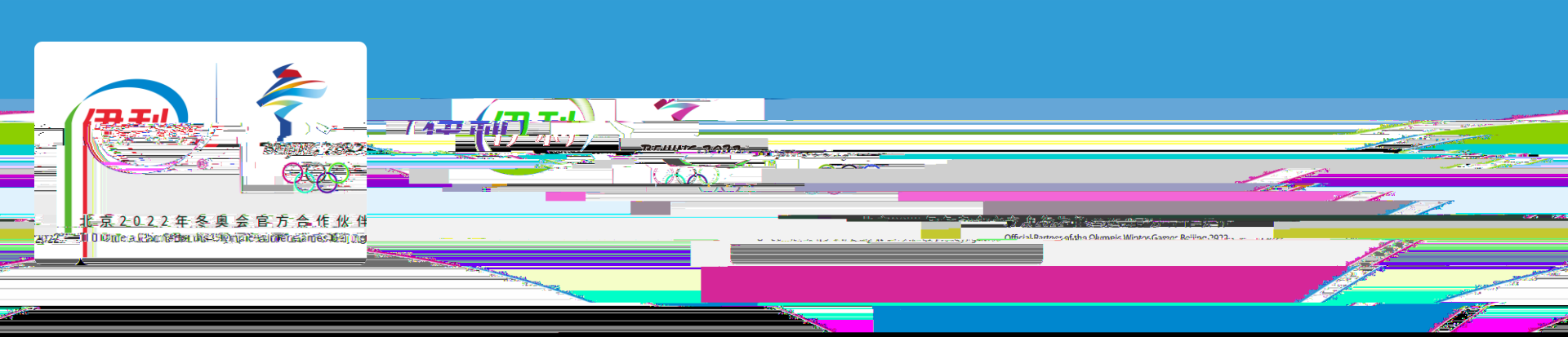

2019

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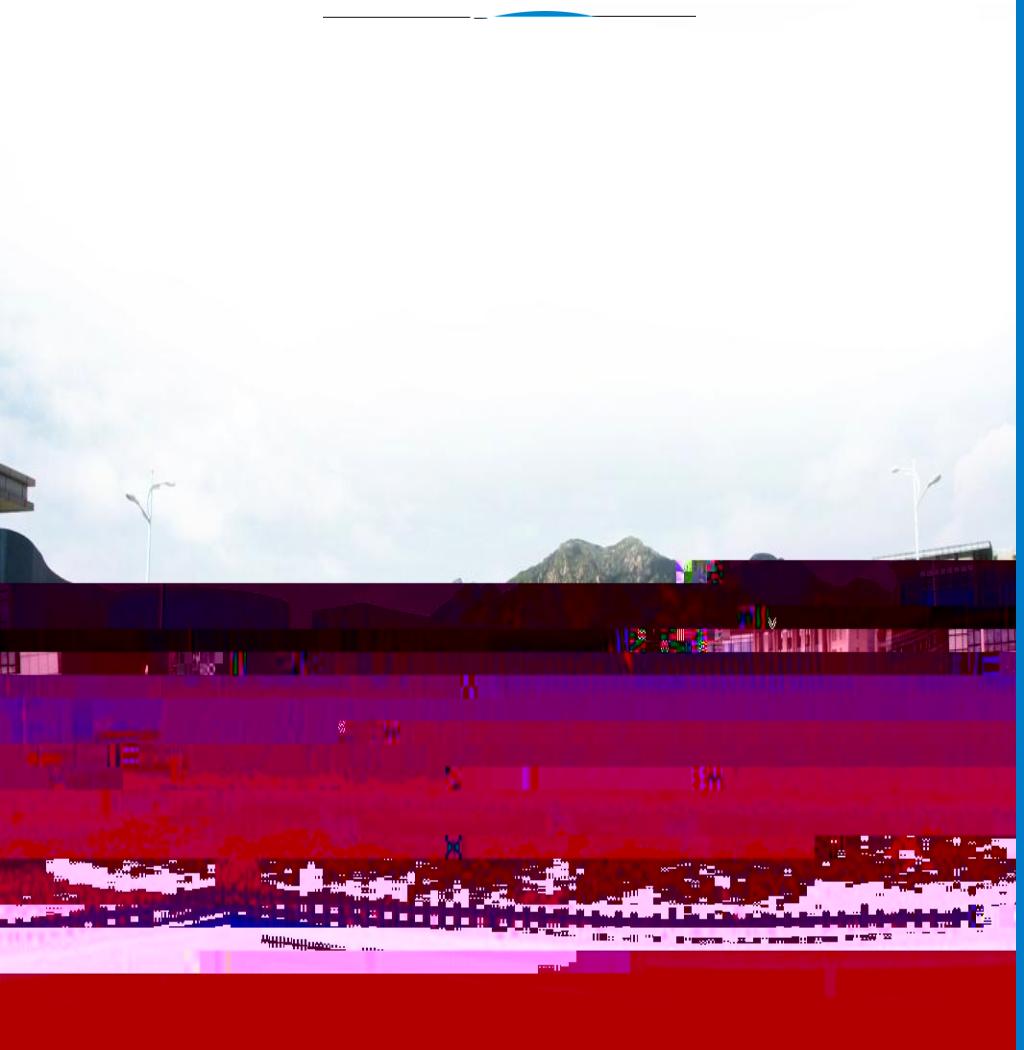


About Yili

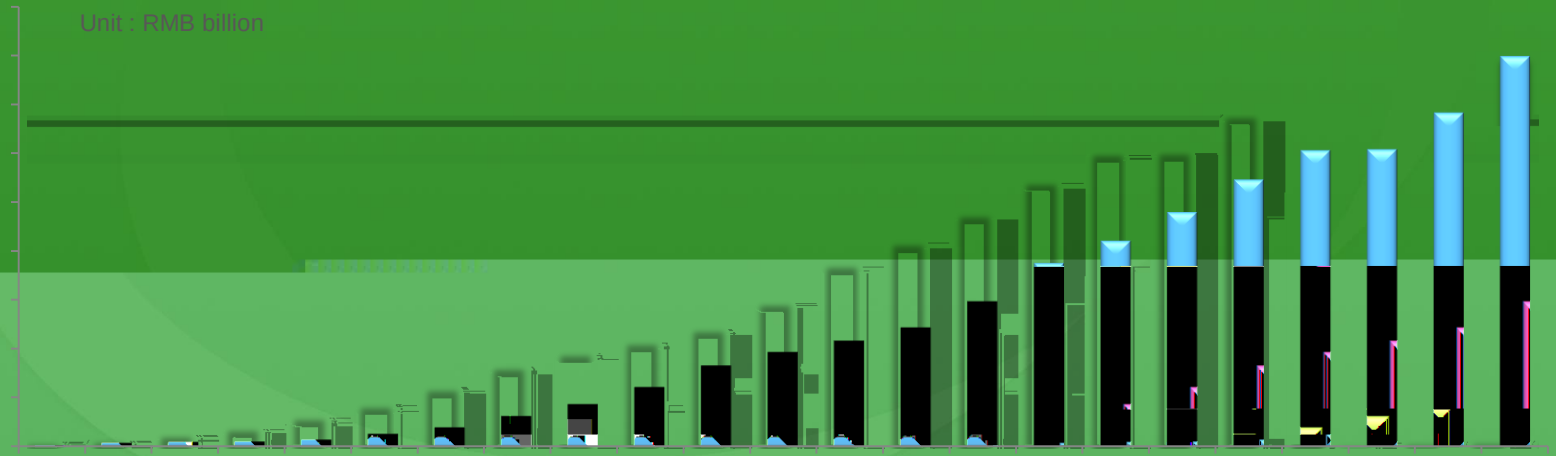
Yili is the No.1 dairy enterprise in Asia.

Yili owns the largest scale and the most complete product line in China dairy industry.

About Yili

Total revenues of Yili in 2018 were RMB79.553 billion, and net profit attributable to shareholders of the company was RMB6.440 billion. Both revenues and net profit maintained growth as compared with last year and continued to rank NO.1 in Asia dairy industry.

Total Revenues (1996 - 2018)



Introduction of Our Leader

Pan Gang, the Chairman and CEO of Yili Group

By 2002, he was the youngest president among the 520 key industrial enterprises

He has been holding the position of Chairman and President of Yili Group since June 2005

Social Positions

Member of the 19th national congress of CPC

Vice President of China Enterprise Union and China entrepreneur Association

Vice chairman of the All-China Youth Federation

Chairman of Chinese Young Entrepreneurs' Association

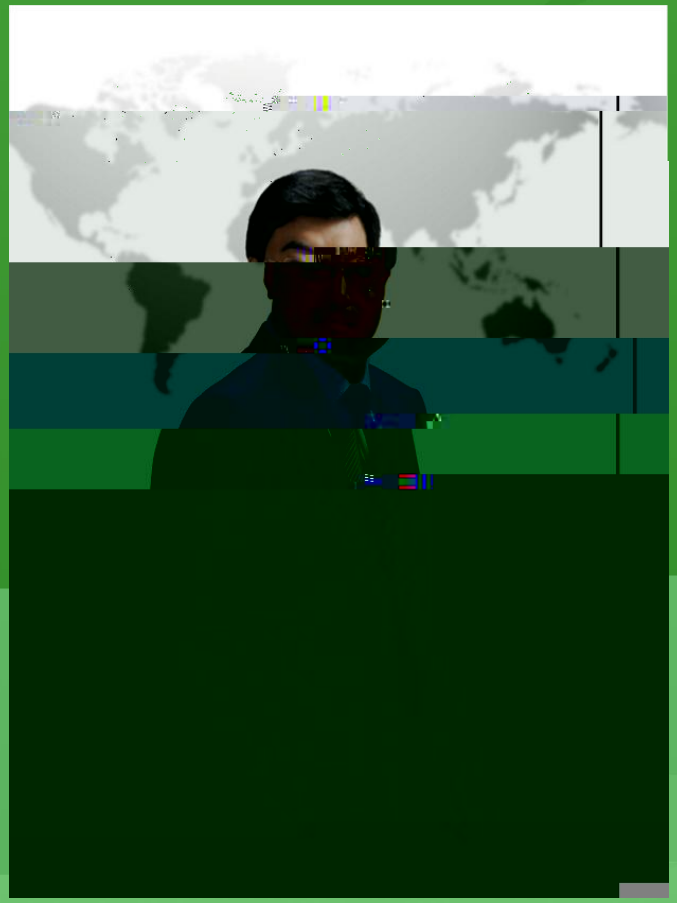
Vice chairman of China - EU Association

Member of the 17th national congress of CPC

Member of the 12th national committee of CPPCC

Vice chairman of the 11th executive committee of All-China Federation of Industry and Commerce

Management Thinking



The ñglobal networkingò and the ñalong-the-supply-chain innovation" strategy

The ñquality management " and the "precise management" management ideas

The strategic partner of the Olympic Games and the World Expo

Solid results matter more than time taken; Industrial prosperity outranks personal glory; Social value takes precedence over business fortune; Thatôs the value that we hold in every step of our growth.

ð ð Pan Gang , Chairman/CEO of Yili Group

Address from Chairman

In Yiliôs eyes, there are two types of people in the world: those who drink milk, and those who do not. Yiliôs mission is to bring them together as one people, all reaping the benefits of nutrient-rich milk and a healthy life.

ð ð Pan Gang

Financial Review

Financial Highlights

Financial Highlights

RMB (million)	Growth Rate
Revenues	
Core Business Revenues	
Gross Profit	
Gross Profit Margin	
Operating Profit	
Net Profit Attributable to Shareholders of the Company	
Net Profit Margin	
EPS (RMB)	
ROE	

Note : gross profit is calculated from core business revenues

Data source: Company Data

Core Business Revenues Breakdown by Segment

Core Business **Revenues Breakdown by Segment**					
RMB (million)	Revenues	%	Revenues	%	Growth Rate
Liquid Milk					
Milk Powder and Milk Products					
Ice Cream					
Total	39,513	100%	44,827	100%	13.4%

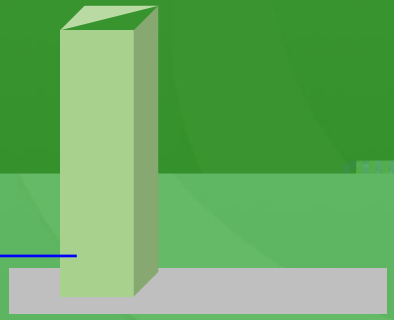
Data source: Company Data

Market Share of Yili

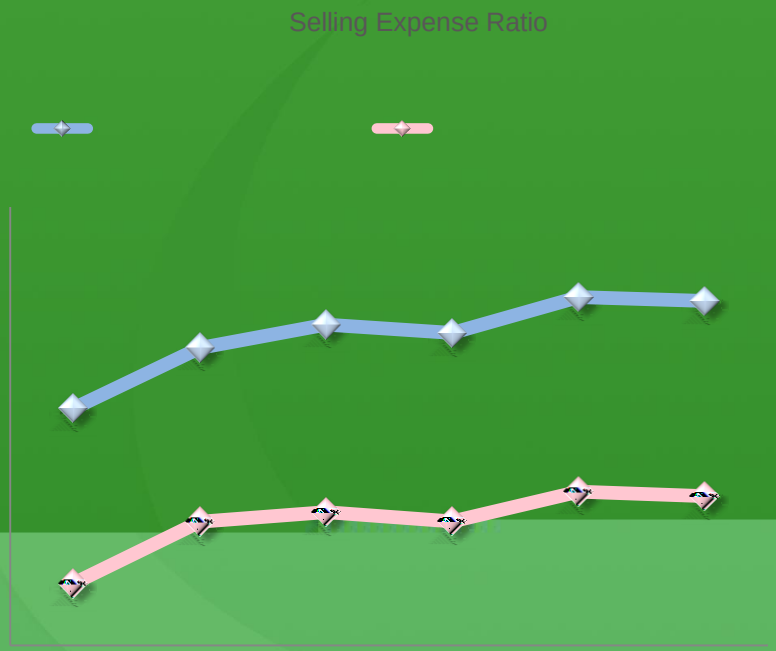
Market share in 2019H1 was 38.7%, up 2.4 ppts yoy. Among them, market share of ambient yogurt increased by 5.8 ppts yoy

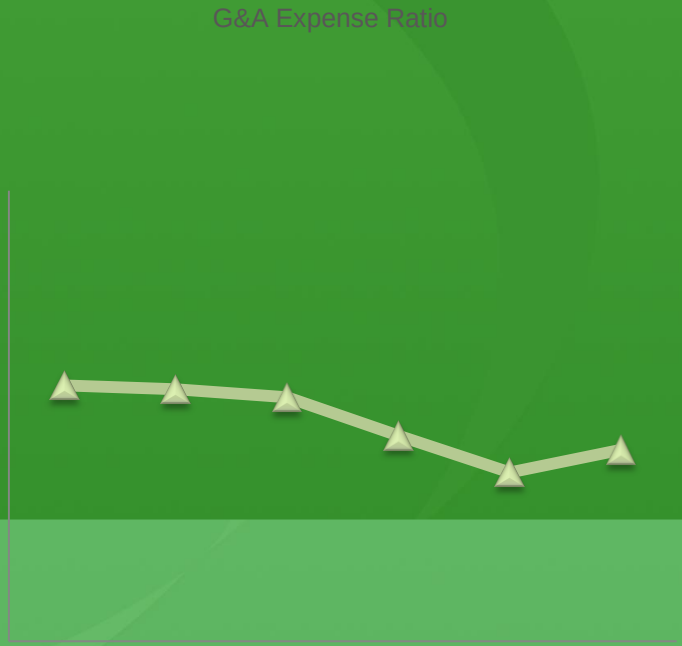
Data source: Nielsen

Gross Margin by Segment



SG&A Expense Ratio



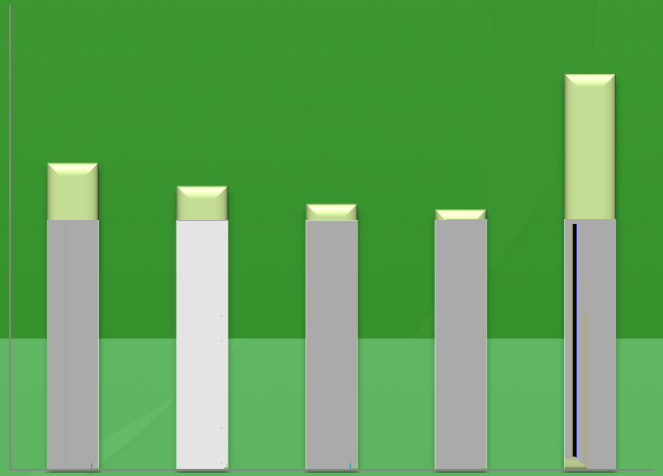


Data source: Company Data

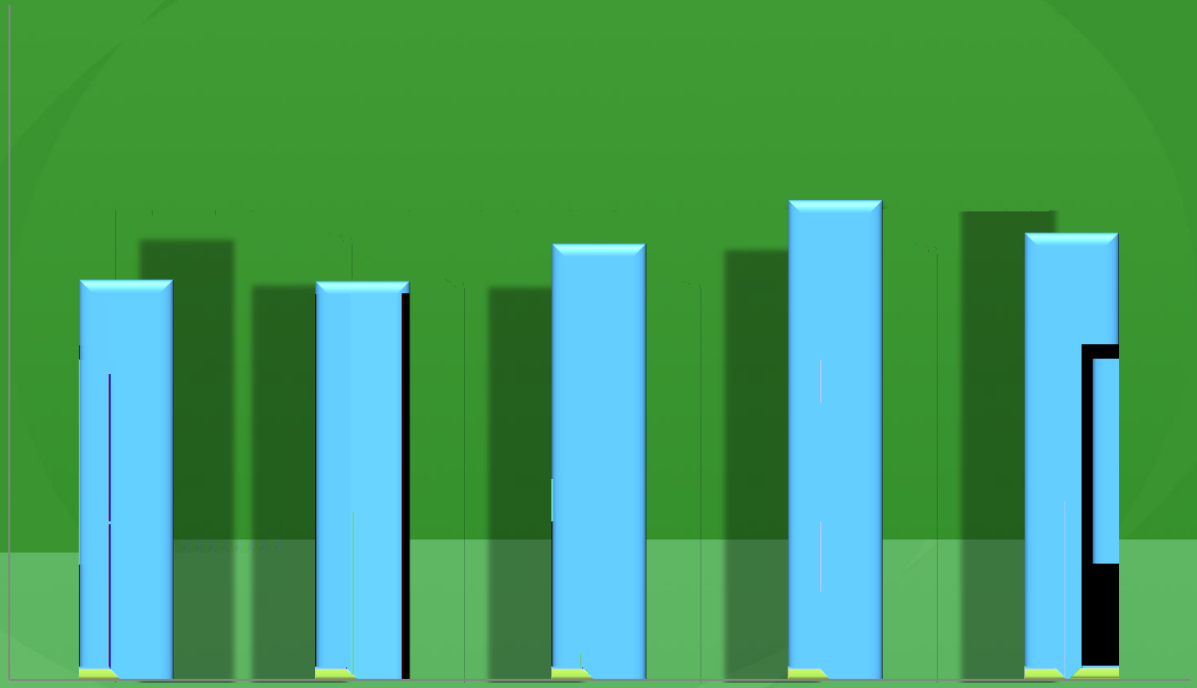
Operating Efficiency

Notes Receivable and Accounts Receivable Turnover (Days)

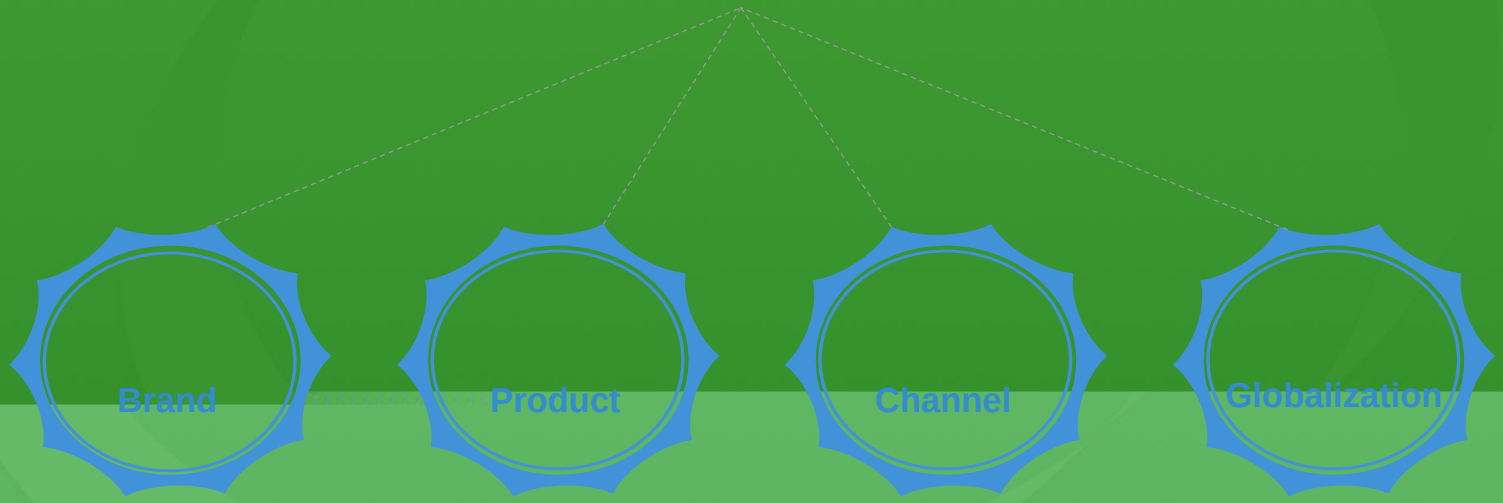
Cash Flow and Capital Expenditure



Dividend Rate



Business Review


Brand
Product
Channel
Globalization

Brand

Products

New Products and Key Products

Sales revenue of key products ñSatineò ñAmbrosialò ñChangqingò ñMeiyitianò ñJoyDayò ñPro-Kido ò ñChocliz ò ñZhenxiò ñChangYi 100%òand others grew by 30% yoy. New product sales accounted for 17.4% of total sales revenue, an increase of 2.6 ppts over 2018.

Leading Products Innovation

Focusing on organic products business, on the basis of "Satine Organic Pure Milk", "QQ Star Organic Pure Milk" and "Changqing Organic Flavor Fermented Milk", Yili launched new product "Pro-Kido Seine Mouiller infant formula milk powder ".
Through new products "NOC Fresh Fruit and Active Bacteria Yogurt Ice cream", "Changyi 100% Global Selection Series Probiotic drinks", "Satine Jersey Pure Milk "etc, more consumption scenarios and target groups are covered.

有机奶粉 塞纳牧

Pro-Kido Seine Mouiller infant formula milk powder

酸奶冰淇淋 须尽欢

NOC Fresh Fruit and Active Bacteria Yogurt Ice cream

乳饮料 畅意

Changyi 100% Global Selection Series Probiotic drinks

纯牛奶 金典娟姗

Satine Jersey Pure Milk

Channel

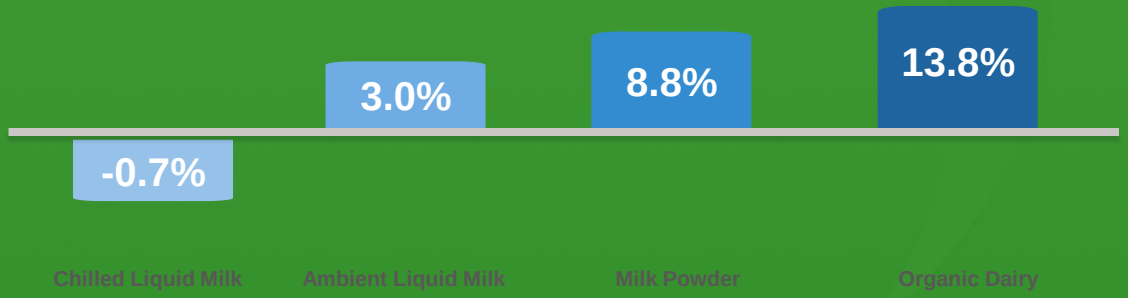
Globalization

Globalized Dairy Resources

Industry Status

Continuous Consumption Upgrade

During the reporting period, domestic dairy market developed steadily. Nielsen data showed the retail sales of ambient liquid milk, chilled liquid milk and milk powder segments increased by 3.0%, -0.7% and 8.8% respectively yoy, among which the retail sales of organic dairy segments increased by 13.8% yoy.



Rising Cost Pressure

During the reporting period, price of raw milk in China, prices of raw and auxiliary materials such as imported whey powder and skim milk powder were on the rise, caused the increasing pressure of cost control for enterprises.

Data source: Nielsen

Our Culture

Belief

ñYiliò represents the highest quality.

Our Culture

Vision

Becoming the most trusted healthy food provider around the world.

Our Culture

Core Values

Excellence　　Accountability

Innovation　　Win-Win

Brand Essence

Nourish for Life

It is the provider of healthy food and also the advocator of healthy lifestyle

DISCLAIMER

This material is provided by the Inner Mongolia Yili Industrial Group Co., Ltd. (the "Company"). This presentation is a simple description, which is for reference only, not a complete version. Material involving industry, strategy, vision and other forward-looking statements is not substantive commitment to investors. Investors should be aware of investment risks.

THANK YOU