



China Modern Dairy Holdings Ltd.

中國現代牧業控股有限公司

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

Stock Code 股份代號: 1117



连续九年荣获世界食品品质评鉴大会

— 金奖 —

牧育健康牛

Raise *healthy cows*, *safeguard* each and every drop of milk.

守護每一滴好奶



INTERIM REPORT 2022 中期報告

天生要強，與自己較勁。

Born to be strong and go beyond ourselves.

CORPORATE PROFILE

公司簡介

China Modern Dairy Holdings Limited (the “**Company**” or “**Modern Dairy**” together with its subsidiaries, the “**Group**”) is a leading dairy farming operator and fresh raw milk producer in the People’s Republic of China (the “**PRC**”).

Modern Dairy operates 38 dairy farming companies in the PRC with dairy cows over 380,000 heads and annualised milk yield of over 2.3 million tons. The Company initiated the production model of “Zero distance Integration of Forage Grass Planting, Cows Breeding and Milk Processing within Two Hours”, which is the first in the PRC that applies integrated production model with SGS certification. Modern Dairy’s products have been awarded the Gold Prize of Monde Selection which is generally regarded as the “Nobel Prize” in the food industry for the past nine consecutive years.

中國現代牧業控股有限公司(「**本公司**」或「**現代牧業**」) 連同其附屬公司「**本集團**」，為中華人民共和國(「**中國**」) 乳牛畜牧營運商及生鮮原料奶生產商的翹楚。

現代牧業於中國經營38家乳牛牧場公司，擁有逾38萬頭乳牛，年化產奶量達230萬噸以上。本公司首創「種養加一體化、零距離2小時」的生產模式，是中國首家一體化生產模式並通過SGS認證的企業。現代牧業的產品於過去九年連續在素有食品業「諾貝爾獎」之稱的世界食品品質評鑒大會中獲得金獎。



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HIGHLIGHTS

摘要

FOR THE SIX MONTHS ENDED 30 JUNE

截至6月30日止六個月

(All amounts in Renminbi (“RMB”) million unless otherwise stated)

(除特別列明外，所有金額以人民幣百萬元列示)

		2022 2022年 (unaudited) (未經審核)	2021 2021年 (unaudited) (未經審核)	Change 變動
Revenue	收入	5,632.1	3,179.7	+77.1%
Gross profit	毛利	1,654.8	1,181.6	+40.0%
Cash EBITDA (Note 1)	現金EBITDA(附註1)	1,440.8	1,152.7	+25.0%
Net profit	淨利潤	531.1	505.6	+5.0%
Adjusted net profit (Note 2)	經調整淨利潤(附註2)	729.2	489.7	+48.9%
Profit attributable to owners of the Company	本公司擁有人應佔溢利	507.7	496.7	+2.2%
Net operating cash inflow	經營現金淨流入	1,282.2	1,464.9	-12.5%
Net asset value per share (RMB) (Note 3)	每股資產淨值(人民幣元)(附註3)	1.41	1.34	+5.2%
Herd scale (heads)	畜群規模(頭)	382,693	251,876	+51.9%
Milk Yield (ten thousand tons)	產奶量(萬噸)	115.2	73.4	+56.9%

- Robust Results:** The total revenue of the Group reached RMB5.63 billion for the Reporting Period, representing a year-on-year (“yoy”) increase of 77.1%. Cash EBITDA amounted to RMB1.44 billion, representing a yoy increase of 25.0%. During the period, net profit recorded RMB531 million, representing a yoy increase of 5.0%, and the adjusted net profit reached RMB729 million with a significant yoy increase of 48.9%.

- 業績強勁：**匯報期內，本集團的總收入達人民幣56.3億元，同比增長77.1%；錄得現金EBITDA人民幣14.4億元，同比增長25.0%；期內錄得淨利潤人民幣5.31億元，同比增長5.0%；經調整淨利潤人民幣7.29億元，同比大幅增長48.9%。

- **Excellent Operating Indicators:** Thanks to the efficient management and operation and the dedication of all staffs, the performance of the Group's main operating indicators was better than expected during the period. The annualized unit yield per milkable dairy cow on average grew by 11% yoy to 12.3 tons, breaking a record high, and 10 farms of which have even exceeded 13 tons. The total milk yield reached 1,152 thousand tons during the period, representing a yoy increase of 56.9%. During the period, the average cost of milk per kilogram was RMB2.90, which was lower than the industry level. We continued to lead the industry in terms of unit milk yield, total production and effectiveness of cost control.
- **Being Assigned a "BBB" Investment Grade Rating Again:** Following last year, Modern Dairy was again assigned a "BBB" investment grade rating by Standard & Poor's, with a stable outlook. Modern Dairy became the first dairy farming company in the world having been assigned such a credit rating, which fully affirmed the recognition received by the Company and China's large-scale farming model from international credit rating agencies, and it also established a positive image for the industry.
- **Branded Milk Won Gold Award for Nine Consecutive Years:** The Group's pure milk was awarded the Gold Prize of Monde Selection for the ninth consecutive year, symbolizing that our premium quality branded milk was widely recognized by all sectors of the society.
- **營運指標亮麗：**得益於高效的經營管理及全員的努力，期內主要營運指標表現均優於預期。成乳牛年化產量平均每頭提升11%至12.3噸，創歷史新高，當中有10個牧場的成乳牛平均年化單產更突破13噸；期內產奶量達到115.2萬噸，同比增長56.9%；期內公斤奶成本平均為人民幣2.90元，低於行業水平。單產、總產及成本管控成效持續優於行業。
- **再獲投資級BBB評級：**繼去年，現代牧業再次獲標準普爾給予「BBB」投資級的信用評級，評級展望為穩定。現代牧業作為全球首家獲得該評級的奶牛養殖企業，充分印證了國際信用評級機構對本公司乃至中國規模化養殖模式的肯定，亦為業界樹立了良好形象。
- **品牌奶九度蟬聯金獎：**本集團純牛奶連續九年獲世界食品質量評鑒大會金獎，標誌著我們高質量的品牌奶廣泛獲社會各界的肯定。

Notes:

- (1) Cash EBITDA is defined as earnings before finance costs and tax having added back: i) depreciation for property, plant and equipment and right-of-use assets charged to profit or loss; ii) other gains and losses, net; iii) impairment losses under expected credit loss model, net of reversal; and iv) loss arising from changes in fair value less costs to sell of dairy cows.
- (2) The adjusted net profit is defined as net profit after excluding the gains and losses arising from foreign exchanges and derivative financial instruments.
- (3) Equity attributable to owners of the Company at the period end divided by the number of ordinary shares in issue at the end of the reporting periods, defined as of 30 June 2022 and 30 June 2021.

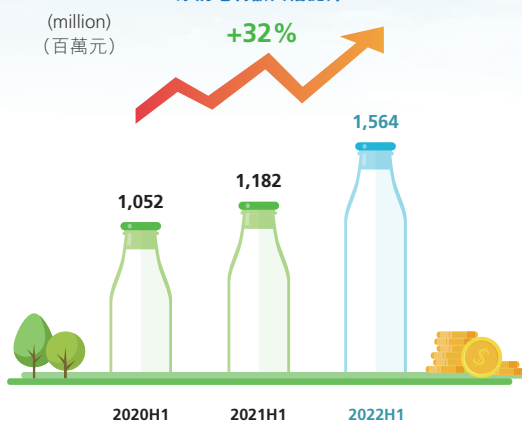
附註：

- (1) 現金EBITDA定義為在加回以下項目後的除融資成本及稅項前盈利：i)物業、廠房及設備以及使用權資產折舊致使的損益；ii)其他收益及虧損淨額；iii)預期信貸虧損模型下減值虧損，扣除撥回；及iv)乳牛公平值變動減乳牛銷售成本產生的虧損。
- (2) 經調整淨利潤定義為撇除外匯及衍生金融工具損益後的淨利潤。
- (3) 期末本公司擁有人應佔權益除以匯報期末(定義為截至2022年6月30日及截至2021年6月30日)已發行普通股股數。

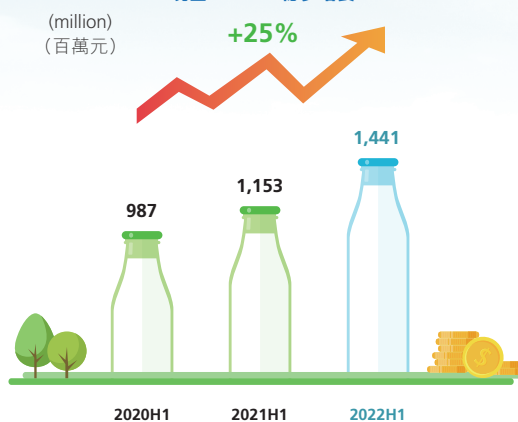
HIGHLIGHTS

摘要

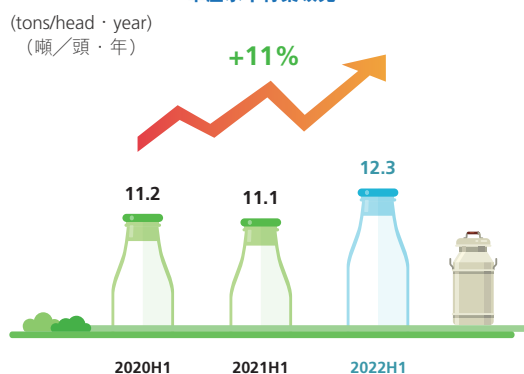
**Gross Profit of Raw Milk
Increased Significantly**
原奶毛利額大幅提升



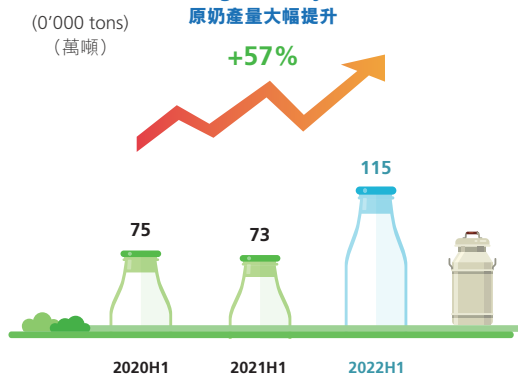
**Cash EBITDA
Grew Steadily**
現金EBITDA穩步增長



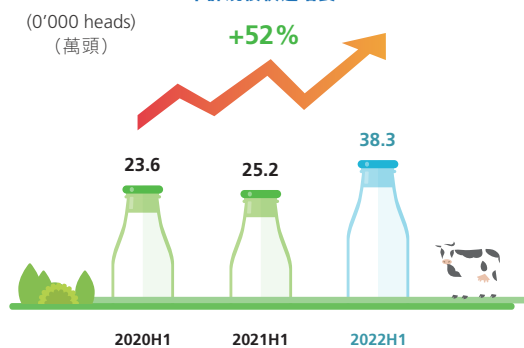
**Industry-leading
Unit Yield**
單產水平行業領先



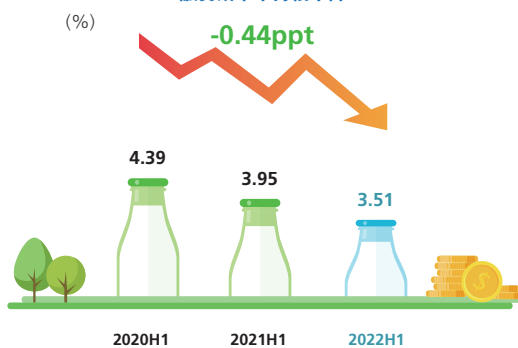
**Production Volume of
Raw Milk Increased
Significantly**
原奶產量大幅提升



**Herd Size
Grew Rapidly**
牛群規模快速增長

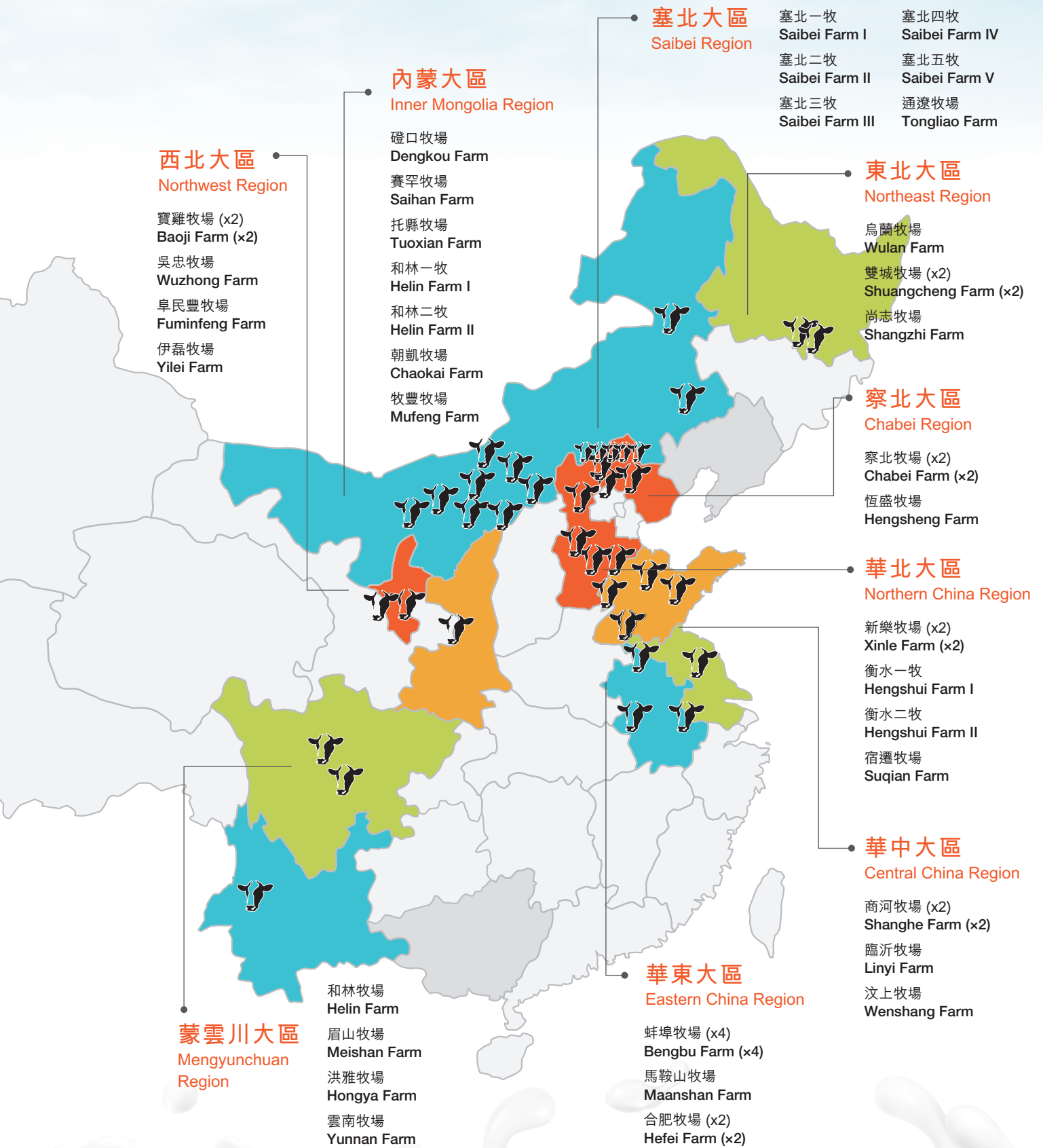


**Finance Cost
Kept Declining**
融資成本率持續下降



FARM MAP

牧場位置圖



Note: Approximate number of herd size: x2=20,000 heads; x4=40,000 heads
 註: 牛群約數: x2=2萬頭; x4=4萬頭



Saibei Farm 塞北牧場

企業文化全景圖 CORPORATE CULTURE PANORAMA



使命

Mission

牧育健康牛
Raise healthy cows,

守護每一滴好奶
safeguard each and every drop of milk

願景

Vision

佈局產業鏈 數智創新
Deploy the whole industry chain, innovate with digital intelligence,

做全球牧業引領者
and be a global dairy farming leader

核心價值觀

Core Values

1 安全健康第一
Safety and health come first

敬畏生命 棄漠視風險
健康防疫 棄麻痺大意
質量優先 絕不妥協
節能減碳 棄跑冒滴漏

1 Respect life and never neglect risks.
Fight the virus, be healthy, be cautious.
Quality comes first, never be
compromised.
Save energy, reduce carbon footprint and
waste.

2 高效執行
高標準
Execute with high
standards and efficiency

尊重科學 創新領先
主動擔當 說到做到
棄放空炮 等靠要
快速反應 注意細節

2 Respect science and lead innovation.
Be proactive and responsible, and be
true to our words.
Make concrete steps and be proactive.
Respond quickly and be attentive to
details.

3 讓牛人綻放
Unleash our potentials

敢用牛人 不論資排輩
重獎牛人 棄平均主義
善於賦能 彼此成就
棄只挑毛病 相互拆台

3 Value talents from all walks of life.
Reward talents based on merits.
Good at empowering and be successful
together.
Say no to bias and backstabbing.

4 誠信立事
正直立本
Be honest and credible

堅持原則 幹實事
棄逐利盲從 搞投機
公平公正 棄暗箱操作
用事實和資料說話

4 Uphold principles and be pragmatic.
Stop speculation and opportunism.
Be fair and open.
Speak with truth and substance.

企業精神

Enterprise Spirit

天生要強 與自己較勁

Born to be strong and go beyond ourselves



PRODUCTS OF THE GROUP AND ASSOCIATES

集團及聯營公司產品



DREAMCAP 30-MINUTE-BEFORE-SLEEP MILK

夢幻蓋睡前30分牛奶

Have a glass of milk before going to bed and fall asleep easily. Supplement GABA needed by human body, drinking at night will help calm emotions, relieve stress, improve sleep quality.

一睡前一杯奶，輕鬆說晚安。補充人體所需GABA，晚上喝有助於平復情緒，緩解壓力，提升睡眠質量。



DREAMCAP DNA MILK

夢幻蓋DNA牛奶

A2 genotype dairy cows, screened by DNA detection, containing rare A2 β casein which is naturally compatible with human body and facilitates nutrient absorption. The supply is limited due to its scarcity. DNA檢測層層篩選A2基因型奶牛，含有珍稀A2 β 酪蛋白，自然親和人體，有助於營養吸收，數量稀少，限量供應。



DREAMCAP ZERO LACTOSE MILK

夢幻蓋軟牛奶

Innovative EHT enzymatic hydrolysis technology to promote good absorption of nutrients.

Zero lactose is stomach friendly, suitable for the constitution of Chinese people.

創新EHT酶水解技術，促進營養好吸收。0乳糖，腸胃友好，適合中國人體質。

PREMIUM-PACKAGED PURE MILK

尊貴裝純牛奶

The pure milk is awarded gold prize at Monde Selection for nine consecutive years, produced by self-owned farms with high-quality milk sources.

自家牧場，優質奶源，連續九年榮獲世界食品品質評鑑大會金獎的純牛奶。



GOLD AWARD PURE MILK

金獎純牛奶

It is produced by self-owned farms with high-quality milk sources. It has won the Gold Award of Monde Selection for four consecutive years and is a partner of China's aerospace industry as well. Gold medal winner, quality of aerospace.

自家牧場，優質奶源，連續四年榮獲世界食品品質評鑑大會金獎，中國航天事業合作夥伴，航天品質，金獎之選。



GOLD AWARD HIGH CALCIUM MILK

金獎高鈣牛奶

High in calcium from good dairy farms. Modern Dairy High Calcium Milk contains 125mg of calcium per 100ml. Vitamin D is added to facilitate calcium absorption. The milk is nutritious, pure and rich in taste. It has won the Gold Award of Monde Selection for three consecutive years.

高鈣源自好牧場，現代牧業高鈣奶每100毫升含鈣125毫克，特別加入維生素D，促進鈣的吸收，營養豐富，純正香濃，連續三年榮獲世界食品品質評鑑大會金獎。



PRODUCTS OF THE GROUP AND ASSOCIATES 集團及聯營公司產品

THREE ZERO SKIMMED MILK 三零脫脂牛奶

Zero fat, light with nutrient value. Zero lactose, easy to absorb. Have a sweet and fresh taste and light experience with good nutrition absorption. It has won the Gold Award of Monde Selection for three consecutive years. 零脂肪，輕享好營養；零乳糖，營養好吸收。在獲取營養健康的同時，感受清甜美味，輕盈體驗。連續三年榮獲世界食品品質評鑑大會金獎。



HOLSTEIN PURE MILK 荷斯坦純牛奶

Finely selected high-quality Holstein milk source, containing 3.2 grams of high-quality milk protein per 100ml, supplement nutrition every day, taste mellow and rich. 甄選優質荷斯坦奶源，每100毫升含3.2克優質乳蛋白，補充營養每一天，味道香醇，口感濃厚。



HOLSTEIN HIGH CALCIUM MILK 荷斯坦高鈣牛奶

Holstein high calcium milk, from a good selection of Holstein cows, contains 125mg of calcium per 100ml. Vitamin D is added to facilitate calcium absorption. The milk is nutritious, pure and rich in taste. 甄選優質荷斯坦奶源，每100毫升含125毫克高鈣，含維生素D促進鈣吸收，營養豐富，純正香濃。



SPECIAL MILK 特調牛奶

Ecolean packaging design with 60-day self life. It contains 3.5 grams of high-quality milk protein per 100ml with special aroma. 愛克林環保壺設計，擁有60天保質期。每100毫升含3.5克優質乳蛋白，散發特調醇香。



REFRIGERATED PURE MILK 冰箱裝純牛奶

It takes merely 2 hours from the farms to the processing line to maintain the fresh taste and nutrition. Good cows make good milk with good taste. 擠奶完成後到開始加工只需2小時，保持新鮮口感與營養，好牛好奶好口感。



WELL-PACKAGED PURE MILK 精裝純牛奶

Strictly select high-quality Holstein dairy cows from all over the world and carefully nurture five good dairy cows to produce pure milk with five-star quality and excellent nutrition and taste. 全球嚴選優質荷斯坦奶牛，用心養育五好奶牛，生產五星品質，營養口味俱佳的純牛奶。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

INDUSTRY OVERVIEW

The dairy industry experienced multiple challenges in the first half of 2022. The international political conflicts triggered energy crises, leading to the sharp increase of the prices of food and bulk commodities, and the COVID-19 pandemic had a negative impact on the consumption of general public. China's dairy farming industry continued to develop healthily facing mounting pressures. The quality and safety of raw milk also improved continuously, and the development scale of the dairy operators expanded further. The development pattern of China's dairy industry led by large-scale farming and enterprises integrating the whole industry chain has been formed. China's dairy industry has maintained a rapid growth trend, and its domestic milk production in the first half of 2022 rose by 8.4% yoy and the average milk price in the market was RMB4.19/kg, maintaining at a high level.

Internationally, in the first half of 2022, Mainland China imported a total of 1.7835 million tons of various dairy products, representing a yoy decrease of 18%, and the imports were worth US\$7.363 billion, representing a yoy increase of 1.8%. Due to the increase in operating costs and the impact of anomalous climates internationally, the milk production of New Zealand and the Europe Union declined, and the auction price of foreign whole milk powder increased by 9.2% yoy. China's imported milk powder volume reached 676,600 tons, representing a yoy decrease of 11.8%.

行業概覽

2022年上半年，乳業經歷了多重挑戰與壓力，政治局勢衝突引發能源危機，糧食及大宗物料價格大幅上漲，新冠疫情拖累了終端消費。中國奶牛養殖業在面對多種壓力下，仍持續健康發展，原奶質量及安全水平不斷提升，奶業運營商發展更具規模。規模化養殖、全產業鏈一體化企業為主導的中國奶業發展格局已形成。我國奶業保持較快增長態勢，2022年國內上半年牛奶產量同比增長8.4%，市場奶價平均為4.19元/公斤，屬高位奶價。

國際方面，2022年上半年，我國共計進口各類乳製品178.35萬噸，同比減少18%；進口額73.63億美元，同比增加1.8%。由於運營成本增加及受到反常氣候影響，新西蘭及歐盟牛奶出現減產降量現象；國外全脂大包粉拍賣價同比上漲9.2%，2022年大包粉進口量為67.66萬噸，同比減少11.8%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

In recent years, policies on promoting the revitalization of the dairy industry have been implemented in many places in the PRC. According to the 14th Five-Year Plan for Promoting Agricultural and Rural Modernization issued by the State Council of China in February 2022, China shall implement the Five-Year Action Plan for cattle and sheep farming to vigorously develop grass-fed animal husbandry, and shall also strengthen the construction of milk source bases, optimize the structure of dairy products, build modern systems for the forage industry and promote the specialized production of forage. The Ministry of Agriculture and Rural Affairs issued the Action Plan for Improving the Competitiveness of Dairy Industry in the 14th Five-Year Plan Period, which provided that by 2025, the national milk production would reach approximately 41 million tons, and the proportion of large-scale farms with more than 100 cows would reach approximately 75%. The construction of milk sources and large-scale farms remains the industry focus. This has demonstrated the state's firm attitude in respect of the revitalization and development of the dairy industry, and has also strongly recognized the achievements in the construction of upstream milk sources in recent years while clarifying the future development direction of the dairy industry.

BUSINESS REVIEW

For the six months ended 30 June 2022 (the “Reporting Period”), the Group was mainly engaged in dairy farming (producing and selling quality raw milk to dairy operators) and processing and sales of feeds business. Adhering to the mission of “raising healthy cows, safeguarding each and every drop of milk”, the Group is committed to deploying the whole industry chain, innovating with digital intelligence, and becoming a global dairy farming leader on the basis of expanding and strengthening the dairy farming business.

As of 30 June 2022, the Group invested in and operated 38 dairy farms companies in the PRC with dairy cows of 382,693 heads and annualised milk yield of over 2.3 million tons. The Group is a global leading dairy farming operator and raw milk producer in terms of herd size. The Group's pure milk was awarded the Gold Prize of Monde Selection for the ninth consecutive year, symbolizing that our premium quality branded milk was widely recognized by all sectors of the society.

In terms of business of sales of feeds, the Group has established the Feed Center of Liangyuan Science and Technology. While ensuring the stable supply of pasture feeds to the Group's dairy farms, it continues to expand the scale of external sales business, which is expected to continue to contribute sales revenue and profit to the Group.

近年來，關於推進奶業振興的相關政策在多地落地。2022年2月中國國務院關於印發《「十四五」推進農業農村現代化規劃》的通知：實施牛羊發展五年行動計劃，大力發展草食畜牧業。加強奶源基地建設，優化乳製品產品結構。建設現代化飼草產業體系，推進飼草料專業化生產。農業農村部關於印發《「十四五」奶業競爭力提升行動方案》的通知指出到2025年，全國奶類產量達到4,100萬噸左右，百頭以上規模養殖比重達到75%左右。奶源及規模化牧場的建設仍然是行業焦點，彰顯了國家堅定奶業振興發展的鮮明態度，明確奶業未來發展方向的同時，也對近年來在上游奶源建設方面的成績給予了有力的肯定。

業務回顧

截至2022年6月30日止六個月（「匯報期間」），本集團主要從事奶牛養殖業務（為奶業運營商生產和銷售優質原料奶）以及飼料加工銷售業務。本集團以「牧育健康牛，守護每一滴好奶」為使命，致力於在做大做強乳牛養殖業務基礎上，佈局產業鏈，數智創新，做全球牧業引領者。

截至2022年6月30日，本集團於中國投資及經營38家乳牛牧場公司，擁有382,693頭乳牛，年化產奶量可達230萬噸以上。按畜群大小計算，本集團是全球領先的乳牛畜牧公司及原料奶生產商。本集團純牛奶連續九年獲世界食品質量評鑒大會金獎，標誌著我們高質量的品牌奶廣泛獲得社會各界的肯定。

在飼料銷售業務方面，本集團成立了糧源科技飼料中心。在保障本集團牧場飼料穩定供應的同時，持續擴大對外業務規模，預期將為本集團持續帶來銷售收入及利潤貢獻。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATIONAL PERFORMANCE

During the Reporting Period, thanks to the concerted efforts of the management and all employees of the Company and the continued implementation of the “Five-Year Lead Plan”, the performance of the Group’s main operating indicators was better than expected. The average annualized milk yield (“**AMY**”) of milkable cow was 12.3 tons per head (2021: 11.1 tons per head), and the total milk yield was 1,152 thousand tons (2021: 734 thousand tons) during the period, representing a yoy increase of 56.9%, and with a yoy increase of 12.8% excluding the impact of acquisition.

During the Reporting Period, the Group’s sales revenue recorded RMB5,632.1 million (2021: RMB3,179.7 million), representing a yoy increase of 77.1%. Among which, the sales revenue of raw milk amounted to RMB4,858.0 million (2021: RMB3,179.7 million), representing a yoy increase of 52.8%. The Group entered into the business of sales of feeds after completing the acquisition of Fuyuan International in November 2021, and it recorded a sales revenue of RMB774.1 million during the Reporting Period.

The Group has moderated the impact arising from the increase in feed costs through applying measures continuously such as improving the health of dairy cows and milk yield per head of milkable cow, optimizing the structure of feed formula, enhancing the absorbance and conversion rate of dairy cows, and leveraging on a consolidated procurement platform.

經營表現

於本匯報期間，本集團持續推進「五年領跑計劃」，在本公司管理層及上下員工的努力下，主要營運指標表現均優於預期。期內成乳牛的平均年化產量錄得每頭12.3噸(2021年：11.1噸／頭)，期內產奶量達到115.2萬噸(2021年：73.4萬噸)，同比增長56.9%。剔除收購影響，產奶量同比增長12.8%。

於本匯報期間，本集團錄得銷售收入人民幣5,632.1百萬元(2021年：人民幣3,179.7百萬元)，同比增長77.1%。其中原料奶銷售收入達人民幣4,858.0百萬元(2021年：人民幣3,179.7百萬元)，同比增長52.8%。本集團於2021年11月完成收購富源國際後自此開始飼料銷售業務，於本匯報期間，飼料銷售業務錄得銷售收入人民幣774.1百萬元。

本集團持續通過提升牛隻健康和單產、優化飼料配方結構、提高奶牛吸收轉化率及借助統一採購平台等措施，有效平抑了因部分飼料成本上漲所帶來的影響。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OVERVIEW OF DAIRY FARMS

Leveraging on the world's first model of "integration of forage planting, cow breeding and milk processing", Modern Dairy is currently a leading dairy farming operator and raw milk producer in the PRC in terms of herd scale and volume of annual production. As a dairy farming group with a nationwide layout, we are endowed with unique geographical advantages. Most of our farms are located at regions with fine climate and ample feed supply, and are adjacent to processing plants of dairy products to ensure that the milking to processing procedures could be completed in the shortest time and the nutritional value and freshness could be maintained at the highest level.

The Group has continued to renovate the cowshed equipment through improving the ventilation system, adjusting the feed formula and increasing the frequency of feeding, enhancing the dryness level of the bedding materials and improving the bedding comfortability by applying drying technologies and increasing the frequency of sink cleaning to ensure healthy drinking water. By doing so, the Group is able to continuously improve and enhance comfortability for milkable cows so as to raise milk production.

Each farm is equipped with modern cowshed equipment, logistics systems, environmental protection facilities, 24/7 monitoring systems, and with veterinarians stationed in farms to make sure that each cow inhabits in a comfortable and healthy environment and produces high-quality raw milk.

牧場概況

依託全球首創的「牧草種植、奶牛養殖、牛奶加工一體化」模式，就畜群規模和年產量，現代牧業是目前中國乳牛畜牧營運商及原料奶生產商的行業翹楚。作為全國性佈局的牧業集團，我們具備得天獨厚的地理優勢，牧場多處於優良氣候及飼料供應充足的區域，加上臨近乳品加工廠，可確保原料奶從擠奶到加工能於最短時間內完成並保持其最高營養價值及鮮度。

本集團持續對牛舍設備進行改造，其中包括：改善通風環境，調整飼餵配方，增加推料頻次；利用烘乾技術提高臥床墊料的乾爽標準，提高臥床舒適度；提高水槽清洗頻次，保證牛隻飲水健康及不斷提升和改善成乳牛的舒適度提升產奶量。

每個牧場均具備現代化的牛舍設備，物流系統，環保設施，全天候監控系統及駐場獸醫。務求讓每頭牛都能有舒適的生活環境，健康生活，生產優質原奶。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Herd Scale

畜群規模

	As at 於
Dairy cows	30 June 2022 2022年 6月30日 Heads 頭 (unaudited) (未經審核)
Milkable cows	30 June 2021 2021年 6月30日 Heads 頭 (unaudited) (未經審核)
Heifers and calves	
Total	

乳牛
奶牛
小乳牛及小牛
總計

	As at 於
30 June 2022 2022年 6月30日 Heads 頭 (unaudited) (未經審核)	30 June 2021 2021年 6月30日 Heads 頭 (unaudited) (未經審核)
196,287	134,843
186,406	117,033
382,693	251,876

As at 30 June 2022, the Group invested in and operated 38 farm companies with 382,693 dairy cows (as at 30 June 2021: 251,876 heads), representing an increase of 51.9% yoy in Mainland China. The proper and orderly growth of herd size is in line with the Group's overall herd expansion strategies. The proportion of milkable cows to the total number of dairy cows decreased by 2.2 ppt to 51.3% as at 30 June 2022 (as at 30 June 2021: 53.5%) yoy, mainly due to the increase in the number of the Group's heifers and calves, resulting in the decrease of the proportion of milkable cows. However, the growth of the heifers and calves has laid a solid foundation for the increase of Group's raw milk production in the future. We will continue to improve the genetics of dairy cows so as to increase the proportion of the core herd, thereby achieving a steady growth in production.

於2022年6月30日，本集團在中國內地投資及運營38個牧場公司，飼養共382,693頭乳牛（於2021年6月30日：251,876頭），同比增長51.9%，恰當有序的牛群增長符合本集團的整體擴群策略。於2022年6月30日，成乳牛佔乳牛總數比例為51.3%（於2021年6月30日：53.5%），同比減少2.2個百分點，主要是本集團後備牛群規模增長，導致成乳牛佔比下降。然而後備牛群規模的增長為本集團未來原料奶產量的提升奠定了堅實的基礎。我們將不斷通過改良乳牛的基因以提高核心牛群佔比，實現產量的穩步增長。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Milk Yield

The milk yield of each milkable cow is affected by a number of factors, such as the number of the cow's lactation, breed, comfort level, health condition, genetics and feed mix. Under effective herd management, the AMY of milkable cows was 12.3 tons per head on average, and the total milk yield was 1,152 thousand tons during the Reporting Period, representing a yoy increase of 56.9%.

Quality of Raw Milk

Modern Dairy ensured the quality management and control were scientifically controllable and adhered to the principle of high starting point, high positioning and high standard, keeping consumers informed with quantitative data of milk. All fresh raw milk is produced from our self-run farms. Every procedure in the production of raw milk, e.g. milking, refrigeration and transportation, was completed with monitoring measures and the strictest global standards, therefore ensuring the quality of raw milk.

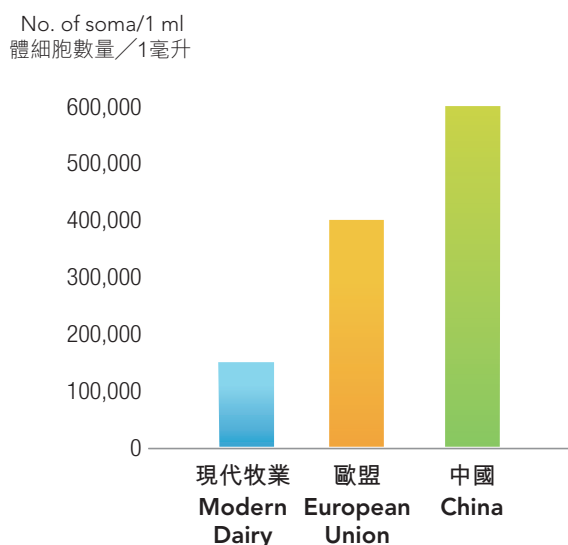
產奶量

奶牛的產奶量受多項因素所影響，其中包括奶牛的泌乳胎次、品種、生活舒適程度、健康情況、基因及飼料結構等。在有效的畜群管理下，於本匯報期間，我們錄得成乳牛的年化單產平均每頭為12.3噸，產奶量共達115.2萬噸，同比增長56.9%。

原奶質量

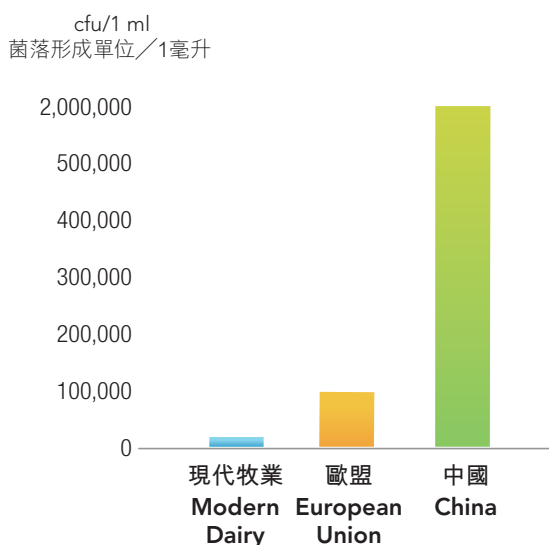
現代牧業確保質量管理科學可控，堅持高起點、高定位、高標準，讓牛奶品質以量化的數據與消費者溝通。所有生鮮原奶均產自家牧場，原奶從擠奶、製冷及運輸、生產過程各個環節都在監控措施下完成，並以全球最嚴格的標準確保原奶質量。

體細胞存量標準
Standard of the Number of Somatic Cell



The standard of the number of somatic cell per 1 milliliter (ml) of raw milk is no more than 600 thousand cells according to the PRC relevant guidelines, 400 thousand cells per 1 ml in the European Union, and less than 150 thousand cells per 1 ml in Modern Dairy. The standard of Modern Dairy is even more stringent than those of the PRC and European Union.

微生物存量標準
Standard of the Number of Microorganism



原料奶中的體細胞數量標準目前在中國相關指導要求是每1毫升不多於60萬個，在歐盟是每1毫升不多於40萬個，現代牧業的標準是每1毫升少於15萬個，比國家和歐盟標準還要嚴謹。

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With respect to the number of microorganism, the standard of the European Union is no more than 100 thousand colony-forming unit (cfu) per 1 ml of raw milk, and that of the PRC is no more than 2 million cfu per 1 ml, and that of Modern Dairy is less than 10 thousand cfu per 1 ml of raw milk.

Environmental Protection and Epidemic Prevention

The Group actively fulfills its social responsibilities. The Group continuously improves on various aspects, such as product quality, dairy cow disease control and environmentally friendly production, to maximize social benefits. The Company's various milk quality indicators are better than the EU standards. Food safety indicators are set in the raw milk production process, and the whole process is strictly monitored to ensure that the raw milk quality meets the standards. The Group and Mengniu have enhanced cooperation in product testing, unified inspection standards and processes, and improved testing efficiency and product quality. The Group strictly complies with relevant laws and regulations for epidemic prevention management, conducts health rating management for dairy cows, cautiously controls the environment of farms, refines the management of entry and exit of farms, provides epidemic prevention and protection in production areas, and establishes quarantine and health check plans for dairy cows, so as to ensure the health of dairy cows.

Based on resource recycling, the Group has built a green recycling industrial chain of "forage planting – cow breeding – fertilizer treatment – biogas power generation – fertilizer back to the field". Each farm is equipped with large-scale biogas power generation facilities and comprehensive utilization facilities for biogas fertilizer, which absorbs, digests and environmentally treats the manure. For sustainable development, the Group will continue to implement high-standard environmental protection policies and implement rigorous epidemic prevention measures in our farms.

In the first half of 2022, the overall operation of the Group was basically not affected by the COVID-19 pandemic. Our farms, in general, have piled up sufficient feed inventory level, which is enough to feed cows for 20–30 days, and inventories can also be deployed in the case of emergencies. In addition, most of our farms are adjacent to the raw milk processing factories of our downstream customers, which can deliver milk directly to the relevant factories, and can greatly ensure the quality of raw milk. As a product promoted by the state, milk enjoys the convenience of green channels. The Ministry of Agriculture and the Ministry of Transportation of the PRC both guarantee the transportation of green agricultural products.

微生物數量方面，歐盟的標準是每1毫升原料奶不能高於10萬個菌落形成單位(cfu)，我國的要求不能高於200萬個cfu，現代牧業的要求是每1毫升原料奶少於1萬個cfu。

環境保護與疫控

本集團積極履行社會責任。本集團在產品質量、乳牛疾病管控、環保生產等方面不斷改善以達致最大社會效益。本公司的各項牛奶品質指標均優於歐盟標準，在原奶生產過程中設置食品安全指標，全程進行監控，確保原奶優質達標。本集團與蒙牛加強在產品檢測的協同，統一檢驗標準和流程，提高檢測效率，繼續提高產品質量。本集團嚴格遵守相關法律法規的要求進行防疫管理，對奶牛進行健康評級管理，嚴控牧場環境，細化牧場出入管理、生產區防疫防護管理，為奶牛制定檢疫和健康檢查計劃，保障奶牛的健康。

本集團立足資源循環利用，構建一條「飼草種植 – 奶牛養殖 – 糞污處理 – 沼氣發電 – 糞肥還田」的綠色循環產業鏈。每期牧場都配建了大型沼氣發電設施和沼肥綜合利用設施，將糞污吸收、消化並進行無害化處理。為實現可持續發展，本集團將繼續奉行高標準的環保政策，並對我們的牧場實施嚴格的防疫措施。

2022年上半年，本集團整體運營基本沒有受到新冠疫情的影響。旗下牧場一般備有足夠餵飼牛只20–30天的飼料庫存量，在緊急情況亦可調配庫存。另外，集團旗下牧場多為鄰近下遊客戶的原奶加工廠，原奶可直接運達有關工廠，大大保障了原奶的品質。牛奶作為國家保供產品，享有綠色通道之便，國家農業部以及交通運輸部均對綠色農產品的運輸加以保障。

Carbon Dioxide Peaking & Neutrality Project

In order to proactively respond to our country's goal of "Carbon Peaking by 2030 and Carbon Neutrality by 2060", the Company, together with the internationally renowned Boston Consulting Group, officially launched the dual-carbon project and fully paved the Group's road to carbon reduction and green development on 10 December 2021. At present, the Company has achieved the first stage of the carbon reduction strategy: the carbon emission data stock-taking. After analysis conducted by professional institutions, the carbon emission intensity of Modern Dairy is far lower than the industry average level compared with other domestic dairy operators covered in the representative domestic carbon footprint database, and playing a leading role in the industry.

ASSOCIATE FACTORIES

Benefiting from the reform in marketing models, the branded milk business through the operation of downstream associate factories with Mengniu continued to record profits. Leveraging on Mengniu's mature market strategy and channel advantages, the "Modern Farming" branded milk developed the full line of products with the positioning that "healthy cows produce quality milk". The COVID-19 pandemic has prompted consumers' willingness in choosing more secured and better-quality milk for daily consumption. Relying on Mengniu's successful marketing strategy, rebranding of "Modern Farming" and adoption of differentiated marketing strategies, it focuses on the blue ocean market in domestic third and fourth-tier cities. The associate factories are expected to keep contributing to the Group's financial performance.

MAJOR AWARDS AND ACHIEVEMENTS

During the Reporting Period, the Group was awarded and obtained the following achievements:

- In January, Modern Dairy completed the carbon emission survey and passed the greenhouse gas emission verification conducted by China Classification Society Certification Co., Ltd. in accordance with the ISO14064-1:2018 standards.
- 1月：現代牧業完成碳排查，並通過中國船級社質量認證有限公司依照ISO14064-1:2018標準進行的溫室氣體排放量核查。

雙碳項目

為積極響應國家爭於「2030年前碳達峰、2060年前碳中和」目標，本公司於2021年12月10日，攜手國際知名波士頓諮詢公司，正式啟動雙碳項目，全面開啓本集團減碳綠色發展之路。本公司目前已順利達成減碳戰略第一階段：碳排放數據盤查目標。經過專業機構分析，現代牧業的碳排強度與國內代表性的碳足跡數據庫中涵蓋的國內其他牧場相比遠低於行業平均水平，為國內領先。

聯營工廠

受惠於營銷模式的革新，本集團與蒙牛合資的下游品牌奶聯營工廠持續錄得盈利。借力蒙牛成熟的市場策略及渠道優勢，「現代牧業」品牌奶以「好牛自然產好奶」的定位進行全產品線佈局。疫情促使消費者更願意選取更加有保障的、品質更好的牛奶進行日常的消費。依託蒙牛成功的營銷策略、重塑「現代牧業」品牌，採用差異化市場策略，主攻國內三、四線城市的藍海市場。預期聯營工廠會持續為本集團帶來財務貢獻。

主要獎項和殊榮

於本匯報期間，本集團取得以下獎項及殊榮：

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

- In February, Modern Dairy was awarded the Triple A Country Awards by The Asset Magazine for the first time, both domestic and overseas financing were carried out at the same time, and the scale, quality and efficiency were significantly improved.
- 2月：現代牧業首獲《財資》雜誌3A國家獎，境內境外融資雙翼齊飛，規模質量效益顯著提升。
- In April, Modern Dairy was awarded the Gold Prize of Monde Selection for the ninth consecutive year, symbolizing that our premium quality branded milk was widely recognized by all sectors of the society.
- 4月：現代牧業連續9年榮獲世界食品品質評鑒大會金獎，標誌著我們高質量的品牌奶廣泛獲得社會各界的肯定。



- In April, Modern Dairy officially joined the United Nations Global Compact (UNGC).
- 4月：現代牧業正式加入聯合國全球契約組織(UNGC)。
- In June, Modern Dairy was again assigned a “BBB” investment grade rating by Standard & Poor’s, with a stable outlook. Modern Dairy became the first dairy farming company in the world having been assigned an international credit rating of investment grade. This fully affirms the recognition received by the Company for China’s large-scale farming model from international credit rating agencies. Such grading established a positive image for the industry in the international capital market.
- 6月：現代牧業再次獲得標普授予投資級BBB評級，評級展望為穩定。現代牧業作為全球首家獲得國際信用評級為投資級的奶牛養殖企業。這充分印證了國際信用評級機構對本公司乃至中國規模化養殖模式的肯定，為業界在國際資本市場中樹立了良好形象。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL OVERVIEW

Sales Revenue

Business Analysis

The following table sets forth the details of the consolidated revenue during the Reporting Period:

Raw milk business	原料奶業務
Feeds sales business	飼料銷售業務
Consolidated revenue	合併收入

During the Reporting Period, the Group recorded sales revenue of RMB5,632.1 million (2021: RMB3,179.7 million), representing a yoy increase of 77.1%. Among which, the sales revenue of raw milk amounted to RMB4,858.0 million (2021: RMB3,179.7 million), representing a yoy increase of 52.8%; and the sales revenue of the feeds sales business amounted to RMB774.1 million (2021: nil). The significant increase in sales revenue during the period was mainly attributable to the increase in the sales volume of the Group's existing raw milk business and the contribution of the newly added feeds sales business after the acquisition of Fuyuan International last year.

財務概況

銷售收入

業務分析

下表載列截至匯報期間的合併收入明細：

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)
4,858,036	3,179,719
774,090	–
5,632,126	3,179,719

於本匯報期間，本集團錄得銷售收入人民幣5,632.1百萬元(2021年：人民幣3,179.7百萬元)，同比增長77.1%。其中原料奶銷售收入達人民幣4,858.0百萬元(2021年：人民幣3,179.7百萬元)，同比增長52.8%；飼料銷售業務錄得銷售收入人民幣774.1百萬元(2021年：無)。期內銷售收入錄得大幅增長，主要是本集團原有原料奶銷量增長，以及由去年收購富源國際後所增加的飼料銷售業務等貢獻所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Raw Milk Business

The following table sets forth the details of sales revenue, sales volume and average selling price (“ASP”) of raw milk for the Reporting Period indicated:

原料奶業務

下表載列所示於匯報期間原料奶的銷售收入、銷售量及平均售價詳情：

	2022 (unaudited) 2022年 (未經審核)			2021 (unaudited) 2021年 (未經審核)		
	Sales revenue 銷售收入 RMB'000 人民幣千元	Sales volume 銷售量 tons 噸	ASP 平均售價 RMB/kg 人民幣元/ 公斤	Sales revenue 銷售收入 RMB'000 人民幣千元	Sales volume 銷售量 tons 噸	ASP 平均售價 RMB/kg 人民幣元/ 公斤
Raw milk 原料奶	4,858,036	1,135,080	4.28	3,179,719	724,564	4.39

The total revenue from the sales of raw milk increased by 52.8% yoy to RMB4,858.0 million during the Reporting Period (2021: RMB3,179.7 million). The increase was mainly due to an increase in the sales volume of raw milk.

於本匯報期間，原料奶銷售總收入為人民幣4,858.0百萬元(2021年：人民幣3,179.7百萬元)，同比增長52.8%，主要是受益於原料奶銷量增加所致。

ASP of raw milk declined by 2.5% yoy to RMB4.28/kg during the Reporting Period (2021: RMB4.39/kg). This was mainly caused by the fact that most of the acquired farms were located in the northern regions where milk prices were lower than those in the southern regions, which leads to the change in the yoy regional sales volume shares; and the slight decrease in milk prices due to the weak consumption in the first half of the year caused by the epidemic.

於本匯報期間，原料奶平均售價為人民幣4.28元/公斤(2021年：人民幣4.39元/公斤)，同比減少2.5%，主要受所併購牧場多處於北方地區奶價低於南方，同比區域性銷量佔比結構變化影響；及受疫情影響上半年消費疲軟造成奶價微降所致。

Total sales volume of raw milk increased by 56.7% yoy to approximately 1.135 million tons during the Reporting Period (2021: 725 thousand tons), mainly due to the rise in AMY per milkable cow and the contribution of sales volume of raw milk from newly acquired farms.

於本匯報期間，原料奶總銷量約為113.5萬噸(2021年：72.5萬噸)，同比增加56.7%。主要是由於每頭奶牛的年化單產有所提升以及由已完成併購牧場的原料奶銷量所貢獻。

Feeds Sales Business

The Group commenced the business of sales of feeds along with the acquisition of Fuyuan International in November 2021. During the Reporting Period, the feeds sales business recorded a sales revenue of RMB774.1 million, a gross profit of RMB90.9 million and a gross profit margin of 11.7%, maintaining good profitability. The feeds sales business will continue to contribute profits to the Group.

飼料銷售業務

本集團於2021年11月完成收購富源國際後開始涉足飼料銷售業務，於本匯報期間，飼料銷售業務錄得銷售收入人民幣774.1百萬元，毛利額人民幣90.9百萬元，毛利率11.7%，飼料銷售業務具有較好的盈利能力，其將為本集團持續貢獻利潤。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Cost of Sales

The Group's cost of sales consisted of cost of raw milk and feeds sales. The following table sets forth the breakdown of the cost of sales of our products during the Reporting Period:

Raw milk business	原料奶業務
Feeds sales business	飼料銷售業務
Total cost of sales	合計銷售成本

Raw Milk Business

The following table sets forth the breakdown of the cost of sales of the raw milk business during the Reporting Period:

Direct materials	直接材料
Labor cost	勞工成本
Utilities	公用事業費用
Depreciation of property, plant and equipment	物業、廠房及設備折舊
Other costs of farms	畜牧場其他開支
Total	合計

During the Reporting Period, direct materials (mainly forage) cost of the dairy farming business amounted to RMB2,628.4 million (2021: RMB1,554.7 million), representing a yoy growth of 69.1%, mainly due to the increase in the number of lactating cows and the increase of feed prices.

銷售成本

本集團銷售成本包括原料奶成本和飼料銷售成本。下表載列本集團產品於所示匯報期間的銷售成本明細：

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)
3,294,136	1,998,122
683,167	—
3,977,303	1,998,122

原料奶業務

下表載列本集團於所示匯報期間的原料奶業務銷售成本明細：

Six months ended 30 June 截至6月30日止六個月

2022 (unaudited) 2022年 (未經審核)		2021 (unaudited) 2021年 (未經審核)	
RMB'000 人民幣千元	% 百分比	RMB'000 人民幣千元	% 百分比
2,628,359	79.8%	1,554,745	77.8%
222,779	6.7%	135,970	6.8%
91,764	2.8%	59,510	3.0%
148,016	4.5%	111,238	5.6%
203,218	6.2%	136,659	6.8%
3,294,136	100.0%	1,998,122	100.0%

於本匯報期間，奶牛養殖的直接材料(主要為飼草料)成本為人民幣2,628.4百萬元(2021年：人民幣1,554.7百萬元)，同比增長69.1%，主要是由於泌乳牛規模增長以及飼料價格的上漲所致。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Since the beginning of 2022, the international situation has been complicated and grim, and the world economic growth has been slowing down. The feed prices have significantly increased, globally and domestically, as the frequent and scattered outbreaks of domestic pandemic have caused a serious impact on the stable operation of the economy. The Group implemented various measures to enhance and streamline the procurement process so as to reduce purchasing costs. The Company has lowered operating costs through improving the formula, adjusting the feed mix, enhancing the health of cows, raising AMY per milkable cow, broadening sources of income and reducing expenditure. During the Reporting Period, the Group kept the average unit cost of raw milk ("UCM") at RMB2.90/kg (2021: RMB2.76/kg). Both average UCM and rate of increase were lower than the industry level. Out of which, the average feed cost of raw milk amounted to RMB2.26/kg (2021: RMB2.09/kg), representing a yoy increase of RMB0.17/kg, mainly due to the increase in feed prices.

Gross Profit and Profitability

The following table sets forth the breakdown of gross profit and gross profit margin of our business during the Reporting Period:

Raw milk business	原料奶業務
Feeds sales business	飼料銷售業務

The Company's financial performance is highly correlated with market prices and costs of raw milk and also affected by the milk yield of each milkable cow. In general, when milk prices increase, the Company's profitability will increase correspondingly under normal operation condition. When milk yield improves, the UCM will correspondingly decrease relatively.

2022年年初以來，國際形勢複雜嚴峻，世界經濟增長放緩態勢明顯。國內疫情多發散發，對經濟穩定運行造成了嚴重衝擊，國內外飼料價格大幅上升。本集團多措並舉，加強和簡化採購流程，降低採購成本；通過優化飼餵配方、調整飼料結構、持續提升牛隻健康和每頭奶牛的平均年化產量，開源節流降低運營成本。於本匯報期間，本集團原料奶的平均單位成本人民幣2.90元/公斤(2021年：人民幣2.76元/公斤)，平均單位成本及上漲幅度均低於行業水平，其中原料奶飼料成本平均為人民幣2.26元/公斤(2021年：人民幣2.09元/公斤)，同比增加人民幣0.17元/公斤，主要為飼料價上漲所致。

毛利及盈利能力

下表載列本集團於所示匯報期間的毛利及毛利率明細：

Six months ended 30 June 截至6月30日止六個月

2022 (unaudited) 2022年 (未經審核)		2021 (unaudited) 2021年 (未經審核)	
Gross profit	Gross profit margin	Gross profit	Gross profit margin
毛利	毛利率	毛利	毛利率
RMB'000 人民幣千元		RMB'000 人民幣千元	
1,563,900	32.2%	1,181,597	37.2%
90,923	11.7%	N/A不適用	N/A不適用

本公司的財務表現與市場奶價及成本呈高相關性，亦受每頭成乳牛的產奶量影響。一般而言，在正常營運下，當奶價上升，本公司的盈利能力亦會同時增加；當產奶量提高，原料奶的單位成本便會相對減少。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

During the Reporting Period, gross profit of the Group's raw milk business amounted to RMB1,563.9 million (2021: RMB1,181.6 million), representing an increase of 32.4% yoy, which was mainly due to the increase in sales volume of raw milk. Gross profit margin of the Group's raw milk business stood at 32.2% (2021: 37.2%), representing a yoy drop of 5.0 ppt. The gross profit of the Group's feeds sales business was RMB90.9 million, with a gross profit margin of 11.7%, showing relatively good profitability.

Losses Arising from Changes in the Dairy Cow Fair Value Less Costs to Sell of Dairy Cows

As at 30 June 2022, the biological assets of the Group were valued at RMB10,260.3 million (as at 31 December 2021: RMB9,404.9 million) by an independent qualified professional valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited. Losses arising from changes in the dairy cow fair value less costs to sell of dairy cows were RMB337.6 million (2021: RMB405.8 million) for the Reporting Period, representing a yoy decrease of 16.8%, mainly due to the increase in the number of reserved heifers.

Gains Arising from Initial Recognition at Fair Value Less Cost of Sales at the Point of Raw Milk Harvest

During the Reporting Period, gains arising from initial recognition at fair value less cost of sales at the point of raw milk harvest increased by 33.5% yoy to RMB1,479.2 million (2021: RMB1,108.0 million), mainly due to the increase in the sales volume of raw milk.

International Financial Reporting Standards (IFRS) requires that raw milk harvested should be initially measured at fair value less cost of sales, and the difference between the fair value less cost of sales and the actual costs incurred should be charged to profit or loss.

OTHER INCOME

During the Reporting Period, other income amounted to RMB81.2 million (2021: RMB53.4 million), mainly consisted of government subsidies and interest income. Government subsidies mainly consisted of subsidies for agricultural projects and subsidies for the operations of the Group.

於本匯報期間，本集團原料奶業務的毛利為人民幣1,563.9百萬元(2021年：人民幣1,181.6百萬元)，同比增長32.4%，主要是由於原料奶銷售量增加所致。本集團原料奶業務的毛利率為32.2%(2021年：37.2%)，同比減少5.0個百分點。本集團飼料銷售業務毛利為人民幣90.9百萬元，毛利率11.7%，具有較好的盈利能力。

乳牛公平值變動減乳牛出售成本產生的虧損

於2022年6月30日，本集團的生物資產獲獨立合資格專業估值師仲量聯行企業評估及諮詢有限公司評估為人民幣10,260.3百萬元(於2021年12月31日：人民幣9,404.9百萬元)。於本匯報期間，乳牛公平值變動減乳牛出售成本產生的虧損為人民幣337.6百萬元(2021年：人民幣405.8百萬元)，同比減少16.8%，主要由於後備牛數量的增長所致。

於原料奶收穫時按公平值減銷售成本初始確認產生的收益

於本匯報期間，於原料奶收穫時按公平值減銷售成本初始確認產生的收益為人民幣1,479.2百萬元(2021年：人民幣1,108.0百萬元)，同比增長為33.5%，主要由於原料奶銷售量的增長所致。

國際財務報告準則要求按公平值減銷售成本初始計量已收穫的原料奶，而公平值減銷售成本與所產生的實際成本之間的差異計入損益內。

其他收入

於本匯報期間，其他收入人民幣81.2百萬元(2021年：人民幣53.4百萬元)，其他收入主要包括政府補貼及利息收入，政府補助主要包括對農業項目的補貼及對本集團營運提供補助。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATING EXPENSES

經營開支

Six months ended 30 June
截至6月30日止六個月

Selling and distribution costs	銷售及分銷開支
Administrative expenses	行政開支
Total operating expenses	經營開支總額

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)
165,577	80,630
318,438	154,622
484,015	235,252

During the Reporting Period, the overall operating expenses of the Group amounted to approximately RMB484.0 million (2021: RMB235.3 million). The analysis is set forth as follows:

於本匯報期間，本集團的整體經營開支約為人民幣484.0百萬元(2021年：人民幣235.3百萬元)。分析如下：

• Selling and Distribution Costs

The analysis of the selling and distribution costs is set forth below:

• 銷售及分銷開支

銷售及分銷開支分析如下：

Six months ended 30 June
截至6月30日止六個月

Transportation costs and others	運輸費及其他
Taxes and surcharges	稅金及附加
Total selling and distribution costs	銷售及分銷開支總額

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)
157,784	78,832
7,793	1,798
165,577	80,630

Selling and distribution costs mainly consisted of transportation costs for sales of raw milk and feeds. During the Reporting Period, the Group recorded selling and distribution costs of RMB165.6 million (2021: RMB80.6 million), which increased by RMB85.0 million yoy, representing a significant yoy increase of 105.4%. This was mainly due to the increase in the sales volume of raw milk, and the selling costs arising from the business of sales of feeds the Group commenced along with the acquisition of Fuyuan International.

銷售及分銷開支主要包括原料奶銷售及飼料銷售的運輸費用。於本匯報期間，本集團錄得銷售及分銷開支為人民幣165.6百萬元(2021年：人民幣80.6百萬元)，同比增加人民幣85.0百萬元，大幅增長105.4%，主要由於原料奶銷售量的增長，以及本集團完成收購富源國際後涉足飼料銷售業務所帶來的銷售費用所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

• Administrative Expenses

Administrative expenses mainly consisted of remuneration of management staff (including equity-based restricted share award expenses) and depreciation of office buildings, staff quarters and facilities. During the Reporting Period, the administrative expenses of the Group were RMB318.4 million (2021: RMB154.6 million), which increased by RMB163.8 million, which was mainly due to the increase in management remuneration and other daily administrative expenses due to the expansion of the Group's business scale and the corresponding increase in the number of employees.

• 行政開支

行政開支主要包括管理人員薪酬(含以股權結算的限制性股票獎勵開支)及辦公樓、職工宿舍與設施折舊等。於本匯報期間，本集團錄得行政開支為人民幣318.4百萬元(2021年：人民幣154.6百萬元)，增加人民幣163.8百萬元，主要由於隨着本集團業務規模的擴大，相應員工人數增長等使得管理人員薪酬及其他日常行政費用增長所致。

IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

預期信貸虧損模型下減值虧損，扣除撥回

Impairment losses recognised in respect of:

Trade receivables
Other receivables

就下列各項確認的減值虧損：

應收貿易賬款
其他應收款項

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)
956	-
25	64
981	64

OTHER GAINS AND LOSSES, NET

During the Reporting Period, the Group recorded a net loss arising from other gains and losses of RMB225.4 million (2021: net loss of RMB9.9 million). Other gains and losses mainly consisted of net foreign exchange gain or loss and fair value gain/loss on derivative financial instruments.

其他收益及虧損淨額

於本匯報期間，本集團錄得其他收益及虧損所產生的淨虧損為人民幣225.4百萬元(2021年：淨虧損人民幣9.9百萬元)，其他收益及虧損主要包括外匯收益虧損淨額、衍生金融工具的公平值收益/虧損。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The breakdown of other gains and losses is as follow:

其他收益及虧損明細如下：

		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)
Other gains and losses, net:	其他收益及虧損淨額：		
Net foreign exchange loss/(gain)	外匯虧損/(收益)淨額	228,545	(23,754)
Loss on disposal of property, plant and equipment, net	出售物業、廠房及設備虧損淨額	155	4,611
Fair value (gain)/loss on derivative financial instruments:	衍生金融工具的公平值(收益)/虧損：		
Foreign currency forward contracts	外匯遠期合約	(1,416)	1,956
Foreign currency option contracts	外匯期權合約	(27,785)	27,812
Capped and floored cross currency swap	封頂封底交叉貨幣掉期	27,112	-
Fair value gain on structured deposits	結構性存款的公平值收益	(2,377)	(754)
Others	其他	1,175	-
		225,409	9,871

FINANCE COSTS

During the Reporting Period, finance costs amounted to RMB153.8 million (2021: RMB91.4 million), representing a yoy increase of 68.3%, mainly due to the increase of the financing scale.

財務開支

於本匯報期間，本集團財務開支為人民幣153.8百萬元(2021年：人民幣91.4百萬元)，同比增長68.3%，主要是由於融資規模增長所致。

PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

During the Reporting Period, the profit attributable to owners of the Company amounted to RMB507.7 million (2021: RMB496.7 million), representing a slightly yoy increase of 2.2%.

本公司擁有人應佔期內溢利

於本匯報期間，本公司擁有人應佔溢利為人民幣507.7百萬元(2021年：人民幣496.7百萬元)，同比小幅增長2.2%。

During the Reporting Period, basic earnings per share was approximately RMB6.46 cents (2021: RMB7.13 cents). Diluted earnings per share was approximately RMB6.45 cents (2021: RMB7.12 cents).

於本匯報期間，每股基本盈利約人民幣6.46分(2021年：人民幣7.13分)。每股攤薄盈利約人民幣6.45分(2021年：人民幣7.12分)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

The Group's total equity as at 30 June 2022 was RMB11,529.4 million (as at 31 December 2021: RMB11,114.7 million). As at 30 June 2022, the Group's net gearing ratio (calculated on the basis of the amount of total interest-bearing borrowings less cash and deposit assets as a percentage of the total equity) was 66.4% (as at 31 December 2021: 56.1%), representing a lift of 10.3 ppt as compared with that as at 31 December 2021.

As at 30 June 2022, the Group's available and unutilized credit facilities amounted to approximately RMB5,377.3 million (as at 31 December 2021: RMB5,618.0 million). Having considered (i) forecast cash flow from operating activities of continuing operation; and (ii) existing financial resources and gearing level of the Group, the Directors believe that the Group's financial resources are sufficient to meet its debt repayment, day-to-day operations as well as contracted capital expenditures as at 30 June 2022.

Operating Activities

During the Reporting Period, the Group's net cash inflow generated from operating activities amounted to RMB1,282.2 million (2021: RMB1,464.9 million), which decreased by RMB182.7 million yoy.

Investing Activities

During the Reporting Period, the Group's net cash outflow from investing activities amounted to RMB1,841.5 million (2021: net cash outflow of RMB825.6 million), which is increased by RMB1,015.9 million yoy, mainly due to the increase of the breeding cost in biological assets along with the growth of herd scale and the increase in payment of consideration in relation to the equity acquisition.

Financing Activities

During the Reporting Period, the Group's net cash inflow generated from financing activities amounted to RMB1,059.1 million (2021: net cash inflow of RMB399.9 million), which is increased by RMB659.2 million yoy, mainly due to the increase of the financing scale.

流動資金、財務資源及槓桿比率

本集團於2022年6月30日的總權益為人民幣11,529.4百萬元(於2021年12月31日：人民幣11,114.7百萬元)。於2022年6月30日，本集團的淨槓桿比率(按有息借款總額減現金及存款類資產佔總權益百分比)為66.4%(於2021年12月31日：56.1%)，對比2021年12月31日增加10.3個百分點。

於2022年6月30日，本集團的可動用而未動用信貸融資額度約人民幣5,377.3百萬元(2021年12月31日：人民幣5,618.0百萬元)。經考慮(i)持續經營業務的經營活動預測現金流量；及(ii)本集團的現有財務資源及槓桿水平，董事相信，本集團有充足財務資源清還債務，為其日常業務營運及於2022年6月30日的已訂約資本開支提供資金。

經營活動

於本匯報期間，本集團的經營活動所產生的現金流量淨流入為人民幣1,282.2百萬元(2021年：人民幣1,464.9百萬元)，同比減少人民幣182.7百萬元。

投資活動

於本匯報期間，本集團的投資活動所產生的現金流量淨流出為人民幣1,841.5百萬元(2021年：淨流出人民幣825.6百萬元)，同比增加人民幣1,015.9百萬元，主要是由於生物資產規模增長帶來的培育開支增長以及支付收購股權對價款增長所致。

融資活動

於本匯報期間，本集團的融資活動所產生的現金流量淨流入為人民幣1,059.1百萬元(2021年：現金淨流入人民幣399.9百萬元)，同比增加人民幣659.2百萬元，主要是由於融資規模增長所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Interest-bearing Borrowings

As at 30 June 2022, the total interest-bearing borrowings amounted to RMB10,496.8 million (as at 31 December 2021: RMB8,494.7 million), representing a yoy increase of 23.6%.

有息借款

於2022年6月30日，有息借款總額為人民幣10,496.8百萬元(於2021年12月31日：8,494.7百萬元)，同比增長23.6%。

Borrowings

Bank borrowings
Other borrowings
Long term bonds

借款

銀行借款
其他借款
長期債券

Carrying value repayable:

Within one year
Between one and two years
Between two and five years
Over five years

應償還賬面值：

一年以內
一至兩年內
兩至五年內
五年以上

	As at 於	
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)
6,955,520		4,666,016
179,022		637,004
3,362,260		3,191,719
10,496,802		8,494,739
4,185,077		2,846,348
1,279,678		1,252,000
4,431,870		4,326,143
600,177		70,248
10,496,802		8,494,739

The following sets forth an analysis of the respective borrowings:

各項借款分析如下：

Bank Borrowings

The interest rate of the bank borrowings as at 30 June 2022 ranged from 1.90% to 8.16% (as at 31 December 2021: 1.50% to 4.57%) per annum.

銀行借款

於2022年6月30日，銀行借款的年利率介乎1.90%至8.16%(於2021年12月31日：1.50%至4.57%)。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

The table below sets forth our short-term and long-term bank borrowings as at the end of the period indicated:

下表列載於所示日期的短期及長期銀行借款：

		As at 於	
		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)
Carrying amount repayable:	應償還賬面值：		
Within one year	一年以內	4,139,262	2,380,683
Between one and two years	一至兩年內	1,268,678	1,234,489
Between two and five years	兩至五年內	947,403	980,596
Over five years	五年以上	600,177	70,248
		6,955,520	4,666,016

Bank borrowings are denominated in the following currencies:

銀行借款以下列貨幣計值：

		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)	
US\$	美元	1,246,419		1,327,048	
RMB	人民幣	5,709,101		3,338,968	
		6,955,520		4,666,016	

The bank borrowings comprised:

銀行借款包括：

		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)	
Fixed-rate borrowings	定息借款	5,267,794		2,971,548	
Variable-rate borrowings	浮息借款	1,687,726		1,694,468	
		6,955,520		4,666,016	

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

• Other borrowings

The interest rate of other borrowings as at 30 June 2022 ranged from 3.59% to 12.00% (as at 31 December 2021: 3.85% to 12.00%) per annum.

The table below sets forth the short-term and long-term other borrowings as at the end of the period indicated:

Carrying amounts repayable:	應償還賬面值：
Within one year	一年以內
Between one to two years	一年至兩年內
Between two to five years	兩年至五年內

• 其他借款

於2022年6月30日，其他借款的年利率變幅為3.59%至12.00%（於2021年12月31日：3.85%至12.00%）。

下表列載於所示日期的短期及長期其他借款：

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)
12,736	433,676
11,000	17,511
155,286	185,817
179,022	637,004

• Long term bonds

Carrying amounts repayable:	應償還賬面值：
Within one year	一年以內
Between two to five years	兩年至五年內

• 長期債券

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)
33,079	31,989
3,329,181	3,159,730
3,362,260	3,191,719

The long term bonds above refer to bonds issued by the Company in 2021 at nominal amount of US\$500 million, 2.125% bonds due 2026 (the "Bonds") with a credit rating of "BBB", being an investment grade assigned by Standard & Poor's. The listing of, and dealing in, the Bonds were effective from 15 July 2021.

上述長期債券是指本公司於2021年發行，面值為5億美元、票息為2.125%、於2026年到期的債券（「債券」）。本期債券的上市和交易已於2021年7月15日起生效。本期債券獲標準普爾信用評級為「BBB」投資級別。

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The offer price of the Bonds was 99.717% of the principal amount. The Bonds bear interest with effect from 14 July 2021 (inclusive), payable semi-annually in arrears. The proceeds from the issue of the Bonds has been used for refinancing and general corporate purposes.

Further details of the Bonds are also set out in Note 20 to the financial statements.

債券的發售價為本金額的99.717%。債券從2021年7月14日(含)起計息，每半年支付一次。債券發行所得款項已用於再融資及一般企業用途。

債券之進一步詳情亦載於財務報表附註20。

GROUP STRUCTURE

Save as disclosed in this report, during the Reporting Period, there was no material change in the structure of the Group.

CAPITAL STRUCTURE

As at 30 June 2022, the number of issued ordinary shares of the Company was 7,915,662,048 shares.

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

As at 30 June 2022, no buildings or equipment of the Company (as at 31 December 2021: nil) were pledged as security for the Group's borrowings.

Modern Farming (Group) Co., Ltd. (a subsidiary of the Company) ("**Modern Farming**") acquired 80% equity interests in Datong Yilei Second Animal Husbandry Co., Ltd. ("**Yilei**") on 6 May 2022. Yilei has been the respondent of an arbitration proceeding. The claimant accused that Yilei failed to supply goods to it in accordance with the terms of contract and the claimed compensation was approximately RMB43,313,000. Provisions of RMB4,573,000 was recognised under other liabilities in respect of this ongoing arbitration at the date of acquisition.

As at 30 June 2022, biological assets with carrying value of RMB910.7 million (as at 31 December 2021: RMB770.4 million), time deposits of RMB129.2 million (as at 31 December 2021: RMB127.0 million), trade receivables of RMB8.24 million (as at 31 December 2021: RMB7.25 million) and properties of RMB68.5 million (as at 31 December 2021: RMB112.1 million) were pledged to secure the Group's borrowings.

Saved as disclosed above, the Group did not have any significant contingent liabilities as at 30 June 2022.

本集團架構

除本報告披露外，於本匯報期間，本集團架構並無發生任何重大變動。

資本架構

於2022年6月30日，本公司已發行普通股為7,915,662,048股股份。

或然負債及資產抵押

於2022年6月30日，本公司無樓宇及設備(於2021年12月31日：無)被抵押作本集團借款的擔保。

本公司附屬公司現代牧業(集團)有限公司(「**現代牧業(集團)**」)於2022年5月6日收購大同伊磊二牧牧業有限公司(「**伊磊**」)80%股權。伊磊為仲裁程序中的被答辯人。申索人指控伊磊未能根據合同條款供貨，索賠金額約為人民幣43,313,000元。於收購日期就該正在進行的仲裁在其他負債項下確認撥備人民幣4,573,000元。

於2022年6月30日，生物資產的賬面值人民幣910.7百萬元(於2021年12月31日：人民幣770.4百萬元)，定期存款人民幣129.2百萬元(於2021年12月31日：人民幣127.0百萬元)、應收賬款人民幣8.24百萬元(於2021年12月31日：人民幣7.25百萬元)以及不動產人民幣68.5百萬元(於2021年12月31日：人民幣112.1百萬元)已抵押作本集團借款的擔保。

除上文所披露者外，於2022年6月30日，本集團並無任何重大或然負債。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CAPITAL COMMITMENTS

As at 30 June 2022, the Group had capital commitments of RMB264.4 million relating to acquisition of property, plant and equipment (as at 31 December 2021: RMB244.5 million).

MATERIAL ACQUISITIONS AND DISPOSALS

Acquisition of Aiyangniu Technology

The acquisition of 75% equity interest in Inner Mongolia Aiyangniu Technology Co., Ltd. (“**Aiyangniu Technology**”) has been approved at the extraordinary general meeting of the Company held on 8 June 2022. Aiyangniu Technology is principally engaged in the operation of animal husbandry e-commerce platform, animal husbandry service cloud platform, animal husbandry service business, sale of feedstuffs, additives and veterinary medicine, and trade consulting of agricultural and livestock products in the PRC. The Group believes that the acquisition of Aiyangniu Technology can further leverage the industrial chain synergy advantages of the Group as a leading dairy enterprise, and provide services such as digital technology, supply chain finance, breeding technology and other services through the ecological sharing platform to upstream and downstream customers, enhancing the Group’s profitability.

Entry into an Entity Incorporation Agreement with Rixin Investment

On 22 June 2022, Modern Farming and Inner Mongolia Rixin Investment (Group) Co., Ltd. (“**Rixin Investment**”) entered into an agreement to establish a company for investment in the new dairy farms in Inner Mongolia of the PRC. The shareholding of the company is held as to 51% by Modern Farming and 49% by Rixin Investment. The registered capital of the company is RMB1 billion and each of Modern Farming and Rixin Investment commits to contribute RMB510,000,000 and RMB490,000,000, respectively, in the capital of the company.

With the support of the PRC government and favourable national policies, setting up dairy farms by investing in such kind of company could reduce short term capital expenditure and improve the cash flow of the Company, and the contribution of extra herd size thereafter will further strengthen the Group’s position in the dairy farming industry in the PRC and enhance the Group’s competitiveness in terms of economies of scale, product quality and pricing of fresh raw milk. Since it is agreed that Mengniu Group will purchase the qualified raw milk from the company’s invested new dairy farms, the proceeds from the sales of raw milk will have positive contribution on the Group’s revenue and profitability.

For details of entry into the agreement, please refer to the announcement of the Company dated 22 June 2022.

資本承諾

於2022年6月30日，本集團有關購置物業、廠房及設備的資本承諾為人民幣264.4百萬元(於2021年12月31日：人民幣244.5百萬元)。

重大收購及出售

收購愛養牛科技

有關收購內蒙古愛養牛科技有限公司(「**愛養牛科技**」) 75%股權，已於本公司2022年6月8日召開的股東特別大會上獲批。愛養牛科技主要在中國從事畜牧業電子商務平台、畜牧業服務雲平台、畜牧業服務業的營運、銷售飼料、添加劑及獸藥和農畜產品交易諮詢。本集團相信收購愛養牛科技可進一步發揮本集團作為奶業領軍企業的產業鏈協同優勢，通過生態共用平台向上下游提供數字科技、供應鏈金融、養殖技術等服務，以提升本集團的盈利能力。

與日信投資訂立共組公司協定

2022年6月22日，現代牧業(集團)與內蒙古日信投資(集團)有限公司(「**日信投資**」)訂立協議共同成立公司，以投資中國內蒙古的新建牧場。該公司股權由現代牧業(集團)持有51%及由日信投資持有49%。該公司的註冊資本為人民幣10億元，現代牧業(集團)及日信投資分別承諾向該公司的股本出資人民幣5.1億元及人民幣4.9億元。

在中國政府支持及國家有利政策下，通過共同投資公司設立牧場可減少短期資本支出，並改善本公司現金流量，後續額外所增牧群將進一步鞏固本集團在中國奶牛養殖業的地位，並提升本集團在規模效益、產品質量及原料奶定價方面的競爭力。由於蒙牛集團已同意向該公司所投新建牧場採購合格原料奶，出售原料奶所得款項將對本集團的收入及盈利能力作出正面貢獻。

有關成立該公司的協定詳情，請參考本公司日期為2022年6月22日的公告。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

SIGNIFICANT INVESTMENTS

Saved as disclosed elsewhere in this report, the Group had no significant investments during the Reporting Period.

PLANS FOR MATERIAL INVESTMENTS OR CAPITAL

Saved as disclosed elsewhere in this report, the Group does not have any concrete plans for material investments and capital assets.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as otherwise disclosed in this report, our Directors have confirmed that, as of 30 June 2022, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

EVENTS AFTER THE REPORTING PERIOD

Saved as disclosed elsewhere in this report, no other material events occurred after the end of the Reporting Period and up to the date of this report.

FINANCIAL MANAGEMENT POLICIES

The Group will continue to closely monitor its financial risks so as to safeguard the interests of the shareholders of the Company. The Group applies its cash flows generated from operations and bank loans to meet its operational and investment needs.

Except for the debts (including bank borrowings and bonds) that are denominated in currencies other than Renminbi, the Group’s management considers that the Group has limited foreign currency exposure in respect of its operations since its operations are mainly conducted in Mainland China. Sales and purchases are mainly denominated in Renminbi, and the foreign currency risks associated with refined feeds and farm facilities are not material. Taking into account of the foreign currency exchange and interest rate risk related to its borrowings, the Group cautiously uses derivative contracts to hedge against its exposure to foreign currency and interest rate risks. The management strictly complies with the relevant hedging policy, reviews and assesses relevant risks from time to time, and takes necessary measures when appropriate.

重大投資

除本報告其他部分所披露外，於本匯報期間，本集團並無重大投資。

重大投資或資本計劃

除本報告其他部分所披露者外，本集團並無任何重大投資及資本資產的具體計劃。

基於上市規則的持續披露責任

除本報告另有披露外，董事確認截至2022年6月30日，本公司未有基於香港聯合交易所有限公司證券上市規則(「上市規則」)第13.13至第13.19條需要披露的事項。

匯報期後事項

除本報告其他部分所披露外，於匯報期間末及截至本報告日期，概無發生其他重大事項。

財務管理政策

本集團將持續嚴密控制財務風險以保障本公司股東權益。本集團利用經營所得現金流量及銀行貸款以應付其經營及投資需要。

除了非人民幣的外幣貸款(包括銀行借款及債券)外，本集團的管理層認為，本集團面對與其營運有關的外匯風險有限，因為我們的業務主要於中國內地經營。買賣主要以人民幣計值，而與精飼料及畜牧設施有關的外匯風險並不重大。考慮到存有與借款有關的外匯及利率風險，本集團現時謹慎地採用衍生工具合約作對沖用途。管理層嚴緊依照有關對沖政策，不時審議及評估相關風險及適時作出必要對策。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

HUMAN RESOURCES AND REMUNERATION OF EMPLOYEES

The Group had 7,876 employees in Mainland China and Hong Kong as at 30 June 2022 (as at 30 June 2021: 4,421 employees). Total staff costs (excluding equity-settled share award expenses) for the Reporting Period were approximately RMB508.4 million (2021: RMB267.6 million).

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.

In 2022, the Group continued the implementation of the frontline organizational reforms in the farms to upgrade the organization configuration and enhance organizational capabilities. The Group has introduced senior management talents, comprehensively improved and upgraded the salary and performance management system and incentive plans, reinforced the happiness and welfare scheme for employees and established a tailor-made leadership behavior evaluation system, aiming to effectively build the talent career development channels, continuously optimize employees' income and career development, provide employees with competitive salaries, a career development platform with continuous promotion and provide a variety of ability improvement training. In this way, we can build an excellent team that is caring, promising and resilient with high professional ability and strong comprehensive capability, providing human resources support for the rapid development of the Group.

SOCIAL RESPONSIBILITY

The Group has been proactively fulfilling its social responsibility and, guided by the principle that safety and quality come first, proactively develops and implements modern scientific breeding and feeding know-how. The Group puts great effort to strike a balance between business growth and social responsibility, so as to convey the Group's care and blessing to all stakeholders.

The Group is committed to improving the quality of its products by providing consumers with a commitment to provide healthy, safe, nutritious and high-quality dairy products. Meanwhile, it upholds the production principle of achieving energy conservation and environmental protection.

人力資源及僱員薪酬

於2022年6月30日，本集團於中國內地及香港擁有7,876名僱員（於2021年6月30日：4,421名僱員）。於本匯報期間，總員工成本（不含以股權結算的股份獎勵開支）約為人民幣508.4百萬元（2021年：人民幣267.6百萬元）。

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。

本集團於2022年持續實施牧場一線組織變革，升級組織配置，提升組織能力；引進高級管理人才、全面改善升級薪酬績效管理體系與激勵計劃、實施員工幸福關愛計劃、量身定制領導力行為評價體系，有效構建人才職業發展體系等各方面持續優化員工收入和職業發展，為員工提供有競爭力的薪酬、有持續晉升的職業發展平台、提供多樣化的能力提升培訓等只為建立一支有溫度、有潛力、善打仗的專業素質高、綜合能力強的優秀團隊，為本集團快速發展提供了人才支撐。

社會責任

本集團積極履行社會責任，秉持安全質量為先的原則，積極開發及實施現代化的科學養殖及餵飼技術。努力在發展業務與社會責任之間取得平衡，讓廣大持份者感受到本集團傳遞的關愛和幸福。

本集團踐行為消費者提供健康安全、營養豐富、品質優異乳品的承諾，致力提升產品質量，同時秉承實現節能環保的生產原則。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group actively promotes the economic development of communities where our farms are located and increases the income of local residents. The Group actively implements the precise poverty alleviation policy, responds to the call of poverty alleviation, and is devoted to poverty alleviation within the industry and society. Firstly, the contract of silage planting was signed with local farmers in farm areas to reduce the impact of natural disasters on crop harvest. At the same time, to solve the local employment problem, the Group's farms provide multiple jobs throughout the country, effectively alleviating the pressure of surplus rural labor force and increasing the income of local farmers. The Group also undertakes social responsibility and promotes local economic development through measures such as making direct donation of materials and moneys and paying visits to nursing homes.

The Group's social responsibility efforts have widely spread from dairy cow breeding, accountable quality, green development to employee development and social care. The Group has always adhered to the "people-oriented" concept, and taken the responsibility of promoting sustainable development of the dairy industry, giving back to the nature and serving the society.

PROSPECTS

Modern Dairy will continue to implement the "Five-Year Lead Plan" and focus on the core business. We expect that the dairy herd of the Group could reach more than 500,000 heads by 2025, with an annual output of 3.6 million tons of raw milk. We will expand into new business and develop new profit growth points. We are expanding the market share of the feed sector, realizing the quality traceability of the whole chain through equity investments in the digital platforms of "Yunyangniu" and "Aiyangniu", building a world-leading dairy cow breeding and breeding services consortium, and integrating land, forage and resources. We will improve the layout of the entire industry chain and carry out in-depth cooperation on the upstream of the dairy industry, so that all upstream parties in the dairy industry can jointly participate in the development and, together, form an industrial ecosystem to share development results, so as to enhance the Group's core competitiveness and anti-risk capabilities.

The Group's upstream dairy farming industry chain layout has been formed. Driven by demand, favorable policies and technology, the Group will have a very broad development prospect. In the future, Modern Dairy will continue to actively undertake the responsibility of revitalizing national dairy industry and lead the industry towards a sustainable development model with digital and intelligent innovations, low-carbon and environmental protection, and will also accelerate its development through the improvement of the whole industry chain ecology, aiming to build itself into one of the world's leading dairy farming group with social responsibility.

本集團積極帶動牧場所在週邊經濟發展，增加當地居民收入。本集團積極落實精準扶貧政策，響應扶貧號召，做好行業扶貧，社會扶貧。首先，主動與牧場所在地農戶簽訂青貯種植合同，減少自然災害對百姓農作物收穫的影響。同時解決當地人員就業問題，本集團的牧場在全國各地提供多個崗位，有效緩解農村剩餘勞動力壓力，增加當地農民收入。本集團也以直接捐贈物資、捐贈金錢、探訪養老院等多種方式，承擔社會責任，促進當地經濟發展。

本集團的社會責任之路，從乳牛培育、責任品質、綠色發展再到員工成長及至社會關懷，本集團一貫秉承「以人為本」的理念，擔當起推動奶業可持續發展、回饋自然、服務社會的責任。

展望

現代牧業將繼續落實「五年領跑計劃」，做好核心業務。我們預期到2025年本集團奶牛存欄量可達至50萬頭以上，年產原料奶達360萬噸。我們將拓展新業務，發掘新利潤增長點，擴大飼料板塊市場的佔有率、通過股權方式投資「雲養牛」及「愛養牛」數碼平台以實現全鏈條質量追溯、建造全球領先的奶牛育種和繁育服務聯合體、整合地、草及資源，完善全產業鏈佈局，圍繞奶業上游開展作深度合作，讓奶產業上游各方共同參與發展，形成產業生態圈共享發展成果，從而提升本集團核心競爭力及抗風險能力。

本集團的上游牧業產業鏈已形成佈局。在需求拉動、政策引領和技術驅動下，本集團的發展前景將甚為廣闊。未來，現代牧業將繼續積極承擔國家奶業振興之責，引領行業邁向數智創新、勵行低碳環保的可持續發展模式，並通過完善全產業鏈生態，加速發展，打造全球領先及具社會責任的牧業集團之一。

REPORT OF THE DIRECTORS

董事會報告

The board of directors (the “**Directors**” or the “**Board**”) of China Modern Dairy Holdings Ltd. (the “**Company**”) would like to present their interim report together with the unaudited condensed consolidated financial statements of the Company and its subsidiaries (the “**Group**”) for six months ended 30 June 2022 (the “**Reporting Period**”).

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the Reporting Period (2021: nil).

DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2022, the interests and short positions of the Directors and the chief executives of the Company and their respective associates in the ordinary share of HK\$0.1 each in the share capital of the Company (“**Shares**”), underlying shares and debentures of the Company or 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**”) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) were as follows:

中國現代牧業控股有限公司(「本公司」)董事會(「董事」或「董事會」)謹此提呈其中期報告，連同本公司及其附屬公司(「本集團」)截至2022年6月30日止六個月(「匯報期間」)的未經審核簡明綜合財務報表。

中期股息

董事會已議決不就本匯報期間宣派任何中期股息(2021年：無)。

董事及主要行政人員於股份、相關股份及債券的權益及淡倉

於2022年6月30日，董事及本公司主要行政人員及彼等各自的聯繫人於本公司股本中每股面值0.1港元的普通股股份(「股份」)、本公司或其相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部的相關股份及債券中，擁有根據證券及期貨條例第352條須登記於本公司存置的登記冊的權益及淡倉，或根據上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及香港聯合交易所有限公司(「聯交所」)的權益及淡倉如下：

Name of Director 董事姓名	Nature of interest 權益性質	Number of Shares and underlying shares 股份及相關股份數目	Approximate percentage of shareholding interest ⁽¹⁾ 股權概約百分比 ⁽¹⁾
Mr. SUN Yugang 孫玉剛先生	Beneficial owner 實益持有人	6,428,287	0.08%
Mr. ZHU Xiaohui 朱曉輝先生	Beneficial owner 實益持有人	3,535,593	0.04%

Note:

(1) Based on 7,915,662,048 Shares in issue as at 30 June 2022.

附註：

(1) 基於2022年6月30日已發行的7,915,662,048股股份。

INTEREST IN ASSOCIATED CORPORATION

於相聯法團的權益

Name of Director 董事姓名	Name of associated corporation 相聯法團名稱	Number of shares and underlying shares in associated corporation 於相聯法團的股份及相關股份數目	Approximate percentage of shareholdings interest ⁽²⁾ 股權概約百分比 ⁽²⁾
Mr. LU Minfang ⁽¹⁾ 盧敏放先生 ⁽¹⁾	China Mengniu Dairy Company Limited 中國蒙牛乳業有限公司	21,186,046	0.54%
Mr. ZHANG Ping ⁽¹⁾ 張平先生 ⁽¹⁾	China Mengniu Dairy Company Limited 中國蒙牛乳業有限公司	3,090,357	0.08%
Mr. ZHAO Jiejun ⁽¹⁾ 趙傑軍先生 ⁽¹⁾	China Mengniu Dairy Company Limited 中國蒙牛乳業有限公司	3,411,619	0.09%

Notes:

- (1) Mr. LU Minfang, Mr. ZHANG Ping and Mr. ZHAO Jiejun are non-executive Directors of the Company. Mr. LU Minfang is an executive director and chief executive officer of China Mengniu Dairy Company Limited (“Mengniu”). Mr. ZHANG Ping is a chief financial officer of Mengniu. Mr. ZHAO Jiejun is the assistant vice president and the head of milk sourcing and supply chain business unit of Mengniu. As at the date of this report, Mengniu holds 56.36% of the issued share capital of the Company.
- (2) Based on 3,954,568,450 shares of Mengniu in issue as at 30 June 2022.

附註：

- (1) 盧敏放先生、張平先生及趙傑軍先生均為本公司的非執行董事。盧敏放先生為中國蒙牛乳業有限公司(「蒙牛」)的執行董事兼總裁。張平先生為蒙牛的首席財務官。趙傑軍先生為蒙牛的助理副總裁兼奶源及供應鏈負責人。於本報告日期，蒙牛持有本公司已發行股本56.36%。
- (2) 基於2022年6月30日蒙牛已發行的3,954,568,450股股份。

Saved as disclosed above, as at 30 June 2022, none of the Directors and the chief executives of the Company and their respective associates had any interests and short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register of the Company required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於2022年6月30日，董事及本公司主要行政人員及彼等各自的聯繫人概無於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中，擁有根據證券及期貨條例第352條須登記於本公司存置的登記冊的任何權益及淡倉，或根據標準守則須知會本公司及聯交所的任何權益及淡倉。

REPORT OF THE DIRECTORS 董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2022, the interests or short positions of substantial shareholders, other than the Directors or the chief executives of the Company and their respective associates, in the Shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be maintained under Section 336 of the SFO were as follows:

主要股東權益

於2022年6月30日，主要股東(董事或本公司主要行政人員及彼等各自的聯繫人除外)於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中擁有根據證券及期貨條例第336條須登記於登記冊的權益或淡倉如下：

Name of substantial shareholders 主要股東名稱	Capacity/Nature of interest 身份／權益性質	Number of Shares 股份數目	Percentage of the Company's issued share capital ⁽²⁾ 佔本公司已發行股本百分比 ⁽²⁾
China Mengniu Dairy Company Limited 中國蒙牛乳業有限公司	Beneficial interest 實益權益	1,246,079,369 (L) ⁽¹⁾	15.74%
	Interest in controlled corporation (through Future Discovery Limited) 受控制法團權益(透過Future Discovery Limited)	3,214,962,513 (L) ⁽²⁾	40.62%
Central Huijin Investment Ltd. 中央匯金投資有限責任公司	Interest in controlled corporation (through BOCI Financial Products Limited) 受控制法團權益(透過中銀國際金融產品有限公司)	542,053,596 (L) 542,053,596 (S)	6.85% 6.85%
	Interest in controlled corporation (through Nam Tung (Macao) Investment Limited) 受控制法團權益(透過澳門南通信託投資有限公司)	1,500,000 (L)	0.02%
	Interest in controlled corporation (through BOCI Financial Products Limited) 受控制法團權益(透過中銀國際金融產品有限公司)	542,053,596 (L) 542,053,596 (S)	6.85% 6.85%
Bank of China Limited 中國銀行股份有限公司	Interest in controlled corporation (through Nam Tung (Macao) Investment Limited) 受控制法團權益(透過澳門南通信託投資有限公司)	1,500,000 (L)	0.02%
	Interest in controlled corporation (through BOCI Financial Products Limited) 受控制法團權益(透過中銀國際金融產品有限公司)	542,053,596 (L) 542,053,596 (S)	6.85% 6.85%
BOC International Holdings Limited 中銀國際控股有限公司	Interest in controlled corporation (through BOCI Financial Products Limited) 受控制法團權益(透過中銀國際金融產品有限公司)	542,053,596 (L) 542,053,596 (S)	6.85% 6.85%

REPORT OF THE DIRECTORS 董事會報告

Name of substantial shareholders 主要股東名稱	Capacity/Nature of interest 身份／權益性質	Number of Shares 股份數目	Percentage of the Company's issued share capital ⁽²⁾ 佔本公司已發行股本百分比 ⁽²⁾
BOCI Financial Products Limited 中銀國際金融產品有限公司	Beneficial interest 實益權益	542,053,596 (L)	6.85%
		542,053,596 (S)	6.85%
New Hope Dairy Co., Ltd. 新希望乳業股份有限公司	Interest in controlled corporation (through GGG Holdings Limited) 受控制法團權益(透過GGG Holdings Limited)	635,345,763 (L)	8.03%
New Century Ltd.	Interest in controlled corporation (through GGG Holdings Limited) 受控制法團權益(透過GGG Holdings Limited)	635,345,763 (L)	8.03%
Liu Chang	Interest in controlled corporation (through GGG Holdings Limited) 受控制法團權益(透過GGG Holdings Limited)	635,345,763 (L)	8.03%
GGG Holdings Limited	Beneficial interest 實益權益	635,345,763 (L)	8.03%

Notes:

- (1) Among which up to 613,877,227 shares of the Company have been lent to BOCI Financial Products Limited pursuant to a securities lending agreement dated 17 June 2020 entered into between Mengniu as lender and BOCI Financial Products Limited as borrower. As at 30 June 2022, the number of Shares that had been lent to BOCI Financial Products has decreased to 542,053,596.
- (2) Future Discovery Limited is a subsidiary of Mengniu.
- (3) Based on 7,915,662,048 Shares in issue as at 30 June 2022.
- (4) (S) Indicates a short position.
- (5) (L) Indicates a long position.

Save as disclosed above, the Company had not been notified of any other interests or short positions in the shares or underlying shares representing 5% or more of the issued share capital of the Company or as recorded in the register required to be maintained under Section 336 of the SFO as at 30 June 2022.

附註：

- (1) 其中最多613,877,227股本公司股份已根據由蒙牛(作為貸款人)與中銀國際金融產品有限公司(作為借款人)所訂立日期為2020年6月17日的借股協議借予中銀國際金融產品有限公司。於2022年6月30日，借予中銀國際金融產品之股份數目已降至542,053,596股。
- (2) Future Discovery Limited為蒙牛的附屬公司。
- (3) 基於2022年6月30日已發行的7,915,662,048股股份。
- (4) (S)指淡倉。
- (5) (L)指好倉。

除上文所披露者外，於2022年6月30日，本公司並不知悉於佔本公司已發行股本5%或以上的股份或相關股份中擁有或根據證券及期貨條例第336條須登記於存置的登記冊內的任何其他權益或淡倉。

REPORT OF THE DIRECTORS 董事會報告

SHARE AWARD SCHEMES

The Company operates a restricted share award scheme which was adopted by the Company on 9 September 2016 (the “Share Award Scheme I”). As the total contributed amount of the Share Award Scheme I has reached its limit in 2017, the Company on 26 March 2018 adopted a new share award scheme (the “Share Award Scheme II”) which shall remain effective for ten years. The goal of the share award schemes is to motivate the employees to maximize the value of and share the results with the Company in order to achieve sustainable development of the Group.

During the Reporting Period, the number of shares of the Company granted to selected participants was 52,549,000, of which 7,991,000 shares were granted to the Directors, details of which are as follows:

Name of Director	董事姓名	Unvested as	Granted	Vested	Forfeited	Unvested as
		at 1 January				during
		2022	the period	the period	the period	2022
		於2022年	期內授出	期內歸屬	期內沒收	於2022年
		1月1日				6月30日
		尚未歸屬				尚未歸屬
Mr. SUN Yugang	孫玉剛先生	900,000	4,994,000	900,000	-	4,994,000
Mr. ZHU Xiaohui	朱曉輝先生	700,000	2,997,000	700,000	-	2,997,000
		1,600,000	7,991,000	1,600,000	-	7,991,000

Further details of the share award schemes are also set out in Note 22 to the financial statements.

FOREIGN CURRENCY RISK

The Group’s businesses are principally located in Mainland China and substantially all transactions are conducted in RMB, except for foreign currency borrowings and bonds, the payment for offshore professional services and purchases of feeds, imported machineries and equipments from overseas.

The fluctuation of the exchange rates of RMB against foreign currencies could affect the Group’s results of operations. However, in the opinion of the Directors, the foreign currency risk exposure is under management’s control.

股份獎勵計劃

本公司運作其於2016年9月9日採納的限制性股份獎勵計劃(「股份獎勵計劃I」)，由於股份獎勵計劃I的供款總額已於2017年達到上限，因此本公司於2018年3月26日採納另一新股份獎勵計劃(「股份獎勵計劃II」)，股份獎勵計劃II將維持十年有效。股份獎勵計劃旨在激勵僱員為本公司創造最大價值及與本公司僱員分享成果，以令本集團實現可持續發展。

於匯報期間，已授予獲選參與者的本公司股份數目為52,549,000股，其中7,991,000股股份授予董事，詳情載列如下：

股份獎勵計劃之進一步詳情亦載於財務報表附註22。

外幣風險

本集團的業務主要位於中國內地，除外幣借款及債券、離岸專業服務及購置飼料、境外進口機械設備的付款外，絕大部分交易均以人民幣進行。

人民幣兌外幣匯率之波動可能會影響本集團的經營績效。然而，董事認為，外幣匯兌風險是在管理層掌控之內。

CORPORATE GOVERNANCE

The Company has adopted the code provisions set out in the Corporate Governance Code and Corporate Governance Report (“CG Code”) as set out in Appendix 14 to the Listing Rules. The Company has, throughout the Reporting Period complied with the code provisions set out in the CG Code, except for the deviation from code provision C.1.6 which is explained below.

Code provision C.1.6 of the CG Code provides, among other things, that non-executive Directors should attend general meetings and develop a balanced understanding of the views of the shareholders of the Company. Mr. Lu Minfang, a non-executive Director, was unable to attend the annual general meeting and extraordinary meeting of the Company both held on 8 June 2022 due to other business arrangement.

Save as disclosed above, the Board has reviewed the Company’s corporate governance practices and is satisfied that the Company has been in compliance with all applicable code provisions of the CG Code.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Save as disclosed under the sections headed “Share Award Schemes” and “Interest in Associated Corporation” above, during the Reporting Period, the Company or any of its subsidiaries was not a party to any arrangements whose objects are, or one of whose objects is, to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate.

Save for those disclosed above, during the Reporting Period, none of the Directors (including their spouses and children under the age of 18) held any interests in or was granted any right to subscribe for the securities of the Company or its associated corporations (within the meaning of Part XV of the SFO), or had exercised any such rights.

BOARD OF DIRECTORS

As at the date of this interim report, the Board comprised nine Directors, including two executive Directors, namely Mr. Sun Yugang and Mr. Zhu Xiaohui, four non-executive Directors, namely Mr. Lu Minfang, Mr. Zhao Jiejun, Mr. Zhang Ping and Ms. Gan Lu, and three independent non-executive Directors, namely, Mr. Li Shengli, Mr. Lee Kong Wai, Conway, and Mr. Chow Ming Sang.

企業管治

本公司已採納載於上市規則附錄14所載的企業管治守則及企業管治報告(「企業管治守則」)的守則條文。於匯報期間內，本公司一直遵守載於企業管治守則的守則條文，惟偏離守則條文第C.1.6條(於下文解釋)除外。

企業管治守則的守則條文第C.1.6條規定(其中包括)，非執行董事應出席股東大會，對本公司股東的意見有公正的瞭解。非執行董事盧敏放先生由於其他公務而無法出席本公司於2022年6月8日舉行的股東週年大會及股東特別大會。

除上文所披露者外，董事會已檢討本公司之企業管治常規並確信本公司已遵守企業管治守則之所有適用守則條文。

董事收購股份或債券的權利

除上文「股份獎勵計劃」及「於相聯法團的權益」各節所披露者外，於匯報期間內，本公司或其任何附屬公司並無參與任何其目的或目的之一旨在使董事可透過購入本公司或任何其他法人團體的股份或債券而獲利的安排。

除上述所披露者外，於本匯報期間內，概無任何董事(包括其配偶及未滿18歲的子女)於本公司或其相聯法團(定義見證券及期貨條例第XV部)的證券中擁有任何權益或獲授任何可認購該等證券的權利，或曾行使任何有關權利。

董事會

於本中期報告日期，董事會由九名董事組成：兩名執行董事(孫玉剛先生及朱曉輝先生)、四名非執行董事(盧敏放先生、趙傑軍先生、張平先生及甘璐女士)以及三名獨立非執行董事(李勝利先生、李港衛先生及周明笙先生)組成。

REPORT OF THE DIRECTORS 董事會報告

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the Company's code of conduct regarding securities transactions by the Directors. Following specific enquiries by the Company, all the Directors confirmed that they have complied with the required standards set out in the Model Code throughout the Reporting Period.

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

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities for the Reporting Period except that the trustee of the share award scheme of the Company, pursuant to the rules of the scheme, purchased on the open market a total of 9,200,000 (2021: nil) ordinary shares of the Company as restricted shares at a consideration of approximately HK\$10,962,000 (equivalent to RMB9,073,000) (2021: nil).

The Group retained a total number of 4,112,062 vesting Shares at a consideration of approximately HK\$5,222,000 (equivalent to RMB4,227,000) for paying the individual income tax in Mainland China on behalf of those selected participants under the share award schemes of the Company.

UPDATE ON INFORMATION OF DIRECTORS PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Mr. Chow Ming Sang, an independent non-executive Director of the Board, was appointed as an independent non-executive director of Redco Healthy Living Company Limited, a company listed in Hong Kong (stock code: 2370) with effect from 14 March 2022. Mr. Lee Kong Wai, Conway, an independent non-executive Director of the Board, resigned as an independent non-executive director of WH Group Limited, a company listed in Hong Kong (stock code: 288) with effect from 1 June 2022. Mr. Sun Yugang, an executive Director of the Board, was promoted from the acting chief executive officer to the chief executive officer of the Group with effect from 30 June 2022.

Save for disclosed above, there were no changes in the information of Directors since the date of the 2021 annual report of the Company, which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

董事進行的證券交易

本公司已採納上市規則附錄10所載的標準守則作為本公司董事進行證券交易的行為守則。於本公司作出特定查詢後，全體董事確認，於匯報期間，彼等一直遵守標準守則所載的規定標準。

購買、出售或贖回本公司之上市證券

於本匯報期間內，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券，惟本公司股份獎勵計劃受託人根據計劃規則於公開市場上購買合共9,200,000股(2021年：無)本公司普通股作為受限制股份，代價約為10,962,000港元(相當於人民幣9,073,000元)(2021年：無)。

本集團保留合共4,112,062股歸屬股份，代價為約5,222,000港元(相當於人民幣4,227,000元)，乃根據代表本公司股份獎勵計劃項下該等選定參與者支付內地個人所得稅的。

根據上市規則第13.51B(1)條作出的董事資料更新

周明笙先生為董事會的獨立非執行董事自2022年3月14日起獲委任為力高健康生活有限公司(一間於香港上市的公司，股份代號：2370)的獨立非執行董事。李港衛先生為董事會的獨立非執行董事，自2022年6月1日起辭任萬洲國際有限公司(一間於香港上市的公司，股份代號：288)的獨立非執行董事。孫玉剛先生為董事會的執行董事，自2022年6月30日起由原本集團執行總裁一職晉升為本集團總裁。

除上述所披露者外，自本公司2021年年報日期後，董事的資料概無任何變更，所以根據上市規則第13.51B(1)條並無須予披露事項。

ADOPTION OF THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

By a special resolution passed at the 2022 annual general meeting dated 8 June 2022, the second amended and restated memorandum and articles of association of the Company (the “**New Articles**”) were adopted on 8 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 8 June 2022.

REVIEW OF INTERIM RESULTS

The condensed consolidated interim financial statements have been reviewed by the Group’s auditor, Deloitte Touche Tohmatsu, 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, and the Audit Committee.

AUDIT COMMITTEE

The Audit Committee currently comprises two independent non-executive Directors, namely Mr. Lee Kong Wai, Conway, Mr. Chow Ming Sang and one non-executive Director Mr. Zhang Ping. The Audit Committee has reviewed, with the Company’s management and the external auditors the accounting principles and practices adopted by the Company and discussed auditing, risk management, internal control and system and financial reporting matters, including the review of the Group’s unaudited interim financial statements for the six months ended 30 June 2022.

採納新訂之組織章程大綱及細則

經股東週年大會上通過的日期為2022年6月8日的特別決議案，本公司第二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8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8日發佈並且日期為同日的章程文件及公告。

審閱中期業績

簡明綜合中期財務報表已經本集團核數師德勤•關黃陳方會計師行根據香港會計師公會頒佈的香港審閱工作準則第2410號「實體的獨立核數師對中期財務資料的審閱」與審核委員會進行審閱。

審核委員會

審核委員會現時由兩名獨立非執行董事，分別為李港衛先生和周明笙先生以及一名非執行董事張平先生組成。審核委員會與本公司管理層以及外部核數師審閱本公司採納的會計原則與慣例，並討論審核、風險管理、內部監控及系統以及財務報告事宜，其中包括審閱本集團截至2022年6月30日止六個月的未經審核中期財務報表。

REPORT OF THE DIRECTORS 董事會報告

INVESTOR RELATIONS

The Company adopts a proactive policy in promoting investor relations and communications. Regular meetings are held with institutional investors and financial analysts to ensure two-way communications on the Company's performance and development. Investors are welcomed to send their enquiries to our investor relation at info@moderndairyir.com or browse the Company's website (<http://www.moderndairyir.com>) for latest update information of the Group.

投資者關係

本公司採取積極政策促進投資者關係與溝通。本公司定期與機構投資者及金融分析師舉行會議，以確保就本公司表現及發展維持雙向溝通。本公司歡迎投資者致函info@moderndairyir.com詢問我們的投資者關係或瀏覽本公司網站(<http://www.moderndairyir.com>)瞭解本集團的最新資料。

On behalf of the Board
China Modern Dairy Holdings Ltd.
Mr. SUN Yugang
*Chief Executive Officer and
Executive Director*

代表董事會
中國現代牧業控股有限公司
總裁兼執行董事
孫玉剛先生

Hong Kong, 23 August 2022

香港 · 2022年8月23日

BOARD OF DIRECTORS

Executive Directors

Mr. SUN Yugang (*Chief Executive Officer*)
Mr. ZHU Xiaohui (*Chief Financial Officer*)

Non-Executive Directors

Mr. LU Minfang (*Chairman of the Board*)
Mr. ZHAO Jiejun (*Vice Chairman of the Board*)
Mr. ZHANG Ping
Ms. GAN Lu

Independent Non-Executive Directors

Mr. LI Shengli
Mr. LEE Kong Wai, Conway
Mr. CHOW Ming Sang

AUDIT COMMITTEE

Mr. LEE Kong Wai, Conway (*Chairman*)
Mr. ZHANG Ping
Mr. CHOW Ming Sang

REMUNERATION COMMITTEE

Mr. LI Shengli (*Chairman*)
Mr. ZHANG Ping
Mr. CHOW Ming Sang

NOMINATION COMMITTEE

Mr. LU Minfang (*Chairman*)
Mr. LEE Kong Wai, Conway
Mr. CHOW Ming Sang

STRATEGY AND DEVELOPMENT COMMITTEE

Mr. ZHAO Jiejun (*Chairman*)
Mr. SUN Yugang
Mr. LI Shengli
Ms. GAN Lu

COMPANY SECRETARY

Mr. LI Kwok Fat (*FCCA, ACG, HKACG*)

HEADQUARTERS

Economic and Technological Development Zone
Maanshan City, Anhui Province
PRC

REGISTERED OFFICE

Maples Corporate Services Limited
PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

董事會

執行董事

孫玉剛先生(總裁)
朱曉輝先生(首席財務官)

非執行董事

盧敏放先生(董事會主席)
趙傑軍先生(董事會副主席)
張平先生
甘璐女士

獨立非執行董事

李勝利先生
李港衛先生
周明笙先生

審核委員會

李港衛先生(主席)
張平先生
周明笙先生

薪酬委員會

李勝利先生(主席)
張平先生
周明笙先生

提名委員會

盧敏放先生(主席)
李港衛先生
周明笙先生

戰略及發展委員會

趙傑軍先生(主席)
孫玉剛先生
李勝利先生
甘璐女士

公司秘書

李國發先生(*FCCA, ACG, HKACG*)

總辦事處

中國
安徽省馬鞍山市
經濟技術開發區

註冊辦事處

Maples Corporate Services Limited
PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

CORPORATE INFORMATION

公司資料

HONG KONG OFFICE

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Finance Limited
PO Box 1093
Queensgate House
Grand Cayman, KY1-1102
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Rooms 1712-1716, 17/F, Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong

LEGAL ADVISORS

As to Hong Kong Law

Cleary Gottlieb Steen & Hamilton (Hong Kong)

As to PRC Law

Commerce & Finance Law Offices

As to Cayman Islands Law

Maples and Calder

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

PRINCIPAL BANKERS

China Construction Bank Maanshan Branch
Agricultural Development Bank of China
China Minsheng Bank
China Construction Bank (Asia)
Rabobank Hong Kong
Westpac Banking Corporation

STOCK CODE

The Stock Exchange of Hong Kong Limited: 1117

WEBSITE AND CONTACT

<http://www.moderndairyir.com>
Enquiry: (+852) 2850-6252

香港辦事處

香港銅鑼灣告士打道262號
中糧大廈32樓A室

股份過戶登記總處

Maples Finance Limited
PO Box 1093
Queensgate House
Grand Cayman, KY1-1102
Cayman Islands

香港股份過戶登記分處

香港中央證券登記有限公司
香港灣仔皇后大道東183號
合和中心17樓1712-1716室

法律顧問

香港法律

佳利(香港)律師事務所

中國法律

通商律師事務所

開曼群島法律

Maples and Calder

核數師

德勤•關黃陳方會計師行
註冊公眾利益實體核數師

主要銀行

中國建設銀行馬鞍山分行
中國農業發展銀行
中國民生銀行
中國建設銀行(亞洲)
荷蘭合作銀行香港分行
西太平洋銀行

股份代號

香港聯合交易所有限公司：1117

網址及聯絡

<http://www.moderndairyir.com>
諮詢：(+852) 2850-6252

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表審閱報告

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF
CHINA MODERN DAIRY HOLDINGS LTD.
(Incorporated in the Cayman Islands with limited liability)

致中國現代牧業控股有限公司董事會
(於開曼群島註冊成立的有限公司)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of China Modern Dairy Holdings Ltd. (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 49 to 104, which comprise the condensed consolidated statement of financial position as of 30 June 2022 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain 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 these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements 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.

緒言

我們已審閱第49頁至第104頁所載中國現代牧業控股有限公司(「**貴公司**」)及其附屬公司(統稱「**貴集團**」)的簡明綜合財務報表，當中包括截至2022年6月30日的簡明綜合財務狀況表，以及截至該日止六個月的相關簡明綜合損益及其他全面收益表、權益變動表及現金流量表及若干附註解釋。香港聯合交易所有限公司證券上市規則規定編製中期財務資料報告須符合當中的相關條文及國際會計準則理事會頒佈的國際會計準則第34號「中期財務報告」(「**國際會計準則第34號**」)。貴公司董事須負責根據國際會計準則第34號編製及呈列此等簡明綜合財務報表。我們的責任是根據審閱結果對此等簡明綜合財務報表作出結論，並根據我們的協定委聘條款僅向作為法人的閣下匯報結論，而不作其他用途。我們不會就本報告內容向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「實體獨立核數師對中期財務資料進行審閱」進行審閱工作。審閱此等簡明綜合財務報表包括主要向負責財務和會計事務的人員作出查詢，及應用分析性和其他審閱程序。審閱範圍遠小於根據香港核數準則進行的審核範圍，故我們無法保證，我們會知悉在審核中可能被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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表審閱報告

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

結論

根據我們的審閱結果，我們並無發現任何事項，致使我們相信簡明綜合財務報表在各重大方面未有根據國際會計準則第34號編製。

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

23 August 2022

德勤•關黃陳方會計師行

執業會計師

香港

2022年8月23日

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

簡明綜合損益及其他全面收益表

FOR THE SIX MONTHS ENDED 30 JUNE 2022

截至2022年6月30日止六個月

		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)
		Notes 附註	
Revenue	收入	4	5,632,126
Cost of sales	銷售成本	7	(5,456,477)
Gains arising on initial recognition of raw milk at fair value less costs to sell at the point of harvest	於原料奶收獲時按公平值減銷售成本初始確認產生的收益		1,479,174
Gross profit	毛利		1,654,823
Loss arising from changes in fair value less costs to sell of dairy cows	乳牛公平值變動減乳牛銷售成本產生的虧損		(337,645)
Other income	其他收入	6	81,238
Impairment losses under expected credit loss model, net of reversal	預期信貸虧損模型下減值虧損，扣除撥回	10	(981)
Selling and distribution costs	銷售及分銷開支		(165,577)
Administrative expenses	行政開支		(318,438)
Other gains and losses, net	其他收益及虧損淨額	7	(225,409)
Other expenses	其他開支		(2,510)
Share of profit of associates and a joint venture	應佔聯營公司及合營企業溢利		3,023
Profit before finance costs and tax	除融資成本及稅項前溢利	7	688,524
Finance costs	融資成本	8	(153,847)
Profit before tax	除稅前溢利		534,677
Income tax expense	所得稅開支	9	(3,539)
Profit for the period	期內溢利		531,138
Other comprehensive (expense)/ income:	其他全面(開支)/收入：		
<i>Items that will not be reclassified to profit or loss:</i>	<i>不會重新分類為損益的項目：</i>		
Fair value loss on investments in equity instruments at fair value through other comprehensive income ("FVTOCI")	按公平值計入其他全面收入(「按公平值計入其他全面收入」)的權益工具投資公平值虧損		(4,492)
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類為損益的項目：</i>		
Exchange differences arising on translation of foreign operations	換算海外業務產生的匯兌差額		3,647
Other comprehensive expense for the period, net of income tax	期內其他全面開支，扣除所得稅		(845)
Total comprehensive income for the period	期內全面收入總額		530,293
			1,107,962
			1,181,597
			(405,792)
			53,384
			(64)
			(80,630)
			(154,622)
			(9,871)
			(2,245)
			15,674
			597,431
			(91,389)
			506,042
			(420)
			505,622
			(1,100)
			-
			(1,100)
			504,522

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

簡明綜合損益及其他全面收益表

FOR THE SIX MONTHS ENDED 30 JUNE 2022

截至2022年6月30日止六個月

		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)
		Note 附註	
Profit for the period attributable to:	以下各方應佔期內溢利：		
Owners of the Company	本公司擁有人	507,688	496,698
Non-controlling interests	非控股權益	23,450	8,924
		531,138	505,622
Total comprehensive income for the period attributable to:	以下各方應佔期內全面收入總額：		
Owners of the Company	本公司擁有人	506,857	495,618
Non-controlling interests	非控股權益	23,436	8,904
		530,293	504,522
Earnings per share (RMB)	每股盈利(人民幣)	12	
Basic	基本	6.46 cents 分	7.13 cents 分
Diluted	攤薄	6.45 cents 分	7.12 cents 分

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

AT 30 JUNE 2022
於2022年6月30日

			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)
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備		5,313,106	5,312,970
Right-of-use assets	使用權資產		839,611	725,164
Goodwill	商譽	23	2,402,770	2,075,591
Other intangible assets	其他無形資產		40,973	3,777
Interests in associates and a joint venture	於聯營公司及合營企業的權益		415,241	353,278
Biological assets	生物資產	13	10,260,257	9,404,924
Equity instruments at FVTOCI	按公平值計入其他全面收入的權益工具	14	17,687	2,655
Prepayments	預付款項	15	126,863	54,238
Derivative financial instruments	衍生金融工具	16	41,452	67,537
Pledged bank deposits	已質押銀行存款		129,200	127,043
Bank balances	銀行結餘		295,153	201,881
Deferred tax assets	遞延稅項資產		584	2,337
			19,882,897	18,331,395
CURRENT ASSETS	流動資產			
Inventories	存貨		1,578,665	2,191,269
Trade and other receivables and prepayments	應收貿易賬款及其他應收款項以及預付款項	15	1,445,209	1,221,871
Derivative financial instruments	衍生金融工具	16	19,570	-
Pledged bank deposits	已質押銀行存款		60,425	41,631
Bank balances and cash	銀行結餘及現金		2,357,502	1,887,744
			5,461,371	5,342,515
CURRENT LIABILITIES	流動負債			
Trade and other payables	應付貿易賬款及其他應付款項	17	2,291,302	3,144,194
Tax payable	應課稅項		6,231	1,903
Bank borrowings	銀行借款	18	4,139,262	2,380,683
Other borrowings	其他借款	19	12,736	433,676
Lease liabilities	租賃負債		73,989	50,435
Long term bonds	長期債券	20	33,079	31,989
Other liabilities	其他負債	23(b)	4,573	-
Derivative financial instruments	衍生金融工具	16	39,544	17,758
Contract liabilities	合約負債		11,215	5,343
			6,611,931	6,065,981
NET CURRENT LIABILITIES	流動負債淨額		(1,150,560)	(723,466)
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		18,732,337	17,607,929

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

AT 30 JUNE 2022

於2022年6月30日

			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)
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	21	675,869	675,869
Share premium and reserves	股份溢價及儲備		10,503,709	10,189,062
Equity attributable to owners of the Company	本公司擁有人應佔權益		11,179,578	10,864,931
Non-controlling interests	非控股權益		349,813	249,803
TOTAL EQUITY	總權益		11,529,391	11,114,734
NON-CURRENT LIABILITIES	非流動負債			
Other payables	其他應付款項	17	25,281	23,967
Bank borrowings	銀行借款	18	2,816,258	2,285,333
Other borrowings	其他借款	19	166,286	203,328
Long term bonds	長期債券	20	3,329,181	3,159,730
Lease liabilities	租賃負債		600,565	517,077
Derivative financial instruments	衍生金融工具	16	35,957	98,330
Deferred tax liabilities	遞延稅項負債		24,517	20,868
Deferred income	遞延收入		204,901	184,562
			7,202,946	6,493,195
			18,732,337	17,607,929

The consolidated financial statements on pages 49 to 104 were approved and authorised for issue by the board of directors on 23 August 2022 and are signed on its behalf by:

載於第49至104頁的綜合財務報表於2022年8月23日經董事會批准及授權刊發並代表簽署：

LU Minfang

盧敏放

Director

董事

SUN Yugang

孫玉剛

Director

董事

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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 Company
本公司擁有人應佔

		Share capital	Share premium	Other reserve	Share award reserve	Share Award Scheme	Shares held under the Share Award Scheme	Fair value comprehensive income reserve	Translation Reserve	Retained earnings	Sub-total	Non-controlling interests	Total
		股本	股份溢價	其他儲備	獎勵儲備	股份獎勵計劃項下所持有的股份	按公平值計入其他全面收入儲備	換算儲備	保留盈利	小計	非控股權益	合計	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2021 (audited)	於2021年1月1日(經審核)	555,535	4,985,082	969,268	7,489	(47,344)	(20,593)	-	1,447,486	7,896,923	141,521	8,038,444	
Profit for the period	期內溢利	-	-	-	-	-	-	-	496,698	496,698	8,924	505,622	
Other comprehensive expense for the period	期內其他全面開支	-	-	-	-	-	(1,080)	-	-	(1,080)	(20)	(1,100)	
Total comprehensive (expense) income for the period	期內全面(開支)收入總額	-	-	-	-	-	(1,080)	-	496,698	495,618	8,904	504,522	
Share purchase for the Share Award Scheme (as defined in Note 22)	就股份獎勵計劃的股份購買(定義見附註22)	-	-	-	-	(7,584)	-	-	-	(7,584)	-	(7,584)	
Recognition of equity-settled share-based payment (Note 22)	確認按股權結算以股份支付的付款(附註22)	-	-	-	9,015	-	-	-	-	9,015	-	9,015	
Vesting of award shares (Note 22)	獎勵股份歸屬(附註22)	-	-	-	(9,447)	13,865	-	-	(4,418)	-	-	-	
Equity transactions related to interest free loans	有關免息貸款的股權交易	-	-	(1,992)	-	-	-	-	-	(1,992)	1,992	-	
Issue of shares (Note 21)	發行股份(附註21)	54,223	1,240,622	-	-	-	-	-	-	1,294,845	-	1,294,845	
Dividends recognised as distribution (Note 11)	確認為分派的股息(附註11)	-	(142,532)	-	-	-	-	-	-	(142,532)	-	(142,532)	
At 30 June 2021 (unaudited)	於2021年6月30日(未經審核)	609,758	6,083,172	967,276	7,057	(41,063)	(21,673)	-	1,939,766	9,544,293	152,417	9,696,710	
At 1 January 2022 (audited)	於2022年1月1日(經審核)	675,869	6,896,336	920,109	20,266	(86,531)	(22,978)	(40)	2,461,900	10,864,931	249,803	11,114,734	
Profit for the period	期內溢利	-	-	-	-	-	-	-	507,688	507,688	23,450	531,138	
Other comprehensive (expense) income for the period	期內其他全面(開支)收入	-	-	-	-	-	(4,418)	3,587	-	(831)	(14)	(845)	
Total comprehensive (expense) income for the period	期內全面(開支)收入總額	-	-	-	-	-	(4,418)	3,587	507,688	506,857	23,436	530,293	
Share purchase for the Share Award Scheme (Note 22)	就股份獎勵計劃的股份購買(附註22)	-	-	-	-	(13,300)	-	-	-	(13,300)	-	(13,300)	
Recognition of equity-settled share-based payment (Note 22)	確認按股權結算以股份支付的付款(附註22)	-	-	-	25,573	-	-	-	-	25,573	-	25,573	
Vesting of award shares (Note 22)	獎勵股份歸屬(附註22)	-	-	-	(37,776)	36,272	-	-	1,504	-	-	-	
Equity transactions related to interest free loans	有關免息貸款的股權交易	-	-	(93)	-	-	-	-	-	(93)	93	-	
Acquisition of subsidiaries (Note 23)	收購附屬公司(附註23)	-	-	-	-	-	-	-	-	-	76,481	76,481	
Dividends recognised as distribution (Note 11)	確認為分派的股息(附註11)	-	(204,390)	-	-	-	-	-	-	(204,390)	-	(204,390)	
At 30 June 2022 (unaudited)	於2022年6月30日(未經審核)	675,869	6,691,946	920,016	8,063	(63,559)	(27,396)	3,547	2,971,092	11,179,578	349,813	11,529,391	

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

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

		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)
	Note 附註		
NET CASH FROM OPERATING ACTIVITIES	經營活動所得現金淨額	1,282,189	1,464,877
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額		
Purchases of property, plant and equipment	購入物業、廠房及設備	(315,072)	(215,373)
Purchases of other intangible assets	購入其他無形資產	(233)	-
Purchases of equity instruments at FVTOCI	購入按公平值計入其他全面收入的權益工具	(19,524)	-
Investment in associates and a joint venture	聯營公司及合營企業投資	(58,940)	(2,222)
Purchases of biological assets	購入生物資產	(114,224)	-
Additions in biological assets in relation to feeding and other related costs	有關飼養成本及其他相關成本的生物資產增置	(1,161,767)	(590,972)
Advanced payments for acquisition of a subsidiary	收購一間附屬公司的預付款項	-	(169,500)
Placement of structured deposits	存入結構性存款	(1,243,000)	(50,000)
Withdrawal of structured deposits	提取結構性存款	1,245,377	50,395
Placement of pledged bank deposits	存入已質押銀行存款	(126,021)	(11,728)
Withdrawal of pledged bank deposits	提取已質押銀行存款	112,681	12,000
Placement of time deposits with original maturity over three months	存入原到期日超過三個月的定期存款	(140,000)	(250,000)
Withdrawal of time deposits with original maturity over three months	提取原到期日超過三個月的定期存款	79,722	-
Proceeds from disposal of dairy cows	出售乳牛所得款項	499,727	342,169
Interest received	已收利息	26,963	13,260
Government grants received	已收政府補貼	52,368	34,080
Loan repayment from a third party	第三方償還貸款	2,000	4,000
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	4,779	910
Proceeds from disposal of subsidiaries	出售附屬公司所得款項	-	7,406
Net cash outflow on acquisition of subsidiaries	附屬公司收購現金流出淨額	(369,241)	-
Payments for business combination in prior periods	過往期間業務合併的付款	(315,325)	-
Payments for asset acquisitions in prior periods	過往期間資產收購的付款	(1,750)	-
		(1,841,480)	(825,575)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

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

		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)
NET CASH FROM FINANCING ACTIVITIES	融資活動所得現金淨額		
Interest paid	已付利息	(173,017)	(101,623)
Dividends paid	已付股息	(204,390)	(142,532)
New bank borrowings raised	新籌得銀行借款	4,372,388	1,785,527
Repayment of bank borrowings	償還銀行借款	(2,310,091)	(2,420,537)
Repayment of other borrowings	償還其他借款	(516,829)	-
Repayment of leases liabilities	償還租賃負債	(32,765)	(10,482)
Payment for repurchase of ordinary shares	購回普通股的付款	(13,300)	(7,584)
Gross cash inflow from interest rate swaps	利率掉期的總現金流入	5,760	2,284
Gross cash outflow from foreign currency option contracts	外匯期權合約的總現金流出	(135,800)	-
Gross cash inflow from foreign currency option contracts	外匯期權合約的總現金流入	126,444	-
Proceeds from issue of shares	發行股份所得款項	-	1,294,845
Payments for acquisition of non-controlling interests in an acquired subsidiary	收購被收購附屬公司非控股權益 的付款	(43,680)	-
Dividends paid to the original shareholders of an acquired subsidiary	向被收購附屬公司原股東派付 股息	(15,611)	-
		1,059,109	399,898
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額	499,818	1,039,200
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於1月1日的現金及現金等價物	1,737,683	1,103,132
Represented by	以以下各項呈列		
Bank balances and cash	銀行結餘及現金	2,089,625	1,144,347
Less: Time deposits with original maturity over three months	減：原到期日超過三個月的定期 存款	(351,942)	(41,215)
CASH AND CASH EQUIVALENTS AT 30 JUNE	於6月30日的現金及現金等價物	2,237,501	2,142,332
Represented by	以以下各項呈列		
Bank balances and cash	銀行結餘及現金	2,652,655	2,433,942
Less: Time deposits with original maturity over three months	減：原到期日超過三個月的定期 存款	(415,154)	(291,610)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

FOR THE SIX MONTHS ENDED 30 JUNE 2022

截至2022年6月30日止六個月

1. GENERAL INFORMATION

China Modern Dairy Holdings Ltd. (the “**Company**”) was incorporated and registered in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. Its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 26 November 2010. The registered office of the Company is Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

As at 30 June 2022, China Mengniu Dairy Co., Ltd. (“**Mengniu**”) and its wholly-owned subsidiary together owned 56.36% of the issued share capital of the Company. Mengniu and its subsidiaries are hereinafter collectively referred to as “**Mengniu Group**”.

The principal activity of the Company is investment holding and its subsidiaries are mainly engaged in production and sales of milk, trading, production and sales of feeds. The Company and its subsidiaries are hereinafter collectively referred to as the “**Group**”.

The condensed consolidated financial statements are presented in Renminbi (“**RMB**”), which is the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting issued by the International Accounting Standards Board (the “**IASB**”) as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

In preparation of the condensed consolidated financial statements for the six months ended 30 June 2022, the directors of the Company (the “**Directors**”) have given careful consideration to the future liquidity of the Group in light of the fact that the Group’s current liabilities exceeded its current assets by RMB1,150,560,000. Having considered the expected net cash inflows from the Group’s operations for the next twelve months and the available credit facilities of approximately RMB5,377,296,000 which remains unutilized as at 30 June 2022, the Directors are satisfied that the Group will be able to meet in full its financial obligations as and when they fall due in the foreseeable future. The abovementioned credit facilities included an amount of RMB1,000,000,000 from Inner Mongolia Mengniu Dairy (Group) Company Limited, a subsidiary of Mengniu, and the remaining facilities are from licensed banks. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

1. 一般資料

中國現代牧業控股有限公司(「**本公司**」)為一間根據開曼群島公司法在開曼群島註冊成立及登記的獲豁免有限公司，其股份已自2010年11月26日起在香港聯合交易所有限公司主板上市。本公司的註冊辦事處位於Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands。

於2022年6月30日，中國蒙牛乳業有限公司(「**蒙牛**」)及其全資附屬公司共同擁有本公司已發行股本的56.36%。蒙牛及其附屬公司於下文統稱「**蒙牛集團**」。

本公司的主要業務為投資控股，而其附屬公司則主要從事生產及銷售牛奶、買賣、生產及銷售飼料。本公司及其附屬公司於下文統稱「**本集團**」。

簡明綜合財務報表以人民幣(「**人民幣**」)列值，該貨幣為本公司的功能貨幣。

2. 編製基礎

本集團的簡明綜合財務報表乃根據國際會計準則理事會(「**國際會計準則理事會**」)頒佈的國際會計準則第34號中期財務報告，以及香港聯合交易所有限公司證券上市規則附錄十六的適用披露規定編製。

編製截至2022年6月30日止六個月的簡明綜合財務報表時，鑒於本集團的流動負債超出其總流動資產人民幣1,150,560,000元，本公司董事(「**董事**」)已審慎考慮本集團的未來流動資金狀況。考慮到本集團經營未來十二個月的預期淨現金流入以及於2022年6月30日仍未使用的可用信貸額度約人民幣5,377,296,000元，董事信納本集團將能夠於可見將來在到期時全額履行其財務義務。上述信貸額度包括來自蒙牛的附屬公司內蒙古蒙牛乳業(集團)股份有限公司的人民幣1,000,000,000元，剩餘則來自持牌銀行。因此，簡明綜合財務報表根據持續經營基準編製。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

FOR THE SIX MONTHS ENDED 30 JUNE 2022

截至2022年6月30日止六個月

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for biological assets, which are measured at fair value less costs to sell and certain financial instruments, which are measured at fair values at the end of each reporting period.

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards (“IFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2021.

Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2022 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to IFRS 3	<i>Reference to the Conceptual Framework</i>
Amendment to IFRS 16	<i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>
Amendments to IAS 16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
Amendments to IAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Amendments to IFRSs	<i>Annual Improvements to IFRS Standards 2018–2020</i>

Except as described below, the application of the amendments to IFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. 主要會計政策

簡明綜合財務報表乃根據歷史成本基準編製，惟按公平值減銷售成本計量的生物資產及按報告期末公平值計量的若干衍生金融工具除外。

除因應用國際財務報告準則(「國際財務報告準則」)的修訂而導致的額外會計政策外，截至2022年6月30日止六個月簡明綜合財務報表所應用的會計政策及計算方法與本集團截至2021年12月31日止年度的年度財務報表所列示者一致。

應用國際財務報告準則的修訂

於本中期期間，本集團已首次應用以下由國際會計準則理事會頒佈並於2022年1月1日開始的年度期間強制生效的國際財務報告準則的修訂，以編製本集團的簡明綜合財務報表：

國際財務報告準則第3號的修訂	<i>概念框架指引</i>
國際財務報告準則第16號的修訂	<i>2021年6月30日之後的 新冠疫情相關租金優惠</i>
國際會計準則第16號的修訂	<i>物業、廠房及設備 – 擬定用途前的所得款項</i>
國際會計準則第37號的修訂	<i>虧損性合約 – 履約成本</i>
國際財務報告準則的修訂	<i>國際財務報告準則年度改進(2018年至2020年)</i>

除下文所述者外，於本中期期間應用該等修訂並無對本集團於當前及過往期間的財務狀況及表現及／或於此等簡明綜合財務報表內所載的披露構成重大影響。

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3. PRINCIPAL ACCOUNTING POLICIES (Continued)

3.1 Impacts and changes in accounting policies on application of Amendments to IFRS 3 Reference to the Conceptual Framework

3.1.1 Accounting policies

For business combinations in which the acquisition date is on or after 1 January 2022, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Conceptual Framework for Financial Reporting* issued by the IASB in March 2018 (the “**Conceptual Framework**”) except for transactions and events within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC 21 *Levies*, in which the Group applies IAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

3.1.2 Transition and summary of effects

The Group applies the amendments to business combinations for which the acquisition date is on or after 1 January 2022. The application of the amendments in the current period had no impact on the condensed consolidated financial statements.

3.2 Impacts on application of Amendments to IFRSs Annual Improvements to IFRSs 2018–2020

The Group has applied the annual improvements which make amendments to the following standard which is relevant to the Group:

IAS 41 Agriculture

The amendment ensures consistency with the requirements in IFRS 13 *Fair Value Measurement* by removing the requirement in paragraph 22 of IAS 41 to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The application of the amendments in the current period had no impact on the condensed consolidated financial statements.

3. 主要會計政策(續)

3.1 應用國際財務報告準則第3號的修訂概念框架指引的影響及會計政策的變動

3.1.1 會計政策

對於收購日期為2022年1月1日或之後的業務合併，所取得的可識別資產及所承擔的負債必須符合國際會計準則理事會於2018年3月發佈的財務報告概念框架(「**概念框架**»)對資產及負債的定義，不包括在國際會計準則第37號撥備、或然負債及或然資產或國際財務報告詮釋委員會第21號徵費範圍內的交易及事件，其中本集團採用國際會計準則第37號或國際財務報告詮釋委員會第21號範圍下而非概念框架識別其在業務合併中承擔的負債。或然資產不予確認。

3.1.2 過渡及影響摘要

本集團對收購日期為2022年1月1日或之後的業務合併應用了該等修訂。於當期應用該等修訂對簡明綜合財務報表並無影響。

3.2 應用國際財務報告準則的修訂國際財務報告準則年度改進(2018年至2020年)的影響

本集團已應用對下列與本集團相關的準則作出修訂的年度改進：

國際會計準則第41號農業

該修訂刪除了國際會計準則第41號第22段中關於使用現值技術計量生物資產的公平值時不包括稅收現金流量之要求，從而確保與國際財務報告準則第13號公平值計量之要求相一致。

於當期應用該等修訂對簡明綜合財務報表並無影響。

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4. REVENUE

Disaggregation of revenue from contracts with customers

		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)
Types of goods	商品類型		
Raw milk	原料奶	4,858,036	3,179,719
Feeds	飼料	774,090	-
		5,632,126	3,179,719
Timing of revenue recognition	收入確認時間		
A point in time	時間點	5,632,126	3,179,719
Geographical markets	地理市場		
Mainland China	中國內地	5,507,656	3,179,719
Other countries	其他國家	124,470	-
		5,632,126	3,179,719

4. 收入

客戶合約收入細分

		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)
Types of goods	商品類型		
Raw milk	原料奶	4,858,036	3,179,719
Feeds	飼料	774,090	-
		5,632,126	3,179,719
Timing of revenue recognition	收入確認時間		
A point in time	時間點	5,632,126	3,179,719
Geographical markets	地理市場		
Mainland China	中國內地	5,507,656	3,179,719
Other countries	其他國家	124,470	-
		5,632,126	3,179,719

5. SEGMENT INFORMATION

IFRS 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the "CODM"), in order to allocate resources and to assess performance. In December 2021, the Group commenced the business of sales of feeds, which is regarded as a new operating segment by the CODM. Information reported to the CODM for the purposes of resources allocation and assessment of segment performance focuses on the types of goods delivered.

The Group's reportable segments under IFRS 8 are as follows:

- Raw milk business – raising and breeding dairy cows to produce and sell raw milk.
- Feed business – trading, production and sales of feeds.

5. 分部資料

國際財務報告準則第8號經營分部規定根據主要營運決策者(「主要營運決策者」)定期審閱的有關本集團組成部分的內部報告識別經營分部，以分配資源及評估表現。2021年12月，本集團開始飼料銷售業務，該業務被主要營運決策者視為新的經營分部。為分配資源及評估分部表現而向主要營運決策者報告的資料集中於所交付貨物的類型。

本集團於國際財務報告準則第8號下的呈報分部如下：

- 原料奶業務 – 飼養及養殖奶牛以生產及銷售原料奶。
- 飼料業務 – 買賣、生產及銷售飼料。

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5. SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue and results by reportable segments:

For the six months ended 30 June 2022 (unaudited)

		Raw milk business 原料奶業務	Feed business 飼料業務	Total reportable segments 呈報分部總額	Eliminations 抵銷	Consolidated 綜合
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Segment revenue	分部收入					
External sales	對外銷售	4,858,036	774,090	5,632,126	-	5,632,126
Inter-segment sales	分部間銷售	-	621,207	621,207	(621,207)	-
Segment profit	分部溢利	860,748	19,736	880,484	(3,521)	876,963
Share of profit of associates	應佔聯營公司溢利					2,960
Unallocated other income	未分配其他收入					33,275
Unallocated other gains and losses	未分配其他收益及虧損					(222,924)
Unallocated expenses	未分配開支					(155,597)
Profit before tax	除稅前溢利					534,677

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit before tax earned by each segment without allocation of central administration expenses, corporate income and expenses, share of profit of associates that are not directly attributable to operating segments. This is the measure reported to the CODM for the purposes of resources allocation and assessment of segment performance. Inter-segment revenue is charged at prices agreed between group entities, which are determined by reference to the prices offered to third party customers.

The CODM makes decisions according to operating results of each segment. No analysis of segment assets and segment liabilities is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

5. 分部資料(續)

以下為按呈報分部呈列的本集團的收入及業績分析：

截至2022年6月30日止六個月(未經審核)

經營分部的會計政策與本集團的會計政策相同。分部溢利指各分部所賺取的除稅前溢利，未分配中央行政開支、企業收入及開支、應佔聯營公司溢利(並非直接歸屬於經營分部)。此乃報告給主要營運決策者用於資源分配及分部表現評估的措施。分部間收入按集團實體之間協定的價格扣除，有關價格乃參考向第三方客戶提供的價格釐定。

主要營運決策者根據各分部的經營業績作出決策。由於主要營運決策者不會出於資源分配及表現評估之目的而定期審閱此類資料，因此未呈列分部資產及分部負債分析。因此，僅呈列分部收入及分部業績。

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5. SEGMENT INFORMATION (Continued)

Geographic information

The Group's operations are located in Mainland China and the United States of America ("USA").

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

5. 分部資料(續)

地域資料

本集團的業務位於中國內地及美國(「美國」)。

有關本集團來自外部客戶的收入資料乃按營運地點呈列。有關本集團非流動資產的資料乃根據資產的地理位置呈列。

	Revenue from external customers 來自外部客戶的收入		Non-current assets (Note) 非流動資產(附註)	
	Six months ended 30 June 截至6月30日止六個月	30 June 31 December	30 June 31 December	30 June 31 December
	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)	2022 2022年 6月30日 RMB'000 人民幣千元 (unaudited) (未經審核)	2021 2021年 12月31日 RMB'000 人民幣千元 (audited) (經審核)
Mainland China USA	中國內地 美國			
	5,436,338	3,179,719	19,278,976	17,810,823
	195,788	-	119,845	119,119
	5,632,126	3,179,719	19,398,821	17,929,942

Note: Non-current assets excluded financial instruments and deferred tax assets.

附註：非流動資產不包括金融工具及遞延稅項資產。

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6. OTHER INCOME

6. 其他收入

		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)
Bank interest income	銀行利息收入	32,051	15,944
Government grants related to	就以下各項授出的政府補貼		
– Assets (Note i)	– 資產(附註i)	32,029	12,267
– Income (Note ii)	– 收入(附註ii)	14,514	19,515
Others	其他	46,543	31,782
		2,644	5,658
		81,238	53,384

Notes:

- These government grants are in relation to the construction and acquisition of property, plant and equipment and inventories which are included in the condensed consolidated statement of financial position as deferred income and credited to the profit or loss on a straight-line basis over the useful lives of the related assets or over the periods in which the inventories were consumed.
- These government grants are unconditional government subsidies received by the Group for the purpose of giving immediate financial support to the Group's operation.

附註：

- 該等政府補貼關於建設及購置物業、廠房及設備以及存貨，在簡明綜合財務狀況表內列作遞延收入，並於有關資產的可使用年期內或消耗存貨的期間內按直線法計入損益。
- 該等政府補貼為本集團收取的無條件政府補貼，旨在為本集團的營運提供即時財政支持。

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截至2022年6月30日止六個月

7. PROFIT BEFORE FINANCE COSTS AND TAX

Profit before finance costs and tax is arrived at after charging (crediting):

7. 除融資成本及稅項前溢利

除融資成本及稅項前溢利乃扣除(計入)下列各項後計算得出：

		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 sales:	銷售成本：		
Breeding costs to produce raw milk	生產原料奶的養殖成本	3,294,136	1,998,122
Raw milk fair value adjustments included in cost of sales	計入銷售成本的原料奶公平值調整	1,479,174	1,107,962
Cost of feeds sold	已售出飼料成本	683,167	-
		5,456,477	3,106,084
Other gains and losses, net:	其他收益及虧損淨額：		
Net foreign exchange loss/(gain)	外匯虧損/(收益)淨額	228,545	(23,754)
Loss on disposal of property, plant and equipment, net	出售物業、廠房及設備虧損淨額	155	4,611
Fair value (gain)/loss on derivative financial instruments:	衍生金融工具的公平值(收益)/虧損：		
Foreign currency forward contracts	外匯遠期合約	(1,416)	1,956
Foreign currency option contracts	外匯期權合約	(27,785)	27,812
Capped and floored cross currency swap ("CFCCS")	封頂封底交叉貨幣掉期("CFCCS")	27,112	-
Fair value gain on structured deposits	結構性存款的公平值收益	(2,377)	(754)
Others	其他	1,175	-
		225,409	9,871
Depreciation of property, plant and equipment	物業、廠房及設備折舊	342,152	232,518
Depreciation of right-of-use assets	使用權資產折舊	28,614	8,390
Less: capitalised in biological assets	減：生物資產資本化金額	(182,486)	(101,341)
Depreciation charged to profit or loss	扣除自損益的折舊	188,280	139,567
Equity-settled share award expense (Note 22)	以股權結算的股份獎勵開支(附註22)	25,573	9,015
Other employee benefits costs	其他僱員福利開支	508,399	267,616
Less: capitalised in biological assets	減：生物資產資本化金額	(121,964)	(60,555)
Employee benefits charged to profit or loss	扣除自損益的僱員福利	412,008	216,076

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8. FINANCE COSTS

Interest expenses on:	利息開支：
Bank borrowings	銀行借款
Long term bonds	長期債券
Lease liabilities	租賃負債
Other borrowings	其他借款
Total borrowing costs	借款成本總額
Fair value gain on interest rate swaps	利率掉期公平值收益

8. 融資成本

Six months ended 30 June

截至6月30日止六個月

2022	2021
2022年	2021年
RMB'000	RMB'000
人民幣千元	人民幣千元
(unaudited)	(unaudited)
(未經審核)	(未經審核)
122,040	108,138
37,751	–
14,741	5,223
7,702	–
182,234	113,361
(28,387)	(21,972)
153,847	91,389

9. INCOME TAX EXPENSE

Current tax:	即期稅項：
PRC enterprise income tax	中國企業所得稅
Other jurisdictions	其他司法權區
Deferred tax:	遞延稅項：
PRC enterprise income tax	中國企業所得稅
Other jurisdictions	其他司法權區
Income tax expense	所得稅開支

9. 所得稅開支

Six months ended 30 June

截至6月30日止六個月

2022	2021
2022年	2021年
RMB'000	RMB'000
人民幣千元	人民幣千元
(unaudited)	(unaudited)
(未經審核)	(未經審核)
3,184	420
1,171	–
4,355	420
(239)	–
(577)	–
(816)	–
3,539	420

Under the Law of the People's Republic of China (the "PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the statutory income tax rate of the PRC subsidiaries is 25% for both periods.

根據中華人民共和國(「中國」)企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司於兩個期間的法定所得稅稅率為25%。

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9. INCOME TAX EXPENSE (Continued)

According to the prevailing tax rules and regulation of the EIT Law, the Group is exempted from enterprise income tax for taxable profit from the operation of agricultural business in the PRC.

The subsidiaries established in USA are subject to the law of the U.S. Enterprise Income Tax, and the applicable income tax rate is 21% for the current period.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from Hong Kong.

Pursuant to the PRC EIT Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% or 10%. Deferred taxation has not been provided for in the condensed consolidated financial statements in respect of the accumulated profits of the PRC subsidiaries amounting to RMB4,387,830,000 (31 December 2021: RMB3,737,103,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future.

10. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

Impairment loss recognised in respect of:

Trade receivables
Other receivables

就下列各項確認的減值虧損：

應收貿易賬款
其他應收款項

9. 所得稅開支(續)

根據企業所得稅法現行稅務規則及法規，本集團於中國經營農業業務產生的應課稅溢利獲豁免繳納企業所得稅。

在美國成立的附屬公司須遵守美國企業所得稅法，本期的適用所得稅稅率為21%。

其他司法權區產生的稅項乃根據有關司法權區現行稅率計算。

並無就香港稅項作出撥備，原因為本集團於香港並無產生收入亦無源自香港之收入。

根據中國企業所得稅法，於中國內地成立的外資企業向外商投資者宣派股息須繳納10%的預扣稅。該規定自2008年1月1日起生效，並適用於2007年12月31日後的盈利。倘中國與外商投資者所在司法權區訂立了稅項條約，則可調低預扣稅稅率。本集團的適用比率為5%或10%。並未就中國附屬公司累計溢利人民幣4,387,830,000元(2021年12月31日：人民幣3,737,103,000元)於簡明綜合財務報表就遞延稅項作出撥備，乃由於本集團能夠控制撥回暫時差額的時間及該等暫時差額於可見將來可能不會獲撥回。

10. 預期信貸虧損模型下減值虧損，扣除撥回

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)
956	-
25	64
981	64

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10. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL (Continued)

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2021.

11. DIVIDENDS

During the current interim period, a final dividend of RMB0.026 per share in respect of the year ended 31 December 2021 (six months ended 30 June 2021: RMB0.02 per share in respect of the year ended 31 December 2020) was declared and paid to owners of the Company. The aggregate amount of the final dividend declared and paid in the interim period amounted to RMB204,390,000 (six months ended 30 June 2021: RMB142,532,000) and was appropriated from the Company's distributable share premium.

12. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

10. 預期信貸虧損模型下減值虧損，扣除撥回(續)

截至2022年6月30日止六個月的簡明綜合財務報表中所用的釐定輸入數據以及假設及估計方法的基準與本集團截至2021年12月31日止年度的年度財務報表所列示者相同。

11. 股息

於本中期期間，就截至2021年12月31日止年度向本公司擁有人宣派及派付每股人民幣0.026元之末期股息(截至2021年6月30日止六個月：有關截至2020年12月31日止年度的每股人民幣0.02元)。中期期間宣派及派付的末期股息總額為人民幣204,390,000元(截至2021年6月30日止六個月：人民幣142,532,000元)，並自本公司可分派的股份溢價中撥付。

12. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃根據以下數據計算：

Profit

Profit for the purposes of basic and diluted earnings per share

溢利

用於計算每股基本及攤薄盈利的溢利

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)
507,688	496,698

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截至2022年6月30日止六個月

12. EARNINGS PER SHARE (Continued)

Number of shares	股份數目
Weighted average number of ordinary shares for the purpose of basic earnings per share	用於計算每股基本盈利的普通股加權平均數
Effect of dilutive potential ordinary shares:	攤薄潛在普通股的影響：
Share awards under the Share Award Scheme	股份獎勵計劃項下的股份獎勵

The number of shares adopted in the calculation of the basic earnings per share has been arrived at after adjusting the effect of shares repurchased by the Company and the shares held under the Company's Share Award Scheme.

12. 每股盈利(續)

Six months ended 30 June

截至6月30日止六個月

2022 2022年 '000 千股 (unaudited) (未經審核)	2021 2021年 '000 千股 (unaudited) (未經審核)
7,855,607	6,970,881
19,651	5,399
7,875,258	6,976,280

計算每股基本盈利所採納的股份數目於調整本公司回購股份及本公司股份獎勵計劃所持股份的影響後得出。

13. INTERESTS IN ASSOCIATES AND A JOINT VENTURE

Cost of investments in associates (Note i)	於聯營公司的投資成本(附註i)
Cost of investment in a joint venture (Note ii)	於合營企業的投資成本(附註ii)
Share of post-acquisition profit and other comprehensive income in associates	分佔聯營公司的收購後溢利及其他全面收入
Share of post-acquisition profit and other comprehensive income in a joint venture	分佔合營企業的收購後溢利及其他全面收入

13. 於聯營公司及合營企業的權益

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)
257,368	225,428
27,000	—
130,810	127,850
63	—
415,241	353,278

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13. INTERESTS IN ASSOCIATES AND A JOINT

VENTURE (Continued)

Notes:

- i. During the current interim period, Modern Farming (Group) Co., Ltd. (“**Modern Farming**”), a non-wholly owned subsidiary of the Company, invested RMB8,640,000 and RMB6,800,000 for 48% equity interest in Hainan Yunyangniu Technology Co., Ltd. and 34% equity interest in COFCO Feed (Hohhot) Co., Ltd. respectively, over which Modern Farming can exercise significant influence and hence use the equity method to account for the investments in those associates. Modern Farming also made additional investment of RMB16,500,000 in Jiangyin Dairy Energy Environment Technology Co., Ltd. proportionately with another investor during the current interim period.
- ii. On 31 March 2022, Modern Farming invested RMB27,000,000 for 54% equity interest in Modern Feed (Tianjin) Co., Ltd. (“**Tianjin Feed**”). According to the articles of association of Tianjin Feed, decisions on relevant activities requires 2/3 voting rights of shareholders, hence the Directors consider the Group has joint control over Tianjin Feed which is accounted for as a joint venture of the Group.

14. BIOLOGICAL ASSETS

The fair value less costs to sell of dairy cows at the end of the reporting period is set out below:

Milkable cows	奶牛
Heifers and calves	小母牛及小牛
Total dairy cows	乳牛總計

The Group has engaged Jones Lang LaSalle Corporate Appraisal And Advisory Limited, an independent firm of professional valuers, to assist it in assessing the fair values of the Group’s dairy cows. The valuation techniques used in the determination of fair values as well as the key inputs used in the valuation models are disclosed in Note 27.

13. 於聯營公司及合營企業的權益(續)

附註：

- i. 於本中期期間，本公司非全資附屬公司現代牧業(集團)有限公司(「現代牧業(集團)」)向海南雲養牛科技有限公司及中糧飼料(呼和浩特)有限公司分別投資人民幣8,640,000元及人民幣6,800,000元以獲得48%及34%的股權，現代牧業(集團)能夠對兩者施加重大影響，因此採用權益法對於該等聯營公司的投資進行會計處理。於本中期期間，現代牧業(集團)亦與另一名投資者按比例再向江陰牧能環境科技有限公司投資人民幣16,500,000元。
- ii. 2022年3月31日，現代牧業(集團)投資人民幣27,000,000元以獲得現代飼料(天津)有限公司(「天津飼料」)的54%股權。根據天津飼料的公司章程，相關活動的決定需要獲得三分之二的股東表決權，因此，董事認為本集團共同控制天津飼料(作為本集團的合營企業入賬)。

14. 生物資產

報告期末的乳牛公平值減銷售成本載列如下：

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)
6,479,557	6,060,224
3,780,700	3,344,700
10,260,257	9,404,924

本集團已委聘仲量聯行企業評估及諮詢有限公司(獨立專業估值公司)協助其評估本集團乳牛的公平值。釐定公平值所用的估值技術及估值模型所用主要輸入數據披露於附註27。

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15. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

15. 應收貿易賬款及其他應收款項以及預付款項

		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)
Trade receivables	應收貿易賬款	1,196,954	1,044,160
Bills receivables	應收票據	846	1,176
Less: allowance for credit losses	減：信貸虧損撥備	(956)	-
		1,196,844	1,045,336
Prepayments for feeds, materials, insurance and others	飼料、材料、保險及其他的預付款項	202,885	149,239
Prepayments for property, plant and equipment	物業、廠房及設備的預付款項	11,290	54,238
Prepayments for biological assets	生物資產的預付款項	94,723	-
Input value added tax recoverable	可收回進項增值稅	3,209	6,720
Short term loan receivables	短期應收貸款	30,000	2,003
Others	其他	33,121	18,573
		1,572,072	1,276,109
Analysed as:	按下列分析：		
Current	即期	1,445,209	1,221,871
Non-current	非即期	126,863	54,238
		1,572,072	1,276,109

Trade receivables at the end of the reporting period principally represent receivables from sales of raw milk and feeds. The Group allows a credit period of 30 days to its customers of raw milk and no more than 90 days to its customers of feeds.

報告期末的應收貿易賬款主要指銷售原料奶和銷售飼料的應收款項。本集團給予其原料奶客戶30天的信貸期及其飼料客戶不多於90天的信貸期。

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15. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS *(Continued)*

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the invoice dates at the end of the reporting period:

Trade receivables
– within 30 days
– beyond 30 days but within 90 days
– beyond 90 days but within 1 year
– beyond 1 year but within 2 years
Bills receivables
– within 30 days
– beyond 90 days but within 120 days
– beyond 120 days but within 1 year

應收貿易賬款
– 30天以內
– 超過30天但90天以內
– 超過90天但一年以內
– 超過一年但兩年以內
應收票據
– 30天以內
– 超過90天但120天以內
– 超過120天但一年以內

15. 應收貿易賬款及其他應收款項以及預付款項(續)

於報告期末按發票日期呈列的應收貿易賬款(扣除信貸虧損撥備)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)
1,032,390	955,222
98,848	49,977
16,576	–
48,184	38,961
105	135
606	500
135	541
1,196,844	1,045,336

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16. DERIVATIVE FINANCIAL INSTRUMENTS

16. 衍生金融工具

		Assets 資產		Liabilities 負債	
		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)
Interest rate swaps (Note i)	利率掉期(附註i)	19,181	–	–	(3,446)
Foreign currency forward contracts (Note ii)	外匯遠期合約(附註ii)	1,416	–	–	–
Foreign currency option contracts (Note ii)	外匯期權合約(附註ii)	–	–	(75,501)	(112,642)
CFCCS (Note iii)	CFCCS(附註iii)	40,425	67,537	–	–
		61,022	67,537	(75,501)	(116,088)
Analysed as:	分析為：				
Current	流動	19,570	–	(39,544)	(17,758)
Non-current	非流動	41,452	67,537	(35,957)	(98,330)
		61,022	67,537	(75,501)	(116,088)

Notes:

i. Key terms of the interest rate swaps are as follows:

Nominal amounts 名義金額

At 30 June 2022

於2022年6月30日

USD120,000,000

120,000,000美元

USD42,300,000

42,300,000美元

At 31 December 2021

於2021年12月31日

USD200,000,000

200,000,000美元

USD42,300,000

42,300,000美元

The Group entered into several interest rate swap contracts with certain banks as an economic hedge of the risk of interest rate fluctuation arising from certain bank loans at floating interest rates. The fair value changes of the swaps were presented within finance costs.

附註：

i. 利率掉期主要條款如下：

Swaps 掉期

From LIBOR to 0.66%-0.945%

自倫敦銀行同業拆息至0.66%至0.945%

From LIBOR+1% to 1.50%-1.90%

自倫敦銀行同業拆息+1%至1.50%至1.90%

From LIBOR to 0.66%-0.945%

自倫敦銀行同業拆息至0.66%至0.945%

From LIBOR+1% to 1.50%-1.90%

自倫敦銀行同業拆息+1%至1.50%至1.90%

本集團與若干銀行訂立若干利率掉期合約，以對若干按浮動利率的銀行貸款產生的利率波動風險進行經濟對沖。掉期的公平值變動於融資成本內呈列。

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16. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Notes: (Continued)

- ii. Key items of the foreign currency forward contracts and the foreign currency option contracts are as follows:

Nominal amount 名義金額

At 30 June 2022
於2022年6月30日
RMB135,640,000
人民幣135,640,000元

Nominal amounts 名義金額

At 30 June 2022
於2022年6月30日
USD302,300,000*
302,300,000美元*

At 31 December 2021
於2021年12月31日

USD342,300,000*
342,300,000美元*

Type 類型

Call
認購
Put
認沽
Call
認購

Call
認購
Put
認沽
Call
認購

Position 好倉/淡倉

Long
好倉
Short
淡倉
Short
淡倉

Forward exchange rates 遠期匯率

USD0.1474: RMB1
0.1474美元: 人民幣1元

RMB6.7315 to RMB6.9550: USD1
人民幣6.7315元至人民幣6.9550元: 1美元
RMB6.7315 to RMB6.9550: USD1
人民幣6.7315元至人民幣6.9550元: 1美元
RMB7.1000 to RMB7.1500: USD1
人民幣7.1000元至人民幣7.1500元: 1美元

RMB6.7315 to RMB6.9550: USD1
人民幣6.7315元至人民幣6.9550元: 1美元
RMB6.7315 to RMB6.9550: USD1
人民幣6.7315元至人民幣6.9550元: 1美元
RMB7.1000 to RMB7.1500: USD1
人民幣7.1000元至人民幣7.1500元: 1美元

* These are currency call/put option portfolios.

The Group entered into several foreign currency forward contracts and foreign currency option contracts with certain banks as an economic hedge of the currency risk arising from certain of its bank loans denominated in US\$. The fair value changes of the foreign currency forward contracts and the foreign currency option contracts were recognised in other gains and losses.

16. 衍生金融工具(續)

附註: (續)

- ii. 外匯遠期合約及外匯期權合約主要項目如下:

* 該等為貨幣認購/認沽期權組合。

本集團與若干銀行訂立若干外匯遠期合約及外匯期權合約，以對若干以美元計值的銀行貸款產生的貨幣風險進行經濟對沖。外匯遠期合約及外匯期權合約的公平值變動於其他收益及虧損中確認。

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16. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Notes: (Continued)

iii. Major items of CFCCS contracts are as follows:

The Company entered into several CFCCS contracts with banks as an economic hedge of the currency risk arising from the USD Bonds (as defined in Note 20) in the amount of USD400,000,000. The fair value changes of CFCCS contracts were recognised in other gains and losses. According to CFCCS agreements, at termination date, if the spot rate is equal to or less than the cap strike rate agreed (the "Cap Rate"), and equal to or greater than the floor strike rate (the "Floor"), the Company will exchange RMB for USD at an exchange rate of 6.478; if the spot rate is greater than the Cap Rate, the Company will exchange RMB for USD at an exchange rate of (6.478+(spot rate - Cap Rate)); if the spot rate is less than the Floor Rate, the Company will exchange RMB for USD at an exchange rate of (6.478+(spot rate-Floor Rate)). At the same time, the Company will receive interest on USD nominal amount at the interest rate of 2.125% and pay interest on RMB nominal amount (translated from USD to RMB at the rate of 6.478) at the interest rate of fixed rate agreed (the "Fixed Rate") semi-annually until the termination date.

Nominal amounts 名義金額

At 30 June 2022
於2022年6月30日
USD400,000,000
400,000,000美元

Fixed Rate	2.84%-3.12%
固定利率	2.84%-3.12%
Floor Rate	6.00
下限匯率	6.00
Cap Rate	7.00 -7.20
上限匯率	7.00 -7.20

At 31 December 2021
於2021年12月31日
USD400,000,000
400,000,000美元

Fixed Rate	2.84%-3.12%
固定利率	2.84%-3.12%
Floor Rate	6.00
下限匯率	6.00
Cap Rate	7.00 -7.20
上限匯率	7.00 -7.20

iv. The valuation techniques used in determination of fair values of the interest rate swaps, foreign currency forwards, foreign currency options and CFCCS are disclosed in Note 27.

16. 衍生金融工具(續)

附註：(續)

iii. CFCCS合約的主要項目如下：

本公司與銀行訂立多份CFCCS合約，以對其金額為400,000,000美元的美債債券(定義見附註20)產生的貨幣風險進行經濟對沖。CFCCS合約的公平值變動計入其他收益及虧損。根據CFCCS協議，於終止日期，當即期匯率等於或低於約定的上限匯率(「上限匯率」)，且等於或高於下限匯率(「下限匯率」)，本公司將以6.478的匯率將人民幣兌換成美元；當即期匯率大於上限匯率，本公司將以(6.478+(即期匯率 - 上限匯率))的匯率將人民幣兌換成美元；當即期匯率低於下限匯率，本公司將以(6.478+(即期匯率 - 下限匯率))的匯率將人民幣兌換成美元。同時，本公司將以2.125%的利率收取美元名義金額的利息並按約定的固定利率(「固定利率」)每半年支付一次人民幣名義金額的利息(按6.478美元換算為人民幣)，直至終止日期。

iv. 釐定利率掉期、外匯遠期、外匯期權及CFCCS公平值所使用的估值技術均披露於附註27。

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17. TRADE AND OTHER PAYABLES

The following is an analysis of trade payables by age, presented based on the invoice date and the analysis used by the Group's management to monitor the Group's financial position.

17. 應付貿易賬款及其他應付款項

以下為按賬齡劃分的應付貿易賬款分析，按發票日期呈列，且該分析被本集團管理層用作監督本集團的財務狀況。

		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)
Trade payables	應付貿易賬款		
– within 60 days	– 60天以內	866,604	1,177,400
– beyond 60 days but within 120 days	– 超過60天但於120天以內	214,009	337,617
– beyond 120 days but within 1 year	– 超過120天但於一年以內	60,809	71,546
– beyond 1 year	– 超過一年	32,823	25,359
Bills payables (Note)	應付票據(附註)	1,493	28,632
		1,175,738	1,640,554
Payables for acquisition of property, plant and equipment	購買物業、廠房及設備應付款項	262,507	376,012
Accrued staff costs	應計員工成本	215,091	241,636
Advanced payments from disposal of dairy cows	就出售乳牛的預收款項	24,117	11,375
Payables for acquisition of subsidiaries	收購附屬公司應付款項	394,650	643,197
Guarantee deposit	保證金	95,647	131,571
Payables for acquisition of non-controlling interests	收購非控股權益應付款項	40,268	38,192
Dividends payable	應付股息	11,938	9,778
Others	其他	96,627	75,846
		2,316,583	3,168,161
Analysed as:	分析為：		
Current	即期	2,291,302	3,144,194
Non-current	非即期	25,281	23,967
		2,316,583	3,168,161

Note: Bills payables are with maturities within twelve months from the respective issuance dates.

附註：應付票據於各自發行日期起計十二個月內到期。

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18. BANK BORROWINGS

During the current period, the Group obtained new bank borrowings amounted to RMB4,372,388,000 (six months ended 30 June 2021: RMB1,785,527,000) and repaid bank borrowings amounted to RMB2,310,091,000 (six months ended 30 June 2021: RMB2,420,537,000).

18. 銀行借款

於本期間，本集團獲得金額為人民幣4,372,388,000元(截至2021年6月30日止六個月：人民幣1,785,527,000元)的新銀行貸款，並償還了金額為人民幣2,310,091,000元(截至2021年6月30日止六個月：人民幣2,420,537,000元)的銀行借款。

		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)
US\$	美元	1,246,419	1,327,048
RMB	人民幣	5,709,101	3,338,968
		6,955,520	4,666,016
Carrying amounts repayable:	應償還賬面值：		
Within one year	一年內	4,139,262	2,380,683
Between one to two years	一至兩年內	1,268,678	1,234,489
Between two to five years	兩至五年內	947,403	980,596
Over five years	五年以上	600,177	70,248
		6,955,520	4,666,016
Less: Amounts due within one year shown under current liabilities	減：於流動負債項下列示一年內到期款項	(4,139,262)	(2,380,683)
Amounts shown under non-current liabilities	非流動負債項下所示金額	2,816,258	2,285,333

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18. BANK BORROWINGS (Continued)

The bank borrowings comprised:

Fixed-rate borrowings	定息借款
Variable-rate borrowings	浮息借款

The annual interest rate of the bank borrowings as at 30 June 2022 ranged from 1.90% to 8.16% (31 December 2021: 1.50% to 4.57%) per annum.

19. OTHER BORROWINGS

Other borrowings:	其他借款：
– From Mengniu (Note 26(c))	– 來自蒙牛(附註26(c))
– Others	– 其他
Carrying amounts repayable:	應償還賬面值：
Within one year	一年以內
Between one to two years	一至兩年內
Between two to five years	兩年至五年以內
Less: Amounts due within one year shown under current liabilities	減：於流動負債項下列示一年內到期款項
Amounts shown under non-current liabilities	非流動負債項下所示金額

The annual interest rate of the other borrowings as at 30 June 2022 ranged from 3.59% to 12.00% (31 December 2021: 3.85% to 12.00%) per annum.

18. 銀行借款(續)

銀行借款包括：

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)
5,267,794	2,971,548
1,687,726	1,694,468
6,955,520	4,666,016

於2022年6月30日，銀行借款的年利率介乎1.90%至8.16%(2021年12月31日：1.50%至4.57%)。

19. 其他借款

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)
64,240	495,466
114,782	141,538
179,022	637,004
12,736	433,676
11,000	17,511
155,286	185,817
179,022	637,004
(12,736)	(433,676)
166,286	203,328

於2022年6月30日，其他借款的年利率介乎3.59%至12.00%(2021年12月31日：3.85%至12.00%)。

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20. LONG TERM BONDS

20. 長期債券

		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)
Carrying amounts repayable:	應償還賬面值：		
Within one year	一年內	33,079	31,989
Between two to five years	兩年至五年內	3,329,181	3,159,730
		3,362,260	3,191,719
Less: Amounts due within one year shown under current liabilities	減：於流動負債項下列示 一年內到期款項	(33,079)	(31,989)
Amounts shown under non-current liabilities	非流動負債項下所示金額	3,329,181	3,159,730

On 15 July 2021, the Company issued bonds in an aggregate principal amount of USD500 million which will mature on 14 July 2026 (the "USD Bonds"). The net proceeds of the USD Bonds amounted to USD495,165,000 (equivalent to RMB3,200,760,000) after deducting the underwriting discounts and commissions. The USD Bonds bear interest at the rate of 2.125% per annum, payable semi-annually in arrears. The Company intended to use the proceeds from the USD Bonds for refinancing and general corporate purposes. The carrying amounts repayable within one year are interests payable.

於2021年7月15日，本公司發行本金總額為500百萬美元、將於2026年7月14日到期的債券（「美元債券」）。扣除包銷折扣及佣金後，美元債券的所得款項淨額為495,165,000美元（相當於人民幣3,200,760,000元）。美元債券按年利率2.125%計息，每半年支付一次。本公司擬將美元債券所得款項用於再融資及一般企業用途。一年內應償還賬面值為應付利息。

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21. SHARE CAPITAL

21. 股本

		Number of shares 股份數目 '000 千股	Share capital 股本 HK\$'000 千港元
Ordinary shares of HK\$0.1 each Authorised At 1 January 2021, 31 December 2021 and 30 June 2022	每股0.1港元的普通股 法定 於2021年1月1日、2021年12月31日 及2022年6月30日	10,000,000	1,000,000
Issued and fully paid At 1 January 2021	已發行及繳足 於2021年1月1日	6,458,566	645,857
Issue of ordinary shares (Note) At 31 December 2021 and 30 June 2022	發行普通股(附註) 於2021年12月31日及 2022年6月30日	1,457,096	145,709
		7,915,662	791,566
		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)
Presented as	呈列為	675,869	675,869

Note: On 27 January 2021, an aggregate of 650,000,000 new shares with par value of HK\$0.10 each of the Company have been placed to certain independent third parties at the placing price of HK\$2.40 per share, resulting in an increase of the share capital of HK\$65,000,000 (equivalent to approximately RMB54,223,000). An amount of HK\$1,487,200,000 (equivalent to approximately RMB1,240,622,000), being the excess of the net proceeds from the placing of HK\$1,552,200,000 (equivalent to approximately RMB1,294,845,000) over the par value of the new shares, was credited to share premium. These new shares rank pari passu with other shares in issue in all respects. The Company intends to apply the net proceeds from the placing on infrastructure development and herd expansion, potential mergers and acquisitions and general working capital.

On 29 November 2021, an aggregate of 807,096,101 new shares with par value of HK\$0.10 each of the Company have been issued to the holding vehicle designated by Mengniu as part of the consideration for acquisition of Inner Mongolia Fuyuan International Industrial (Group) Co. Ltd. An amount of HK\$992,728,000 (equivalent to approximately RMB813,164,000), being the excess of the market price of the shares issued of HK\$1,073,438,000 (calculated using the market price per share HK\$1.33 of the shares on the issue date, equivalent to approximately RMB879,275,000) over the par value of the new shares, was credited to share premium.

附註：於2021年1月27日，以每股2.40港元的配售價向若干獨立第三方配售合共650,000,000股本公司每股面值0.10港元的新股份，導致股本增加65,000,000港元(相當於約人民幣54,223,000元)。1,487,200,000港元(相當於約人民幣1,240,622,000元)，即配售所得款項淨額1,552,200,000港元(相當於約人民幣1,294,845,000元)超過新股面值的部分，已計入股份溢價。該等新股在各方面與其他已發行股份享有同等地位。本公司擬將配售所得款項淨額用於基礎設施發展及牛群擴張、潛在併購及一般營運資金。

於2021年11月29日，作為收購內蒙古富源國際實業(集團)有限公司代價的一部分，本公司已向蒙牛指定的控股公司發行合共807,096,101股本公司每股面值0.10港元的新股。992,728,000港元(相當於約人民幣813,164,000元)，即已發行股份市價1,073,438,000港元(按發行日股份市價1.33港元計算，相當於約人民幣879,275,000元)超過新股面值的部分，已計入股份溢價。

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22. SHARE-BASED PAYMENTS

On 26 March 2018 (the “**Adoption Date**”), the Company adopted a share award scheme (the “**Share Award Scheme**”) to motivate and award the contribution of certain members of management and eligible employees of the Group. Subject to any early termination as may be determined by the board of directors, the Share Award Scheme is valid and effective for a period of 10 years commencing on the Adoption Date.

The shares to be awarded under the Share Award Scheme (the “**Award Shares**”) will be acquired by the Company through Dairy Fortune Limited (“**Dairy Fortune**”) which is 100% owned by Dairy Fortune (PTC) Limited (the “**Trustee**”) from the open market by cash contributed by the Group under the directions of the Company and will be held in trust for the relevant selected participants until such shares are vested. The maximum number of shares which may be purchased by the Trustee is set at no more than 1% of the number of issued ordinary shares of the Company at the preceding annual general meeting. Based on the trust arrangements among the Company, the sole shareholder of the Trustee and the Trustee, the Company is able to control the Trustee and its subsidiary, Dairy Fortune, pursuant to IFRS 10 Consolidated Financial Statements. Therefore, the Group accounts for the Trustee and Dairy Fortune as consolidated structured entities. The ordinary shares of the Company held by Dairy Fortune are accounted for as a debit to the Group’s reserve and are presented under the account of “Shares held under the Share Award Scheme” in the condensed consolidated financial statements.

22. 以股份支付的付款

於2018年3月26日(「**採納日期**」)，本公司採納一項股份獎勵計劃(「**股份獎勵計劃**」)，以激勵及獎勵本集團若干管理層成員及合資格僱員的貢獻。除董事會可能釐定的任何提早終止外，股份獎勵計劃有效期十年，自採納日期起生效。

根據股份獎勵計劃將獎勵的股份(「**獎勵股份**」)由本公司透過Dairy Fortune (PTC) Limited(「**受託人**」)100%擁有的Dairy Fortune Limited(「**Dairy Fortune**」)按照本公司指示以本集團注資的現金從公開市場上收購，並將以信託方式為相關選定參與者持有，直至將有關股份歸屬。受託人可購入的股份數目上限設定為不得超過本公司於上一屆股東週年大會上已發行普通股數目的1%。根據本公司、受託人的唯一股東及受託人之間的信託安排，本公司根據國際財務報告準則第10號綜合財務報表能夠控制受託人及其附屬公司Dairy Fortune。因此，本集團將受託人及Dairy Fortune入賬列為綜合架構實體。Dairy Fortune所持本公司普通股入賬列為本集團儲備借記，並列示於簡明綜合財務報表的「根據股份獎勵計劃持有的股份」項下。

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22. SHARE-BASED PAYMENTS (Continued)

Up to 31 December 2021, based on the Company's instructions, Dairy Fortune had purchased a total of 96,448,000 ordinary shares of the Company on open market at a total consideration of approximately HK\$123,702,000 (equivalent to RMB105,218,000). During the six months ended 30 June 2022, Dairy Fortune purchased 9,200,000 ordinary shares (for the six months ended 30 June 2021: nil) from the open market at a total consideration of approximately HK\$10,962,000 (equivalent to RMB9,073,000) (for the six months ended 30 June 2021: nil).

In addition, the Group retained a total number of 4,112,062 vesting shares (for the six months ended 30 June 2021: 4,420,482) as a consideration of approximately HK\$5,222,000 (equivalent to RMB4,227,000) (for the six months ended 30 June 2021: HK\$8,974,000 (equivalent to RMB7,584,000)) for paying the individual income tax on behalf of those selected participants under the Share Award Scheme during the current period. The retained vesting shares were considered as repurchase from those selected participants and the Group remits the cash value of the repurchased equity instruments to the tax authority on behalf of those selected participants to settle the individual income tax in relation to the share-based payment.

(i) Share Award-i

On 8 January 2020, a total number of 20,000,000 Award Shares ("Share Award-i") were granted to selected participants and a total number of 19,918,802 shares were vested during 2020.

22. 以股份支付的付款(續)

直至2021年12月31日，按照本公司指示，Dairy Fortune已從公開市場上收購合計96,448,000股本公司普通股，總代價約為123,702,000港元（相當於人民幣105,218,000元）。於截至2022年6月30日止六個月，Dairy Fortune從公開市場上收購9,200,000股普通股（截至2021年6月30日止六個月：無），總代價約為10,962,000港元（相當於人民幣9,073,000元）（截至2021年6月30日止六個月：無）。

此外，本集團保留合共4,112,062股歸屬股份（截至2021年6月30日止六個月：4,420,482股）作為於中期期間代表股份獎勵計劃下的選定參與者繳納個人所得稅的代價約5,222,000港元（相當於人民幣4,227,000元）（截至2021年6月30日止六個月：8,974,000港元（相當於人民幣7,584,000元））。保留的歸屬股份被視為向選定參與者作出的購回，本集團將被購回權益工具的現金價值代表有關選定參與者向稅務機關匯繳與股份支付有關的個人所得稅。

(i) 股份獎勵-i

於2020年1月8日，合共20,000,000股獎勵股份（「股份獎勵-i」）授予選定參與者，合共19,918,802股股份於2020年獲歸屬。

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22. SHARE-BASED PAYMENTS (Continued)

(ii) Share Award-ii

On 27 March 2020, a total number of 20,000,000 Award Shares (“**Share Award-ii**”) were granted to selected participants. If certain performance and service conditions are met, out of the total shares granted, 10,000,000 Award Shares would be vested on 21 April 2021 (the “**Award Shares A**”), the remaining Award Shares of 10,000,000 would be vested on 21 April 2021 with one year lock-up period beginning from the vesting date (the “**Award Shares B**”).

The following table discloses movements of the Award Shares A and Award Shares B during the prior period:

Categories	類別	Outstanding as at 1 January 2021 於2021年 1月1日 尚未行使	Forfeited during the period 期內沒收	Vested during the period 期內歸屬	Outstanding as at 30 June 2021 於2021年 6月30日 尚未行使
Award Shares A	獎勵股份A	9,320,000	(524,100)	(8,795,900)	-
Award Shares B	獎勵股份B	9,320,000	(524,100)	(8,795,900)	-
		18,640,000	(1,048,200)	(17,591,800)	-

The Group recognised a share award expense of RMB1,958,000 (for the six months ended 30 June 2022: nil) in respect of the Share Award-ii during the six months ended 30 June 2021.

A total number of 17,591,800 shares of Award Shares A and Award Shares B were vested during the six months ended 30 June 2021, and the difference of RMB4,418,000 between the share award reserve of RMB9,447,000 and shares held under the Share Award Scheme of RMB13,865,000 for the shares vested was recognised in retained earnings.

22. 以股份支付的付款(續)

(ii) 股份獎勵-ii

於2020年3月27日，合共20,000,000股獎勵股份(「**股份獎勵-ii**」)授予選定參與者。倘符合若干表現及服務條件，則於所有授出股份中，10,000,000股獎勵股份將於2021年4月21日歸屬(「**獎勵股份A**」)，而餘下10,000,000股獎勵股份將於2021年4月21日歸屬，自歸屬日期起一年禁售期(「**獎勵股份B**」)。

下表披露獎勵股份A及獎勵股份B於上一期間的變動：

於截至2021年6月30日止六個月，本集團就股份獎勵-ii確認股份獎勵開支人民幣1,958,000元(截至2022年6月30日止六個月：零)。

於截至2021年6月30日止六個月，合共17,591,800股獎勵股份A及獎勵股份B獲歸屬，股份獎勵儲備人民幣9,447,000元與就所歸屬股份根據股份獎勵計劃持有的人民幣13,865,000元股份之間的差額金額人民幣4,418,000元於保留盈利確認。

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22. SHARE-BASED PAYMENTS (Continued)

(iii) Share Award-iii

On 25 March 2021, a total number of 23,200,000 Award Shares (“Share Award-iii”) were granted to selected participants. If certain performance and service conditions are met, out of the total shares granted, 11,600,000 Award Shares will be vested on 31 March 2022 (the “Award Shares C”), the remaining Award Shares of 11,600,000 will be vested on 31 March 2022 with one year lock-up period beginning from the vesting date (the “Award Shares D”).

The following table discloses movements of the Award Shares C and Award Shares D during the reporting period:

Categories	類別	Outstanding as at 1 January 2022 於2022年 1月1日 尚未行使	Forfeited during the period 期內沒收	Vested during the period 期內歸屬	Outstanding as at 30 June 2022 於2022年 6月30日 尚未行使
Award Shares C	獎勵股份C	10,348,000	(61,000)	(10,287,000)	–
Award Shares D	獎勵股份D	10,348,000	(61,000)	(10,287,000)	–
		20,696,000	(122,000)	(20,574,000)	–

Categories	類別	Outstanding as at 1 January 2021 於2021年 1月1日 尚未行使	Granted during the period 期內授出	Forfeited during the period 期內沒收	Outstanding as at 30 June 2021 於2021年 6月30日 尚未行使
Award Shares C	獎勵股份C	–	11,600,000	(130,000)	11,470,000
Award Shares D	獎勵股份D	–	11,600,000	(130,000)	11,470,000
		–	23,200,000	(260,000)	22,940,000

22. 以股份支付的付款(續)

(iii) 股份獎勵-iii

於2021年3月25日，合共23,200,000股獎勵股份(「股份獎勵-iii」)授予選定參與者。倘符合若干表現及服務條件，則於所有授出股份中，11,600,000股獎勵股份將於2022年3月31日歸屬(「獎勵股份C」)，而餘下11,600,000股獎勵股份將於2022年3月31日歸屬，自歸屬日期起一年禁售期(「獎勵股份D」)。

下表披露獎勵股份C及獎勵股份D於報告期間的變動：

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22. SHARE-BASED PAYMENTS (Continued)

(iii) Share Award-iii (Continued)

The fair values of Award Shares C were HK\$21,576,000 (equivalent to RMB18,130,000), which was determined based on the market price of the Company's shares at the grant date. The fair values of Award Shares D were HK\$17,529,000 (equivalent to RMB14,730,000) which was determined based on the market price of the Company's shares at the grant date after considering the post-vesting transfer restrictions.

The Group recognised a share award expense of RMB10,784,000 (for the six months ended 30 June 2021: RMB7,057,000) in respect of the Share Award-iii during the current period.

A total number of 20,574,000 shares of Award Shares C and Award Shares D were vested during the six months ended 30 June 2022, and the difference of RMB3,530,000 between the share award reserve of RMB29,140,000 and shares held under the Share Award Scheme of RMB25,610,000 for the shares vested was recognised in retained earnings.

22. 以股份支付的付款(續)

(iii) 股份獎勵-iii(續)

獎勵股份C的公平值為21,576,000港元(相當於人民幣18,130,000元)，乃根據本公司股份於授出日期的市價釐定。獎勵股份D的公平值為17,529,000港元(相當於人民幣14,730,000元)，乃經考慮歸屬後轉讓限制後根據本公司股份於授出日期的市價釐定。

於本期間，本集團就股份獎勵-iii確認股份獎勵開支人民幣10,784,000元(截至2021年6月30日止六個月：人民幣7,057,000元)。

於截至2022年6月30日止六個月，合共20,574,000股獎勵股份C及獎勵股份D獲歸屬，股份獎勵儲備人民幣29,140,000元與就所歸屬股份根據股份獎勵計劃持有的人民幣25,610,000元股份之間的差額金額人民幣3,530,000元於保留盈利確認。

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22. SHARE-BASED PAYMENTS (Continued)

(iv) Share Award-iv

On 9 December 2021, a total number of 8,565,000 Award Shares (“Share Award-iv”) were granted to selected participants. If certain performance and service conditions are met, out of the total shares granted, 4,282,500 Award Shares will be vested on 31 March 2022 (the “Award Shares E”), the remaining Award Shares of 4,282,500 will be vested on 31 March 2022 with one year lock-up period beginning from the vesting date (the “Award Shares F”).

The following table discloses movements of the Award Shares E and Award Shares F during the reporting period:

Categories	類別	Outstanding as at 1 January 2022 於2022年 1月1日 尚未行使	Forfeited during the period 期內沒收	Vested during the period 期內歸屬	Outstanding as at 30 June 2022 於2022年 6月30日 尚未行使
Award Shares E	獎勵股份E	4,282,500	-	(4,282,500)	-
Award Shares F	獎勵股份F	4,282,500	-	(4,282,500)	-
		8,565,000	-	(8,565,000)	-

The fair values of Award Shares E were HK\$5,739,000 (equivalent to RMB4,657,000) which were determined based on the market price of the Company's shares at the grant date. The fair values of Award Shares F were HK\$4,867,000 (equivalent to RMB3,979,000), which were determined based on the market price of the Company's shares at the grant date after considering the post-vesting transfer restrictions.

The Group recognised a share award expense of RMB6,726,000 (for the six months ended 30 June 2021: nil) in respect of the Share Award-iv during the current period.

A total number of 8,565,000 shares of Award Shares E and Award Shares F were vested during the six months ended 30 June 2022, and the difference of RMB2,026,000 between the share award reserve of RMB8,636,000 and shares held under the Share Award Scheme of RMB10,662,000 for the shares vested was recognised in retained earnings.

22. 以股份支付的付款(續)

(iv) 股份獎勵-iv

於2021年12月9日，合共8,565,000股獎勵股份(「股份獎勵-iv」)授予選定參與者。倘符合若干表現及服務條件，則於所有授出股份中，4,282,500股獎勵股份將於2022年3月31日歸屬(「獎勵股份E」)，而餘下4,282,500股獎勵股份將於2022年3月31日歸屬，自歸屬日期起一年禁售期(「獎勵股份F」)。

下表披露獎勵股份E及獎勵股份F於報告期間的變動：

獎勵股份E的公平值為5,739,000港元(相當於人民幣4,657,000元)，乃根據本公司股份於授出日期的市價釐定。獎勵股份F的公平值為4,867,000港元(相當於人民幣3,979,000元)，乃經考慮歸屬後轉讓限制後根據本公司股份於授出日期的市價釐定。

於本期間，本集團就股份獎勵-iv確認股份獎勵開支人民幣6,726,000元(截至2021年6月30日止六個月：零)。

於截至2022年6月30日止六個月，合共8,565,000股獎勵股份E及獎勵股份F獲歸屬，股份獎勵儲備人民幣8,636,000元與就所歸屬股份根據股份獎勵計劃持有的人民幣10,662,000元股份之間的差額金額人民幣2,026,000元於保留盈利確認。

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22. SHARE-BASED PAYMENTS (Continued)

(v) Share Award-v

On 12 April 2022, a total number of 52,549,000 Award Shares (“Share Award-v”) were granted to selected participants. If certain performance and service conditions are met, out of the total shares granted, 26,274,500 Award Shares will be vested on the first anniversary of the grant date (the “Award Shares G”), the remaining Award Shares of 26,274,500 will be vested on the second anniversary of the grant date (the “Award Shares H”).

The following table discloses movements of the Award Shares G and Award Shares H during the reporting period:

Categories	類別	Outstanding as at 1 January 2022 於2022年 1月1日 尚未行使	Granted during the period 期內授出	Forfeited during the period 期內沒收	Outstanding as at 30 June 2022 於2022年 6月30日 尚未行使
Award Shares G	獎勵股份G	–	26,274,500	(150,000)	26,124,500
Award Shares H	獎勵股份H	–	26,274,500	(150,000)	26,124,500
		–	52,549,000	(300,000)	52,249,000

The fair values of Award Shares G and Award Shares H were HK\$32,318,000 (equivalent to RMB26,304,000) and HK\$32,318,000 (equivalent to RMB26,304,000), respectively, which were determined based on the market price of the Company’s shares at the grant date.

The Group recognised a share award expense of RMB8,063,000 (for the six months ended 30 June 2021: nil) in respect of the Share Award-v during the current period.

22. 以股份支付的付款(續)

(v) 股份獎勵-v

於2022年4月12日，合共52,549,000股獎勵股份(「股份獎勵-v」)授予選定參與者。倘符合若干表現及服務條件，則於所有授出股份中，26,274,500股獎勵股份將於授出日期的第一個週年歸屬(「獎勵股份G」)，而餘下26,274,500股獎勵股份將於授出日期的第二個週年歸屬(「獎勵股份H」)。

下表披露獎勵股份G及獎勵股份H於報告期間的變動：

獎勵股份G及獎勵股份H的公平值分別為32,318,000港元(相當於人民幣26,304,000元)及32,318,000港元(相當於人民幣26,304,000元)，乃根據本公司股份於授出日期的市價釐定。

於本期間，本集團就股份獎勵-v確認股份獎勵開支人民幣8,063,000元(截至2021年6月30日止六個月：零)。

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22. SHARE-BASED PAYMENTS (Continued)

(v) Share Award-v (Continued)

A summary of the share award expense of the Group recognised during the reporting period is as follows:

Share Award-ii
股份獎勵-ii
Share Award-iii
股份獎勵-iii
Share Award-iv
股份獎勵-iv
Share Award-v
股份獎勵-v
Total
總計

22. 以股份支付的付款(續)

(v) 股份獎勵-v(續)

本集團於報告期內確認的股份獎勵開支概要如下：

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)
-	1,958
10,784	7,057
6,726	-
8,063	-
25,573	9,015

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23. BUSINESS COMBINATION

During the period, the Group has acquired certain subsidiaries as set out below. These acquisitions have been accounted for as acquisition of businesses using the acquisition method.

Consideration transferred and goodwill arising on acquisition:

		Mufeng	Yilei	Aiyangniu	Total
		牧豐	伊磊	愛養牛	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note a)	(Note b)	(Note c)	
		(附註a)	(附註b)	(附註c)	
Purchase consideration	購買代價	105,486	66,000	287,775	459,261
Plus: non-controlling interests	加：非控股權益	53,189	4,583	18,709	76,481
Less: recognised amounts of net assets acquired	減：所收購資產淨值的確認金額	(110,810)	(22,916)	(74,837)	(208,563)
Goodwill arising on acquisition	收購產生的商譽	47,865	47,667	231,647	327,179

These acquired subsidiaries are principally engaged in business of dairy farming and sale of feedstuffs, additives and veterinary medicine. These acquisitions were made as part of the Group's strategy to strengthen its position in dairy farming industry, and further leverage the industrial chain synergy advantages.

No goodwill arising on these acquisitions is expected to be deductible for tax purposes.

(a) Acquisition of Dengkou Jinmahu Mufeng Dairy Farming Co., Ltd. ("Mufeng")

Modern Farming acquired 52% equity interests in Mufeng on 21 March 2022.

Acquisition-related costs amounting to RMB372,000 have been excluded from the consideration transferred and have been recognised as an expense in the current period.

23. 業務合併

期內，本集團已收購下列若干附屬公司。該等收購事項已使用收購法入賬為業務收購。

轉讓代價及收購產生的商譽：

	Mufeng	Yilei	Aiyangniu	Total
	牧豐	伊磊	愛養牛	總計
	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元
	(Note a)	(Note b)	(Note c)	
	(附註a)	(附註b)	(附註c)	
Purchase consideration	105,486	66,000	287,775	459,261
Plus: non-controlling interests	53,189	4,583	18,709	76,481
Less: recognised amounts of net assets acquired	(110,810)	(22,916)	(74,837)	(208,563)
Goodwill arising on acquisition	47,865	47,667	231,647	327,179

該等被收購的附屬公司主要從事奶牛養殖以及飼料、添加劑及獸藥銷售業務。作出的該等收購行動屬於本集團加強其在奶牛養殖行業的地位、進一步發揮產業鏈協同優勢的戰略的一部分。

預計該等收購事項產生的商譽均不可用於抵稅。

(a) 收購磴口縣金馬湖牧豐奶牛養殖有限公司(「牧豐」)

現代牧業(集團)於2022年3月21日收購牧豐的52%股權。

收購相關成本人民幣372,000元不計入轉讓代價，並已於本期間確認為開支。

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23. BUSINESS COMBINATION (Continued)

(a) Acquisition of Dengkou Jinmahu Mufeng Dairy Farming Co., Ltd. ("Mufeng") (Continued)

Assets acquired and liabilities recognised at the date of acquisition

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	85,864
Right-of-use assets	使用權資產	4,075
Other intangible assets	其他無形資產	296
Biological assets	生物資產	207,881
Inventories	存貨	35,442
Trade and other receivables and prepayments	應收貿易賬款及其他應收款項以及 預付款項	30,647
Bank balances and cash	銀行結餘及現金	271
Pledged bank deposits	已質押銀行存款	1,000
Trade and other payables	應付貿易賬款及其他應付款項	(128,299)
Bank borrowings	銀行借款	(74,680)
Other borrowings	其他借款	(48,193)
Lease liabilities	租賃負債	(3,494)
		<u>110,810</u>

The receivables acquired with a fair value of RMB28,215,000 at the date of acquisition had gross contractual amounts of RMB28,215,000. At acquisition date, it is estimated that there are no contractual cash flows that will not be collected.

Non-controlling interests

The non-controlling interests of 48% equity interests in Mufeng recognised at the acquisition date amounted to RMB53,189,000 was measured by reference to the proportionate share of recognised amounts of net assets of Mufeng.

Goodwill arising on acquisition

Goodwill arose from the acquisition of Mufeng because the acquisition was expected to result in benefits of synergies, revenue growth and future market development. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

23. 業務合併(續)

(a) 收購磴口縣金馬湖牧豐奶牛養殖有限公司(「牧豐」)(續)

於收購日期收購的資產及確認的負債

	RMB'000 人民幣千元
所收購的應收款項於收購日期的公平值為人民幣28,215,000元，其合約總額為人民幣28,215,000元。估計於收購日期並無不能收取的合約現金流量。	85,864
	4,075
	296
	207,881
	35,442
	30,647
	271
	1,000
	(128,299)
	(74,680)
	(48,193)
	(3,494)
	<u>110,810</u>

所收購的應收款項於收購日期的公平值為人民幣28,215,000元，其合約總額為人民幣28,215,000元。估計於收購日期並無不能收取的合約現金流量。

非控股權益

於收購日期確認牧豐48%的非控股權益為人民幣53,189,000元，乃參照牧豐資產淨值確認金額的比例計量。

收購產生的商譽

收購牧豐產生了商譽，因為預計收購將帶來協同效應、收入增長及未來市場發展的裨益。該等裨益不與商譽分開確認，因為不符合可辨認無形資產的確認標準。

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23. BUSINESS COMBINATION (Continued)

(a) Acquisition of Dengkou Jinmahu Mufeng Dairy Farming Co., Ltd. ("Mufeng") (Continued)

Net cash outflow on acquisition of Mufeng

Cash consideration paid
Less: cash and cash equivalents acquired

已付現金代價
減：取得的現金及現金等價物

RMB'000
人民幣千元

105,486

(271)

105,215

(b) Acquisition of Datong Yilei Second Animal Husbandry Co., Ltd. ("Yilei")

Modern Farming acquired 80% equity interests in Yilei on 6 May 2022.

Acquisition-related costs amounting to RMB462,000 have been excluded from the consideration transferred and have been recognised as an expense in the current period.

Assets acquired and liabilities recognised at the date of acquisition

Property, plant and equipment
Right-of-use assets
Biological assets
Inventories
Trade and other receivables and prepayments
Bank balances and cash
Trade and other payables
Other liabilities (Note)
Bank borrowings
Other borrowings
Lease liabilities

物業、廠房及設備
使用權資產
生物資產
存貨
應收貿易賬款及其他應收款項以及
預付款項
銀行結餘及現金
應付貿易賬款及其他應付款項
其他負債(附註)
銀行借款
其他借款
租賃負債

RMB'000
人民幣千元

10,194

92,040

121,370

31,094

44,339

3,498

(102,820)

(4,573)

(57,043)

(24,185)

(90,998)

22,916

Note: Yilei has been the respondent of an ongoing arbitration proceeding, the claimant accused that Yilei failed to supply goods to it in accordance with the terms of contract and the claimed compensation was approximately RMB43,313,000. Provisions of RMB4,573,000 was recognised under other liabilities in respect of this ongoing arbitration at the date of acquisition.

附註：伊磊是一項正在進行的仲裁程序的被申請人，當中索人控訴伊磊未能按照合約條款向其供應貨物，被要求的賠償為約人民幣43,313,000元。已於收購日期就本次進行中仲裁於其他負債項下確認撥備人民幣4,573,000元。

23. 業務合併(續)

(a) 收購磴口縣金馬湖牧豐奶牛養殖有限公司(「牧豐」)(續)

收購牧豐的現金流出淨額

已付現金代價
減：取得的現金及現金等價物

RMB'000
人民幣千元

105,486

(271)

105,215

(b) 收購大同伊磊二牧牧業有限公司(「伊磊」)

現代牧業(集團)於2022年5月6日收購伊磊的80%股權。

收購相關成本人民幣462,000元不計入轉讓代價，並已於本期間確認為開支。

於收購日期收購的資產及確認的負債

物業、廠房及設備
使用權資產
生物資產
存貨
應收貿易賬款及其他應收款項以及
預付款項
銀行結餘及現金
應付貿易賬款及其他應付款項
其他負債(附註)
銀行借款
其他借款
租賃負債

RMB'000
人民幣千元

10,194

92,040

121,370

31,094

44,339

3,498

(102,820)

(4,573)

(57,043)

(24,185)

(90,998)

22,916

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23. BUSINESS COMBINATION (Continued)

(b) Acquisition of Datong Yilei Second Animal Husbandry Co., Ltd. ("Yilei") (Continued)

Assets acquired and liabilities recognised at the date of acquisition (Continued)

The receivables acquired with a fair value of RMB42,742,000 at the date of acquisition had gross contractual amounts of RMB42,742,000. At acquisition date, it is estimated that there are no contractual cash flows that will not be collected.

Non-controlling interests

The non-controlling interests of 20% equity interests in Yilei at the acquisition date amounted to RMB4,583,000 was measured by reference to the proportionate share of recognised amounts of net assets of Yilei.

Goodwill arising on acquisition

Goodwill arose in the acquisition of Yilei because of the expected enhancement of the Group's position in dairy farming industry and enhancement of operation efficiency. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Net cash outflow on acquisition of Yilei

Cash consideration	現金代價
Consideration payable	應付代價
Consideration paid	已付代價
Less: cash and cash equivalents acquired	減：取得的現金及現金等價物

23. 業務合併(續)

(b) 收購大同伊磊二牧牧業有限公司 (「伊磊」)(續)

於收購日期收購的資產及確認的負債(續)

所收購的應收款項於收購日期的公平值為人民幣42,742,000元，其合約總額為人民幣42,742,000元。估計於收購日期並無不能收取的合約現金流量。

非控股權益

於收購日期確認伊磊20%的非控股權益為人民幣4,583,000元，乃參照伊磊資產淨值確認金額的比例計量。

收購產生的商譽

收購伊磊產生了商譽，是因為預期會提升本集團在奶牛養殖行業的地位及提高經營效率。該等裨益不與商譽分開確認，因為不符合可辨認無形資產的確認標準。

收購伊磊的現金流出淨額

		RMB'000 人民幣千元
		66,000
		(38,000)
		28,000
		(3,498)
		24,502

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23. BUSINESS COMBINATION (Continued)

(c) Acquisition of Inner Mongolia Ai Yang Niu Technology Co., Ltd. (“Aiyangniu”)

Pursuant to the Company’s announcement dated 15 March 2022, Modern Farming entered into an equity transfer agreement with certain sellers (the “Sellers”) and Aiyangniu on 15 March 2022, pursuant to which the Sellers agreed to sell, and Modern Farming agreed to purchase, 75% equity interests in Aiyangniu at a total consideration of RMB287,775,000. The above transaction constituted a connected transaction of the Company and was completed on 28 June 2022.

Acquisition-related costs in relation to the acquisition of Aiyangniu amounting to RMB2,331,000 have been excluded from the consideration transferred and have been recognised as an expense in the current period.

Assets acquired and liabilities recognised at the date of acquisition

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	1,692
Right-of-use assets	使用權資產	3,456
Other intangible assets	其他無形資產	37,285
Inventories	存貨	20,032
Trade and other receivables and prepayments	應收貿易賬款及其他應收款項以及預付款項	136,083
Deferred tax assets	遞延稅項資產	345
Bank balances and cash	銀行結餘及現金	19,473
Pledged bank deposits	已質押銀行存款	4,454
Trade and other payables	應付貿易賬款及其他應付款項	(111,066)
Tax payable	應課稅項	(4,177)
Bank borrowings	銀行借款	(22,721)
Lease liabilities	租賃負債	(3,456)
Deferred tax liabilities	遞延稅項負債	(6,563)
		74,837

The receivables acquired from Aiyangniu with a fair value of RMB129,678,000 at the date of acquisition had gross contractual amounts of RMB130,191,000. The best estimate at acquisition date of the contractual cash flows not expected to be collected amounted to RMB513,000.

23. 業務合併(續)

(c) 收購內蒙古愛養牛科技有限公司 (「愛養牛」)

根據本公司日期為2022年3月15日的公告，現代牧業(集團)與若干賣方(「賣方」)及愛養牛於2022年3月15日訂立股權轉讓協議，據此，賣方同意出售而現代牧業(集團)同意購買愛養牛的75%股權，總代價為人民幣287,775,000元。上述交易構成本公司的關連交易並於2022年6月28日完成。

與收購愛養牛有關的收購相關成本人民幣2,331,000元不計入轉讓代價，並已於本期間確認為開支。

於收購日期收購的資產及確認的負債

愛養牛在所收購應收款項於收購日期的公平值為人民幣129,678,000元，其合約總額為人民幣130,191,000元。預期收不回的合約現金流量於收購日期的最佳估計為人民幣513,000元。

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23. BUSINESS COMBINATION (Continued)

(c) Acquisition of Inner Mongolia Ai Yang Niu Technology Co., Ltd. ("Aiyangniu") (Continued)

Non-controlling interests

The non-controlling interests of 25% equity interests in Aiyangniu recognised at the acquisition date amounted to RMB18,709,000 was measured by reference to the proportionate share of recognised amounts of net assets of Aiyangniu.

Goodwill arising on acquisition

Aiyangniu is mainly engaged in feed business. Goodwill arose in the acquisition of Aiyangniu because the acquisition was expected to leverage the industrial chain synergy advantages. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Net cash outflow on acquisition of Aiyangniu

Purchase consideration	購買代價
Consideration payable	應付代價
Consideration paid	已付代價
Less: cash and cash equivalents acquired	減：取得的現金及現金等價物

Impact of acquisition on the results of the Group

Included in the profit for the period is profit of RMB8,841,000, RMB591,000, and nil attributable to the additional business generated by Mufeng, Yilei, and Aiyangniu, respectively. Revenue for the period included RMB48,456,000, RMB16,361,000 and nil generated from Mufeng, Yilei and Aiyangniu, respectively.

23. 業務合併(續)

(c) 收購內蒙古愛養牛科技有限公司 (「愛養牛」)(續)

非控股權益

於收購日期確認愛養牛25%的非控股權益為人民幣18,709,000元，乃參照愛養牛資產淨值確認金額的比例計量。

收購產生的商譽

愛養牛主要從事飼料業務。收購愛養牛產生了商譽，是因為此次收購有望發揮產業鏈協同優勢。該等裨益不與商譽分開確認，因為不符合可辨認無形資產的確認標準。

收購愛養牛的現金流出淨額

	RMB'000 人民幣千元
Purchase consideration	287,775
Consideration payable	(28,778)
Consideration paid	258,997
Less: cash and cash equivalents acquired	(19,473)
	239,524

收購事項對本集團業績的影響

期內溢利已包括牧豐、伊磊及愛養牛產生的新增業務分別應佔的溢利人民幣8,841,000元、人民幣591,000元及零。期內收入包括牧豐、伊磊及愛養牛分別產生的人民幣48,456,000元、人民幣16,361,000元及零。

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23. BUSINESS COMBINATION (Continued)

(c) Acquisition of Inner Mongolia Ai Yang Niu Technology Co., Ltd. (“Aiyangniu”) (Continued)

Impact of acquisition on the results of the Group (Continued)

Had the acquisition of Mufeng, Yilei and Aiyangniu, been completed on 1 January 2022, revenue for the period of the Group would have been RMB5,684,665,000, RMB5,666,848,000 and RMB6,007,457,000, respectively and profit for the period would have been RMB533,442,000, RMB527,091,000 and RMB548,022,000, respectively. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2022, nor is it intended to be a projection of future results.

In determining the ‘pro-forma’ profit of the Group had Mufeng, Yilei and Aiyangniu been acquired at the beginning of the current period, the Directors calculated depreciation of property, plant and equipment, right-of-use assets and other intangible assets based on the recognised amounts of property, plant and equipment, right-of-use assets and other intangible assets at the date of the acquisition.

23. 業務合併(續)

(c) 收購內蒙古愛養牛科技有限公司 (「愛養牛」)(續)

收購事項對本集團業績的影響(續)

倘於2022年1月1日完成收購牧豐、伊磊及愛養牛，本集團的期內收入將分別為人民幣5,684,665,000元、人民幣5,666,848,000元及人民幣6,007,457,000元，而期內溢利將分別為人民幣533,442,000元、人民幣527,091,000元及人民幣548,022,000元。備考資料僅供說明之用，並不必然表示倘收購於2022年1月1日完成，本集團實際會實現的收入及經營業績，亦無意作為對未來業績的預測。

在釐定倘於本期初已收購牧豐、伊磊及愛養牛的情況下本集團的「備考」溢利時，董事已根據物業、廠房及設備、使用權資產及其他無形資產於收購日期的已確認金額計算物業、廠房及設備、使用權資產及其他無形資產的折舊。

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24. CONTINGENT LIABILITIES

As set out in Note 35(a) to the Company's consolidated financial statements for the year ended 31 December 2021, Zhongyuan Muye Company Limited ("**Zhongyuan**") was a respondent of an ongoing arbitration proceeding since January 2021, which the claimant applied that Zhongyuan failed to supply goods to it in accordance with the terms of contract and the claimed compensation was approximately RMB407 million. According to the purchase agreement, the final amount of compensation payable by Zhongyuan will be borne by the original shareholders of Zhongyuan ("**Zhongyuan Seller**"). As mutually agreed with the Zhongyuan Seller, an amount of RMB250 million as at 30 June 2022 (31 December 2021: RMB250 million) has been temporarily withheld from the purchase consideration and will be payable to the Zhongyuan Seller after deducting the final amount of settlement from the arbitration. Zhongyuan had dialogues with the relevant arbitration tribunal from time to time and had not yet received a valid arbitral award in writing from the arbitration commission as at 30 June 2022. No such arbitral award was received by Zhongyuan up to the date of this report.

As set out in Note 35(c) to the Company's consolidated financial statements for the year ended 31 December 2021, Ningxia Fuminfeng Animal Husbandry Development Co., Ltd. ("**Fuminfeng**") was a respondent of an ongoing arbitration proceeding, which the claimant applied that Fuminfeng failed to supply goods to it in accordance with the terms of contract and the claimed compensation was approximately RMB130 million. According to the purchase agreement, the final amount of compensation payable by Fuminfeng will be borne by seller of Fuminfeng. During the current period, Fuminfeng received the arbitral award and the compensation amount was RMB28.9 million. As mutually agreed with the seller of Fuminfeng, an amount of RMB28.9 million as at 30 June 2022 (31 December 2021: RMB130 million) has been temporarily withheld from the purchase consideration, and will be payable to the seller of Fuminfeng after deducting the final amount of settlement from the arbitration. Fuminfeng made counterclaims in July 2022 and no further arbitral award was received up to the date of this report.

Save as disclosed above and in Note 23(b), there are no other contingent liabilities at the end of the reporting period.

24. 或然負債

如本公司截至2021年12月31日止年度的綜合財務報表附註35(a)所載，自2021年1月以來，中元牧業有限公司(「**中元**」)是一項正在進行的仲裁程序的被申請人，當中申索人申請中元未能按照合約條款向其供應貨物，被要求的賠償為約人民幣407百萬元。根據購買協議，中元應付的最終賠償金額將由中元原股東(「**中元賣方**」)承擔。經與中元賣方雙方約定，於2022年6月30日已從購買代價中暫扣人民幣250百萬元(2021年12月31日：人民幣250百萬元)，應在扣除仲裁的最終結算金額後支付予中元賣方。中元不時與相關仲裁委員會進行對話，截至2022年6月30日，尚未收到仲裁委員會的有效書面仲裁裁決。截至本報告日期，中元未收到此類仲裁裁決。

如本公司截至2021年12月31日止年度的綜合財務報表附註35(c)所載，寧夏阜民豐牧業發展有限責任公司(「**阜民豐**」)是一項正在進行的仲裁程序的被申請人，當中申索人申請阜民豐未能按照合約條款向其供應貨物，被要求的賠償為約人民幣130百萬元。根據購買協議，阜民豐應付的最終賠償金額將由阜民豐賣方承擔。於本期期間，阜民豐收到仲裁裁決，賠償金額為人民幣28.9百萬元。經與阜民豐賣方雙方約定，於2022年6月30日已從購買代價中暫扣人民幣28.9百萬元(2021年12月31日：人民幣130百萬元)，應在扣除仲裁的最終結算金額後支付予阜民豐賣方。阜民豐於2022年7月提出反訴，截至本報告日未收到進一步仲裁裁決。

除上文及附註23(b)所披露者外，於報告期末並無其他或然負債。

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25. CAPITAL COMMITMENTS

Capital expenditure contracted but not provided for, in respect of acquisition of property, plant and equipment

就收購物業、廠房及設備已訂約但未計提撥備的資本開支

25. 資本承擔

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)
264,351	244,469

26. RELATED PARTY TRANSACTIONS

(a) Other than as disclosed elsewhere in the condensed consolidated financial statements, during the current period, the Group entered into the following transactions with related parties:

Mengniu Group

Sales of raw milk
Purchase of feeds

蒙牛集團

銷售原料奶
採購飼料

Associates

Purchases of power and utilities

聯營公司

採購能源及公用設施

The sales and purchase prices were determined on mutually agreed terms based on prices offered to independent third parties.

26. 關聯方交易

(a) 除簡明綜合財務報表其他部分所披露者外，於本期間，本集團與關聯方訂立以下交易：

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)
4,473,662	2,661,497
60,114	-
18,609	8,898

買賣價格乃根據向獨立第三方提供的價格按雙方協定的條款釐定。

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26. RELATED PARTY TRANSACTIONS (Continued)

- (b) Other than as disclosed elsewhere in the condensed consolidated financial statements, at the end of the reporting period, the Group had the following balances with related parties other than borrowings:

Mengniu Group

Trade receivables

- raw milk
- feeds

Trade payables

- feeds

蒙牛集團

應收貿易賬款

- 原料奶
- 飼料

應付貿易賬款

- 飼料

Associates

Trade payables

應付貿易賬款

26. 關聯方交易(續)

- (b) 除簡明綜合財務報表其他部分所披露者外，於報告期末，本集團與關聯方有下列結餘(借款除外)：

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)
731,106	759,391
-	15,941
-	21,615

聯營公司

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)
10,754	7,126

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26. RELATED PARTY TRANSACTIONS (Continued)

26. 關聯方交易(續)

(c) Other borrowings

(c) 其他借款

Category	類別	As at 1 January 2022 於2022年 1月1日 RMB'000 人民幣千元 (audited) (經審核)	Addition due to acquisition of subsidiaries 因收購 附屬公司而增加 RMB'000 人民幣千元	Interest expense accrued during the period 期內累計 利息開支 RMB'000 人民幣千元	Repayment during the period 期內償還 RMB'000 人民幣千元	As at 30 June 2022 於2022年 6月30日 RMB'000 人民幣千元 (unaudited) (未經審核)
Loans from Mengniu	來自蒙牛的貸款	495,466	69,269	2,739	(503,234)	64,240

Loans from Mengniu carry interests at fixed rates from 3.85% to 5.70% (31 December 2021: 3.85% to 5.70%) per annum as at 30 June 2022. The Group recognised interest expense of RMB2,739,000 (for the six months ended 30 June 2021: nil) during the six months ended 30 June 2022.

於2022年6月30日，來自蒙牛的貸款按固定年利率3.85%至5.70%（2021年12月31日：3.85%至5.70%）計息。本集團確認截至2022年6月30日止六個月的利息開支人民幣2,739,000元（截至2021年6月30日止六個月：零）。

(d) Compensation of key management personnel

(d) 主要管理人員的薪酬

The emoluments of key management personnel during the reporting period were as follows:

以下是主要管理人員於報告期間的酬金：

		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)
Salaries and other benefits	薪金及其他福利	5,592	4,215
Recognition of equity-settled share-based payments	確認按股權結算以股份支付的付款	3,405	3,209
Retirement benefits scheme contributions	退休福利計劃供款	356	233
		9,353	7,657

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27. FAIR VALUE MEASUREMENTS

The Group's biological assets are measured at fair value less costs to sell, equity instruments at FVTOCI and derivative financial instruments are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these assets and liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorized (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Fair value hierarchy

Assets/(liabilities)	資產/(負債)
Biological assets	生物資產
Derivative financial instruments	衍生金融工具
- Interest rate swaps	- 利率掉期
- Foreign currency forward contracts	- 外匯期權合約
- CFCCS	- CFCCS
Equity instruments at FVTOCI	按公平值計入其他全面收入的權益工具
- Unquoted equity investments	- 未報價權益投資
Derivative financial instruments	衍生金融工具
- Interest rate swaps	- 利率掉期
- Foreign currency option contracts	- 外匯期權合約

27. 公平值計量

本集團的生物資產按公平值減出售成本計量、按公平值計入其他全面收入的權益工具及衍生金融工具於各報告期末按公平值計量。下表提供有關根據公平值計量的輸入數據的可觀察程度如何釐定該等資產及負債的公平值(特別是所使用的估值方法及輸入數據)·及公平值計量所劃分的公平值級別水平(第一至三級)的資料。

公平值級別

Fair value as at 30 June 2022 於2022年6月30日的公平值 RMB'000 人民幣千元 (unaudited) (未經審核)	Fair value as at 31 December 2021 於2021年12月31日的公平值 RMB'000 人民幣千元 (audited) (經審核)	Fair value hierarchy 公平值級別
10,260,257	9,404,924	level 3 第三級
19,181	-	level 2 第二級
1,416	-	level 2 第二級
40,425	67,537	level 2 第二級
17,687	2,655	level 3 第三級
-	(3,446)	level 2 第二級
(75,501)	(112,642)	level 2 第二級

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27. FAIR VALUE MEASUREMENTS (Continued)

Valuation techniques used in fair value measurements

The following table shows the valuation techniques used in measuring Level 2 and 3 fair values, as well as the significant unobservable inputs used in the valuation models as at 30 June 2022:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
類型	估值方法	重大不可觀察輸入數據	重大不可觀察輸入數據與公平值計量之間的相互關係
Foreign currency forwards contracts	Discounted cash flow Future cash flow are estimated based on forward exchange rates (from observable forward exchange rates at the end of reporting period) and contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A	N/A
外匯遠期合約	貼現現金流量 未來現金流量乃根據遠期匯率(來自報告期末的可觀察遠期匯率)及合約遠期匯率估計，按反映多名對手方的信貸風險的利率貼現。	不適用	不適用
Foreign currency options contracts	Garman-Kohlhagen model	N/A	N/A
外匯期權合約	Garman-Kohlhagen模型	不適用	不適用
Interest rate swaps	Discounted cash flow Future cash flow are estimated based on forward interest rates (from observable interest rate at the end of reporting period) and contracted interest rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A	N/A
利率掉期	貼現現金流量 未來現金流量乃根據遠期利率(來自報告期末的可觀察利率)及合約利率估計，按反映多名對手方的信貸風險的利率貼現。	不適用	不適用

27. 公平值計量(續)

公平值計量使用的估值方法

下表列示計量於2022年6月30日第二級及第三級公平值時所用的估值方法，以及估值模型所用的重大不可觀察輸入數據：

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27. FAIR VALUE MEASUREMENTS (Continued)

27. 公平值計量(續)

Valuation techniques used in fair value measurements (Continued)

公平值計量使用的估值方法(續)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
類型	估值方法	重大不可觀察輸入數據	重大不可觀察輸入數據與公平值計量之間的相互關係
CFCCS	Garman-Kohlhagen model and Discounted cash flow Since it is fixed-to-fixed cross currency swap, future cash flows are estimated based on the contract. Different cash flows in different currencies are discounted via the corresponding curves, and netted into the same currency as at the valuation date.	N/A	N/A
CFCCS	Garman-Kohlhagen模型及貼現現金流量 由於是固定至固定的跨貨幣掉期，未來現金流量乃根據合約估計。不同貨幣的不同現金流量通過相應的曲線貼現，並在估值日以相同的貨幣淨額計算。	不適用	不適用
Unquoted equity investments	Market approach	Fair value is estimated based on value of comparable listed companies and discount for lack of liquidity.	An increase in the discount for lack of liquidity would result in a decrease in the fair value measurement of the unquoted equity investments.
未報價權益投資	市場法	公平值乃按可資比較上市公司的價值作出估計及就流動性不足貼現。	流動性不足貼現增加可導致未報價權益投資公平值計量減少。
Heifers and calves	The fair value of 14 months old heifers is determined by reference to the local market selling price.	Average local market selling prices of the heifers of 14 months old were estimated at RMB22,000 per head at 30 June 2022 (31 December 2021: RMB22,000).	An increase in the estimated local market selling price used would result in a smaller percentage increase in the fair value measurement of the heifers and calves, and vice versa.
小母牛及小牛	十四個月的小母牛公平值乃參考當地市場售價釐定。	於2022年6月30日，十四個月的小母牛的平均當地市場售價估計為每頭人民幣22,000元(2021年12月31日：人民幣22,000元)。	所用的估計當地市場售價增加將導致小母牛及小牛公平值計量的較小比例增加，反之亦然。

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27. FAIR VALUE MEASUREMENTS (Continued)

Valuation techniques used in fair value measurements (Continued)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
類型	估值方法	重大不可觀察輸入數據	重大不可觀察輸入數據與公平值計量之間的相互關係
	<p>The fair values of heifers and calves at age group less than 14 months are determined by subtracting the estimated feeding costs required to raise the cows from their respective age at the end of each reporting period to 14 months plus the margins that would normally be required by a raiser. Conversely, the fair values of heifers at age group older than 14 months are determined by adding the estimated feeding costs required to raise the heifers from 14 months old to their respective age at the end of each reporting period plus the margins that would normally be required by a raiser.</p> <p>在小於十四個月的年歲組別的小母牛及小牛的公平值乃經減去將牛隻由其各自於各報告期末的歲數培育至十四個月所須的估計飼養成本，加培育商一般所須利潤而釐定。相反地，在大於十四個月的年歲組別的小母牛的公平值乃經加上將小母牛由十四個月培育至其各自於各報告期末的歲數所須的估計飼養成本，加培育商一般所須利潤而釐定。</p>	<p>Estimated average feeding costs per head plus margin that would normally be required by a raiser for heifers and calves younger than 14 months old is RMB19,269 at 30 June 2022 (31 December 2021: Range from RMB19,041 to 19,413); average estimated feeding costs per head plus margin that would normally be required by a raiser for heifers older than 14 months old is RMB19,516 at 30 June 2022 (31 December 2021: RMB19,132 to 19,728).</p> <p>於2022年6月30日，就小於十四個月的小母牛及小牛而言，每頭牛估計平均飼養成本加培育商一般所須利潤為人民幣19,269元(2021年12月31日：人民幣19,041元至19,413元)；於2022年6月30日，就大於十四個月的小母牛而言，每頭牛平均估計飼養成本加培育商一般所須利潤為人民幣19,516元(2021年12月31日：人民幣19,132元至19,728元)。</p>	<p>An increase in the estimated feeding costs plus the margin that would normally be required by a raiser used would result in a much smaller percentage increase/decrease in the fair value measurement of the heifers and calves older/younger than 14 months old, and vice versa.</p> <p>所用的估計飼養成本加培育商一般所須利潤增加將導致大於／小於十四個月的小母牛及小牛公平值計量的極小比例增加／減少，反之亦然。</p>

27. 公平值計量(續)

公平值計量使用的估值方法(續)

Inter-relationship between significant unobservable inputs and fair value measurements

重大不可觀察輸入數據與公平值計量之間的相互關係

An increase in the estimated feeding costs plus the margin that would normally be required by a raiser used would result in a much smaller percentage increase/decrease in the fair value measurement of the heifers and calves older/younger than 14 months old, and vice versa.

所用的估計飼養成本加培育商一般所須利潤增加將導致大於／小於十四個月的小母牛及小牛公平值計量的極小比例增加／減少，反之亦然。

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27. FAIR VALUE MEASUREMENTS (Continued)

27. 公平值計量(續)

Valuation techniques used in fair value measurements (Continued)

公平值計量使用的估值方法(續)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements 重大不可觀察輸入數據與公平值計量之間的相互關係
類型	估值方法	重大不可觀察輸入數據	
Milkable cows	The fair values of milkable cows are determined by using the multi-period excess earnings method, which is based on the discounted future cash flows to be generated by such milkable cows.	The estimated feed costs per kg of raw milk used in the valuation process are ranged from RMB2.28 to RMB2.40 as at 30 June 2022 (31 December 2021: RMB2.12 to RMB2.36), based on the historical average feed costs per kg of raw milk after taking into consideration of inflation.	An increase in the estimated feed costs per kg of raw milk used would result in a smaller percentage decrease in the fair value measurement of the milkable cows, and vice versa.
奶牛	奶牛公平值透過使用多期超額收益法(基於將由有關奶牛產生的貼現未來現金流量)釐定。	於2022年6月30日，估值過程中使用的每公斤原料奶估計飼養成本為人民幣2.28元至2.40元(2021年12月31日：人民幣2.12元至2.36元)，乃基於每公斤原料奶的歷史平均飼養成本並計及通貨膨脹釐定。 A milkable cow could have as many as six lactation cycles. Estimated average daily milk yield at each lactation cycle is ranged from 32.76 kg to 34.92 kg as at 30 June 2022 (31 December 2021: 29.70kg to 34.50 kg), depending on the number of the lactation cycles and the individual physical condition. 奶牛有六個哺乳期。截至2022年6月30日止六個月，各哺乳期的估計平均每日產奶量介乎32.76公斤至34.92公斤(2021年12月31日：29.70公斤至34.50公斤)，視哺乳期數目以及個別身體狀況而定。	所用的每公斤原料奶估計飼養成本增加可導致奶牛公平值計量的較小比例下降，反之亦然。 An increase in the estimated daily milk yield per head used would result in a smaller percentage increase in the fair value measurement of the milkable cows, and vice versa. 所用的估計每頭牛每日產奶量增加可導致奶牛公平值計量的較小比例提高，反之亦然。

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27. FAIR VALUE MEASUREMENTS (Continued)

Valuation techniques used in fair value measurements (Continued)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
類型	估值方法	重大不可觀察輸入數據	重大不可觀察輸入數據與公平值計量之間的相互關係
		<p>Estimated local future market price for raw milk is ranged from RMB4.28 per kg to RMB4.50 per kg at 30 June 2022 (31 December 2021: RMB4.15 to RMB4.64 per kg).</p> <p>於2022年6月30日，估計當地未來原料奶市價為每公斤人民幣4.28元至4.50元(2021年12月31日：每公斤人民幣4.15元至4.64元)。</p>	<p>An increase in the estimated average selling price of raw milk used would result in a much higher percentage increase in the fair value measurement of the milkable cows, and vice versa.</p> <p>所用的原料奶估計平均售價增加可導致奶牛公平值計量的極大比例增加，反之亦然。</p>
		<p>Discount rate for estimated future cash flow used is 12.80% at 30 June 2022 (31 December 2021: 12.60%).</p> <p>於2022年6月30日，所用估計未來現金流量的貼現率為12.80%(2021年12月31日：12.60%)。</p>	<p>An increase in the estimated discount rate used would result in a slightly smaller percentage decrease in the fair value measurement of the milkable cows, and vice versa.</p> <p>所用的估計貼現率增加可導致奶牛公平值計量的較小比例下降，反之亦然。</p>

27. 公平值計量(續)

公平值計量使用的估值方法(續)

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27. FAIR VALUE MEASUREMENTS (Continued)

Reconciliation of Level 3 fair value measurements of biological assets and equity instruments at FVTOCI

Balance at 1 January 2021 (audited)	於2021年1月1日的結餘(經審核)
Feeding and other related costs	飼養成本及其他相關成本
Decrease due to disposal	出售導致減少
Loss arising from changes in fair value less costs to sell of dairy cows	乳牛公平值變動減乳牛銷售成本產生的虧損
Total losses in other comprehensive income	於其他全面收入的虧損總額
At 30 June 2021 (unaudited)	於2021年6月30日(未經審核)
Balance at 1 January 2022 (audited)	於2022年1月1日的結餘(經審核)
Purchase	購買
Acquired on acquisition of subsidiaries (Note 23)	收購附屬公司時收購(附註23)
Feeding and other related costs	飼養成本及其他相關成本
Decrease due to disposal	出售導致減少
Loss arising from changes in fair value less costs to sell of dairy cows	乳牛公平值變動減乳牛銷售成本產生的虧損
Total losses in other comprehensive income	於其他全面收入的虧損總額
At 30 June 2022 (unaudited)	於2022年6月30日(未經審核)

27. 公平值計量(續)

生物資產第三級公平值計量與按公平值計入其他全面收入的權益工具的對賬

Equity instruments at FVTOCI 按公平值計入其他全面收入的權益工具 RMB'000 人民幣千元	Biological assets 生物資產 RMB'000 人民幣千元
5,080	7,101,243
–	746,292
–	(357,804)
–	(405,792)
(1,100)	–
3,980	7,083,939
2,655	9,404,924
19,524	19,501
–	329,251
–	1,337,342
–	(493,116)
–	(337,645)
(4,492)	–
17,687	10,260,257

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The fair value of the long term bonds was USD435,685,000 (equivalent to RMB2,924,056,000) (31 December 2021: USD472,453,000 (equivalent to RMB3,012,215,000)) which was classified as Level 1 of the fair value hierarchy based on quoted prices in active markets and its carrying amount amounted to USD500,977,000 (equivalent to RMB3,362,260,000) (31 December 2021: USD500,607,000 (equivalent to RMB3,191,719,000)) as at 30 June 2022.

The Directors consider that the carrying amounts amounted to the remaining financial assets and financial liabilities measured at amortised cost in the condensed consolidated financial statements approximate their fair values.

並非按經常基準以公平值計量的金融資產及金融負債的公平值

長期債券的公平值為435,685,000美元(相當於人民幣2,924,056,000元)(2021年12月31日: 472,453,000美元(相當於人民幣3,012,215,000元))。根據活躍市場上的報價被歸類為第一級公平值級別且其於2022年6月30日的賬面價值為500,977,000美元(相當於人民幣3,362,260,000元)(2021年12月31日: 500,607,000美元(相當於人民幣3,191,719,000元))。

董事認為簡明綜合財務報表內按攤銷成本計量的餘下金融資產及金融負債的賬面值與其公平值相若。



Purity
純



Genuineness
真



Freshness
鮮



Vitality
活



MODERN FARMING
现代牧业

China Modern Dairy Holdings Ltd.

中國現代牧業控股有限公司

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

Stock Code 股份代號 : 1117

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