CHINA SHENGMU ORGANIC MILK LIMITED

中國聖牧有機奶業有限公司

(Incorporated in the Cayman Islands with limited liability)

（於開曼群島註冊成立的有限公司）

Stock Code 股份代號：1432

INTERIM REPORT
中期報告 2022

Provide the highest quality desert organic milk in the world

提供全球最高品質的沙漠有機奶

Corporate Profile
公司簡介

China Shengmu Organic Milk Limited (the "**Company**" or "**Shengmu**", together with its subsidiaries, the "**Group**") is an integrated " Forage Grass Planting, Cows Breeding" desert eco-organic circular raw milk enterprise, covering the entire value chain of the dairy industry, from forage grass planting and cows breeding to raw milk production.

中國聖牧有機奶業有限公司(「**本公司**」或「**聖牧**」連同其附屬公司「**本集團**」)，是一家「種、養」一體化沙漠生態有機循環原奶企業，業務涵蓋整個乳品行業價值鏈，包括牧草種植、奶牛養殖到生產原料奶。

With a safe milk source base as the core, organic planting and breeding, high quality organic raw milk as the basis, Shengmu is able to secure partnerships with downstream emulsion companies. Currently, the Group has 33 farms with a stock of 130,000 cows and a daily production capacity of approximately 1,869 tonnes of fresh milk, of which 20 are certified organic farms and 3 are DHA farms. Shengmu's unique organic eco-sand treatment industry system in the Ulan Buh Desert has been selected by the United Nations Global Compact as the best integrated practice for the "Sustainable Production and Consumption" category. The Company is also the first with its raw milk brand in Mainland China that has obtained dual certifications of organic standards domestically and in the EU as well.

聖牧以安全奶源基地為核心，有機種養，立足高質量有機原料奶，穩固和下游乳液企業的合作關係。本集團現擁有33座牧場，奶牛存欄量達13萬頭，日產鮮奶約1,869噸；其中擁有20座有機認證牧場，3座DHA奶牧場。聖牧在烏蘭布和沙漠獨創的有機生態治沙產業體系，被聯合國全球契約組織評選為「可持續生產和消費」類別企業的最佳綜合實踐。本公司亦為中國內地首家獲得國內及歐盟有機標準雙認證的原奶品牌。

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Corporate Information
公司資料

Board of Directors

EXECUTIVE DIRECTOR

Mr. ZHANG Jiawang *(Chief Executive Officer)*

NON-EXECUTIVE DIRECTORS

Mr. LU Minfang *(Chairman)*
Mr. ZHANG Ping
Mr. ZHAO Jiejun
Mr. SUN Qian
Ms. SHAO Lijun

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. WANG Liyan
Mr. WU Liang
Mr. SUN Yansheng

Company Secretary

Mr. LI Kwok Fat

Authorised Representatives

Mr. ZHANG Jiawang
Mr. LI Kwok Fat

Audit Committee

Mr. WANG Liyan *(Chairman)*
Mr. ZHANG Ping
Mr. WU Liang

Remuneration Committee

Mr. SUN Yansheng *(Chairman)*
Mr. ZHANG Ping
Mr. WU Liang

Nomination Committee

Mr. LU Minfang *(Chairman)*
Mr. WANG Liyan
Mr. WU Liang

董事會

執行董事

張家旺先生*(首席執行官)*

非執行董事

盧敏放先生*(主席)*
張平先生
趙傑軍先生
孫謙先生
邵麗君女士

獨立非執行董事

王立彥先生
吳亮先生
孫延生先生

公司秘書

李國發先生

授權代表

張家旺先生
李國發先生

審核委員會

王立彥先生*(主席)*
張平先生
吳亮先生

薪酬委員會

孫延生先生*(主席)*
張平先生
吳亮先生

提名委員會

盧敏放先生*(主席)*
王立彥先生
吳亮先生

Strategic and Sustainability Committee

Mr. LU Minfang *(Chairman)*
Mr. ZHANG Jiawang
Mr. ZHAO Jiejun
Mr. SUN Qian

戰略及可持續發展委員會

盧敏放先生*(主席)*
張家旺先生
趙傑軍先生
孫謙先生

Registered Office

P.O. Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

註冊辦事處

P.O. Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Principal Place of Business in Hong Kong

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

香港主要營業地點

香港
銅鑼灣
告士打道262號
中糧大廈32樓A室

Headquarter and Principal Place of Business in China

Food Industry Park
Deng Kou County Bayannur City
Inner Mongolia Autonomous Region
PRC

中國總部及主要營業地點

中國
內蒙古自治區
巴彥淖爾市磴口縣
食品工業園

Stock Code

The Main Board of The Stock Exchange of Hong Kong Limited
1432

股份代號

香港聯合交易所有限公司主板
1432

Principal Share Registrar and Transfer Office

Maples Fund Services (Cayman) Limited
P.O. Box 1093, Boundary Hall
Cricket Square
Grand Cayman KY1-1112
Cayman Islands

股份過戶登記總處

Maples Fund Services (Cayman) Limited
P.O. Box 1093, Boundary Hall
Cricket Square
Grand Cayman KY1-1112
Cayman Islands

Corporate Information
公司資料

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

香港股份過戶登記分處

卓佳證券登記有限公司
香港
夏慤道16號
遠東金融中心17樓

Principal Bankers

Bank of China Limited
Agricultural Bank of China Limited
Industrial and Commercial Bank of China Limited
Bank of Communications Co., Ltd.
Industrial Bank Co., Ltd.
The Export-Import Bank of China
DBS Bank Ltd.
Rabobank Ltd.
HSBC Bank (China) Company Limited

主要往來銀行

中國銀行股份有限公司
中國農業銀行股份有限公司
中國工商銀行股份有限公司
交通銀行股份有限公司
興業銀行股份有限公司
中國進出口銀行
星展銀行有限公司
荷蘭合作銀行有限公司
滙豐銀行(中國)有限公司

Auditor

Ernst & Young

核數師

安永會計師事務所

Legal Advisor

AS TO HONG KONG LAW

Linklaters

AS TO CAYMAN ISLANDS LAW

Maples and Calder

法律顧問

香港法律

年利達律師事務所

開曼群島法律

邁普達律師事務所

Website

http://www.youjimilk.com

網站

http://www.youjimilk.com

(All amounts are in Renminbi ("RMB"), RMB'000 unless otherwise stated)	（除特別列明外，所有金額均以人民幣計值，並以人民幣千元列示）	For the six-month period ended 30 June 截至6月30日止六個月期間		
		2022 2022年 (Unaudited) （未經審核）	2021 2021年 (Unaudited) （未經審核）	Movements 變動
Operating income[1]	營業收入[1]	**1,600,623**	1,499,620	**+6.7%**
Revenue	銷售收入	**1,548,581**	1,446,189	**+7.1%**
Gross profit	毛利	**512,764**	547,290	**-6.3%**
Profit for the period	期內溢利	**243,242**	271,471	**-10.4%**
Basic earnings per share (RMB)	每股基本盈利（人民幣元）	**0.027**	0.031	**-12.9%**
Sales volume (tonnes)	銷量（噸）	**311,565**	287,856	**+8.2%**
Average milk yield per milkable cow (tonnes/year • head)	成乳牛單產（噸／年 • 頭）	**10.53**	10.29	**+2.3%**
Self-reproduction rate (%)[2]	自繁擴群率(%)[2]	**5.4%**	2.0%	**+3.4 percentage points 百分點**
Size of herd (Head)	畜群規模（頭）	**130,802**	122,518[3]	**+6.8%**

Notes:

(1) Operating income is calculated as revenue plus other revenues.

(2) Self-reproduction rate is the change in heads of productive biological assets at the end of the Reporting Period compared with the end of the Prior Period (excluding the balance of purchased heads).

(3) Size of herd (head) represents the number of head as of 31 December 2021.

註：

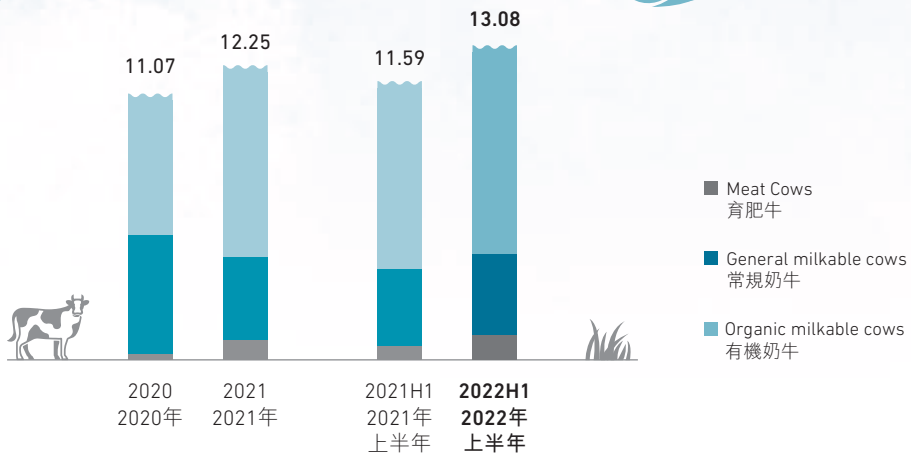
(1) 營業收入按銷售收入加其他收入計算得出。

(2) 自繁擴群率為生產性生物資產期末頭數與上期末頭數的變動（剔除外購的結存頭數）。

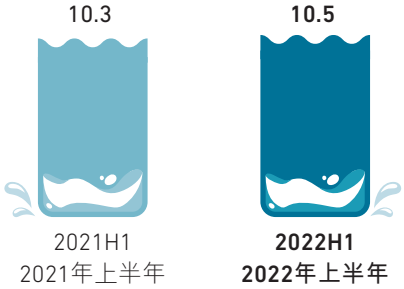
(3) 畜群規模（頭）指2021年12月31日頭數。

Highlights
摘要

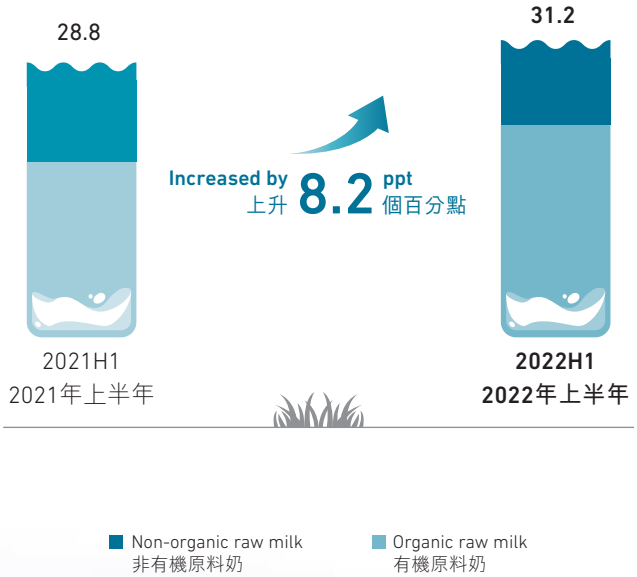
Herd Size 奶牛存欄 ('0,000 heads) (萬頭)
- Continuous Growth of Organic Milkable Cows 有機奶牛持續提升



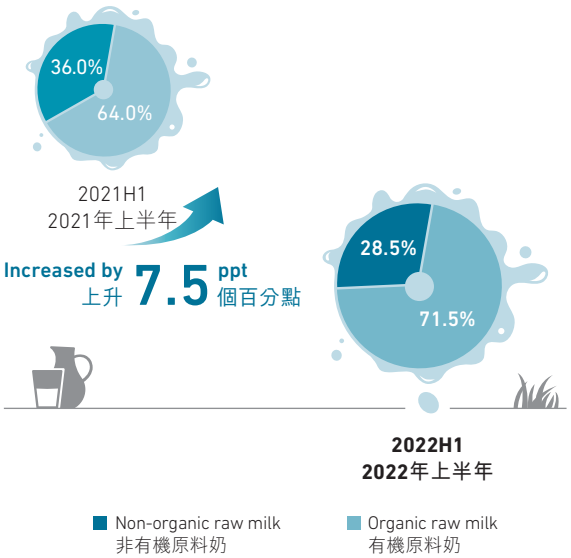
Milkable Cow Annualized Milk Yield (tonne/head)
成乳牛年化單產 (噸/ 頭)



Quantity of Raw Milk Sold ('0,000 tonnes)
原奶銷量 (萬噸)



Continuous Growth in Proportion of Sales Volume of Organic Raw Milk
有機原奶銷量佔比持續提升



- **Increase in the number of organic farms:** During the Reporting Period, one more farm was converted to an organic farm. As at 30 June 2022, the total number of organic farms of the Group has increased to 20, with an average daily organic fresh milk production of 1,364 tonnes. During the Reporting Period, the Group recorded sales of organic raw milk of 223,000 tonnes, which accounted for 71.5% of total sales of raw milk, representing an increase of 20.9% as compared to the Prior Period. Along with the increase in organic fresh milk production, the Group's profitability could be further strengthened.

- **有機牧場數量提升：**於本匯報期間，再有一座牧場轉化為有機牧場。截至2022年6月30日，本集團有機牧場總數增加至20座，平均日產有機鮮奶達1,364噸。於本匯報期間，本集團實現有機原料奶銷量22.3萬噸(佔整體原料奶銷量71.5%)，較去年同期增長20.9%，隨著有機鮮奶產出量的提升，將有利進一步強化本集團的盈利能力。

- **Steady growth in operational indicators:** As at 30 June 2022, the herd size grew by 6.8% as compared with the end of last year, while the self-reproduction rate has reached a new high of 5.4%, representing an increase of 3.4 percentage points as compared with the Prior Period. The average milk yield per milkable cow for the Reporting Period increased by 2.3% year-on-year.

- **運營指標穩步增長：**截至2022年6月30日，畜群規模較上年末增長6.8%，而自繁擴群率更再創新高達到5.4%，較去年同期提升3.4個百分點。本匯報期間，成乳牛單產同比增加2.3%。

- **Socially responsible and internationally recognized for our dual-carbon strategy:**

  In January 2022, the dual-carbon strategy adopted by the Group was selected by the World Economic Forum (Davos Forum) as a case in its "New Nature Economy Report Series", fully demonstrating that the Group's dual-carbon strategy is well recognized and appreciated by the international community;

  In March 2022, the United Nations Global Compact's "2021 Corporate Best Practices for Achieving the Sustainable Development Goals" list was released, and the Group's unique organic eco-sand treatment system was selected as one of the "Corporate Best Practices for Achieving the Sustainable Development Goals (Sustainable Production and Consumption)";

  In July 2022, the 17th China Corporate Social Responsibility - China Forum was held in Beijing, and the Company was awarded the title of "2022 Corporate Social Responsibility - Leading Enterprise" in the Golden Bee Influencer List.

- **擔當社會責任，勵行雙碳戰略，獲國際肯定：**

  2022年1月，本集團的雙碳戰略案例獲入選世界經濟論壇(達沃斯論壇)《新自然經濟系列報告》，充分印證了本集團的雙碳戰略受到國際社會的肯定及嘉許；

  2022年3月，聯合國全球契約「2021實現可持續目標企業最佳實踐」名單公佈，本集團獨創的有機生態治沙體系入選「實現可持續發展目標企業最佳實踐(可持續生產和消費)」；

  2022年7月，第十七屆中國企業社會責任中國論壇在北京召開，本公司獲金蜜蜂影響力榜單「2022企業社會責任 • 引領型企業」稱號。

Management Discussion and Analysis
管理層討論及分析

Industrial Overview

In the first half of 2022, the international geopolitics was complex and severe, coupled with frequent and sporadic outbreak of the COVID-19 in Mainland China posed adverse impact to the domestic economy. Nevertheless, the Gross Domestic Product (GDP) of China reached RMB56,264.2 billion for the first half of 2022, representing a year-on-year ("**yoy**") increase of 2.5%, while total retail sales of consumer goods amounted to RMB21,043.2 billion, representing a slight yoy decrease of 0.7%. Retail sales of food and oil products and beverages increased by 9.9% and 8.2% respectively in units above the designated size. In the first half of 2022, the China's consumer price index (CPI) rose by 1.7% yoy and the national per capita disposable income was RMB18,463, representing a yoy nominal growth of 4.7% and an actual yoy growth of 3.0% net of price factors.

For the dairy products industry, the dairy products consumption growth decelerated in the first half of 2022 as a result of the outbreak of the COVID-19. The production from sizeable dairy product manufacturers in China still reached 15.109 million tonnes, representing a yoy increase of 1.0%. In terms of imports, during the Reporting Period, the total amount of dairy products imported by China dropped significantly as compared with the Prior Period. With the rising cost of imported dairy products and the development of high-end domestic dairy products, consumers are more inclined to choose products made from domestic fresh milk sources, accelerating the rising trend of domestic milk self-sufficiency. In the first half of 2022, China imported a total of 1,783,500 tonnes of various dairy products, representing a yoy decrease of 18.1%, equivalent to 10,480,000 tonnes of raw fresh milk. Among them, according to the China Customs Statistics, in the first half of 2022, China imported 676,500 tonnes of large packets of powder, representing a yoy decrease of 11.8%; 252,800 tonnes of whey products, representing a yoy decrease of 36.6%; and 393,300 tonnes of packaged milk, representing a yoy decrease of 21.9%.

In terms of the dairy farming industry, the price of raw fresh milk fell in the Reporting Period compared with the Prior Period, with the average price of raw fresh milk in the primary dairy-producing provinces (regions) monitored by the Ministry of Agriculture and Rural Affairs in the fifth week of June 2022 at RMB4.12/kg, representing a yoy decrease of 4.2%. In terms of feed, according to data monitored by the Ministry of Agriculture and Rural Affairs, the national corn average price in the fifth week of June 2022 was RMB3.02/kg, representing a yoy increase of 1.0%, while the average price of soybean meal was RMB4.45/kg, representing a yoy increase of 20.3%. According to customs statistics, China imported a total of 817,700 tonnes of hay in the first half of 2022, representing a yoy increase of 6.9%. The average CIF price was US$459.45/tonne, representing a yoy increase of 29.6%. Among them, the total import of alfalfa hay was 741,900 tonnes, representing a yoy increase of 16.7%; the total import of oat hay was 75,800 tonnes, representing a yoy decrease of 41.3%.

行業概覽

2022年上半年，國際地緣政治複雜嚴峻，加之中國內地頻繁和零星新冠疫情爆發，對本地經濟造成不利影響。儘管如此，2022年上半年中國國內生產總值仍達人民幣562,642億元，同比增長2.5%；社會消費品零售總額達人民幣210,432億元，同比輕微下降0.7%；限額以上單位糧油食品類及飲料類商品零售額分別增長9.9%及8.2%。2022年上半年，中國居民消費價格(CPI)同比增加1.7%，全國居民人均可支配收入達人民幣18,463元，同比名義增長4.7%，扣除價格因素後實際同比增長3.0%。

2022年上半年，在乳製品行業方面，國內由於受新冠疫情爆發影響，乳製品消費增速下滑，儘管如此，全國具規模乳製品製造企業產量期內仍達到1,510.9萬噸，同比增長1.0%。進口方面，於本匯報期間我國進口的各類乳製品總量均較去年同期有明顯下降，隨著進口乳製品成本的上升及國內乳製品高端化的發展，消費者更傾向選擇由國內新鮮奶源製造的產品，加快國內奶源自給率的上升趨勢。2022年上半年我國共計進口各類乳製品178.35萬噸，同比下降18.1%，相當於生鮮乳1,048萬噸，其中(據中國海關統計)2022年上半年國內合計進口大包粉67.65萬噸，同比減少11.8%，進口乳清類產品25.28萬噸，同比減少36.6%，進口包裝牛奶39.33萬噸，同比下降21.9%。

在奶牛養殖行業方面，於本匯報期間生鮮乳價格較去年同期有所回落，2022年6月第五周農業農村部監測奶牛主產省(區)生鮮乳平均價為人民幣4.12元/千克，同比下降4.2%；在飼料方面，據農業農村部監測數據，2022年6月第五周全國玉米平均價格為人民幣3.02元/千克，同比上漲1.0%，豆粕平均價格為人民幣4.45元/千克，同比上漲20.3%；據海關統計，2022年上半年，我國進口乾草累計81.77萬噸，同比增加6.9%，平均到岸價459.45美元/噸，同比上漲29.6%。其中進口苜蓿乾草累計74.19萬噸，同比增加16.7%，進口燕麥乾草累計7.58萬噸，同比減少41.3%。

Business Overview

The principal business of the Group is dairy farming, production and sales of high-end desert-based organic raw milk and quality non-organic raw milk. The Group focuses on the production and sales of desert-based organic milk, while satisfying the diversified needs of customers for quality raw milk, and continues to develop a variety of functional raw milk to enrich the Group's product mix and enhance its profitability.

HERD SIZE

As at 30 June 2022, the Group had a total of 130,802 cows in stock, representing an increase of 6.8% compared with the end of the previous year, of which 86,578 were organic cows. The Group continued to optimise the structure of cows, with organic cows stock increasing by 8.7% compared with the end of the previous year, a self-reproduction rate of 5.4% for productive biological assets. The reserve of cows is sufficient and the size of cows continues to grow with high quality.

業務概述

本集團主要業務為奶牛養殖，生產和銷售高端沙漠有機原料奶、優質非有機原料奶。本集團專注沙漠有機奶生產銷售業務，同時滿足客戶對優質原奶的多元化需求，不斷開發出多種功能性原奶以豐富本集團產品結構，提升本集團盈利能力。

畜群規模

截至2022年6月30日，本集團共擁有奶牛存欄數130,802頭，較上年末增長6.8%，其中有機奶牛存欄數86,578頭。集團持續優化牛群結構，有機奶牛存欄量較上年末提升8.7%，生產性生物資產自繁率高達5.4%，後備牛群儲備充足，牛群規模持續優質增長。

Unit: Head

單位：頭

		As at 於									
		30 June 2022 2022年6月30日					31 December 2021 2021年12月31日				
		Number of Farms 牧場數量	Milkable cows 成乳牛	Calves and Heifers 犢牛及育成牛	Fattening cows (1) 育肥牛(1)	Subtotal 小計	Number of Farms 牧場數量	Milkable cows 成乳牛	Calves and Heifers 犢牛及育成牛	Fattening cows (1) 育肥牛(1)	Subtotal 小計
Herd size	畜群規模	33	61,384	58,914	10,504	130,802	33	60,154	54,007	8,357	122,518

(1) For the data in this table for this current interim period and previous year, the number of fattening cows refers to the number of cows raised on a fattening cows farm.

(1) 本表中本中期及上年度數據，育肥牛頭數指一座育肥牛牧場飼養的牛只數。

CONTINUED GROWTH IN REVENUE SCALE AS RAW MILK SALES INCREASED

During the Reporting Period, the Group sold a total of 311,565 tonnes of raw milk, representing an increase of 8.2% as compared with the Prior Period. The Group achieved sales revenue of RMB1,548.6 million in the Reporting Period, representing an increase of RMB102.4 million as compared with the Prior Period, mainly due to the increase in total milk yield and sales volume of raw milk as a result of the increase in the Group's milk yield per cow and the number of cows during the Reporting Period. The Group recorded a gross profit of RMB512.8 million for the Reporting Period, representing a yoy decrease of 6.3%, and a gross profit margin of 33.1%, representing a yoy decrease of 4.7 ppt. The decrease in gross profit margin was mainly due to the relatively large increase in cost of feeds required by the Group for dairy farming.

原料奶銷量提升，收入規模持續增長

於本匯報期間，本集團錄得原奶銷售總量311,565噸，較去年同期增加8.2%。於本匯報期間，本集團實現銷售收入為人民幣1,548.6百萬元，較去年同期上漲人民幣102.4百萬元，主要是由於本集團奶牛單產於本匯報期間有所提升、奶牛數量增加，促使原奶產出及銷售總量有所提升。於本匯報期間，本集團錄得毛利額人民幣512.8百萬元，同比下降6.3%，毛利率為33.1%，同比下降4.7個百分點，毛利率的下降主要是由於本集團奶牛養殖所需的飼料成本出現了較大幅度的上漲。

REDUCING COSTS AND INCREASING EFFICIENCY IN RESPONSE TO RISING FEED COSTS

The market prices of raw milk decreased in the first half of 2022 as compared with the Prior Period. During the Reporting Period, the average sales price of raw milk of the Group stood as RMB4.97/kg, representing a decrease of 1.1% as compared with the Prior Period, which was lower than the industry average. Due to the increase in feed costs, the Group's full cost for a kilogram of milk was RMB3.3/kg in the first half of 2022, of which the feed cost for a kilogram of milk was RMB2.7/kg, representing an increase of approximately 6.6% as compared with the Prior Period. Faced with the severe challenge of rising costs, the Group has taken various measures to curb the pressure caused by rising costs, and empowered forage suppliers through financial resources to ensure that the Group can obtain better forage under the same conditions measures. By actively expanding procurement channels, purchasing from more manufacturers directly, and strengthening the cooperation stickiness of strategic suppliers, and through the help of shareholders, and deployment of industry resources such as COFCO, Inner Mongolia Aiyangniu Technology Co., Ltd. and Beijing Dabeinong Technology Group Co., Ltd., we can obtain better procurement channels; through the establishment of a strategic procurement system, we can comprehensively predict the price trend of major forage materials in advance, and cooperate with farms. The Farm Nutrition Centre cooperates and communicates timely to adjust the formula of dairy cows breeding and improve the cost-effective level of forage supply for dairy cows. At the same time, adhering to the principle of concentration rather than fragmentation, we optimised our supplier resources to realise our cost and service advantages by exchanging volume for price. In addition, the Group was able to reduce costs and increase efficiency by lifting the average milk yield per milkable cow, and was able to effectively curb the significant decline in gross profit margin against the backdrop of the generally affected gross profit margin in the industry.

降本增效，應對飼料成本上漲

2022年上半年，原奶市場價格較去年同期回落。於本匯報期間，本集團原料奶平均銷售單價為人民幣4.97元/公斤，較去年同期下降1.1%，降幅低於行業平均水平。因飼料成本上漲，本集團2022年上半年的公斤奶全成本為人民幣3.3元/公斤，其中公斤奶飼料成本為人民幣2.7元/公斤，較同期上漲約6.6%。面對成本上漲的嚴峻挑戰，本集團採取多方面舉措以抑制成本上漲所帶來的壓力，通過資金資源賦能飼草料供應商，以確保本集團能在同等條件下獲得更佳的飼草料供應；通過積極拓展採購渠道，與更多生產廠家進行直接採購，強化戰略供應商的合作黏性，以及通過股東的幫助，借助中糧集團、愛養牛科技以及大北農等行業資源獲得更優採購渠道；通過戰略採購體系的建立，綜合各方資源對主要飼草料價格走勢做提前預判，並與牧場營養中心協同溝通，做好奶牛養殖的配方調整，提升奶牛飼草料供應的性價比水平。同時按照集中不分散原則，優化供應商資源，實現以量換價的成本優勢和服務優勢。除此之外，通過提升奶牛單產水平實現降本增效，在行業毛利率普遍受影響的背景下，本集團有效地抑制了毛利率的大幅下滑。

Operation Review

ORGANIC RAW MILK PRODUCTION CAPACITY RISES TO CONSOLIDATE THE LEADING POSITION IN INDUSTRY

The growth rate of overall market consumption of dairy products declined in the first half of 2022, but the growth rate of high-end organic dairy products consumption remained impressive, benefiting from the trend of high-end development of the industry. To meet the fast-growing demand for high-end organic milk from customers, the Group has been actively increasing its organic raw milk production capacity, and the Group converted one more farm into an organic farm in the first half of 2022, with the organic raw milk production capacity reaching 1,364 tonnes on average per day, representing an increase of approximately 203 tonnes as compared with the Prior Period. Against the backdrop of high competitive barriers and difficulties in expanding production in the organic raw milk industry, the Group has maintained a steady expansion of its organic production capacity in recent years, effectively consolidating the Group's leading position in the organic raw milk market.

LEAN OPERATIONS, INCREASED MILK YIELD PER COW AND IMPROVED RAW MILK QUALITY

During the first half of 2022, the Group promoted lean operation and management in each of its farms, upgrading and renovating farm facilities to reduce the impact of various heat stresses on cows and improve cow comfort. In the current environment of rising feed costs, the Group actively strengthened the management of nutritional feeding for cows, optimising the nutritional formula according to the cost of different feeds on the one hand, and enhancing the herd management of cows on the other hand, so that cows with different milk production capacity can be matched with the most suitable feed supply. In addition, the Group hired cow feeding experts during the Reporting Period to develop the best feeding practices for different farms and cows in order to reduce the incidence of cow disease, increase cow production and improve the quality of raw milk. As a result of the proactive responding measures adopted by the Group, during the first half of 2022, the cow production levels improved significantly, with both first-born cows and mature cows meeting their peak production targets for growth, with average annualised production per milkable cow increasing by approximately 0.24 tonnes compared with the Prior Period to 10.53 tonnes in the first half of year. The selling price of raw milk was affected by the level of core milk quality indicators, and the improvement in milk quality has helped the Group to maintain a more advantageous selling price in the current market environment of falling raw milk prices. During the first half of 2022, the Group achieved the best ever compliance rates for raw milk with a cell count of <200,000 and microorganisms <30,000. The fat and protein content indicators also improved as compared with the corresponding period, continuing to lead the industry.

運營回顧

有機原奶產能提升，夯實行業領先地位

2022年上半年，乳製品整體市場消費的增速有所下滑，但受惠於行業高端化的發展，高端有機乳製品的消費增速依然可觀。為滿足客戶對高端有機奶的快速增長需求，本集團積極增加有機原奶的產能，2022年上半年，本集團再將一座牧場轉化為有機牧場，有機原奶平均日產量達到1,364噸，較去年同期增長約203噸。在有機原奶行業競爭壁壘高，擴產難度大的背景下，本集團近年一直保持有機產能的穩步擴張，有效夯實了本集團在有機原奶市場的領先地位。

精益運營，奶牛單產增加，原奶質量提升

2022年上半年，本集團在各個牧場推進精益運營管理，對牧場設施進行升級改造，減少奶牛的各項熱應激影響，奶牛的舒適度得到了改善。在當前飼料成本上漲的大環境下，本集團積極加強對奶牛營養飼喂的管理，一方面根據不同飼料的成本情況優化營養配方，另一方面提升奶牛的分群管理水平，使不同產奶量的奶牛能匹配最適合的飼料供應。另外，於本匯報期間，本集團聘請乳牛飼養專家，為不同牧場和奶牛制定最佳的飼喂方式，以降低奶牛疾病發病率、增加奶牛產量，同時提升原奶的質量。在本集團的積極應對措施下，2022年上半年，奶牛的產量水平有了明顯的提升，頭胎牛和經產牛的高峰期產量都達到預期增長目標，上半年平均成乳牛年化單產較上年同期上升了約0.24噸，達到10.53噸。原奶的售價受到牛奶核心質量指標高低的影響，牛奶質量的提高也幫助本集團在當前市場原奶價格回落的環境下可以保持較為優勢的銷售價格，2022年上半年，本集團原奶的體細胞數<20萬的合格率及微生物<3萬的合格率，均達到歷史最好水平；脂肪含量及蛋白含量的指標值也較同期提升，持續在行業中處於領先水平。

RECORD COW EXPANSION RATE ACHIEVED UNDER BREEDING-BASED STRATEGY

Over the past few years, the Group has actively strengthened its dairy cows breeding capacity. Through practical and effective selection and breeding measures, the Group has effectively enhanced the accuracy and integrity of the genetic profile of the Group's dairy cows, and realised the construction of core breeding farms and systematic testing of dairy cows production performance. In the first half of 2022, core indicators such as milkable cow pregnancy rate, conception rate, cow retention rate and milkable cow culling rate of the Group all improved significantly compared with the figures for the same period of last year. With those improvements, the Group's dairy cow expansion rate achieved rapid growth during the year, with cows headcount increased by 8,284 from the beginning of the year, representing an overall cow expansion rate of 6.8% and a self-reproduction rate of 5.4% for productive biological assets, both of which were the best rates since the inception of the Group.

繁育為本，擴群率達新高

本集團在過去幾年積極加強對奶牛的繁育能力建設，通過切實有效的選種育種措施，有效提升了奶牛基因組系譜準確性和完整性水平，並實現了核心育種場建設及奶牛生產性能的系統測定。2022年上半年，本集團的成母牛懷孕率、受胎率、母犢留養率、成母牛淘汰率等核心指標均較同期有明顯改善，在此助力下，本集團的奶牛擴群率在今年實現了高速增長，全群奶牛較年初增加8,284頭，全群擴群率為6.8%，生產性生物資產自繁擴群率為5.4%，均達到本集團自創立以來的最好水平。

IMPROVE CO-DEVELOPMENT MECHANISM AND IMPLEMENT LONG-TERM INCENTIVE SCHEME

In terms of human resources, the Group's long-term incentive scheme was implemented. A long-term share award scheme (the "**Share Award Scheme**") was adopted by the Board of the Company on 19 April 2022 (the "**Adoption Date**"). This Share Award Scheme aims to improve the corporate governance structure, achieve sustainable development and build a common interest among the Company, shareholders and employees; and at the same time, attract, retain and motivate talented people, fully motivate the core employees and continue to stimulate high-quality growth of the team performance. Under this Share Award Scheme, the Group purchased existing shares of the Company as award shares through the trustee (the "**Trustee**", a professional and independent trustee appointed by the Company to assist with the administration of the Share Award Scheme) the Trustee from the open market by cash contributed by the Group under the directions of the Company, and will execute the vesting of shares in batches in the future subject to the fulfillment of the vesting conditions of the awards approved by the Board. The Trustee will hold the shares in trust for the relevant selected participants of the Share Award Scheme until such shares are vested. As of 30 June 2022, the Company has purchased a total of 27,266,000 shares of the Company in the market through the Trustee, representing 0.3% of the Company's issued shares.

完善共同發展機制，長期激勵計劃項目落地

在人力資源方面，本集團的長期激勵計劃項目落地實施。於2022年4月19日(「**採納日期**」)本公司董事會採納了一項長期股份激勵計劃(「**股份激勵計劃**」)，此份股份激勵計劃旨在完善公司治理結構，實現可持續發展，構建公司、股東與員工之間的利益共同體；同時吸引、保留和激勵優秀人才，充分調動核心員工積極性，持續激勵團隊業績的高質量增長。根據本股份激勵計劃，本集團透過受托人(「**受託人**」，本公司委任以協助管理股份激勵計劃的專業獨立受託人)按照本公司指示以本集團注資的現金從公開市場上購買本公司現有股份作為激勵股份，未來根據董事會批准的激勵歸屬條件符合情況，分批次執行股份的歸屬。受托人將以信託方式為股份激勵計劃選定的參與者持有股份，直至將有關股份歸屬為止。截至2022年6月30日，本公司已透過信託機構在市場購買本公司合計27,266,000股股份，佔本公司已發行股份的0.3%。

In addition, the Group continued to promote the professionalization and rejuvenation of its human resources in the first half of 2022, and the academic qualifications and professional titles of its staff were significantly enhanced. Through various trainings and farm skills competitions, the theoretical knowledge and practical operational skills of staff were effectively enhanced and a positive atmosphere of "learning, catching up and helping" was created within the Group.

另外，本集團在2022年上半年繼續推進人才專業化和年輕化的建設，員工的學歷和技能職稱得到了明顯提升。通過各類培訓和牧場技能大比拼等活動有效提升了員工的理論知識和實際技能操作水平，並在集團內營造出了良好的「比學趕幫超」的積極氛圍。

ACTIVELY IMPLEMENTING THE DUAL-CARBON STRATEGY TO ENHANCE CORPORATE BRAND POWER AND COMPETITIVENESS

In the first half of 2022, the Group actively implemented its dual-carbon strategy under the guidance of its corporate sustainability philosophy. On 15 March 2022, the Group completed its carbon audit for 2021. Based on the results of the carbon audit, the Group carried out various carbon reduction initiatives in accordance with local conditions. In respect of intestinal fermentation of dairy cows, which is the main source of carbon emissions, the Group reduced carbon emissions by feeding low protein diets, increasing the amount of rumen fat meal and feeding silky extract. In terms of dairy manure management, the Group upgraded the manure management practices on a number of farms in the first half of 2022 and commenced a trial on the recycle of liquid fertiliser in milking parlors, which had a significant impact on reducing carbon emissions. In terms of energy management and emission reduction, encouraging results was achieved by the Group in carbon emission reduction through measures such as utilisation of new energy vehicles and the recovery of waste heat from milking parlors. In addition to carbon emission reduction measures, the Group also took advantage of its unique desert resources to actively engage in carbon sequestration by organising its staff and partners to plant carbon sequestration trees in the desert. The Group's carbon neutral management and ESG initiatives continued to be widely reported and recognised as industry benchmarks. At the World Economic Forum held on 17 January 2022, the practice of the Group regarding conducting sand and grass organic milk operations in desert was selected as one of the demonstration cases in the research report titled "Seizing Business Opportunities in China's Transition Towards a Nature-positive Economy" released by the Forum. In March 2022, the Group was named by the United Nations Global Compact as one of the enterprises realising the Sustainable Development Goals 2021 and was selected as the best integrated practice in the category of "sustainable production and consumption". Meanwhile, Mr. ZHANG Jiawang, the CEO of the Group, was also recognised as the "2022 United Nations' SDG Pioneer" in China. In July 2022, the Company was named as one of the 2022 CSR Impact Leaders in the "2022 Golden Bee CSR List - China List" of the 17th China CSR International Forum.

積極執行雙碳戰略，提升企業品牌力和競爭實力

2022年上半年，本集團在企業可持續發展理念的指導下，積極執行雙碳戰略。2022年3月15日本集團完成了2021年的碳盤查工作，基於碳排查結果，本集團因地制宜的開展各項減碳工作，在主要的碳排來源奶牛腸道發酵方面，通過低蛋白日糧飼喂，增加瘤胃脂肪粉用量以及飼喂絲蘭提取物等措施減少碳排量。在奶牛糞汙管理方面，本集團在2022年上半年對多個牧場進行了糞汙管理方式的升級改造，並開展了奶廳液肥淨化回收試驗，對減少碳排有明顯提升作用。在能源管理減排方面，本集團透過新能源車替代以及奶廳餘熱回收等措施進行碳減排並取得良好成效。除了碳減排方面的措施，本集團借助於獨特的沙漠資源優勢，積極開展固碳工作，組織員工和合作夥伴在沙漠種植固碳樹木。本集團的碳中和治理和ESG建設，作為行業標杆企業，繼續被多方報道和表彰，在2022年1月17日舉行的世界經濟論壇中，本集團在沙漠開展沙草有機奶產業的實踐做法入選該論壇發表的《中國邁向自然受益型經濟的機遇》洞察報告案例。2022年3月，本集團在由聯合國全球契約組織評選的2021年實現可持續目標企業名單中入選「可持續生產和消費「類別」企業最佳綜合實踐」，同時本集團總裁張家旺先生亦被評為中國區「2022聯合國可持續發展目標先鋒（SDG Pioneer）」。2022年7月，本公司在第十七屆中國企業社會責任國際論壇「2022金蜜蜂企業社會責任 • 中國榜」中獲選2022企業社會責任影響力引領型企業稱號。

STEADY EXPANSION OF PRODUCTION CAPACITY AND COMMENCEMENT OF CONSTRUCTION OF DEMONSTRATION PARK

In order to realise the Group's strategic plans to achieve growth in organic milk sales, the Group commenced the construction of a dairy farming demonstration zone at its base in the Ulan Buh Desert in this Reporting Period. The demonstration area is a dairy farming demonstration project under the guidance and support of the local government for high quality, green and low carbon development, with an aim to promote the modernisation of agriculture and rural development. The Group plans to build a 10,000-head dairy farm and a demonstration organic farm in the park, with a total investment for the project planned to be approximately RMB650 million. 80,000 tonnes of high quality organic milk is expected to be produced per year after commencement of production of the 10,000-head farm project, which will drive the cultivation of 28,000 mu of green maize in the surrounding area, indirectly driving the development of the tertiary industry and increasing the income of thousands of people in the area. The organic demonstration farm will adopt a centralised and intelligent farming model and is expected to produce an average of approximately 20,000 tonnes of fresh milk per year. The organic demonstration farm will be equipped with a fully intelligent barn, automatic mixing and feeding system, intelligent milking robot, intelligent automatic feeding robot, automatic manure cleaning robot, intelligent spraying system, ecological manure treatment system and intelligent information management system, etc. Upon completion, the farm will become a leading automatic intelligent farming facility in China.

穩步擴產能，示範園區開始投建

為落實本集團的戰略規劃，實現有機奶銷量的增長，於本匯報期間，本集團在烏蘭布和沙漠基地開始投建一個奶牛養殖示範區。該示範區是在當地政府指導和扶持下的一項高質量、綠色低碳發展，促進農業現代化和鄉村發展的奶牛養殖示範項目。本集團計劃在該園區中建設一個萬頭牧場和一個示範有機牧場，項目計劃總投資約人民幣6.5億元。萬頭牧場項目投產後年產優質有機鮮奶預期達8.0萬噸，將帶動周邊青貯玉米種植2.8萬畝，間接帶動當地第三產業發展和千人增收。有機示範牧場將採用集中智能化養殖模式，投產後平均年產鮮奶預期約2.0萬噸。該有機示範牧場將配備全智能牛舍、自動攪拌及飼喂系統、智能擠奶機器人、智能自動飼喂機器人、自動清糞機器人、智能噴淋系統、生態糞汙處理系統以及智能化信息管理系統等，建成後將成為國內領先的自動化智慧牧場。

Financial Review

During the Reporting Period, the Group recorded revenue of RMB1,548.6 million (2021: RMB1,446.2 million), representing a yoy increase of 7.1%. Profit for the Reporting Period was recorded at RMB243.2 million (2021: RMB271.5 million), representing a yoy decrease of RMB28.3 million due to the increase in bulk feed prices. Of which, profit attributable to owners of the parent was RMB228.8 million (2021: RMB259.3 million), representing a yoy decrease of RMB30.5 million. The Group's gross profit margin for the Reporting Period was 33.1% (2021: 37.8%), representing a yoy decrease of 4.7 percentage points.

財務回顧

於本匯報期間，本集團的銷售收入為人民幣1,548.6百萬元(2021年：人民幣1,446.2百萬元)，同比增加7.1%。由於大宗飼料價格上漲，錄得本匯報期間溢利人民幣243.2百萬元(2021年：人民幣271.5百萬元)，同比下降人民幣28.3百萬元。其中，母公司擁有人應佔溢利為人民幣228.8百萬元(2021年：人民幣259.3百萬元)，同比減少人民幣30.5百萬元。於本匯報期間，本集團毛利率為33.1%(2021年：37.8%)，同比減少4.7個百分點。

Analysis on Consolidated Statements of Profit or Loss and other Comprehensive Income

綜合損益及其他全面收益表分析

SALES REVENUE

銷售收入

Unit: RMB'000, unless otherwise stated, except percentages

單位：人民幣千元，除非另有説明，百分比除外

		For the six-month period ended 30 June 截至6月30日止六個月期間							
		2022 (Unaudited) 2022年(未經審核)				2021 (Unaudited) 2021年(未經審核)			
		Sales revenue 銷售收入	Sales volume 銷量 (Tonnes) (噸)	Average selling price 平均售價 (RMB/Tonne) (人民幣元／噸)	Gross profit margin 毛利率	Sales revenue 銷售收入	Sales volume 銷量 (Tonnes) (噸)	Average selling price 平均售價 (RMB/Tonne) (人民幣元／噸)	Gross profit margin 毛利率
Raw milk	原料奶	**1,548,581**	**311,565**	**4,970**	**33.1%**	1,446,189	287,856	5,024	37.8%

The market price of raw milk dropped in the Reporting Period as compared with the Prior Period, with the Group's average selling price of raw milk at RMB4,970 per tonne, representing a yoy decrease of 1.1%.

於本匯報期間，原奶市場價格較去年同期回落，本集團原料奶平均售價為人民幣4,970元／噸，同比下降1.1%。

COST OF SALES AND GROSS PROFIT MARGIN

The Group's cost of sales for the Reporting Period was RMB1,035.8 million, representing a yoy increase of 15.2%, due to the significant increase in bulk feed prices amidst the yoy increase in total sales. To cope with the cost increase, the Group actively adjusted its product structure to increase the proportion of sales of high-value products. The Group continuously improved its internal operational capabilities, herd scale benefits were evident, with key indicators such as cows expansion rate and average milk yield per milkable cow reaching record highs, effectively dampening the decline in gross profit margin, which fell by 4.7% from 37.8% during the Prior Period to 33.1% during the Reporting Period.

銷售成本及毛利率

在銷售總量同比增幅的情況下，受大宗飼料價格大幅上漲的影響，於本匯報期間，本集團的銷售成本為人民幣1,035.8百萬元，同比增長15.2%；為應對成本上漲，本集團通過積極調整產品結構，提升高價值產品銷售佔比；不斷提升內部運營能力，牛群規模效益突顯，擴群率、成乳牛單產等關鍵指標創新高，有效地抑制了毛利率的降幅，毛利率由去年匯報期的37.8%下降4.7%至本匯報期間的33.1%。

OTHER INCOME AND GAINS

During the Reporting Period, the Group's other income and gains amounted to RMB40.1 million (2021: RMB3.5 million), the main reason for the change was a gain of RMB25.7 million arising from the partial disposal of the equity interests of an associate during the Reporting Period.

其他收入及收益

於本匯報期間，本集團其他收入及收益為人民幣40.1百萬元(2021年：人民幣3.5百萬元)，主要變動原因為本匯報期間出售聯營公司部分股權產生收益人民幣25.7百萬元。

SELLING AND DISTRIBUTION EXPENSES

The Group's selling and distribution expenses primarily include logistics and transportation expenses and staff remuneration, etc. During the Reporting Period, the Group's selling and distribution expenses amounted to RMB23.5 million (2021: RMB25.3 million). The yoy change is not significant.

銷售及分銷開支

本集團的銷售及分銷開支主要包括物流運輸費及職工薪酬等。於本匯報期間，本集團的銷售及分銷開支為人民幣23.5百萬元(2021年：人民幣25.3百萬元)。同比變動幅度不大。

ADMINISTRATIVE EXPENSES

Administrative expenses mainly include salary and welfare, travel expenses and transportation expenses of the management and administrative employees, as well as administrative expenses including attorney and audit fees, etc. During the Reporting Period, the Group's administrative expenses amounted to RMB66.6 million (2021: RMB47.6 million), representing a yoy increase of RMB19.0 million. The increase was mainly due to the Group's continued efforts to motivate its employees to deliver good results for the Company, the enhancement of management salaries and the adoption of the Share Award Scheme.

行政開支

行政開支主要包括管理層及行政僱員的薪金及福利、差旅費和交通費以及律師、審計等行政管理類型的支出。於本匯報期間，本集團行政開支為人民幣66.6百萬元(2021年：人民幣47.6百萬元)，同比增加人民幣19.0百萬元。增幅主要由於本集團持續激勵員工為公司創造良好業績，提升管理人員薪酬及採納股份激勵計劃所致。

FINANCE COSTS

During the Reporting Period, the Group's finance costs amounted to RMB10.0 million (2021: RMB31.1 million), representing a decrease of RMB21.1 million or 67.8% compared with the Prior Period, mainly due to a currency swap gain recognized during the Reporting Period.

融資成本

於本匯報期間，本集團融資成本為人民幣10.0百萬元(2021年：人民幣31.1百萬元)，較同期減少人民幣21.1百萬元，降幅67.8%，主要由於貨幣掉期收益於本匯報期間獲確認。

LOSS ARISING FROM CHANGES IN THE FAIR VALUE

Loss arising from changes in the fair value primarily represents fair value changes in the dairy cows, due to the changes in physical attributes and market prices of the dairy cows and discounted future cash flow to be generated by those cows. In general, the value of a heifer increases when it grows up to a milkable cow, as the discounted cash flow from milkable cow is higher than the selling price of heifer. Further, when a milkable cow is ousted and sold, its value decreases.

During the Reporting Period, the loss arising from the change in fair value of the Group was RMB197.2 million (2021: RMB154.9 million). The increase in the Group's net loss arising from the changes in fair value for the Reporting Period compared with the Prior Period was mainly due to the increase in the Group's feeding costs as a result of factors such as the significant increase in feed prices.

公平值變動產生的虧損

公平值變動產生的虧損主要指因奶牛的實際特性及市價以及該等奶牛即將產生的貼現未來現金流量變動導致的奶牛公平值變動。一般而言，由於成母牛的貼現現金流量較育成牛的售價高，故於育成牛成為成母牛時，其價值便會增加。此外，於成母牛被淘汰及出售時，其價值便會減少。

於本匯報期間，本集團公平值變動產生的虧損為人民幣197.2百萬元(2021年：人民幣154.9百萬元)。於本匯報期間，本集團公平值變動產生的淨虧損相對上年匯報期虧損加大，主要是本集團受飼料價格大幅上漲等因素影響飼養成本增加所致。

SHARE OF LOSSES OF ASSOCIATES

Associates of the Group include: (a) Inner Mongolia Mengniu Shengmu Hi-Tech Dairy Products Co., Ltd. (內蒙古蒙牛聖牧高科乳品有限公司) invested and owned as to 49% by the Group, which is primarily engaged in the operating and selling of Shengmu organic liquid milk products; (b) Food Union Shengmu Dairy Co., Ltd. (富友聯合聖牧乳品有限公司) ("**Food Union Shengmu**") and Inner Mongolia Shengmu Low Temperature Dairy Product Company Limited (內蒙古聖牧低溫乳品有限公司), both of which are invested and held by the Group with minority interests, producing dairy products with the raw milk from the Group; (c) Inner Mongolia Yiyingmei Dairy Co., Ltd. (內蒙古益嬰美乳業有限公司) in which the Group invested and held minority interests, producing high-end organic milk powder with the raw milk from the Group; and (d) Mudanjiang Liangyuan Technology Limited (牡丹江糧源科技有限公司) in which the Group invested and held minority interests, which is primarily engaged in feed processing. During the Reporting Period, the Group's share of losses of the above associates amounted to RMB11.2 million (2021: RMB13.3 million).

分佔聯營公司虧損

本集團聯營公司包括：(a)本集團投資並擁有49%股權的內蒙古蒙牛聖牧高科乳品有限公司，主營業務為運營及銷售聖牧有機液態奶產品；(b)本集團投資並擁有少數權益的富友聯合聖牧乳品有限公司(**富友聯合聖牧**)及內蒙古聖牧低溫乳品有限公司，其均使用本集團原料奶生產乳製品；(c)本集團投資並擁有少數權益的內蒙古益嬰美乳業有限公司，其使用本集團原料奶生產高端有機奶粉；以及(d)本集團投資並擁有少數權益的牡丹江糧源科技有限公司，主要業務為飼料加工。於本匯報期間，本集團分佔上述聯營公司虧損為人民幣11.2百萬元(2021年：人民幣13.3百萬元)。

INCOME TAX EXPENSE

All profits of the Group were derived from its operations in the PRC. According to the Enterprise Income Tax Law of the PRC (the "**EIT Law**"), the Group's subsidiaries in the PRC are generally subject to a PRC corporate income tax at a rate of 25%. According to the preferential provisions of the EIT Law, the Group's income arising from agricultural activities, such as dairy farming and processing of raw agricultural products, is exempted from enterprise income tax. Under the PRC tax laws and regulations, there is no statutory time limit for such tax exemption as long as the relevant PRC subsidiaries of the Group complete filings with the relevant tax authorities as required.

The Group had no income tax expense for the Reporting Period (2021: RMB0.2 million).

所得稅開支

本集團所產生溢利均來自於中國國內業務。根據中華人民共和國企業所得稅法(「**企業所得稅法**」)，本集團的中國附屬公司通常須按25%的稅率繳納中國企業所得稅。但依據企業所得稅法的優惠規定，本集團奶牛養殖及初級農產品加工等農業活動的所得獲豁免繳納企業所得稅。根據中國稅務法律及法規，只要我們的相關中國附屬公司按規定於相關稅務主管部門完成備案，我們享有的該等稅務豁免並無法定時限。

於本匯報期間，本集團無所得稅開支(2021年：人民幣0.2百萬元)。

PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY AND PROFIT ATTRIBUTABLE TO NON- CONTROLLING INTERESTS

Profit attributable to owners of the parent of the Group for the Reporting Period was RMB228.8 million (2021: RMB259.3 million), representing a yoy decrease of RMB30.5 million or 11.7%. This was mainly due to a significant increase in feed prices and a slight fall in raw milk prices compared with the corresponding period in the previous year, with the dual external environment causing the yoy decline in the Group's gross profit.

Profit attributable to non-controlling interests mainly represents the profit for the period attributable to dairy farmers with whom we cooperate in relation to dairy farm management in our farms. For the Reporting Period, profit attributable to non-controlling interests was RMB14.4 million (2021: RMB12.2 million).

母公司擁有人應佔溢利及非控股權益應佔溢利

於本匯報期間，本集團母公司擁有人應佔溢利為人民幣228.8百萬元(2021年：人民幣259.3百萬元)，較同期減少人民幣30.5百萬元，同比減少11.7%。主要由於飼料價格大幅上漲，同時原奶價格較同期小幅回落，雙重外部環境影響集團毛利額同比下降。

非控股權益應佔溢利主要指與我們合作管理養殖場的奶農於我們牧場應享有的本期溢利。於本匯報期間，非控股權益應佔溢利為人民幣14.4百萬元(2021年：人民幣12.2百萬元)。

Analysis on Consolidated Statement of Financial Position

CURRENT ASSETS

As at 30 June 2022, the Group's total current assets amounted to RMB1,975.7 million (as at 31 December 2021: RMB2,049.8 million), representing a decrease as compared with the end of last year, mainly due to a decrease in inventory balance of RMB330.7 million as compared with the end of last year affected by the nature of inventory storage in the dairy farming industry. Trade receivables increased by RMB23.9 million or 9.7% as compared with the end of last year, representing receivables arising from normal credit periods.

CURRENT LIABILITIES

As at 30 June 2022, the Group's total current liabilities amounted to RMB2,694.2 million (as at 31 December 2021: RMB2,862.7 million), representing a significant decrease as compared with the end of last year, mainly due to the decrease in trade payables balance compared with the end of last year as the Group ceded the payment cycle to suppliers as results of the tight supply of feed market and the Group's need to control costs.

綜合財務狀況表分析

流動資產

於2022年6月30日，本集團的流動資產總額為人民幣1,975.7百萬元(於2021年12月31日：人民幣2,049.8百萬元)，相較於上年末減少，主要體現在存貨餘額相比上年末減少人民幣330.7百萬元，由於奶牛養殖行業存貨存儲特性影響。貿易應收款較上年末增加人民幣23.9百萬元，增長率為9.7%，系正常信用期所產生的應收款。

流動負債

於2022年6月30日，本集團的流動負債總額為人民幣2,694.2百萬元(於2021年12月31日：人民幣2,862.7百萬元)，相較於上年末降幅較大，主要由於飼料市場緊俏以及本集團控制成本需要，讓渡供應商付款周期，致使貿易應付款餘額較上年末下降。

LIQUIDITY, FINANCIAL RESOURCES, CAPITAL STRUCTURE AND GEARING RATIO

During the Reporting Period, the Group's sources of daily working capital were mainly cash flows generated from internal operations and bank borrowings. As at 30 June 2022, the Group held (a) cash and bank balances of RMB802.9 million (as at 31 December 2021: RMB531.8 million), and (b) interest-bearing bank borrowings of RMB1,953.4 million (as at 31 December 2021: RMB1,679.2 million), of which RMB300.0 million is repayable within one to five years and the remaining interest-bearing bank borrowings are repayable within one year. Borrowing requirements on the Group is not affected by seasonality.

The Group's total equity as at 30 June 2022 was RMB4,107.9 million (as at 31 December 2021: RMB3,889.2 million). As at 30 June 2022, the Group's net gearing ratio (calculated on the basis of the amount of total interest-bearing bank borrowings less cash and bank balance as a percentage of the total equity) was 28.0 % (as at 31 December 2021: 29.5%), representing a drop of 1.5 ppt as compared with that as at 31 December 2021.

The Group's bank borrowings were denominated in RMB and bore interest at fixed rates, except for the equivalent of RMB517.2 million which was denominated in USD and bore interest at fixed rates. The bank borrowings with an equivalent of RMB517.2 million denominated in USD and bearing interest at fixed rates had entered into currency swap agreements with financial institutions to hedge against the impact on the Company's profit or loss due to changes in exchange rates.

As at 30 June 2022, the Group's net borrowings (total interest-bearing bank borrowings less cash and bank balances) amounted to RMB1,150.5 million (as at 31 December 2021: RMB1,147.3 million).

As of 30 June 2022, the variable interest rate on bank borrowings ranged from 1.55% to 4.15% per annum (for the year ended 31 December 2021: 1.55% to 5.22%).

流動性、財務資源、資本結構及槓桿比率

於本匯報期間，本集團日常營運資金的來源主要為內部經營產生的現金流量及銀行借款。截至2022年6月30日，本集團持有(a)現金及銀行結餘為人民幣802.9百萬元(於2021年12月31日：人民幣531.8百萬元)，及(b)計息銀行借款為人民幣1,953.4百萬元(於2021年12月31日：人民幣1,679.2百萬元)，其中人民幣300.0百萬元須於一至五年內償還，其餘計息銀行借款須於一年內償還。本集團的借款需求不受季節性影響。

本集團於2022年6月30日的權益總額為人民幣4,107.9百萬元(於2021年12月31日：人民幣3,889.2百萬元)。於2022年6月30日，本集團的淨槓桿比率(按計息銀行借款總額減現金及銀行結餘佔權益總額百分比)為28.0%(於2021年12月31日：29.5%)，相比2021年12月31日減少1.5個百分點。

本集團的銀行借款除等值人民幣517.2百萬元以美元計值及定息計息外，其餘以人民幣計值及定息計息。以美元計值及定息計息的等值人民幣517.2百萬元的銀行借款，與金融機構簽署了貨幣掉期協議，對沖因匯率變動對公司損益的影響。

於2022年6月30日，本集團之淨借貸(計息銀行借貸總額扣除現金及銀行結餘)為人民幣1,150.5百萬元(於2021年12月31日：人民幣1,147.3百萬元)。

截至2022年6月30日，銀行借款的年利率變浮為1.55%至4.15%(截至2021年12月31日止年度：1.55%到5.22%)。

CHARGE ON ASSETS

As at 30 June 2022, the Group's total restricted bank deposits amounted to RMB209.3 million (as at 31 December 2021: RMB256.5 million), of which RMB123.6 million was placed with banks in the PRC as deposits for issuance of letters of credit and bank drafts and RMB85.7 million was frozen due to litigation.

資產抵押

於2022年6月30日，本集團受限制銀行存款合計為人民幣209.3百萬元(於2021年12月31日：人民幣256.5百萬元)，其中人民幣123.6百萬元於中國的銀行作為開具信用證和銀行匯票的保證金，人民幣85.7百萬元因訴訟被凍結。

CAPITAL COMMITMENTS

As at 30 June 2022, the Group's capital commitments in relation to the acquisition of property, plant and equipment amounted to RMB9.1 million (as at 31 December 2021: RMB2.6 million), representing an increase as compared with the end of last year, mainly due to the establishment of a new smart farm during the Reporting Period. Its main source of fund was from external financial institutions.

資本承擔

於2022年6月30日，本集團有關收購物業、廠房及設備的資本承擔為人民幣9.1百萬元(於2021年12月31日：人民幣2.6百萬元)，相較於上年末增加，主要由於本匯報期間新設一座智慧牧場所致。其主要資金來源為外部金融機構。

CONTINGENT LIABILITIES

As at 30 June 2022, the Group had provided guarantees in the amount of RMB171.3 million (as at 31 December 2021: RMB106.5 million) in respect of bank borrowings of Bayannur Shengmu High-tech Ecological Forage Co., Ltd (巴彥淖爾市聖牧高科生態草業有限公司). The external guarantees provided by the Group were recognised in the financial statements on the basis of the valuation of the guarantees provided by the independent professional valuer regarded as the best estimates required to pay for the performance of the relevant current obligations in accordance with the requirements of IFRSs.

或有負債

於2022年6月30日，本集團為巴彥淖爾市聖牧高科生態草業有限公司的銀行借款提供金額為人民幣171.3百萬元(於2021年12月31日：人民幣106.5百萬元)的擔保。本集團的對外擔保均已按照國際財務報告準則的要求，以獨立專業評估師提供的擔保估值作為履行相關現時義務所需支出的最佳估計數於財務報表中確認。

FOREIGN EXCHANGE RISK

The Group's operations are primarily located in Mainland China and the majority of transactions are conducted in RMB. As at 30 June 2022, the Group had no significant foreign exchange risk in respect of its operations except for cash balances of approximately RMB19.8 million, RMB0.2 million and RMB0.1 million denominated in HKD, USD and EUR. As at 30 June 2022, the Group had not entered into any arrangement to hedge against any foreign exchange fluctuations.

外匯風險

本集團的業務主要位於中國內地、且絕大多數交易以人民幣進行。於2022年6月30日，除了約人民幣19.8百萬元、人民幣0.2百萬元和人民幣0.1百萬元現金結餘以港幣、美元和歐元為貨幣單位外，本集團在經營方面並無重大外匯風險。於2022年6月30日，本集團並無訂立任何安排以對沖任何外匯波動。

CREDIT RISK

The Group only trades with recognized and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Credit risk related to the Group's other financial assets arises from default of the counterparty with a maximum exposure equal to the carrying amounts of these instruments. Since the Group trades only with recognized and creditworthy third parties, collateral is generally not required.

信貸風險

本集團僅與獲認同及信譽良好的第三方進行交易。根據本集團的政策，凡有意以信貸形式交易的客戶，均須通過信貸審查。與本集團其他金融資產有關的信貸風險均來自對方的違約，所面臨的最大風險等於該等工具的賬面值。由於本集團僅與獲認同及信譽良好的第三方進行交易，故一般無須第三方提供任何抵押物。

ENVIRONMENTAL POLICIES AND PERFORMANCE

During the Reporting Period, the Group's operations were in compliance in all material respects with currently applicable national and local environmental protection laws and regulations in the PRC.

環境政策及表現

於本匯報期間，本集團的經營在所有重大方面均遵守當前適用中國國家及當地政府環境保護法律及規則。

HUMAN RESOURCES

As at 30 June 2022, the Group had a total of 2,788 employees (as at 30 June 2021: 2,562 employees). Total staff costs during the Reporting Period (excluding share incentive expenses under the Share Incentive Scheme) amounted to RMB155.7 million (2021: RMB128.6 million).

人力資源

於2022年6月30日，本集團共有2,788名員工(於2021年6月30日：2,562名員工)。本匯報期間的總員工成本(不包含股份激勵計劃下的股份激勵開支)為人民幣155.7百萬元(2021年：人民幣128.6百萬元)。

The Group believes that the dedicated efforts of all of its employees are the very essence of the Group's rapid development and success in the future. The Group provides management personnel and employees with on-the-job education, training and other opportunities to improve their skills and knowledge. In general, the Group determines employee compensation and efficiency incentive based on each employee's performance, qualifications, position and seniority. Please also refer to the "Operation Review" section for details of the Share Award Scheme.

本集團相信，全體員工不懈努力乃本集團迅速發展及於日後取得成功的極重要因素。本集團為管理人員及僱員提供在職教育、培訓及其他機會以提升其技能及知識。一般而言，本集團根據各僱員的表現、資格、職位及資歷釐定僱員薪酬及效益獎勵。有關股份激勵計劃之詳情，亦請參閱「運營回顧」一節。

Employees in Hong Kong are provided with retirement benefits, under the Mandatory Provident Fund scheme, as well as life insurance and medical insurance. Employees in Mainland China are provided with pension insurance, medical insurance, employment injury insurance, unemployment insurance, maternity insurance and housing fund contributions in compliance with the requirements of the laws of China.

本集團透過強制性公積金計劃為在香港的僱員提供退休福利，並提供人壽保險及醫療保險；根據中國法律為中國內地員工提供養老保險、醫療保險、工傷保險、失業保險、生育保險及住房公積金。

SUSTAINABLE DEVELOPMENT

In January 2022, the dual-carbon strategy adopted by the Group was selected by the World Economic Forum (Davos Forum) as a case in its "New Natural Economy Report Series".

In March 2022, the United Nations Global Compact's "2021 Corporate Best Practices for Achieving the Sustainable Development Goals" list was announced, and the Group's unique organic eco-sand treatment system was selected as one of the "Corporate Best Practices for Achieving the Sustainable Development Goals (Sustainable Production and Consumption)".

In July 2022, the 17th China Corporate Social Responsibility- China Forum was held in Beijing, and the Company was awarded the title of "2022 Corporate Social Responsibility - Leading Enterprise" in the Golden Bee Influencer List.

In the past ten years or so, the Group has invested a total of RMB7.5 billion in the Ulan Buh Desert, helping over 200 square kilometers of the desert become oasis and building 150 square kilometers of high-quality grassland. The three-stage afforestation protection has reduced the original local wind force of 6-7 on average to 4-5. Shengmu will continue to adhere to organic, ecological and sustainable development, continuously optimize the industrial chain and energy structure, accelerate the planning and implementation of scientific carbon reduction, and contribute to the country's "dual-carbon" green goal!

MATERIAL ACQUISITIONS AND DISPOSALS

During the Reporting Period, Inner Mongolia Shengmu High-tech Farming Co., Ltd. (內蒙古聖牧高科牧業有限公司) ("**Inner Mongolia Shengmu**"), an indirect wholly-owned subsidiary of the Company, entered into an equity transfer agreement with Food Union (Dairy) Hong Kong Limited for the sale of 4.05% equity interest in Food Union Shengmu for a consideration of US$4.5 million, upon completion, Inner Mongolia Shengmu holds 1.85% equity interest in Food Union Shengmu. It continues to be accounted for as an associate under the equity method. Apart from the above, the Group has not made any material acquisition and disposals of subsidiaries and associates.

可持續發展

2022年1月，本集團的雙碳戰略案例獲入選世界經濟論壇(達沃斯論壇)《新自然經濟系列報告》。

2022年3月，聯合國全球契約「2021實現可持續目標企業最佳實踐」名單公告，本集團獨創有機生態治沙體系入選「實現可持續發展目標企業最佳實踐(可持續生產和消費)」。

2022年7月，第十七屆中國企業社會責任中國論壇在北京召開，本公司獲金蜜蜂影響力榜單「2022企業社會責任 • 引領型企業」稱號。

在過去的十餘年裡，本集團在烏蘭布和沙漠累計投資人民幣75億元，綠化沙漠超過200平方公里，建成優質草場150平方公里。通過三級造林防護，將當地平均6-7級的原始風力降至4-5級。聖牧將繼續堅持有機、生態、可持續發展，不斷優化產業鏈和能源結構，加速科學減碳的規劃與實施，為國家的「雙碳」綠色目標貢獻力量！

重大收購及出售事項

於本匯報期間，內蒙古聖牧高科牧業有限公司(本公司間接全資附屬公司)(**內蒙古聖牧**)與Food Union (Dairy) Hong Kong Limited簽訂股權轉讓協議，出售富友聯合聖牧4.05%股權，出售價款450萬美元，出售完成後內蒙古聖牧持有富友聯合聖牧1.85%股權，仍作為聯營公司按權益法進行核算。除以上事項外本集團並無進行任何重大收購及出售附屬公司及聯營公司事項。

FUTURE PLANS FOR MATERIAL INVESTMENTS OR ACQUISITION OF CAPITAL ASSETS AND EXPECTED SOURCE OF FUNDING

Save as disclosed above in the section headed "Capital Commitments" and in the prospectus under the section headed "Future Plans and Use of Proceeds", the Group does not have any plan for material investments or acquisition of capital assets as at the date of this report.

重大投資或收購資本資產的未來計劃及預期資金來源

除於上文「資本承擔」一節所披露者外以及在招股章程「未來計劃及所得款項用途」一節所披露者外，截至本報告日，本集團並無任何重大投資或收購資本資產的計劃。

Events after the Reporting Period

Save as disclosed in this report, the Group has no material post-period events to disclose from the end of the Reporting Period to the date of this report.

報告期後事項

除本報告所披露者外，自報告期末至本報告日期，本集團並無需要披露的重大期後事項。

Outlook

On 16 February 2022, the Ministry of Agriculture and Rural Affairs released the "14th Five-Year Plan for Action to Improve the Competitiveness of the Dairy Industry", which states that by 2025, national milk production is expected to reach about 41 million tonnes, and the proportion of large-scale breeding above 100 cows will reach about 75%. The proportion of large-scale farms with grass and animal support and combined farming production will increase by about 5 percentage points. The linkage of farming and processing interests has become closer and more diverse, and the competitiveness of the domestic dairy industry has been further enhanced. In March of 2022, the "Nine Policies and Measures to Promote the Revitalisation of the Dairy Industry in Inner Mongolia Autonomous Region" was released, with the Inner Mongolia Autonomous Region formulating corresponding support policies around the construction of milk source bases, the construction of seed bases, the construction of quality forage bases, support for enterprises to become better and stronger, and support for science and technology to escort the development of the local dairy industry. The strong empowerment of national policies and industrial resources again indicates that the Group has tremendous advantages and development potential in terms of team building, business model and resource endowment. By leveraging the solid support of and deep cooperation with our major shareholder, Mengniu Group, as well as relying on the new resource endowment, the Group will push forward the implementation of its business, striving to achieve the strategic goal for the growth of doubling the sales of organic raw milk by 2025 from 2020 .

未來展望

2022年2月16日，農業農村部發佈了《「十四五」奶業競爭力提升行動方案》，文件中指出，到2025年，全國奶類產量預期將達到4,100萬噸左右，百頭以上規模養殖比重將達到75%左右。規模養殖場草畜配套、種養結合生產比例提高5個百分點左右。養殖加工利益聯結更加緊密、形式更加多樣，國產奶業競爭力進一步提升。2022年3月《內蒙古自治區推進奶業振興九條政策措施》隨繼發佈，內蒙古自治區圍繞奶源基地建設、種源基地建設、優質飼草料基地建設、支持企業做優做強、科技支撐等方面制定了相應支持政策，為當地的奶業發展保駕護航。在國家政策和產業資源的強力賦能下，再次表明了本集團在團隊建設、業務模式、資源稟賦等方面均擁有巨大的優勢和發展潛力。在大股東蒙牛集團的堅實支持及緊密合作下，本集團依託全新的資源稟賦，將切實推進業務落地，爭取在2025年，實現有機原奶銷量在2020年基礎上翻倍增長的戰略目標。

In the second half of 2022, the Group will focus on the progress of significant issues such as the cows expansion rate, the cows production, cost control, innovation in raw milk products and silage acquisition, in order to achieve a new breakthrough in the Group's operations. At the same time, the Group will continue to promote the cows genetic improvement programme and embryo transfer programme to enhance the Group's cows germplasm capability, and increase the scale of beef cows to realise the combined milk and beef effect of the Group's large-scale farms. The Group will promote the construction of new farms and make key preparations for the construction of farms, the introduction of cows, the matching of management and operation personnel, the reserves and acquisition of feed, etc. At the same time, the Group will actively promote the construction of zero-carbon farms and promote simultaneous carbon sequestration and reduction measures on the existing foundation, so that the Group's first zero-carbon farm can be implemented as soon as possible and zero-carbon raw milk can be introduced to the market.

2022年下半年，本集團將重點圍繞奶牛擴群率、奶牛產量、成本控制、原奶產品創新及青貯收購等重要事項推進，實現本集團在運營能力上的新突破。同時，繼續推進奶牛基因改良計劃和胚胎移植計劃，提升本集團的奶牛種質能力水平；適當增加肉牛規模，以實現本集團規模化牧場的奶肉聯動效應。推進新牧場的建設，針對牧場建設和奶牛引進，管理運營人員匹配以及飼料儲備收購等準備工作做重點部署。同時，本集團將積極推進零碳牧場的建設，在現有基礎上推動固碳和減碳措施同步進行，儘快實現本集團第一個零碳牧場的落地，向市場推出零碳原奶。

In terms of internal management, during the second half of the year, the Group will continue to strengthen party building and cultural leadership, create a learning organization and create an atmosphere of "compare, learn, catch up, help and surpass" within the Company. The Group will also identify and assess the risks of the Company and raise the awareness of risk management among all staff. At the same time, the Group will optimise the organisational structure and promote flat management to achieve a flexible corporate structure and efficient communication on issues, in order to improve management efficiency of the Company. The Group has developed a new organisational structure for the long-term sustainable development of the Group to achieve the joint development of the team, the business and the individual.

內部管理方面，下半年本集團將繼續強化党建，文化引領，創建學習型組織，在公司內部營造"比、學、趕、幫、超"的戰鬥氛圍。識別評估公司風險，提升全員風險管理意識。同時，優化組織架構，推進扁平化管理，實現公司結構靈活，問題傳遞高效，提高公司管理效率。為本集團的長期可持續發展歷練出一套新的團隊組織架構，實現團隊、業務、個人的共同發展。

Report of the Directors

The board (the "**Board**") of directors (the "**Directors**") of the Company herein presents the interim report of the Group for the six months ended 30 June 2022 together with the unaudited condensed consolidated financial report, and such interim financial report has been reviewed by the audit committee of the Board ("**Audit Committee**").

董事會報告

本公司的董事(「**董事**」)會(「**董事會**」)謹此呈列本集團截至2022年6月30日止六個月的中期報告連同未經審核簡明綜合財務報告，有關中期財務報告已由董事會之審核委員會(「**審核委員會**」)審閱。

Dividend Distribution

The Board did not recommend the payment of interim dividend for the Reporting Period (the Prior Period: Nil).

股息分派

董事會不建議就本匯報期間派付中期股息(去年匯報期：無)。

Purchase, Redemption or Sale of Listed Securities of the Company

Save as disclosed in this report, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during this Reporting Period, except that the Trustees purchased a total of 27,266,000 ordinary shares of the Company as restricted shares in the open market in accordance with the rules of the Share Award Scheme at a consideration of HK$10,502,000 (equivalent to RMB8,981,000).

購買、贖回或出售本公司的上市證券

除本報告披露外，於本滙報期間，本公司或其任何附屬公司概無購買、贖回或出售本公司之任何上市證券，惟受託人根據股份激勵計劃之規則於公開市場購買合共27,266,000股本公司普通股作為限制性股份，代價為10,502,000港元(相當於人民幣8,981,000元)。

Litigation

A civil judgement was issued by the Intermediate People's Court of Huhhot (the "**PRC Court**") (the "**Judgment**") on 16 August 2021 in relation to a claim made against Inner Mongolia Shengmu Hightech Farming Co., Ltd. (內蒙古聖牧高科牧業有限公司) ("**Inner Mongolia Shengmu**"), an indirect wholly-owned subsidiary of the Company, and two of the Company's former directors concerning a claim made by the plaintiff. Provision was made amounting to RMB49.2 million for the probable losses, which was reflected in the 2021 annual financial report, to the Group based on the reasonable estimation of the outcome of the lawsuits after taking into account the legal advice by the management. For further details, please refer to the announcements published by the Company on 16 September 2021 and 22 October 2021 and the 2021 Annual Report. Inner Mongolia Shengmu had applied to the High People's Court of Inner Mongolia Autonomous Region for a second trial and no adjudication has yet been made.

訴訟

於2021年8月16日，呼和浩特市中級人民法院(「**中國法院**」)就原告人向本公司間接全資附屬公司內蒙古聖牧高科牧業有限公司(「**內蒙古聖牧**」)與本公司兩名前董事作出的申索發出民事判決書(「**判決**」)。經考慮管理層法律意見後，根據對訴訟結果的合理估計，本集團已為可能產生的虧損計提人民幣49.2百萬元的撥備，反映在2021年年度財務報告中。更多詳情請參考本公司於2021年9月16日、2021年10月22日發佈的公告及2021年年度報告。內蒙古聖牧已向內蒙古自治區高級人民法院提出二審申請，目前尚未判決。

Corporate Governance Practices

The Company has adopted the code provisions (the "**Code Provisions**") as contained in part 2 of Appendix 14 (Corporate Governance Code) to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") (as amended from time to time) as its own code to govern its corporate governance practices.

In the opinion of the Board, during the Reporting Period, the Company has adopted, applied and complied with the Code Provisions.

企業管治常規

本公司已採納聯交所證券上市規則(「**上市規則**」)(經不時修訂)附錄十四(企業管治守則)第二部分載列的守則條文(「**守則條文**」))作為本身規管其企業管治常規的守則。

董事會認為，本匯報期間，本公司已採納、應用並遵守守則條文。

Audit Committee and Review of Interim Results

The Company has established the Audit Committee in compliance with the Listing Rules. The Audit Committee has been established with written terms of reference in compliance with the Listing Rules. The Audit Committee comprises Mr. WANG Liyan, Mr. ZHANG Ping and Mr. WU Liang, and is chaired by Mr. WANG Liyan. The primary duties of the Audit Committee are to review the financial reporting process and internal control system of the Group, and to make proposals to the Board as to the appointment, renewal and resignation of the Company's independent auditors and the related remuneration and appointment terms.

The Audit Committee has reviewed the accounting standards and practices adopted by the Group and discussed with the management on the internal control and financial reporting matters, including the review of the unaudited interim results for the Reporting Period.

審核委員會及審閱中期業績

本公司已按照上市規則的規定成立審核委員會，並制訂了符合上市規則的書面職權範圍。審核委員會包括王立彥先生、張平先生及吳亮先生，並由王立彥先生擔任主席。審核委員會的主要職責為檢討本集團的財務報告程序及內部監控系統，並就本公司獨立核數師的委任、續任及離職，以及有關的報酬及委任條款向董事會提出建議。

審核委員會已檢討本集團採用之會計準則及慣例，並與管理層討論內部監控及財務報告事宜，包括審閱本匯報期間的未經審核中期業績。

Remuneration Committee

The Company has established the remuneration committee (the "**Remuneration Committee**") in compliance with the Listing Rules. The Remuneration Committee has been established with written terms of reference in compliance with the Listing Rules. The Remuneration Committee comprises Mr. SUN Yansheng, Mr. ZHANG Ping and Mr. WU Liang, and is chaired by Mr. SUN Yansheng. The primary duties of the Remuneration Committee include determining the policies in relation to human resources management, reviewing the Company's remuneration policies and determining remuneration packages for the Directors and senior management members.

薪酬委員會

本公司已根據上市規則的規定成立薪酬委員會(「**薪酬委員會**」)，並制訂了符合上市規則的書面職權範圍。薪酬委員會成員包括孫延生先生、張平先生及吳亮先生，並由孫延生先生擔任主席。薪酬委員會的主要職責包括確定有關人力資源管理的政策、檢討本公司的薪酬政策及釐定董事及高級管理層成員的薪酬待遇。

Nomination Committee

The Company has established the nomination committee (the "**Nomination Committee**") in compliance with the Listing Rules. The Nomination Committee has been established with written terms of reference in compliance with the Listing Rules. The Nomination Committee comprises Mr. LU Minfang, Mr. WANG Liyan and Mr. WU Liang and is chaired by Mr. LU Minfang. The primary duties of the Nomination Committee are to make recommendations to the Board regarding candidates to fill vacancies on the Board.

提名委員會

本公司已根據上市規則的規定成立提名委員會(「**提名委員會**」)，並制訂了符合上市規則的書面職權範圍。提名委員會成員包括盧敏放先生、王立彥先生及吳亮先生，並由盧敏放先生擔任主席。提名委員會的主要職責為就填補董事會職位空缺的候選人向董事會作出推薦建議。

Strategic and Sustainability Committee

The Company has set up a strategy committee with effect from 30 July 2021. The strategy committee was changed to a strategic and sustainability committee (the "**Strategic and Sustainability Committee**") with approval by the Board on 23 August 2021, to better formulate the Company's long-term development strategy and cover environmental, social and corporate governance related matters. The sustainability department of the Company will report the work progress to the Strategic and Sustainability Committee on a regular basis. The Strategic and Sustainability Committee comprises Mr. LU Minfang, Mr. ZHANG Jiawang, Mr. SUN Qian and Mr. ZHAO Jiejun, and is chaired by Mr. LU Minfang.

戰略及可持續發展委員會

本公司已成立戰略委員會，自2021年7月30日起生效。於2021年8月23日，由董事會批准，戰略委員會變更為戰略及可持續發展委員會(「**戰略及可持續發展委員會**」)，以更好地制定本公司長期發展戰略並涵蓋環境、社會及企業管治相關事宜。本公司的可持續發展部將定期向戰略及可持續發展委員會匯報工作進展。戰略及可持續發展委員會包括盧敏放先生、張家旺先生、孫謙先生及趙傑軍先生，由盧敏放先生擔任主席。

Model Code for Directors' Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by its Directors on terms no less exacting than the required standard of dealings set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules. Having made specific queries to the Directors, all Directors have confirmed that they have complied with the required standards as set out in the Model Code during the Reporting Period.

董事進行證券交易的標準守則

本公司已採納一套有關董事進行證券交易的行為守則，當中所載條款的嚴格程度不遜於上市規則附錄十所載《上市發行人董事進行證券交易的標準守則》(「**標準守則**」)所訂的交易標準守則。經向董事作出具體查詢後，全體董事均已確認彼等在本匯報期間一直遵守標準守則所載的所訂標準。

Directors' Interest in a Competing Business

Mr. LU Minfang, a non-executive Director and the chairman of the Board, is currently an executive director and chief executive officer of China Mengniu Dairy Company Limited ("**China Mengniu**"), a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange (stock code: 2319) (together with its subsidiaries "**China Mengniu Group**"). Mr. LU is the chairman and a non-executive director of Yashili International Holdings Ltd (雅士利國際控股有限公司) ("**Yashili**"), a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange (stock code: 1230), the chairman and a non-executive director of China Modern Dairy Holdings Ltd. (中國現代牧業控股有限公司) ("**China Modern Dairy**"), a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange (stock code: 1117), and the chairman and a non-independent director of Shanghai Milkground Food Technology Co., Ltd (上海妙可藍多食品科技股份有限公司) ("**Milkground**"), a company incorporated in the PRC with limited liability whose shares are listed on the Shanghai Stock Exchange (stock code: 600882). Mr. LU is also a director of International Dairy Federation.

董事於競爭性業務的權益

非執行董事及董事會主席盧敏放先生目前為中國蒙牛乳業有限公司(「**中國蒙牛**」)(一家於開曼群島註冊成立的有限公司，其股份於聯交所上市，股份代號為：2319)(連同其附屬公司統稱「**中國蒙牛集團**」)的執行董事兼總裁。盧先生為雅士利國際控股有限公司(「**雅士利**」)(一家於開曼群島註冊成立的有限公司，其股份於聯交所上市，股份代號為：1230)的主席兼非執行董事，中國現代牧業控股有限公司(「**中國現代牧業**」)(一家於開曼群島註冊成立的有限公司，其股份於聯交所上市，股份代號為：1117)的主席兼非執行董事，及上海妙可藍多食品科技股份有限公司(「**妙可藍多**」)(一家在中國註冊成立的有限責任公司，其股份於上海證券交易所上市，股份代號為：600882)的董事長兼非獨立董事。盧先生亦為國際乳品聯合會的董事。

Mr. ZHANG Ping, a non-executive Director, is currently the executive director, vice president and chief financial officer of China Mengniu. Mr. ZHANG is the non-executive director and a member of the audit committee of Yashili, a non-executive director and a member of the remuneration committee and a member of the audit committee of China Modern Dairy, and a non-independent director of Milkground.

非執行董事張平先生現為中國蒙牛的執行董事、副總裁兼首席財務官。張先生為雅士利的非執行董事及審核委員會成員，中國現代牧業的非執行董事、薪酬委員會成員及審核委員會成員，以及妙可藍多的非獨立董事。

Mr. ZHAO Jiejun, a non-executive Director, is currently the vice president, head of milk sourcing and supply chain business unit of China Mengniu Group. He is also currently a non-executive director and a member of the strategy and development committee of China Modern Dairy.

非執行董事趙傑軍先生現為中國蒙牛集團的副總裁、奶源及集團供應鏈負責人。趙先生目前亦為中國現代牧業的非執行董事以及戰略及發展委員會成員。

China Mengniu is one of the leading dairy products manufacturers in the PRC, principally engaged in the manufacture and distribution of premium dairy products, including liquid milk, ice cream, formula milk and other dairy products. For further information on the businesses of China Mengniu and the potential competition between those businesses with the business of the Group, please refer to the section headed "Relationship with Mengniu Group – Competition" in the prospectus of the Company dated 30 June 2014 (the "**Prospectus**").

中國蒙牛為中國領先的乳製品生產商之一，主要從事優質乳製品的生產及經銷，包括液態奶、冰淇淋、配方奶及其他乳製品。有關中國蒙牛的業務以及該等業務與本集團業務之間的潛在競爭的更多資料，請參考本公司日期為2014年6月30日的招股章程(「**招股章程**」)中「與蒙牛集團的關係－競爭」一節。

Yashili is an investment holding company which, together with its subsidiaries, is principally engaged in the manufacture and sale of dairy products and nutritional products.

雅士利為一家投資控股公司，連同其附屬公司主要從事乳製品及營養品的生產及銷售。

The principal activity of China Modern Dairy is the production and sale of raw milk to customers for processing into dairy products.

中國現代牧業的主要業務為向客戶生產及銷售原料奶以供加工成乳製品。

Milkground is principally engaged in the research and development, production and sale of cheese related dairy products.

妙可藍多主要從事乳酪相關乳製品的研發、生產及銷售。

The above-mentioned competing business is managed by separate entities with independent management and administration. The Directors are of the view that the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of these entities. When making decisions, the relevant Director, in performance of his duty as Director, has acted and will continue to act in the best interests of the Group.

上述競爭性業務由具有獨立管理及行政的不同實體管理。董事認為本集團能夠獨立於該等實體公平地經營其業務。作出決策時，相關董事就履行其作為董事的職責方面已經並將繼續以本集團的最佳利益行事。

Save as disclosed above, all Directors have confirmed that for the six-month period ended 30 June 2022 and as at the date of this interim report, they and their close associates have not engaged in or held any interest in any business which is or may be, directly or indirectly, in competition with our business.

除上文所披露者外，全體董事已確認截至2022年6月30日止六個月期間及於本中期報告日期，彼等及彼等之緊密聯繫人並無從事直接或間接與本集團業務競爭或可能競爭的任何業務，亦無持有任何利益。

Continuing Connected Transactions

The Company's continuing connected transactions during the Reporting Period are as follows:

1. The non-exempt continuing connected transactions conducted pursuant to the 2022 Dabeinong Group Materials Supply Framework Agreement entered into with Beijing Dabeinong Technology Group Co., Ltd. ("**Dabeinong Group**"). For details, please refer to the announcement of the Company dated 28 March 2022 (the "**Continuing Connected Transactions Announcement**") and the section headed "Report of the Directors – Connected and Continuing Connected Transactions" in the 2021 Annual Report.

2. The non-exempt continuing connected transactions conducted pursuant to the Raw Fresh Milk Supply Framework Agreement and the Financial Assistance Framework Agreement entered into with China Mengniu Group. For details, please refer to the disclosure in the section headed "Report of the Directors - Connected and Continuing Connected Transactions" in the 2021 Annual Report.

持續關連交易

於本匯報期間，本公司之持續關連交易如下：

1. 根據與北京大北農科技集團股份有限公司(「**大北農集團**」)訂立的2022年大北農集團物料供應框架協議而進行的非豁免持續關連交易。有關詳情見本公司日期為2022年3月28日的公告(「**持續關連交易公告**」)及2021年年度報告中「董事會報告－關連及持續關連交易」一節。

2. 根據與中國蒙牛集團訂立的生鮮乳供應框架協議及財務資助框架協議而進行的非豁免持續關連交易。有關詳情見2021年年度報告中「董事會報告－關連及持續關連交易」一節披露。

3. The non-exempt continuing connected transactions conducted pursuant to the 2022 Aiyangniu Technology Materials Supply Framework Agreement entered into with Inner Mongolia Aiyangniu Technology Co., Ltd ("**Aiyangniu Technology**"). For details, please refer to the Continuing Connected Transactions Announcement and the section headed "Report of the Directors - Connected and Continuing Connected Transactions" in the 2021 Annual Report.

4. The non-exempt continuing connected transactions conducted pursuant to the Fuyuan International Materials Supply Framework Agreement entered into with Inner Mongolia Fuyuan International Industrial (Group) Co., Limited ("**Fuyuan International**"), whose details were disclosed in the section headed "Report of the Directors – Connected and Continuing Connected Transactions" in the 2021 Annual Report.

5. The non-exempt continuing connected transactions conducted pursuant to the Raw Fresh Milk Supply Framework Agreement entered into with Inner Mongolia Yiyingmei Dairy Co., Ltd. ("**Yiyingmei**"). For details, please refer to the Continuing Connected Transactions Announcement and the section headed "Report of the Directors - Connected and Continuing Connected Transactions" in the 2021 Annual Report.

3. 根據與內蒙古愛養牛科技有限公司(「**愛養牛科技**」)訂立的2022年愛養牛科技物料供應框架協議而進行的非豁免持續關連交易，有關詳情見持續關連交易公告及2021年年度報告中「董事會報告－關連及持續關連交易」一節。

4. 根據與內蒙古富源國際實業(集團)有限公司(「**富源國際**」)訂立的富源國際物料供應框架協議而進行的非豁免持續關連交易，有關詳情在2021年年度報告中「董事會報告－關連及持續關連交易」一節披露。

5. 根據與內蒙古益嬰美乳業有限公司(「**益嬰美**」)訂立的生鮮乳供應框架協議而進行的非豁免持續關連交易，有關詳情見持續關連交易公告及2021年年度報告中「董事會報告－關連及持續關連交易」一節。

Change of Director's Information

Mr. LU Minfang, Mr. ZHAO Jiejun and Ms. SHAO Lijun were re-elected as non-executive Directors, and Mr. WANG Liyan and Mr. SUN Yansheng were reelected as independent non-executive Directors at the 2022 annual general meeting. For further information on the re-election of Mr. LU Minfang, Mr. ZHAO Jiejun, Ms. SHAO Lijun, Mr. WANG Liyan and Mr. SUN Yansheng as Directors, please refer to the section headed "Proposed Re-election of the Retiring Directors" in the circular of the Company in relation to the 2022 annual general meeting dated 6 May 2022 and the section headed " Poll Results of the Annual General Meeting" in the announcement of the Company in relation to the poll results of the annual general meeting held on 20 June 2022 dated 20 June 2022.

With effect from 1 January 2022, the emolument of the independent nonexecutive Directors increased from RMB120,000 per annum to RMB200,000 per annum.

Save as disclosed herein, during the Reporting Period, there was no change of information required to be disclosed by the Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules where applicable.

有關董事的資料變更

於2022年股東週年大會上重選盧敏放先生、趙傑軍先生及邵麗君女士為非執行董事，重選王立彥先生及孫延生先生為獨立非執行董事。有關重選盧敏放先生、趙傑軍先生、邵麗君女士、王立彥先生及孫延生先生為董事之進一步資料，請參閱本公司日期為2022年5月6日有關2022年股東週年大會之通函「建議重選退任董事」一節及本公司日期為2022年6月20日有關於2022年6月20日舉行之股東週年大會投票表決結果之公告「股東週年大會投票表決結果」一節。

自2022年1月1日起，獨立非執行董事的酬金由每年人民幣120,000元增至人民幣200,000元。

除文中披露者外，本匯報期間，概無根據上市規則第13.51(2)條第(a)至(e)及(g)段(如適用)董事須予披露的資料變更。

Change of Company Secretary, Authorized Representative and Process Agent

Mr. AU Wai Keung has resigned as the company secretary of the Company (the "**Company Secretary**"), an authorized representative of the Company (an "**Authorized Representative**") under Rule 3.05 of the Listing Rules and the process agent of the Company for accepting services of process or notice on behalf of the Company in Hong Kong as required under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "**Process Agent**") with effect from 1 June 2022. Mr. LI Kwok Fat has been appointed as the Company Secretary and an Authorized Representative under the Listing Rules and the Process Agent with effect from 1 June 2022. For further information on the resignation of Mr. AU Wai Keung and the appointment of Mr. LI Kwok Fat, please refer to the announcement of the Company dated 31 May 2022.

公司秘書、授權代表及法律程序代理人的變更

區偉強先生已辭任本公司公司秘書(「**公司秘書**」)、上市規則第3.05條規定的本公司授權代表(「**授權代表**」)以及根據公司條例(香港法例第622章)第16部的規定代表本公司在香港接受法律程序文件或通知的本公司法律程序代理人(「**法律程序代理人**」)，自2022年6月1日起生效。李國發先生已獲委任為公司秘書及上市規則規定的授權代表以及法律程序代理人，自2022年6月1日起生效。有關區偉強先生辭任及委任李國發先生的進一步資料，請參閱本公司日期為2022年5月31日的公告。

Change of Address of Principal Place of Business in Hong Kong

The principal place of business of the Company in Hong Kong has been changed to Room A, 32nd Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong with effect from 1 June 2022. For further information on the change of address, please refer to the announcement of the Company dated 31 May 2022.

香港主要營業地點地址的變更

自2022年6月1日起，本公司在香港的主要營業地點已變更為香港銅鑼灣告士打道262號中糧大廈32樓A室。有關地址變更的進一步資料，請參閱本公司日期為2022年5月31日的公告。

Adoption of the New Memorandum and Articles of Association

By a special resolution passed at the 2022 annual general meeting dated 20 June 2022, the third amended and restated memorandum and articles of association of the Company (the "**New Articles**") were adopted on 20 June 2022. The purpose of the adoption was to, among others, conform with the Core Shareholders Protection Standards as set out in the amended Appendix 3 to the Listing Rules effective from 1 January 2022 and the relevant changes to the applicable laws of the Cayman Islands and the Listing Rules. Other minor amendments to the Articles were also made for corresponding as well as housekeeping changes. For the full text of the proposed New Articles and further information on the adoption of the New Articles, please refer to the constitutional document and announcement of the Company both released on and dated 20 June 2022.

採納新訂之組織章程大綱及細則

經2022年股東週年大會上通過的日期為2022年6月20日的特別決議案，本公司第三次經修訂及重訂之組織章程大綱及細則(「**新訂細則**」)已於2022年6月20日獲採納。採納旨在(其中包括)符合上市規則經修訂附錄三所載自2022年1月1日起生效的核心股東保障水平以及開曼群島適用法律及上市規則的相關變動。此外，亦對細則進行其他細微修訂，以符合相應及內部管理變動。有關建議的新訂細則全文以及有關採納新訂細則的進一步資料，請參閱本公司於2022年6月20日發佈並且日期為同日的章程文件及公告。

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

So far as is known to any Director or chief executive of the Company, as at 30 June 2022, the interests or short positions of the Directors and chief executive of the Company in the issued ordinary shares of the Company (the "**Shares**"), underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")) which were required to be immediately notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or the interests or short positions which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or the interests or short positions which were required, pursuant to the Model Code, to be immediately notified to the Company and the Stock Exchange, were as follows:

董事及最高行政人員在股份、相關股份及債權證的權益和淡倉

就任何董事或本公司最高行政人員所知，於2022年6月30日，董事及本公司最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例(香港法例第571章)(「**證券及期貨條例**」)第XV部)的本公司已發行普通股(「**股份**」)、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及第8分部須隨即知會本公司及聯交所的權益或淡倉(包括彼等根據證券及期貨條例有關條文視作或視為擁有的權益或淡倉)；或根據證券及期貨條例第352條須列入該條所述登記冊的權益或淡倉；或根據標準守則須隨即知會本公司及聯交所的權益或淡倉如下：

LONG POSITION IN THE SHARES OR UNDERLYING SHARES

於股份或相關股份的好倉

Name 姓名	Capacity/Nature of interest 身份／權益性質	Number of Shares/ underlying Shares 股份／相關股份數目	Percentage 百分比
ZHANG Jiawang 張家旺	Beneficial owner 實益擁有人	138,130,000	1.65%

Save as disclosed above and to the best knowledge of the Directors, as at 30 June 2022, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations which were required to be immediately notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，據董事所知，截至2022年6月30日，本公司董事或最高行政人員概無於本公司或其任何相聯法團的股份、相關股份或債權證中擁有根據證券及期貨條例第XV部第7及8分部須隨即知會本公司及聯交所的權益或淡倉(包括彼等根據證券及期貨條例有關條文視作或視為擁有的權益或淡倉)；或根據證券及期貨條例第352條規定須列入該條所述登記冊的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉。

Interests of the Substantial Shareholders

So far as is known to any Director or chief executive of the Company, as at 30 June 2022, the following persons (other than the Directors and the chief executive of the Company) had an interest or short position in the Shares or the underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO or which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were, directly or indirectly, interested or deemed to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

主要股東的權益

就任何董事或本公司最高行政人員所知，於2022年6月30日，下列人士(本公司董事及最高行政人員除外)於股份或相關股份中擁有記錄於本公司根據證券及期貨條例第336條規定須存置的登記冊的權益或淡倉，或根據證券及期貨條例第XV部第2及3分部的規定須向本公司及聯交所披露的權益或淡倉，或直接或間接擁有或被視為擁有附帶權利可於任何情況下在本集團任何成員公司的股東大會上投票的任何類別股本面值5%或以上的權益：

Name 姓名／名稱	Capacity/ Nature of interest 身份／權益性質	Number of Shares/ underlying Shares 股份／相關股份數目	Percentage 百分比
Start Great Holdings Limited	Beneficial owner 實益擁有人	2,513,178,555 (L)	29.99% (L)
China Mengniu Dairy Company Limited 中國蒙牛乳業有限公司	Interest of a controlled corporation 受控制法團權益	2,513,178,555 (L)	29.99% (L)
Nong You Co., Ltd.	Beneficial owner 實益擁有人	1,301,651,000 (L)	15.53% (L)
Beijing Zhi Nong Investment Co., Ltd. 北京智農投資有限責任公司	Interest of a controlled corporation 受控制法團權益	1,301,651,000 (L)	15.53% (L)
Greenbelt Global Limited	Beneficial owner 實益擁有人	536,097,305 (L)	6.40% (L)
Baring Private Equity Asia GP V Limited	Interest of a controlled corporation 受控制法團權益	536,097,305 (L)	6.40% (L)
Baring Private Equity Asia GP V LP	Interest of a controlled corporation 受控制法團權益	536,097,305 (L)	6.40% (L)
The Baring Asia Private Equity Fund V LP	Interest of a controlled corporation 受控制法團權益	536,097,305 (L)	6.40% (L)
Salata Jean	Interest of a controlled corporation 受控制法團權益	536,097,305 (L)	6.40% (L)

Interests of the Substantial Shareholders of Any Member of the Group (Other than the Company)

本集團任何成員公司(本公司除外)主要股東的權益

Name 名稱／姓名	Name of member company 成員公司的名稱	Percentage of interest 權益百分比
WU Jianye 武建鄴	Bayannur Shengmu Pangu Farming Co., Ltd. 巴彥淖爾市聖牧盤古牧業有限責任公司	45.00%
Inner Mongolia University Aodu Assets Management Limited 內蒙古大學奧都資產經營有限責任公司	Inner Mongolia IMU-Shengmu High-tech Dairy Co., Ltd. 內蒙古內大聖牧高科牧業有限公司	30.00%
LIU Shiling 劉世玲	Inner Mongolia Shengyou Cattle Industry Co., Ltd. 內蒙古晟有牛業有限公司	15.31%
GAO Feng 高峰	Inner Mongolia Shengyou Cattle Industry Co., Ltd. 內蒙古晟有牛業有限公司	10.94%

Save as set out above, our Directors are not aware of any person (not being a Director or chief executive of the Company) who, as at 30 June 2022, was interested, directly or indirectly, in 10% or more of the nominal amount of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group (other than the Company) or any options in respect of such capital.

除上文所載者外，我們的董事概不知悉任何人士(本公司董事或最高行政人員除外)於2022年6月30日，直接或間接擁有附帶權利可在所有情況下於本集團任何成員公司(本公司除外)的股東大會上投票的任何類別股本面值10%或以上權益或有關該等股本的任何購股權。

Share Option Scheme

On 18 June 2014, the Company adopted the Share Option Scheme which is subject to the provisions under Chapter 17 of the Listing Rules. The purpose of the Share Option Scheme is to attract, retain and motivate employees, Directors and other participants, and to provide a means of compensation through the grant of options for their contribution to the growth and profits of the Group, and to allow them to participate in the future growth and profitability of the Group. The participants of the Share Option Scheme are any executive, non-executive or independent non-executive Directors or any employees (whether full-time or part-time) of the Company, or any of its subsidiaries or associated companies or any other person whom the Board considers, in its sole discretion, has contributed or will contribute to the Group. The basis of eligibility of any of the class of the participants to the grant of any options under the Share Option Scheme shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group and any invested entity.

購股權計劃

於2014年6月18日，本公司採納受上市規則第十七章所載的規例所限的購股權計劃。購股權計劃旨在吸引、挽留及鼓勵僱員、董事及其他參與者，並透過授出購股權酬謝彼等對本集團成長及盈利所作出的貢獻，以及允許彼等分享本集團的未來發展及盈利。購股權計劃的參與者包括本公司或其任何附屬公司或聯營公司的任何執行、非執行或獨立非執行董事或任何僱員(不論全職或兼職)或董事會全權酌情認為曾對或將對本集團作出貢獻的任何其他人士。任何類別參與者根據購股權計劃獲授任何購股權的資格由董事會不時按參與者對本集團及任何投資實體的發展及成長所作貢獻釐定。

The Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company (and to which the provisions of the Listing Rules are applicable) shall not exceed 10% of the aggregate of the Shares of the Company in issue on the Listing Date, being a total of 635,440,000 Shares, which represents approximately 7.58% of the issued share capital of the Company as at the date of this interim report.

因行使根據本公司購股權計劃及任何其他購股權計劃(及上市規則條文適用者)將予授出的所有購股權而可能發行的股份數目不得超過上市日期本公司已發行股份總數的10%(即合共635,440,000股股份)，亦佔本公司於本中期報告日期已發行股本約7.58%。

The total number of Shares issued and to be issued upon exercise of the options granted to each eligible participant under the Share Option Scheme (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue. Any further grant of options to an eligible participant under the Share Option Scheme which would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant exceeding the above said limit shall be subject to our Shareholders' approval in general meeting with such participant and his associates (as defined under the Listing Rules) abstaining from voting.

根據購股權計劃向每名合資格參與者授出之購股權(包括已行使、已註銷及尚未行使之購股權)獲行使後已發行及將予發行之股份總數於任何12個月期間不得超過已發行股份之1%。倘根據購股權計劃向一名合資格參與者進一步授出之任何購股權將會導致向該名參與者授出及將予授出之所有購股權(包括已行使、已註銷及尚未行使之購股權)獲行使後已發行及將予發行股份於直至該進一步授出之日止(包括當日)12個月期間超過上述上限，則該進一步授出須獲股東於股東大會上批准，而該參與者及其聯繫人(定義見上市規則)須放棄投票。

The amount of HK$1.00 is payable as consideration for each grant of options under the Share Option Scheme, upon acceptance of such grant. The subscription price in respect of issue of Shares upon exercise of options under the Share Option Scheme shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant option (and shall be stated in the letter containing the offer of the grant of the option), but in any case the subscription price shall not be less than the highest of (a) the closing price of the Shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant, which must be a business day, (b) the average closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date of grant, and (c) the nominal value of a Share.

於接納有關授出時，須就根據購股權計劃獲授的每份購股權支付1.00港元作為代價。有關根據購股權計劃行使購股權後發行股份之認購價將為於授出相關購股權時由董事會全權酌情釐定之有關價格(並須於購股權授出要約所載函件中列出)，惟無論於任何情況下，認購價將不會低於以下三者的最高者：(a)股份於授出日期(該日須為交易日)在聯交所每日報價表所列之收市價；(b)股份於緊接授出日期前五個交易日在聯交所每日報價表所列之平均收市價；及(c)股份面值。

An option granted under the Share Option Scheme may be exercised in accordance with the terms of the Share Option Scheme at any time during the period to be determined by our Board at its absolute discretion and notified by our Board to each grantee as being the period during which an option may be exercised and in any event, such period shall not be longer than 10 years from the date upon which any particular option is granted in accordance with the Share Option Scheme.

根據購股權計劃授出的購股權可於本公司董事會全權酌情釐定及本公司董事會向各承授人通知的期間(即購股權可行使期)內任何時間，隨時根據購股權計劃的條款行使；於任何情況下，該期間將不超過任何個別購股權根據購股權計劃授出當日起計十年。

No option has been granted under the Share Option Scheme since the adoption date of the Share Option Scheme and up to the latest practicable date prior to the publication of this interim report. A summary of the terms of the Share Option Scheme has been set out in the "Appendix IV — Statutory and General Information – E. Share Option Scheme" in the Prospectus. The Share Option Scheme was approved by shareholders' resolutions of the Company passed on 18 June 2014 and will remain in force for a period of 10 years following such date.

自採納股權計劃日期起至本中期報告刊發日前的最後可行日期止，本公司概無根據購股權計劃授出任何購股權。購股權計劃之條款概要，載於招股章程「附錄四－法定及一般資料－E.購股權計劃」一節。購股權計劃已獲本公司於2014年6月18日通過的股東決議案批准，並將自該日起計十年內一直有效。

Share Award Scheme

On 19 April 2022 (the "**Adoption Date**"), the Company adopted a long-term share award scheme (the "**Share Award Scheme**") to recognize the contributions by certain employees of the Group and to provide them with incentives in order to: (i) improve the corporate governance structure to achieve sustainable development of the Company; (ii) attract, retain and motivate outstanding talents and build a common interest among shareholders, the Company and employees; (iii) fully motivate the core employees and continue to stimulate high-quality growth of the team performance; and (iv) attract external talents for the Company.

Subject to any early termination as may be determined pursuant to the rules of the Share Award Scheme (the "**Scheme Rules**"), the Share Award Scheme shall be effective from the Adoption Date and shall remain in full force and effect for a period of ten years from the Adoption Date. Pursuant to the Share Award Scheme, the shares under the Share Award Scheme will be comprised of existing shares of the Company purchased or to be purchased by the trustee (the "**Trustee**", a professional and independent trustee appointed by the Company to assist with the administration of the Share Award Scheme) on the open market. The Share Award Scheme shall be subject to the administration of authorised representatives authorised by the Board and the Trustee in accordance with the Scheme Rules.

As of 30 June 2022, a total of 27,266,000 ordinary shares of the Company were purchased from open market by the Trustee at a total consideration of approximately HK$10,502,000 (equivalent to approximately RMB8,981,000).

股份激勵計劃

於2022年4月19日(「**採納日期**」)，本公司採納一項長期股份激勵計劃(「**股份激勵計劃**」)，以表彰本集團若干僱員作出之貢獻，並給予彼等獎勵，以(i)完善公司治理結構，實現公司的可持續發展；(ii)吸引、保留和激勵優秀人才，構建股東、公司和員工之間的利益共同體；(iii)充分調動核心員工積極性，持續激發團隊業績的高質量增長；以及(iv)為本公司吸引外部人才。

股份激勵計劃將自採納日期起生效，並由採納日期起的十年期間持續維持其全面效力及作用，惟受限於根據股份激勵計劃的規則(「**計劃規則**」)可能決定的任何提早終止。根據股份激勵計劃，股份激勵計劃下的股份將由受託人(「**受託人**」，本公司委任以協助管理股份激勵計劃的專業獨立受託人)於公開市場上已購買或將購買的本公司現有股份組成。股份激勵計劃須根據計劃規則由董事會授權的授權代表及受託人管理。

截至2022年6月30日，受託人從公開市場上購買合共27,266,000股本公司普通股，總代價為約10,502,000港元(相當於約人民幣8,981,000元)。

By Order of the Board
China Shengmu Organic Milk Limited
Lu Minfang
Chairman

Hong Kong, 23 August 2022

承董事會命
中國聖牧有機奶業有限公司
主席
盧敏放

香港，2022年8月23日

Report on Review of Interim Financial Statement
中期財務報表審閱報告

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Independent review report
To the board of directors of China Shengmu Organic Milk Limited
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 39 to 68, which comprises the condensed consolidated statement of financial position of China Shengmu Organic Milk Limited (the "**Company**") and its subsidiaries (the "**Group**") as at 30 June 2022 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of 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.

獨立審閱報告
致中國聖牧有機奶業有限公司董事會
(於開曼群島註冊成立的有限公司)

引言

本核數師已審閱載列於第39至68頁的中期財務資料，此中期財務資料包括中國聖牧有機奶業有限公司(「**貴公司**」)及其附屬公司(「**貴集團**」)於2022年6月30日的簡明綜合財務狀況表，連同截至該日止六個月期間的相關簡明綜合損益表、簡明綜合全面收益表、簡明綜合權益變動表及簡明綜合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，就中期財務資料編製的報告必須符合當中訂明的相關條文以及由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**」)。貴公司董事須負責根據國際會計準則第34號編製及呈列本中期財務資料。我們的責任是根據我們的審閱對本中期財務資料發表結論。按照我們的協定委聘條款，我們僅向整體董事報告，除此之外，本報告別無其他用途。我們不會就本報告的內容對任何其他人士負上或承擔任何責任。

審閱範圍

我們已根據香港會計師公會頒佈的香港審閱委聘準則第2410號「*由實體的獨立核數師執行中期財務資料審閱*」進行審閱工作。中期財務資料的審閱主要包括向負責財務及會計事務的人員作出詢問，並運用分析及其他審閱程序。由於審閱的範圍遠較根據香港審計準則進行審核的範圍為小，故我們不能保證會知悉在審核中可能會發現的所有重大事項。因此，我們不會發表審核意見。

Report on Review of Interim Financial Statement
中期財務報表審閱報告

Conclusion

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

結論

根據我們的審閱工作，我們並無發現任何事項，令我們相信中期財務資料在所有重大方面未有根據國際會計準則第34號編製。

Ernst & Young
Certified Public Accountants
Hong Kong
23 August 2022

安永會計師事務所
執業會計師
香港
2022年8月23日

Interim Condensed Consolidated Statement of Profit or Loss
中期簡明綜合損益表

For the six months ended 30 June 2022 截至2022年6月30日止六個月

		Notes 附註	For the six months ended 30 June 截至6月30日止六個月 2022 2022年 (Unaudited) (未經審核) RMB'000 人民幣千元	2021 2021年 (Unaudited) (未經審核) RMB'000 人民幣千元
REVENUE	銷售收入	3	**1,548,581**	1,446,189
Cost of sales	銷售成本		**(1,035,817)**	(898,899)
Gross profit	毛利		**512,764**	547,290
Loss arising from changes in fair value	公平值變動產生的虧損		**(197,169)**	(154,900)
Other income and gains	其他收入及收益		**40,068**	3,514
Selling and distribution expenses	銷售及分銷開支		**(23,504)**	(25,253)
Administrative expenses	行政開支		**(66,606)**	(47,642)
Impairment losses on financial and contract assets, net	金融及合約資產之減值虧損淨額		**(398)**	(6,791)
Other expenses	其他開支		**(696)**	(137)
Finance costs	融資成本		**(10,037)**	(31,108)
Share of losses of associates	分佔聯營公司虧損		**(11,180)**	(13,271)
PROFIT BEFORE TAX	除稅前溢利	4	**243,242**	271,702
Income tax expense	所得稅開支	5	**—**	(231)
PROFIT FOR THE PERIOD	**期內溢利**		**243,242**	271,471
Profit attributable to:	以下各項應佔溢利：			
Owners of the parent	母公司擁有人		**228,843**	259,275
Non-controlling interests	非控股權益		**14,399**	12,196
			243,242	271,471
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通股權益持有人應佔每股盈利	7		
Basic	基本			
– For profit for the period	一期內溢利		**RMB0.027 人民幣0.027元**	RMB0.031 人民幣0.031元
Diluted	攤薄			
– For profit for the period	一期內溢利		**RMB0.027 人民幣0.027元**	RMB0.031 人民幣0.031元

Interim Condensed Consolidated Statement of Comprehensive Income
中期簡明綜合全面收益表

For the six months ended 30 June 2022 截至2022年6月30日止六個月

		For the six months ended 30 June 截至6月30日止六個月	
		2022 2022年 (Unaudited) (未經審核) RMB'000 人民幣千元	2021 2021年 (Unaudited) (未經審核) RMB'000 人民幣千元
PROFIT FOR THE PERIOD	**期內溢利**	**243,242**	271,471
Other comprehensive income that may not be reclassified to profit or loss in subsequent periods:	可能不會於其後期間重新分類至損益的其他全面收益：		
Exchange differences on translation of foreign operations	換算國外業務的匯兑差額	**93**	28
Net other comprehensive income that may not be reclassified to profit or loss in subsequent periods	可能不會於其後期間重新分類至損益的其他全面收益淨額	**93**	28
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:	不會於其後期間重新分類至損益的其他全面收益：		
Equity investments designated at fair value through other comprehensive income: Changes in fair value	指按公平值計入其他全面收益的權益投資：公平值變動	**(22,200)**	—
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	不會於其後期間重新分類至損益的其他全面收益淨額	**(22,200)**	—
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**期內其他全面收益，扣除稅項**	**(22,107)**	28
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**期內全面收益總額**	**221,135**	271,499
Attributable to:	以下各項應佔：		
Owners of the parent	母公司擁有人	**206,736**	259,303
Non-controlling interests	非控股權益	**14,399**	12,196
		221,135	271,499

Interim Condensed Consolidated Statement of Financial Position
中期簡明綜合財務狀況表

30 June 2022 2022年6月30日

		Notes 附註	As at 於 30 June 2022 2022年6月30日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2021 2021年12月31日 (Audited) (經審核) RMB'000 人民幣千元
NON-CURRENT ASSETS	**非流動資產**			
Property, plant and equipment	物業、廠房及設備	8	**1,680,418**	1,699,637
Right-of-use assets	使用權資產		**538,177**	519,306
Other intangible assets	其他無形資產		**9,092**	7,591
Investments in associates	於聯營公司的投資		**43,544**	59,048
Biological assets	生物資產	9	**2,790,812**	2,698,642
Other financial assets	其他金融資產		**69,000**	91,200
Long-term receivables	長期應收款項		**5,897**	6,355
Total non-current assets	非流動資產總額		**5,136,940**	5,081,779
CURRENT ASSETS	**流動資產**			
Inventories	存貨		**437,426**	768,105
Biological assets	生物資產	9	**89,931**	65,598
Trade receivables	貿易應收款項	10	**272,083**	248,137
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產		**146,086**	107,641
Derivative financial instruments	衍生金融工具		**17,970**	—
Other financial assets	其他金融資產		**—**	72,000
Restricted bank deposits	受限制銀行存款		**209,296**	256,490
Cash and bank balances	現金及銀行結餘		**802,898**	531,835
Total current assets	流動資產總額		**1,975,690**	2,049,806
CURRENT LIABILITIES	**流動負債**			
Trade and bills payables	貿易應付款項及應付票據	11	**811,144**	1,253,354
Other payables and accruals	其他應付款項及預提費用		**227,115**	302,088
Derivative financial instruments	衍生金融工具		**—**	7,172
Tax payable	應付稅項		**—**	618
Interest-bearing bank borrowings	計息銀行借款		**1,653,381**	1,299,529
Lease liabilities	租賃負債		**2,586**	—
Total current liabilities	流動負債總額		**2,694,226**	2,862,761
NET CURRENT LIABILITIES	**淨流動負債**		**(718,536)**	(812,955)
TOTAL ASSETS LESS CURRENT LIABILITIES	**總資產減流動負債**		**4,418,404**	4,268,824

Interim Condensed Consolidated Statement of Financial Position
中期簡明綜合財務狀況表

30 June 2022 2022年6月30日

		Note 附註	As at 於 30 June 2022 2022年6月30日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2021 2021年12月31日 (Audited) (經審核) RMB'000 人民幣千元
NON-CURRENT LIABILITIES	**非流動負債**			
Interest-bearing bank borrowings	計息銀行借款		**300,000**	379,639
Lease liabilities	租賃負債		**10,503**	—
Total non-current liabilities	非流動負債總額		**310,503**	379,639
Net assets	淨資產		**4,107,901**	3,889,185
EQUITY	**權益**			
Equity attributable to owners of the parent	**母公司擁有人應佔權益**			
Share capital	股本	12	**69**	69
Treasury shares held under share award scheme	根據股份激勵計劃持有的庫存股份		**(8,981)**	—
Reserves	儲備		**3,893,062**	3,679,764
			3,884,150	3,679,833
Non-controlling interests	非控股權益		**223,751**	209,352
Total equity	**權益總額**		**4,107,901**	3,889,185

Zhang Jiawang
張家旺
Director
董事

Zhang Ping
張平
Director
董事

Interim Condensed Consolidated Statement of Changes in Equity
中期簡明綜合權益變動表

For the six months ended 30 June 2022 截至2022年6月30日止六個月

			Attributable to owners of the parent 母公司擁有人應佔											
		Notes 附註	Share capital 股本 RMB'000 人民幣千元	Treasury shares 庫存股份 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Contributed surplus 實繳盈餘 RMB'000 人民幣千元	Share option reserve 購股權儲備 RMB'000 人民幣千元	Fair value reserve of financial assets at fair value through other comprehensive income 按公平值計入其他全面收益的金融資產公平值儲備 RMB'000 人民幣千元	Reserve funds 儲備資金 RMB'000 人民幣千元	Exchange fluctuation reserve 匯兑波動儲備 RMB'000 人民幣千元	Retained profits 保留盈利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	Non-controlling interests 非控股權益 RMB'000 人民幣千元	Total equity 權益總額 RMB'000 人民幣千元
At 1 January 2022 (audited)	於2022年1月1日(經審核)		69	–	2,434,970	491,077	95,558	12,038	608,033	16,316	21,772	3,679,833	209,352	3,889,185
Profit for the period	期內溢利		–	–	–	–	–	–	–	–	228,843	228,843	14,399	243,242
Other comprehensive income for the period:	期內其他全面收益：													
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	按公平值計入其他全面收益的權益投資公平值變動，扣除稅項		–	–	–	–	–	(22,200)	–	–	–	(22,200)	–	(22,200)
Exchange differences on translation of foreign operations	換算國外業務產生的匯兑差額		–	–	–	–	–	–	–	93	–	93	–	93
Total comprehensive income for the period	期內全面收益總額		–	–	–	–	–	(22,200)	–	93	228,843	206,736	14,399	221,135
Share purchases for Share Award Scheme	為股份激勵計劃購買股份	13	–*	(8,981)	–	–	–	–	–	–	–	(8,981)	–	(8,981)
Share Award Scheme	股份激勵計劃	13	–		–	–	6,562	–	–	–	–	6,562	–	6,562
Transfer from retained profits	轉撥自保留盈利		–	–	–	–	–	–	3,303	–	(3,303)	–	–	–
At 30 June 2022 (unaudited)	於2022年6月30日(未經審核)		69	(8,981)	2,434,970#	491,077#	102,120#	(10,162)#	611,336#	16,409#	247,312#	3,884,150	223,751	4,107,901

* Less than RMB1,000.

* 少於人民幣1,000元。

\# These reserve accounts comprise the consolidated reserves of RMB3,893,062,000 (31 December 2021:RMB3,679,764,000) 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儲備人民幣3,893,062,000元(2021年12月31日：人民幣3,679,764,000元)。

Interim Condensed Consolidated Statement of Changes in Equity
中期簡明綜合權益變動表

For the six months ended 30 June 2022 截至2022年6月30日止六個月

		Attributable to owners of the parent 母公司擁有人應佔									
		Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Contributed surplus 實繳盈餘 RMB'000 人民幣千元	Share option reserve 購股權儲備 RMB'000 人民幣千元	Reserve funds 儲備資金 RMB'000 人民幣千元	Exchange fluctuation reserve 匯兑波動儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	Non-controlling interests 非控股權益 RMB'000 人民幣千元	Total equity 權益總額 RMB'000 人民幣千元
At 1 January 2021 (audited)	於2021年1月1日（經審核）	69	2,434,970	491,077	95,558	541,771	16,966	(383,679)	3,196,732	222,794	3,419,526
Profit for the period	期內溢利	—	—	—	—	—	—	259,275	259,275	12,196	271,471
Exchange differences on translation of foreign operations	換算國外業務產生的匯兑差額	—	—	—	—	—	28	—	28	—	28
Total comprehensive income for the period	期內全面收益總額	—	—	—	—	—	28	259,275	259,303	12,196	271,499
At 30 June 2021 (unaudited)	於2021年6月30日（未經審核）	69	2,434,970	491,077	95,558	541,771	16,994	(124,404)	3,456,035	234,990	3,691,025

Interim Condensed Consolidated Statement of Cash Flows
中期簡明綜合現金流量表

For the six months ended 30 June 2022 截至2022年6月30日止六個月

		2022 2022年 (Unaudited) (未經審核) RMB'000 人民幣千元	2021 2021年 (Unaudited) (未經審核) RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動所得現金流量		
Profit before tax:	除稅前溢利：	**243,242**	271,702
Adjustments for:	調整：		
Loss arising from changes in fair value	公平值變動產生的虧損	**197,169**	154,900
Interest income	利息收入	**(6,889)**	(7,264)
Finance costs	融資成本	**10,037**	31,108
Share of losses of associates	分佔聯營公司虧損	**11,180**	13,271
Gain on partial disposal of investments in an associate	部分出售於一間聯營公司的投資收益	**(25,741)**	—
Gain on deemed disposal of investments in an associate	視作出售於一間聯營公司的投資收益	**—**	(1,856)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	**53,100**	52,719
Depreciation of right-of-use assets	使用權資產折舊	**1,142**	865
Amortisation of other intangible assets	其他無形資產攤銷	**410**	223
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目虧損	**1,151**	4,392
Impairments of property, plant and equipment	物業、廠房及設備減值	**—**	1,427
Provision for litigations and claims	訴訟及索償撥備	**50**	—
Share award expenses	股份獎勵開支	**6,562**	—
Impairments of receivables	應收款項減值	**—**	7,328
Write-down of inventories to net realisable value	存貨撇減至可變現淨值	**—**	11,585
Foreign exchange losses/(gains), net	外匯虧損／(收益)淨額	**(800)**	1,101
		490,613	541,501
Decrease in inventories	存貨減少	**330,679**	264,476
Increase in biological assets - current	生物資產增加－流動	**(43,922)**	(67,818)
Increase in trade receivables	貿易應收款項增加	**(23,946)**	(77,091)
Increase/(decrease) in prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產增加／(減少)	**(29,107)**	4,974
Decrease in restricted bank deposits	受限制銀行存款減少	**117,194**	192,664
Decrease in trade and bills payables	貿易應付款項及應付票據減少	**(441,490)**	(509,255)
Decrease in other payables and accruals	其他應付款項及預提費用減少	**(9,315)**	(14,532)
Cash generated from operations	經營產生的現金	**390,706**	334,919
Interest received	已收利息	**6,552**	7,978
Income tax paid	已付所得稅	**(618)**	(231)
Net cash flows from operating activities	經營活動所得現金流量淨額	**396,640**	342,666

Interim Condensed Consolidated Statement of Cash Flows
中期簡明綜合現金流量表

For the six months ended 30 June 2022　截至2022年6月30日止六個月

		2022 2022年 (Unaudited) (未經審核) RMB'000 人民幣千元	2021 2021年 (Unaudited) (未經審核) RMB'000 人民幣千元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得現金流量		
Interest received	已收利息	337	—
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	(72,139)	(67,185)
Additions to right-of-use assets	新增使用權資產	(22,058)	(5,553)
Additions to other intangible assets	新增其他無形資產	(2,106)	—
Purchases of biological assets	購買生物資產	(10)	(12)
Payments for breeding calves and heifers	飼養犢牛及育成牛的付款	(387,533)	(289,277)
Proceeds from disposal of biological assets	出售生物資產的所得款項	145,012	184,369
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目所得款項	1,696	2,726
Proceeds from disposal of other intangible assets	出售其他無形資產的所得款項	18	—
Proceeds from disposal of a subsidiary	出售一間附屬公司的所得款項	10,399	—
Decrease in other financial assets-entrusted loans	其他金融資產減少－委託貸款	72,000	—
Increase in other financial assets-entrusted loans	其他金融資產增加－委託貸款	—	(72,000)
Proceeds from partial disposal of investments in an associate	部分出售於一間聯營公司的投資所得款項	30,065	800
Net cash flows used in investing activities	投資活動所用現金流量淨額	(224,319)	(246,132)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動所得現金流量		
Dividends paid to non-controlling shareholders	已付予非控股股東股息	(51,300)	—
New bank loans and other borrowings	新增銀行貸款及其他借款	1,138,600	1,563,100
Repayment of bank loans and other borrowings	償還銀行貸款及其他借款	(934,388)	(1,157,174)
Principal portion of lease payments	租賃付款的本金部分	(2,736)	—
Payment for purchase of ordinary shares	購買普通股付款	(17,212)	—
Interest paid	已付利息	(35,116)	(28,772)
Net cash flows from financing activities	融資活動所得現金流量淨額	97,848	377,154
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額	270,169	473,688
Cash and cash equivalents at beginning of period	期初現金及現金等價物	531,835	327,651
Effect of foreign exchange rate changes, net	匯率變動的影響淨額	894	(602)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期末現金及現金等價物	802,898	800,737

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2022 has been prepared in accordance with IAS34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2021.

GOING CONCERN BASIS

The Group had net current liabilities of RMB718,536,000 as at 30 June 2022 (31 December 2021: RMB812,955,000). In view of the net current liabilities position, the board of directors has given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern.

Having considered the unutilised banking facilities and cash flow projections for the twelve months ended 30 June 2023, the directors are satisfied that the Group is able to meet in full its financial obligations as they fall due for the foreseeable future. Accordingly, the directors have prepared the consolidated financial statements on a going concern basis.

1. 編製基準

截至2022年6月30日止六個月的中期簡明綜合財務資料乃根據國際會計準則第34號「*中期財務報告*」編製。本中期簡明綜合財務資料並無收錄年度財務報表規定的所有資料及披露事項，並應與本集團截至2021年12月31日止年度的年度綜合財務報表一併閱讀。

持續經營基準

本集團於2022年6月30日的流動負債淨額為人民幣718,536,000元(2021年12月31日：人民幣812,955,000元)。鑒於流動負債淨額的情況，董事會在評估本集團是否有足夠財務資源持續經營時，已審慎考慮本集團未來的流動資金及業績以及其可用的資金來源。

考慮到未使用的銀行貸款額度，以及截至2023年6月30日止12個月的現金流量預測，董事們確信，本集團有能力在可預見的未來完全履行其到期的財務責任。因此，董事已按持續經營的原則編制綜合財務報表。

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the following revised International Financial Reporting Standards ("**IFRSs**") for the first time for the current period's financial information.

Amendments to IFRS 3	*Reference to the Conceptual Framework*
Amendments to IAS 16	*Property, Plant and Equipment: Proceeds before intended Use*
Amendments to IAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*
Annual Improvements to IFRS Standards 2018-2020	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16.and IAS 41

2. 會計政策及披露的變動

除就本期間之財務資料首次採納以下經修訂國際財務報告準則(「**國際財務報告準則**」)外，編製中期簡明綜合財務資料採用的會計政策與編製本集團截至2021年12月31日止年度的年度綜合財務報表所採用者一致。

國際財務報告準則第3號的修訂	*參考概念框架*
國際會計準則第16號的修訂	*物業、廠房及設備：擬定用途前之所得款項*
國際會計準則第37號的修訂	*虧損性合約－履約成本*
國際財務報告準則2018年至2020年週期的年度改進	對國際財務報告準則第1號、國際財務報告準則第9號、國際財務報告準則第16號隨附示例及國際會計準則第41號之修訂

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

The nature and impact of the revised IFRSs are described below:

(a) Amendments to IFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the period, the amendments did not have any impact on the financial position and performance of the Group.

2. 會計政策及披露的變動*(續)*

經修訂國際財務報告準則的性質及影響如下：

(a) 國際財務報告準則第3號之修訂旨在以對2018年3月發佈的*財務報告概念框架*的引用取代對先前*財務報表編製和列報框架*的引用，而無需大幅度改變其要求。該等修訂亦為國際財務報告準則第3號之確認原則增添了例外，以使企業可利用概念框架作為參考以決定資產或負債的構成。該例外規定，對於在國際會計準則第37號或國際財務報告詮釋委員會第21號解釋範圍內發生的負債和或有負債，如果是單獨發生而不是在企業合併中產生的，採用國際財務報告準則第3號的實體應參考國際會計準則第37號或國際財務報告詮釋委員會第21號解釋而不是概念框架。此外，該修訂闡明或有資產在購買日不符合確認條件。本集團前瞻性地將修訂適用於2022年1月1日或之後發生的企業合併。由於在此期間發生的企業合併中不存在修訂範圍內的或有資產、負債和或有負債，因此該修訂對本集團的財務狀況和業績沒有任何影響。

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

The nature and impact of the revised IFRSs are described below: (continued)

(b) Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced while making property, plant and equipment available for use on or after 1 January 2021, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

2. 會計政策及披露的變動*(續)*

經修訂國際財務報告準則的性質及影響如下：(續)

(b) 國際會計準則第16號之修訂禁止實體從物業、廠房和設備項目的成本中扣除該資產到能夠以管理層預期的方式運營所需的必要位置和條件過程中通過銷售產生的任何收益。相反，實體應在損益中確認出售任何此類項目的收益以及這些項目的成本。本集團對2021年1月1日或者之後提供使用的物業、廠房和設備項目追溯適用了這些修訂。由於在2021年1月1日或之後令物業廠房及設備項目可供使用的過程中並無產生任何銷售項目，因此，該修訂對本集團的財務狀況或業績沒有任何影響。

(c) 國際會計準則第37號之修訂闡明，為了評估國際會計準則第37號下的合同是否虧損，履行合同的成本包括與合同相關的成本。與合同直接相關的成本包括履行該合同的增量成本(例如，直接勞動力和材料)和與履行該合同直接相關的其他成本的分配(例如，用於履行合同的資產、廠房和設備的折舊費的分配，以及合同管理和監督的成本)。一般費用和管理費用與合同沒有直接關係，除非根據合同明確向對方收取，否則不包括在內。本集團前瞻性地將修訂適用於截至2022年1月1日尚未履行其所有義務的合同。尚未識別出虧損合同。因此，該修訂對集團的財務狀況或業績沒有任何影響。

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

The nature and impact of the revised IFRSs are described below: (continued)

(d) *Annual Improvements to IFRS Standards 2018-2020* sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are applicable to the Group are as follows:

- IFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after 1 January 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.

- IFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

2. 會計政策及披露的變動*(續)*

經修訂國際財務報告準則的性質及影響如下：(續)

(d) *國際財務報告準則2018年至2020年週期年度改進*列出了國際財務報告準則第1號、國際財務報告準則第9號、國際財務報告準則第16號隨附示例及國際會計準則第41號。適用於本集團的修訂細節如下：

- 國際財務報告準則第9號*「金融工具」*：澄清了實體在評估新的或修改的金融負債條款是否與原始金融負債條款有實質性差異時所包含的費用。這些費用僅包括借款人與貸款人之間支付或收取的費用，包括借款人或貸款人代表對方支付或收取的費用。本集團前瞻性地將修訂適用於2022年1月1日或之後修改或交換的金融負債。由於在此期間集團的金融負債沒有發生任何修改，因此該修訂對集團的財務狀況或業績沒有任何影響。

- 國際財務報告準則第16號*「租賃」*刪除了附隨國際財務報告準則第16號「說明性案例」13中出租人償還租賃物業裝修之說明。消除了在應用國際財務報告準則第16號對關於處理租賃獎勵有關的任何潛在混淆情況。

3. REVENUE

3. 銷售收入

An analysis of revenue is as follows:

銷售收入分析如下：

		For the six months ended 30 June 截至6月30日止六個月	
		2022 2022年 RMB'000 人民幣千元 (Unaudited) （未經審核）	2021 2021年 RMB'000 人民幣千元 (Unaudited) （未經審核）
Revenue from contracts with customers	來自客戶合約的銷售收入	**1,548,581**	1,446,189

DISAGGREGATED REVENUE INFORMATION FOR REVENUE FROM CONTRACTS WITH CUSTOMERS

來自客戶合約的銷售收入之銷售收入資料明細

		For the six months ended 30 June 截至6月30日止六個月	
		2022 2022年 RMB'000 人民幣千元 (Unaudited) （未經審核）	2021 2021年 RMB'000 人民幣千元 (Unaudited) （未經審核）
Type of goods or services	**貨品或服務類別**		
Sale of goods	商品銷售	**1,548,581**	1,446,189
Geographical market	**地區市場**		
Mainland China	中國內地	**1,548,581**	1,446,189
Timing of revenue recognition	**收入確認時間**		
At a point in time	於某一時間點	**1,548,581**	1,446,189

4. PROFIT BEFORE TAX

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

4. 除稅前溢利

本集團的除稅前溢利於扣除／(計入)以下各項後得出：

		For the six months ended 30 June 截至6月30日止六個月	
		2022 2022年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2021 2021年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Cost of inventories sold	已售存貨成本	**1,035,817**	898,899
Loss arising from changes in fair value	公平值變動產生的虧損	**197,169**	154,900
Depreciation of items of property, plant and equipment	物業、廠房及設備項目折舊	**53,100**	52,719
Depreciation of right-of-use assets	使用權資產折舊	**1,142**	865
Amortisation of other intangible assets	其他無形資產攤銷	**410**	223
Research and development costs	研發成本	**3,149**	2,936
Minimum lease payments under operating leases	經營租賃項下的最低租賃付款	**8,338**	1,303
Auditor's remuneration	核數師薪酬	**480**	480
Impairment losses on financial and contract assets, net:	金融及合約資產減值虧損淨額：		
Impairment of trade receivables	貿易應收款項減值	**—**	7,328
Impairment of contract assets	合約資產減值	**398**	(537)
Write-down of inventories to net realisable value	存貨撇減至可變現淨值	**—**	11,585
Impairment losses of property, plant and equipment	物業、廠房及設備減值虧損	**—**	1,427

5. INCOME TAX EXPENSE

5. 所得稅開支

		For the six months ended 30 June 截至6月30日止六個月	
		2022 2022年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2021 2021年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Current - the PRC	即期－中國	—	231
Total tax expense for the period	期內稅項開支總額	—	231

6. DIVIDENDS

The directors did not recommend the payment of any interim dividend for the six months ended 30 June 2022 (30 June 2021: nil).

6. 股息

董事並不建議就截至2022年6月30日止六個月派付任何中期股息(2021年6月30日：無)。

7. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 8,380,577,000 (2021: 8,381,295,000) in issue during the period, as adjusted to reflect the rights issue during the period.

The calculation of the diluted earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares of 8,380,577,000 (2021: 8,381,295,000) in issue during the period. There has no dilutive impact on potential ordinary shares.

7. 母公司普通股權益持有人應佔每股盈利

每股基本盈利乃根據母公司普通股權益持有人應佔期內溢利及期內已發行普通股的加權平均股數8,380,577,000股(2021年：8,381,295,000股)計算，並經調整以反映期內的供股。

每股攤薄盈利乃根據母公司普通股權益持有人應佔期內溢利計算。計算中使用的普通股加權平均數為本期已發行的普通股數目8,380,577,000股(2021年：8,381,295,000股)。對潛在普通股並無攤薄影響。

7. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT *(continued)*

7. 母公司普通股權益持有人應佔每股盈利*(續)*

The calculations of basic and diluted earnings per share are based on:

每股基本及攤薄盈利乃根據以下數據計算：

		For the six months ended 30 June 截至6月30日止六個月	
		2022 2022年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2021 2021年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Earnings	盈利		
Profit attributable to ordinary equity holders of the parent	歸屬於母公司普通股權益持有人之溢利	**228,843**	259,275

		Number of shares 股份數目 For the six months ended 30 June 截至6月30日止六個月	
		2022 2022年 (Unaudited) (未經審核)	2021 2021年 (Unaudited) (未經審核)
Shares	股份		
Weighted average number of ordinary shares in issue during the reporting period used in the basic earnings per share calculation	用於計算每股基本盈利的報告期內已發行普通股加權平均數	**8,380,577,000**	8,381,295,000
Weighted average number of ordinary shares in issue during the reporting period used in the diluted earnings per share calculation	用於計算每股攤薄盈利的報告期內已發行普通股加權平均數	**8,380,577,000**	8,381,295,000

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2022, the Group acquired assets with a cost of RMB61,142,000 (30 June 2021: RMB30,707,000).

Assets with a net book value of RMB2,849,000 were disposed of by the Group during the six months ended 30 June 2022 (30 June 2021: RMB7,118,000), resulting in a net loss on disposal of RMB1,153,000 (30 June 2021: RMB4,392,000).

During the six months ended 30 June 2022, no impairment loss (30 June 2021: RMB1,427,000) was recognised for certain property, plant and equipment. During the six months ended 30 June 2021, there was no recoverable amount which has been determined at the level of the cash-generating unit based on a value-in-use calculation using cash flow projections. The cash-generating unit mainly consists of property, plant and equipment allocated to the other segments.

8. 物業、廠房及設備

截至2022年6月30日止六個月，本集團以人民幣61,142,000元(2021年6月30日：人民幣30,707,000元)的成本收購資產。

截至2022年6月30日止六個月，本集團已出售賬面淨值為人民幣2,849,000元的資產(2021年6月30日：人民幣7,118,000元)，產生的出售淨虧損為人民幣1,153,000元(2021年6月30日：人民幣4,392,000元)。

截至2022年6月30日止六個月，概無物業、廠房及設備的減值虧損(2021年6月30日：人民幣1,427,000元)獲確認。截至2021年6月30日止六個月，可收回金額為零，乃根據使用現金流量預測計算的使用價值為基準於現金產生單位層面釐定。現金產生單位主要包括分配至其他分部的物業、廠房及設備。

9. BIOLOGICAL ASSETS

The biological assets of the Group are dairy cows held to produce raw milk and cows held for sale. Dairy cows held to produce raw milk are categorised as bearer biological assets and cows held for sale are categorised as consumable biological assets.

9. 生物資產

本集團的生物資產為持作生產原料奶的奶牛及持作出售的牛。持作生產原料奶的奶牛被分類為生產性生物資產，而持作出售的牛被分類為消耗性生物資產。

9. BIOLOGICAL ASSETS *(continued)*

(A) QUANTITY OF BIOLOGICAL ASSETS

The Group's biological assets include heifers and calves, milkable cows and beef cattle. Heifers and calves are dairy cows that have not had their first calves. The Group's beef cattle are raised for sale.

9. 生物資產*(續)*

(A) 生物資產數量

本集團的生物資產包括育成牛及犢牛、成母牛及肉牛。育成牛及犢牛為未產過犢牛的奶牛。本集團飼養肉牛作銷售用途。

		30 June 2022 2022年 6月30日 Head 頭 (Unaudited) (未經審核)	31 December 2021 2021年 12月31日 Head 頭 (Audited) (經審核)
Milkable cows	成母牛	61,384	60,154
Heifers, calves and beef cattle	育成牛、犢牛及肉牛	69,418	62,364
		130,802	122,518

(B) VALUES OF BIOLOGICAL ASSETS

The amounts of the Group's biological assets are as follows:

(B) 生物資產價值

本集團的生物資產金額如下：

		30 June 2022 2022年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2021 2021年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Milkable cows	成母牛	1,866,599	1,849,254
Heifers, calves and beef cattle	育成牛、犢牛及肉牛	1,014,144	914,986
		2,880,743	2,764,240

9. BIOLOGICAL ASSETS *(continued)*

(B) VALUES OF BIOLOGICAL ASSETS *(continued)*

The Group's biological assets in the PRC were independently valued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("**JLL**"), a firm of independent professionally qualified valuers not connected with the Group, which has appropriate qualifications and the recent valuation experience in the valuation of biological assets.

The valuation techniques and principal valuation assumptions used in the determination of the fair value of dairy cows and cows held for sale are consistent with those set out in the Group's 2021 annual report.

9. 生物資產*(續)*

(B) 生物資產價值*(續)*

本集團在中國的生物資產乃由仲量聯行企業評估及諮詢有限公司(「**仲量聯行**」)獨立估值，而仲量聯行乃為與本集團並無關聯的獨立合資格專業評估師，擁有適當的資格並於估值生物資產方面具有近期評估經驗。

釐定奶牛及待售奶牛公平值所用的估值方法及主要估值假設與本集團2021年年報所載者一致。

10. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

10. 貿易應收款項

於報告期末的貿易應收款項按發票日期的賬齡分析如下：

		30 June 2022 2022年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2021 2021年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Within 3 months	3個月內	**271,199**	242,301
4 to 6 months	4至6個月	**—**	5,088
7 months to 1 year	7個月至1年	**884**	748
		272,083	248,137

11. TRADE AND BILLS PAYABLES

11. 貿易應付款項及應付票據

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

本集團貿易應付款項及應付票據按發票日期的賬齡分析如下：

		30 June 2022 2022年6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2021 2021年12月31日 RMB'000 人民幣千元 (Audited) (經審核)
1 to 3 months	1至3個月	**473,273**	992,300
4 to 6 months	4至6個月	**251,909**	171,532
7 to 12 months	7至12個月	**70,637**	68,999
1 to 2 years	1至2年	**15,153**	16,943
2 to 3 years	2至3年	**165**	505
Over 3 years	3年以上	**7**	3,075
		811,144	1,253,354

12. SHARE CAPITAL

12. 股本

SHARES

股份

		30 June 2022 2022年6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2021 2021年12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Authorised:	法定：		
30,000,000,000 ordinary shares of HK$0.00001 each (2021: 30,000,000,000 ordinary shares of HK$0.00001 each)	30,000,000,000股每股面值0.00001港元的普通股（2021年：30,000,000,000股每股面值0.00001港元的普通股）	**236**	236
Issued and fully paid:	已發行及繳足：		
8,381,295,229 (2021: 8,381,295,229) ordinary shares	8,381,295,229股（2021年：8,381,295,229股）普通股	**69**	69

13. Share Award Scheme

On 19 April 2022 (the "**Adoption Date**"), the Company adopted a long-term share award scheme (the "**Share Award Scheme**") to recognize the contributions by certain employees of the Group and to provide them with incentives in order to: (i) improve the corporate governance structure to achieve sustainable development of the Company; (ii) attract, retain and motivate outstanding talents and build a common interest among shareholders, the Company and employees; (iii) fully motivate the core employees and continue to stimulate high-quality growth of the team performance; and (iv) attract external talents for the Company.

Subject to any early termination as may be determined pursuant to the rules of the Share Award Scheme (the "**Scheme Rules**"), the Share Award Scheme shall be effective from the Adoption Date and shall remain in full force and effect for a period of ten years from the Adoption Date. Pursuant to the Share Award Scheme, the shares under the Share Award Scheme will be comprised of existing shares of the Company purchased or to be purchased by the trustee (the "**Trustee**", a professional and independent trustee appointed by the Company to assist with the administration of the Share Award Scheme) on the open market. The Share Award Scheme shall be subject to the administration of authorised representatives authorised by the Board and the Trustee in accordance with the Scheme Rules.

As of 30 June 2022, a total of 27,266,000 ordinary shares of the Company were purchased from open market by the Trustee at a total consideration of approximately HK$10,502,000 (equivalent to approximately RMB8,981,000).

13. 股份激勵計劃

於2022年4月19日(「**採納日期**」)，本公司採納一項長期股份激勵計劃(「**股份激勵計劃**」)，以表彰本集團若干僱員作出之貢獻，並給予彼等獎勵，以(i)完善公司治理結構，實現公司的可持續發展；(ii)吸引、保留和激勵優秀人才，構建股東、公司和員工之間的利益共同體；(iii)充分調動核心員工積極性，持續激發團隊業績的高質量增長；以及(iv)為本公司吸引外部人才。

股份激勵計劃將自採納日期起生效，並由採納日期起的十年期間持續維持其全面效力及作用，惟受限於根據股份激勵計劃的規則(「**計劃規則**」)可能決定的任何提早終止。根據股份激勵計劃，股份激勵計劃下的股份將由受託人(「**受託人**」，本公司委任以協助管理股份激勵計劃的專業獨立受託人)於公開市場上已購買或將購買的本公司現有股份組成。股份激勵計劃須根據計劃規則由董事會授權的授權代表及受託人管理。

截至2022年6月30日，受託人從公開市場上購買合共27,266,000股本公司普通股，總代價為約10,502,000港元(相當於約人民幣8,981,000元)。

14. CONTINGENT LIABILITIES

(a) During the six months ended 30 June 2022, the Group provided guarantees to banks in respect of the bank loans of Shengmu Forage amounting to RMB171,303,000.

(b) A civil judgement was issued by the Intermediate People's Court of Huhhot (the "**PRC Court**") (the "**Judgment**") on 16 August 2021 in relation to a claim made against Inner Mongolia Shengmu Hightech Farming Co., Ltd. (內蒙古聖牧高科牧業有限公司) ("**Inner Mongolia Shengmu**"), an indirect wholly-owned subsidiary of the Company, and two of the Company's former directors concerning a claim made by the plaintiff. Provision was made amounting to RMB49.2 million for the probable losses, which was reflected in the 2021 annual financial report, to the Group based on the reasonable estimation of the outcome of the lawsuits after taking into account the legal advice by the management. For further details, please refer to the announcements published by the Company on 16 September 2021 and 22 October 2021 and the 2021 Annual Report. Inner Mongolia Shengmu had applied to the High People's Court of Inner Mongolia Autonomous Region for a second trial and no adjudication has yet been made.

14. 或有負債

(a) 截至2022年6月30日止六個月，本集團為聖牧草業的銀行貸款向銀行提供擔保，金額為人民幣171,303,000元。

(b) 於2021年8月16日，呼和浩特市中級人民法院(「**中國法院**」)就原告人向本公司間接全資附屬公司內蒙古聖牧高科牧業有限公司(「**內蒙古聖牧**」)與本公司兩名前董事作出的申索發出民事判決書(「**判決**」)。經考慮管理層法律意見後，根據對訴訟結果的合理估計，本集團已為可能產生的虧損計提人民幣49.2百萬元的撥備，反映在2021年年度財務報告中。更多詳情請參考本公司於2021年9月16日、2021年10月22日發佈的公告及2021年年度報告。內蒙古聖牧已向內蒙古自治區高級人民法院提出二審申請，目前尚未判決。

15. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

15. 承擔

本集團於報告期末的資本承擔如下：

		30 June 2022 2022年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2021 2021年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Contracted, but not provided for:	已訂約但未撥備：		
Land and buildings	土地及建築	9,135	2,590

16. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in this financial information, the Group had the following transactions with related parties during the period:

16. 關聯方交易

(a) 除已於本財務資料其他部分詳述的交易外，本集團於期內與關聯方有下列交易：

		For the six months ended 30 June 截至6月30日止六個月	
		2022 2022年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2021 2021年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Associates:	聯營公司：		
Purchases of raw materials	購買原材料	—	21,061
Sales of goods	商品銷售	30,927	24,544
Purchases of property, plant and equipment	購買物業、廠房及設備	—	776
Affiliates of a substantial shareholder:	主要股東聯屬公司：		
Sales of goods	商品銷售	1,416,360	1,297,906
Purchases of raw materials	購買原材料	46,844	43,776

16. RELATED PARTY TRANSACTIONS *(continued)*

16. 關聯方交易*(續)*

(b) Compensation of key management personnel of the Group:

(b) 本集團主要管理人員的報酬：

		For the six months ended 30 June 截至6月30日止六個月	
		2022 2022年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2021 2021年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Short-term employee benefits	短期僱員福利	**4,565**	3,015
Pension scheme contributions	退休金計劃供款	**101**	103
		4,666	3,118

(c) Outstanding balances with related parties

(c) 與關聯方的未償還結餘

		30 June 2022 2022年6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2021 2021年12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Amounts owed by/(owed to) associates included in:	計入以下項目的聯營公司欠債／(欠付聯營公司)的金額：		
Trade receivables	貿易應收款項	**4,971**	5,695
Affiliates of substantial shareholders:	主要股東聯屬公司：		
Trade receivables	貿易應收款項	**253,278**	216,472
Trade payables	貿易應付款項	**(2,579)**	(966)
Prepayments, deposits and other receivable	預付款項、按金及其他應收款項	**31,661**	32,192
Other payables and accruals	其他應付款項及預提費用	**(33,794)**	(32,744)

16. RELATED PARTY TRANSACTIONS *(continued)*

(c) Outstanding balances with related parties *(continued)*

Trade receivables and trade payables with related parties have credit terms similar to those offered by/to third parties.

16. 關聯方交易*(續)*

(c) 與關聯方的未償還結餘*(續)*

與關聯方的貿易應收款項及貿易應付款項與由第三方提供／提供給第三方的款項有類似的信用條款。

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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:

17. 金融工具的公平值及公平值等級

本集團金融工具(賬面值與公平值合理相若者除外)的賬面值及公平值如下：

		Carrying amounts 賬面值		Fair values 公平值	
		30 June 2022 2022年6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2021 2021年12月31日 RMB'000 人民幣千元 (Audited) (經審核)	30 June 2022 2022年6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2021 2021年12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Financial assets	金融資產				
Long-term receivables	長期應收款項	5,897	6,355	5,736	6,334
Financial liabilities	金融負債				
Interest-bearing bank borrowings	計息銀行借款	1,953,381	1,679,168	1,928,233	1,649,205

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

管理層已評估，現金及現金等價物、已抵押存款、貿易應收款項、貿易應付款項及應付票據、計入預付款項、其他應收款項及其他資產的金融資產以及計入其他應付款項及預提費用的金融負債的公平值與其賬面值相若，主要由於該等工具乃於短期內到期。

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

The fair values of the financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

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

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2022 and 31 December 2021:

17. 金融工具的公平值及公平值等級*(續)*

金融資產及負債的公平值按當前交易中雙方自願進行工具交換的金額釐定，強制或清算出售除外。

以下方法及假設用於估計公平值：

長期應收款項的非流動部分以及計息銀行貸款的公平值乃採用類似條款、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。

以下為於2022年6月30日及2021年12月31日對金融工具估值的重大不可觀察輸入數據概要連同定量敏感度分析：

	Valuation technique 估值方法	Significant unobservable input 重大不可觀察輸入數據	Range 幅度	Sensitivity of fair value to the input 公平值對輸入數據的敏感度
Unlisted investment, at fair value through other comprehensive income	Market approach	Discount for lack of marketability ("**DLOM**")	20%	10% increase/decrease in DLOM would result in decrease/increase in fair value by RMB2,000,000 (31 December 2021: RMB2,280,000)
按公平值計入其他全面收益的非上市投資	市場法	缺乏市場流通性折價(「**缺乏市場流通性折價**」)	20%	缺乏市場流通性折價每增加／減少10%將導致公平值減少／增加人民幣2,000,000元(2021年12月31日：人民幣2,280,000元)

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

17. 金融工具的公平值及公平值等級*(續)*

FAIR VALUE HIERARCHY

公平值等級

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

下表説明本集團的金融工具的公平值計量等級：

Assets measured at fair value:

按公平值計量的資產：

As at 30 June 2022

於2022年6月30日

		Fair value measurement using 使用以下數據的公平值計量		
		Significant observable inputs (Level 2) 重大可觀察輸入數據（第二級） RMB'000 人民幣千元 (Unaudited) （未經審核）	Significant unobservable inputs (Level 3) 重大不可觀察輸入數據（第三級） RMB'000 人民幣千元 (Unaudited) （未經審核）	Total 總計 RMB'000 人民幣千元 (Unaudited) （未經審核）
Unlisted investment, at fair value through other comprehensive income	按公平值計入其他全面收益的非上市投資	—	69,000	69,000
Derivative financial instruments	衍生金融工具	17,970	—	17,970
		17,970	69,000	86,970

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

17. 金融工具的公平值及公平值等級*(續)*

FAIR VALUE HIERARCHY *(continued)*

公平值等級*(續)*

As at 31 December 2021

於2021年12月31日

		Fair value measurement using 使用以下數據的公平值計量		
		Significant observable inputs (Level 2) 重大可觀察輸入數據（第二級） RMB'000 人民幣千元 (Audited) （經審核）	Significant unobservable inputs (Level 3) 重大不可觀察輸入數據（第三級） RMB'000 人民幣千元 (Audited) （經審核）	Total 總計 RMB'000 人民幣千元 (Audited) （經審核）
Unlisted investment, at fair value through other comprehensive income	按公平值計入其他全面收益的非上市投資	—	91,200	91,200
		—	91,200	91,200

The movements in fair value measurements within Level 3 during the period are as follows:

期內，第三級公平值計量變動如下：

		2022 2022年 RMB'000 人民幣千元 (Unaudited) （未經審核）	2021 2021年 RMB'000 人民幣千元 (Audited) （經審核）
Unlisted investment, at fair value through other comprehensive income	按公平值計入其他全面收益的非上市投資		
At 1 January	於1月1日	**91,200**	—
Total losses recognised in other comprehensive income	於其他全面收益確認之虧損總額	**(22,200)**	—
At 30 June	於6月30日	**69,000**	—

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

FAIR VALUE HIERARCHY *(continued)*

Liabilities measured at fair value:

17. 金融工具的公平值及公平值等級*(續)*

公平值等級*(續)*

按公平值計量的負債：

		Fair value measurement using significant observable inputs (Level 2) 使用重大可觀察輸入數據的公平值計量(第二級)	
		30 June 2022 2022年6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2021 2021年12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Derivative financial instruments	衍生金融工具	**—**	7,172
Financial guarantee contracts	財務擔保合約	**1,750**	1,777
		1,750	8,949

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial liabilities (six months ended 30 June 2021: nil).

期內，概無就金融負債的公平值計量在第一級及第二級之間轉移，亦無轉入或轉出第三級(截至2021年6月30日止六個月：無)。

18. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

The unaudited interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 23 August 2022.

18. 批准中期財務資料

未經審核中期簡明綜合財務資料於2022年8月23日經董事會批准及授權刊發。

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CHINA SHENGMU