinary share as proposed for the year ended 31 December 2017 to the shareholders of the Company.

## 13. Property, Plant and Equipment

Movements of property, plant and equipment during the period are as follows:

## 12. 股息

董事並不建議派發截至二零一八年六月三十日止六個月的中期股息(截至二零一七年六月三十日止六個月：無)。

截至二零一八年六月三十日止六個月，本公司按照建議就截至二零一七年十二月三十一日止年度向本公司股東宣派及派付期末股息每股普通股人民幣0.12元(截至二零一七年六月三十日止六個月：人民幣0.089元)。

## 13. 物業、廠房及設備

物業、廠房及設備於本期內變動如下：

|   |                   | Unaudited<br>未經審核<br>2018<br>二零一八年<br>RMB'000<br>人民幣千元 | Unaudited<br>未經審核<br>2017<br>二零一七年<br>RMB'000<br>人民幣千元 |
|---|-------------------|--|--|
| Carrying amount at 1 January  | 於一月一日的賬面值         | 12,715,454   | 12,698,374   |
| Additions   | 增加                | 163,823  | 244,999  |
| Transfers from construction in progress (note 14)                     | 轉撥自在建工程(附註14)     | 368,603  | 512,736  |
| Transfers from investment properties                                  | 轉撥自投資物業           | -  | 35,564   |
| Transfers from assets of a disposal group classified as held for sale | 轉撥自分類為持有待售的處置組內資產 | -  | 302  |
| Transfers to construction in progress (note 14)                       | 轉撥至在建工程(附註14)     | (19,275)   | (14,789)   |
| Transfers to investment properties                                    | 轉撥至投資物業           | (16,443)   | -  |
| Disposals   | 處置                | (9,724)  | (120,302)  |
| Acquisition of subsidiaries   | 收購子公司             | 406,142  | 312  |
| Disposal of a subsidiary  | 出售一家子公司           | -  | (25,289)   |
| Depreciation charge for the period (note 7)                           | 本期折舊費用(附註7)       | (840,178)  | (800,106)  |
| Impairment (note 6)   | 減值(附註6)           | -  | (1,814)  |
| Exchange realignment  | 匯兌調整              | (37,989)   | 30,912   |
| Carrying amount at 30 June  | 於六月三十日的賬面值        | 12,730,413   | 12,560,899   |

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### 13. Property, Plant and Equipment (continued)

Certain property, plant and equipment of the Group with net book values of approximately RMB84,858,000 (31 December 2017: RMB97,654,000), RMB45,188,000 (31 December 2017: RMB45,128,000) and RMB174,788,000 (31 December 2017: RMB215,736,000) as at 30 June 2018 have been pledged to secure the long term payables, short term bank loans (note 23) and long term bank loans (note 23), respectively.

### 14. Construction in Progress

Movements of construction in progress are as follows:

### 13. 物業、廠房及設備(續)

於二零一八年六月三十日，本集團若干賬面淨值約為人民幣84,858,000元(二零一七年十二月三十一日：人民幣97,654,000元)、人民幣45,188,000元(二零一七年十二月三十一日：人民幣45,128,000元)及人民幣174,788,000元(二零一七年十二月三十一日：人民幣215,736,000元)的物業、廠房及設備已分別用作獲得長期應付款項、短期銀行貸款(附註23)及長期銀行貸款(附註23)的抵押品。

### 14. 在建工程

在建工程變動如下：

|   |                   | Unaudited<br>未經審核<br>2018<br>二零一八年<br>RMB'000<br>人民幣千元 | Unaudited<br>未經審核<br>2017<br>二零一七年<br>RMB'000<br>人民幣千元 |
|---|-------------------|--|--|
| Carrying amount at 1 January  | 於一月一日的賬面值         | 1,363,399  | 1,271,844  |
| Additions   | 增加                | 836,643  | 467,540  |
| Transfers from property, plant and equipment (note 13)                | 轉撥自物業、廠房及設備(附註13) | 19,275   | 14,789   |
| Transfers from assets of a disposal group classified as held for sale | 轉撥自分類為持有待售的處置組內資產 | -  | 634  |
| Transfers to property, plant and equipment (note 13)                  | 轉撥至物業、廠房及設備(附註13) | (368,603)  | (512,736)  |
| Transfers to other intangible assets                                  | 轉撥至其他無形資產         | (18,715)   | (34,802)   |
| Acquisition of subsidiaries (note 30)                                 | 收購子公司(附註30)       | 31,232   | -  |
| Disposal of a subsidiary  | 出售一家子公司           | -  | (41)   |
| Exchange realignment  | 匯兌調整              | (124)  | 31   |
| Carrying amount at 30 June  | 於六月三十日的賬面值        | 1,863,107  | 1,207,259  |

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## 15. Goodwill

## 15. 商譽

|                              |            | Unaudited<br>未經審核<br>2018<br>二零一八年<br>RMB'000<br>人民幣千元 | Unaudited<br>未經審核<br>2017<br>二零一七年<br>RMB'000<br>人民幣千元 |
|------------------------------|------------|--|--|
| Carrying amount at 1 January | 於一月一日的賬面值  | 4,532,899  | 4,527,518  |
| Acquisition of subsidiaries  | 收購子公司      | 346  | 3,879  |
| Carrying amount at 30 June   | 於六月三十日的賬面值 | 4,533,245  | 4,531,397  |

On 10 April 2018, the Group acquired 50% equity interests in Modern Dairy (Bengbu) Co., Ltd. (“Modern Dairy (Bengbu)”) and Modern Dairy (Feidong) Co., Ltd. (“Modern Dairy (Feidong)”). Since the date of acquisition, the Group obtained control over Modern Dairy (Bengbu) and Modern Dairy (Feidong). This is because the Group owned more than 50% of the voting right. The business combination gave rise to goodwill of RMB346,000. Further details of the acquisition are included in note 30 to the condensed consolidated financial statements.

On 1 June 2017, the Group acquired an additional 25% equity interest in Nanchang Mengniu Dairy Sales Co., Ltd. (“Nanchang Mengniu”) from a third party, increasing the Group’s interest in Nanchang Mengniu from 45% to 70%. Nanchang Mengniu is engaged in the sale of dairy products. The purchase consideration was RMB7,757,000 in cash. The acquisition was accounted for as a business combination and gave rise to goodwill of RMB3,879,000.

於二零一八年四月十日，本集團收購現代牧業(蚌埠)有限公司(「現代牧業(蚌埠)」)及現代牧業(肥東)有限公司(「現代牧業(肥東)」)的50%股權。自收購日期起，本集團取得現代牧業(蚌埠)及現代牧業(肥東)的控制權。此乃由於本集團擁有逾50%的投票權。業務合併產生商譽人民幣346,000元。收購的進一步詳情載於簡明綜合財務報表附註30。

於二零一七年六月一日，本集團向一名第三方收購南昌蒙牛乳業銷售有限責任公司(「南昌蒙牛」)額外25%股權，使本集團所持有的南昌蒙牛股權由45%增加至70%。南昌蒙牛從事銷售乳製品。購買代價為現金人民幣7,757,000元。該收購列為業務合併並產生商譽人民幣3,879,000元。

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## 16. Investments in Associates

Among the Group's investments in associates, China Modern Dairy is a strategic partner of the Group mainly engaged in the production and sale of raw milk and liquid milk products.

As at 30 June 2018, the Group held 3,725,769,412 shares of China Modern Dairy, representing approximately 60.77% of the issued share capital.

Aggregating the effect of the Group's shareholdings of 60.77%, the potential voting rights of 11.24% shares underlying the Company's US\$194,800,000 zero coupon exchangeable bonds due 2022 (the "Exchangeable Bonds") when exchanged and the outstanding vested management share options (which, when exercised, shall result in issuance of 50,930,832 ordinary shares of China Modern Dairy at the exercise price of HK\$0.86 per share, representing approximately 0.82% of the enlarged issued share capital), management is of the opinion that the Group has less than 50% substantive voting rights over China Modern Dairy.

As at 30 June 2018, when assessing whether the Group has control over China Modern Dairy, management considered all facts and circumstance, including but not limited to the substantive voting rights over China Modern Dairy, the voting rights attached to the loaned securities and their inability to be exercised by the Group, and the Group's representation on the board of directors in China Modern Dairy. Taking into account these factors, management's judgement is that the Group has no control over China Modern Dairy and continue to account for China Modern Dairy as an associate using the equity method.

## 16. 於聯營公司的投資

在本集團投資的聯營公司中，中國現代牧業為本集團主要從事原奶及液態奶產品生產及銷售的策略夥伴。

於二零一八年六月三十日，本集團持有3,725,769,412股中國現代牧業股份，佔已發行股本約60.77%。

經計及本集團所持60.77%股權、194,800,000美元的於二零二二年到期的本公司零息可換股債券（「可換股債券」）轉換後的11.24%股份的潛在投票權及尚未行使的已歸屬管理層購股權（倘獲行使按每股0.86港元的行使價應導致發行中國現代牧業50,930,832股普通股，佔經擴大已發行股本約0.82%）之影響，管理層判定本集團持有的中國現代牧業的實質性投票權少於50%。

於二零一八年六月三十日，在評估本集團是否控制中國現代牧業時，管理層審議了所有事實及情況，包括但不限於於中國現代牧業的實質性投票權、借出證券所附有投票權及其將無法由本集團行使，及本集團於中國現代牧業董事會的代表。經考慮此等因素，管理層判定，本集團對中國現代牧業並無控制權，且中國現代牧業作為一家聯營公司繼續以權益法入賬。



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## 17. Other Financial Assets

## 17. 其他金融資產

|  |                            | Notes<br>附註 | Unaudited<br>未經審核<br>30 June<br>2018<br>二零一八年<br>六月三十日<br>RMB'000<br>人民幣千元 | Audited<br>經審核<br>31 December<br>2017<br>二零一七年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|--|----------------------------|-------------|--|---|
| <b>At fair value through other comprehensive income:</b> | <b>以公允值計量且其變動計入其他全面收益：</b> |             |  |   |
| Hong Kong listed equity investments in YuanShengTai      | 投入原生態的香港上市股本投資             | (a)         | 28,905   | 43,202  |
| Hong Kong listed equity investments in China Shengmu     | 投入中國聖牧的香港上市股本投資            | (b)         | 154,714  | 284,233   |
|  |                            |             | 183,619  | 327,435   |
| <b>At fair value through profit or loss:</b>             | <b>以公允值計量且其變動計入損益：</b>     |             |  |   |
| Unlisted equity investments                              | 非上市股本投資                    |             | 31,599   | 31,599  |
| Convertible promissory note                              | 可換股承兌票據                    | (c)         | 187,971  | 186,670   |
| Short term investment deposits                           | 短期投資存款                     | (d)         | 10,743,810   | 9,392,108   |
| Long term investment deposits                            | 長期投資存款                     | (d)         | 50,185   | –   |
|  |                            |             | 11,013,565   | 9,610,377   |
| <b>At amortised cost:</b>                                | <b>按攤銷成本：</b>              |             |  |   |
| Short term entrusted loans                               | 短期委託貸款                     | (e)         | 1,000,000  | 1,065,400   |
| Long term entrusted loans                                | 長期委託貸款                     | (e)         | 40,165   | 64,149  |
| Long term entrusted loans due within one year            | 於一年內到期之長期委託貸款              | (e)         | 46,163   | 46,361  |
| Long term receivables                                    | 長期應收款項                     | (f)         | 95,079   | 122,496   |
| Long term time deposits                                  | 長期定期存款                     | (g) /20     | 876,882  | 1,039,504   |
|  |                            |             | 2,058,289  | 2,337,910   |
| Total other financial assets                             | 其他金融資產總額                   |             | 13,255,473   | 12,275,722  |
| Current  | 流動                         |             | 11,977,944   | 10,690,539  |
| Non-current  | 非流動                        |             | 1,277,529  | 1,585,183   |
|  |                            |             | 13,255,473   | 12,275,722  |

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## 17. Other Financial Assets (continued)

Notes:

- (a) On 25 November 2013, the Company acquired 172,275,000 shares of, representing a 4.41% equity interest in YuanShengTai Dairy Farm Limited (“YuanShengTai”), a Hong Kong listed dairy company, with approximately HK\$469,831,000, equivalent to RMB369,396,000. In January 2017, the Company’s shareholding in YuanShengTai was diluted to 3.67% due to new share placement by YuanShengTai. Management designated the equity investment as a financial asset at fair value through other comprehensive income upon initial application of IFRS 9 (2009) on 1 January 2014, as management considered it a strategic investment for the purpose of securing high quality raw milk in the long run. The fair value of the listed equity securities was determined by reference to published quotations. A decrease in fair value for the six months ended 30 June 2018 and an accumulated decrease in fair value as at 30 June 2018 with amounts of RMB14,297,000 (six months ended 30 June 2017: RMB23,269,000) and RMB340,491,000 (as at 30 June 2017: RMB314,073,000), respectively, had been recognised in other comprehensive income.
- (b) On 25 May 2011, the Company acquired a 5.81% equity interest in an unlisted dairy company at approximately HK\$125,322,000, equivalent to RMB98,531,000. Management designated the equity investment as a financial asset at fair value through other comprehensive income upon initial application of IFRS 9 (2009) on 1 January 2014, as management considered it a strategic investment for the purpose of securing high quality raw milk in the long run. The equity investment was subsequently converted into 269,865,600 shares of China Shengmu Organic Milk Limited (“China Shengmu”) upon China Shengmu’s initial public offering on the Main Board of The Stock Exchange of Hong Kong Limited on 15 July 2014, representing a 4.25% equity interest in China Shengmu. The fair value of the listed equity securities was determined by reference to published quotations. A decrease in fair value for the six months ended 30 June 2018 and an accumulated increase in fair value as at 30 June 2018 with amounts of RMB129,519,000 (six months ended 30 June 2017: RMB153,619,000) and RMB56,183,000 (as at 30 June 2017: RMB266,853,000), respectively, had been recognised in other comprehensive income.

## 17. 其他金融資產(續)

附註：

- (a) 於二零一三年十一月二十五日，本公司以約 469,831,000 港元（相等於人民幣 369,396,000 元）收購一間香港上市乳業公司原生態牧業有限公司（「原生態」）的 172,275,000 股股份，佔其 4.41% 股權。於二零一七年一月，由於原生態配售新股份，本公司於原生態的控股權被攤薄至 3.67%。於二零一四年一月一日首次應用國際財務報告準則第 9 號（二零零九年）時，管理層將該項股本投資指定為以公允價值計量且其變動計入其他全面收益的金融資產，此乃由於管理層認為其屬於一項策略投資，旨在確保優質原奶的長遠供應。該等上市股本證券的公允價值乃經參考所公佈報價釐定。截至二零一八年六月三十日止六個月公允價值減少人民幣 14,297,000 元（截至二零一七年六月三十日止六個月：人民幣 23,269,000 元）及於二零一八年六月三十日公允價值累計減少人民幣 340,491,000 元（於二零一七年六月三十日：人民幣 314,073,000 元），已於其他全面收益確認。
- (b) 於二零一一年五月二十五日，本公司以約 125,322,000 港元（相等於人民幣 98,531,000 元）收購一間非上市乳業公司的 5.81% 股權。於二零一四年一月一日首次應用國際財務報告準則第 9 號（二零零九年）時，管理層將該項股本投資指定為以公允價值計量且其變動計入其他全面收益的金融資產，此乃由於管理層認為其屬於一項策略投資，旨在確保優質原奶的長遠供應。於中國聖牧有機奶業有限公司（「中國聖牧」）於二零一四年七月十五日在香港聯合交易所有限公司主板首次公開發售後，該項股權其後轉換為中國聖牧的 269,865,600 股股份，佔中國聖牧 4.25% 股權。該等上市股權的公允價值乃經參考所公佈報價而釐定。截至二零一八年六月三十日止六個月公允價值減少人民幣 129,519,000 元（截至二零一七年六月三十日止六個月：人民幣 153,619,000 元）及於二零一八年六月三十日公允價值累計增加人民幣 56,183,000 元（於二零一七年六月三十日：人民幣 266,853,000 元），已於其他全面收益確認。

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## 17. Other Financial Assets (continued)

Notes: (continued)

- (c) On 7 September 2017, Golden Stage Holdings Limited (“Golden Stage”), a 100% directly owned subsidiary of the Company, entered into a convertible promissory note purchase agreement (the “Agreement”) with AICE Holdings Limited (“AICE”) to purchase the convertible promissory note in the original principal amount (“Principal Amount”) of US\$28,000,000, equivalent to RMB182,753,000. According to the Agreement, 50% of the Principal Amount shall be automatically converted into the ordinary shares of AICE on any day within ten months from the closing date, which shall be a date determined by the board of AICE, at US\$1.14 per ordinary share. Golden Stage has an option to convert part or all of the remaining 50% Principal Amount into the ordinary shares or preferred shares of AICE during the next round of financing notice or receive the Principal Amount that has not been converted into shares, together with all interests at the annual rate of 5%. The Group classified the convertible promissory note as a financial asset at fair value through profit or loss. During the six months ended 30 June 2018, a net fair value loss of RMB1,045,000 (six months ended 30 June 2017: Nil) was recognised in other expenses (note 6).

- (d) The Group from time to time purchases various investment deposits from commercial banks for treasury management purpose. As at 30 June 2018, the Group held investment deposits of RMB10,793,995,000 (31 December 2017: RMB9,392,108,000) with principal guaranteed.

As at 30 June 2018, the investment deposits amounting to RMB172,360,000 (31 December 2017: RMB199,105,000) was pledged to secure letters of credit and interest-bearing bank and other borrowings.

- (e) Entrusted loans mainly represent the Group's loans to certain dairy farmers and China Modern Dairy via banks. The above entrusted loans are unsecured, with annual interest rates ranging from 4.00% to 8.96% (31 December 2017: 4.00% to 8.96%). As at 30 June 2018, these entrusted loans were neither past due nor impaired and had no recent history of default.
- (f) Long term receivables represent the receivables arising from disposal of certain property, plant and equipment to independent third parties. As at 30 June 2018, those long term receivables were neither past due nor impaired.
- (g) The effective interest rates on long term time deposits as at 30 June 2018 varied from 3.58% to 4.60% (31 December 2017: 3.58% to 5.23%) per annum and the deposits would mature in two to three years.

## 17. 其他金融資產(續)

附註：(續)

- (c) 於二零一七年九月七日，一間100%由本公司直接擁有的子公司Golden Stage Holdings Limited(「Golden Stage」)與AICE Holdings Limited(「AICE」)訂立可換股承兌票據購買協議(「該協議」)以於原本金(「本金」)購買28,000,000美元的可換股承兌票據(相等於人民幣182,753,000元)。根據該協議，於截止日期起計十個月內的任何一天(即AICE董事會釐定的日期)，本金的50%將按每股普通股1.14美元自動轉換為AICE的普通股。Golden Stage有權在下一輪融資通知期間將餘下的50%本金的部分或全部轉換為AICE的普通股或優先股，或收取尚未轉換為股份的本金以及所有年利率5%的利息。本集團將可換股承兌票據分類為以公允值計量且其變動計入損益的金融資產。於截至二零一八年六月三十日止六個月，公允值虧損淨額人民幣1,045,000元(截至二零一七年六月三十日止六個月：無)於其他開支確認(附註6)。

- (d) 本集團不時為庫務管理目的向商業銀行購入多項投資存款。於二零一八年六月三十日，本集團持有為數人民幣10,793,995,000元(二零一七年十二月三十一日：人民幣9,392,108,000元)設有本金保證的投資存款。

於二零一八年六月三十日，投資存款金額人民幣172,360,000元(二零一七年十二月三十一日：人民幣199,105,000元)抵押以獲得信用證和計息銀行及其他借貸。

- (e) 委託貸款主要指本集團通過銀行向若干奶農及中國現代牧業提供的貸款。以上委託貸款屬無抵押，年利率介乎4.00%至8.96%(二零一七年十二月三十一日：4.00%至8.96%)。於二零一八年六月三十日，該等委託貸款尚未逾期亦無減值，近期亦無拖欠記錄。
- (f) 長期應收款項指因出售若干物業、廠房及設備予獨立第三方而產生的應收款項。於二零一八年六月三十日，該等長期應收款項並無逾期亦無減值。
- (g) 於二零一八年六月三十日，長期定期存款的實際年利率介乎3.58%至4.60%(二零一七年十二月三十一日：3.58%至5.23%)，而存款將於兩至三年內到期。

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## 18. Inventories

## 18. 存貨

|   |                      | Unaudited<br>未經審核<br>30 June<br>2018<br>二零一八年<br>六月三十日<br>RMB'000<br>人民幣千元 | Audited<br>經審核<br>31 December<br>2017<br>二零一七年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|---|----------------------|--|---|
| Raw materials   | 原材料                  | 2,686,127  | 1,757,835   |
| Finished goods  | 製成品                  | 1,154,218  | 1,752,433   |
| Total inventories at the lower of cost and net realisable value | 按成本與可變現淨值的較低者計量的存貨總額 | 3,840,345  | 3,510,268   |

## 19. Trade and Bills Receivables

The Group normally allows a credit limit to its customers which is adjustable in certain circumstances. The Group closely monitors overdue balances. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivables. The trade receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables of the Group, based on the invoice date and net of provision, is as follows:

## 19. 應收賬款及票據

本集團通常授予客戶特定信貸額度，並可在若干情形下進行調整。本集團密切監控逾期未償還結餘。鑒於上文所述及本集團的應收賬款乃與大量不同類別的客戶有關，故並無重大信貸集中風險。本集團並無就其應收賬款持有任何抵押品或其他信貸提升。應收賬款並無附帶利息。

本集團經扣除撥備的應收賬款及票據按發票日期的賬齡分析如下：

|                 |        | Unaudited<br>未經審核<br>30 June<br>2018<br>二零一八年<br>六月三十日<br>RMB'000<br>人民幣千元 | Audited<br>經審核<br>31 December<br>2017<br>二零一七年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|-----------------|--------|--|---|
| Within 3 months | 3個月以內  | 3,066,698  | 2,439,605   |
| 4 to 6 months   | 4至6個月  | 135,515  | 125,377   |
| 7 to 12 months  | 7至12個月 | 69,589   | 78,150  |
| Over 1 year     | 1年以上   | 10,303   | 3,702   |
|                 |        | 3,282,105  | 2,646,834   |

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## 20. Cash and Bank Balances and Other Deposits

## 20. 現金及銀行結存及其他存款

|  |                        | Unaudited<br>未經審核<br>30 June<br>2018<br>二零一八年<br>六月三十日<br>RMB'000<br>人民幣千元 | Audited<br>經審核<br>31 December<br>2017<br>二零一七年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|--|------------------------|--|---|
| Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows      | 列於中期簡明綜合現金流量表的現金及現金等價物 | 4,995,007  | 3,129,444   |
| Pledged deposits   | 保證金存款                  | 680,244  | 466,265   |
| Time deposits  | 定期存款                   | 2,728,587  | 3,868,937   |
|  |                        | <b>8,403,838</b>   | 7,464,646   |
| Less: Short term pledged deposits  | 減：短期保證金存款              | <b>(680,244)</b>   | (466,265)   |
| Less: Long term time deposits (note 17)  | 減：長期定期存款(附註17)         | <b>(876,882)</b>   | (1,039,504)   |
| Cash and bank balances as stated in the interim condensed consolidated statement of financial position | 列於中期簡明綜合財務狀況表的現金及銀行結存  | <b>6,846,712</b>   | 5,958,877   |

Note:

附註：

The Group's pledged deposits were as follows:

本集團的保證金存款列示如下：

|  |                      | Unaudited<br>未經審核<br>30 June<br>2018<br>二零一八年<br>六月三十日<br>RMB'000<br>人民幣千元 | Audited<br>經審核<br>31 December<br>2017<br>二零一七年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|--|----------------------|--|---|
| Pledged to secure bills payable (note 21)                              | 抵押以獲得應付票據(附註21)      | 280,225  | 201,612   |
| Pledged to secure interest-bearing bank and other borrowings (note 23) | 抵押以獲得計息銀行及其他借貸(附註23) | 341,462  | 249,276   |
| Pledged to secure letters of credit                                    | 抵押以獲得信用證             | 58,557   | 15,377  |
|  |                      | <b>680,244</b>   | 466,265   |

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## 21. Trade and Bills Payables

An ageing analysis of the trade and bills payables of the Group, based on the invoice date, is as follows:

|                 |        | Unaudited<br>未經審核<br>30 June<br>2018<br>二零一八年<br>六月三十日<br>RMB'000<br>人民幣千元 | Audited<br>經審核<br>31 December<br>2017<br>二零一七年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|-----------------|--------|--|---|
| Within 3 months | 3個月以內  | 6,128,053  | 5,569,969   |
| 4 to 6 months   | 4至6個月  | 897,277  | 633,662   |
| 7 to 12 months  | 7至12個月 | 153,976  | 116,853   |
| Over 1 year     | 1年以上   | 22,834   | 21,789  |
|                 |        | <b>7,202,140</b>   | 6,342,273   |

The Group's trade payables are unsecured, non-interest-bearing and payable on demand.

Included in the above balances, bills payable with an aggregate balance of approximately RMB610,013,000 (31 December 2017: RMB397,660,000) were secured by the pledge of certain of the Group's deposits amounting to approximately RMB280,225,000 (31 December 2017: RMB201,612,000) (note 20). Except for the above, bills payable are unsecured, non-interest-bearing and payable when due ranging from 3 to 12 months.

## 21. 應付賬款及票據

本集團應付賬款及票據根據發票日期的賬齡分析如下：

本集團的應付賬款為無抵押、免息及須應要求隨時償還。

在上述結餘中，合計約人民幣610,013,000元(二零一七年十二月三十一日：人民幣397,660,000元)的應付票據結餘乃以本集團為數約人民幣280,225,000元(二零一七年十二月三十一日：人民幣201,612,000元)的若干存款(附註20)作抵押。除上文所述外，其餘的應付票據為無抵押、免息及須於3至12個月到期時償還。



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## 22. Other Payables and Accruals

## 22. 其他應付款項及預提費用

|                             |          | Unaudited<br>未經審核<br>30 June<br>2018<br>二零一八年<br>六月三十日<br>RMB'000<br>人民幣千元 | Audited<br>經審核<br>31 December<br>2017<br>二零一七年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|-----------------------------|----------|--|---|
| Advances from customers     | 客戶預付款    | –  | 1,843,166   |
| Salary and welfare payables | 應付薪金及福利費 | 993,408  | 1,279,031   |
| Other payables              | 其他應付款項   | 5,779,109  | 4,202,026   |
|                             |          | <b>6,772,517</b>   | 7,324,223   |

The Group's other payables are non-interest-bearing and payable on demand.

本集團的其他應付款項為免息及須應要求隨時償還。

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### 23. Interest-Bearing Bank and Other Borrowings

### 23. 計息銀行及其他借貸

|  |                                      | Unaudited<br>未經審核<br>30 June<br>2018<br>二零一八年<br>六月三十日<br>RMB'000<br>人民幣千元 | Audited<br>經審核<br>31 December<br>2017<br>二零一七年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|--|--------------------------------------|--|---|
| <b>Current:</b>  | <b>即期：</b>                           |  |   |
| Short term bank loans, secured                                     | 短期銀行貸款，有抵押                           | 606,416  | 359,697   |
| Short term bank loans, unsecured                                   | 短期銀行貸款，無抵押                           | 4,554,150  | 4,045,429   |
| Current portion of long term bank loans, secured                   | 長期銀行貸款即期部分，有抵押                       | 37,867   | 44,848  |
| Current portion of long term bank loans, unsecured                 | 長期銀行貸款即期部分，無抵押                       | 74,623   | 225,330   |
| US\$500,000,000 3.5% bonds due 2018                                | 於二零一八年到期的500,000,000美元票息率3.5%之債券     | 3,304,917  | 3,259,723   |
|  |                                      | <b>8,577,973</b>   | 7,935,027   |
| <b>Non-current:</b>  | <b>非即期：</b>                          |  |   |
| Long term bank loans, secured                                      | 長期銀行貸款，有抵押                           | 196,018  | 244,370   |
| Long term bank loans, unsecured                                    | 長期銀行貸款，無抵押                           | 4,650,863  | 4,500,152   |
| US\$194,800,000 zero coupon exchangeable bonds due 2022 (note (c)) | 於二零二二年到期的194,800,000美元零息可換股債券(附註(c)) | 1,283,091  | 1,270,575   |
|  |                                      | <b>6,129,972</b>   | 6,015,097   |
|  |                                      | <b>14,707,945</b>  | 13,950,124  |

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### 23. Interest-Bearing Bank and Other Borrowings (continued)

Notes:

- (a) As at 30 June 2018 and 31 December 2017, the Group's interest-bearing bank and other borrowings were secured as follows:

### 23. 計息銀行及其他借貸(續)

附註：

- (a) 於二零一八年六月三十日及二零一七年十二月三十一日，本集團之計息銀行及其他借貸抵押情況如下：

|  |                               | Unaudited<br>未經審核<br>30 June<br>2018<br>二零一八年<br>六月三十日<br>RMB'000<br>人民幣千元 | Audited<br>經審核<br>31 December<br>2017<br>二零一七年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|--|-------------------------------|--|---|
| Secured by pledged deposits  | 以保證金存款抵押                      | 320,926  | 213,392   |
| Secured by investment deposits   | 以投資存款抵押                       | 137,860  | 49,421  |
| Secured by dairy cows, land use rights and property, plant and equipment                     | 以奶牛、土地使用權以及物業、廠房及設備抵押         | 281,456  | 319,219   |
| Secured by all present and after acquired property of Yashili New Zealand Dairy Co., Limited | 以雅士利新西蘭乳業有限公司的所有現時及之後獲得的物業作抵押 | 100,059  | 66,883  |
| Unsecured  | 無抵押                           | 13,867,644   | 13,301,209  |
|  |                               | <b>14,707,945</b>  | 13,950,124  |

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### 23. Interest-Bearing Bank and Other Borrowings (continued)

Notes: (continued)

- (b) The carrying amounts of the Group's interest-bearing bank and other borrowings are denominated in the following currencies:

|                       |      | Unaudited<br>未經審核<br>30 June<br>2018<br>二零一八年<br>六月三十日<br>RMB'000<br>人民幣千元 | Audited<br>經審核<br>31 December<br>2017<br>二零一七年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|-----------------------|------|--|---|
| Hong Kong dollars     | 港元   | 3,102,077  | 3,207,497   |
| United States dollars | 美元   | 6,488,280  | 5,941,819   |
| New Zealand dollars   | 新西蘭元 | 61,086   | 74,426  |
| Australian dollars    | 澳元   | -  | 12,053  |
| Euro                  | 歐元   | 45,355   | 52,197  |
| RMB                   | 人民幣  | 5,011,147  | 4,662,132   |
|                       |      | <b>14,707,945</b>  | 13,950,124  |

- (c) On 6 June 2017, the Company issued US\$194,800,000 zero coupon exchangeable bonds due 2022 (the "Exchangeable Bonds"), which are exchangeable into 689,438,782 shares at the initial notional exchange price of HK\$2.1995 per share. The Group classified the Exchangeable Bonds as financial liabilities at fair value through profit or loss. During the six months ended 30 June 2018, a net fair value gain of RMB3,492,000 (six months ended 30 June 2017: RMB2,777,000) was recognised in other income and gains (note 5).

### 23. 計息銀行及其他借貸(續)

附註：(續)

- (b) 本集團以下列貨幣計值的計息銀行及其他借貸的賬面值如下：

- (c) 於二零一七年六月六日，本公司發行194,800,000美元的於二零二二年到期的零息可換股債券(「可換股債券」)，其可按照初步名義交換價(每股股份2.1995港元)轉換為689,438,782股股份。本集團分類可換股債券為以公允值計量且其變動計入損益的金融負債。於截至二零一八年六月三十日止六個月，公允值收益淨額人民幣3,492,000元(截至二零一七年六月三十日止六個月：人民幣2,777,000元)於其他收入及收益中確認(附註5)。

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## 24. Derivative Financial Instruments

## 24. 衍生金融工具

|   |        |       | Unaudited<br>未經審核<br>30 June 2018<br>二零一八年六月三十日 |                   | Audited<br>經審核<br>31 December 2017<br>二零一七年十二月三十一日 |                   |
|---|--------|-------|---|-------------------|--|-------------------|
|   |        |       | Assets<br>資產                                    | Liabilities<br>負債 | Assets<br>資產                                       | Liabilities<br>負債 |
|   |        |       | RMB'000<br>人民幣千元                                | RMB'000<br>人民幣千元  | RMB'000<br>人民幣千元                                   | RMB'000<br>人民幣千元  |
|   |        |       |   |                   |  |                   |
| Notes<br>附註                                   |        |       |   |                   |  |                   |
| Interest rate swap                            | 利率互換   | (a)   | 48,455  | -                 | 30,617   | -                 |
| Forward currency contracts                    | 遠期外幣合約 | (b)/6 | 15,396  | 12,899            | 4,301  | 178               |
| Interest rate forward contracts               | 利率遠期合約 | (b)/8 | 25,213  | -                 | 23,985   | -                 |
| Commodity futures contracts                   | 商品期貨合約 | (c)   | -   | -                 | 1,283  | 1,044             |
|   |        |       | <b>89,064</b>                                   | <b>12,899</b>     | 60,186   | 1,222             |
| Portion classified as non-current: 分類為非流動的部份： |        |       |   |                   |  |                   |
| Interest rate swap                            | 利率互換   |       | 48,455  | -                 | 30,617   | -                 |
| Forward currency contracts                    | 遠期外幣合約 |       | -   | 2,980             | -  | -                 |
| Interest rate forward contracts               | 利率遠期合約 |       | 25,213  | -                 | 23,985   | -                 |
|   |        |       | <b>73,668</b>                                   | <b>2,980</b>      | 54,602   | -                 |
| Current portion:                              | 流動部分   |       | <b>15,396</b>                                   | <b>9,919</b>      | 5,584  | 1,222             |

## Notes:

- (a) These interest rate swap contracts, taking effect in June 2017 with an expiration date in June 2020, are designated as hedging instruments in respect of future interest of certain bank loans with a floating rate of one-month HIBOR.

The fair value of these derivative financial instruments are determined by the counterparty of these hedge arrangements, and reviewed by the directors of the Company, based on contract value with reference to their forecasted HIBOR.

Since the notional amount and the terms of the interest swap contracts match those of the bank loan agreements, the cash flow hedges were assessed to be effective and a fair value gain of RMB17,838,000 (six months ended 30 June 2017: Nil) was included in the hedging reserve as other comprehensive income.

## 附註：

- (a) 於二零一七年六月生效，並於二零二零年六月到期的該等利率互換合約，被指定為就若干按一個月HIBOR的浮動利率計息銀行貸款的未來利息設置的對沖工具。

此等衍生金融工具的公允值由此等對沖安排的交易對手釐定，並由本公司董事基於合約價值及參照彼等的預測HIBOR進行審閱。

由於利率互換合約的名義金額及條款與銀行貸款協議的名義金額及條款互相匹配，現金流對沖被評定為有效且人民幣17,838,000元（截至二零一七年六月三十日止六個月：零）的公允值收益已作為其他全面收益計入對沖儲備。

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## 24. Derivative Financial Instruments (continued)

Notes: (continued)

- (b) In addition to the above interest rate swap designated as hedging instruments, the Group has entered into various forward currency contracts and interest rate forward contracts to manage its exchange rate and floating interest rate exposures. These forward contracts are not designated for hedging purposes and are measured at fair value through profit or loss.
- (c) To manage its price exposure to future purchase of commodities as raw materials, such as white sugar, palm oil and raw milk powder, the Group entered into various commodity futures contracts. The Group accounted for these commodity futures contracts at fair value with changes recognised in profit or loss. During the six months ended 30 June 2018, a net fair value gain of RMB6,394,000 (six months ended 30 June 2017: net fair value loss of RMB12,339,000) was credited to cost of sales (note 7).

## 24. 衍生金融工具(續)

附註：(續)

- (b) 除以上指定為對沖工具的利率互換外，本集團亦訂立多項遠期外幣合約及利率遠期合約以管理其匯率及浮動利率風險。該等遠期合約並非指定作對沖用途，並按公允值計入損益計量。
- (c) 為管理未來購置商品作為原材料(例如白糖、棕櫚油及原料奶粉)的價格風險，本集團訂立多項商品期貨合約。本集團將此等商品期貨合約按公允值列賬，而公允值的變動則於損益內確認。截至二零一八年六月三十日止六個月，公允值收益淨額人民幣6,394,000元(截至二零一七年六月三十日止六個月：公允值虧損淨額人民幣12,339,000元)已在銷售成本中入賬(附註7)。

## 25. Other Financial Liabilities

## 25. 其他金融負債

|  |                       | Notes<br>附註 | Unaudited<br>未經審核<br>30 June<br>2018<br>二零一八年<br>六月三十日<br>RMB'000<br>人民幣千元 | Audited<br>經審核<br>31 December<br>2017<br>二零一七年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|--|-----------------------|-------------|--|---|
| Present value of redemption amount for potential acquisition of puttable non-controlling interests | 可能收購可沽售非控股股東權益之贖回金額現值 | (a)/(b)     | 2,184,780  | 2,175,431   |
| Portion classified as current financial liabilities  | 分類為即期金融負債的部分          | (a)         | (564,523)  | (545,594)   |
| Non-current portion  | 非即期部分                 |             | 1,620,257  | 1,629,837   |



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## 25. Other Financial Liabilities (continued)

Notes:

- (a) According to the equity purchase agreement entered into among the Group, Shijiazhuang Junlebao Dairy Co., Ltd. (“Junlebao”) and the non-controlling shareholders of Junlebao dated 30 November 2010, the Group granted a put option to the non-controlling shareholders under which the non-controlling shareholders have the right to sell, and the Group has an obligation to buy 16.33% equity interest in Junlebao in each year ended 31 December 2016, 2017 and 2018 respectively, totalling 49% shareholding in Junlebao. During the years of 2016 and 2017, the non-controlling shareholders of Junlebao did not exercise their right to sell 32.67% in total equity interest in Junlebao to the Group. As at 30 June 2018, the Group derecognised the carrying amount of non-controlling interests of RMB242,852,000 (31 December 2017: RMB217,936,000) and recognised the present value of the amount payable upon exercise of the option of RMB564,523,000 (31 December 2017: RMB545,594,000) as a financial liability and accounted for the difference in equity.
- (b) Under the equity joint venture contract entered into between Inner Mongolia Mengniu Dairy (Group) Company Limited (“Inner Mongolia Mengniu”) and Danone Asia Pte Ltd. (“Danone Asia Pte”) dated 9 August 2013, an option was granted to Danone Asia Pte to terminate the equity joint venture contract and sell the entire stake of Danone Asia Pte to Inner Mongolia Mengniu at the exercise price within a 15-day period at the beginning of each biennial (2-year) period from the seventh (7th) anniversary of the relevant closing date under the amended and restated framework agreement, subject to compliance with the then applicable laws and regulations (including the Listing Rules) by the Company, including the then relevant Listing Rules in connection with connected transactions. As at 30 June 2018, the Group derecognised a non-controlling interest of RMB619,561,000 (31 December 2017: RMB601,576,000) and recognised a present value of the amount payable upon exercise of the option of RMB1,620,257,000 (31 December 2017: RMB1,629,837,000) as a financial liability and accounted for the difference in equity.

## 25. 其他金融負債(續)

附註：

- (a) 根據本集團、石家莊君樂寶乳業有限公司(「君樂寶」)及君樂寶的非控股股東訂立日期為二零一零年十一月三十日的股本購買協議，本集團向非控股股東授出認沽權，據此，於截至二零一六年、二零一七年及二零一八年十二月三十一日止年度各年，非控股股東分別有權出售且本集團分別有責任購買君樂寶16.33%的股權，合共為君樂寶49%的股權。於二零一六年及二零一七年內，君樂寶的非控股股東尚未行使其向本集團出售君樂寶合共32.67%股權的權利。於二零一八年六月三十日，本集團終止確認非控股股東權益的賬面值人民幣242,852,000元(二零一七年十二月三十一日：人民幣217,936,000元)及按行使認沽權時應付款項的現值人民幣564,523,000元(二零一七年十二月三十一日：人民幣545,594,000元)確認為金融負債，並將差額計入權益。
- (b) 根據內蒙古蒙牛乳業(集團)股份有限公司(「內蒙蒙牛」)與達能亞洲有限公司(「達能亞洲」)於二零一三年八月九日訂立的合資經營合同，達能亞洲獲授一項選擇權，可在經修訂及重訂的框架協議相關交割日滿七(7)週年後，每兩(2)年期間之開始後十五天內終止合資經營合同，並將達能亞洲股權全部按行使價售予內蒙蒙牛，但本公司必須遵守當時的適用法例及法規(包括上市規則)的規定，包括當時上市規則關於關連交易的規定。於二零一八年六月三十日，本集團終止確認非控股股東權益人民幣619,561,000元(二零一七年十二月三十一日：人民幣601,576,000元)及按行使選擇權時應付款項的現值人民幣1,620,257,000元(二零一七年十二月三十一日：人民幣1,629,837,000元)確認為金融負債，並將差額計入權益。

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## 26. Share Capital

## 26. 股本

|   |                       | Note<br>附註 | Number of<br>ordinary shares<br>普通股數目<br>'000<br>千股 | RMB'000<br>人民幣千元 |
|---|-----------------------|------------|---|------------------|
| <b>Issued and fully paid:</b>                             | <b>已發行及繳足：</b>        |            |   |                  |
| At 1 January 2018 (Audited)                               | 於二零一八年一月一日<br>(經審核)   |            | <b>3,927,361</b>                                    | <b>357,572</b>   |
| At 30 June 2018 (Unaudited)                               | 於二零一八年六月三十日<br>(未經審核) |            | <b>3,927,361</b>                                    | <b>357,572</b>   |
| At 1 January 2017 (Audited)                               | 於二零一七年一月一日<br>(經審核)   |            | 3,925,027   | 357,374          |
| Shares issued under equity-settled<br>share option scheme | 根據以股份支付的購股權<br>計劃發行股份 | (a)        | 964   | 83               |
| At 30 June 2017 (Unaudited)                               | 於二零一七年六月三十日<br>(未經審核) |            | 3,925,991   | 357,457          |

Note:

- (a) During the six months ended 30 June 2017, 963,548 share options have been exercised, resulting in the issue of 963,548 ordinary shares (equivalent to share capital of RMB83,000) of the Company and share premium of RMB9,994,000. The weighted average share price at the date of exercise for these options was HK\$14.70 per share.

附註：

- (a) 於截至二零一七年六月三十日止六個月，963,548份購股權獲行使，導致發行本公司963,548股普通股（相當於股本人民幣83,000元）及股份溢價人民幣9,994,000元。該等購股權於行使日之加權平均股價為每股14.70港元。

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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- (a) On 25 January 2017, China Modern Dairy acquired an additional 45% equity interest in a subsidiary at a consideration of 338,602,205 shares issued to the sellers. The acquisition was accounted for as an equity transaction, and as a consequence RMB555,297,000, representing the difference of the fair value of the consideration shares over the amount by which the non-controlling interests were adjusted, was charged directly in equity of China Modern Dairy. Accordingly, an amount of RMB132,631,000, representing the Group's share of the change of interest in the equity of China Modern Dairy, was accounted for directly in the Group's other reserves.
- (b) On 14 February 2017, the Group made a conditional mandatory option offer for the cancellation of all outstanding share options of China Modern Dairy. On the final closing date of the option offer on 21 March 2017, 264,320,873 options of China Modern Dairy were acquired and cancelled. The cancellation of share options of China Modern Dairy resulted in transferring an amount of RMB204,543,000 accumulated share option reserve in respect of these cancelled share options to retained earnings of China Modern Dairy. Accordingly, an amount of RMB125,283,000 was accounted for directly in the Group's other reserves.

**27. 其他儲備**

- (a) 於二零一七年一月二十五日，中國現代牧業收購一家子公司額外45%股權，代價為向賣家發行338,602,205股股份。有關收購計為股權交易，故此，人民幣555,297,000元(為代價股份的公允值超出非控股股東權益經調整後的金額之差額)已直接從中國現代牧業之權益中扣除。因此，人民幣132,631,000元(為本集團應佔中國現代牧業股權之權益變動)已直接於本集團其他儲備中列賬。
- (b) 於二零一七年二月十四日，本集團提出有條件強制性購股權要約以註銷所有中國現代牧業未兌現購股權。於購股權要約的最後截止日期二零一七年三月二十一日，264,320,873份中國現代牧業購股權獲收購並註銷。註銷中國現代牧業之購股權導致就該等已註銷購股權的累計購股權儲備人民幣204,543,000元轉讓予中國現代牧業的保留盈餘。因此，人民幣125,283,000元直接於本集團其他儲備中列賬。

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## 28. Share Option Scheme

### Movements of outstanding share options

## 28. 購股權計劃

### 尚未行使購股權變動

| Date of grant | 授出日期       | As at             | Granted              | Exercised            | Forfeited/<br>Lapsed | As at           | Exercisable            |
|---------------|------------|-------------------|----------------------|----------------------|----------------------|-----------------|------------------------|
|               |            | 1 January<br>2018 | during<br>the period | during<br>the period | during<br>the period | 30 June<br>2018 | at 30 June<br>2018     |
|               |            | 於二零一八年<br>一月一日    | 期內授出                 | 期內行使                 | 期內沒收/<br>失效          | 於二零一八年<br>六月三十日 | 於二零一八年<br>六月三十日<br>可行使 |
| 13 July 2017  | 二零一七年七月十三日 | 10,449,215        | -                    | -                    | (685,363)            | 9,763,852       | -                      |
| 7 May 2018    | 二零一八年五月七日  | -                 | 9,593,689            | -                    | (20,950)             | 9,572,739       | -                      |
| Total         | 總計         | 10,449,215        | 9,593,689            | -                    | (706,313)            | 19,336,591      | -                      |

| Date of grant   | 授出日期      | As at             | Granted              | Exercised            | Forfeited/<br>Lapsed | As at           | Exercisable            |
|-----------------|-----------|-------------------|----------------------|----------------------|----------------------|-----------------|------------------------|
|                 |           | 1 January<br>2017 | during<br>the period | during<br>the period | during<br>the period | 30 June<br>2017 | at 30 June<br>2017     |
|                 |           | 於二零一七年<br>一月一日    | 期內授出                 | 期內行使                 | 期內沒收/<br>失效          | 於二零一七年<br>六月三十日 | 於二零一七年<br>六月三十日<br>可行使 |
| 10 October 2011 | 二零一一年十月十日 | 2,333,946         | -                    | (963,548)            | -                    | 1,370,398       | -                      |

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## 28. Share Option Scheme (continued)

On 7 May 2018, the Company offered to grant an aggregate of 9,593,689 options to eligible grantees under its share option scheme adopted on 3 June 2016 (the “2016 Share Option Scheme”). The exercise price of the options of HK\$26.05 was the closing price per share on the grant date. The options will be vested in two equal batches on the first and second anniversaries of the date of grant in accordance with certain vesting conditions. If the vesting conditions are not met, the share options lapse. The fair value at grant date is estimated using a binomial pricing model, taking into account the terms and conditions upon which the options were granted. The contractual life of each option granted is five years. There is no cash settlement of the options. The fair value of options granted during the six months ended 30 June 2018 was estimated on the date of grant using the following assumptions:

|                                 |            | 2018<br>二零一八年 |
|---------------------------------|------------|---------------|
| Dividend yield (%)              | 股息率(%)     | 0.64          |
| Expected volatility (%)         | 預期波動率(%)   | 34.00         |
| Historical volatility (%)       | 歷史波動率(%)   | 33.90         |
| Risk-free interest rate (%)     | 無風險利率(%)   | 2.14          |
| Option life (years)             | 購股權年期(年)   | 5             |
| Spot price (HK\$ per share)     | 現貨價(港元/每股) | 26.05         |
| Exercise price (HK\$ per share) | 行使價(港元/每股) | 26.05         |

The fair value of the share options granted during the six months ended 30 June 2018 was estimated to be RMB61,982,000 (RMB6.46 each) at the grant date.

For the six months ended 30 June 2018, the Group recognised an expense of RMB18,696,000 relating to the fair value amortisation of share options during the period (six months ended 30 June 2017: Nil).

## 28. 購股權計劃(續)

於二零一八年五月七日，本公司根據二零一六年六月三日採納之購股權計劃(「二零一六年購股權計劃」)向合資格承授人授出合共9,593,689份購股權。購股權行使價26.05港元為授出日期每股股份收市價。購股權將分為兩等份歸屬，根據若干歸屬條件，於由授出日期起第一及二個週年歸屬。倘未能合歸屬條件，則購股權將告失效。授出日期的公允值乃按二項式定價模式估算，計及授出購股權所依據之條款及條件。已授出之每份購股權之合約年期為五年。購股權概無現金支付。於截至二零一八年六月三十日止六個月，已授出購股權之公允值乃於授出日期按下列假設作出估計：

於截至二零一八年六月三十日止六個月，授予購股權的公允值在授予日期估計為人民幣61,982,000元(每份人民幣6.46元)。

於截至二零一八年六月三十日止六個月，本集團於期內確認有關購股權公允值攤銷的開支人民幣18,696,000元(截至二零一七年六月三十日止六個月：零)。

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## 29. Share Award Scheme

Particulars and movements of share award scheme:

2018

| Date of grant | 授出日期       | Note | Fair value per share |             | As at     | Granted   | Vested    | Forfeited | As at      |
|---------------|------------|------|----------------------|-------------|-----------|-----------|-----------|-----------|------------|
|               |            |      | (HK\$)               | (HK\$)      | 1 January | during    | during    | during    | 30 June    |
|               |            |      | Before               | After       | Number    | Number    | Number    | Number    | Number     |
|               |            | 附註   | bonus issue          | bonus issue | of shares | of shares | of shares | of shares | of shares  |
|               |            |      | 發行紅股前                | 發行紅股後       | 股份數目      | 股份數目      | 股份數目      | 股份數目      | 股份數目       |
| 13 July 2017  | 二零一七年七月十三日 |      | 14.62                | n/a不適用      | 6,770,015 | -         | -         | (475,832) | 6,294,183  |
| 7 May 2018    | 二零一八年五月七日  | (a)  | 26.05                | n/a不適用      | -         | 6,693,084 | -         | (24,782)  | 6,668,302  |
|               |            |      |                      |             | 6,770,015 | 6,693,084 | -         | (500,614) | 12,962,485 |

## 29. 股票獎勵計劃

股票獎勵計劃詳情及變動：

二零一八年

2017

二零一七年

| Date of grant | 授出日期       | Fair value per share |             | As at 1   | Granted   | Vested    | As at     |
|---------------|------------|----------------------|-------------|-----------|-----------|-----------|-----------|
|               |            | (HK\$)               | (HK\$)      | January   | during    | during    | 30 June   |
|               |            | (HK\$)               | (HK\$)      | Number    | Number    | Number    | Number    |
|               |            | Before               | After       | of shares | of shares | of shares | of shares |
|               |            | bonus issue          | bonus issue | 股份數目      | 股份數目      | 股份數目      | 股份數目      |
|               |            | 發行紅股前                | 發行紅股後       |           |           |           |           |
| 2 April 2015  | 二零一五年四月二日  | 40.10                | 20.05       | 2,131,822 | -         | -         | 2,131,822 |
| 11 April 2016 | 二零一六年四月十一日 | 12.42                | n/a不適用      | 7,656,903 | -         | -         | 7,656,903 |
|               |            |                      |             | 9,788,725 | -         | -         | 9,788,725 |

(a) On 7 May 2018, the Company granted 6,693,084 shares under share award scheme to the participants, representing approximately 0.2% of the issued share capital of the Company as at the adoption date. These granted shares would vest in two equal batches on the first and second anniversaries of the date of grant in accordance with certain vesting conditions.

(a) 於二零一八年五月七日，本公司根據股票獎勵計劃向參與者授出6,693,084股股份，佔本公司於採納日期的已發行股本約0.2%。此等已授出的股份將分為二份份歸屬，根據若干歸屬條件由授出日期起第一及二個週年歸屬。



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## 29. Share Award Scheme (continued)

During the period, 500,614 (six months ended 30 June 2017: Nil) shares lapsed due to the unfulfillment of vesting condition under the share award scheme.

The fair value of the shares granted was calculated based on the market prices of the Company's shares at the respective grant dates. During the period, there was an expense of RMB45,592,000 (six months ended 30 June 2017: RMB22,346,000) relating to the share award scheme, and a reversal of expense of RMB2,187,000 (six months ended 30 June 2017: 19,735,000) due to the unfulfillment of vesting conditions under the share award scheme. In aggregate, the Group recognised a net expense of RMB43,405,000 (six months ended 30 June 2017: RMB2,611,000) relating to the share award scheme in the interim condensed consolidated statement of profit or loss during the period.

## 30. Business Combination

### Acquisition of Modern Dairy (Bengbu) and Modern Dairy (Feidong)

On 10 April 2018, the Group acquired 50% equity interests in Modern Dairy (Bengbu) and Modern Dairy (Feidong) from Modern Farming (Group) Co., Ltd. ("Modern Farming"), a subsidiary of China Modern Dairy. Modern Dairy (Bengbu) and Modern Dairy (Feidong) are mainly engaged in the production and distribution of liquid milk products. Since the date of acquisition, the Group obtained control over Modern Dairy (Bengbu) and Modern Dairy (Feidong). This is because the Group owned more than 50% of the voting right. The acquisition was made as part of the Group's strategy to expand its market share of liquid milk products in Mainland China.

## 29. 股票獎勵計劃(續)

於期內，500,614股股份(截至二零一七年六月三十日止六個月：無)因股票獎勵計劃項下的歸屬條件未獲達成而失效。

已授出股份之公允值，乃基於本公司股份於各授出日期之市值計算。期內，股票獎勵計劃相關支出人民幣45,592,000元(截至二零一七年六月三十日止六個月：人民幣22,346,000元)及因股票獎勵計劃項下的歸屬條件未獲達成而撥回支出人民幣2,187,000元(截至二零一七年六月三十日止六個月：19,735,000元)。期內，本集團已於中期簡明綜合損益表中確認股票獎勵計劃相關支出淨額合共人民幣43,405,000元(截至二零一七年六月三十日止六個月：人民幣2,611,000元)。

## 30. 業務合併

### 收購現代牧業(蚌埠)及現代牧業(肥東)

於二零一八年四月十日，本集團自中國現代牧業子公司現代牧業(集團)有限公司(「現代牧業(集團)」)收購現代牧業(蚌埠)及現代牧業(肥東)的50%股權。現代牧業(蚌埠)及現代牧業(肥東)主要從事生產及分銷液體奶產品。自收購日期起，本集團取得現代牧業(蚌埠)及現代牧業(肥東)的控制權。此乃由於本集團擁有逾50%的投票權。該項收購為本集團擴大其中國內地的液體奶產品的市場份額的策略之一環。

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**30. Business Combination** (continued)

**Acquisition of Modern Dairy (Bengbu) and Modern Dairy (Feidong)** (continued)

The fair values of the identifiable assets and liabilities of Modern Dairy (Bengbu) and Modern Dairy (Feidong) as at the date of acquisition were as follows:

**30. 業務合併** (續)

**收購現代牧業(蚌埠)及現代牧業(肥東)** (續)

於收購事項日期，現代牧業(蚌埠)及現代牧業(肥東)的可識別資產及負債的公允值如下：

|  |                           | Notes<br>附註 | Fair value<br>recognised on<br>acquisition<br>收購時確認<br>之公允值<br>RMB'000<br>人民幣千元 |
|--|---------------------------|-------------|---|
| Assets   | 資產                        |             |   |
| Property, plant and equipment  | 物業、廠房及設備                  |             | 405,299   |
| Construction in progress   | 在建工程                      | 14          | 31,232  |
| Land use rights  | 土地使用權                     |             | 5,980   |
| Other intangible assets  | 其他無形資產                    |             | 613   |
| Inventories  | 存貨                        |             | 17,915  |
| Trade and bills receivables  | 應收賬款及票據                   |             | 34,688  |
| Prepayments, deposits and other receivables                                  | 預付款、按金及其他應收款項             |             | 122,225   |
| Cash and bank balances   | 現金及銀行結存                   |             | 147,600   |
| <b>Total assets</b>  | <b>總資產</b>                |             | <b>765,552</b>  |
| Liabilities  | 負債                        |             |   |
| Trade payables   | 應付賬款                      |             | (132,891)   |
| Other payables and accruals  | 其他應付款項及預提費用               |             | (27,836)  |
| Interest-bearing bank and other borrowings                                   | 計息銀行及其他借貸                 |             | (487,739)   |
| Income tax payable   | 應付所得稅                     |             | (5,697)   |
| <b>Total liabilities</b>   | <b>總負債</b>                |             | <b>(654,163)</b>  |
| Total identifiable net assets at fair value                                  | 按公允值計算之可識別淨<br>資產總額       |             | 111,389   |
| Less: Non-controlling interests  | 減：非控股股東權益                 |             | (55,695)  |
| Less: Entrusted loans due from Modern Dairy (Feidong)                        | 減：應收現代牧業(肥東)的<br>委託貸款     |             | (65,400)  |
| Add: Goodwill arising on acquisition   | 加：收購產生的商譽                 | 15          | 346   |
| Add: Effective settlement of entrusted loans due from Modern Dairy (Feidong) | 加：應收現代牧業(肥東)的<br>委託貸款有效結算 |             | 65,400  |
| <b>Purchase consideration at fair value</b>                                  | <b>按公允值計算之購買代價</b>        |             | <b>56,040</b>   |

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
中期簡明綜合財務報表附註

### 30. Business Combination (continued)

#### Acquisition of Modern Dairy (Bengbu) and Modern Dairy (Feidong) (continued)

An analysis of the cash flows in respect of the acquisition of Modern Dairy (Bengbu) and Modern Dairy (Feidong) for the six months ended 30 June 2018 was as follows:

|  |                             | RMB'000<br>人民幣千元 |
|--|-----------------------------|------------------|
| Cash consideration   | 現金代價                        | (56,040)         |
| Cash and cash equivalents acquired   | 收購所得現金及現金等價物                | 147,600          |
| Net inflow of cash and cash equivalents included in cash flows from investing activities | 包括在投資活動產生的現金流量內的現金及現金等價物淨流入 | 91,560           |
| Transaction costs of the acquisition included in cash flows from operating activities    | 包括在經營業務產生的現金流量內的收購交易成本      | (100)            |
|  |                             | 91,460           |

### 31. Commitments

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

### 30. 業務合併(續)

#### 收購現代牧業(蚌埠)及現代牧業(肥東)(續)

就截至二零一八年六月三十日止六個月收購現代牧業(蚌埠)及現代牧業(肥東)的現金流量分析如下：

### 31. 承擔

於報告期末，本集團有關購置及興建物業、廠房及設備的未償付資本承擔如下：

|                                  |         | Unaudited<br>未經審核<br>30 June<br>2018<br>二零一八年<br>六月三十日<br>RMB'000<br>人民幣千元 | Audited<br>經審核<br>31 December<br>2017<br>二零一七年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|----------------------------------|---------|--|---|
| Contracted, but not provided for | 已訂約但未撥備 | 1,141,578  | 921,832   |

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### 32. Related Party Transactions

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

### 32. 關聯人士交易

- (a) 除於中期簡明綜合財務報表其他段落披露的交易及結餘外，本集團與其聯營公司及其他關聯人士進行下列重大交易。

**Unaudited**  
 未經審核  
**For the six months ended 30 June**  
 截至六月三十日止六個月

|   |                      |     | 2018<br>二零一八年<br>RMB'000<br>人民幣千元 | 2017<br>二零一七年<br>RMB'000<br>人民幣千元 |
|---|----------------------|-----|-----------------------------------|-----------------------------------|
|   | Note<br>附註           |     |                                   |                                   |
| (I) Sale of liquid milk products to associates                                      | 向聯營公司銷售液態奶產品         | (i) | 726,912                           | 755,548                           |
| (II) Sale of ice cream products to associates                                       | 向聯營公司銷售冰淇淋產品         | (i) | 28,565                            | 25,623                            |
| (III) Sale of other dairy products to associates                                    | 向聯營公司銷售其他乳類產品        | (i) | -                                 | 104                               |
| (IV) Sale of products to affiliates of a major shareholder of the Company           | 向本公司一名主要股東的聯屬公司出售產品  | (i) | 5,339                             | 5,467                             |
| (V) Purchase of raw materials from affiliates of a major shareholder of the Company | 向本公司一名主要股東的聯屬公司購買原材料 | (i) | 443,485                           | 310,256                           |
| (VI) Purchase of raw materials from associates                                      | 向聯營公司購買原材料           | (i) | 2,610,879                         | 2,082,297                         |
| (VII) Purchase of liquid milk products from an associate                            | 向一家聯營公司購買液態奶產品       | (i) | 239,995                           | 23,629                            |
| (VIII) Purchase of outsourcing services from an associate                           | 向一家聯營公司購買外包服務        | (i) | 5,407                             | 109                               |

Note:

- (i) The considerations were determined with reference to the prevailing market prices/rates and the prices charged to third parties.

附註：

- (i) 代價乃經參考當時市場價格／利率及收取第三方的價格釐定。

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### 32. Related Party Transactions (continued)

#### (b) Other transactions with an associate

During the period, the Group acquired 50% equity interests in Modern Dairy (Bengbu) and Modern Dairy (Feidong) from Modern Farming, a subsidiary of China Modern Dairy. Since the date of acquisition, the Group obtained control over Modern Dairy (Bengbu) and Modern Dairy (Feidong). This is because the Group owned more than 50% of the voting right. The purchase consideration for the acquisition was in the form of cash, with RMB56,040,000 paid at the acquisition date to Modern Farming. Further details of the acquisition are included in note 30 to the financial statements.

#### (c) Compensation of key management personnel of the Group

### 32. 關聯人士交易(續)

#### (b) 與一間聯營公司的其他交易

於期內，本集團自中國現代牧業子公司現代牧業(集團)收購現代牧業(蚌埠)及現代牧業(肥東)的50%股權。自收購日期起，本集團取得現代牧業(蚌埠)及現代牧業(肥東)的控制權。此乃由於本集團擁有逾50%的投票權。該等收購的收購代價以現金形式支付，於收購日期向現代牧業(集團)支付人民幣56,040,000元。該收購的進一步詳情載於財務報表附註30。

#### (c) 本集團的主要管理人員的報酬

**Unaudited**  
未經審核  
**For the six months ended 30 June**  
截至六月三十日止六個月

|                                  |        | 2018<br>二零一八年<br>RMB'000<br>人民幣千元 | 2017<br>二零一七年<br>RMB'000<br>人民幣千元 |
|----------------------------------|--------|-----------------------------------|-----------------------------------|
| Directors' fees                  | 董事袍金   | 553                               | 605                               |
| Salaries and allowances          | 薪金及津貼  | 12,039                            | 7,609                             |
| Retirement benefit contributions | 退休福利供款 | 987                               | 682                               |

Notes:

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

附註：

- (i) 主要管理人員的報酬指已付或應付本公司董事及高級行政人員的酬金。

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**32. Related Party Transactions** (continued)

**(c) Compensation of key management personnel of the Group** (continued)

Notes: (continued)

- (ii) In addition to the key management compensation shown in above table, during the period from 2016 to 2018, certain directors and senior executives were granted share awards in respect of their services to the Group under the share award scheme of the Company. In accordance with IFRS 2, share-based payments represent the fair value at the grant date of the shares amortised to the interim condensed consolidated statement of profit or loss during the period disregarding whether the shares have been vested/exercised or not. During the period, the share-based payment expenses relating to the shares granted to these directors and senior executives were approximately RMB10,526,000 (six months ended 30 June 2017: a reversal of expense of RMB16,818,000).
- (iii) In addition to the key management compensation shown in above table, during the period from 2017 to 2018, certain directors and senior executives were granted share options in respect of their services to the Group under the share option scheme of the Company. In accordance with IFRS 2, share-based payment benefits represent the fair value at the grant date of the share options amortised to the interim condensed consolidated statement of profit or loss during the period disregarding whether the options have been vested/exercised or not. During the period, the share-based payment expenses relating to the share options granted to these directors and senior executives were approximately RMB11,072,000 (six months ended 30 June 2017: Nil).

**32. 關聯人士交易** (續)

**(c) 本集團的主要管理人員的報酬** (續)

附註：(續)

- (ii) 除上表所示的主要管理人員報酬外，於二零一六年至二零一八年期間，若干董事及高級行政人員就彼等對本集團的服務獲本公司根據股票獎勵計劃授出股票獎勵。根據國際財務報告準則第2號，以股份為基礎的支付指股票於授出日期的公允值，期內已於中期簡明綜合損益表內予以攤銷，而不論該等股票是否已歸屬／行使。期內，有關授予該等董事及高級行政人員股票的以股份為基礎的支付支出為約人民幣10,526,000元(截至二零一七年六月三十日止六個月：撥回支出人民幣16,818,000元)。
- (iii) 除上表所示的主要管理人員報酬外，於二零一七年至二零一八年期間，若干董事及高級行政人員就彼等對本集團的服務獲本公司根據購股權計劃授出購股權。根據國際財務報告準則第2號，以股份為基礎的支付指購股權於授出日期的公允值，期內已於中期簡明綜合損益表內予以攤銷，而不論該等購股權是否已歸屬／行使。期內，有關授予該等董事及高級行政人員購股權的以股份為基礎的支付支出為約人民幣11,072,000元(截至二零一七年六月三十日止六個月：零)。



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### 32. Related Party Transactions (continued)

(d) As at 30 June 2018 and 31 December 2017, the balances arising from related party transactions are as follows:

| Trade and bills receivables from:<br>應收下列各方的賬款及票據：                         |                    | Unaudited<br>未經審核<br>30 June<br>2018<br>二零一八年<br>六月三十日<br>RMB'000<br>人民幣千元 | Audited<br>經審核<br>31 December<br>2017<br>二零一七年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|--|--------------------|--|---|
| Associates   | 聯營公司               | 569,081  | 553,443   |
| Affiliates of a major shareholder of<br>the Company                        | 本公司一名主要股東的<br>聯屬公司 | 2,901  | 2,721   |
|  |                    | <b>571,982</b>   | 556,164   |
| Prepayments, deposits and other receivables from:<br>應收下列各方的預付款、按金及其他應收賬款： |                    | Unaudited<br>未經審核<br>30 June<br>2018<br>二零一八年<br>六月三十日<br>RMB'000<br>人民幣千元 | Audited<br>經審核<br>31 December<br>2017<br>二零一七年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
| Associates   | 聯營公司               | 300,429  | 235,110   |

### 32. 關聯人士交易(續)

(d) 於二零一八年六月三十日及二零一七年十二月三十一日，關聯人士交易產生的結餘如下：

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**32. Related Party Transactions** (continued)

(d) (continued)

|  |                    | Unaudited<br>未經審核<br>30 June<br>2018<br>二零一八年<br>六月三十日<br>RMB'000<br>人民幣千元 | Audited<br>經審核<br>31 December<br>2017<br>二零一七年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|--|--------------------|--|---|
| Trade and bills payables to:<br>應付下列各方的賬款及票據：          |                    |  |   |
| Associates   | 聯營公司               | 363,525  | 259,097   |
| Affiliates of a major shareholder of<br>the Company    | 本公司一名主要股東的<br>聯屬公司 | 75,697   | 133,118   |
|  |                    | <b>439,222</b>   | 392,215   |
| Other payables and accruals to:<br>應付下列各方的其他應付款項及預提費用： |                    |  |   |
| Associates   | 聯營公司               | 5,207  | 14,459  |

Except for certain prepayments, deposits and other receivables from associates of approximately RMB66,667,000 (31 December 2017: RMB129,167,000) with a fixed interest rate of 2.5% per annum, the above balances are unsecured, non-interest-bearing and repayable on credit terms similar to those offered to or by independent third parties.

**32. 關聯人士交易** (續)

(d) (續)

除若干預付款項、按金及其他應收聯營公司款項約人民幣66,667,000元(二零一七年十二月三十一日：人民幣129,167,000元)按2.5%的固定年利率計息外，上述結餘為無抵押及免息，償還信貸期與給予或獲自獨立第三方者相若。

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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As at 30 June 2018, the Group had entrusted loans of RMB27,851,000 (31 December 2017: RMB44,590,000) due to certain associates included in “Interest-bearing bank and other borrowings”. The Group obtained those loans from certain associates via banks. The balances are unsecured, with an annual interest rate of 1.15% (31 December 2017: 1.15%).

As at 30 June 2018, the Group had entrusted loans of RMB1,000,000,000 (31 December 2017: RMB1,065,400,000) due from China Modern Dairy included in “Other financial assets”. The Group loaned out the money via banks. The entrusted loans are unsecured, with an annual interest rate of 4% (31 December 2017: 4.00% to 4.35%).

**32. 關聯人士交易** (續)**(e) 與聯營公司其他結餘**

於二零一八年六月三十日，本集團擁有應付若干聯營公司委託貸款人民幣27,851,000元(二零一七年十二月三十一日：人民幣44,590,000元)，並已計入「計息銀行及其他借貸」。本集團透過銀行從若干聯營公司取得該等貸款。結餘為無抵押，年利率為1.15%(二零一七年十二月三十一日：1.15%)。

於二零一八年六月三十日，本集團擁有應收中國現代牧業委託貸款人民幣1,000,000,000元(二零一七年十二月三十一日：人民幣1,065,400,000元)，並已計入「其他金融資產」。本集團透過銀行借出該款項。該委託貸款為無抵押，年利率為4%(二零一七年十二月三十一日：4.00%至4.35%)。

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### 33. Financial Instruments by Category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

As at 30 June 2018

#### Financial assets:

### 33. 按類別劃分的金融工具

於報告期末，各個分類的金融工具的賬面值如下：

於二零一八年六月三十日

#### 金融資產：

|  |                       | Amortised cost | Fair value through profit or loss | Fair value through other comprehensive income | Total      |
|--|-----------------------|----------------|-----------------------------------|---|------------|
|  |                       | 攤銷成本           | 且其變動計入損益                          | 其他全面收益  | 總計         |
|  |                       | 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      |
| Trade and bills receivables  | 應收賬款及票據               | 3,282,105      | -                                 | -   | 3,282,105  |
| Financial assets included in prepayments, deposits and other receivables | 包括於預付款、按金及其他應收款項的金融資產 | 693,517        | -                                 | -   | 693,517    |
| Equity investments   | 股本投資                  | -              | 31,599                            | 183,619                                       | 215,218    |
| Convertible promissory note  | 可換股承兌票據               | -              | 187,971                           | -   | 187,971    |
| Entrusted loans  | 委託貸款                  | 1,086,328      | -                                 | -   | 1,086,328  |
| Derivative financial instruments   | 衍生金融工具                | -              | 40,609                            | 48,455  | 89,064     |
| Investment deposits  | 投資存款                  | -              | 10,793,995                        | -   | 10,793,995 |
| Pledged deposits   | 保證金存款                 | 680,244        | -                                 | -   | 680,244    |
| Long term receivables  | 長期應收款項                | 129,252        | -                                 | -   | 129,252    |
| Cash and cash equivalents  | 現金及現金等價物              | 4,995,007      | -                                 | -   | 4,995,007  |
| Time deposits  | 定期存款                  | 2,728,587      | -                                 | -   | 2,728,587  |
|  |                       | 13,595,040     | 11,054,174                        | 232,074                                       | 24,881,288 |

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
中期簡明綜合財務報表附註

### 33. Financial Instruments by Category (continued)

As at 30 June 2018 (continued)

#### Financial liabilities:

|   |                           | Amortised<br>cost        | Fair value<br>through<br>profit or loss<br>按公允值計量<br>且其變動<br>計入損益 | Total                  |
|---|---------------------------|--------------------------|---|------------------------|
|   |                           | 攤銷成本<br>RMB'000<br>人民幣千元 | RMB'000<br>人民幣千元  | 總計<br>RMB'000<br>人民幣千元 |
| Trade and bills payables  | 應付賬款及票據                   | 7,202,140                | -   | 7,202,140              |
| Financial liabilities included in<br>other payables and accruals                          | 包括於其他應付款項及預提<br>費用之金融負債   | 5,760,668                | -   | 5,760,668              |
| Interest-bearing bank and other<br>borrowings excluding zero<br>coupon exchangeable bonds | 計息銀行及其他借貸<br>(不包括零息可換股債券) | 13,424,854               | -   | 13,424,854             |
| Zero coupon exchangeable<br>bonds   | 零息可換股債券                   | -                        | 1,283,091   | 1,283,091              |
| Other loans   | 其他貸款                      | 22,908                   | -   | 22,908                 |
| Derivative financial instruments  | 衍生金融工具                    | -                        | 12,899  | 12,899                 |
| Long term payables  | 長期應付款項                    | 22,522                   | -   | 22,522                 |
| Other financial liabilities   | 其他金融負債                    | 2,184,780                | -   | 2,184,780              |
|   |                           | 28,617,872               | 1,295,990   | 29,913,862             |

### 33. 按類別劃分的金融工具(續)

於二零一八年六月三十日(續)

#### 金融負債：

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**33. Financial Instruments by Category** (continued)

As at 31 December 2017

Financial assets:

**33. 按類別劃分的金融工具** (續)

於二零一七年十二月三十一日

金融資產：

|  |                               | Amortised<br>cost | Fair value<br>through<br>profit or loss | Fair value<br>through other<br>comprehensive<br>income | Total      |
|--|-------------------------------|-------------------|---|--|------------|
|  |                               | 攤銷成本              | 按公允值計量<br>且其變動<br>計入損益                  | 按公允值計量<br>且其變動計入<br>其他全面收益                             | 總計         |
|  |                               | 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      |
| Trade and bills receivables  | 應收賬款及票據                       | 2,646,834         | -                                       | -  | 2,646,834  |
| Financial assets included in<br>prepayments, deposits and<br>other receivables | 包括於預付款、<br>按金及其他應收款項的<br>金融資產 | 785,845           | -                                       | -  | 785,845    |
| Equity investments   | 股本投資                          | -                 | 31,599                                  | 327,435  | 359,034    |
| Convertible promissory note  | 可換股承兌票據                       | -                 | 186,670                                 | -  | 186,670    |
| Entrusted loans  | 委託貸款                          | 1,175,910         | -                                       | -  | 1,175,910  |
| Derivative financial instruments   | 衍生金融工具                        | -                 | 29,569                                  | 30,617   | 60,186     |
| Investment deposits  | 投資存款                          | -                 | 9,392,108                               | -  | 9,392,108  |
| Pledged deposits   | 保證金存款                         | 466,265           | -                                       | -  | 466,265    |
| Long term receivables  | 長期應收款項                        | 155,698           | -                                       | -  | 155,698    |
| Cash and cash equivalents  | 現金及現金等價物                      | 3,129,444         | -                                       | -  | 3,129,444  |
| Time deposits  | 定期存款                          | 3,868,937         | -                                       | -  | 3,868,937  |
|  |                               | 12,228,933        | 9,639,946                               | 358,052  | 22,226,931 |



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**33. Financial Instruments by Category** (continued)

As at 31 December 2017 (continued)

Financial liabilities:

**33. 按類別劃分的金融工具** (續)

於二零一七年十二月三十一日 (續)

金融負債：

|   |                           | Amortised<br>cost        | Fair value<br>through<br>profit or loss<br>按公允值計量<br>且其變動<br>計入損益 | Total                  |
|---|---------------------------|--------------------------|---|------------------------|
|   |                           | 攤銷成本<br>RMB'000<br>人民幣千元 | RMB'000<br>人民幣千元  | 總計<br>RMB'000<br>人民幣千元 |
| Trade and bills payables  | 應付賬款及票據                   | 6,342,273                | –   | 6,342,273              |
| Financial liabilities included in<br>other payables and accruals                          | 包括於其他應付款項及<br>預提費用之金融負債   | 4,174,681                | –   | 4,174,681              |
| Interest-bearing bank and other<br>borrowings excluding zero<br>coupon exchangeable bonds | 計息銀行及其他借貸<br>(不包括零息可換股債券) | 12,679,549               | –   | 12,679,549             |
| Zero coupon exchangeable<br>bonds   | 零息可換股債券                   | –                        | 1,270,575   | 1,270,575              |
| Other loans   | 其他貸款                      | 22,912                   | –   | 22,912                 |
| Derivative financial instruments  | 衍生金融工具                    | –                        | 1,222   | 1,222                  |
| Long term payables  | 長期應付款項                    | 38,239                   | –   | 38,239                 |
| Other financial liabilities   | 其他金融負債                    | 2,175,431                | –   | 2,175,431              |
|   |                           | 25,433,085               | 1,271,797   | 26,704,882             |

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
 中期簡明綜合財務報表附註

### 34. Fair Value and Fair Value Hierarchy of Financial Instruments

#### Fair value

The fair value of the financial assets and liabilities is the amount at which the asset could be sold or the liability transferred in a current transaction between market participants, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

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

The fair values of the non-current portion of other financial assets, long-term time deposits, long term receivables, the non-current portion of interest-bearing bank loans, long term payables and other non-current financial liabilities have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The fair values of listed equity investments are based on quoted market prices.

The Group enters into derivative financial instruments with various counterparties, principally established commodity trading exchanges or financial institutions with good credit ratings. Derivative financial instruments, including commodity futures contracts, an interest rate swap, forward currency contracts and interest rate forward contracts, are measured using quoted prices from financial institutions with which the interest rate swap, forward currency contracts and interest rate forward contracts are entered into. The carrying amounts of commodity futures contracts, an interest rate swap, forward currency contracts and interest rate forward contracts are the same as their fair values.

### 34. 金融工具之公允值及公允值層級

#### 公允值

金融資產及負債之公允值是市場參與者在現時進行之交易(強迫或清算銷售除外)中可出售資產或轉讓負債之金額。

下文載列用於估計公允值的方法及假設：

現金及現金等價物、保證金存款的即期部分、應收賬款及票據、應付賬款及票據、包括於預付款、按金及其他應收款項的金融資產、包括於其他應付款項及預提費用的金融負債、流動計息銀行貸款及其他貸款等工具的公允值因短期內到期而與彼等之賬面值相若。

其他金融資產的非流動部分、長期定期存款、長期應收款項、計息銀行貸款、長期應付款項的非流動部分以及其他非流動金融負債的公允值乃採用類似條款、信貸風險及餘下到期日的工具現時可獲得的利率折現預期未來現金流量的方式計算。

上市股本投資的公允值乃基於市場報價。

本集團與多名對手方訂立衍生金融工具，主要為已成立的商品貿易交易所或信貸評級良好的金融機構。商品期貨合約、利率互換、遠期外幣合約及利率遠期合約等衍生金融工具，乃使用與其訂立有關利率互換、遠期外幣合約及利率遠期合約的金融機構的報價計量。商品期貨合約、利率互換、遠期外幣合約及利率遠期合約的賬面值與其公允值相同。

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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### 34. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

#### Fair value (continued)

The following table shows the valuation techniques used in the determination of fair values of investment deposits, which fall within Level 3 of the fair value hierarchy, as well as the significant unobservable inputs used in the valuation.

### 34. 金融工具之公允值及公允值層級 (續)

#### 公允值(續)

下表載列釐定投資存款公允值所用的估值技術(屬於公允值層級的第三級)及估值所用的重大不可觀察輸入數據。

|                             | Valuation technique<br>估值技術            | Significant unobservable input<br>重大不可觀察輸入數據 | Range<br>範圍  | Sensitivity of fair value to the input<br>輸入數據對公允值的影響  |
|-----------------------------|--|--|--|--|
| Investment deposits<br>投資存款 | Discounted cash flow method<br>折現現金流量法 | Expected yield<br>預期收益率                      | 2.10% to 4.85%<br>(31 December 2017:<br>2.00% to 5.10%)<br>2.10%至4.85%<br>(二零一七年十二月三十一日:<br>2.00%至5.10%) | 10% (31 December 2017: 10%)<br>increase (decrease) in expected yield would result in increase (decrease) in fair value by RMB25,512,000<br>(31 December 2017: RMB10,142,000)<br>預期收益率增加(減少)10%<br>(二零一七年十二月三十一日: 10%)<br>將導致公允值增加(減少)<br>人民幣25,512,000元<br>(二零一七年十二月三十一日:<br>人民幣10,142,000元) |
|                             |  | Discount rate<br>折現率                         | 2.10% to 4.85%<br>(31 December 2017:<br>2.00% to 5.10%)<br>2.10%至4.85%<br>(二零一七年十二月三十一日:<br>2.00%至5.10%) | 10% (31 December 2017: 10%)<br>increase (decrease) in discount rate would result in decrease (increase) in fair value by RMB25,627,000<br>(31 December 2017: RMB10,124,000)<br>折現率增加(減少)10%<br>(二零一七年十二月三十一日: 10%)<br>將導致公允值減少(增加)<br>人民幣25,627,000元<br>(二零一七年十二月三十一日:<br>人民幣10,124,000元)    |

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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### 34. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

#### Fair value (continued)

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

### 34. 金融工具之公允值及公允值層級

(續)

#### 公允值(續)

本集團之金融工具(除賬面值與公允值合理地相若之金融工具外)之賬面值及公允值如下：

|                           |             | Carrying amounts<br>賬面值  |   | Fair values<br>公允值   |   |
|---------------------------|-------------|--|---|--|---|
|                           |             | Unaudited<br>未經審核<br>30 June<br>2018<br>二零一八年<br>六月三十日<br>RMB'000<br>人民幣千元 | Audited<br>經審核<br>31 December<br>2017<br>二零一七年<br>十二月三十一日<br>RMB'000<br>人民幣千元 | Unaudited<br>未經審核<br>30 June<br>2018<br>二零一八年<br>六月三十日<br>RMB'000<br>人民幣千元 | Audited<br>經審核<br>31 December<br>2017<br>二零一七年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
| <b>Financial assets</b>   | <b>金融資產</b> |  |   |  |   |
| Long term entrusted loans | 長期委託貸款      | 40,165   | 64,149  | 39,742   | 63,060  |
| Long term receivables     | 長期應收款項      | 95,079   | 122,496   | 89,456   | 119,786   |
| Long term time deposits   | 長期定期存款      | 876,882  | 1,039,504   | 874,924  | 1,037,814   |
|                           |             | <b>1,012,126</b>   | 1,226,149   | <b>1,004,122</b>   | 1,220,660   |

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
中期簡明綜合財務報表附註

### 34. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

Fair value (continued)

### 34. 金融工具之公允值及公允值層級 (續) 公允值(續)

|   |                                | Carrying amounts<br>賬面值  |   | Fair values<br>公允值   |   |
|---|--------------------------------|--|---|--|---|
|   |                                | Unaudited<br>未經審核<br>30 June<br>2018<br>二零一八年<br>六月三十日<br>RMB'000<br>人民幣千元 | Audited<br>經審核<br>31 December<br>2017<br>二零一七年<br>十二月三十一日<br>RMB'000<br>人民幣千元 | Unaudited<br>未經審核<br>30 June<br>2018<br>二零一八年<br>六月三十日<br>RMB'000<br>人民幣千元 | Audited<br>經審核<br>31 December<br>2017<br>二零一七年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
| <b>Financial liabilities</b>  | <b>金融負債</b>                    |  |   |  |   |
| Other non-current financial liabilities   | 其他非流動金融負債                      | <b>1,620,257</b>   | 1,629,837   | <b>1,620,257</b>   | 1,629,837   |
| Interest-bearing bank and other borrowings – non-current portion excluding zero coupon exchangeable bonds | 計息銀行及其他借貸 – 非流動部分 (不包括零息可換股債券) | <b>4,846,881</b>   | 4,744,522   | <b>4,709,120</b>   | 4,673,111   |
| Long term payables  | 長期應付款項                         | <b>4,081</b>   | 10,894  | <b>3,908</b>   | 9,666   |
|   |                                | <b>6,471,219</b>   | 6,385,253   | <b>6,333,285</b>   | 6,312,614   |

#### Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

- Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

#### 公允值層級

本集團採用以下層級以釐定及披露金融工具的公允值：

- 第一級：根據相同資產或負債於活躍市場的報價(未經調整)計量公允值
- 第二級：公允值基於估值技術計量，且全部對所記錄的公允值有重大影響的輸入數據是可直接或間接觀察得到
- 第三級：公允值基於估值技術計量，且任何對所記錄的公允值有重大影響的輸入數據是並非基於可觀察的市場數據(不可觀察輸入數據)

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### 34. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

#### Fair value hierarchy (continued)

#### Assets measured at fair value:

|                                     |          | Quoted<br>prices<br>in active<br>markets<br>Level 1<br>於活躍市場<br>的報價<br>第一級<br>RMB'000<br>人民幣千元 | Significant<br>observable<br>inputs<br>Level 2<br>重大可觀察<br>輸入數據<br>第二級<br>RMB'000<br>人民幣千元 | Significant<br>unobservable<br>inputs<br>Level 3<br>重大不可觀察<br>輸入數據<br>第三級<br>RMB'000<br>人民幣千元 | Unaudited<br>30 June<br>2018<br>未經審核<br>二零一八年<br>六月三十日<br>RMB'000<br>人民幣千元 |
|-------------------------------------|----------|--|--|---|--|
| Hong Kong listed equity investments | 香港上市股本投資 | 183,619  | -  | -   | 183,619  |
| Unlisted equity investments         | 非上市股本投資  | -  | -  | 31,599  | 31,599   |
| Convertible promissory note         | 可換股承兌票據  | -  | -  | 187,971   | 187,971  |
| Investment deposits                 | 投資存款     | -  | -  | 10,793,995  | 10,793,995   |
| Derivative financial instruments    | 衍生金融工具   | -  | 89,064   | -   | 89,064   |
|                                     |          | 183,619  | 89,064   | 11,013,565  | 11,286,248   |

### 34. 金融工具之公允值及公允值層級

(續)

#### 公允值層級(續)

#### 按公允值計量的資產：

|                                     |          | Quoted<br>prices<br>in active<br>markets<br>Level 1<br>於活躍市場<br>的報價<br>第一級<br>RMB'000<br>人民幣千元 | Significant<br>observable<br>inputs<br>Level 2<br>重大可觀察<br>輸入數據<br>第二級<br>RMB'000<br>人民幣千元 | Significant<br>unobservable<br>inputs<br>Level 3<br>重大不可觀察<br>輸入數據<br>第三級<br>RMB'000<br>人民幣千元 | Audited<br>31 December<br>2017<br>經審核<br>二零一七年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|-------------------------------------|----------|--|--|---|---|
| Hong Kong listed equity investments | 香港上市股本投資 | 327,435  | -  | -   | 327,435   |
| Unlisted equity investments         | 非上市股本投資  | -  | -  | 31,599  | 31,599  |
| Convertible promissory note         | 可換股承兌票據  | -  | -  | 186,670   | 186,670   |
| Investment deposits                 | 投資存款     | -  | -  | 9,392,108   | 9,392,108   |
| Derivative financial instruments    | 衍生金融工具   | 1,283  | 58,903   | -   | 60,186  |
|                                     |          | 328,718  | 58,903   | 9,610,377   | 9,997,998   |



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### 34. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

#### Fair value hierarchy (continued)

#### Liabilities measured at fair value:

|                                  |         | Quoted prices in active markets Level 1 | Significant observable inputs Level 2 | Significant unobservable inputs Level 3 | Unaudited 30 June 2018 |
|----------------------------------|---------|---|---------------------------------------|---|------------------------|
|                                  |         | 於活躍市場的報價第一級                             | 重大可觀察輸入數據第二級                          | 重大不可觀察輸入數據第三級                           | 未經審核二零一八年六月三十日         |
|                                  |         | 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                  |
| Derivative financial instruments | 衍生金融工具  | -                                       | 12,899                                | -                                       | 12,899                 |
| Zero coupon exchangeable bonds   | 零息可換股債券 | -                                       | 1,283,091                             | -                                       | 1,283,091              |
|                                  |         | -                                       | 1,295,990                             | -                                       | 1,295,990              |

|                                  |         | Quoted prices in active markets Level 1 | Significant observable inputs Level 2 | Significant unobservable inputs Level 3 | Audited 31 December 2017 |
|----------------------------------|---------|---|---------------------------------------|---|--------------------------|
|                                  |         | 於活躍市場的報價第一級                             | 重大可觀察輸入數據第二級                          | 重大不可觀察輸入數據第三級                           | 經審核二零一七年十二月三十一日          |
|                                  |         | 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                    |
| Derivative financial instruments | 衍生金融工具  | 1,044                                   | 178                                   | -                                       | 1,222                    |
| Zero coupon exchangeable bonds   | 零息可換股債券 | -                                       | 1,270,575                             | -                                       | 1,270,575                |
|                                  |         | 1,044                                   | 1,270,753                             | -                                       | 1,271,797                |

### 34. 金融工具之公允值及公允值層級 (續)

#### 公允值層級(續)

#### 按公允值計量的負債：

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### 34. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

#### Fair value hierarchy (continued)

#### Assets for which fair values are disclosed:

|                           |        | Quoted<br>prices<br>in active<br>markets<br>Level 1<br>於活躍市場<br>的報價<br>第一級<br>RMB'000<br>人民幣千元 | Significant<br>observable<br>inputs<br>Level 2<br>重大可觀察<br>輸入數據<br>第二級<br>RMB'000<br>人民幣千元 | Significant<br>unobservable<br>inputs<br>Level 3<br>重大不可觀察<br>輸入數據<br>第三級<br>RMB'000<br>人民幣千元 | Unaudited<br>30 June<br>2018<br>未經審核<br>二零一八年<br>六月三十日<br>RMB'000<br>人民幣千元 |
|---------------------------|--------|--|--|---|--|
| Long term entrusted loans | 長期委託貸款 | -  | 39,742   | -   | 39,742   |
| Long term receivables     | 長期應收款項 | -  | 89,456   | -   | 89,456   |
| Long term time deposits   | 長期定期存款 | -  | 874,924  | -   | 874,924  |
|                           |        | -  | 1,004,122  | -   | 1,004,122  |

|                           |        | Quoted<br>prices<br>in active<br>markets<br>Level 1<br>於活躍市場<br>的報價<br>第一級<br>RMB'000<br>人民幣千元 | Significant<br>observable<br>inputs<br>Level 2<br>重大可觀察<br>輸入數據<br>第二級<br>RMB'000<br>人民幣千元 | Significant<br>unobservable<br>inputs<br>Level 3<br>重大不可觀察<br>輸入數據<br>第三級<br>RMB'000<br>人民幣千元 | Audited<br>31 December<br>2017<br>經審核<br>二零一七年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|---------------------------|--------|--|--|---|---|
| Long term entrusted loans | 長期委託貸款 | -  | 63,060   | -   | 63,060  |
| Long term receivables     | 長期應收款項 | -  | 119,786  | -   | 119,786   |
| Long term time deposits   | 長期定期存款 | -  | 1,037,814  | -   | 1,037,814   |
|                           |        | -  | 1,220,660  | -   | 1,220,660   |

### 34. 金融工具之公允值及公允值層級

(續)

#### 公允值層級(續)

#### 有披露公允值之資產：

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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### 34. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

#### Fair value hierarchy (continued)

Liabilities for which fair values are disclosed:

|  | Quoted prices in active markets Level 1<br>於活躍市場的報價<br>第一級<br>RMB'000<br>人民幣千元 | Significant observable inputs Level 2<br>重大可觀察輸入數據<br>第二級<br>RMB'000<br>人民幣千元 | Significant unobservable inputs Level 3<br>重大不可觀察輸入數據<br>第三級<br>RMB'000<br>人民幣千元 | Unaudited 30 June 2018<br>未經審核<br>二零一八年<br>六月三十日<br>RMB'000<br>人民幣千元 |
|--|--|---|--|--|
| Other non-current financial liabilities<br>Interest-bearing bank and other borrowings – non-current portion excluding zero coupon exchangeable bonds<br>Long term payables | 其他非流動金融負債<br>計息銀行及其他借貸<br>—非流動部份<br>(不包括零息可換股債券)<br>長期應付款項                     | –<br>–<br>–   | 1,620,257<br>4,709,120<br>3,908  | –<br>–<br>–  |
|  |  | –   | 6,333,285  | –  |

### 34. 金融工具之公允值及公允值層級 (續)

#### 公允值層級(續)

有披露公允值之負債：

|  | Quoted prices in active markets Level 1<br>於活躍市場的報價<br>第一級<br>RMB'000<br>人民幣千元 | Significant observable inputs Level 2<br>重大可觀察輸入數據<br>第二級<br>RMB'000<br>人民幣千元 | Significant unobservable inputs Level 3<br>重大不可觀察輸入數據<br>第三級<br>RMB'000<br>人民幣千元 | Audited 31 December 2017<br>經審核<br>二零一七年<br>十二月三十一日<br>RMB'000<br>人民幣千元 |
|--|--|---|--|---|
| Other non-current financial liabilities<br>Interest-bearing bank and other borrowings – non-current portion excluding zero coupon exchangeable bonds<br>Long term payables | 其他非流動金融負債<br>計息銀行及其他借貸<br>—非流動部份<br>(不包括零息可換股債券)<br>長期應付款項                     | –<br>–<br>–   | 1,629,837<br>4,673,111<br>9,666  | –<br>–<br>–   |
|  |  | –   | 6,312,614  | –   |

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### 35. Events After the Reporting Period

- (a) On 7 August 2018, the Company issued five-year bonds due 2023 with an aggregate principal amount of US\$500,000,000 at 99.653% of the face value. The bonds bear interest at the rate of 4.250% per annum, payable semi-annually in arrears.
- (b) On 13 June 2018, Junlebao, an indirectly owned subsidiary of the Company, entered into an equity transfer agreement, pursuant to which Junlebao agreed to purchase additional equity interests in Banner Baby Dairy Company Limited, an associate of Junlebao, at an aggregate cash consideration of RMB357,000,000 from third parties. Banner Baby Dairy Company Limited is mainly engaged in the manufacture and distribution of raw milk and infant milk formula products. Upon completion, Banner Baby Dairy Company Limited will become a subsidiary of the Group.

### 36. Approval of the Interim Financial Statements

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

### 35. 報告期後事項

- (a) 於二零一八年八月七日，本公司發行二零二三年到期的五年債券，本金總額為99.653%面值的500,000,000美元。債券按年利率4.250%計息，每半年派息一次。
- (b) 於二零一八年六月十三日，本公司間接擁有的子公司君樂寶訂立股權轉讓協議，據此，君樂寶同意購買旗幟嬰兒乳品股份有限公司（君樂寶的一家聯營公司）的額外股權，向第三方支付現金代價總額為人民幣357,000,000元。旗幟嬰兒乳品股份有限公司主要從事原奶及嬰幼兒配方奶粉生產及經銷業務。完成後，旗幟嬰兒乳品股份有限公司將成為本集團的子公司。

### 36. 批准中期財務報表

董事會已於二零一八年八月二十九日批准及授權刊發未經審核中期簡明綜合財務報表。



China Mengniu Dairy Company Limited  
中國蒙牛乳業有限公司\*

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

Stock Code 股份代號 : 2319

[www.mengniu.com.cn](http://www.mengniu.com.cn)  
[www.mengniuir.com](http://www.mengniuir.com)

