



China Mengniu Dairy Company Limited

中國蒙牛乳業有限公司*

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

Stock Code 股份代號 : 2319



只為點滴幸福

ANNUAL REPORT
2016 年報

* For identification purpose only 僅供識別



CORPORATE PROFILE

公司簡介

China Mengniu Dairy Company Limited (the “Company”; stock code: 2319) and its subsidiaries (the “Group” or “Mengniu”) manufacture and distribute quality dairy products in China. It is one of the leading dairy product manufacturers in China, with **MENGNIU** as its core brand. Mengniu’s diversified products include liquid milk products (such as UHT milk, milk beverages and yogurt), ice cream, milk formula and other products (such as cheese). As of December 2016, the Group’s annual production capacity reached 9.21 million tons. In March 2014, Mengniu became a Hang Seng Index constituent, making it the first blue chip Chinese dairy product manufacturer.

中國蒙牛乳業有限公司(「本公司」；股份代號：2319)及其子公司(統稱「本集團」或「蒙牛」)於中國生產及銷售優質乳製品。憑藉其主要品牌**蒙牛**，蒙牛已成為中國領先的乳製品生產商之一，提供多元化的產品，包括液態奶(如UHT奶、乳飲料及酸奶)、冰淇淋、奶粉及其他產品(如奶酪)。截至二零一六年十二月，本集團乳製品的全年生產能力達921萬噸。二零一四年三月，蒙牛獲納入恒生指數成份股，成為首家中國乳製品企業藍籌股。





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HIGHLIGHTS

摘要

For the Year Ended 31 December	截至十二月三十一日止年度	2016 二零一六年 RMB Million 人民幣百萬元	2015 二零一五年 RMB Million 人民幣百萬元
Revenue	收入	53,779	49,027
Gross Profit	毛利	17,635	15,375
Profit/(Loss) Attributable to Owners of the Company	本公司擁有人應佔利潤/(虧損)	(751)	2,367
Net cash flows from operating activities	經營業務產生的淨現金流量	4,513	1,909
Earnings/(Loss) per Share (RMB)	每股盈利/(虧損)(人民幣元)		
– Basic	– 基本	(0.193)	0.609
– Diluted	– 攤薄	(0.193)	0.607

- Mengniu focuses on product quality and innovation, and is in the vanguard of the premium product consumption trend. During the year, Mengniu's liquid milk and chilled dairy products continued to lead the market with the largest market share.
- Continued with integration of the milk formula business, drawing on the resources support of Danone Group and the research and development expertise of Dumex Baby Food Co., Ltd. ("Dumex China") to improve its product development capabilities and augment the positioning of its product portfolio.
- Implemented new reforms for its business divisions in order to develop the independent room temperature, chilled, milk formula and ice cream product business segments. This has facilitated resource coordination and risk control, and thereby enabled the Group to achieve a balanced development.
- Entered into cooperative relations with international brands such as Shanghai Disney and NBA China to enhance the value of the Mengniu brand.
- Visionary deployment of upstream and downstream resources by increasing Mengniu's shareholding in China Modern Dairy Holdings Ltd. ("Modern Dairy"; stock code: 1117) in 2017, which is expected to help the Group to build smoother cooperative ties between upstream and downstream and ensure the supply of quality raw milk.
- 蒙牛著力產品品質創新，引領消費升級。年內，蒙牛液態奶及低溫乳品持續領先市場，市場份額保持第一。
- 持續整合奶粉業務，憑藉Danone集團的資源支持及多美滋嬰幼兒食品有限公司(「多美滋中國」)的研發專業能力提高產品開發能力，並豐富產品組合定位。
- 實施新事業部變革，打造常溫、低溫、奶粉、冰淇淋產品等獨立業務板塊，加強資源協同與風險管控，實現均衡發展。
- 積極打造國際品牌合作矩陣，例如與上海迪士尼、NBA中國合作，提升蒙牛品牌價值。
- 蒙牛預先部署上下游資源，於二零一七年增持中國現代牧業控股有限公司(「現代牧業」；股份代號：1117)，建立更順暢的上下游合作關係，確保優質原奶供應。

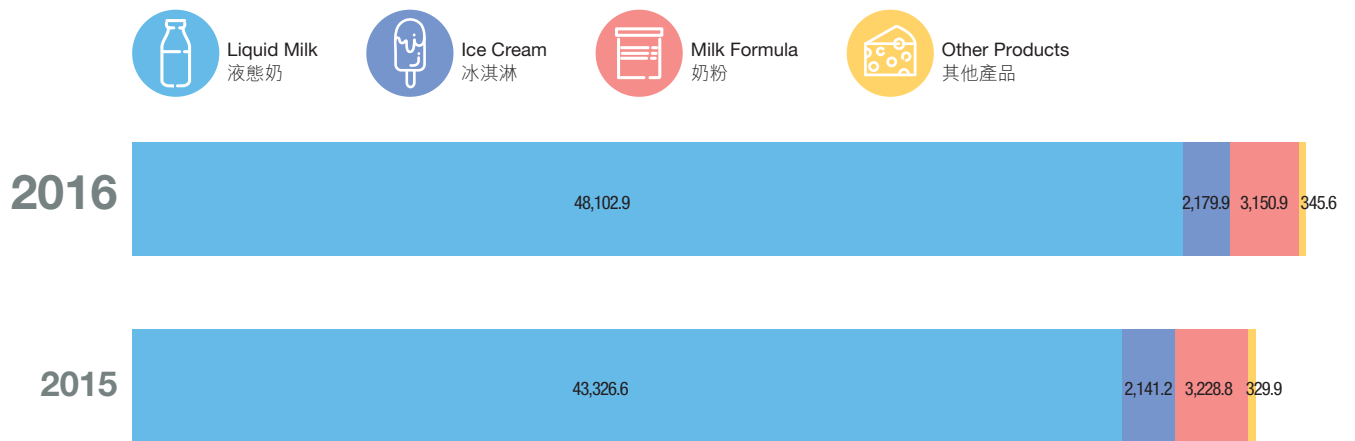


Highlights 摘要

REVENUE BY PRODUCT MIX (FOR THE YEAR ENDED 31 DECEMBER)

按產品劃分之收入(截至十二月三十一日止年度)

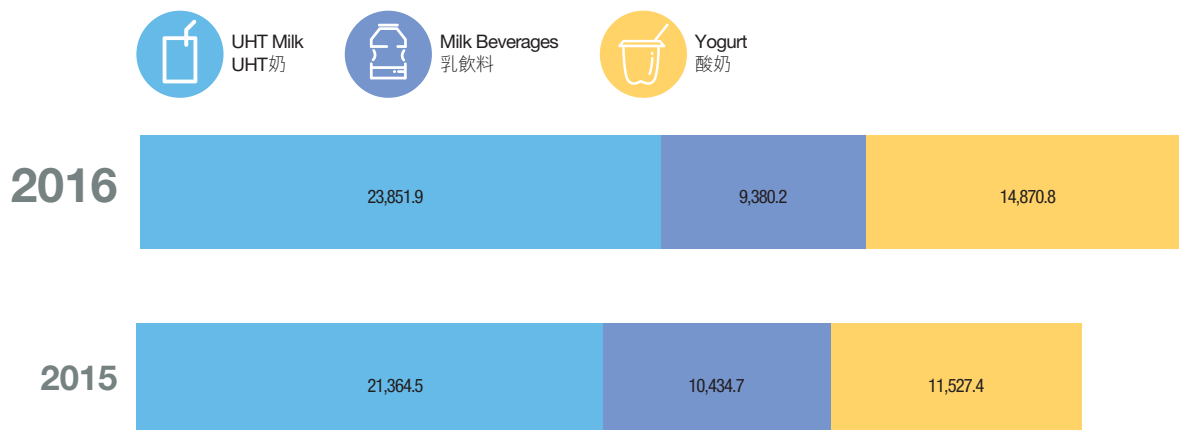
RMB Million 人民幣百萬元



Revenue by Product Mix in Liquid Milk Segment (For the year ended 31 December)

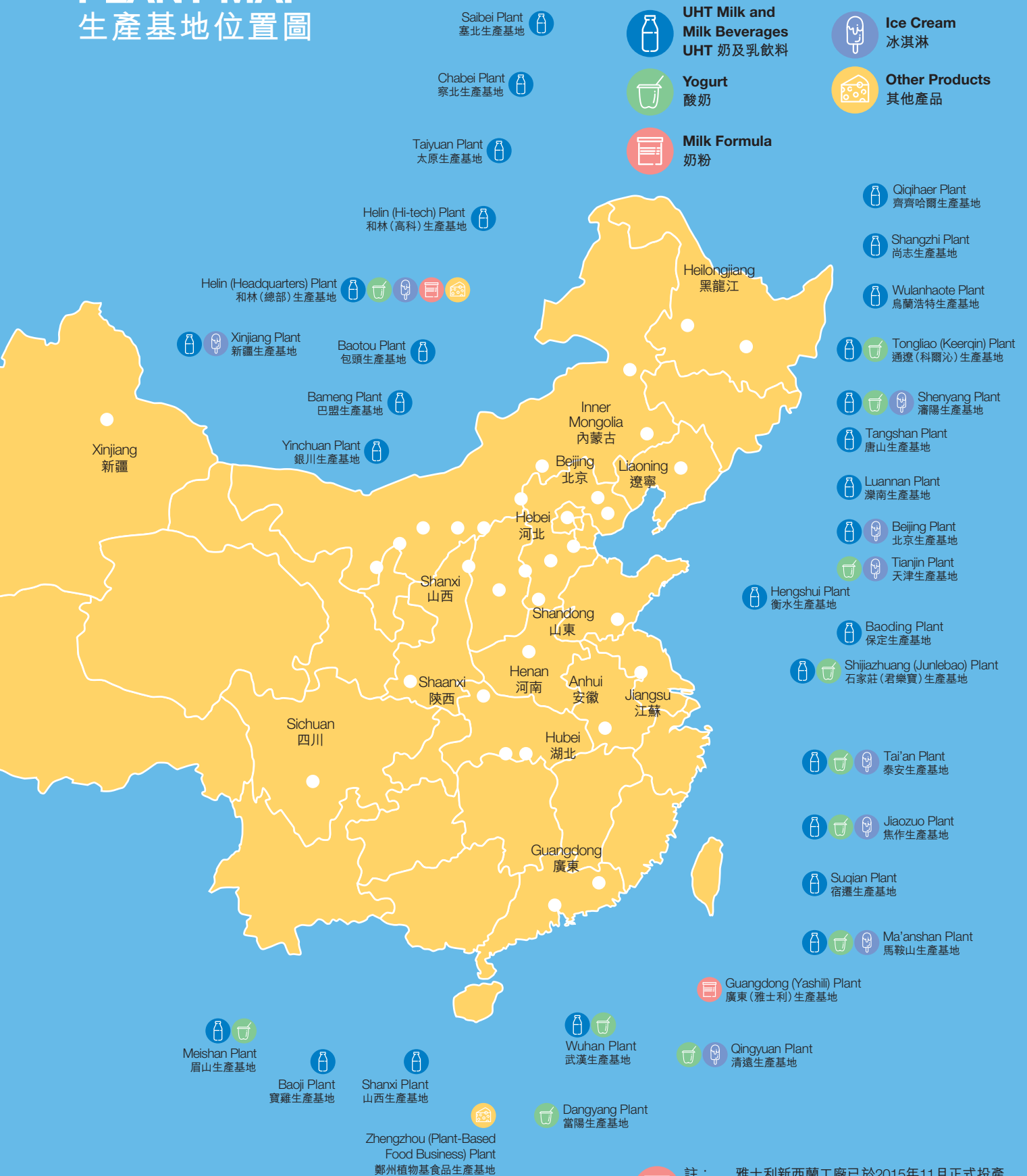
按液態奶產品劃分之收入(截至十二月三十一日止年度)

RMB Million 人民幣百萬元



PLANT MAP

生產基地位置圖



註： 雅士利新西蘭工廠已於2015年11月正式投產
 Note: The New Zealand factory of Yashili commenced formal production in November 2015

MAJOR AWARDS AND ACHIEVEMENTS

主要獎項及殊榮

THE GROUP

Awarded the “Special Award for Contributions to China's Space Program” presented by the China Space Foundation

Ranked as one of the “Top 100 Chinese Light Industry Enterprises” by the China National Light Industry Council

Honored “The Best Corporate Governance Awards 2016 – Gold Award” by Asset Magazine

Awarded the “Community Enterprises of China 2016” at the 2016 China Annual Conference on Philanthropy

Ranked the first in the Chinese dairy enterprise corporate social responsibility fulfillment level index in the “Blue Book of Corporate Social Responsibility for 2016” issued by the Chinese Academy of Social Sciences

Awarded the “Case Prize of the Belt & Road Initiative in 2016” in the third Media Cooperation Forum on Belt and Road organized by the People's Daily

MENGNU BRAND

Top 20 in the BrandZ™2016 list of the most valuable Chinese brands

Liquid milk and yogurt brands ranked first on the “2016 Sixth China Brand Power Index (C-BPI)” list published by the Ministry of Industry and Information Technology of the PRC

MENGNU PRODUCTS

At the 10th Global Dairy Congress, *Hi Milk* garnered the “Best Dairy Product” and “Best Packaging of Dairy Products” awards under the World Dairy Innovation Awards

Hi Milk garnered the “Design Award 2016” at “IF Product Design Award”

Just *Yoghurt* won the “Best Video Content Marketing Case – Silver Award” at the “China Content Marketing Awards Ceremony Gold Award”

Milk Deluxe won the “Best Integrated Social Marketing Case – Gold Award” at the “China Content Marketing Awards Ceremony Gold Award”

Yashiliy and *Ruipuen* were both awarded “Gold Prize – Quality” from the China Dairy Industry Association in 2016

Xinyangdao won the “FMCG category – Silver Award” and “E-commerce and O2O – Silver Award” at the 8th Jinding International Award of Creative Communications

Prime Ranch Pure Milk won the “Interactive Creative Awards – Gold Award” at the 2016 China Advertising Great Wall Awards

Xinyangdao won the “Annual Marketing Communication Case Award” at the 2016 China Advertising Great Wall Awards

本集團

獲中國航天基金會授予「中國航天事業特別貢獻獎」

獲中國輕工業聯合會頒發「中國輕工業百強企業」

獲《財資》雜誌「2016年最佳公司治理獎」之「最佳公司治理獎—金獎」

獲中國公益年會授予「2016年度中國公益企業」大獎

在中國社會科學院發佈《企業社會責任藍皮書2016》的中國乳品企業社會責任發展指數中排名第一

榮獲《人民日報》第三屆「一帶一路」媒體合作論壇頒發「2016一帶一路案例大獎」

蒙牛品牌

BrandZ™2016最具價值中國品牌20強

液態奶及酸奶奶位列中國工業和信息化部「2016年第六屆中國品牌力指數(C-BPI)排行榜」冠軍

蒙牛產品

*Hi Milk*在第十屆全球乳製品代表大會上奪得世界乳業創新大獎中「最佳乳品」及「最佳乳品包裝」獎項

*Hi Milk*獲「IF產品設計獎」頒發「Design Award 2016」大獎

*純甄*榮獲「中國內容營銷盛典金成獎」頒發「最佳影視內容營銷案例獎銀獎」

*特侖蘇*榮獲「中國內容營銷盛典金成獎」的「最佳社會化整合營銷案例獎金獎」

雅士利、*瑞哺恩*雙雙獲得中國乳製品工業協會頒發的2016年度「質量金獎」

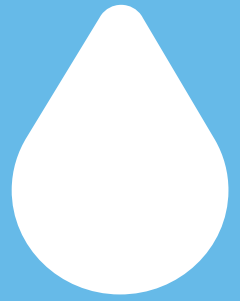
*新養道*獲得「第八屆金鼎創意傳播國際大獎」頒發「快消品項銀獎」及「電子商務與O2O項銀獎」

*精選牧場*獲得「2016年度中國廣告長城獎」的「互動創意金獎」

*新養道*獲得「2016年度中國廣告長城獎廣告獎」的「年度行銷傳播案例獎」







**點滴匯聚
擁抱幸福
Each Drop Creates
Happiness**

CEO'S STATEMENT

總裁致辭

**FOCUSING ON DEVELOPMENT
AND GATHERING STRENGTHS
MARCHING FORWARD TO
BECOME A HUNDRED-
BILLION YUAN REVENUE
INTERNATIONAL DAIRY
ENTERPRISE**

聚焦聚勢 凝心凝力
邁向千億級國際乳企

Mr. Jeffrey, Minfang LU

盧敏放先生

Chief Executive Officer

總裁



In 2016, Mengniu actively implemented innovative reforms starting with the finest details. The Group kept up efforts to improve on aspects including milk sources development, product quality, branding strategies, sales channels and digitalized management, allowing it to focus on its business with gathered strengths and raise brand value. On top of strengthening product differentiation in terms of brands and categories and a more solid milk sources foundation, Mengniu rolled out a new business division system that is more systematic, effective, and efficient, made up of independent business segments namely room temperature, chilled, milk formula and ice cream products. Mengniu is committed to becoming China's most dynamic brand and a hundred-billion yuan revenue international dairy enterprise.

During the year, Mengniu joined hands with strategic partners and lived up to international standards for integration, optimization and innovation upgrades. The joint-equity company of Mengniu and Danone Group is dedicated to ensuring product quality and also innovation, diligently adhering to uniform international food safety and quality standards. It was able to upgrade production capacity and at the same time improved cost control efficiency, thus enabled it to maintain leadership in the domestic chilled dairy products market. With Arla Foods' century-long experience of advanced ranch management, Mengniu has leveraged to optimize milk sources quality, thereby consolidate its core competitiveness.

二零一六年，蒙牛從點滴做起，積極創新變革。蒙牛在奶源建設、產品品質、品牌策略、銷售渠道及信息化管理等方面持續發力，凝聚優勢，專注業務及提升品牌價值。在聚焦品牌、品類差異化及夯實質量基礎的同時，我們構建更系統、快速、高效的全新事業部運營平台打造常溫、低溫、奶粉、冰淇淋產品等獨立業務板塊，致力成為最具中國活力的品牌，蓄勢打造千億級國際乳企。

年內，蒙牛攜手戰略夥伴，對標國際標準整合優化及創新升級。蒙牛與Danone集團的合資公司致力於產品品質與創新，恪守全球統一食品安全與質量標準，提高產能的同時增加成本管控效益，持續領先全國低溫乳品市場。蒙牛藉助Arla Foods百年先進牧場管理經驗，提高奶源品質，夯實核心競爭力。年內，蒙牛旗下雅士利完成向Danone集團收購從事嬰幼兒配方奶粉的多美滋中國，奶粉業務實力得到進一步增強，可把握行業發展先





During the year, Yashili under Mengniu completed the acquisition of Dumex China, which operates infant milk formula products business, from Danone Group, and that has strengthened Mengniu's milk formula business for taking initiative to seize opportunities in the sector. Moreover, the Group was able to better integrate upstream and downstream resources on its industrial chain by increasing its stake in Modern Dairy in early 2017. The move will assure the Group of supply of quality milk sources as well as build a more harmonious ecosystem. At the same time, Mengniu and Arla Foods strengthened strategic cooperation by setting up a joint venture dedicated to cheese business to tap the high-potential cheese market.

Quality is a corporate value of Mengniu. "Perfect products" is the new milestone in quality management development that Mengniu is pushing forward as it embraces the strategic mission of giving the perfect experience to consumers by providing them with safer, healthier and more nutritious products. Through achieving constant synergistic operation of the Laboratory Information Management System ("LIMS") and SAP system, Mengniu has applied end-to-end quality management and built a food safety security matrix to offer intelligent and systematic quality assurance throughout the entire industrial chain.

機。蒙牛進一步整合產業鏈上下游資源，於二零一七年初增持現代牧業股份，確保高品質奶源供應，打造更融洽的生態體系。同時，蒙牛攜手Arla Foods在奶酪業務上加強戰略合作成立合資企業，以發力高潛力的奶酪市場。

蒙牛以質量作為企業的價值觀，以「完美產品」作為產品品質管理上的全新里程碑，致力為消費者提供更安全、更富營養、更健康的產品，實現消費者完美體驗。蒙牛持續通過LIMS (Laboratory Information Management System) 系統和SAP系統高效協同工作，以端到端的全產業鏈質量管理及構建矩陣式食品安全防護網，為全產業鏈提供智慧化、系統化的品質保障。



CEO's Statement 總裁致辭

Answering the country rally for support to “Internet+” innovation, we actively integrate online and offline resources to upgrade every aspect of our brand value. Via digital revolution, Mengniu has established a three-dimensional sales channel to promote closer interaction between customers and the brand, and more quickly and widely deliver the brand concept of “A Little Happiness Matters”. Mengniu goes in-depth to gain understanding in consumers’ preferences, to grasp market need more precisely, to upgrade brand structure and optimize product innovation. These efforts were honored by a number of awards reflecting consumers’ recognition and support. Mengniu continues to push forward with “internationalization” at the core of its strategic layout and uphold its “A Little Happiness Matters” brand concept, targeting to enhance its brand value all-round. In addition, Mengniu was awarded the “Special Award for Contributions to China’s Space Program” by China Space Foundation, which is a clear recognition of Mengniu’s fit-for-aerospace strengths and quality.

Mengniu continues to put consumers first and, through innovative marketing and taking advantage of its access to top-grade resources worldwide, has created for itself a more forward-looking and younger brand image. Mengniu selects to work with high-quality partners and platforms. As the strategic partner of NBA in China for a decade, Mengniu launched unique milk products in China with NBA elements incorporated in the package design, themed “Friends for 10 years, A little happiness matters”. During the year, Mengniu became the official dairy product provider of Shanghai Disney Resort and mounted marketing activities taking advantage of the Rio Olympics to penetrate the markets. In addition, Mengniu has reached strategic agreement with Universal Beijing Resort in 2017, where it will become the exclusive official partner in providing dairy products and ice cream at the resort, hence becoming able to offer extensive product experience to visitors of the resort from all over the world. The two parties will also explore other possible cooperative endeavors.

Mengniu pushed forward with pragmatism the reform direction that emphasizes “vertical flattening, horizontal integration, function optimization and enhancement of sales regions”, which enabled it to strengthen its Route to Market (“RTM”) project and create an operation mode centered around distributors and developed together by distributors, sales companies and the Central Business Units (“CBU”).

Mengniu has embedded the philosophy of sustainable development into its corporate culture, and carries out the mission of “Focus on nutrition and health, deliver a drop of happiness for every moment and every day to more people”, with the support of its project implementation strategy that emphasizes “Leading standards, pragmatism, charity that touches hearts, top-level communication and pioneering leadership”. Mengniu together with CSR partners from different communities, including celebrities, its own employees and the public to promote charity on all fronts, and to give the society endless care. Mengniu takes upon itself the responsibility of enhancing public confidence in Chinese milk products and maintaining the long-term healthy development of the dairy industry in China. Mengniu has fulfilled its corporate social responsibility via such initiatives as “University of Ranchers”, “Star Ranchers” and “Gold Key Project” and its efforts have won wide recognition in the community. It was awarded the “Community Enterprises of China 2016” at China Annual Conference on Philanthropy 2016, the only dairy enterprise to receive the honor.

響應國家「互聯網+」創新號召，我們積極整合線上線下資源，全方位提升品牌價值。透過數字化革新，蒙牛打造立體式營銷渠道，促使消費者與品牌之間更緊密的互動，並更快更廣地傳遞「只為點滴幸福」的品牌理念。蒙牛深入洞察消費者偏好，更精確地把握市場需求，升級品牌結構，優化產品創新，獲得多個權威獎項，贏取了廣大消費者的認可和喜愛。蒙牛持續深化「國際化」戰略佈局，秉承「只為點滴幸福」的品牌理念，全方位提升品牌價值。此外，蒙牛的航天品質實力獲得高度肯定，獲中國航天基金會授予「中國航天事業特別貢獻獎」。

蒙牛持續以消費者為中心，通過營銷模式的創新，借勢國內外頂級資源優勢，打造更具前瞻性的年輕品牌形象。蒙牛優選合作夥伴及平台，作為NBA十年的中國戰略合作，以「十年友你，只為點滴幸福」為主題，推出包裝設計中含有NBA元素的蒙牛品牌的定制牛奶。年內，蒙牛成為上海迪士尼度假區的官方乳品供應商，借勢里約奧運會開展奧運營銷活動全面滲透市場，擴大品牌影響力。此外，蒙牛於二零一七年與北京環球度假區達成戰略協議，將成為在度假區提供乳製品和冰淇淋的獨家官方合作夥伴，從而能夠為來自世界各地的遊客提供廣泛的產品體驗，並將探索其他合作的可能性。

蒙牛務實推進「縱向扁平、橫向整合、完善職能、做實大區」的變革方向，強化通路精耕(Route to Market, 簡稱「RTM」)項目，全力打造以經銷商為主體，經銷商、銷售公司、核心業務單元(Central Business Unit, 簡稱「CBU」)共同發展的運營模式。

蒙牛將可持續發展理念融入企業文化，以「領先的標準、務實的項目、感人的公益、頂層的溝通、開創的引領」的項目實施策略，將蒙牛「專注營養健康，每一天每一刻為更多人帶來點滴幸福」的理念貫徹執行。蒙牛連同社會各界公益夥伴，包括知名人士、本集團員工、社會大眾全方位推動公益，為社會傾注源源不斷的關懷。蒙牛以提升公眾對中國牛奶產品信心及維持中國乳業長遠健康發展為己任，通過「牧場主大學」、「星牛人項目」及「金鑰匙項目」踐行社會責任。我們在企業社會責任的努力獲得社會各界認同，2016中國公益年會榮獲「2016年度中國公益企業」大獎，成為唯一獲此殊榮的乳品企業。



CEO's Statement 總裁致辭

To effectively support the Group's 2020 Strategy, we reorganized the business setup at the end of 2016. The new setup comprises independent professional business segments dedicated to room temperature products, chilled products, milk formula and ice cream products, and more resources and support have been provided to each business segment, with the aim of facilitating overall and balanced development of the Group's various product categories.

Looking ahead, Mengniu will continue to work closely with its three major shareholders and partners as well as take advantage of its access to first-class resources worldwide to create a global innovation platform, and in doing so align with international standards and raise the quality of Chinese dairy products to new levels. Mengniu will focus on various product segments, using its edges in branding and product differentiation, forming a consumer and market-oriented organizational model backed its professional business platform, and focusing on developing the chilled product division to create a new growth point. At the same time, Mengniu will draw on its foresights in deploying upstream and downstream resources to enhance quality of milk sources. Mengniu will also join hands with other partners in the dairy ecosystem to strive for constant innovation, to integrate resources, and build its brand, and core competitiveness. It will also keep strengthening its sales channels and marketing system, relying on its SAP and LIMS systems, to reinforce its digitalized management capabilities and carry out digitalized marketing to lay a strong foundation for the Group to achieve its long-term strategic goals.

With the milk formula registration system taking effect, the two-child policy in full rollout, per capita income of the Chinese people rising and urbanization continuing in China, demand for dairy products in the country will gradually be unleashed. For Mengniu, "going international" is the new normal and innovation is its core competitive strength. It will fortify resources integration, develop new product offerings, and promote delicacy management and cultivate channels with intensive effort. It aims to continue to lead consumption upgrade with the craftsman spirit of constantly striving for excellence.

Adhering to the vision of "becoming a century-old consumer-oriented and innovative-led food company offering nutrition and health", upholding the corporate culture of "Integrity, Innovation, Passion, Openness", and emphasizing the theme of "focusing development and gathering strengths", Mengniu will continue to integrate and enhance its resources, and gather the strength of its staff, customers and consumers. Adhering to its 2020 Strategy, Mengniu will speed up its strides toward becoming China's most dynamic and a hundred-billion yuan revenue international enterprise, enabling "Mengniu" emerge as a world class dairy brand.

Jeffrey, Minfang LU
Chief Executive Officer

Hong Kong, 29 March 2017

為有效支撐本集團2020戰略，我們於二零一六年底實施了新事業部制組織變革，打造常溫、低溫、奶粉及冰淇淋產品等獨立業務板塊，並為各板塊業務發展提供更多資源和支持，促進本集團旗下各品類全面均衡發展。

展望未來，蒙牛將持續與三大股東及國際領先的合作夥伴保持緊密互動，藉助全球頂級資源優勢打造全球創新平台，實現與國際標準接軌，刷新中國乳品品質高度。蒙牛將聚焦品類、品牌和差異化優勢，以專業化運營的新事業部平台形成以消費者及市場為導向的組織模式，重點打造低溫事業部，創造新增長點。同時，蒙牛將前瞻性地佈局產業上下游資源，提升奶源品質強化奶源。蒙牛並將攜手乳業生態圈夥伴不斷創新，整合資源及聚焦品牌建設，打造企業的核心競爭力。同時進一步強化渠道和營銷體系，依託SAP及LIMS系統，強化數字化管理能力，實踐數字化營銷，為實現本集團的長期戰略目標打下扎實基礎。

隨著配方奶粉註冊制實施、全面開放二胎政策、消費者人均收入增加和城鎮化持續推進，國內乳品類市場需求正逐步釋放潛能。蒙牛以「國際化」作為新常態，以創新作為核心競爭力，深化資源整合，創新產品品類，推進精細化管理和渠道精耕，以精益求精的工匠精神，繼續引領消費升級。

我們將繼續圍繞「以消費者為中心，成為創新引領的百年營養健康食品公司」的企業願景及秉承「誠信、創新、激情、開放」的企業文化，從「聚焦、聚勢、凝心、凝力」整合優化資源及凝聚員工、客戶與消費者的力量，以求真務實地打造最具中國活力的千億級國際乳企，加速邁向「2020戰略」，將蒙牛發展成為世界級乳業品牌。

盧敏放
總裁

香港，二零一七年三月二十九日





**點滴匯聚
營養升級**

**Each Drop for Better
Nutrition**



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

INDUSTRY REVIEW

In 2016, the market continued to be laden with challenges with the Chinese economy facing downward pressure. The dairy industry in China, however, revived with dairy products output up and price relatively stable. At the same time, dairy consumption moved obviously toward the high-end, as reflected in the gradually increasing consumption volume of high added-value products such as high-end UHT milk and yogurt. With improvement in the consumption level, brand awareness and health consciousness of the Chinese people, as well as dairy enterprises keep enhancing their products structure and business strategy, the impending consumption upgrade will drive the industry to further development. High-end products, especially high-end UHT milk and chilled products, will continue to boast relatively more rapid growth and make up a major share of the liquid milk product category. Furthermore, new dairy products such as cheese are likely to become new star products of the industry.

International raw milk price went through cyclical adjustments in 2016, and milk price in the domestic market also tuned as a result of improvement in the demand and supply structure. Competition among domestic dairy enterprises remained fierce; however, with the cost structure changing, it is likely that competitive landscape will ease in the future for the industry. On the other hand, the domestic dairy industry, especially the infant milk formula sector, has been facing challenges on various aspects, such as the sales system, from the impact of international players and cross-border e-commerce merchants. Against this backdrop, domestic dairy enterprises have not only strengthened internal management and monitoring of food safety to keep improving product quality, but are also embracing Internet marketing, using innovative and interactive online tactics to engage and communicate with consumers, building a new type of sales and marketing platform.

Since 2016, the regulatory authorities in China have tightened supervision on and inspection of infant milk formula products. The effects of these moves on market discipline are expected to manifest gradually. Under the impact of the infant milk formula registration system and the full rollout of the two-child policy, the demand and supply structure of the domestic milk formula industry has been improving, with enterprises and production capacities unable to meet relevant regulatory requirements to be ousted from the market. High-end products will be the main battle field in the future.

行業回顧

二零一六年，中國經濟仍面臨下行壓力，市場環境充滿挑戰。中國乳製品行業有所恢復，乳製品產量保持增長，價格相對穩定。與此同時，乳業消費升級趨勢明顯，高端UHT奶及酸奶等高附加值品類的消費規模逐步增長。隨著中國居民消費水平、品牌意識及健康意識提升，伴隨乳企產品結構及策略升級，未來消費升級將進一步帶動行業增長。高端產品，特別是高端UHT奶和低溫品類消費將維持較高增速並佔據液態奶產品主要份額，此外，奶酪等新興乳品有望成為行業新亮點。

國際原奶價格在二零一六年經歷週期性調整，中國奶價也隨著供需結構改善有所調節。中國乳業競爭仍然激烈，但由於成本結構調整，未來行業競爭格局有望緩和。另一方面，中國乳品行業，尤其是嬰幼兒配方奶粉，受到國際品牌與跨境電商衝擊，在銷售體系等多個方面均面臨挑戰。在這樣的背景下，中國乳企均強化自身對食品安全的管理和監控，持續提升產品品質，同時積極擁抱互聯網，在營銷方面以創新互動的方式與消費者深入溝通，搭建新型銷售平台。

二零一六年起，國內監管部門對嬰幼兒配方奶粉產品的監管和抽檢日趨嚴格，對市場秩序的規範成果預期將逐漸顯現。在嬰幼兒配方奶粉註冊制與全面二胎政策的共同作用下，國內奶粉行業供需結構逐漸得到改善，不符合監管要求的企業及產能將被淘汰，行業未來競爭將進一步集中於高端產品品類。



BUSINESS REVIEW

In 2016, Mengniu continued to perfect its international resources setup, which enabled it to fully utilize its global resources and industrial chain advantages to guard the product safety of Chinese dairy products on par with relevant international standards, and to make Chinese brands stronger. On top of continuously improving product quality, the Group has also worked hard on product differentiation in terms of brands and product categories, and, has allocated more resources to research and development of innovative products and product upgrade, thereby guiding the new nutritional demands of consumers. Furthermore, Mengniu has been active in optimizing its organizational structure and improving overall operational efficiency with the consumer and market demands in mind. At the end of 2016, Mengniu started to implement a new business division system that comprises independent business segments including room temperature, chilled, milk formula and ice cream products, aiming for a balanced development of the different business segments and to strengthen synergy among the resources and risk management. Moreover, through digitalized management, Mengniu has built itself into an intelligent dairy enterprise using Big Data. It was able to manage product quality and sales and marketing with innovation by employing a management and tracking system that covers its entire industrial chain.

Mengniu kept its leading position in the liquid milk market in 2016. Despite the fierce market competition, the room temperature products *Milk Deluxe* reported growth surpassing that of the industry, and *Just Yoghurt* also recorded substantial increase in revenue and market share. As for chilled products, Mengniu has kept the top spot in terms of market share throughout the year, maintaining its solid market leadership position. In regard to milk formula business, with challenges coming from international brands and cross-border e-commerce merchants and the brand upgrade and sales channel transformation, the improvement in operational efficiency and production capacity is expected to be seen gradually.

業務回顧

二零一六年，蒙牛持續深耕國際化的資源佈局，充分發揮全球資源與產業鏈的優勢，比肩國際標準守護中國乳品品質安全，致力做強中國品牌。除了不斷夯實品質，蒙牛同時聚焦品牌、品類差異化，加大創新研發投入，著力產品升級，從而引領消費者的營養新需求。此外，蒙牛堅持以消費者、市場為導向，積極優化組織架構，提升整體運營效率。在二零一六年年底，蒙牛啟動新事業部制的實施，打造常溫、低溫、奶粉、冰淇淋產品等獨立業務板塊，以實現各業務單元均衡發展，加強資源協同與風險管控。另一方面，透過數字化的管理，蒙牛建構大數據智慧型乳企，利用全產業鏈管理和追溯體系，實現創新品質管理與銷售及市場推廣。

蒙牛液態奶於二零一六年仍然保持市場份額領先地位。在激烈的市場競爭下，常溫品類中的*特倫蘇*實現超出行業的增長，*純甄*也取得顯著收入增長及市場份額提升；此外，低溫品類全年市場份額保持第一，市場領先位置持續穩固。奶粉業務方面，由於受國際品牌及跨境電商衝擊，加上處於品牌升級、渠道轉型落地階段，預期對運營效率及產能的改善成效將逐步呈現。



Management Discussion and Analysis 管理層討論及分析

During the year, Mengniu once again made it among the top 20 on the BrandZ™ 2016 list of the most valuable Chinese brands. In addition, the Group's liquid milk and yogurt topped their respective categories in the sixth China Brand Power Index (C-BPI) published by the Ministry of Industry and Information Technology of the PRC in 2016. That was the third consecutive year Mengniu made the two top C-BPI rankings and for its yogurt products the sixth consecutive win, taking home the "Golden Brand" title. In the third Media Cooperation Forum on Belt and Road organized by the *People's Daily*, Mengniu was awarded the "Case Prize of the Belt & Road Initiative in 2016". Mengniu was also honored "The Best Corporate Governance Awards 2016 – Gold Award" by *Asset Magazine*, being the only dairy enterprise to be honored. In addition, at the 10th Global Dairy Congress, *Hi Milk*, Mengniu's premium customized milk, garnered the "Best Dairy Product" and "Best Packaging of Dairy Products" awards under the World Dairy Innovation Awards. Mengniu was the only Chinese dairy enterprise that won two major awards at that event. And, *Yashily* and *Ruipuen*, the Group's infant milk formula products, were both awarded "Gold Prize – Quality" from the China Dairy Industry Association in 2016, a reflection of the market recognition and confidence that Mengniu enjoys for its quality products.

Strategic Cooperation and Integration**– Chilled product business: Danone S.A. and its subsidiaries ("Danone Group")**

Danone Group, which owns 9.9% stake in Mengniu, is Mengniu's second largest strategic shareholder. Inner Mongolia Mengniu Danone Dairy Co., Ltd. ("Mengniu Danone") is a joint-equity company held 80% by Mengniu and 20% by Danone Group.

In 2016, Mengniu Danone continued to boast leadership in the domestic chilled dairy products market, placing first in the market by virtue of commendable growth in sales. Applying a digitalized management system, Mengniu Danone was able to enhance matching of sales demand with raw material procurement and production capacity, starting at the beginning of its production management system, thus achieving a better balance between production and sales. In addition, Mengniu Danone was able to improve cost management effectiveness by using PET bottles and optimizing product formula.

年內，蒙牛再次入選BrandZ™ 2016最具價值中國品牌20強，並在中國工業和信息化部2016年(第六屆)中國品牌力指數(C-BPI)排名中，連續三年榮獲液態奶及酸奶兩個行業C-BPI冠軍，其中蒙牛酸奶連續六年蟬聯榜首，榮膺「黃金品牌」稱號。在《人民日報》舉辦的第三屆「一帶一路」媒體合作論壇上，蒙牛榮獲「2016一帶一路案例大獎」。而在《財資》雜誌的「2016年最佳公司治理獎」評選中，蒙牛還摘得「最佳公司治理獎—金獎」，為唯一獲獎乳企。此外，蒙牛高端定制牛奶Milk在第十屆全球乳製品代表大會上，奪得世界乳業創新大獎中「最佳乳品」及「最佳乳品包裝」獎項，成為唯一獨攬兩項大獎的中國乳企。而雅士利、瑞哺恩嬰幼兒配方奶粉則雙雙獲得中國乳製品工業協會頒發的2016年度「質量金獎」，反映市場對蒙牛產品品質的肯定與信心。

戰略合作與整合**– 低溫業務：Danone S.A.及其子公司(統稱「Danone集團」)**

Danone集團持有蒙牛9.9%的股份，為蒙牛的第二大戰略股東。蒙牛與Danone集團合資成立的內蒙古蒙牛達能乳製品有限公司(「蒙牛達能」)中，蒙牛和Danone集團分別佔80%和20%的股份。

二零一六年，蒙牛達能在全國低溫乳品市場繼續領先，錄得良好銷售增長，市場排名保持第一。通過應用數字化管理系統，蒙牛達能從生產管理體系的源頭出發，不斷強化銷售需求、原材料採購和產能的配合，達致更均衡的產銷匹配。此外，蒙牛達能通過引用PET瓶和優化配方，獲得良好的成本管控效益。



Management Discussion and Analysis 管理層討論及分析

Regarding the Ma'anshan plant of Mengniu Danone, it completed a capacity upgrade during the year, stepped up cost control and notably reduced wastage, which translated into a substantial increase in production efficiency. The successful experience of the plant will be promoted at the other 15 fresh dairy products plants. Mengniu Danone's Jinhua plant officially began operation in 2016 adopting the unified food safety and quality standards used by Danone Group, making it the plant with the highest level of digitalization in the Group. The plant is able to maintain to the largest extent the original texture and taste of products and, at the same time, afford production processes that are more environmentally-friendly and conducive to energy conservation.

Mengniu Danone is dedicated to ensuring product quality and also innovation. It released five new products to the market during the year. Among them, Yoyi C launched the innovative cross-segment Live Tea series, a perfect blend of Indian black tea, the Longjing green tea, and probiotics. The Live Tea series launched had complemented a series of online and offline promotional initiatives enabling it to attract patronage of young consumers. And, Yoyi C obtained patent for its proprietary "Temperature Self-regulation Digital System", which can effectively ensure the stability of probiotics in the products. *Champion* added the Red+ yogurt series to its name, the first yogurt series – pomegranate & rose and cherry & rose – in the market that features red super fruit and fragrant flower flavors, which has won the heart of many female consumers. Furthermore, to its basic yogurt products, Mengniu Danone included the new product *Nourishing Oats and Red Dates Flavor Yogurt* in small bottle in January 2016. Driven by product innovation, the chilled product business segment achieved continuous growth in sales during the year. Drawing on Danone Group's advanced international technologies and capabilities in quality management and product innovation, and Mengniu's own strength in distribution, Mengniu Danone will continue to develop high-end dairy products and set the trend for the country's chilled dairy products market.

蒙牛達能馬鞍山工廠在年內進一步提升產能，同時加強成本控制，降低損耗，大幅提升了生產效率。馬鞍山工廠的成功經驗將被推廣至其他15個新鮮乳工廠。二零一六年，蒙牛金華工廠正式投入運營，並引入Danone集團全球統一食品安全與質量標準，成為本集團目前數字化程度最高的工廠，最大程度上保持產品原有質地和口感，同時使生產過程更加節能環保。

蒙牛達能致力於產品品質與創新，年內五款新品成功上市。其中，優益C推出跨界創新的活茶系列，完美結合印度紅茶、龍井綠茶和乳酸菌，並通過一系列線上線下的互動宣傳，成功吸引年輕消費者。此外，優益C自主創新的「溫度自控數字系統」已獲專利授權，有效保證產品中的益生菌活菌穩定。冠益乳推出紅色+系列酸奶，首創石榴玫瑰和櫻桃玫瑰的超級紅色水果鮮花酸奶系列，備受女性消費者青睞。此外，蒙牛達能於二零一六年一月推出基礎酸奶新品中華滋養燕麥紅棗小瓶酸奶。產品創新驅動低溫業務在年內獲得持續的收入增長。蒙牛達能將借助Danone集團國際化的先進技術、品質管理和產品創新能力，以及蒙牛強大的分銷實力，繼續投入發展高端乳品，引領全國低溫乳製品市場。



Management Discussion and Analysis 管理層討論及分析

- Arla Foods

Mengniu has tapped into Arla Foods' century-long experience to optimize the quality of milk source thereby consolidating its core competitiveness. The Group also brought in Arla Foods' advanced ranch management system to help establish China's own dairy farming economy that embraces a new technology management model and fostered personnel with professional expertise in dairy production as well as in management. In 2016, Mengniu and Arla Foods stepped up cooperation on ranch management. The Standard Operational Procedure ("SOP") brought in from Arla Foods was modified and localized based on the practical situations and management experience of ranches in China, and detailed specifications were drawn up for several hundred key points in the production process, thereby standardizing every aspect of production control. At the same time, Mengniu introduced more lean management projects, and organized training programs on SOP and lean management in November 2016 for technical managers of the milk source operation from the headquarters and regional offices, to ensure that the Group has access to quality milk sources of international standard.

Mengniu and Arla Foods continued to exhume more synergies on the research and development and production fronts. Reaching deep into the experiences of the organic farms and agricultural research centers in Denmark for insights, the Group was able to promote product and nutrition innovation in categories including room temperature products, high-end organic milk formula and cheese products. Such endeavors have enabled Mengniu to pilot consumption upgrade and build a Chinese dairy brand which is confident of the quality of its products and its ability to innovate.

- Milk formula business: Yashili International Holdings Ltd ("Yashili"; stock code: 1230)

Mengniu holds an approximately 51% stake in Yashili and is its controlling shareholder. Yashili completed the acquisition of Dumex China from Danone Group on 31 May 2016. Dumex China mainly engages in the business of infant milk formula products. Through the acquisition of Dumex China, Yashili improved its production network by integrating the advanced manufacturing facilities of Dumex China with its own and optimizing those facilities. Furthermore, Yashili also has access to the research and development capabilities of Dumex China and the resources support of Danone Group, which raises the product development standards.

- Arla Foods

為提高奶源品質，夯實核心競爭力，蒙牛藉助Arla Foods百年經驗，引入先進牧場管理體系，建立中國牧場經濟技術管理新模式，並培養專業乳業技術及管理人才。二零一六年，蒙牛與Arla Foods針對牧場管控進行了更深入的合作，結合中國牧場的實際情況和管理經驗，蒙牛對從Arla Foods引進的標準化操作規程(Standard Operational Procedure，簡稱「SOP」)進行因地制宜的改良和本土化，從數百個關鍵點對生產管控進行詳細的規範，在每一個環節精耕細作。蒙牛還引進了更多精益管理項目，並於二零一六年十一月舉辦了SOP及精益管理項目培訓，為來自奶源總部及各區域的技術經理進行針對性教學，全力保障國際化標準的高品質奶源。

蒙牛與Arla Foods持續深化在研發生產方面的協同效益作用，通過深入丹麥有機農場及農業研究中心豐富生產經驗，進一步推動常溫品類、高端有機奶粉以及差異化乳酪等品類上的產品和營養創新，引領消費升級趨勢，在品質與創新水平上樹立中國乳品品牌的自信。

- 奶粉業務：雅士利國際控股有限公司(「雅士利」，股份代號：1230)

蒙牛持有雅士利約51%的股份，為雅士利的控股股東。雅士利於二零一六年五月三十一日完成向Danone集團收購從事嬰幼兒配方奶粉業務的多美滋中國。通過收購多美滋中國，雅士利對其先進生產設施進行整合及優化，提升自身生產網絡，同時享有多美滋中國的研發能力及Danone集團資源支持，提高產品開發水平。



Management Discussion and Analysis 管理層討論及分析

During the year, the size of the domestic infant formula market remained the same as last year with prices up and sales down. In general, the industry faced huge challenges from imported international brands and cross-border e-commerce merchants. In 2016, Yashili was in a critical stage of reform, embarking on sales channel transformation and integration of production capacity to enhance supply chain operations and boost its responsiveness to the market. On this basis, Yashili changed its marketing and sales structure to “four CBUs plus one project department”, which provided the sales team more clearly defined objectives and facilitated sales channel transformation. Feeling the detrimental blow of the Internet, traditional business channels have continued to shrink. Yashili has actively coped with this new development trend by investing in the sales and marketing team and enhancing the model of the mother-and-baby store and e-commerce channels. On the e-commerce front, Yashili has transformed its single sales platform into a multi-dimensional and consumer-oriented business platform, and has been adopting delicacy management for more differentiated product lines, as a result of which, online sales have been on steady climb. As for mother-and-baby channels, Yashili has increased the proportion of such channels among all channels via promoting its “all staff engaging in mother-and-baby store channel” program.

Yashili is the only milk formula brand in China with its own factory in New Zealand. Yashili's New Zealand factory signed a strategic cooperation supply agreement with Danone Group, which will allow it to improve utilization rate of its production capacity thereby reducing production cost. In April 2016, *Yashily Super α-Golden*, a newly developed milk formula product directly canned in New Zealand, was launched for sale via various channels including mother-and-baby channels and e-commerce platforms in China and New Zealand, helping Yashili build a “professional, international, high-quality” image.

Furthermore, Yashili has brought in the superior high-end brand of Arla Foods to enrich its product lines, gradually optimizing the positioning of its product portfolio. By strengthening collaboration with its partners such as Danone Group and Arla Foods, Yashili has been propelling growth of brands including *Baby & Me*, *Dumex* and *Ruipuen* in high-end markets and first-tier cities, which will bear positively on its future operation.

年內，國內奶粉行業量跌價升，市場規模基本持平，但由於國際進口品牌及跨境電商衝擊，行業總體面對巨大挑戰。二零一六年，雅士利處於銷售渠道轉型與內部產能整合的變革關鍵階段，積極通過改善供應鏈運營效率等措施，提升應對市場的能力。在此基礎上，雅士利將營銷架構改制為「4個CBU+1個項目部」形式，從而令銷售團隊的目標更為明確，並進一步推進渠道改革。在互聯網的衝擊下，傳統商超渠道繼續萎縮，雅士利著力強化母嬰及電商渠道的營銷隊伍投入及模式改進。在電商渠道方面，雅士利從單一銷售平台逐漸轉型到以消費者為中心的多維度業務平台，細分產品線進行精細化運營，線上銷售規模穩步增長。而在母嬰渠道方面，雅士利則通過推動「全員母嬰」工程，提高母嬰渠道佔比。

作為唯一一家在新西蘭自建工廠生產的國內奶粉品牌，雅士利新西蘭工廠與Danone集團簽訂戰略合作供應協議，進一步提升產能利用率，降低生產成本。二零一六年四月，首發新西蘭原罐雅士利超級α-金裝奶粉，同步於國內母嬰、電商等多個渠道銷售及新西蘭市場上架，打造雅士利「專業化、國際化、高品質」的形象。

此外，雅士利引進Arla Foods的超高端品牌，進一步豐富其產品線，逐步完善產品組合定位。通過加強Danone集團、Arla Foods等合作夥伴之間的協同，雅士利致力於推動寶貝與我、多美滋及瑞哺恩等品牌在高端及一線城市的增長，進而對未來經營產生正面影響。



Management Discussion and Analysis 管理層討論及分析

With the implementation of the milk formula registration system and the positive impact of the full rollout of the two-child policy in China gradually noticeable, the infant milk formula sector is expecting to see the surface of new opportunities. Yashili will continue to improve its operations on such fronts as brand upgrade, sales channel transformation, product research and development, quality management and system support, and strive for stronger synergies with its partners, as well as to capture any promising development opportunities.

– **Plant-based nutrition product business: The WhiteWave Foods Company (“WhiteWave”)**

Mengniu and WhiteWave formed an equity joint venture in April 2014, in which Mengniu and WhiteWave holds 51% and 49% equity interest respectively.

Produced using the world-leading advanced μ -Grind™ grinding technology, the plant-based beverage brand *Silk ZhiPuMoFang* jointly developed by Mengniu and WhiteWave retains the nutritional content of the original ingredients and presents the most healthy taste to consumers. After launching the plant protein beverage of two flavors, namely walnut and almond, the joint venture marketed in May 2016 a series of new products of various flavors. In addition to refining the existing two flavors, it also launched the Mellow Soy Milk series. New products are developed using WhiteWave’s leading technology in the field of plant-based nutritional products, with taste and feel more agreeable with the palate and preference of consumers. The low sugar content formula also fits in with the healthy diet need of today’s consumers. The product series adds to the portfolio of the high-end plant protein beverage market and gives more nutritional choices to consumers in China.

In addition, Mengniu updated the packaging of the product with the English logo *Silk* highlighted even more vividly to emphasize that the products have “superior genes” originated in the United States. Thanks to product innovation and Mengniu’s existing market and channel advantages, sales of *ZhiPuMoFang* increased notably in the second half of 2016.

隨著中國嬰幼兒奶粉配方註冊制的實施，以及全面二胎政策的積極影響逐漸呈現，嬰幼兒配方奶粉行業將迎來新機遇。雅士利將在品牌升級、渠道轉型、產品研發、質量管理及系統支持等方面持續改善經營，同時加強與合作夥伴的協同效應，把握有利機會尋求發展。

– **植物基營養品業務：The WhiteWave Foods Company (「WhiteWave」)**

蒙牛和WhiteWave於二零一四年四月註冊成立合資公司，分別持有合資公司51%及49%的權益。

蒙牛與WhiteWave共同創立的植物原飲品牌 *Silk 植樸磨坊*，採用全球領先的 μ -Grind™微米級研磨技術，保留原始營養成分，打造最健康的味道。繼推出核桃及巴旦木兩種口味的植物蛋白飲品後，合資公司在二零一六年五月上市一系列多種口味產品，除了更新原有兩種口味外，還推出醇香豆奶系列產品。新產品的開發沿用WhiteWave在植物基營養品領域的領先技術，口感和口味更符合消費者偏好，配方中的低糖含量也更順應當前消費者對健康飲食的要求，進一步填補了國內植物蛋白飲料高端市場，為中國消費者帶來更多營養選擇。

蒙牛還對包裝進行升級，更加突出英文標誌 *Silk*，強調產品源自美國的高品質基因。配合產品革新，依託蒙牛的市場及渠道優勢，*植樸磨坊*在二零一六年下半年的銷售表現顯著提升。



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The plant protein beverage market has seen rapid growth in recent years. As consumers' income level and food consumption level continue to rise, foods of better quality and that offer more balanced nutrition have become increasingly popular, thus plant protein beverages deemed natural, nutritious and healthy have tremendous market potential in China. The acquisition of WhiteWave by Danone Group is expected to give Mengniu's plant protein beverage business more access to support from Danone Group. The joint venture will step up integration with the existing market and channel resources of Mengniu's core business and continue to diversify its product lines, building the competitive strengths of its products in the plant-based nutritional product arena. Such moves will give Mengniu the differentiating edge to stand out in the industry.

– **China Modern Dairy Holdings Ltd. (“Modern Dairy”, stock code: 1117)**

On 4 January 2017, Mengniu announced the acquisition of 965,465,750 additional shares of Modern Dairy, representing approximately 15.7% of the total issued share capital of Modern Dairy upon completion of the relevant share purchase agreement, for a consideration of approximately HK\$1.9 billion. Upon completion of such acquisition, Mengniu beneficially held approximately 37.7% of the total issued share capital of Modern Dairy, and conditional mandatory cash offers (the “Offers”) were triggered to acquire all the issued shares in Modern Dairy (other than those already owned or agreed to be acquired by Mengniu) and for cancellation of all outstanding options in Modern Dairy. Such transaction was approved at the extraordinary general meeting of the Company held on 3 February 2017. Mengniu announced on 7 March 2017 that the Offers were unconditional in all aspects, and announced on 21 March 2017 that the Offers were closed at 4:00 p.m. of that day. Under the Offers, Mengniu received valid acceptances in respect of a total of 1,442,400,662 shares of Modern Dairy (representing approximately 23.5% of the entire issued share capital of Modern Dairy) and in respect of a total of 264,320,873 outstanding options in Modern Dairy (representing approximately 83.8% of the total number of outstanding options in Modern Dairy). Immediately following the close of the Offers, taking into account the valid acceptances in respect of 1,442,400,662 shares of Modern Dairy under the Offers, Mengniu would hold an aggregate of 3,755,769,412 shares of Modern Dairy (representing approximately 61.3% of the issued share capital of Modern Dairy). The listing status of Modern Dairy was maintained after the close of the Offers. Please refer to the Company's announcements dated 4 January 2017, 25 January 2017, 7 February 2017, 14 February 2017, 7 March 2017 and 21 March 2017 for details.

植物蛋白飲料市場近年增速迅猛，隨著消費者收入水平和食品消費能力與日俱增，品質更高、營養更均衡的食品越來越受到青睞，被定位為天然、營養、健康的植物蛋白飲料在中國具有很大的市場潛力。預期Danone集團收購WhiteWave有助蒙牛植物蛋白飲品業務得到更多來自Danone集團的支持。合資公司將更緊密結合蒙牛核心業務在市場及渠道方面的資源，持續豐富產品線，打造植物基營養品領域的競爭優勢，形成蒙牛在行業內的差異化優勢。

– **中國現代牧業控股有限公司(「現代牧業」，股份代號：1117)**

二零一七年一月四日，蒙牛宣佈以約19億港元增持現代牧業965,465,750股股份，相當於有關購股協議完成時現代牧業的已發行股本總額約15.7%。交易完成後，蒙牛實益持有現代牧業已發行股本總額約37.7%，觸發有條件強制性現金要約(「要約」)，收購現代牧業全部已發行股份(蒙牛已擁有或同意收購的股份除外)及註銷現代牧業所有尚未行使的購股權。有關交易已於二零一七年二月三日的股東特別大會上通過。蒙牛已於二零一七年三月七日宣佈要約於各方面為無條件，並已於二零一七年三月二十一日宣佈要約於當日下午四時正截止。根據要約，蒙牛共就1,442,400,662股現代牧業股份(相當於現代牧業全部已發行股本約23.5%)及264,320,873份現代牧業尚未行使的購股權(相當於現代牧業全部尚未行使的購股權約83.8%)接獲有效接納。緊隨要約截止後，鑒於要約已就現代牧業1,442,400,662股股份接獲有效接納，蒙牛將持有共計3,755,769,412股現代牧業股份(相當於現代牧業已發行股本約61.3%)。要約完成後，現代牧業仍保留上市地位。詳情請參閱本公司日期為二零一七年一月四日、二零一七年一月二十五日、二零一七年二月七日、二零一七年二月十四日、二零一七年三月七日及二零一七年三月二十一日的公告。



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According to the Dairy Association of China, in terms of herd size, Modern Dairy is the largest dairy farming company as well as the largest raw milk producer in China. It is the first to bring in advanced international management model to China's dairy breeding industry, in its hope to provide safe and quality dairy products to consumers. Modern Dairy is a long-term partner of Mengniu and its largest raw milk supplier. The further equity investment in Modern Dairy will enable Mengniu to smoothen upstream and downstream cooperation, thus creating a more harmonious industry ecosystem. The strict raw milk production process of Modern Dairy will assure Mengniu of supply of quality milk sources, conducive to the development of chilled products business, and also to help enrich its mid-range and high-end product lines and fortify its leadership in the high-end dairy products market.

Quality Management

“Perfect products” is the new milestone in quality management development that Mengniu is pushing forward as it embraces the strategic mission of giving the perfect experience to consumers by providing them with safer, healthier and more nutritious products. During the year, Mengniu continued to apply end-to-end quality management to strictly control risks throughout the entire industrial chain from milk source to production and sales. A quality information system has been established with coverage that stretches from the ranch to the dining table to improve overall product quality. Through achieving constant synergistic operation of the LIMS and SAP system combined with its own quality management and laboratory management systems, Mengniu has been able to assure quality systematically using intelligent technologies throughout the entire industrial chain, from delivery of raw milk to factories, procurement of raw/auxiliary materials, production processes to the point-of-sale. It is able to track information forward and backward at all quality control points along the industrial chain of the products. The LIMS-SAP system has since been introduced in the entire industrial chain, including to the Dumex plant in Shanghai, the ZhiPuMoFang plant in Jiaozuo and Yiqing plant in Linxia.

In alignment with the food safety management model of Danone Group, Mengniu's quality and safety management system is constantly upgraded and applied in the food safety and risk management mechanism that covers the entire industrial chain. It has built a digitalized “Real-time Food Safety and Quality Monitoring and Control Platform” of international standard that monitors real time food safety in every stage covering ranches, production plants and major sales regions. Product quality data are uploaded onto a “Food Safety Cloud” platform, realizing informatization of the entire industrial chain from ranches and factories to markets, for maintaining transparent communication with regulators as well as consumers. In 2016, Mengniu and Beijing Entry-Exit Inspection

根據中國奶業協會的資料，按畜牧群大小計算，現代牧業是中國最大的乳牛畜牧公司及最大的原奶供應商，並率先引入國際奶牛養殖管理模式，致力於為消費者提供安全優質的乳製品。現代牧業是蒙牛的長期合作夥伴，也是本集團最大的原奶供應商。透過進一步增持現代牧業，蒙牛將建立更順暢的上下游合作關係，打造更融合的行業生態體系。借助現代牧業嚴格的原奶生產流程，蒙牛將進一步確保高品質奶源供應，助力發展低溫業務，補充中高端產品線，鞏固本集團在高端乳製品市場的領導地位。

質量管理

蒙牛以「完美產品」作為質量管理發展的全新里程碑，以為消費者提供更安全、更健康、更富營養的產品作為戰略使命，致力實現消費者完美體驗。年內，蒙牛繼續以端到端的全產業鏈質量管理，層層把控奶源、生產、銷售等全產業鏈風險，建立從牧場到餐桌的全過程質量信息化系統，全面提升產品質量。蒙牛持續通過LIMS系統和SAP系統高效協同工作，並結合自身質量管理和實驗室管理體系，從原奶入廠、原輔料採購、生產製造過程到終端的全產業鏈提供智慧化、系統化的品質保障，實現產品在全產業鏈的質量控制點的正反向信息追溯。蒙牛並將LIMS-SAP系統拓展至整個產業鏈中，包括全面推廣至上海多美滋工廠、焦作植樸磨坊及壹清臨夏工廠等。

質量安全管理系統對標Danone集團的食品安全管理模式，持續完善覆蓋全產業鏈的食品安全风险的管理機制，建設具國際水平的數字化「食品安全質量即時監控平台」，全面覆蓋各牧場、生產工廠和銷售大區，即時監測每一環節的產品安全狀況。同時通過「食品安全雲」平台，將產品質量數據上載至雲端，實現牧場、工廠、市場的全產業鏈信息化，保持與監管部門及消費者透明的溝通。



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and Quarantine Bureau jointly implemented the “Quality and Safety Tracing System of Beijing Entry-Exit Inspection and Quarantine Bureau – Mengniu Project”, which involved the implementation and application of information tracing management system. Mengniu is the first dairy enterprise to join and be covered by the system.

Mengniu is a pioneer in China dairy industry in building a quality cloud platform, which provides advanced international management platform for Mengniu’s quality management systematization. During the year, supported by the salesforcePaaS cloud platform, Mengniu’s quality information assessment system QA-Cloud has permitted the Group to realize multi-platform interaction, dynamic monitoring of food safety and sharing and exchange of quality assessment index. With the system, Mengniu can communicate and interact real time with quality-relevant parties including Danone Group, which laid a solid foundation for advancing the quality informationization in the future. By strengthening internal review, using advanced quality analysis tools to analyze Big Data as collected via the Group’s quality risk warning system, the Group could timely grasp the quality trend and thus able to prevent quality risks. Mengniu has also been improving its quality management through the implementation of seasonal quality prevention management that entails warning and preventive control with regard to specific links in the entire industrial chain.

Mengniu has optimized a food safety security matrix which covers horizontally the entire industrial chain and vertically five major dimensions, namely standard specification, source management, process control, assessment improvement and digitalized assurance. General management covers six major dimensions, namely personnel, equipment, materials, environment, methods and inspection, forming a food safety security network system that guards all procedures. Through adopting procedural control and inspection means, products are given dual guarantee to their quality and safety standards. During the year, Mengniu started to develop a “One-stop Position Management System” to establish a scientific management mechanism for ensuring its business operations complying with quality management, food safety management requirements and relevant laws and regulations. Such a move can facilitate thorough implementation of the Total Food Security Quality Management (“TFSQM”) system that serves the entire industrial chain. And the Group’s “Quality 100 Talent” training platform has enabled it to groom teams of quality experts. Mengniu also worked with third party institutions on food safety monitoring, testing and studying food safety standards from the perspective of consumers’ nutrition and health.

二零一六年，蒙牛聯合北京出入境檢驗檢疫局實施「北京國檢局質量安全追溯系統蒙牛項目」，共同實施和運用信息化追溯管理系統，成為該系統首家上線乳品企業。

蒙牛首開中國乳業先河，打造質量雲平台，為蒙牛的質量控制系統化提供國際先進的管理平台。年內，依託salesforcePaaS雲平台，蒙牛質量信息化審核系統QA-Cloud實現多平台互動、動態監測食品安全以及質量審核檢索共用交互等功能。該系統實現與質量相關方，包括與Danone集團的實時溝通互動，為未來的質量信息化拓展打下堅實基礎。蒙牛加強內部審核，運用先進質量分析工具，分析本集團質量風險預警系統大數據，及時掌握質量的運行趨勢，預防質量風險。通過開展季節性質量預防管理，蒙牛對全產業鏈控制重點進行專項預警與防控，質量控制水平持續提升。

蒙牛優化完善了橫向覆蓋全產業鏈，縱向強化了「標準建設、源頭管理、過程控制、評價改善、數字化保障」五大維度的矩陣式食品安全防護網，實施覆蓋人員、設備、物料、環境、方法、檢驗檢測六個維度的全方位管理，形成全過程網狀食品安全防護體系，通過過程控制及檢測手段雙保險管控，確保產品符合質量與安全標準。年內，蒙牛開展管理體系「一站式崗位管理制度」的建設工作，形成科學管理制度，確保業務活動符合質量管理要求、食品安全管理要求以及法律法規管理要求，持續促進覆蓋全產業鏈的全面食品安全管理體系(Total Food Security Quality Management, 簡稱「TFSQM」)的深化與落實。同時通過質量100人才培養平台，培養質量專家隊伍。蒙牛與第三方機構開展食品安全監測合作，並從消費者營養健康角度出發研究與探索食品的安全標準。



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On quality management of milk sources, all of the Group's business divisions actively responded to the stricter national standards. In particular, they enhanced their self-inspection capability in four major areas, namely dairy cattle, milk, fodder and equipment, and at the same time, increased the frequency of inspection on milk suppliers and tightened inspection requirements as well. During the year, milk suppliers of Mengniu's various business divisions passed 100% the tests conducted by inspection organizations on samples of raw milk.

The operation quality management center has quantified the definition and benchmark of a "perfect product", and the assessment was carried out in various aspects of the product including its content, exterior packaging and consumer experience. Two interactive sessions to help the alignment of perfect product benchmarks throughout the entire industrial chain were organized during the year, the purpose of which was to ensure consumers would have an experience that exceeds their expectation. At the same time, the Group made sure it has full control over various operational stages such as formula design, packaging design, maintenance of production process and storage and delivery logistics, allowing it to boost the core competitiveness of its products with quality assured. Also, using Internet technology, Mengniu has built an online platform dedicated to craftsmanship standards and, taking reference of IBM's intelligent factory management resources, has come up with its own Total Quality Management ("TQM") analysis model. Moreover, it made technological innovation breakthroughs, empowering it for delicacy management and substantial reduction of quality safety risks. During the year, the laboratories in Jiaozuo, Shenyang, Ma'an Shan and Wuhan were examined by the China National Accreditation Service for Conformity Assessment, and worked with the authority on compiling the "Guidance on technical requirements of enterprise internal testing laboratory", helping to lead the development of accreditation procedures for in-house laboratories of Chinese enterprises.

The sales quality management center has further propelled construction of cold chain at the sales terminals by conducting qualification reviews and risks investigation on distributors to ensure proper execution of cold chain management standards by them. Risk assessments on distributors in respect of their operating qualifications for chilled dairy products was completed during the year. And, the cold chain temperature control system which was already in trial operation performed well. Mengniu continued to strengthen traceability of products from delivery out of plants to the point-of-sale, with tracking of key products and markets on weekly basis. It has compiled full product batch records for 80 major markets in the country and informationized technologies are applied in tracing major products. To help its partners enhance quality safety management, Mengniu has signed approximately 10,000

奶源質量管理工作方面，各事業部主動響應更高的國家要求，從奶牛、牛奶、飼料、設備四個維度提高自檢能力，進一步提高供奶方抽檢頻次以及抽檢要求，年內抽檢機構對蒙牛各事業部供奶方原奶樣品抽檢的合格率達100%。

營運質量管理中心量化「完美產品」的定義及指標，從產品內容物、外包裝、消費者體驗等方面進行多維度衡量，年內全產業鏈開展兩次完美產品對標互動，力求使消費者獲得超越預期的體驗。同時全面控制配方設計、包裝設計、生產過程維護、儲運物流控制等環節，在保證產品質量的前提下，全面提升產品核心競爭力。蒙牛利用互聯網技術建立工藝標準在線互聯平台，以及借鑒IBM智慧化工廠先進管理資源建立全面質量管理(Total Quality Management, 簡稱「TQM」)分析模型，同時突破革新技術，實現精細化管理，顯著降低質量安全風險。年內，焦作、瀋陽、馬鞍山、武漢實驗室接受中國合格評定國家認可委員會審核，並合作建立《企業內部檢測實驗室認可指南》，引領中國企業實驗室的認可工作。

銷售質量管理中心進一步推進終端冷鏈業務建設項目，對經銷商進行資質審核及風險排查，確保冷鏈管理標準落實到位。年內低溫品類經銷商經營資質風險排查已全面完成，已上線的冷鏈溫控試點市場系統均運行良好。蒙牛持續加強產品的可追溯性，貫穿從出廠到銷售終端的流通鏈，落實重點市場及產品按週追蹤，對全國80個重點市場已建立全批次記錄，將信息化追溯成果應用於重點產品追溯中。為了加強合作夥伴的質量安全



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letters of commitment in respect of food safety with distributors, with execution rate amounting to 100%, to assure the quality and safety of its products.

The first domestic ranch food safety standards, which were jointly developed by Mengniu and New Zealand state-owned enterprise AsureQuality, have been applied at 119 control points, focusing on food safety management in ranches. Mengniu, in collaboration with third party institutions, have conducted food safety reviews on operations of its strategic partners to identify potential defects and risks and offer remedies and improvement suggestions, thereby helping the Group's strategic ranches execute food safety management system to assure food safety at the source. In 2016, Mengniu assisted its five strategic partners, namely Modern Dairy, Fuyuan Farming, Shengmu Group, Saikexing Group and YuanShengTai Dairy Farm, to conduct food safety reviews over a total of 21 ranches. Mengniu, together with third parties, recommended to the National Animal Husbandry Service to use these standards as code of conduct applicable for the entire industry, targeting to improve the overall food safety management of the industry.

Development of milk sources

Mengniu continued to develop the “2020 Sustainable Ecosystem of Milk Sources”, and effectively promoted the improvement of the management techniques of milk suppliers with focus on five aspects – “Control of Regional Risk”, “Upgrade of Production Bases”, “SOP Standardization in Ranches”, “W-W Virtual Dairy Farming” and “P+ Project of Milk Source Bases”. By bringing in advanced international resources and technologies, as well as employing digitalization, informatization and other new technologies, Mengniu has continued to strengthen its milk sources foundation in aspects including deployment, structure, quality and technology, in order to optimize milk quality and minimize food safety risks. During the year, the percentage of Mengniu's milk sourced from standardized ranches and scaled farms reached 100%.

Braced by the advanced and century-long experience of Arla Garden in ranch management and heeding local conditions and situations, Mengniu has built the Mengniu Garden ranch management ecosystem to speed up construction of a modernized milk source system. The system has standards in relation to nutrients of raw milk, quality safety, animal welfare and the breeding environment that aligns with those of Arla Foods. During the year, Mengniu together with third party conducted food safety reviews on strategic milk supplying partners to make sure applicable food safety standards were implemented at strategic ranches and helped drive improvement of the overall level of food safety management in the industry.

管理，蒙牛與經銷商共簽訂約10,000份食品安全承諾書，簽訂率達100%，確保產品質量安全。

蒙牛與新西蘭國有企業AsureQuality共同合作的國內首個牧場食品安全保障標準已付實施，著重牧場食品安全管理，並落實至119個控制點。蒙牛聯合第三方公司對蒙牛的戰略合作夥伴開展食品安全審核工作，嚴查戰略牧場食品安全管理存在的風險漏洞並及時提出改進措施，推動戰略合作夥伴食品安全管理體系的落地，從源頭提升食品安全保障能力。二零一六年，蒙牛已經推進現代牧業、富源牧業、聖牧集團、賽科星集團及原生態牧業五個戰略合作夥伴共21個牧場的食品專項審核。蒙牛聯合第三方向畜牧總站推薦此標準技術規範作為行業規範，提升整體行業食品安全管控水平。

奶源建設

蒙牛持續推行「奶源2020可持續發展生態圈」，於五個方面包括「區域風險防控」、「基地升級改造」、「牧場SOP標準化」、「W-W虛擬牧業」、「奶源基地P+項目」積極促進管理技術的提升。通過引進國際先進的資源與技術，運用數字化、信息化和新技術，蒙牛從奶源的佈局、結構、質量、科技等方面持續夯實奶源基礎，提升牛奶質量，降低食品安全風險。年內，蒙牛規模化、集約化的奶源比例達到100%。

在Arla Garden先進的百年牧場管理經驗基礎上，蒙牛因地制宜構建蒙牛Garden生態牧場管理體系，加快建設蒙牛現代化奶源體系，在奶源營養、品質安全、動物福利以及蓄養環境等環節與Arla Foods對標。年內，蒙牛聯合第三方對戰略合作供奶方進行食品安全審核，確保牧場食品安全保障標準在戰略牧場的落地及推動行業整體食品安全管理水乎再上新高。



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Mengniu has adopted advanced ranch management SOP standard from Denmark-based Arla Foods, to help it fortify the foundation for establishing standardized ranches and strengthen its ability to apply delicacy management of technologies, and in turn enhance the operational capability of ranches in China. For the raw milk production chain, Mengniu cooperated with the National Dairy Industry Technology System, the SEGES (formerly known as Knowledge Center of Agriculture of Denmark) and expert ranch operators to establish the “Mengniu Ranch Technology SOP” for general application, and for specific regions, dedicated terms were drawn up with the help of regional experts across the nation. Ranches in different regions can apply SOP standards befitting the cattle rearing conditions of their respective regions to improve their operation and contribute to the healthy development of the country’s dairy industry.

During the year, Mengniu went ahead in full scope with promotion of the “W-W Virtual Dairy Farming” project, targeting to tighten cooperation with milk suppliers and improve operating performance of ranches. During the year, the project achieved coverage of more than 500 milk suppliers and approximately 80% of the front-line staff of milk sources department, and the concept of contractual responsibility was applied in selected ranches. Mengniu aligned the advanced assessment management system of Arla Garden with its own, focusing on four major modules namely source management, outcome assessment, technology management and financial management, to help milk suppliers effectively enhance profitability and minimize internal operating costs. The “W-W Virtual Dairy Farming” project was presented the “Second Class National Innovation Award” in 2016.

Guided by the central government’s “Grain to Fodder” policy, Mengniu has given support, in terms of capital aid and technical guidance, to ranches in the scientific use of corn silage in feeding. The use of silage in scaled farms has reached 100%, which effectively resolved the problem concerning the feeding of milk cattle. At the same time, to improve the overall milk cattle rearing husbandry standard in the country, Mengniu completed infrastructural upgrade during the year to improve the living environment of milk cattle, hence laid the foundation for enhancement of raw milk quality.

To strengthen supervision on and management of raw milk production at ranches, and gradually realize digitalized and intelligent management of raw milk production and the entire delivery process of raw milk, Mengniu implemented the “Ranch Monitor Project” in five selected business units in two major sales regions, namely northern China and Liaoning & eastern Inner Mongolia regions, during the year. The monitoring facilities in ranches were connected via the Internet with the business units’ monitoring terminals, enabling Mengniu to remotely monitor

蒙牛引入丹麥Arla Foods先進牧場管理SOP標準，進一步夯實牧場標準化建設的基礎和精細化技術管理能力，提高國內牧場營運能力。圍繞原奶生產鏈，蒙牛聯合國家奶牛產業技術體系、SEGES（前丹麥農業知識中心）以及業內專家牧場主，制定《蒙牛牧場技術SOP》的通用條款，並整合全國各區域專家意見，制定區域特殊條款，通過符合各地區養殖特點的SOP標準來指導不同地區的牧場提高運營水平，助力中國奶業健康發展。

蒙牛年內全面推廣「W-W虛擬牧業」項目，提升供奶方與本集團的合作緊密度及牧場運營水平。年內，項目共覆蓋逾500個供奶方及約八成奶源部門前線員工，對試點牧場進行責任承包。蒙牛全方位對標Arla Garden先進的評估管理體系，重點圍繞源頭管理、結果評價、技術管理、財務管理四大模組開展，有效提升供奶方盈利能力及降低內部運營成本。「W-W虛擬牧業項目」於二零一六年榮獲「國家創新二等獎」。

蒙牛還積極響應國家「糧改飼」的政策導向，通過資金扶持及技術指導全面推廣牧場科學飼餵全株青貯玉米的「糧改飼」項目，集約化牧場青貯覆蓋率已達100%，切實解決奶牛的飲食問題。同時，為改善中國奶牛飼養水平偏低的問題，蒙牛年內全面完成基礎設施改造，改善奶牛的居住環境，同時為原奶質量提升奠定基礎。

為加強牧場原奶生產的監督管理，逐步實現原奶生產至原奶運輸全程的數字化、智慧化管理，年內蒙牛將華北、遼蒙東兩個大區五個事業部作為試點實施「牧場監控項目」，將牧場監控設施與事業部監控終端進行網絡連接，實現對牧場的遠程物聯監控。該項目通過先進技術對牧場進行數字化管理，於年內在飼料庫、獸藥室、擠奶廳、化驗室、奶車等生產過程中的關鍵區域已實現全程物聯監控、原奶生產全程可追溯、可重播，從



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ranch operations using Internet-of-Things (“IoT”) technology. The project allows digitalized ranch management and IoT-enabled monitoring of key areas in the production process including feed storage, veterinary drugs room, milking hall, laboratory and milk transportation vehicles. As such, the entire production process of raw milk is traceable and can be reviewed, which can help assure the quality and safety of raw milk. In the future, Mengniu will keep optimizing the project and implement it in related facilities across the nation, hence realize seamless monitoring of ranch operations as well as lay a solid foundation for overall digitalized ranch management. Mengniu also developed the “Milk Vehicle GPS Project” during the year to strengthen safety management and lower safety risks during transportation of raw milk. As at the end of 2016, about half of its raw milk transportation vehicles had GPS positioning system and shooting lens installed, enabling visual tracking of transportation routes of the vehicles and any abnormalities on the way to guarantee safety of raw milk on its “last kilometer” transportation.

To safeguard the supply of *Milk Deluxe* and give full support to the strategic upgrade of *Milk Deluxe* products, Mengniu focused on implementing the “P+ Project of Milk Source Bases” in 2016. It promoted in full scope management measures in relation to three core technologies relevant to dairy cattle welfare, refined feeding and species improvement. Four management approaches – 10 rounds of experiments, devising of technological solutions, hiring exclusive contractors and pricing support, plus daily reporting of monitoring findings and warning mechanism were used.

Management system

In 2013, Mengniu adopted the SAP system to boost its management capabilities in six areas: precision marketing and in-depth sales channel management; integrated business and financial management platform; a responsive synergetic system for supply, production and sales; integrated quality management and gradually refined quality tracking; scientific and rational industry deployment, and highly effective management of procurement and logistics.

There are three phases in the roll out of the SAP project. The first was foundation implementation, which was completed in March 2015. Mengniu achieved integration of businesses throughout the entire supply chain, integration of finance and business functions as well as integration of production, supply and sales functions, enhancing substantially the level of standardization and transparency of Mengniu’s business data. On top of improving the efficiency of internal work-related undertakings, management and decision-making, the Group now has boosted strength in data mining and application.

而保障原奶質量安全。未來蒙牛將深入優化該項目並於全國整體實施運行，實現對牧場的無縫監管，為牧場整體數字化管理打下堅實基礎。此外，蒙牛於年內推行「奶車GPS項目」，加強原奶運輸途中的安全管控，降低安全風險。截至二零一六年年末，約一半的原奶運輸車輛已安裝GPS定位系統及攝像鏡頭，對原奶運輸車輛運輸路線及在途異常行為進行可視化監控，保障原奶運輸「最後一公里」的安全。

為保障特倫蘇供應需求，全面支持特倫蘇產品升級戰略，蒙牛於二零一六年重點推行「奶源基地P+項目」。圍繞奶牛福利、精細飼餵、品種改良三大核心技術，通過10期實驗、技術方案、專人承包、計價支持四大管理手段，同時以日報監控、信息預警雙重監控機制全面推廣。

管理系統

蒙牛於二零一三年引入的SAP系統旨在提升六個方面的管理能力：精準營銷及深度渠道管理、業務與財務一體化的管控平台、快速反應的供產銷協同體系、集成的質量管理與逐步完善的質量追溯、科學合理的產業佈局和高效的採購及物流管理。

SAP項目整體規劃分三個階段，第一階段為基礎夯實階段，已於二零一五年三月圓滿完成，實現了蒙牛供應鏈全鏈條業務一體化、財務業務一體化和產供銷業務一體化，大大提升了蒙牛業務數據的標準化程度和透明度，在提升內部工作效率、管理效率和決策效率的同時，實現進一步的數據挖掘和數據應用。



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The second phase involves operational refinements for roll out between 2015 and 2016. It includes four sub-projects, namely Business Intelligence (“BI”), Plant Maintenance (“PM”), Integration of Business and Finance of Sales Company (“IBFSC”) and Finance Shared Service Center (“FSSC”).

The BI marketing project was officially launched in June 2016. The BI system analysis platform provides access to real time sales data of different brands and product categories to facilitate related decision-making. The Group can thus monitor sales and expenses data timely and strengthen sales-end control, freeing the Group from the conventional analysis approach based on single business.

Mengniu is the first dairy enterprise in China to have a FSSC running on a mature operational model. In February 2016, it officially commenced phase II of the FSSC project. Currently, all production plants are FSSC-covered. On the back of innovative SAP-SSF (Share Service Framework) technology, business and finance systems of the Group are now connected and a solid foundation has been laid for establishing shared service centers for human resources, information technology and procurement functions. The FSSC platform provides full support to financial management and will continue to push for procedural upgrades of the center, so as to help the Group improve its management model, intensive cost saving, technology integration and innovation, as well as business transformation, etc. In 2016, the project received the “Best IBM Practice Project of the Globe IBM” award and the “2016 Best Innovation and Practice Prize in SAP Consumers Goods Industry 2016 SAP”.

Also, to enjoy the economies of scale in procurement and to strengthen its management standard, core the competitiveness and risk resistance, Mengniu commenced the Supplier Relationship Management (“SRM”) project in April 2016, the purpose of which is to provide systematic support to members of the Group to better establish and execute their procurement strategies via developing an efficient, centralized and integrated supplier and procurement information management platform. The platform built over six months was launched in October 2016 giving the Group a centralized procurement tender management platform, a supplier management platform and a supplier portal. The Group’s contract management platform and SAP-ERP (Enterprise Resource Planning) system are effectively connected, permitting centralized purchasing of consumables via the system thus improving the efficiency of every procedure in the procurement process.

第二階段為二零一五至二零一六年精細營運階段，包括四個子項目，分別是商務智能項目（Business Intelligence，簡稱「BI」）、設備管理項目（Plant Maintenance，簡稱「PM」）、銷售公司業務財務一體化項目（Integration of Business and Finance of Sales Company，簡稱「IBFSC」）和財務共享中心項目（Finance Shared Service Center，簡稱「FSSC」）。

BI營銷項目已於二零一六年六月正式上線。利用BI系統分析平台即時獲取各品牌、品類的銷售數據和決策支援，本集團實現快速監測銷量、費用，加強終端管控能力，突破原有傳統單一業務分析的慣性思維。

蒙牛財務共享中心擁有一步建成的成熟運營模式，為中國乳品企業第一家財務共享中心。蒙牛於二零一六年二月正式啟動了FSSC項目二期，目前全部生產基地已納入財務共享中心。在全面應用SAP-SSF(Share Service Framework)創新技術的基礎上，全面打通了業務、財務系統，同時為本集團後期建立人力共享、IT共享、採購共享奠定了堅實的基礎。財務共享平台全面支持財務管理，並將持續推進共享中心流程變革，為本集團管控模式、成本集約、技術融合與創新及變革轉型等方面帶來效益提升。二零一六年，項目榮獲「IBM全球最佳實踐項目」及「2016 SAP消費品行業最佳創新實踐獎」。

此外，為更有效地實現本集團採購的規模效益，提升管理水平、核心競爭力和抗風險能力，蒙牛於二零一六年四月啟動了供應商關係管理（Supplier Relationship Management，簡稱「SRM」）項目，搭建高效、統一、集成的供應商及採購管理信息平台，為本集團內各單位更好地制定和執行採購策略提供系統支援。經過六個多月的建設，平台已於二零一六年十月上線，建立了本集團統一的採購招標管理平台、供應商管理平台和供應商門戶；有效銜接合同管理平台和SAP-ERP (Enterprise Resource Planning)系統；實現電腦目錄式採購物耗，提升各環節效率。



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Currently, the project is in its third phase, going through coordination work and optimization, being improved and adjusted based on actual situations encountered during implementation.

One of the main informatization endeavors of the Group in 2016 was to build a sales information management platform, therefore the construction of region-wide SAP and Wei Sales Platform (“WSP”). SAP+WSP was launched during the year offering the Group a closed-loop model for direct sales channel management that covers sales execution, operation and financial settlement functions. It was quickly promoted countrywide to help physical sales entities effectively implement their operating systems. Mengniu promotes both SAP and WSP at the same time, as the two together can integrate front-end sales execution and back-end business operation, putting them in a closed-loop system for comprehensive management, allowing effective control over critical business procedures. It also provides Mengniu a stronger foundation for pursuing regional business expansion.

With the help of partners in the ecosystem, the Group integrated resources from different segments and completed construction of the southern and northern data centers during the year, in other words, the “Heart of Mengniu Digitalization” has started beating. In 2017, Mengniu will continue to push forward construction of the “Mengniu Cloud” to provide fast and reliable IT infrastructure sharing service to its different business segments, which will reduce the overall cost the Group incurs for its information system and lay a solid foundation for the Group to develop in the “Internet+” market environment.

Branding Strategy

Taking advantage of its access to first-class resources worldwide, Mengniu continued to push for “internationalization” and “digitalization” in its innovative strategic layout targeting to enhance its brand value all-round. Adhering to its “A Little Happiness Matters” brand concept, Mengniu mounted a wide array of interactive marketing activities on three major platforms – food, sport and entertainment – to help it relay messages of living healthy and the concept of happiness to consumers.

Mengniu has been a strategic partner of China’s aerospace program for 13 years, during which it has provided high quality dairy products to astronauts and aerospace workers in the country. It has kicked off an “aerospace probiotics program” and developed its proprietary BBMN68 Bifidobacterium Lactis (BL) that was taken into space in Shenzhou 11 for experiments to explore the possibilities in upgrading the nutritional value of dairy products. Mengniu launched a series of aerospace themed activities under the “Support China, Excel in Space” banner, to share with consumers the joy of the successful launch of Shenzhou 11. With the support of integrated online and offline promotions, the activities attracted tremendous

目前蒙牛已全面進入第三階段，即協同優化階段，根據項目實際執行情況進行局部優化及調整。

建設實體大區SAP與微銷售(Wei Sales Platform，簡稱「WSP」)，打造本集團銷售信息化管理平台是二零一六年蒙牛信息化建設的重點工作之一。年內SAP+WSP成功上線，形成從銷售執行、運營到財務結算全面的直營渠道閉環管理模型，並快速推廣至全國，協助實體銷售單元運營體系落地。蒙牛同步推廣SAP+WSP雙項目，整合前端銷售執行和後端業務運營，形成全面閉環管理，對業務流程關鍵點進行有效管控，為蒙牛做實大區夯實了信息化基礎。

憑藉生態圈合作夥伴協助，本集團整合各板塊資源，並於年內完成南北數據中心建設工作，標誌著「蒙牛數字化心臟」的正式落成。二零一七年將繼續推進「蒙牛雲」建設，為本集團各業務板塊提供快速、可靠的IT基礎設施共享服務，降低企業信息化系統整體成本，為蒙牛在「互聯網+」的市場環境中打下堅實基礎。

品牌策略

借助全球頂級資源優勢，蒙牛持續深化「國際化」及「數字化」的創新戰略佈局，全方位提升品牌價值。蒙牛秉承「只為點滴幸福」的品牌理念，圍繞「美食、運動、娛樂」三大平台展開多元化互動營銷，將健康的生活方式、幸福的理念傳遞給消費者。

蒙牛作為中國航天事業戰略合作夥伴，13年來持續為中國宇航員和航天工作者提供高品質乳製品。蒙牛啟動「航天菌種計劃」，自主研發菌種「長雙歧杆菌BBMN68」搭載神舟十一號載人航天飛船開展太空科研，探索未來乳品營養升級的無限可能。蒙牛開展「助力中國，牛到太空」航天主題營銷活動，配合線下終端以及電商平台進行營銷推廣，與消費者共享神舟十一號成功發射的喜悅，迅速引起廣大消費者關注，強化蒙牛高科技、高



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consumer attention and helped boost Mengniu's high-tech and high quality brand image. In 2016, the China Space Foundation awarded Mengniu the "Special Award for Contributions to China's Space Program", a clear recognition of Mengniu's strengths and quality in the aerospace aspect.

Mengniu and NBA China are long-standing strategic partners. The two parties have been devoted to promoting basketball culture and the healthy lifestyle of "more milk and more sports" and have cooperated closely in many areas to realize their respective brand value. In 2016, Mengniu initiated the 3V3 National University Basketball Challenge Match, which attracted participation of basketball fans in 48 universities in 12 cities. The champion team won the chance to visit the NBA overall champion, the Cleveland Cavaliers. The event has continued to elevate the influence of Mengniu among young consumers in China. During the NBA Global Game period, Mengniu and NBA China rolled out interactive activities themed "Friends for 10 years, A little happiness matters". Those activities resonated with basketball fans, bringing back for them memories about basketball and healthy living in the past decade. In addition, Mengniu was authorized to use the NBA logo on the packaging of its products and launch unique milk products in China with NBA elements incorporated in the package design to strengthen basketball fans' sense of affiliation to Mengniu.

Taking advantage of the 2016 Rio Olympics, Mengniu, together with its three sports champion ambassadors Jiao Liuyang, Wang Shun and Liu Xiang, initiated the "Tri-Champion Standards" brand proposition to support Chinese athletes taking part in the Rio Olympics. *Champion* mounted a large-scale marketing campaign themed "Everyone is Champion, Excel in Rio". The various marketing events put *Champion's* champion spirit in the news spotlight and the series of related activities that promoted sports and exercises gave consumers memorable experiences in relation to the *Champion* brand. *Champion* also cooperated with Rejoice Sport, a quality sport platform, on a running and accumulating mileage online activity, which was very well received and attracted the participation of a huge number of consumers, thus helping *Champion* build its champion brand image. In addition, Mengniu collaborated with Sina on a running event named "Excel in Rio, Run China", with activities organized in 100 cities nationwide featuring five nature-related themes – Blossoms, Ocean, Forest, Morning Light and Lake – to advocate exercise for all and convey its "High quality milk is definitely pure" brand value, letting participants experience the happiness of being with nature and exercising. Mengniu has married the value of sports with the pursuit of high nutritional standard in milk and is supporting consumers as a provider of nutritional dairy products.

質量的品牌形象。二零一六年，蒙牛更獲中國航天基金會授予「中國航天事業特別貢獻獎」，蒙牛的航天品質實力獲得高度肯定。

多年來，蒙牛已與NBA中國建立長期戰略合作關係。雙方致力在中國推廣籃球文化和「多喝牛奶多運動」的營養健康的生活方式，在多個領域開展深度合作，實現雙方品牌價值。二零一六年蒙牛開展全國校園3V3籃球挑戰賽，吸引12個城市48所高校的大學生籃球愛好者參與，冠軍隊伍獲得NBA總冠軍克利夫蘭騎士隊游學機會，該活動持續提升蒙牛在年輕消費者的品牌影響力。NBA國際系列賽期間，蒙牛與NBA中國以「十年友你，只為點滴幸福」為主題，引發眾多球迷情感共鳴，喚起他們過去10年關於籃球和健康生活的點滴記憶。此外，NBA中國授權蒙牛在產品包裝設計上使用NBA標識，在中國市場推出包裝設計中含有NBA元素的蒙牛品牌的定制牛奶，深化球迷對蒙牛品牌的歸屬感。

蒙牛借勢二零一六年里約奧運會，攜手焦劉洋、汪順、劉湘三位冠軍代言人，啟動「三冠標準」品牌主張，助力奧運健兒出征。冠益乳展開「全面奪冠，牛到里約」的大型奧運營銷活動，通過新聞事件傳播，將冠益乳的冠軍態度最大化；以一系列豐富多彩的健身運動深化品牌體驗；同時與優質運動平台悅動圈合作，進行線下跑步線上積累運動里程活動，獲廣大消費者熱情參與及好評，打造冠益乳的冠軍品牌形象。此外，蒙牛以跑步沸騰國民，攜手新浪打造「牛到里約，跑動中國」活動，在全國100座城市中展開，涵蓋花海、海洋、森林、晨光、湖光五大自然主題。蒙牛通過百城自然跑提倡全民運動生活理念，傳遞「好牛奶自然純」的品牌價值，令參加者感受自然和運動帶來的幸福體驗。同時，蒙牛將對牛奶營養標準的追求融入運動價值，為消費者提供強力的營養支援。



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The strategic alliance with Shanghai Disney Resort, which opened in June 2016, represented another milestone for Mengniu in taking its brand international. As the official dairy provider of Shanghai Disney Resort, Mengniu has an integrated brand presence at a variety of locations in the resort. Meanwhile, visitors from all over the world can enjoy Mengniu's quality products including milk, yogurt and ice cream in the resort. Many innovative delights are exclusively created for Shanghai Disney Resort, such as *Mickey's Ice Cream Classic*, *Minnie's Sweet Treat* and *Donald's Duckburg Ice*. In addition, Mengniu also launched several themed marketing campaigns with the resort, such as the "Happy Start to a Wonderful Journey" marketing activity featuring *Future Star* from June to July 2016 and the "A Wonderful Journey to Happy Festivals" activities between September and October 2016 to that coincided with Mid-Autumn Festival and National Day celebrations.

Innovation has been the driving force behind *Milk Deluxe* product upgrades, explaining its leadership in the development of premium UHT milk in China. Mengniu has redefined "premium" by enhancing the nutritional standard of all *Milk Deluxe* products and appointed the famous artist Chen Daoming as its ambassador, who perfectly represents its "New Nutrition Level Makes a Better Life" brand essence. Using the new media and offline activities combined, *Milk Deluxe* gained considerable exposure for its products and built for itself a high-end brand image that stands for "golden quality". Consumers responded very positively to *Milk Deluxe*'s marketing efforts for its upgraded new products, with those efforts winning for the Group the "Best Integrated Social Marketing Case – Gold Award" at the "China Content Marketing Awards Ceremony Gold Award".

上海迪士尼度假區於二零一六年六月盛大開幕，與上海迪士尼度假區建立戰略聯盟標誌著蒙牛品牌國際化的又一里程碑。蒙牛作為上海迪士尼度假區的官方乳品供應商，在度假區內不同位置均呈現綜合品牌。同時，來自世界各地的遊客能在度假區享受蒙牛高品質的牛奶、酸奶、冰淇淋等產品。蒙牛更為上海迪士尼度假區打造多個創新制定產品，包括米奇經典冰淇淋、米妮趣夾心冰淇淋、紳士唐納德蘇打冰棒等。此外，蒙牛與上海迪士尼度假區舉辦了多個主題營銷活動，如二零一六年六月至七月在園區內開展「奇妙旅程，快樂出發」未來星主題營銷活動；二零一六年九月至十月，開展「幸福佳節，奇妙旅程」蒙牛中秋國慶主題營銷活動。

特倫蘇一直以創新帶動產品升級，引領中國高端UHT奶的發展。蒙牛通過提升特倫蘇全線產品營養標準，二次定義「高端」，並以著名藝術家陳道明作為代言人，完美詮釋特倫蘇「營養新高度，成就更好人生」的品牌內涵；結合新媒體及線下活動製造話題，提升產品曝光率，打造「金牌品質」的高端形象。特倫蘇升級新品的營銷策略獲得廣大消費者的積極迴響，並取得「中國內容營銷盛典金成獎」之「最佳社會化整合營銷案例獎金獎」的殊榮。

特倫蘇

营养新高度
成就更好人生

3.6g 120mg
优质乳蛋白 原生高钙

品质升级

牛奶

不是所有牛奶都叫特伦苏



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Just Yoghurt again worked with Hunan TV, tapping into the popular prime-time variety show “Run for Time” in its second season to plant brand elements in the show setting. And, with strong ties to the show forged through its ambassador, awareness of the brand was markedly enhanced at the influence of fans of the show. At the same time, by sparking hot discussions on WeChat and Sina Weibo and interacting with consumers, the mass consumers came to appreciate the concept of “No additives, pure and delicious taste” of the brand and such appreciation turned into sales. *Just Yoghurt* also instilled its brand presence into the movie “The Mermaid”, which won for it the “Best Video Content Marketing Case – Silver Award” at the “China Content Marketing Awards Ceremony Gold Award” in June 2016.

In June 2016, Mengniu cooperated with the Hollywood production “Independence Day: Resurgence”. It demonstrated innovation in product development and created “Mengniu Moon Milk”, which was seamlessly embedded in the movie, taking cooperation between Chinese brands and Hollywood movies to a new height. In addition, Mengniu embarked on a series of comprehensive online and offline movie-themed communications, which successfully grabbed the attention of young consumers and also strengthened the high-tech and high quality image of Mengniu’s products befitting for consumption by Chinese astronauts. Through perfect integration of Mengniu Moon Milk with the movie and entertainment resources, Mengniu’s “Independence Day: Resurgence” integrated marketing program won the “2016 Best Innovative Marketing Award – Gold Award 2016” at the China Innovative Marketing Award, the “Annual Marketing Communication – Case Award” and “Innovative Interaction – Gold Award” at the China Advertising Great Wall Awards – Advertisers Awards, the “Non-alcohol and Non-carbonate Beverage Bronze Award” and “Single Effect Interactive Communication Bronze Award” at the Greater China Effie Awards and other awards in 2016.

Mengniu organized a charitable campaign named “Salute to Great Parents” that echoed with the focus of its *Awakening Youth Milk* brand on the nutrition and health of the middle-aged and elderly. The campaign had the support of ambassadors including

純甄與湖南衛視再度合作，以王牌綜藝節目《全員加速中》第二季刷新娛樂營銷的新高度，將品牌元素通過多種形式植入場景模式，並通過代言人深度綁定節目，實現幾何擴散的粉絲影響力，品牌認知度得以顯著提升。與此同時，透過微信、新浪微博創造熱話，與消費者構建互動體驗，使消費者對「不添加的純真好味道」的品牌理念產生共鳴，並引導購買，帶動產品銷售。純甄還通過《美人魚》電影植入品牌氣質，於二零一六年六月榮獲「中國內容營銷盛典金成獎」之「最佳影視內容營銷案例獎銀獎」。

二零一六年六月，蒙牛與好萊塢電影《獨立日：捲土重來》全方位深度合作，將產品創意化展現，打造出「Mengniu Moon Milk(蒙牛月球牛奶)」，自然貼切地將產品融入電影情節，將中國品牌與好萊塢大片的合作提升到新高度。此外，蒙牛圍繞電影主題開展一系列線上線下全方位傳播，成功吸引年輕消費者關注，更深化蒙牛產品作為中國航天員專用乳製品的高科技、高品質形象。憑藉 Mengniu Moon Milk與電影娛樂資源的完美融合，蒙牛《獨立日：捲土重來》整合營銷項目在二零一六年榮獲由「中國創新營銷大獎」頒發的「2016年度最佳行業創新營銷案例獎—金獎」、由「中國廣告長城獎廣告主獎」頒發的「年度營銷傳播—案例獎」及「創意互動—金獎」以及由「大中華區艾菲獎」頒發的「飲料非酒水非碳酸類銅獎」及「單一影響互動傳播銅獎」等多個獎項。

蒙牛依托旗下專注中老年營養健康的煥輕品牌開展「致敬偉大」關愛父母公益活動，邀請明星代言人、社會精英及本集團內不同崗位的蒙牛人為該活動代言，通過社交媒體上的廣泛傳播提升煥輕



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celebrities, social elites and staff members of Mengniu in different positions. And, through the social media, this campaign was widely publicized and the *Awakening Youth Milk* brand gained vigor and fame, while encouraging more people to care about their parents. Furthermore, the *Awakening Youth Milk* brand has also integrated the resources of the Chinese national swimming team, with the products supplied to the parents of the swimming team members and the coaches, showing Mengniu's care for the heroes behind the "champions" and highlighting the brand spirit and character of *Awakening Youth Milk*.

Mengniu was the title sponsor of "Chef Nic", a leading food variety show that boasts high rating nationwide, for two years in a row. The program through delicious foods inspires people to "live the essence of life" and Mengniu through the program advocated the "Healthy Intestines Keep You Young" brand proposition of *Yoyi C* encouraging people to live healthy and happy and setting a new standard for the pursuit of quality living. The *Yoyi C* brand was incorporated into the show in various forms, and was complemented with interactive marketing via both online and offline communications. *Yoyi C* also made use of different social media platforms to roll out a series of interactive activities surrounding highlights of the show for fans, aiming to boost its brand influence.

Suan Suan Ru became the title sponsor of "Super Girl" in 2016. With classic IP as its vehicle, Mengniu explored new online marketing approaches in association with the reality show in the new Internet era. *Suan Suan Ru* was the first in the industry to adopt the one barcode per pack technology to connect product marketing with the voting activities of "Super Girl", forging close ties between the product and the program and stimulating actual sales. At the same time, offline caravan roadshows were presented bringing with it the contestants to communicate with brand consumers, turning fans of the show into patrons of the brand and in turn driving sales. That was a new example of cooperation between reality shows and brands in the new Internet era.

Future Star is the first milk product designed specifically for kids in China. In cooperation with the movie "Ice Age: Collision Course", it introduced the Ice Age limited edition packaging and engaged a host of different channels, including video and print, for marketing, building its premium image as a quality brand that helps children grow healthily. The movie with ice and coolness as elements also gave marketing leverage to Mengniu's *Ice+* products. The Group put out Ice Age limited edition *Ice+* products and mounted a variety of supportive promotion that succeeded in catching the eyes of many fans of the movie. It offered consumers soothingly cool products in the hot summer and received commendation from the partner.

品牌的活躍度和美譽度，喚起更多人一起關愛父母。同時，*煥輕*品牌還整合國家游泳隊資源，通過為游泳隊員的父母及教練專供煥輕產品，關注「冠軍」背後的英雄，傳遞煥輕品牌態度及專屬產品屬性。

蒙牛連續兩年冠名高收視率的綜藝美食節目《十二道鋒味》，通過美食啟動人們「活出鋒味」的生活感悟，提倡優益C「腸活動，常年輕」的健康樂活的生活主張，刷新人們對質量生活的追求。蒙牛在節目中多元化植入優益C品牌，聯同線上線下雙向傳播，實現互動營銷。同時，借助不同社交媒體平台，優益C為節目粉絲們推出一系列圍繞節目亮點的互動活動，與消費者構建互動體驗，提升優益C的品牌影響力。

二零一六年蒙牛酸酸乳冠名《超級女聲》，搭載經典IP，通過全新互聯網時代的真人秀節目進行互聯網化新探索。酸酸乳在行業中首次採用一包一碼技術，打通產品銷售及超女投票活動，將產品與活動深度結合，使品牌營銷活動切實拉動銷售；同時開展線下大篷車路演，將選手送到線下，與品牌消費者深度交流，將活動粉絲轉換為品牌消費者，拉動終端銷售，創造了互聯網化真人秀與品牌合作的新案例。

未來星作為中國第一款專業兒童牛奶，攜手電影《冰川時代5：星際碰撞》強勢合作，推出冰川時代限量版包裝，進行視頻及平面媒體相結合的多渠道傳播，打造助兒童健康成長的優質品牌形象。蒙牛並乘勝追擊，貼合電影《冰川時代5：星際碰撞》受眾，藉著電影的冰涼元素與冰+產品賣點緊密結合，推出冰川時代限量版冰+產品並精準展開豐富多彩的宣傳活動，引發大量粉絲關注，為消費者在炎夏帶來無限冰爽體驗，並獲得合作方的讚賞。



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Based on consumer Big Data research findings, Mengniu and JD upgraded strategic cooperation and jointly created the new brand *Tianxiaohai* that has unique Internet genes. The “Advisor Office of the *Tianxiaohai*” was set up online which kept coming up with interesting marketing topics and events and, via live shows featuring Jiang Jinfu, daily humorous Weibo and WeChat messages and videos, etc., communicated with and touched the heart of young consumers from various aspects. With humor and a sense of ease, the marketing activities helped publicized the positive and optimistic “Drink Sweet, Be Happy” life attitude.

The first high quality “Internet milk” (sold exclusively online) – *Hi Milk* which Mengniu launched jointly with its “Star Partner” the singer group Yu Quan contains 3.6g of lactoprotein per 100ml of milk. The product harvested tremendous success in IP customized marketing in 2016. Special packaging was launched respectively for the “Angry Birds” animated movie, the movie adapted from the best-selling book “Time Raiders” and the launch of the Logitech mouse, which were all hailed high among consumers. *Hi Milk* garnered many international honors in 2016, including two awards – “Best Dairy Product” and “Best Packaging of Dairy Products” – at the 10th Global Dairy Congress, and the “iF Product Design Award” dubbed the Oscar in the product design field, symbolizing the high acclaims Mengniu enjoys internationally for its innovative product designs.

Mengniu will continue to put consumers first and, through innovative marketing, rally the support of consumers to its brand value building efforts, thereby create for itself a more forward-looking and younger brand image.

Sales Channels

Mengniu pushed forward with pragmatism the reform direction that emphasizes “vertical flattening, horizontal integration, function optimization and enhancement of sales regions”, strengthened its RTM project and created an operation mode centered around distributors and developed together by distributors, sales companies and the CBU. With role and responsibility system improved and management mechanism implemented, the regional entities set up were able to fully deliver their functions. By increasing the number of its business representatives and distributors and employing system tools to standardize operations, Mengniu was able to carry out standardized management throughout its retail network. Furthermore, through establishing direct sales teams and strengthening their capacities in serving point-of-sale directly, Mengniu has been gradually boosting point-of-sale control and its core competitiveness, giving it a solid foundation for building an omni-channel delicacy management system.

依托消費者大數據研究，蒙牛與京東升級戰略合作，共同創出具有獨特互聯網基因的新品牌—*甜小嗨*。運用線上營運模式，打造「*甜小嗨*解憂事務所」，不斷製造趣味營銷話題和事件，通過蔣勁夫系列直播、日常搞笑微博微信及視頻等優質內容，多維度與年輕消費者進行情感溝通，以輕鬆幽默手法傳播「喝點甜的，小嗨一下」的積極樂觀的生活態度。

蒙牛攜手「明星合夥人」歌手組合羽泉聯合推出的首款高質量互聯網牛奶*嗨Milk*純牛奶，每100毫升富含3.6克乳蛋白，並於二零一六年在IP定制化營銷方面大放異彩，與電影《憤怒的小鳥》、暢銷小說《盜墓筆記》改編的電影以及羅技滑鼠分別推出了聯合制定包裝，受到消費者的廣泛認可與歡迎。*嗨Milk*純牛奶於二零一六年榮膺多項國際殊榮，包括由第十屆全球乳製品大會頒發的「最佳乳品」和「最佳乳品包裝」兩大獎項，以及素有產品設計界奧斯卡之稱的「iF產品設計獎」，標誌著蒙牛創新的產品設計獲國際市場的高度評價。

蒙牛將繼續以消費者為中心，通過營銷模式的創新，拉動消費者一同打造品牌的核心價值，打造更具前瞻性和年輕化的品牌形象。

銷售渠道

蒙牛務實推進「縱向扁平、橫向整合、完善職能、做實大區」的變革方向，強化RTM項目，全力打造以經銷商為主體，經銷商、銷售公司、CBU共同發展的運營模式。建立區域實體公司，完善權責體系，落實管理機制，充分發揮區域實體公司的功能。透過增加蒙牛和經銷商業務代表，運用系統工具進行標準化作業，對零售網點實行標準化及一體化管理。此外，通過建立直營銷售團隊、培養團隊直接服務零售終端的能力，蒙牛逐步強化對零售終端的掌控力，打造市場核心優勢，為蒙牛全渠道精細化管理體系奠下穩固的基礎。



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Mengniu uses the WSP project to manage sales personnel's work at the point-of-sale, applying a closed-loop management system that covers from objective setting to sales execution. The project performs such functions as standardizing sales visits, setting parameters for management of employee attendance, guiding target management, carrying out standardized management, and collecting and analyzing real-time point-of-sale data. Armed with the advantages of access to basic information and data and having standardized operational procedures, WSP helps connect the relevant functions of different business segments in the internal operation of the sales system, and as such contributes to channel management upgrade and the professional, regulated, standardized and integrated management of the overall system platform. The WSP project has been promoted by Mengniu in full scope to sales companies and the CBUs.

By enhancing the overall Key Account ("KA") management structure, Mengniu has enabled closer exchange and communication among the different parties in three-tier organizational structure – the client teams at the headquarters, key account teams at sales regions and the distributor KA teams. Mengniu has established a customer data analysis platform for major point-of-sale of the key accounts, by which it closely monitored each point-of-sale of major customers and product delivery rate data, giving it a full grasp of and control on sales progress at each outlet and also boosting its responsiveness to changes in consumer demand, as well as linking it seamlessly with retailers. The platform also provided reference for effective sales decision making for achieving sales targets. In addition, Mengniu adopted differentiated marketing strategies, launching products and marketing activities customized according to the characteristics of major customers, thus created new growth opportunities in line with local conditions. By forming strategic alliance with major retailers, Mengniu was able to direct limited resources to key markets and product categories, building together with retailers a win-win platform for the business ecosystem. At the same time, Mengniu has kicked off in full scale an enhancement program for the convenience store sales channel pinpointing such areas as product structure, pricing system, delivery logistics, customization and marketing.

蒙牛運用WSP項目管理終端銷售人員在終端售點的作業，從目標到銷售全過程採用閉環式管理。其功能包括實行標準拜訪步驟、規範考勤管理、指導指標管理，開展標準化管理以及對終端實時進行準確的數據收集及統計分析。WSP統一基礎信息數據和標準化作業流程的優勢，有助於連接與互通銷售系統內部運營中各項業務模塊，助力渠道管理升級，實現整體系統平台專業化、規範化、標準化及一體化管理。現時，蒙牛已在銷售公司及CBU全面推廣WSP項目。

通過全面提升關鍵客戶管理架構(Key account，簡稱「KA」)，蒙牛加強總部客戶經理、大區重點客戶專員及經銷商KA團隊的三層級組織緊密交流。蒙牛搭建重點零售客戶售點數據分析平台，緊密監控重點客戶每個零售點及到貨率數據，全面掌控賣場銷售進度，提升應對消費者需求變化的能力，實現與零售商無縫對接；同時為銷售決策提供依據，助力達成銷售目標。此外，蒙牛執行差異化營銷策略，針對各個重點零售客戶的不同特點，推出定制產品和營銷活動，通過多元化的營銷方式因地制宜打造新的增長機會。透過與重點零售商構建「零供戰略聯盟」，蒙牛將有限資源投入到重點市場和品類中，共同打造生態圈的合作共贏平台。同時，蒙牛全面啟動便利店渠道銷售提升項目，從產品結構、價格體系、物流配送、定制化、粉絲營銷等多方面實施改善計劃。



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With an appreciation of the power of the Internet, Mengniu is forging ahead with expanding e-commerce sales channels and connecting with consumers through all possible means. During the year, Mengniu consolidated its business layout on quality e-commerce platforms and signed strategic cooperation agreements with Tmall and JD. Currently, its products are sold on all major e-commerce platforms in China including Tmall, JD, Yhd.com, Suning and Womai.com. In 2016, Mengniu recorded outstanding results on e-commerce platforms. Thanks to well-tailored traffic plans and marketing efforts to zest up demands, Mengniu attracted considerable consumer attention during the “Double 11” period, achieving sales totaling near RMB100 million, and snatched the top spot in sales on major e-commerce platforms such as Tmall and JD.

Mengniu has been expanding its overseas business footprint actively. It now sells products in oversea markets such as Hong Kong, Macau, Mongolia, Myanmar and Singapore. The room temperature products included Pure Milk, Low-Fat High Calcium Milk, *Milk Deluxe*, *Fruit Milk Drink*, *Just Yoghurt*; and the chilled products included mainly *Yoyi C*, and ice cream product brands such as *Deluxe*, *Suibian* and *Mood for Green*, etc. Mengniu further adjusted its product structure and carried forward the introduction of chilled products and ice cream products into the market. Also, Mengniu increased product exposure and stimulated sales by employing diverse and innovative promotion activities. It achieved good sales performance in Hong Kong and Macau, and other overseas markets during the year.

FINANCIAL REVIEW

Revenue

Benefiting from the upgrade in product structure and brands, and active promotion and marketing efforts, the Group's total revenue for 2016 was RMB53,779.3 million (2015: RMB49,026.5 million), representing an increase of 9.7% year-on-year. Excluding Yashili, the Group's revenue increased by 10.2% to RMB51,576.0 million (2015: RMB46,814.7 million). Products with greater contributions to revenue growth were *Milk Deluxe*, *Just Yoghurt* and *Mengniu Pure Milk*.

藉著互聯網思維，蒙牛全力拓展電商銷售渠道，與消費者全方位互聯互通。年內，蒙牛深化在優質平台的電商業務佈局，與天貓及京東平台簽署戰略合作協議。現時，產品已全面覆蓋中國的主流電商平台，包括天貓、京東、1號店、蘇寧、我買網等。二零一六年，蒙牛在各電商平台創造佳績，通過流量佈局及營銷預熱，於雙十一期間成功吸引大量消費者關注，拉動近億元人民幣的銷量，更在天貓、京東等各大電商平台的旗艦店問鼎銷售冠軍。



蒙牛積極佈局海外業務版圖，產品現已涵蓋香港、澳門、蒙古、緬甸及新加坡等海外市場。常溫產品包括純奶、低脂高鈣奶、*特侖蘇*、*真果粒*、*純甄*；低溫產品主要為優益C；冰淇淋產品包括蒂蘭聖雪、*隨變*、*綠色心情*等。蒙牛進一步推動產品結構的調整，推進低溫品類和冰淇淋產品上市；同時透過展開多元創新的營銷推廣，增加品牌曝光度，成功拉動銷售，年內港澳及海外銷售表現理想。

財務回顧

收入

受益於產品結構及品牌升級及積極營銷推廣，本集團二零一六年總收入為人民幣537.793億元（二零一五年：人民幣490.265億元），同比增長9.7%。不含雅士利，本集團收入增加10.2%至人民幣515.760億元（二零一五年：人民幣468.147億元）。對收入增幅貢獻較大的產品為*特侖蘇*、*純甄*及蒙牛純牛奶。



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Gross Profit

With the declined average price of raw milk during the year and continued optimization of product mix, the Group's gross profit for the year increased to RMB17,635.4 million (2015: RMB15,375.5 million) and gross profit margin increased by 1.4 percentage points to 32.8% as compared with last year (2015: 31.4%). Excluding Yashili, the Group's gross profit was RMB16,583.7 million (2015: RMB14,242.4 million), while gross profit margin increased by 1.8 percentage points year-on-year to 32.2%.

Operating Expenses

To cope with market competition, the Group implemented proactive channel expansion strategies and invested more heavily on branding. The Group also recognized an impairment provision on goodwill relating to milk powder product business, a non-cash expense, during the year. As such, its operating expenses increased to RMB18,757.3 million (2015: RMB13,248.9 million), representing an increase to 34.9% (2015: 27.0%) of the Group's revenue. Excluding Yashili's operating expenses and the impairment of goodwill, the Group's operating expenses were RMB14,731.2 million (2015: RMB11,883.1 million), representing 28.6% of its revenue (2015: 25.4%).

Selling and distribution expenses for the year increased by 22.3% to RMB13,435.2 million (2015: RMB10,985.0 million), representing an increase of 2.6 percentage points to 25.0% (2015: 22.4%) of the Group's revenue. Excluding Yashili, the selling and distribution expenses of the Group were RMB12,264.2 million (2015: RMB9,872.6 million), representing 23.8% of its revenue (2015: 21.1%), an increase of 2.7 percentage points year-on-year.

Advertising and promotion expenses included in selling and distribution expenses, for the year increased by 30.6% to RMB5,333.7 million (2015: RMB4,085.1 million), representing an increase to 9.9% (2015: 8.3%) of the Group's revenue. Excluding Yashili, the Group's advertising and promotion expenses increased by 35.1% to RMB4,835.5 million (2015: RMB3,578.2 million), representing 9.4% of its revenue (2015: 7.6%), an increase of 1.8 percentage points year-on-year.

As Yashili recorded a loss during the year and took into consideration the operating condition and financial performance of Yashili in recent years, the Group recognized an impairment provision of RMB2,253.8 million against the goodwill recorded in the related milk powder product business during the year (2015: nil).

Excluding the impairment of goodwill, administrative and other operating expenses increased by 35.5% to RMB3,068.2 million (2015: RMB2,263.8 million), representing an increase to 5.7% (2015:

毛利

由於年內原奶平均價格下調和產品結構持續優化，本集團年內毛利升至人民幣176.354億元（二零一五年：人民幣153.755億元），毛利率較去年上升1.4個百分點至32.8%（二零一五年：31.4%）。不含雅士利，本集團毛利為人民幣165.837億元（二零一五年：人民幣142.424億元），毛利率為32.2%，同比上升1.8個百分點。

經營費用

因應市場競爭，本集團採取積極的渠道推廣和品牌投入策略，加上年內對相關奶粉產品業務的商譽進行減值撥備（非現金費用），使經營費用升至人民幣187.573億元（二零一五年：人民幣132.489億元），佔本集團收入比例升至34.9%（二零一五年：27.0%）。不含雅士利的經營費用及商譽減值，本集團經營費用為人民幣147.312億元（二零一五年：人民幣118.831億元），佔其收入28.6%（二零一五年：25.4%）。

年內銷售及經銷費用上升22.3%至人民幣134.352億元（二零一五年：人民幣109.850億元），佔本集團收入比例上升2.6個百分點至25.0%（二零一五年：22.4%）。不含雅士利，本集團的銷售及經銷費用為人民幣122.642億元（二零一五年：人民幣98.726億元），佔其收入23.8%（二零一五年：21.1%），同比上升2.7個百分點。

年內，計入銷售及經銷費用的廣告及宣傳費用上升30.6%至人民幣53.337億元（二零一五年：人民幣40.851億元），佔本集團收入比例上升至9.9%（二零一五年：8.3%）。不含雅士利，本集團廣告及宣傳費用上升35.1%至人民幣48.355億元（二零一五年：人民幣35.782億元），佔其收入9.4%（二零一五年：7.6%），同比增加1.8個百分點。

由於雅士利年內錄得虧損，並考慮雅士利近年的經營狀況和財務表現，本集團於年內確認與相關奶粉產品業務的商譽減值撥備人民幣22.538億元（二零一五年：零）。

扣除商譽減值，行政及其他經營費用上升35.5%至人民幣30.682億元（二零一五年：人民幣22.638億元），佔本集團收入比例升至5.7%（二零一五年：



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4.6%) of the Group's revenue. The increase was mainly attributable to the inclusion of the costs arising from underutilized production capacity of certain milk powder plants during the year and the increase in staff costs. Excluding Yashili, the Group's administrative and other operating expenses were RMB2,466.9 million (2015: RMB2,010.5 million), representing 4.8% of its revenue (2015: 4.3%), an increase of 0.5 percentage points year-on-year.

Profit from Operating Activities and Net Profit or Loss

As a result of i) the loss recorded by Yashili during the year and the impairment of goodwill of the Group; ii) the optimization of raw milk powder inventory level including selling excessive quantity at market price; and iii) a significant loss incurred by an associate during the year, the EBITDA of the Group decreased by 77.4% to RMB956.0 million (2015: RMB4,229.9 million), and the EBITDA margin declined to 1.8% (2015: 8.6%). Excluding Yashili and the impairment of goodwill, the EBITDA of the Group was RMB3,524.7 million (2015: RMB4,228.7 million), with the EBITDA margin decreased to 6.8% (2015: 9.0%).

Loss attributable to owners of the Company amounted to RMB751.2 million (profit attributable to owners of the Company in 2015: RMB2,367.3 million). Basic loss per share was RMB0.193 (basic earnings per share in 2015: RMB0.609). Excluding Yashili and the impairment of goodwill, profit attributable to owners of the Company was RMB1,686.9 million (2015: RMB2,331.0 million), representing a decrease of 27.6% year-on-year.

Income Tax Expenses

The loss before tax of the Group in 2016 was RMB461.4 million (2015: profit before tax of RMB3,030.2 million), while the income tax expense was RMB351.4 million (2015: RMB510 million). It was mainly due to the impairment loss of goodwill amounting to RMB2,253.8 million being a non-deductible item.

Excluding the impairment of goodwill, the effective income tax rate of the Group for 2016 was 19.6% (2015: 16.8%), increased by 2.8 percentage points year-on-year, mainly due to the contribution of Yashili and a major associate turned from profit last year to loss during the year. Excluding Yashili and impairment of goodwill, the effective income tax rate of the Group was at 17.2%, which was comparable with last year (2015: 17.1%).

Capital Expenditure

As of 31 December 2016, the capital expenditure ("CAPEX") of the Group was RMB4,352.5 million (2015: RMB3,026.9 million), increased 43.8% year-on-year. The CAPEX consisted of expenditure that were spent on building new and modifying existing production facilities and related investment amounting to RMB3,037.5 million, purchasing biological assets amounting to RMB230.8 million and addition of equity investment (including

4.6%)。升幅主要由於計及部份奶粉工廠年內產能使用率不足而產生的費用及僱員成本增加所致；不含雅士利，本集團行政及其他經營費用人民幣24.669億元(二零一五年：人民幣20.105億元)，佔其收入4.8%(二零一五年：4.3%)，同比上升0.5個百分點。

經營業務利潤及淨損益

因i)雅士利年內錄得虧損及本集團對商譽進行減值；ii)原料奶粉庫存優化措施，包括以市價出售多餘的存貨；及iii)聯營公司年內大幅虧損，本集團息稅折舊攤銷前利潤(EBITDA)下降77.4%至人民幣9.560億元(二零一五年：人民幣42.299億元)，EBITDA利潤率降至1.8%(二零一五年：8.6%)；不含雅士利及商譽減值，本集團EBITDA為人民幣35.247億元(二零一五年：人民幣42.287億元)，EBITDA利潤率降至6.8%(二零一五年：9.0%)。

本公司擁有人應佔虧損為人民幣7.512億元(二零一五年本公司擁有人應佔利潤：人民幣23.673億元)。每股基本虧損為人民幣0.193元(二零一五年每股基本盈利：人民幣0.609元)。不含雅士利及商譽減值，本公司擁有人應佔利潤為人民幣16.869億元(二零一五年：人民幣23.310億元)，同比下降27.6%。

所得稅支出

本集團於二零一六年的稅前虧損為人民幣4.614億元(二零一五年：稅前利潤為人民幣30.302億元)，而所得稅支出為人民幣3.514億元(二零一五年：人民幣5.10億元)，主要由於商譽減值虧損人民幣22.538億元為不可抵扣稅的項目。

扣除商譽減值，本集團二零一六年所得稅有效稅率為19.6%(二零一五年：16.8%)，同比上升2.8個百分點，主要由於雅士利及一間主要聯營公司對本集團的貢獻從去年的利潤轉為今年的虧損。不含雅士利及商譽減值，本集團所得稅有效稅率為17.2%(二零一五年：17.1%)，與去年相若。

資本支出

截至二零一六年十二月三十一日止，本集團資本支出(「資本支出」)為人民幣43.525億元(二零一五年：人民幣30.269億元)，同比上升43.8%；資本支出用於新建和改建生產設備及相關投入，達人民幣30.375億元；購入生物資產達人民幣2.308億元；及新增股權投資(包括多美滋中國)達人民幣10.842億元。不含雅士利，本集團資本支出為人



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Dumex China) amounting to RMB1,084.2 million. Excluding Yashili, the CAPEX of the Group was RMB3,365.2 million (2015: RMB2,682.2 million).

Working Capital, Financial Resources and Capital Structure

As of 31 December 2016, the Group's net cash inflow from operating activities increased to RMB4,512.9 million (2015: RMB1,909.2 million), primarily due to (i) a significant decrease of raw materials inventories; (ii) an increase of trade payables; and (iii) an increase of other payables.

As at 31 December 2016, outstanding bank loans and bonds of the Group decreased to RMB8,587.6 million (31 December 2015: RMB11,050.3 million), of which bank loans amounted to RMB3,045.4 million (31 December 2015: RMB6,080.8 million) were repayable within one year. More than 60% of the bank loans and bonds were fixed interest-bearing loans. Excluding Yashili, the outstanding bank loans and bonds of the Group were RMB7,444.5 million (31 December 2015: RMB10,388.6 million).

Net borrowings (total amount of bank loans and bonds net of cash and bank balances) of the Group as at 31 December 2016 were RMB2,517.5 million (31 December 2015: RMB3,119.0 million). Excluding Yashili, the net borrowings of the Group were RMB3,017.2 million (2015: RMB4,938.7 million).

The Group's total equity as at 31 December 2016 was RMB25,503.7 million (31 December 2015: RMB26,615.2 million). Its debt-to-equity ratio (total amount of bank loans and bonds over total equity) was 33.7% (31 December 2015: 41.5%).

Finance costs of the Group for 2016 were RMB293.7 million (2015: RMB318.6 million), accounting for about 0.5% of the revenue (2015: 0.6%). Excluding Yashili, finance costs of the Group were RMB274.9 million (2015: RMB301.0 million), accounting for 0.5% of the revenue excluding that of Yashili (2015: 0.6%), decreased by 0.1 percentage points year-on-year.

Share Repurchase

The Group has full confidence in its long term development. To enhance its shareholder base and value, the Group repurchased in the open market a total of 6,116,000 ordinary shares of the Company, in six batches at the average price of HK\$11.09 per ordinary share or a total consideration of RMB58.1 million during the year.

人民幣33.652億元(二零一五年：人民幣26.822億元)。

營運資金、財務資源及資本架構

截至二零一六年十二月三十一日止，本集團經營業務所產生的現金淨流入增至人民幣45.129億元(二零一五年：人民幣19.092億元)，主要由於(i)原材料庫存大幅減少；(ii)應付賬款增加；以及(iii)其他應付款項增加。

於二零一六年十二月三十一日，本集團的未償還銀行貸款及債券減至人民幣85.876億元(二零一五年十二月三十一日：人民幣110.503億元)，其中一年內償還的銀行貸款為人民幣30.454億元(二零一五年十二月三十一日：人民幣60.808億元)。超過六成銀行貸款及債券按固定利率計算。不含雅士利，本集團尚未償還銀行貸款及債券為人民幣74.445億元(二零一五年十二月三十一日：人民幣103.886億元)。

本集團於二零一六年十二月三十一日的淨借貸(銀行貸款及債券總額扣除現金及銀行存款)為人民幣25.175億元(二零一五年十二月三十一日：人民幣31.190億元)。不含雅士利，本集團之淨借貸為人民幣30.172億元(二零一五年：人民幣49.387億元)。

本集團於二零一六年十二月三十一日的總權益為人民幣255.037億元(二零一五年十二月三十一日：人民幣266.152億元)。債務權益比率(銀行貸款及債券總額除以總權益)為33.7%(二零一五年十二月三十一日：41.5%)。

本集團於二零一六年的融資成本為人民幣2.937億元(二零一五年：人民幣3.186億元)，佔收入比重約0.5%(二零一五年：0.6%)。不含雅士利，本集團融資成本為人民幣2.749億元(二零一五年：人民幣3.010億元)，佔不含雅士利收入的0.5%(二零一五年：0.6%)，同比下降0.1個百分點。

股份購回

本集團對其長遠發展充滿信心，為強化其股東基礎和價值，本集團於年內分別六次在公開市場購回股份，共購回6,116,000股普通股份，總代價為人民幣58.1百萬元，平均購回價為每股普通股份11.09港元。



Management Discussion and Analysis 管理層討論及分析

Products

In 2016, Mengniu continued to focus on key products, optimize product mix and innovate in product development and packaging. By undertaking Big Data-based precision marketing research, Mengniu was able to gauge the fine needs of consumers and quickly customize products and contents accordingly with precise input. Taking advantage of the flexibility of the digital media, it promoted the Mengniu brand and sales and enhanced the interaction between consumers and the brand, which has helped improve the brand's reputation.

產品

二零一六年，蒙牛持續聚焦重點產品，優化產品結構，在產品及包裝上持續創新。通過大數據精準營銷研究，洞察消費者細分需求，快速制定產品和內容，實現精準投放。利用數字媒體靈活敏捷的優勢，在品牌推廣及營銷上，加強消費者與品牌的互動體驗，提高蒙牛的品牌美譽度。

Product category 產品品類	Financial performance 財務表現	Highlights 動向
Liquid milk 液態奶	Revenue amounted to RMB48,102.9 million (2015: RMB43,326.6 million), accounting for 89.4% of the Group's total revenue (2015: 88.4%) 收入為人民幣481.029億元(二零一五年：人民幣433.266億元)，佔本集團總收入的89.4%(二零一五年：88.4%)	
<i>UHT milk</i> UHT奶	Revenue amounted to RMB23,851.9 million (2015: RMB21,364.5 million), accounting for 49.6% of the liquid milk segment revenue (2015: 49.3%) 收入為人民幣238.519億元(二零一五年：人民幣213.645億元)，佔液態奶收入49.6%(二零一五年：49.3%)	<ul style="list-style-type: none"> The new <i>Milk Deluxe</i> products, upgraded and in new packaging, which contain 3.6g of quality lactoprotein and 120mg of original calcium per 100ml of milk, are leader in the development of high-end UHT milk in China. <i>Milk Deluxe</i>'s new ambassador, the famous artist Mr. Chen Daoming is a perfect representation of the "New Nutrition Level Makes a Better Life" essence of the brand <i>特侖蘇</i>全新升級產品及包裝，每100毫升牛奶蘊含3.6克優質乳蛋白和120毫克原生高鈣，引領中國高端UHT奶的發展。同時，以著名藝術家陳道明先生作為新任代言人，完美詮釋特侖蘇「營養新高度，成就更好人生」的品牌內涵 <i>Miao Miao Kid Growth Milk</i> in the <i>Future Star</i> series contains fortified calcium, iron and zinc as well as probiotics, conducive to the healthy growth of children. During the year, the series cooperated with the movie "Ice Age: Collision Course", releasing limited edition Ice Age packaging to help build the image of a quality brand dedicated to fostering the healthy growth of children 未來星系列的<i>妙妙兒童成長牛奶</i>，擁有鈣鐵鋅及益生元等營養配方，成就千萬孩子的健康成長。年內，未來星還與電影《冰川時代：星際碰撞》合作，推出冰川時代限量版包裝，打造助兒童健康成長的優質品牌形象



Management Discussion and Analysis 管理層討論及分析

Product category 產品品類	Financial performance 財務表現	Highlights 動向
		<ul style="list-style-type: none"> - Mengniu and the Hollywood movie “Independence Day: Resurgence” joined force and seamlessly incorporated “Mengniu Moon Milk” into the movie, a move of strategic importance in improving Mengniu’s international brand image. Also, a limited edition of <i>Mengniu Pure Milk</i> kicked off sales in Tmall coinciding with the release of the movie in theaters - 蒙牛與好萊塢電影《獨立日：捲土重來》深度合作，於電影中無縫植入「Mengniu Moon Milk(蒙牛月球牛奶)」，對提升蒙牛品牌國際化形象有著戰略性的意義；電影主題限量版蒙牛純牛奶於電影首映日在天貓商城正式發售 - <i>XinYangDao</i> tied in promotion with the movie “Warcraft”, complementing it with a limited edition milk product sold in Tmall for fans of the movie. In addition, the brand was planted in the TV drama “The Mystic Nine” of <i>Iqiyi</i> innovatively, tapping into hot talks among the consumers to interact with the audience and drive sales - 新養道與電影《魔獸》展開合作，為魔粉專門定制限量版包裝牛奶於天貓發售；同時，於愛奇藝電視劇《老九門》以富創意方式進行品牌植入，利用社會化的話題與觀眾進行互動，拉動產品銷售 - Mengniu worked with the “Star partner” singer group <i>Yu Quan</i> to launch the first high-quality “Internet milk” (sold exclusively online) – <i>Hi Milk</i>. The product contains 3.6g of lactoprotein per 100ml of milk, which is 20% higher than the international standard - 蒙牛攜手「明星合夥人」歌手組合羽泉聯合推出首款高質量互聯網牛奶—<i>Milk</i>純牛奶，每100毫升牛奶的乳蛋白含量達3.6克，高出國際標準20% - <i>Awakening Youth Milk</i> rallied, through charitable bodies, the participation of members of the China Swimming Team, stars and celebrities and social elites in the “Salute to Great Parents” activity to show their gratitude to their parents and encourage consumers to care about their parents. The activity aimed to let the middle-aged and elderly enjoy the nutritious products and feel the warmth of care from others - 煥輕通過公益力量邀請國家游泳隊隊員、知名影視明星、社會精英參與「致敬偉大」活動，藉以表達他們對父母的感恩之情，喚起消費者對父母的關愛，讓中老年群體在得到營養之餘，也感受到溫暖的幸福



Management Discussion and Analysis 管理層討論及分析

Product category 產品品類	Financial performance 財務表現	Highlights 動向
<p data-bbox="137 515 260 573"><i>Milk beverages</i> 乳飲料</p> 	<p data-bbox="288 515 727 707">Revenue amounted to RMB9,380.2 million (2015: RMB10,434.7 million), accounting for 19.5% of the liquid milk segment revenue (2015: 24.1%) 收入為人民幣93.802億元(二零一五年：人民幣104.347億元)，佔液態奶收入19.5%(二零一五年：24.1%)</p>	<ul style="list-style-type: none"> <li data-bbox="751 515 1386 648">– <i>Fruit Milk Drink</i> took on new thematic packaging designs, allowing it to leverage such broadcast channels as TV dramas, variety shows and Internet videos to publicize the “Milk + Fruit Pulps, Natural and Fun” brand attitude <li data-bbox="751 655 1386 713">– 真果粒進行主題促銷版包裝切換，透過電視劇、綜藝、網絡視頻等傳播渠道進行高密度傳播活動，傳達「牛奶+果粒，自然有樂趣」的品牌態度 <li data-bbox="751 756 1386 1246">– <i>Yoyi C</i> upholds the brand motto of “Healthy Intestines Keep You Young” and is firmly founded on its offer of “30 billion live bacteria C” and “the only bacteria authorized by Denmark Chr. Hansen”. It has built itself into a leading brand among functional beverages that contain active probiotics. During the year, <i>Yoyi C</i> launched an innovative cross-segment product – Live Tea, which integrates the exotic and unique characteristics of tea – Indian red and Longjing green – with probiotics, a combination of two very different flavors. A special edition packaging for the products was launched to complement the movie “Batman v Superman: Dawn of Justice”. <i>Yoyi C</i> also introduced to the market a low sugar version of the sea salt and lemon flavor drink that contains quality sea salt from Australia and 30 billion live bacteria C. With a lower sugar content and added micronutrients, it promises to taste better and be more health-enhancing for consumers <li data-bbox="751 1252 1386 1472">– 優益C堅持「腸活動，常年輕」的品牌主張，立足「活的300億活力C菌」及「丹麥科漢森唯一授權菌種」，打造活性乳酸菌功能飲料領導品牌。年內，優益C推出跨界創新產品活茶系列，融合了異域特色的印度紅茶以及獨特質量的龍井綠茶，將茶飲料和乳酸菌飲料兩種看上去截然不同的口味合二為一，同時借勢華納電影《蝙蝠俠大戰超人：正義黎明》推出定制包裝。優益C還推出減糖型海鹽檸檬口味，甄選澳洲海鹽，蘊含有300億活的活力C菌，在降低糖分的同時添加微量元素，為消費者帶來更多健康和美味
<p data-bbox="137 1522 196 1580"><i>Yogurt</i> 酸奶</p>	<p data-bbox="288 1522 727 1698">Revenue amounted to RMB14,870.8 million (2015: RMB11,527.4 million), accounting for 30.9% of the liquid milk segment revenue (2015: 26.6%) 收入為人民幣148.708億元(二零一五年：人民幣115.274億元)，佔液態奶收入30.9%(二零一五年：26.6%)</p>	<ul style="list-style-type: none"> <li data-bbox="751 1522 1386 1698">– <i>Just Yoghurt</i> is made with strictly selected quality milk from exclusive farms and fermented with bacteria imported from Denmark. It has a pure and simple taste and is high in nutrients, hence suitable for all members in a family. <i>Just Yoghurt</i> again worked with the variety show “Run for Time” of Hunan TV and had its brand presence instilled into the movie “The Mermaid” to promote the brand concept of “Good taste, no additives” <li data-bbox="751 1705 1386 1795">– 純甄酸牛奶嚴選優質牧場奶源，進口丹麥菌種發酵，口味簡單純淨，具有豐富營養，適合全家人飲用。通過冠名湖南衛視《全員加速中》及自然植入電影《美人魚》，傳遞品牌「好味道，不添加」的純淨主張



Management Discussion and Analysis 管理層討論及分析

Product category 產品品類	Financial performance 財務表現	Highlights 動向
Ice Cream 冰淇淋	<p>Revenue amounted to RMB2,179.9 million (2015: RMB2,141.2 million), accounting for 4.1% of the Group's total revenue (2015: 4.4%)</p> <p>收入為人民幣21.799億元(二零一五年: 人民幣21.412億元), 佔本集團總收入4.1%(二零一五年: 4.4%)</p>	<ul style="list-style-type: none"> - <i>Champion</i> launched the Red+ yogurt series, which contains BB bifidobacterium from Denmark, American pomegranates, cherries, plus roses from Yunnan and milk from exclusive farms in China. The two flavors of the Super Red Fruit Flower Yogurt series are Pomegranate & Rose and Cherry & Rose, which have set off a wave of "Red Fever" at the success of the Group's dedicated image building efforts - 冠益乳推出紅色+系列酸奶, 甄選丹麥BB冠菌、美國紅石榴、櫻桃、雲南玫瑰及中國專屬牧場奶源, 推出石榴玫瑰、櫻桃玫瑰兩種口味的超級紅色水果鮮花酸奶系列; 通過整體終端形象的打造, 引發「紅色風暴」 - <i>Bio</i> launched a new product series that conveys a leisurely French-style ease. The products contain 10 billion Danone-patented B-Probiotics and taste exceptionally smooth thanks to Danone-patented production technique. They come in three flavors – blueberry, vanilla and red grape, which are perfect interpretations of French craftsmanship and romance - 碧悠推出悠漫系列法式風情酸奶, 採用Danone專利平滑技術, 每瓶富含100億Danone專利B益暢®菌, 以藍莓、香草、紅葡萄三種口味, 完美演繹法式風情的技藝與浪漫 - <i>200g Nourishing Oats and Red Dates Flavor Yogurt</i> was launched, featuring concentrated pure red dates extract, imported oats of premium quality and live bacteria from Denmark. It has a smooth and creamy texture and is nourishing and invigorating for consumers - 中華滋養200克燕麥紅棗瓶裝酸奶上市, 濃縮提取純正棗汁, 精選優質的進口燕麥, 原產丹麥活力菌群, 口感更加細膩柔滑, 為消費者注入滋養新活力 - <i>Xiao Jian</i> introduced the <i>180g Ecolean Yogurt</i> made with selected raw materials from Bulgaria, Taiwan and China, and rich and pure ranch milk for enhancing health of the Chinese people - 消健推出180克愛克林酸奶, 甄選來自保加利亞、台灣及中國的原料, 融入濃醇的牧場好奶, 滋養國人健康 - Following the launch of the first fully-fermented pure yogurt ice cream in China in 2015 which was much-welcomed by the market, <i>Deluxe</i> launched another industry-leading product in 2016, the only fruit yogurt ice cream in the market, blending jam, fruit and yogurt with ice cream creating for consumers a probiotics-rich creamy treat that comes in many palate pleasing flavors - 自二零一五年上市中國首款100%發酵的純酸奶冰淇淋並獲得市場好評後, 二零一六年蒞蘭聖雪再創行業之新, 全新推出市場上唯一一款果粒酸奶冰淇淋, 將果醬、果粒、酸奶融合在冰淇淋產品中, 富含活性乳酸菌, 並用更加豐富的冰淇淋結構為消費者帶來更多重美味滿足感



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Product category 產品類別	Financial performance 財務表現	Highlights 動向
	<p>Milk formula 奶粉</p> <p>Revenue amounted to RMB3,150.9 million (2015: RMB3,228.8 million), accounting for 5.9% of the Group's total revenue (2015: 6.6%) 收入為人民幣31.509億元(二零一五年：人民幣32.288億元)，佔本集團總收入5.9%(二零一五年：6.6%)</p>	<ul style="list-style-type: none"> - A new series named SuiXinGuo was added under the Suibian brand in 2016, leading the new jams plus ice cream product trend. It is rich in structure and innovative, and has up to seven layers, combining jams with chocolate, ice cream, cookies and cocoa beans. The product is an international first - 隨變在二零一六年推出隨芯果系列產品，引領果醬與冰淇淋搭配的新風，該系列產品結構豐富、創新，從上至下多達七個層次，創新的雙層果醬組合同時搭配巧克力、冰淇淋、曲奇餅乾顆粒和巧克力豆，屬國際首創產品 - Ice+ released a brand new XuanCaiBing sea salt and pineapple flavor ice cream and also a brand new blueberry and lemon sorbet during the year. The XuanCaiBing series features delicious yogurt ice cream with real fruit pulps in an icy shell, presenting a new interpretation of the Ice+ brand to consumers. In 2016, the XuanCaiBing series had an upgrade and added sorbets to the original Ice+ ice cream family - 冰+推出绚彩冰海鹽鳳梨口味雪糕和绚彩冰藍莓檸檬口味雪泥。绚彩冰系列是一款冰爽外殼包裹濃鬱美味的酸奶口味雪糕，並混有真實果肉，給消費者嶄新的品牌認知。二零一六年，冰+绚彩冰系列在雪糕的基礎上又進行升級，增加雪泥系列 - Mengniu created eight different ice creams specifically for the Shanghai Disney Resort. They included Mickey's Ice Cream Classic, Minnie's Sweet Treat and Donald's Duckburg Ice, which were inspired by classic Disney cartoon characters. Coming in different flavors, they promise to surprise the palate and win the preference of consumers - 蒙牛為上海迪士尼度假區創新打造八款冰淇淋，包括米奇經典冰淇淋、米妮趣夾心冰淇淋、紳士唐納德蘇打冰棒等，產品創意靈感來自迪士尼動畫中的經典角色，多樣口味、層層驚喜的趣味享受讓消費者愛不釋口 - Yashili's Oushi Mengniu continued to expand its organic product offerings. To add to the existing local organic infant milk formula Ruipuen it sells, the Group has begun final stage preparation importing organic infant milk formula which will be released to the market soon - 雅士利旗下歐世蒙牛品牌繼續拓展有機產品線，除現有本土有機嬰幼兒配方奶粉瑞哺恩外，原裝進口的有機嬰幼兒配方奶粉開發也進入了實質的準備階段，將儘快推向市場 - Yashili upgraded the nutritional content and product packaging of the existing Youyi series milk powder, Future Star Kid milk powder products, and Mengniu's ordinary multi-dimensional and student milk powder products to satisfy the demand of consumers for not only more nutritious products but also for packaging at the forefront of time - 雅士利對現有優怡系列調製乳粉、兒童未來星奶粉產品、蒙牛普多維奶粉產品和學生奶粉產品進行了營養升級，並進行產品包裝形式的升級改進，不僅滿足目前消費者對產品營養的追求，更力求在包裝形式上引領新時代
		



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Product category 產品品類	Financial performance 財務表現	Highlights 動向
<p data-bbox="212 804 300 892">Other Products 其他產品</p>	<p data-bbox="360 804 807 957">Revenue amounted to RMB345.6 million (2015: RMB329.9 million), accounting for 0.6% of the Group's total revenue (2015: 0.6%) 收入為人民幣3.456億元(二零一五年：人民幣3.299億元)，佔本集團總收入0.6%(二零一五年：0.6%)</p>	<ul style="list-style-type: none"> <li data-bbox="826 519 1461 767">– Imported from New Zealand, <i>Yashily Super α-Golden Stage</i> boasts the patented INFAT active energy system that can promote growth of probiotics in the intestines of babies thus encourages good bowel activities. The formula was also launched in New Zealand simultaneously offering babies there quality milk formula <li data-bbox="826 676 1461 767">– 雅士利新西蘭原裝進口的<i>超級α-金裝</i>，擁有專利INFAT動態活力系統，提升寶寶腸道益生菌生長，充分釋放腸道活力；產品亦同步登陸新西蘭市場，為當地寶寶提供最優質的奶粉 <li data-bbox="826 810 1461 1026">– Mengniu and WhiteWave upgraded the flavors of the existing walnut and almond series of <i>ZhiPuMoFang</i>, a plant-based protein beverage jointly created by the two parties, and also released a Mellow Soy Milk series more agreeable with the Chinese palate. Using the world-leading nanoparticles milling technique μ-Grind™ and at temperature below 4°C, fruits can be milled into nanoparticles with the original nutrients kept intact for consumers to enjoy the original and most healthy taste <li data-bbox="826 1030 1461 1187">– 蒙牛和WhiteWave共同創立的植物蛋白飲品品牌<i>植檬磨坊</i>更新了原有的核桃和巴旦木兩個系列的口味，還推出醇香豆奶系列產品，更貼合中國消費者口味。該產品採用全球領先的μ-Grind™微米級研磨技術，在攝氏4度低溫環境下，一次性將植物果實研磨至微米級，保住原果營養成分，為消費者帶來最原始最健康的味道

PRODUCTION

Mengniu deploys its production capacity taking into account market potential and its product strategies. As at December 2016, Mengniu had 33 production bases across the country and one production base in New Zealand, with total production capacity reaching 9.21 million tons (December 2015: 8.68 million tons).

CORPORATE SOCIAL RESPONSIBILITY

Mengniu has embedded the philosophy of sustainable development into its corporate culture, and carried out the mission of “Focus on nutrition and health, deliver a drop of happiness for every moment and every day to more people”, with the support of its project implementation strategy that emphasizes “Leading standards, pragmatism, touching charity, top-level communication and pioneering guidance”.

生產

蒙牛根據市場潛力及產品策略佈局產能，截至二零一六年十二月，蒙牛於全國共設有生產基地33個，新西蘭設有生產基地一個，產能合共為921萬噸(二零一五年十二月：868萬噸)。

社會責任

蒙牛將可持續發展理念融入企業文化，以「領先的標準、務實的項目、感人的公益、頂層的溝通、開創的引領」的項目實施策略，將蒙牛「專注營養健康，每一天每一刻為更多人帶來點滴幸福」的理念貫徹執行。



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Mengniu's "Have a Lecture in My Hometown" program with "companionship" at its core, carried out in four modes involving lectures given by celebrities, tutoring by university students, support from partners in the ecosystem and public participation. And, to echo with the Rio Olympics, in 2016, the program took on the key directions of "higher, faster and stronger" and three Olympic champions, namely, Yang Wei, Zhao Ruirui and Jiao Liuyang, were invited to visit and show their care and love to children in rural areas. Since 2012, Mengniu has, together with 108 charity partners, involved 92 celebrities in the program, who visited over 600 schools in remote villages and showed their care and support to more than 100,000 children.

In August 2016, Mengniu hosted the "Codoon Micro Marathon • Shenzhen" capitalizing on the Rio Olympics craze, and together with Codoon, organized the charitable donation campaign "Exchange of Calories" on the competition day. The event had the in-person support of Zhao Ruirui, an Olympic champion and former member of the Chinese Women's Volleyball Team, and attracted the participation of 2,000 enthusiastic runners offline and over 100,000 online. The number of kilometers accomplished by the runners was converted into milk for donating to primary school pupils in rural villages. The activity provided participants a platform for charity on which they could render practical help to children living in rural areas of the country.

Mengniu spares no effort in supporting AIDS prevention in the community. It engaged staff and partners in the on-campus AIDS prevention campaign "Red-ribbon Health Ambassador Campaign on Campuses Advocating a Beautiful Youth" and encouraged students to take part in its "Scanning Barcode for Milk" activity to obtain tips on AIDS prevention and light up the red-ribbon symbol of the WeChat Avatar as a show of support to the on-campus campaign. During the year, Mengniu visited 10 universities across the country and organized offline activities for students (e.g. Red-ribbon Running Race) at Northeastern University and the South China University of Technology.

蒙牛的公益項目「我回老家上堂課」以「陪伴」為核心，從名人上課、大學生支教、生態圈合作夥伴幫扶及全民聯動公益四方面全面開展。為響應里約奧運會，項目於二零一六年以「更高、更快、更強」為關鍵詞，分別邀請了楊威、趙蕊蕊、焦劉洋三位奧運冠軍得主，為鄉村孩子送上關愛。自二零一二年以來，蒙牛共聯合108家公益夥伴，邀請到92位名人參與項目，走訪了600多所鄉村學校，為10萬多名鄉村孩子送上關注和幫扶。

在二零一六年八月舉行的「咕咚城市微馬•深圳站」中，蒙牛把握里約奧運會熱潮，與咕咚攜手在比賽當天舉辦公益捐贈活動「交換卡路里」。活動邀請到奧運冠軍兼前中國女排運動員趙蕊蕊親臨現場助陣，成功吸引了線下2,000名、在線超過10萬的跑手踴躍參加。蒙牛把眾人跑過的公里數折合成牛奶，送給鄉村小學的孩子們，為一眾參與者提供公益平台，以實際行動幫助鄉村孩子。

蒙牛對公眾防治愛滋病工作不遺餘力，帶動員工和夥伴積極參與和支持「美好青春我做主—紅絲帶健康大使青春校園行」校園防治愛滋病活動。蒙牛還鼓勵同學參加「掃碼換牛奶」活動，獲取愛滋病防治小知識，並點亮微信頭像的紅絲帶標誌，以支持校園防愛工作。年內共走訪全國10所高校，在東北大學和華南理工大學兩所高校開展「紅色校園跑」等貼合學生的線下活動。



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Mengniu is committed to enhancing public confidence in Chinese milk brands and maintaining the long-term healthy development of the dairy industry in China. To these ends, it has continued to push forward the “2020 Sustainable Ecosystem of Milk Sources”, made up of such projects as “University of Ranchers”, “Star Ranchers” and “Gold Key Project”. In 2016, the “University of Ranchers” ran 15 sessions of theoretical and practical courses of different levels at 12 practice bases and the theoretical training courses had an attendance of over 1,500 person-time. During the year, this project offered 10 sessions of milk source management and technology improvement demonstration activities and 470 ranch-based practical technology innovation topics in major milk source areas across the country, and “Corporate Social Responsibility code of conduct” was signed with ranchers, helping over 800 ranches to improve on 24 aspects including herd structure and feeding management. The “Star Ranchers” program gathered together groups of industry experts and lecturers from around the world, who provided professional courses via satellite to attendees at the ranches. In 2016, the program covered 24 routine professional video courses. Mengniu also engaged Holstein Farmer Satellite Auditorium to produce two sessions of courses on practical ranch management skills and advanced industry technologies specially for Mengniu. These satellite courses were availed to over 1,500 ranch employees. And, for the “Gold Key Project”, Mengniu organized special technology demonstration coursework systematically in 10 major milk source areas across the country, and provided comprehensive guidance and carried out assessment on ranches using professional assessment tools and by means of on-site assessment, Q&A session, technical salon and special topic reporting. The program covered more than 1,000 ranches in 29 cities in 15 provinces, benefiting more than 2,000 people and translating into economic benefit of RMB300 million for the ranches.

Mengniu has actively carried out specialized energy conservation projects during the year, including 10 key projects involving the enhancement of electrical motor systems, air compressors and refrigeration systems, renovation of boilers and cooling systems. These special projects have enabled the Group to reduce coal consumption by approximately 5,000 tons, and to reduce emissions of carbon dioxide by approximately 14,000 tons, sulfur dioxide by about 45 tons and nitrogen oxides by about 40 tons, which is equivalent to planting 270 acres of trees. The Group has gradually optimized its energy structure by increasing its reliance on renewable energy by proactively introducing technologies such as innovative biomass boilers and solar power systems. Also, Mengniu has sought to become a water-conservation enterprise, and has committed to controlling industrial water usage, raising water consumption efficiency and ultimately, preserving the water environment. Utilizing water-saving technologies including solutions for balancing and optimizing water systems and upgrading heavy water-consumed equipments, Mengniu has managed to facilitate more than 40 advancement projects on water conservation techniques and reduced water consumption by more than 3 million tons.

蒙牛以提升公眾對中國牛奶信心及維持中國乳業長遠健康發展為己任，持續推進「奶源2020可持續發展生態圈」項目，包括「牧場主大學」、「星牛人項目」及「金鑰匙項目」。二零一六年，「牧場主大學」於12個實踐基地開展了15期理論和實踐專業化分級課程，理論培訓覆蓋1,500餘人次。該項目還於年內在全國奶源大區開展10期奶源管理提升技術示範活動和470項牧場實用技術創新課題，與牧場主簽訂《社會責任守則》，幫扶逾800家牧場從牛群結構、飼餵管理等24個維度提升。「星牛人項目」整合全球各地行業專家及講師團，以衛星傳輸專業化視頻直投牛場，於二零一六年開展了24期例行專業化視頻課程。蒙牛更聯合荷斯坦衛星大講堂制定兩期蒙牛專場，提供牧場實踐管理內容及行業前端技術，網點覆蓋奶農1,500餘人。蒙牛在全國10個奶源大區全面覆蓋「金鑰匙項目」技術示範專場，利用現場評估、牧場答疑、技術沙龍及專題報告四種方式，及專業的評估工具對牧場做全方位指導及評估。項目覆蓋15個省，橫跨29個市，覆蓋1,000餘座牧場，2,000餘人受惠，為牧場提高效益達人民幣3億元。

年內，蒙牛積極開展節能專項行動，包括電機系統、空壓機、工藝優化、鍋爐改造、製冷系統等10個重點項目。專項行動共節約標煤約5,000噸，減排二氧化碳約14,000噸、二氧化硫約45噸及氮氧化物約40噸，相當於種植270畝綠樹。蒙牛逐步優化能源結構，提高使用可再生能源的比重，積極引進生物質鍋爐、太陽能發電等。同時，蒙牛致力成為一家節水型企業，以控制工業用水總量、提高用水效率、保護水環境為目標，採用水系統平衡優化整體解決方案等節水技術，對高耗水設備實施改造；每年推進節水技術改造項目40多項，節水逾300萬噸。



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Based on its own practical experience managing social responsibility delivery, Mengniu assisted the China Dairy Industry Association in formulating China's first "Corporate Social Responsibility Guidance for Dairy Product Manufacturers", in which the core content regarding the fulfillment of social responsibilities by dairy product manufacturers is clearly defined, to provide the dairy industry with reference and guidance on how to improve its capability in achieving sustainable development.

Mengniu's corporate social responsibility efforts are well recognized by different sectors of the community. In 2016, Mengniu made it among "First Batch of Loving Enterprises in the National Children Food Safety Protection Movement" as named jointly by the China Children and Teenagers' Fund, China Nutrition and Health Food Association, China Children Center and Peopleyuqing.com and also among "Community Enterprises of China 2016" at the 2016 China Annual Conference on Philanthropy, the only dairy enterprise being honored. Mengniu's "University of Ranchers" program was awarded the prizes "China Excellent Corporate Citizen in 2016" and "Excellent CSR Project of China Enterprises in 2016" at the 12th China Excellent Corporate Citizen Annual Convention, and was also honored as one of the "Top 10 Popular Charity Programs" at the Second China CSR 100 Forum. Furthermore, Mengniu ranked first in the Chinese dairy enterprise corporate social responsibility fulfillment level index in the "Blue Book of Corporate Social Responsibility for 2016" issued by the Chinese Academy of Social Sciences and it is one of the only two five-star enterprises among the 39 sample enterprises in the food industry.

HUMAN RESOURCES

As at 31 December 2016, the Group had a total of about 41,613 employees in China and Hong Kong, including around 3,711 employees of Yashili. During the year, total staff costs (including salaries of directors and senior executives) amounted to approximately RMB4,479.5 million (2015: RMB3,438.9 million).

To actively nurture successors to support the Group's sustainable development in the future and to provide solid personnel support for the Group to achieve its strategic objectives, Mengniu established and rolled out a diversified and multi-level curriculum training system in 2016, which covers areas including induction, cultural training, general career development skills and leadership. The "General Skills + Leadership" curriculum, which was launched in June 2016, comprised a total of 42 sessions taught during the year and 1,132 employees had attended the training.

蒙牛基於自身社會責任管理和實踐經驗，協助中國乳製品工業協會制定中國首份《乳製品企業社會責任指南》，明確乳製品企業履行社會責任的核心內容，為乳製品行業改善可持續發展能力提供了參考和指引。

蒙牛履行企業社會責任的努力在社會各界獲得認同。二零一六年，蒙牛獲中國兒童少年基金會、中國營養保健食品協會、中國兒童中心及人民在線評為「全國兒童食品安全守護行動首批愛心企業」，並於二零一六年中國公益年會榮獲「2016年度中國公益企業」大獎，成為唯一獲此殊榮的乳品企業。蒙牛的「牧場主大學」公益項目於第十二屆中國優秀企業公民年會榮獲「2016中國優秀企業公民」及「2016中國企業優秀公益項目」兩個獎項，並於第二屆中國社會責任百人論壇榮獲年度「十大人氣公益項目」獎。而且，蒙牛在中國社會科學院發佈《企業社會責任藍皮書2016》的中國乳品企業社會責任發展指數中排名第一；同時蒙牛是39家食品行業樣本企業中僅有的兩家五星級企業之一。

人力資源

於二零一六年十二月三十一日，本集團於中國大陸及香港合共聘用僱員約41,613名，包括雅士利僱員約3,711名。年內僱員總成本（包括董事及高級行政人員薪金）約為人民幣44.795億元（二零一五年：人民幣34.389億元）。

為積極培育後繼以支撐企業未來的可持續發展，以及為執行企業戰略目標提供堅實的人才支援，蒙牛於二零一六年度建立並實施多元化、多層級培養的課程體系，內容涵蓋入職、文化培養、通用職業發展技能及領導力。「通用技能+領導力」課程自二零一六年六月份開展，全年共實施42場，共1,132位員工參與了培訓。



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At the same time, Mengniu re-visited and re-positioned its leadership curriculum, involving four programs, namely, the Graduate Trainee (“GT”) Program, the Management Trainee (“MT”) Program, the Advanced Leadership Development Program (“ALDP”) and the Entrepreneurship Leadership Development Program (“ELDP”). Mengniu optimized the GT Program and completed three training sessions. The first class of MT students graduated in October. After launching the first session, the ALDP Program developed nine learning programs and implemented the learning programs as scheduled. The ELDP Program was launched during the year and completed the first session of the entrepreneurship leadership course.

In addition, to help employees with career development, Mengniu continued to formulate and improve career development paths for them. It completed designing the dual channel for professional development in June 2016 and put it on trial in the financial management system to assist the system in completing the dual-channel system design. The program was officially launched at the end of August and completed within the year.

To effectively support its 2020 Strategy, Mengniu reorganized its business setup at the end of 2016. The new setup comprises independent business segments dedicated to room temperature products, chilled products, milk formula, ice cream products and etc., and more resources and support have been provided to each business segment, to the end of facilitating overall and balanced development of the Group’s various product categories. Under the new organizational structure, Mengniu will enhance its responsiveness to the market and customers, and improve operational efficiency. At the same time, it will strengthen the role of its headquarters in resource coordination and risk control.

PROSPECTS

With the milk formula registration system taking effect, the two-child policy in full rollout, per capita income of the Chinese people rising and urbanization continuing in China, demand for dairy products in the country will gradually recover. Adhering to the two-pronged strategy of “internationalization + digitalization”, Mengniu will press ahead with fortifying resources integration, realizing innovative development, developing new product offerings, and promoting delicacy management and cultivating channels with intensive effort. It aims to continue to lead consumption upgrade with the craftsman spirit of constantly striving for excellence.

同時，蒙牛對領導力課程進行重新梳理和定位，包括Graduate Trainee(簡稱「GT」)、Management Trainee(簡稱「MT」)、Advanced Leadership Development Program(簡稱「ALDP」)、Entrepreneurship Leadership Development Program(簡稱「ELDP」)共四個項目。GT項目完成方案設計優化並如期完成三場培訓。第一屆MT學員已於十月份畢業。ALDP項目首期開班後，已制定九個行動學習方案並如期推進行動學習項目。ELDP項目於年內開班並完成第一期創業領導力課程。

此外，為幫助員工拓展職業發展，蒙牛持續建設與完善職業發展路徑。蒙牛於二零一六年六月完成職業雙通道工具設計，並以財務管理系統為試點，協助該系統完成雙通道體系設計。該項目於八月底正式啟動，並已於年內完成。

為有效支撐本集團2020戰略，蒙牛於二零一六年底實施了新事業部制組織變革，將打造常溫、低溫、奶粉、冰淇淋產品等獨立業務板塊，並為各板塊業務發展提供更多資源和支持，促進本集團旗下各品類全面、均衡發展。在新的組織架構下，蒙牛將提升對市場與客戶的回應速度，提高運營效率，同時加強本集團總部資源協同、風險管控角色。

展望

隨著配方奶粉註冊制實施、全面開放二胎政策、消費者人均收入增加和城鎮化持續推進，國內乳品類市場需求將逐步恢復。蒙牛通過「國際化+數字化」雙軌驅動創新發展戰略，深化資源整合，創新產品品類，推進精細化管理和渠道深耕，以精益求精的工匠精神，繼續引領消費升級。



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Looking ahead, Mengniu will be emphasizing the theme of “Focusing Development and Gathering Strengths”, stick to the principle of “No Compromise” on four fronts – product, quality, values and execution to deliver high-quality dairy products to consumers. To make sure each business unit has a stronger focus on its business and is able to develop with a better balance, Mengniu initiated organizational structure adjustment, splitting the original core business into independent business segments: room temperature products, chilled products, ice cream products and milk formula. The new business setup has the merit of allowing focused development of each product segment, facilitating enhancement of the core competitiveness of products and the Group’s overall operational efficiency, giving the Group a consumer and market-oriented organizational model which allows the Group to quickly respond to market situations, integrate production, supply and sales of its products, and guide channel development. In particular, heeding the potential of the fast-growing domestic market for chilled products in the next few years, the chilled product division is expected to develop new growth driver.

Milk source is the first quality assurance for dairy enterprises, which is why enhancing quality of the milk sources has always been the most important task of Mengniu. The increased shareholding in Modern Dairy in 2017, a raw milk supplier, will enable the Group to integrate the upstream supply chain resources, which will assure Mengniu of stable and high-quality milk supply, strengthen Mengniu’s positioning in the high-end dairy product market and support the development of chilled dairy products. Furthermore, having stronger control over milk sources will further improve the Group’s operating efficiency, and lay a good foundation for the Group to achieve its 2020 strategic objectives.

Mengniu will continue to work closely with its three major shareholders namely COFCO Group, Danone Group and Arla Foods, as well as leading international partners including WhiteWave and UC Davis from the United States, to create a global innovation platform. By stepping up efforts in relation to milk sources, products, production and operation, system management, brand strategy, sales channels and other aspects, Mengniu endeavors to promote the deployment of milk sources and research and development of dairy products worldwide, and the alignment with international standards, and ultimately takes the quality of Chinese dairy products to new heights.

展望未來，蒙牛將圍繞「聚焦聚勢、凝心凝力」主題，在產品、質量、價值觀和執行力四個層面上堅持「不妥協」，為消費者打造高品質乳品。為使每一個業務單元更專注、更均衡發展，蒙牛啟動組織架構調整，將原核心業務板塊分成常溫、低溫、冰淇淋、奶粉等獨立運營的新事業板塊。新事業部制以專業化聚焦品類，將提升產品核心競爭力及整體運營效率，形成以消費者及市場為導向的組織模式，快速地應對市場，實現產供銷一體化，引領渠道發展。其中，低溫事業部針對未來數年中國市場快速增長的潛力，有望打造新增長點。

奶源是乳品企業的第一道品質關口，提升奶源品質一直以來都是蒙牛重中之重的的工作。於二零一七年增持原奶供應商現代牧業有助本集團整合上游供應鏈資源，為蒙牛提供穩定及優質的奶源，強化蒙牛於高端乳製品市場的定位，助力發展低溫乳製品；同時，強化奶源控制將進一步提升經營效益，為實現本集團的2020戰略目標打下良好基礎。

蒙牛將繼續與中糧集團、Danone集團及Arla Foods三大股東，以及美國WhiteWave、UC Davis等國際領先的合作夥伴保持緊密互動，打造全球創新平台。從奶源、產品、生產運營、系統管理、品牌策略、銷售渠道等方面全面發力，推進全球奶源和研發佈局，實現與國際標準接軌，刷新中國乳品品質高度。



Management Discussion and Analysis 管理層討論及分析

Mengniu will continue to leverage on its advantage in the access to supreme resources worldwide to improve its brand value all-round. Mengniu has reached strategic agreement with Universal Beijing Resort, where it will become the exclusive official partner in providing dairy product and ice cream at the resort, hence becoming able to offer extensive product experience to visitors of the resort from all over world. Mengniu is also entitled to merchandising, product development and attraction brand exposure opportunities within the resort. In the future, Mengniu will continue to explore cooperative endeavors with Universal Parks & Resorts outside the theme park, with the aim of bolstering the international clout of the Mengniu brand.

Mengniu will join hands with other partners in the ecosystem on constant innovation, and also focus on brand building and carry out digitalized marketing. Mengniu is committed to in-depth analysis of consumer characteristics based on Big Data, in a bid to realize precision marketing and innovative product customization, enhance interaction with consumers and achieve high value-added brand effect. Relying on its SAP and the LIMS systems, Mengniu will reinforce its digitalized management capabilities, develop a monitoring and tracking system that covers the entire industrial chain, enhance the accuracy in terms of quality and stability of its production, thus provide its products with intellectualized and systematic quality assurance.

With its solid brand presence, a strong shareholder base and formidable strategic partners, Mengniu will steadfastly and with determination follow its clear strategic roadmap and speed up its strides toward becoming China's most dynamic and internationalized hundred-billion-dollar enterprise.

蒙牛將繼續充分利用其在全球擁有的極其強大的資源優勢，全面提高其品牌價值。蒙牛已與北京環球度假區達成戰略協議，將成為在度假區提供乳製品和冰淇淋的獨家官方合作夥伴，從而能夠為來自世界各地的游客提供廣泛的產品體驗。蒙牛亦將享有在度假區內進行商品推銷、產品開發以及景點品牌曝光的機會。未來，蒙牛將繼續與環球主題公園和度假區集團探索在主題公園以外合作的可能性，以加強蒙牛品牌的國際影響力。

蒙牛將攜手生態圈夥伴不斷創新，聚焦品牌建設，實踐數字化營銷。通過大數據對消費者特性深入分析，實現精準營銷和創新產品定制，加強與消費者的互動體驗，實現高附加值的品牌效應。蒙牛並將依託SAP及LIMS系統，強化數字化管理能力，打造全產業鏈的監控和追溯體系，全面提升生產的質量準確度和穩定性，為產品提供智慧化、系統化的品質保障。

憑著深厚的品牌基礎、強大的股東及戰略夥伴，蒙牛將以清晰的戰略佈局及堅定不移的決心，向「成為最具中國活力的千億級國際化公司」的目標加速挺進。



A person is performing a handstand on a grassy field. They are wearing a blue denim shirt, dark blue pants, and orange sneakers. The background is a blurred green field with trees. The image is split vertically: the left side is a solid green background with two white water drop shapes, and the right side shows the person's legs and feet in the air.

點滴匯聚 茁壯成長

**Each Drop Builds
Healthy Growth**



DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

EXECUTIVE DIRECTORS

Mr. Lu Minfang, aged 48, was appointed as an executive director and the chief executive officer of the Company in September 2016. Mr. Lu is the chairman and a non-executive director of Yashili International Holdings Ltd (“Yashili”), a subsidiary of the Company listed in Hong Kong. He was the chief executive officer and executive director of Yashili before his appointment as chairman of the board of directors of Yashili. Mr. Lu was also a director of each of following subsidiaries of Yashili, namely Yashili International Ltd., Yashili International Group Limited, Newou Hong Kong International Co., Limited and Scient International Group Limited. Mr. Lu has been the Vice President (Greater China) of Danone Early Life Nutrition Greater China and had been with the Danone Group and Dumex Baby Food Co. Ltd. for over 10 years. During the tenure at the Danone Group, he demonstrated strong strategic business and market planning capabilities. With strong leadership, management skills and in-depth knowledge of markets, Mr. Lu contributed significantly to the success of the Danone Group’s baby nutrition business in China. Prior to joining the Danone Group, Mr. Lu spent 9 years with Johnson & Johnson (China) Company Limited and almost 4 years with General Electric Company (China). Mr. Lu has over 18 years of experience in sales and marketing and has been serving in general manager or executive level roles for over 7 years. Mr. Lu has extensive experience in the management of fast moving consumer products and dairy companies and has an excellent grasp and the in-depth knowledge of the PRC market. Mr. Lu obtained his Bachelor’s degree from Fudan University in Shanghai.

執行董事

盧敏放先生，48歲，於二零一六年九月獲委任為本公司執行董事及總裁。盧先生現時亦為本公司於香港上市的子公司雅士利國際控股有限公司（「雅士利」）主席及非執行董事。獲委任為雅士利董事會主席之前，彼為雅士利總裁及執行董事。盧先生亦曾為以下雅士利子公司的董事：雅士利國際有限公司、雅士利國際集團有限公司、新歐香港國際有限公司及施恩國際集團有限公司。盧先生擔任Danone早期生命營養品公司大中華區副總裁一職，已服務Danone集團及多美滋嬰兒食品有限公司超過10年。任職Danone集團期間已展現非凡戰略業務和市場規劃能力。盧先生利用其卓越的領導能力和管理技巧，以及對市場的深入瞭解，幫助Danone集團在中國的嬰幼兒營養品業務取得巨大成功。加入Danone集團前，盧先生曾在強生(中國)有限公司任職達9年，並在美國通用電氣(中國)服務近4年。盧先生在銷售與市場領域擁有逾18年經驗，亦擔任總經理或高層管理人員職務超過7年。盧先生具有豐富快速消費品和乳業公司管理經驗，對中國市場有充分理解和豐富知識。盧先生於上海復旦大學獲得學士學位。



Directors and Senior Management 董事及高級管理層

Mr. Bai Ying, aged 46, was appointed as an executive director of the Company in July 2008 and is an executive vice president of Inner Mongolia Mengniu Dairy (Group) Company Limited (“Inner Mongolia Mengniu”). Mr. Bai was appointed as the chief operation officer of the Company on 6 June 2014. Mr. Bai graduated with a Doctor’s degree from China Agricultural University. He also holds a Master of Business Administration degree from China Europe International Business School. Mr. Bai was the vice president of Inner Mongolia Mengniu and the general manager of UHT milk division of Inner Mongolia Mengniu. He has been working in the dairy industry for over 20 years and has extensive management experience in the dairy business. In 2010, Mr. Bai was elected as “Progressive Staff of Hohhot” and “Inner Mongolia Autonomous Region Labour Model” for the second time. Mr. Bai was elected as a committee member in the third session of the Standing Committee (Enlarged) meeting of the Third Young Federation of the Central Enterprises held on 12 October 2013. Mr. Bai was a non-executive director of Yashili during the period from June 2014 to April 2015.

Ms. Wu Wenting, aged 53, was appointed as an executive director of the Company in September 2016. Ms. Wu was the executive deputy general manager and the chief financial officer of China Foods Limited, a company listed in Hong Kong, until September 2016. Ms. Wu joined COFCO Group in 1992 and was the director of the Audit and Discipline Department of COFCO Corporation from 2006 to March 2014. Ms. Wu also held various positions in COFCO Group, including the deputy general manager of the Finance Department of China Liang Feng Grains Import & Export Company from 1994 to 2000 and the general manager of the Finance Department of COFCO Oils & Grains Co., Ltd. from 2000 to 2006. Ms. Wu holds a Bachelor of Arts degree in economics from Beijing Technology and Business University and a Master of Arts degree in professional accounting from Central University of Finance and Economics and has extensive experience in financial management and auditing.

白瑛先生，46歲，於二零零八年七月獲委任為本公司執行董事，並為內蒙古蒙牛乳業(集團)股份有限公司(「內蒙蒙牛」)執行副總裁。於二零一四年六月六日，白先生獲委任為本公司首席運營官。白先生畢業於中國農業大學，持有博士學位，並持有中歐國際工商學院工商管理碩士學位。白先生曾任內蒙蒙牛副總裁及內蒙蒙牛常溫液態奶本部總經理。彼從事乳製品行業已超過20年，擁有豐富的乳品業管理經驗。白先生於二零一零年二度當選「呼和浩特市先進工作者」及「內蒙古自治區勞動模範」。白先生並於二零一三年十月十二日召開的第三屆中央企業青年聯合會第三次常委(擴大)會議上當選為委員。白先生曾於二零一四年六月至二零一五年四月期間擔任雅士利非執行董事。

吳文婷女士，53歲，於二零一六年九月獲委任為本公司執行董事。二零一六年九月前，吳女士曾任香港上市公司中國食品有限公司常務副總經理兼首席財務官。吳女士於一九九二年加入中糧集團，於二零零六年至二零一四年三月期間擔任中糧集團有限公司審計監察部總監。吳女士亦曾於中糧集團擔任多個職位，包括於一九九四年至二零零零年期間擔任中國良豐穀物進出口公司財務部副總經理及於二零零零年至二零零六年期間擔任中糧糧油有限公司財務部總經理。吳女士持有北京工商大學經濟學學士學位及中央財經大學專業會計學碩士學位，並在財務管理及審計方面擁有廣泛經驗。



Directors and Senior Management 董事及高級管理層

NON-EXECUTIVE DIRECTORS

Mr. Ma Jianping, aged 53, was appointed as a non-executive director and the chairman of the board of directors of the Company in February 2016. Mr. Ma joined COFCO Corporation and/or its subsidiaries (“COFCO”) in 1986 and is currently a vice president of COFCO Corporation. Mr. Ma holds several directorships in certain subsidiaries of COFCO, including the deputy managing director of COFCO (Hong Kong) Limited. Mr. Ma is also the chairman of the board and a non-executive director of China Foods Limited and COFCO Meat Holdings Limited respectively, both companies listed in Hong Kong. Mr. Ma was a director of COFCO Property (Group) Co., Ltd., a company listed in Shenzhen, up to December 2016 and was a non-executive director of Joy City Property Limited, a company listed in Hong Kong, up to January 2017. Mr. Ma was also a non-executive director of the Company during the period from August 2009 to March 2014.

Mr. Ma graduated from University of International Business and Economics and later obtained a degree of Executive Master of Business Administration from the same university and he has extensive experience in strategic planning, corporate finance, investment and M&A, and corporate management.

Mr. Niu Gensheng, aged 59, is a non-executive director of the Company, one of the members in the team founding Yili Group, the founder of Inner Mongolia Mengniu and the founder of Laoni Foundation. Mr. Niu graduated from Inner Mongolia University with a degree in Administration and Management and obtained a Master’s degree in Enterprise Management from the Chinese Academy of Social Sciences Graduate School. With his extensive experience and insights in China’s dairy industry, Mr. Niu enjoys a high reputation in the industry. In 2007, Mr. Niu was elected as one of “China’s Most Influential Business Leaders” for the fifth consecutive year, and was honoured the “2007 Hong Kong Bauhinia Award.” Mr. Niu is devoted to charity. He was on the list of “China’s Top 10 Philanthropists” published by the Ministry of Civil Affairs of the PRC in 2007 and ranked third in the “2007 Hurun Top 10 for Charity”, and received the first and only “Lifetime Achievement in Philanthropy Award” presented by the “China Philanthropists List” in 2010.

非執行董事

馬建平先生，53歲，於二零一六年二月獲委任為本公司非執行董事及董事會主席。馬先生於一九八六年加入中糧集團有限公司及／或其子公司（「中糧集團」），目前擔任中糧集團有限公司副總裁。馬先生於中糧集團若干子公司出任多個董事職位，包括中糧集團(香港)有限公司董事副總經理。馬先生亦分別為香港上市公司中國食品有限公司及中糧肉食控股有限公司的董事會主席兼非執行董事。馬先生曾任深圳上市公司中糧地產(集團)股份有限公司董事直至二零一六年十二月，以及香港上市公司大悅城地產有限公司非執行董事直至二零一七年一月。馬先生亦曾於二零零九年八月至二零一四年三月期間擔任本公司非執行董事。

馬先生畢業於對外經濟貿易大學，後獲該校高級管理人員工商管理碩士學位，於戰略規劃、企業融資、投資併購及企業管理方面擁有廣泛經驗。

牛根生先生，59歲，本公司非執行董事及伊利集團創始團隊成員、內蒙蒙牛創始人和老牛基金會創始人。牛先生畢業於內蒙古大學，持有行政管理學位，並在中國社會科學院研究生院取得企業管理碩士學位。牛先生對中國乳品業的認識透徹，憑藉豐富的行業經驗，於行業中擁有崇高地位。二零零七年，牛先生第五度當選「中國最具影響力的企業領袖」，並獲頒「二零零七年香港紫荊花獎」。牛先生致力於慈善事業，於二零零七年名列中華人民共和國民政部發佈的「中國十大慈善家」榜單，並於「二零零七年胡潤十大慈善榜」中排名第三，又於二零一零年獲「中國慈善排行榜」首次設立及唯一的「慈善終身成就獎」。



Directors and Senior Management 董事及高級管理層

Mr. Tim Ørting Jørgensen, aged 52, was appointed as a non-executive director of the Company in April 2016. He was a non-executive director of the Company during the period from July 2012 to September 2013. Mr. Jørgensen graduated from Copenhagen Business School in 1991 with a Master of Economics degree, specialising in international strategy and marketing. He joined Arla Foods a.m.b.a. ("Arla") in 1991 and has held several management positions within Arla's international business group, including a three year position in the Middle East and a three-year position in Brazil. In 2005, he became the business group director for Arla's Danish division and in 2007, he was appointed as executive vice president, with the overall responsibility for Arla's international activities outside Scandinavia and the United Kingdom. In 2012, he was appointed to lead Arla's newly established German/Dutch business group, with the clear objective of establishing Arla as a leading dairy company in Germany through mergers and acquisitions. Throughout his 25 years in Arla, Mr. Jørgensen has acquired extensive management experience within international sales, brand building, supply chain efficiency and general management. Mr. Jørgensen has especially been focused on growing the business significantly both organically and through acquisitions.

Mr. Filip Kegels, aged 52, was appointed as a non-executive director of the Company in April 2016. Mr. Kegels has 30 years of experience in the management of fast-moving consumer goods with outstanding performance particularly in sales, marketing, integrated management and international business management. Mr. Kegels graduated from Catholic University of Antwerp in 1986 with a Master in Economics and obtained a Master's degree in Management and Business Administration from University of Brussels in 1987. He joined Danone SA, a multi-national corporation and global leader in food products, including fresh dairy products and other health and nutrition food products and beverages in 1987, where he was initially engaged in sales and marketing activities in France and later became the general manager of various local and regional companies of Danone SA. Between 2010 and 2012, he was appointed as chief executive officer of Danone Unimilk CIS, a merger between Danone and the Russian company and market leader in dairy products in CIS. In 2012, he became the general manager for Danone Eastern, Central and Northern Europe for the fresh dairy division overseeing over 30 countries and with the objective to accelerate the profitable growth of that region. In 2014, Mr. Kegels was appointed as vice-president of Danone Africa, Middle East, and Asia-Pacific for the Fresh Dairy Division. Since 2015, Mr. Kegels has been vice-president for Danone Asia Pacific, India and Middle East, and non-executive chairman of Danone China and Japan for fresh dairy products division, in which he is responsible for the strategy of the division in the aforementioned region. From December 2014 to July 2015, Mr. Kegels was a director of Centrale Danone, a company listed on the Casablanca Stock Exchange in Morocco. Mr. Kegels is currently a director of Inner Mongolia Mengniu Danone Dairy Co. Ltd, a joint venture which is owned by the Group and Danone Group as to 80% and 20%, respectively. Since June 2016, Mr. Kegels has also been a director of Yakult Honsha Co., Ltd., a company listed on the Tokyo Stock Exchange.

Tim Ørting Jørgensen先生，52歲，於二零一六年四月獲委任為本公司非執行董事。二零一二年七月至二零一三年九月，彼曾為本公司非執行董事。Jørgensen先生在一九九一年畢業於哥本哈根商學院，主修國際策略與市場推廣，榮獲經濟碩士學位。一九九一年，彼加入Arla Foods a.m.b.a. (「Arla」)，曾任國際業務部多個管理職位，包括三年於中東工作及三年於巴西工作。二零零五年，彼獲晉升為Arla丹麥分公司的業務集團董事，並於二零零七年獲委任為Arla執行副總裁，負責斯堪地那維亞及英國以外地區的國際業務。二零一二年，彼獲委任負責領導Arla新設的德國／荷蘭業務部，冀通過併購將Arla建立為德國具領導地位的乳業公司。Jørgensen先生於Arla具備25年工作經驗，積累豐富國際銷售、品牌建立、供應鏈效益與綜合管理經驗。Jørgensen先生專注於以自然增長及收購方式擴大業務。

Filip Kegels先生，52歲，於二零一六年四月獲委任為本公司非執行董事。Kegels先生於快速消費品行業擁有30年管理經驗，特別於銷售、市場推廣、綜合管理及國際商務管理方面表現優異。一九八六年，Kegels先生畢業於安特衛普天主教大學，獲得經濟碩士學位，並於一九八七年取得布魯塞爾大學工商管理碩士學位。一九八七年，彼加入Danone SA(一間跨國企業，為全球領先的食品生產企業，產品包括鮮奶製品及其他健康和營養食品及飲品)，最初於法國從事銷售及市場推廣工作，其後擔任Danone SA多個地區公司的總經理。於二零一零年至二零一二年間，Kegels先生獲委任為Danone Unimilk CIS(Danone與俄羅斯公司的合營企業，為CIS奶製品市場領導者)的行政總裁。二零一二年，彼出任Danone東歐、中歐及北歐地區鮮奶生產部門的總經理，負責管理逾30個國家的生產，並以加速該等地區盈利增長為目標。二零一四年，Kegels先生獲任命為Danone非洲、中東及亞太地區鮮奶生產部門的副總裁。自二零一五年起，Kegels先生擔任Danone亞太地區、印度及中東地區鮮奶生產部門的副總裁，以及Danone中國及日本地區鮮奶生產部門的非執行主席，負責制定鮮奶生產部門於上述地區的戰略。二零一四年十二月至二零一五年七月期間，Kegels先生出任摩洛哥卡薩布蘭卡證券交易所上市公司Centrale Danone的董事。目前，Kegels先生為內蒙古蒙牛達能乳製品有限公司(一間由本集團及Danone集團分別持股80%和20%的合營企業)的董事。自二零一六年六月起，Kegels先生亦為東京證券交易所上市公司Yakult Honsha Co., Ltd.董事。



Directors and Senior Management 董事及高級管理層

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Jiao Shuge (alias Jiao Zhen), aged 51, was appointed as a non-executive director of the Company in February 2004 and is a vice-chairman of the board of directors of the Company. Mr. Jiao was redesignated from a non-executive director of the Company to an independent non-executive director of the Company with effect from 12 April 2012. Mr. Jiao joined the Group in September 2002 and is currently a director and managing partner of CDH China Management Company Limited. Mr. Jiao received a bachelor's degree in mathematics from Shandong University and a master's degree in engineering from the No.2 Research Institute of Ministry of Aeronautics and Astronautics. Currently, Mr. Jiao also serves as a non-executive director and deputy chairman of WH Group Limited and an independent non-executive director of China Southern Airlines Company Limited, both companies listed in Hong Kong, a director of Joyoung Company Limited and a director of Henan Shuanghui Investment & Development Co., Ltd., both companies listed in Shenzhen. Mr. Jiao was a non-executive director of China Shanshui Cement Group Limited, a company listed in Hong Kong, from 30 November 2005 to 16 May 2014.

Mr. Julian Juul Wolhardt, aged 43, was appointed as a non-executive director of the Company in January 2006 and was redesignated from a non-executive director of the Company to an independent non-executive director of the Company with effect from 12 April 2012. Mr. Wolhardt is currently the chief executive officer of DCP Advisors, Limited focusing on private equity transactions in the Greater China region. Mr. Wolhardt was previously a partner at KKR and Morgan Stanley responsible for private equity business in China. Mr. Wolhardt is a certified public accountant and certified management accountant and received a Bachelor's degree in accounting from the University of Illinois (Urbana-Champaign) in the United States. Mr. Wolhardt currently serves as a non-executive director of Modern Dairy and a non-executive director of COFCO Meat Holdings Limited, both companies listed in Hong Kong. He was an independent non-executive director of China Cord Blood Corporation, a company listed on the New York Stock Exchange, from April 2012 to May 2015 and a non-executive director of United Envirotech Ltd, a company listed in Singapore, from October 2011 to August 2012.

獨立非執行董事

焦樹閣(又名焦震)先生，51歲，於二零零四年二月獲委任為本公司非執行董事，並為本公司董事會副主席。自二零一二年四月十二日起，焦先生由本公司非執行董事調任為本公司獨立非執行董事。焦先生於二零零二年九月加盟本集團，現為CDH China Management Company Limited的董事兼執行合夥人。焦先生持有山東大學數學學士學位及航空航天工業部第二研究院工學碩士學位。焦先生目前亦擔任萬洲國際有限公司非執行董事兼副主席及中國南方航空有限公司獨立非執行董事，兩間公司均於香港上市。此外，彼目前亦分別出任兩間深圳上市公司九陽股份有限公司及河南雙匯投資發展股份有限公司的董事。焦先生自二零零五年十一月三十日至二零一四年五月十六日曾任香港上市公司中國山水水泥集團有限公司非執行董事。

Julian Juul Wolhardt先生，43歲，於二零零六年一月獲委任為本公司非執行董事，並自二零一二年四月十二日起由本公司非執行董事調任為本公司獨立非執行董事。Wolhardt先生現為DCP Advisors, Limited行政總裁，專注大中華地區私募股權交易。Wolhardt先生曾為KKR及摩根士丹利的合夥人，負責中國私募股權業務。Wolhardt先生為執業註冊會計師及註冊管理會計師，並於美國伊利諾大學Urbana-Champaign分校取得會計學學士學位。Wolhardt先生目前擔任現代牧業非執行董事，以及中糧肉食控股有限公司非執行董事，兩間公司均於香港上市。於二零一二年四月至二零一五年五月，彼曾任紐約證券交易所上市公司中國濟帶血庫企業集團獨立非執行董事。於二零一一年十月至二零一二年八月，彼曾任新加坡上市公司United Envirotech Ltd非執行董事。



Directors and Senior Management 董事及高級管理層

Mr. Zhang Xiaoya, aged 54, was appointed as an independent non-executive director of the Company in May 2009. Mr. Zhang is a graduate of the Shandong University and the school of management at the Beijing University of Aeronautics and Astronautics and is a senior engineer. He is currently the chairman of Zhong Ding Dairy Farming Co., Ltd (中鼎牧業有限公司), as well as the chairman of Beijing Xindajiang Investment Limited Company (北京信達嘉鼎投資有限公司), an independent director of New Focus Auto Tech Holdings Limited, an independent director of Syswin Inc. (思源經紀) and Guangzhou Zhujiang Digital Group (廣州珠江數碼集團). Mr. Zhang previously served as a director and president of AirMedia, a company listed on NASDAQ, and the chairman of Unibank Media (銀廣通傳媒集團).

Mr. Yau Ka Chi, aged 59, was appointed as an independent non-executive director of the Company in October 2016. Mr. Yau has over 30 years of professional accounting experience including 20 years in serving China enterprises. He had worked for Ernst & Young for over 20 years in its Hong Kong, Toronto and Beijing offices with primary focus in providing professional services in accounting and audit, initial public offering, and corporate restructuring before retiring in September 2015. During his professional career with Ernst & Young, Mr. Yau was appointed as the Professional Practice Director of Greater China from July 2007 to June 2009, the Assurance Leader for Northern China Region from July 2010 to June 2014, the Oil & Gas Industry Leader of Greater China from May 2012 to June 2015 and the Assurance Leader of the Energy & Resources Markets Segment of Greater China from July 2013 to June 2015. Mr. Yau is currently an independent non-executive director of Yihai International Holding Ltd. and China Power International Development Limited, both companies listed in Hong Kong.

Mr. Yau holds a professional diploma in company secretaryship and administration from the Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University) and is a member of the American Institute of Certified Public Accountants, the Illinois Certified Public Accountants Society and the Hong Kong Institute of Certified Public Accountants. Mr. Yau also holds a certified public accountant license issued by the Illinois Department of Financial and Professional Regulation, the United States.

張曉亞先生，54歲，於二零零九年五月獲委任為本公司獨立非執行董事。張先生畢業於山東大學及北京航空航天大學管理學院，為高級工程師。彼現為中鼎牧業有限公司董事長，同時還擔任北京信達嘉鼎投資有限公司董事長、新焦點汽車技術控股有限公司獨立董事、思源經紀及廣州珠江數碼集團的獨立董事。張先生曾擔任納斯達克交易所上市公司航美傳媒集團董事兼總裁，以及銀廣通傳媒集團董事長。

邱家賜先生，59歲，於二零一六年十月獲委任為本公司獨立非執行董事。邱先生擁有逾30年專業會計服務經驗，包括20年服務中國企業經驗。彼於二零一五年九月自安永會計師事務所退休前，先後於其香港、多倫多及北京辦公室任職，主要從事會計與審計、首次公開發售及公司重組專業服務。於安永會計師事務所任職期間，於二零零七年七月至二零零九年六月，邱先生獲委任為大中華區專業標準技術部主管合夥人，於二零一零年七月至二零一四年六月出任中國華北區審計服務主管合夥人，於二零一二年五月至二零一五年六月出任大中華區石油及天然氣業務主管合夥人，及於二零一三年七月至二零一五年六月出任大中華區能源和資源業審計主管合夥人。邱先生現為頤海國際控股有限公司及中國電力國際發展有限公司的獨立非執行董事，兩間公司均於香港上市。

邱先生持有香港理工學院(現稱為香港理工大學)公司秘書及行政管理專業文憑，並為美國註冊會計師協會、伊利諾伊州註冊會計師協會及香港會計師公會的會員。邱先生亦持有美國伊利諾伊州財政及專業監管部頒發的執業會計師執照。



Directors and Senior Management 董事及高級管理層

SENIOR MANAGEMENT

Mr. Zhang Ping, aged 52, graduated from Beijing Information Science and Technology University with a Master degree in Management Engineering. Mr. Zhang, who joined the Group in 2014, is currently the chief financial officer of the Group. He has over 24 years of experience in the industry of fast-moving consumer goods, specializing in the management of operation, finance and audit as well as risk control. Mr. Zhang worked in Swire Beverages group companies as the manager of the internal audit and system development, the finance director, the general manager of its bottler manufacturing company and the chief executive officer of Coca-Cola Bottlers Manufacturing Holdings Limited. Mr. Zhang is also the non-executive director of Yashili and Modern Dairy, both companies listed in Hong Kong.

Mr. Liu Shengli, aged 52, is the vice president of Inner Mongolia Mengniu. Mr. Liu graduated from Dalian Fisheries University, and obtained a Master degree in Light Industry Technology and Engineering from Hubei University of Technology, then a master degree in business administration from China Europe International Business School. Mr. Liu joined the Group in 2002. He served as the general manager of the marketing department of UHT milk division, the general manager of ice cream division, the assistant to the president and the vice president of the Group. He is currently responsible for the chilled products and the business development of the Group. He has been working in the dairy industry for almost 19 years and has extensive management experience and advanced management concepts in the dairy industry. Mr. Liu was honored as a “Labour Model of Hohhot” of Inner Mongolia in 2010.

Mr. Wang Yansong, aged 49, joined the Group in February 2012 as the assistant vice president of Inner Mongolia Mengniu as well as the person in charge of the quality and safety management system. Since January 2016, he has also been responsible for public affairs and relation and government relation of Inner Mongolia. Mr. Wang graduated in 1990 from the food mechanical engineering department of Beijing Institute of Light Industry with a Bachelor's degree in Engineering. In 1990, he joined Beijing Refrigerator Compressor Factory as a production line technology engineer. In 1995, he was appointed the quality engineer for Beijing Embraco Snowflake Compressor Company Limited. In 1997, he joined Kimberly-Clark (China) Personal Hygienic Products Co., Ltd and took up positions including process control engineer, production manager, product development engineer and quality manager. In 2001, he joined Coca-Cola (China) Beverages Limited as technical service manager (North China). In 2009, he became the technical operation manager (Asia-Pacific Region) for Coca Cola. Prior to becoming the person in charge of the Group's product quality, Mr. Wang had accumulated over 20 years of experience in quality control for fast-moving goods.

高級管理層

張平先生，52歲，北京信息科技大學管理工程學專業畢業，取得研究生學歷。張先生於二零一四年加入本集團，現任本集團首席財務官。彼於快速消費品行業累積超過24年經驗，專責營運、財務及審計之管理以及風險監控。張先生曾就職於太古飲料公司，歷任內審及系統發展經理、財務總監、裝瓶廠總經理，及可口可樂裝瓶商生產控股有限公司首席執行官。張先生亦為香港上市公司雅士利以及現代牧業的非執行董事。

劉勝利先生，52歲，為內蒙蒙牛副總裁。劉先生畢業於大連水產學院，並先後獲得湖北工業大學輕工技術與工程領域工程碩士、中歐國際工商學院工商管理碩士學位。劉先生於二零零二年加入本集團，歷任常溫液態奶事業本部營銷系統總經理、冰淇淋事業本部總經理、總裁助理、集團副總裁等職務。現分管低溫事業部及集團業務發展工作，彼從事乳製品行業近19年，擁有豐富的乳品行業管理經驗及先進的管理理念。劉先生於二零一零年獲得內蒙古「呼和浩特市勞動模範」稱號。

王艷松先生，49歲，於二零一二年二月加盟本集團，擔任內蒙蒙牛助理副總裁和質量安全管理系統負責人，並於二零一六年一月起分管內蒙古公共事務關係和政府關係的工作。王先生於一九九零年畢業於北京輕工業學院食品機械工程系，獲得工學學士學位。彼於一九九零年加入北京電冰箱壓縮機廠，任生產綫技術工程師，於一九九五年出任北京恩布拉科雪花壓縮機有限公司任質量工程師，於一九九七年加入金佰利個人衛生用品中國有限公司，曾先後任職過程控制工程師、生產主管、產品開發工程師、質量經理等。彼於二零零一年加入可口可樂(中國)飲料有限公司，任職北方區域技術服務經理，二零零九年任職可口可樂亞太地區技術運作經理。就任本集團質量負責人前，王先生積累了20多年快速消費品質量管理經驗。



Directors and Senior Management 董事及高級管理層

Mr. Gao Fei, aged 40, is the assistant vice president of the Group. Mr. Gao, joined Mengniu when it was established in 1999, and successively held the positions of regional manager, center manager, sales director and general manager of sales department and contributed to the rapid growth of the market share of Mengniu. Mr. Gao has abundant practical experience in the sales, marketing and promotion of dairy products. In 2016, he was appointed as the assistant vice president of the UHT business division. He is currently responsible for the operation management system of the core business of the Group. Mr. Gao obtained a Bachelor's degree from Shandong University, then an Executive Master in Business Administration degree from Tsinghua University.

Mr. Shi Dongwei, aged 52, joined the Group in 2017 as vice president and is responsible for public affairs of the Group. Mr. Shi worked for the Ministry of Foreign Affairs of the PRC from 1989 to 2001. He then served as the director of global government affairs in China region of Lucent Technologies, Inc. in the United States, the vice president in China region of Agilent Technologies in the United States, the vice president of Starbucks Coffee Company and Alibaba Group. Mr. Shi has 16 years of experience in public affairs. He graduated from department of diplomacy in China Foreign Affairs University and received a bachelor's degree in laws. He then obtained a master's degree in diplomacy and trade from Monash University in Australia. He is also the part-time professor in the department of public administration of Chinese Academy of Governance.

Mr. Kwok Wai Cheong, Chris, aged 44, the Financial Controller and Company Secretary of the Company, joined the Group in May 2007. Prior to joining the Group, Mr. Kwok was the financial controller of a Hong Kong listed company and he also served in an international accounting firm. Mr. Kwok graduated from The Hong Kong Polytechnic University with a Bachelor's degree in Accountancy. Mr. Kwok is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of Association of Chartered Certified Accountants.

高飛先生，40歲，為本集團副總裁。高先生於一九九九年本公司成立時加入蒙牛，歷任銷售部區域經理、中心經理、銷售總監、總經理等職，參與創造了蒙牛份額迅速領先行業的業績。高先生擁有豐富的乳製品銷售及營銷推廣實戰經驗。於二零一六年，彼獲委任為常溫事業部副總裁。現全面負責本集團核心業務的經營管理工作。高先生於山東大學取得學士學位，後又於清華大學獲得高級管理人員工商管理碩士學位。

石東偉先生，52歲，於二零一七年加入本集團，擔任副總裁，負責本集團公共事務。石先生於一九八九年至二零零一年在中國外交部任職，隨後曾任美國朗訊科技公司全球政府事務中國區總監和美國安捷倫科技公司中國區副總裁、星巴克咖啡公司副總裁及阿里巴巴集團副總裁。石先生擁有16年公共事務經驗。石先生畢業於外交學院外交系，獲取法學學士學位，後又於澳大利亞莫納什大學，獲取外交與貿易碩士學位。彼亦兼任國家行政學院公共管理系兼職教授。

郭偉昌先生，44歲，本公司財務總監兼公司秘書，於二零零七年五月加盟本集團。在加盟本集團前，郭先生曾任一間香港上市公司的財務總監，並曾於一間國際會計師事務所工作。郭先生畢業於香港理工大學，取得會計學學士學位，亦為香港會計師公會會員及英國特許公認會計師公會資深會員。







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CORPORATE GOVERNANCE REPORT

企業管治報告

The Company is dedicated to ensuring high standards of corporate governance with an emphasis on a diligent board of directors, sound internal control, and increasing transparency and accountability to shareholders of the Company (the “Shareholders”). The Board acknowledges that good corporate governance practices and procedures are beneficial to the Group and its shareholders. The Company is committed to improving those practices and maintaining its ethical corporate culture.

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

Throughout the year, the board of directors of the Company (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, save as disclosed in the section headed “Nomination Committee” regarding the composition of the Nomination Committee.

THE BOARD

As at 31 December 2016, the Board comprised eleven Directors, including three executive Directors, namely, Mr. Lu Minfang, Mr. Bai Ying and Ms. Wu Wenting, four non-executive Directors, namely, Mr. Ma Jianping, Mr. Niu Gensheng, Mr. Tim Ørting Jørgensen and Mr. Filip Kegels and four independent non-executive Directors, namely, Mr. Jiao Shuge (alias Jiao Zhen), Mr. Julian Juul Wolhardt, Mr. Zhang Xiaoya and Mr. Yau Ka Chi. The Chairman of the Board is Mr. Ma Jianping and the Chief Executive Officer of the Company is Mr. Lu Minfang. Mr. Jiao Shuge (alias Jiao Zhen) is a Vice-Chairman of the Board.

本公司致力確保企業管治達致高水平，尤其著重組建勤勉盡職的董事會和健全的內部監控制度，以及提高透明度和對本公司股東（「股東」）的問責。董事會深知，良好企業管治常規及程序對本集團及其股東有利。本公司致力改善該等常規及保持其道德企業文化。

本公司已採納香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治守則（「企業管治守則」）的守則條文作為其本身的企業管治常規守則。

本公司董事會（「董事會」）已於本年度內檢討本公司企業管治常規，並確信除已於「提名委員會」一節中披露的提名委員會組成外，本公司已符合企業管治守則所有適用守則條文。

董事會

於二零一六年十二月三十一日，董事會由十一名董事組成，包括三名執行董事（盧敏放先生、白瑛先生及吳文婷女士）、四名非執行董事（馬建平先生、牛根生先生、Tim Ørting Jørgensen先生及Filip Kegels先生）及四名獨立非執行董事（焦樹閣（又名焦震）先生、Julian Juul Wolhardt先生、張曉亞先生及邱家賜先生）。本公司董事會主席為馬建平先生，本公司總裁為盧敏放先生。焦樹閣（又名焦震）先生為董事會副主席。



Corporate Governance Report 企業管治報告

The Board is responsible for the leadership and management of the Company. Key responsibilities of the Board comprise formulation of the Group's overall strategies and policies, setting of performance and management targets, evaluation of business performance and supervision of management's performance. The management is delegated with the authority and responsibility by the Board for the management and operations of the Group. The role of the management is to implement the strategies and directions determined by the Board and to work within the framework of any written procedures and instructions laid down by the Board. In addition, the Board has also delegated various responsibilities to the board committees of the Company (the "Board Committees") as detailed in this report.

Biographies of the Directors are set out on pages 54 to 61 of the annual report, which demonstrate a diversity of skills, expertise, experience and qualifications of the Directors. There is no other material financial, business, family or other material/relevant relationships among the Directors.

Independence of Independent Non-Executive Directors

The independent non-executive Directors possess appropriate professional qualifications or accounting or related financial management expertise. Their role is to provide independent and objective opinions to the Board for its consideration and decisions.

The Company has received an annual confirmation of independence from each of the independent non-executive Directors in accordance with Rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all independent non-executive Directors are independent in accordance with the definition of the Listing Rules.

董事會負責領導和管理本公司。董事會主要負責制訂本集團整體策略和政策，訂立績效和管理目標，評估業務表現和監察管理層表現。董事會向管理層轉授權力和責任，以管理和經營本集團。管理層負責實施董事會所決定的策略及指示，並在董事會制訂的任何書面程序及指示架構內工作。此外，董事會亦向本公司各個董事委員會（「董事委員會」）轉授多項責任，詳情載於本報告。

董事簡歷載於年報第54頁至第61頁，當中列出董事各方面的技能、專長、經驗和資格。董事之間概無其他重大財務、業務、親屬或其他重大／相關關係。

獨立非執行董事的獨立性

獨立非執行董事具備合適專業資格、會計或相關財務管理專長。彼等職責乃提供獨立及客觀的意見以供董事會考慮及作出決定。

每名獨立非執行董事已根據上市規則第3.13條向本公司發出一份有關其獨立性的年度確認書。董事會已評估其獨立性，並作出結論，認為按上市規則的釋義，全體獨立非執行董事均為獨立。



Corporate Governance Report 企業管治報告

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for determining the policies for corporate governance of the Company and performing the corporate governance duties including:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (e) to review the Company's compliance with Appendix 14 to the Listing Rules (Corporate Governance Code and Corporate Governance Report).

During the year, the Board has performed the corporate governance functions by reviewing the Company's corporate governance practices.

DIRECTORS' TRAININGS

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant statutes, laws, rules and regulations. The Company Secretary also provides Directors with updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time.

企業管治職能

董事會負責釐定本公司的企業管治政策及履行企業管治職責，其中包括：

- (a) 制定及檢討本公司的企業管治政策及常規；
- (b) 檢討及監察董事及高級管理層的培訓及持續專業發展；
- (c) 檢討及監察本公司遵守法律及監管規定的政策及常規；
- (d) 制定、檢討及監察適用於僱員及董事的操守準則及合規手冊(如有)；及
- (e) 檢討本公司遵守上市規則附錄十四(《企業管治守則》及《企業管治報告》)的情況。

年內，董事會已透過檢討本公司的企業管治常規以履行企業管治職能。

董事培訓

每名新委任的董事均獲得所需的就任須知及資料，以確保其對本公司的運作及業務以及本身在相關法令、法律、規則及法規下的職責均有適當的理解。公司秘書亦會不時向董事提供有關上市規則及其他相關法律及法規規定的最新發展及變動的資料。



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All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company has arranged in-house trainings for Directors in the form of seminars and reading materials with appropriate emphasis on the roles, functions and duties of the Directors. During the year, a seminar was provided to all Board members for updates of the Listing Rules by legal advisor. A summary of trainings received by the Directors during the year according to the records provided by the Directors is as follows:

本公司鼓勵所有董事參與持續專業發展，以發展並更新其知識及技能。本公司曾以研討會及派發學習材料等形式為董事安排內部培訓，著重強調董事的角色、職能及責任。年內，法律顧問已為所有董事會成員舉辦研討會，以提供有關上市規則的最新資料。根據董事所提供的記錄，董事於年內所接受的培訓概述如下：

Directors	董事	Type of trainings 培訓類別
Executive Directors		
Lu Minfang (appointed on 15 September 2016)	盧敏放(於二零一六年九月十五日獲委任)	A, B, C
Bai Ying	白瑛	A, C
Wu Wenting (appointed on 15 September 2016)	吳文婷(於二零一六年九月十五日獲委任)	A, C
Sun Yiping (resigned on 15 September 2016)	孫伊萍(於二零一六年九月十五日辭任)	A, C
Non-executive Directors		
Ma Jianping (appointed on 19 February 2016)	馬建平(於二零一六年二月十九日獲委任)	A, B, C
Niu Gensheng	牛根生	A, C
Tim Ørting Jørgensen (appointed on 1 April 2016)	Tim Ørting Jørgensen (於二零一六年四月一日獲委任)	A, C
Filip Kegels (appointed on 1 April 2016)	Filip Kegels(於二零一六年四月一日獲委任)	A, C
Ning Gaoning (resigned on 19 February 2016)	寧高寧(於二零一六年二月十九日辭任)	A, B, C
Yu Xubo (resigned on 15 September 2016)	于旭波(於二零一六年九月十五日辭任)	A, C
Liu Ding (resigned on 15 September 2016)	柳丁(於二零一六年九月十五日辭任)	A, C
Finn S. Hansen (resigned on 1 April 2016)	Finn S. Hansen(於二零一六年四月一日辭任)	A, C
Christian Neu (resigned on 1 April 2016)	Christian Neu(於二零一六年四月一日辭任)	A, C
Independent Non-executive Directors		
Jiao Shuge (alias Jiao Zhen)	焦樹閣(又名焦震)	A, B, C
Julian Juul Wolhardt	Julian Juul Wolhardt	A, C
Zhang Xiaoya	張曉亞	A, C
Yau Ka Chi (appointed on 1 October 2016)	邱家賜(於二零一六年十月一日獲委任)	A, C
Wu Kwok Keung Andrew (resigned on 1 October 2016)	胡國強 (於二零一六年十月一日辭任)	A, C
Liao Jianwen (resigned on 15 September 2016)	廖建文(於二零一六年九月十五日辭任)	A, B, C

A: attending seminars and/or conferences and/or forums relevant to the business or directors' duties

B: giving talks at seminars and/or conferences and/or forums

C: reading materials relating to directors' duties and responsibilities and regulatory updates

A: 出席與業務或董事職責有關的研討會及/或會議及/或論壇

B: 在研討會及/或會議及/或論壇上發表演說

C: 閱讀與董事職責及責任及最新規管資料有關的學習材料



Corporate Governance Report 企業管治報告

BOARD PROCEEDINGS

The Board meets at least four times a year and additional operational meetings are also held, when required. The Company Secretary is responsible for preparing agenda and notices for the meetings. Senior management of the Group also provides the Directors with relevant information on a timely basis regarding key business developments of the Group and issues affecting the Group. Agenda and other information packages are normally delivered to the Directors before the meetings. The Directors also have independent access to the senior management in respect of operational issues. The Directors may take independent professional advice where appropriate to discharge their duties, at the Company's expenses.

The Board held five meetings during the year ended 31 December 2016 and one further meeting since 1 January 2017 up to the date of this report. Details of the Directors' attendance at the Board and Board Committee meetings, the annual general meeting of the Company (the "AGM") held in 2016 are set out in the following table.

董事會處理事務程序

董事會每年最少舉行四次會議，並在有需要時也會舉行其他業務會議。公司秘書負責編製會議議程和通告。本集團高級管理層亦適時向董事提供有關本集團主要業務發展和影響本集團事項的資料。一般而言，議程和其他資料會在舉行會議前發給董事。董事也可就營運事宜個別與高級管理層商討。董事可在適當情況下徵詢獨立專業意見，以便履行職責，費用由本公司負擔。

董事會截至二零一六年十二月三十一日止年度舉行了五次會議，並於二零一七年一月一日至本報告日期期間舉行了一次會議。各董事出席於二零一六年舉行的董事會及董事委員會會議，以及本公司股東週年大會（「股東週年大會」）的情況詳情載於下表。

Directors	董事	Board Meetings*	Audit Committee	Remuneration Committee	Nomination Committee	Strategy and Development Committee	Annual General Meeting
		董事會會議*	審核委員會	薪酬委員會	提名委員會	戰略及發展委員會	股東週年大會
Executive Directors		執行董事					
Lu Minfang (appointed on 15 September 2016)	盧敏放(於二零一六年九月十五日獲委任)	1/1				1/1	0/0
Bai Ying	白瑛	5/5					0/1
Wu Wenting (appointed on 15 September 2016)	吳文婷(於二零一六年九月十五日獲委任)	1/1		0/0			0/0
Sun Yiping (resigned on 15 September 2016)	孫伊萍(於二零一六年九月十五日辭任)	3/4				1/1	0/1
Non-executive Directors		非執行董事					
Ma Jianping (appointed on 19 February 2016)	馬建平(於二零一六年二月十九日獲委任)	5/5			2/2	1/1	1/1
Niu Gensheng	牛根生	3/5				1/1	0/1
Tim Ørting Jørgensen (appointed on 1 April 2016)	Tim Ørting Jørgensen (於二零一六年四月一日獲委任)	4/4			0/0	2/2	0/1
Filip Kegels (appointed on 1 April 2016)	Filip Kegels(於二零一六年四月一日獲委任)	4/4			0/0	2/2	0/1
Ning Gaoning (resigned on 19 February 2016)	寧高寧(於二零一六年二月十九日辭任)	0/0			0/0		0/0
Yu Xubo (resigned on 15 September 2016)	于旭波(於二零一六年九月十五日辭任)	1/4		1/2		0/1	0/1
Liu Ding (resigned on 15 September 2016)	柳丁(於二零一六年九月十五日辭任)	0/4					0/1
Finn S. Hansen (resigned on 1 April 2016)	Finn S. Hansen(於二零一六年四月一日辭任)	1/1					0/0
Christian Neu (resigned on 1 April 2016)	Christian Neu(於二零一六年四月一日辭任)	1/1					0/0



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Directors	董事	Board	Audit	Remuneration	Nomination	Strategy and Development	Annual General
		Meetings*	Committee	Committee	Committee	Committee	Meeting
		董事會會議*	審核委員會	薪酬委員會	提名委員會	戰略及發展委員會	股東週年大會
Independent Non-executive Directors		獨立非執行董事					
Jiao Shuge (alias Jiao Zhen)	焦樹閣(又名焦震)	4/5	2/2	0/0	2/2	1/1	0/1
Julian Juul Wolhardt	Julian Juul Wolhardt	5/5	3/3	2/2	2/2		1/1
Zhang Xiaoya	張曉亞	5/5	3/3	2/2	2/2		0/1
Yau Ka Chi (appointed on 1 October 2016)	邱家賜(於二零一六年十月一日獲委任)	1/1	1/1				0/0
Wu Kwok Keung Andrew (resigned on 1 October 2016)	胡國強(於二零一六年十月一日辭任)	3/4	2/2				1/1
Liao Jianwen (resigned on 15 September 2016)	廖建文(於二零一六年九月十五日辭任)	2/4		1/2		0/1	0/1

* During the year, the Company held four quarterly meetings and one other meeting to handle operational-level and investment matters. According to the Company's articles of association, the quorum for convening a Board meeting is two members.

* 本公司於年內舉行了四次季度會議及一次其他會議，以處理運作層面及投資等事宜。根據本公司組織章程細則，召開董事會會議的法定人數為二人。

Minutes of meetings of the Board and Board Committees are kept by the Company Secretary of the Company and are not only open for inspection by the Directors but also sent to the Directors for their records. All Directors have access to the Company Secretary of the Company, who is responsible for ensuring that the Board procedures are complied with and advising the Board on compliance matters.

董事會和董事委員會的會議紀錄由本公司的公司秘書負責存置，不但可供董事查閱，同時也呈交各董事以作記錄。全體董事均可與本公司的公司秘書聯絡，而公司秘書負責確保董事會符合法規程序並就此向董事會提出建議。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The role of the Chairman is separate from that of the Chief Executive Officer to ensure a balance of power and authority. The Chairman is responsible for overseeing the functioning of the Board while the Chief Executive Officer is responsible for managing the Group's business. For the financial year ended 31 December 2016, the Chairman of the Board is Mr. Ma Jianping, a non-executive Director, and the Chief Executive Officer of the Company is Mr. Lu Minfang (since 15 September 2016) and Ms. Sun Yiping (up to 15 September 2016), each an executive Director.

主席及總裁

本公司對主席與總裁角色加以區分，以確保權力得到平衡。主席負責監察董事會履行職能，而總裁則負責管理本集團的業務。截至二零一六年十二月三十一日止財政年度，本公司董事會主席為非執行董事馬建平先生，總裁為執行董事盧敏放先生(自二零一六年九月十五日起)及孫伊萍女士(至二零一六年九月十五日止)。

The Chairman shall ensure that Board meetings are planned and conducted effectively and all Directors are properly briefed on issues arising at Board meetings. He is also responsible for ensuring that the Directors receive adequate information in a timely manner, which must be accurate, clear, complete and reliable. The Chairman shall also ensure the Board works effectively and discharges its responsibilities; all key and appropriate issues are discussed by the Board in a timely manner; good corporate governance practices and procedures are established; and appropriate steps are taken to provide effective communication with Shareholders and that views of Shareholders are communicated to the Board as a whole.

主席須確保董事會會議有效籌劃和進行，而在董事會會議上就產生的問題，應向全體董事妥為簡報。他亦負責確保董事及時收取充足資料，而該等資料必須準確、清晰、完備及可靠。主席亦須確保董事會有效地運作，履行應有職責，並及時就所有重要的事項進行討論，確保公司制定良好的企業管治常規及程序，採取適當步驟保持與股東有效聯繫，以及確保股東意見可傳達到整個董事會。



APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

Each Director (for the avoidance of doubt, including the independent non-executive Directors) has entered into a letter of appointment with the Company for a term of three years. The Directors are subject to retirement by rotation and re-election at each annual general meeting of the Company in accordance with article 112 of the Company's articles of association. Directors appointed as an addition to the Board or to fill a casual vacancy on the Board will be subject to re-election by the Shareholders at the next following annual general meeting or the next following general meeting of the Company respectively after the appointment. Also, when an independent non-executive Director proposed for re-election has served the Company for more than nine years, his or her re-election will be subject to a separate resolution to be approved at the AGM.

BOARD COMMITTEES

To oversee particular aspects of the Company's affairs and to assist in the execution of its responsibilities, the Company has established four Board Committees under the Board, namely the Audit Committee, the Remuneration Committee, the Nomination Committee and the Strategy and Development Committee, each of which is governed by specific terms of reference approved by the Board, covering its functions, duties and powers. The terms of reference of the respective Board Committees have complied with the CG Code provisions and are disclosed on the websites of the Company and the Stock Exchange and are available for public inspection at the Company's principal place of business in Hong Kong.

REMUNERATION COMMITTEE

As at 31 December 2016, the Remuneration Committee comprised three members, two of whom are independent non-executive Directors (Mr. Julian Juul Wolhardt and Mr. Jiao Shuge (alias Jiao Zhen)) and the remaining one member is an executive Director (Ms. Wu Wenting). The Remuneration Committee is chaired by Mr. Julian Juul Wolhardt.

The duties of the Remuneration Committee are to review annually and recommend to the Board the overall remuneration policy and structure for the directors and senior management to ensure that the level of remuneration is linked to their level of responsibilities undertaken. These shall include making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment. The Remuneration Committee shall also evaluate annually the performance of the directors and the senior management and recommend to the Board specific adjustments in their remuneration and/or reward payments.



董事的委任、重選和罷免

每名董事(為免生疑,包括獨立非執行董事)已與本公司訂立為期三年的委聘書。董事須根據本公司的組織章程細則第112條在本公司每屆股東週年大會上輪值告退和重選。委任為董事會新增成員或填補董事會臨時空缺的董事,將於獲委任後分別在下一個本公司股東週年大會或下一個本公司股東大會上由股東重選。此外,倘獲提呈重選獨立非執行董事已於本公司在任超過九年,彼的重選將以獨立決議案形式於股東週年大會通過。

董事委員會

為了監察本公司特定事務及協助履行其責任,本公司董事會下設四個董事委員會,分別為審核委員會、薪酬委員會、提名委員會和戰略及發展委員會。各委員會分別受限於經董事會批准的特定職權範圍,其中涵蓋了職能、職責及權力。董事委員會各自的職權範圍已遵從企業管治守則條文,並已於本公司及聯交所的網站披露,以及置放於本公司的香港主要營業地點供公眾查閱。

薪酬委員會

於二零一六年十二月三十一日,薪酬委員會有三名成員,其中兩名為獨立非執行董事(Julian Juul Wolhardt先生及焦樹閣(又名焦震)先生),其餘一名為執行董事(吳文婷女士)。Julian Juul Wolhardt先生擔任薪酬委員會主席。

薪酬委員會的職責包括每年審閱董事和高級管理層的整體薪酬政策及結構,並向董事會提出有關建議,以確保薪酬水平與責任承擔相符。此應包括向董事會建議個別執行董事及高級管理層的薪酬待遇,包括非金錢利益、退休金權利及賠償金額(包括喪失或終止職務或委任的賠償)。薪酬委員會每年亦須評估董事和高級管理層的表現,並就其薪酬及/或獎勵金應作出的特定調整,向董事會提出建議。

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The Company's policy on remuneration is to maintain fair and competitive packages based on business needs and industry practice. For determining the level of fees paid to members of the Board, market rates and factors such as each director's workload and required commitment will be taken into account. In addition, factors comprising economic and market situations, individual contributions to the Group's results and development as well as individual potential are considered when determining the remuneration packages of executive Directors.

The Remuneration Committee held two meetings during the year ended 31 December 2016. During the year, the Remuneration Committee had performed the following:

- assessed the performance of the Directors and senior management;
- reviewed and approved the remuneration for the Directors and senior management including terms of the letters of appointment;
- reviewed the remuneration policy and made recommendations to the Board;
- reviewed the Company's existing share option scheme and made recommendations to the Board; and
- reviewed the proposal of granting of shares according to the Company's share award scheme (the "share award scheme"), and made recommendations to the Board.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The remuneration of the members of the senior management by band for the year ended 31 December 2016 is set out below:

Remuneration bands (RMB) 薪酬組別 (人民幣元)	Number of persons 人數
0-1,000,000	0
1,000,001-2,000,000	3
2,000,001-3,000,000	2
3,000,001-4,000,000	0
4,000,001-5,000,000	1

Further particulars regarding Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in notes 9 and 10 to the financial statements.

本公司的薪酬政策乃根據業務需要及行業慣例維持公平及具競爭力的薪酬福利。對於釐定支付予董事會各董事袍金，會考慮市場水平與各項因素，如董事工作量及所承擔的責任。此外，當釐定執行董事薪酬福利時會考慮之因素包括：經濟及市場情況、對本集團業績及發展的貢獻，以及個人潛能等。

薪酬委員會於截至二零一六年十二月三十一日止年度舉行了兩次會議。本年度內，薪酬委員會完成了下列各項工作：

- 評估董事及高級管理層的表現；
- 檢討及批准董事及高級管理層的薪酬，包括委聘書的條款；
- 檢討薪酬政策並向董事會提出建議；
- 檢討本公司現行的購股權計劃並向董事會提出建議；及
- 審議本公司按股票獎勵計劃(「股票獎勵計劃」)授出股票的方案，並向董事會提出建議。

董事及高級管理層薪酬

截至二零一六年十二月三十一日止年度，高級管理層成員按組別劃分的薪酬載列如下：

根據上市規則附錄十六須予披露的董事及五名最高薪人士的薪酬詳情，載於財務報表附註9與10。



NOMINATION COMMITTEE

As at 31 December 2016, the Nomination Committee comprised four members, one of whom is an independent non-executive Director (Mr. Julian Juul Wolhardt) and the remaining three members are non-executive Directors (Mr. Ma Jianping, Mr. Tim Ørting Jørgensen and Mr. Filip Kegels). The Nomination Committee is chaired by Mr. Ma Jianping.

Code Provision A.5.1 of the Corporate Governance Code provides that an issuer should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors. With effect from 15 September 2016, each of Mr. Jiao Shuge and Mr. Zhang Xiaoya (each an independent non-executive Director) ceased to be a member of the Nomination Committee, and each of Mr. Tim Ørting Jørgensen and Mr. Filip Kegels (each a non-executive Director) became a member of the Nomination Committee. As such, less than half of the members of Nomination Committee are independent non-executive Directors starting from 15 September 2016. The Directors are of the view that each of Mr. Tim Ørting Jørgensen and Mr. Filip Kegels is able to carry out his responsibilities as a member of the Nomination Committee in the best interest of the Shareholders notwithstanding that he is not an independent non-executive director as required under Code Provision A.5.1.

The responsibilities of the Nomination Committee are to determine the nomination policy, review the structure, size and composition, including the skills, knowledge and experiences of the Board and make recommendations to the Board regarding any proposed changes. The Nomination Committee is also responsible for identifying and nominating suitable candidates qualified to become Board members, in particular, candidates who can add value to the management through their contributions in the relevant strategic business areas and which appointments will result in the constitution of a stronger and more diverse Board, and makes recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors if necessary and succession planning for Directors, in particular the Chairman and the chief executive of the Company. In the selection process of a candidate to act as a Director, the Nomination Committee makes reference to criteria including, inter alia, reputation for integrity, accomplishment and experience in the dairy industry, professional and educational background, and commitment in respect of available time and assesses the independence of the independent non-executive Directors. The Board had also in August 2013 approved the adoption of the board diversity policy. Under such policy, board appointments will be based on merits and candidates will be considered against objective criteria, having due regard for the benefit of diversity on the Board. The selection of candidates on the Board is based on a range of diversity perspectives, including gender, age, cultural and education background, ethnicity, professional or industry experience, skills, knowledge and length of service. The Company will also take into account other factors based on its own business model and specific business needs from time to time. The Nomination Committee will continue to give adequate consideration to these measurable objectives when making recommendation of candidates for appointment to the Board.



提名委員會

於二零一六年十二月三十一日，提名委員會有四名成員，其中一名為獨立非執行董事(Julian Juul Wolhardt先生)，其餘三名為非執行董事(馬建平先生、Tim Ørting Jørgensen先生及Filip Kegels先生)。馬建平先生擔任提名委員會主席。

企業管治守則條文第A.5.1條規定發行人必須設立由董事會主席或獨立非執行董事擔任主席的提名委員會，成員須以獨立非執行董事佔大多數。自二零一六年九月十五日起，獨立非執行董事焦樹閣先生及張曉亞先生不再擔任提名委員會成員，並由非執行董事Tim Ørting Jørgensen先生及Filip Kegels先生出任提名委員會成員。因此，自二零一六年九月十五日起，提名委員會中，獨立非執行董事人數不足一半。董事認為，儘管Tim Ørting Jørgensen先生及Filip Kegels先生均並非守則條文第A.5.1條規定的獨立非執行董事，但彼等均有能力履行其作為提名委員會成員的職責，並以股東的最大利益行事。

提名委員會負責制定提名政策、就董事會的架構、規模和組成(包括技能、知識和經驗)作出檢討，並就任何變動方案向董事會提出建議。提名委員會亦負責物色並提名適合成為董事會成員的人選，倘若有關人選能夠在有關的策略性業務領域作出貢獻，尤其對管理層起增值作用，並且有關委任會致使董事會成員組合更為強健和全面，並就有關董事的委任或重新委任(如有需要)及董事(尤其是本公司主席及主要行政人員)繼任計劃的相關事宜，向董事會提出建議。在董事候選人的篩選過程中，提名委員會所參照的標準包括有關人選的廉正信譽、乳業方面的成就和經驗、專業和教育背景以及其對時間投入的承擔，並會評估獨立非執行董事的獨立性。董事會亦已於二零一三年八月批准採納董事會多元化政策。根據有關政策，董事會任命將用人唯才，在考慮人選時以客觀條件充份顧及董事會成員多元化的裨益。董事會甄選人選將按一系列多元化角度為基準，包括性別、年齡、文化及教育背景、種族、專業或行業經驗、技能、知識及服務年期。本公司亦會因應其自有業務模式及不時的特定業務需要而考慮其他因素。提名委員會向董事會就委任人選向董事會作出推薦建議時，將繼續充分檢討該等可計量目標。

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The Nomination Committee held two meetings during the year ended 31 December 2016 to discuss the new appointments and resignations of Directors during the year and to assess the independence of the independent non-executive directors of the Company and to review the structure, size, composition and diversity of the Board, etc.

AUDIT COMMITTEE

As at 31 December 2016, the Audit Committee comprised three independent non-executive Directors (Mr. Julian Juul Wolhardt, Mr. Zhang Xiaoya and Mr. Yau Ka Chi) in which two possess the relevant professional qualifications required under the Listing Rules. The Audit Committee is chaired by Mr. Yau Ka Chi.

The Audit Committee serves as a focal point for communication between other Directors, the external auditors, and the management as their duties relate to financial and other reporting, risk management, internal controls and auditing. The Audit Committee assists the Board in fulfilling its responsibilities by providing an independent review of financial reporting and by satisfying itself as to the effectiveness of the Company's internal controls and as to the efficiency of the audits.

The Audit Committee held three meetings during the year ended 31 December 2016. During the year, the Audit Committee has performed the following:

- met with the external auditors to discuss the general scope and findings of their audit and interim review works;
- reviewed external auditors' management letter and management's response;
- reviewed and recommended to the Board for approval of the external auditors' remuneration;
- made recommendations to the Board on the re-appointment of the external auditors;
- reviewed the external auditors' independence, objectivity and the effectiveness of the audit process;
- reviewed and monitored the integrity of financial statements, annual and interim reports, and annual and interim results announcements of the Company;

提名委員會於截至二零一六年十二月三十一日止年度舉行了兩次會議，以討論年內董事新委任及退任，及評估本公司獨立非執行董事的獨立程度，並檢討董事會結構、人數、組成及多元程度等。

審核委員會

於二零一六年十二月三十一日，審核委員會成員包括三名獨立非執行董事（Julian Juul Wolhardt先生、張曉亞先生及邱家賜先生），其中兩名董事擁有上市規則所規定的相關專業資格。邱家賜先生擔任審核委員會主席。

審核委員會充當其他董事、外部核數師和管理層之間的溝通渠道，因為此等人士的職責涉及財務和其他申報、風險管理、內部監控及核數事宜。審核委員會應對財務報告作出獨立審閱，並確保本身信納本公司內部監控的效益和核數效率，藉此協助董事會履行其職責。

審核委員會於截至二零一六年十二月三十一日止年度舉行了三次會議。在本年度內，審核委員會完成了下列各項工作：

- 與外部核數師討論其核數和中期審閱工作的一般範疇和結果；
- 審閱外部核數師的管理建議書和管理層的回應；
- 檢討外部核數師酬金並建議董事會予以批准；
- 就重新委任外部核數師事宜，向董事會提出建議；
- 檢討外部核數師的獨立性、客觀性和核數程序的效益；
- 檢討並監察本公司的財務報表、年報和中期報告以及年度和中期業績公佈的完整性；



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- reported to the Board on matters relating to the Audit Committee under the CG Code;
 - reviewed the Group's financial controls, internal control and risk management systems;
 - discussed auditing, internal control, risk management and financial reporting matters before recommending them to the Board for approval; and
 - reviewed the arrangements that employees of the Company and those who deal with the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal controls or other matters.
- 根據企業管治守則就有關審核委員會的事宜向董事會匯報；
 - 檢討本集團的財務監控、內部監控及風險管理系統；
 - 就審核、內部監控、風險管理和財務報告事項，於建議董事會予以批准前進行討論；及
 - 檢討本公司設定的有關本公司僱員及其他與本公司有往來者可秘密就財務匯報、內部監控或其他方面可能發生的不正當行為提出關注的安排。

All issues raised by the external auditors and the Audit Committee have been addressed by the senior management. The work and findings of the Audit Committee have been reported to the Board. During the year, no issues brought to the attention of the senior management and the Board were of sufficient significance for disclosure in the annual report.

Other than the reporting responsibilities of the Company's auditors (please refer to the independent auditors' report set out on pages 103 to 110), the Directors acknowledge their responsibility for preparing the financial statements of the Group which give a true and fair view of the consolidated financial position as at 31 December 2016 and the consolidated financial performance and cash flows of the Group for the year then ended.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the overall responsibility for maintaining sound and effective risk management and internal control systems and for reviewing their effectiveness. The objectives of the risk management and internal control of the Group are: to rationally establish comprehensive risk management strategies in a systematic manner and to apply the concepts, philosophies, procedures and tools of risk management throughout the establishment and implementation of strategies for effectively managing the risks while reasonably ensuring the realization of the Group's strategic objectives and operation objectives and propelling the sustainable development of the enterprise. Such risk management and internal control systems are designed for managing risks rather than eliminating the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

高級管理層已就外部核數師和審核委員會提出的所有問題作出回應。審核委員會的工作和結果已經向董事會匯報。本年度內，需要高級管理層和董事會注意的問題的重要性不足以在年報內作出有關披露。

除本公司核數師肩負呈報責任(請參閱第103頁至第110頁所載的獨立核數師報告)外，董事知悉其須負責編製本集團的財務報表。此等財務報表須真實公平反映本集團於二零一六年十二月三十一日的綜合財務狀況及本集團截至該日止年度的綜合財務表現及現金流量。

風險管理及內部監控

董事會須全面負責維持完善及有效的風險管理及內部監控系統並檢討其效能。本集團風險管理及內部監控的目標是：通過科學合理地制訂全面風險管理戰略，將風險管理的意識、理念、流程、方法和工具貫穿於戰略的制定和執行過程中，使風險管理有效落地，合理保證本集團戰略目標和經營目標的實現，促進企業的可持續發展。該風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險，而且就避免重大的失實陳述或損失而言，僅能作出合理而非絕對的保證。



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The Group has set up a comprehensive risk management and internal control system, forming an effective system for labor division and three lines of defense in risk management, with the first line being each of the business units; the second line being the Risk and Internal Control Management Committee (hereinafter referred to as “Risk Control Committee”), risk management functions and each of the business review and supervision departments while the third being the internal audit and disciplinary review function.

Risk Management

The Group has set up a risk management framework comprising Risk Control Committee, the risk management department and the risk management commissioners of each business unit, and has clearly outlined the responsibilities of each risk management unit. The Group, through complying with the risk management framework under COSO (Committee of Sponsoring Organisations of the Treadway Commission) and introducing external consultation bodies for providing guidance and training on risk management and advocating the culture of risk management, has gradually enhanced the professional standard of the risk management staff.

The Group has established a series of basic regulatory control measures over risk management where the Audit Committee, the risk management committee of the management and the risk management department of the Group are responsible for the supervision and implementation of such measures. The risk management department of the Group follows the principle of “building the concepts of risk management and implementing the risk management policies” and through identifying and evaluating the risks in seven aspects, namely, the Group’s strategies, market, finance, operation, law and compliance, quality and food safety as well as sustainable development, it places strong emphasis on the significant risks at the Group level, the business system level and the business operation level. Based on the principle of managing risks in different categories and ranks, it adopts a rotational management method in risk identification, risk evaluation, risk responses, risk control and risk reporting. Based on such an initiative, it has formulated appropriate risk strategies to effectively reduce and avoid the adverse impact brought by such significant risks to the Group’s strategic objectives, operation objectives and sustainable development.

本集團已建立起全面風險管理和內部監控體系，形成科學有效的職責分工體系，建立風險管理三道防線，即各業務單位為第一道防線；風險與內控管理委員會（以下簡稱「風控委員會」）、風險管理部門、各業務檢查監督部門為第二道防線；內部審計和紀檢監察部門為第三道防線。

風險管理

本集團已建立由風控委員會、風險管理部門、各業務單元風險管理專員組成的風險管理架構，並明確風險管理各單位的職責；通過遵守COSO (Committee of Sponsoring Organisations of the Treadway Commission) 風險管理框架、引進外部諮詢機構進行風險管理指導和培訓、倡導風險管理文化等方式，逐步提高風險管理人員的專業素質。

本集團已制訂一系列風險管理基礎規範，審核委員會、管理層風險管理委員會、本集團風險管理部可據此進行監督與落地實施；本集團風險管理部遵循「樹立風險管理理念、落實風險管理政策」的原則，通過識別和評估集團戰略、市場、財務、營運、法律與合規、質量與食品安全、可持續發展等七個領域的風險，根據風險分類分級管理的原則，聚焦集團層面、業務系統層面、業務中心層面的重要風險，採取風險識別、風險評估、風險應對、風險監控、風險報告的流程循環管理方法，制訂適當的風險應對策略，有效降低和規避重要風險對本集團戰略目標、經營目標、可持續發展的不利影響。



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In 2016, on the basis that a comprehensive risk management framework has been established and the formulation of the basic regulations for risk management has been basically completed, the Group has continuously dealt with, monitored and reported on the risks that were assessed as material to the Group and managed other significant risks according to the level and category. The focus of risk management, the responsible departments and responsible persons, the flow of management and the report system have been further clarified, which enables the risk management to be developed to the “defined stage”. As the second line of defense of risk management, the risk management department of the Group fully takes part in, oversees and reports on the process and the results of material risk management of the risk management business department, which is the first line of defense of risk management. Meanwhile, the Group, after taking into account the Group’s strategic and operation objectives, will conduct a new round of risk identification and assessment when appropriate, so as to manage factors that materially and adversely affect the achievement of the Company’s strategic and operational objectives.

The chief executive officer of the Group and the Party secretary of the Group who is in charge of risk control and auditing business serve as the chairman and the deputy chairman of the Risk Control Committee respectively while the committee members primarily comprise the head of the major business management systems. The Risk Control Committee has set up a specialized risk management department which will be responsible for day-to-day management and the risk management department will report to the Risk Control Committee regularly on their works in risk management. Meanwhile, the Risk Control Committee and the risk management department will report at least twice a year to the Audit Committee on their works in risk management and the Audit Committee will evaluate and supervise the work of the Risk Control Committee.

Internal Control

The Board is responsible for maintaining an established and effective internal control system, to safeguard the assets of the Group and the interest of shareholders, and for reviewing its effectiveness regularly. Aiming at strengthening the risk management culture of the Group and minimizing the impacts of the major risks on the business and earnings of the Group, the senior management of the Group meets to actively evaluate and review the significant risks to which the Group is exposed to and reports to the Board on a regular basis. The Group also appoints external consultants, when considered appropriate, to review the Group’s internal control, working systems and workflows, as well as the management systems, and to make suggestions on system enhancement.

二零一六年，本集團在已建立了全面風險管理框架、基本完成了風險管理基礎規範建設基礎上，對評估的本集團重大風險進行持續的應對、監督和報告管理，對其他重要風險進行分層分級管理，風險管理的重點、責任部門與責任人、管理流程、報告機制進一步明確，使風險管理成熟度上升到「已定義階段」。作為風險管理第二道防線的本集團風險管理部門，全面參與、監督和報告作為第一道防線的風險管理業務部門對重要風險的管理過程和管理結果，同時，結合本集團戰略和經營目標，適時進行新的風險識別與評估，以應對影響企業戰略和經營目標實現的重大不利因素。

風控委員會由本集團總裁擔任主席，由分管風控與審計業務的集團黨委書記擔任常務副主席，委員由主要業務管理系統第一負責人組成，風控委員會設立專門的風險管理部門進行日常管理，風險管理部門定期向風控委員會報告風險管理工作。同時，風控委員會和風險管理部門至少每年2次向審核委員會報告風險管理工作，接受審核委員會的工作評審和監督。

內部監控

董事會有責任維持穩健而有效的內部監控機制，以保護本集團的資產及股東的權益，並定期檢討有關機制是否有效。本集團的高級管理層定期舉行會議，積極評估及檢討本集團面對的重大風險，旨在強化本集團的風險管理文化，盡量減低主要風險對本集團業務及盈利所帶來的影響，並會定期向董事會彙報情況。本集團也適時聘用外部顧問，以檢討本集團的內部監控、工作制度和流程，以及管理體系等方面，並提供優化系統的建議。



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The Board has reviewed the risk management and internal control systems of the Group for the year ended 31 December 2016 and considered them to be effective and adequate.

Apart from strict implementation of a performance assessment system and training programs for its staff, the Group has in place a series of written working systems in respect of business, production, finance, legal compliance and administration aspects, to ensure the significant risks, to which the Group is exposed, are contained:

- Control environment – The Group has established defined organizational structures. Authority to operate various business functions is delegated to respective management within limits set by senior management of the headquarters or the executive Directors. The senior management meets on a regular basis to discuss and approve business strategies, plans and budgets prepared by individual business units. The performance of the Group is reported to the Board on a regular basis.
- Risk assessment – The Group identifies, assesses and ranks the risks that are most relevant to the Group's business according to their likelihood, financial consequence and reputational impact on the Group.
- Control activities – Policies and procedures are set for each business function, in which approvals, authorization, verification, recommendations, performance reviews, asset security and segregation of duties are included.
- Information and communication – The Group's working systems document operational procedures of all business units, as well as authorization and approval procedures for significant decision making.
- Monitoring – The Group adopts a control and risk self-assessment methodology, continuously assessing and managing its business risks by way of assessment by the headquarters of the Group and each business unit on a regular basis, and communication of key control procedures to employees.

董事會已審閱本集團截至二零一六年十二月三十一日止年度的風險管理及內部監控系統並認為其有效而足夠。

本集團已設立一系列就業務、生產、財務、法律及行政等方面的書面工作制度，以及對員工的表現實施嚴格考核制度及為員工提供培訓，以確保本集團面對的重大風險得以控制：

- 監控環境—本集團有清晰的組織架構，授權各管理層經營不同業務職能的權力，惟該權力乃受限於總部高級管理層或執行董事的限制。高級管理層定期討論及批核個別業務單位所編製的業務策略、計劃及預算，而本集團的表現將定期向董事會報告。
- 風險評估—本集團根據業務最相關的風險發生的可能性及該等風險對本集團的財務及信譽所造成的影響進行識別、評估及評級。
- 監控活動—為各業務功能設定政策及程序，當中包括批文、認可、核證、建議、表現檢討、資產擔保及職責劃分。
- 信息及溝通—本集團的工作制度以書面形式列明所有業務單位的運作程序，以及重大決策的授權及批准程序。
- 監察—本集團採用監控及風險自我評估方法，透過本集團總部及各業務單位定期進行的考核及向員工傳遞主要監控程序，以持續評估及管理其業務風險。



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Internal Audit

The Group has set up an independent internal audit department which will directly report to the Party secretary of the Group who is in charge of risk control and auditing business and the Audit Committee. In addition to maintaining objectivity and independency, the internal audit department also adheres to the management philosophy of “focusing on significant risks, prompting the improvement in management and increasing the value of the enterprise”, and the standard of “objectivity, integrity, capability and confidentiality”, with a view to constantly raising the quality of internal audit, adopting systematic ways to evaluate the effectiveness of the Group in corporate governance, risk management and control, procuring consistent improvement thereon, enhancing the value of the enterprise and reasonably ensuring the realization of corporate strategies and operation objectives.

In 2016, the internal audit department has completed the formulation of annual audit plan and the layout of audit requirements of the management approved by the management and the Audit Committee. The Audit Committee has also monitored and reviewed the effectiveness and result of the work of internal audit. Based on the risk assessment and the needs of the management, the internal audit department conducted internal audit and project audit in the risks areas that were significant to the Company and attached great importance to the follow-up and rectification in relation to the audit findings, which promoted the effective coping of significant operational risks and the improvement in management. Meanwhile, the Group has approved the establishment and the promotion of the standards for ICQ (Internal Control Questionnaire), further enhancing the awareness of internal control of business units and their ability of self-management.

The internal audit department attends the Audit Committee meeting and reports the works on internal audit at least twice a year. Significant audit findings can be directly and freely reported to the Audit Committee. Resources such as the annual budget on management fee, staffing of the internal audit department and competence are guaranteed to be taken into consideration by the Audit Committee and necessary support will be provided. This is to ensure that sufficient audit resources are allocated to the internal audit department for effective fulfilment of annual work objectives and responsibilities.

內部審計

本集團已設立具有獨立性的內部審計部門，直接向本集團分管風控與審計的集團黨委書記和審核委員會彙報，內審部門遵循「聚焦重要風險、催化管理改善、增加企業價值」的管理思想，保持客觀性、獨立性原則，遵循「客觀、誠信、勝任、保密」的標準，持續提高內部審計質量，採用科學系統方法評估本集團在公司治理、風險管理和控制方面的有效性並促進其持續改善，為企業增加價值，合理保證企業戰略和經營目標的實現。

二零一六年，內部審計部門已完成經營管理層和審核委員會批准的年度審計工作計畫和管理層的審計需求，各項內審工作有效性及成果均經過審核委員會的監督和審核。內部審計部門在風險評估和管理層需求的基礎上，對企業重要的風險領域進行了內部控制審計和專項審計，並著重於審計發現的跟踪整改，促進了重要經營風險的有效應對和管理的改善。同時，本年度通過ICQ (Internal Control Questionnaire)標準的建立和推廣，進一步強化業務單位的內控意識和提升其自我管理的能力。

內部審計部門每年參加至少兩次審核委員會會議並彙報內審工作，對重大審計發現可不受限制地向審核委員會直接彙報。內部審計部門的年度管理費用預算、人員配備及勝任能力等資源保證得到審核委員會的關注和支持，確保內部審計部門擁有充足審計資源以有效完成年度工作目標和履行職責。



Handling and Dissemination of Inside Information

The Group has formulated an internal Code on Information Disclosure to ensure the truthfulness, accuracy, completeness and timeliness of information disclosure of the Group in accordance with the SFO and the Listing Rules. The Code provides for detailed rules in the following areas.

- basic principles of information disclosure
- information that needs to be disclosed and the criteria thereof
- duties of the parties responsible for information disclosure
- procedures for the circulation, review and disclosure of information
- confidentiality of the undisclosed information
- information communication system with investors, securities analysts and the media, etc.
- accountability and handling measures

Disciplinary Inspection and Reporting Channels

The Group has set up a specific disciplinary department, which is responsible for investigating and handling reported matters on breach of disciplines or rules, misconducts and corruptions. This is to demonstrate openly to our business partners and staff on the methods and channels of reporting. At the end of 2015, the methods and channels of reporting were published on the Company's website. Such measures would have a deterrent and preventive effect on matters related to breach of disciplines or rules.

For the year ended 31 December 2016, the Audit Committee carried out review and evaluation on the Group's risk management and internal control systems and reporting channels, the resources, the staff qualification and experience for audit functions and the effectiveness of the work undertaken and there were no significant areas of concerns identified during the evaluation of the risk management and internal control systems and reporting channels. The Board had examined the risk management and internal control systems including financial, operational and compliance controls and reviewed the evaluation performed by the Audit Committee, the management and internal and external auditors, on the effectiveness of the risk management and internal control systems of the Group and considered them effective and adequate. No significant areas of concerns were identified.

處理及發佈內幕消息

本集團已制訂關於信息披露的內部守則確保本集團信息披露真實、準確、完整、及時並符合證券及期貨條例及上市規則要求。內部守則在以下方面進行了詳細規定。

- 信息披露的基本原則
- 需要披露的信息及其標準
- 負責信息披露人員的職責
- 傳閱、審閱及披露信息的程序
- 未披露信息的保密
- 與投資者、證券分析師及媒體等各方的信息交流制度
- 責任及處理措施

紀檢監察與舉報途徑

本集團已設立專門的紀檢監察部門，負責對各類違紀違規、瀆職、腐敗行為的舉報進行調查和處理，對合作夥伴和員工等相關方公示了舉報途徑和方式，並於二零一五年年底在本公司網頁上對外公示了舉報途徑和方式，對各類違紀違規等行為起到了威懾和防範作用。

截至二零一六年十二月三十一日止年度，審核委員會對本集團的風險管理和內部監控系統的體系以及舉報途徑、履行職能的資源、人員資歷及經驗、工作開展的有效性等方面進行了檢討和評審，評估風險管理和內部監控系統以及舉報途徑概無重大事宜。董事會已審查財務、運營及合規監控等風險管理及內部監控系統，並已檢討了由審核委員會、管理層和內部及外部核數師執行有關本集團風險管理和內部監控系統效能的評審，認為該等系統有效及足夠。概無發現重大事宜。



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The Board also reviewed the adequacy of resources, qualifications and experience of staff of the Company's accounting, internal audit and financial reporting functions and their training programmes and budget and considered that they are adequate.

EXTERNAL AUDITORS

The Group's independent external auditors are Ernst & Young. The Audit Committee is responsible for the appointment of the external auditors and reviewing the non-audit functions performed by the external auditors for the Group. In particular, the Audit Committee will, prior to the execution of contract with external auditor and the commencement of their duties, consider whether the non-audit functions will result in any potential material conflict of interest.

Details of fees paid or payable to Ernst & Young for the year ended 31 December 2016 are as follows:

Services rendered	提供的服務	2016	2015
		二零一六年 RMB'000 人民幣千元	二零一五年 RMB'000 人民幣千元
Annual audit	年度審計	4,100	4,100
Interim review	中期審閱	700	700
Other subsidiaries' annual audit	其他子公司年度審計	1,950	1,350
Non-audit service	非審計服務		
Review on continuing connected transactions	審閱持續關連交易	45	40
Other professional services*	其他專業服務*	900	1,320
		7,695	7,510

* Other professional services include agreed-upon procedures services, options incentives scheme consultation service and IT consultation service, etc.

董事會亦檢討了本公司負責會計、內部審計及財務彙報職能方面的資源、員工的資歷及經驗、彼等的培訓計劃及預算等的足夠性，檢討後認為是足夠的。

外部核數師

本集團的獨立外部核數師為安永會計師事務所。審核委員會負責委聘外部核數師及審閱外部核數師為本集團進行的非核數工作。特別是審核委員會將於與外部核數師簽訂合約及開始履行其職責前，考慮有關非核數工作會否導致出現任何潛在重大利益衝突。

截至二零一六年十二月三十一日止年度支付或應支付予安永會計師事務所的費用詳情如下：

* 其他專業服務包括商定程序服務、期權激勵計劃諮詢服務及信息技術諮詢服務等。

In addition to the above fees paid or payable to the auditors, Yashili, a subsidiary of the Group listed on the Main Board of the Stock Exchange, has an amount of RMB3,190,000 (2015: RMB2,930,000) paid/payable as auditors' remuneration during the year.

除上述已付或應付核數師的費用外，本集團在聯交所主板上市的子公司雅士利年內已付／應付核數師酬金人民幣3,190,000元(二零一五年：人民幣2,930,000元)。

The Board is satisfied with the audit fees, process and effectiveness of Ernst & Young and has recommended their reappointment as the Company's external auditors at the forthcoming annual general meeting.

董事會滿意安永會計師事務所的核數費用、程序及效益，並已建議在應屆股東週年大會續聘安永會計師事務所為本公司的外部核數師。



STRATEGY AND DEVELOPMENT COMMITTEE

The Company has established a Strategy and Development Committee on 27 August 2009. As at 31 December 2016, the Strategy and Development Committee comprised one executive Director, Mr. Lu Minfang, four non-executive Directors, Mr. Ma Jianping, Mr. Niu Gensheng, Mr. Tim Ørting Jørgensen and Mr. Filip Kegels. The Strategy and Development Committee is chaired by Mr. Ma Jianping.

The principal duties of the Strategy and Development Committee include drawing up long-term development strategies and significant investments on financing plans of the Company, proposing significant capital investment for operation projects, and conducting studies and making recommendations on important matters that would affect the development of the Company.

COMPANY SECRETARY

The Company Secretary is a full time employee of the Company and has day-to-day knowledge of the Company's affairs. The Company Secretary is responsible for facilitating the Board process, as well as communication among Board members, with Shareholders and management. For the year ended 31 December 2016, the Company Secretary has confirmed that he has taken no less than 15 hours of relevant professional trainings.

CONSTITUTIONAL DOCUMENTS

During the year, there is no significant change in the Company's constitutional documents.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted, in terms no less exacting than, the standard required by the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules as the Company's code of conduct and rules governing dealings by all the Directors in the securities of the Company (the "Model Code"). Having made specific enquiry of all the Directors, the Company confirms that, during the year ended 31 December 2016, all the Directors have strictly complied with the Model Code.

戰略及發展委員會

本公司於二零零九年八月二十七日成立戰略及發展委員會，於二零一六年十二月三十一日，戰略及發展委員會由一名執行董事(盧敏放先生)、四名非執行董事(馬建平先生、牛根生先生、Tim Ørting Jørgensen先生及Filip Kegels先生)組成。馬建平先生擔任戰略及發展委員會主席。

戰略及發展委員會的主要職責為草擬本公司長期發展策略及融資計劃的重大投資、就經營項目提出重大資本投資建議，並對影響本公司發展的重要事宜進行研究及作出建議。

公司秘書

公司秘書為本公司全職僱員，了解本公司的日常事務。公司秘書負責安排董事會工作，以及促進董事會成員、與股東及管理層之間的溝通。公司秘書確認，其於截至二零一六年十二月三十一日止年度已參加不少於15小時的相關專業培訓。

組織章程文件

本年內，本公司組織章程文件概無任何重大變動。

董事的證券交易

本公司已採納不遜於上市規則附錄十所載上市發行人董事進行證券交易的標準守則的規定準則，作為規管本公司所有董事進行本公司證券交易的行為守則和規則(「標準守則」)。對所有董事作出特定查詢後，本公司確認所有董事於截至二零一六年十二月三十一日止年度一直嚴格遵守標準守則。



INVESTOR RELATIONS AND COMMUNICATIONS

The Company adopts a proactive policy in promoting investor relations and communications. Regular meetings are held with institutional investors and financial analysts to ensure two-way communications on the Company's performance and development. When the Company announces its interim and annual results, briefings are conducted to apprise investors, analysts and the press of the Group's operating results as well as business strategies and outlook. Investor relations website is updated on a timely basis to ensure that investors are able to have access to the Company's information, latest news and reports.

Separate resolutions are proposed at general meetings for each substantially separate issue, including election of Directors. Poll voting has been adopted for decision-making at shareholders' meeting. Details of poll voting procedures were included in the circular dispatched to the Shareholders. The circular also included relevant details of proposed resolutions and biographies of the Directors standing for election.

SHAREHOLDERS' RIGHTS

Convening of extraordinary general meeting on requisition by Shareholders

According to the articles of association of the Company, any two or more Shareholders or any one Shareholder which is a recognized clearing house (or its nominee(s)) holding as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company shall have the right, by written requisition, to convene an extraordinary general meeting by depositing the written requisition at the principal office of the Company in Hong Kong at Suites 801-2, 8th Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong for the attention of the Company Secretary, specifying the objects of the meeting, the name(s) and contact details of the requisitionist(s) and signed by the requisitionist(s).

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

投資者關係及溝通

本公司採取積極政策推動投資者關係及增進溝通。本公司定期與機構投資者及財務分析員舉行會議，以確保就本公司的表現及發展維持雙向的溝通。當本公司宣佈中期及年度業績時，會以簡報會形式知會投資者、分析員及媒體有關本集團的營運業績和業務策略及展望。本集團會及時更新投資者關係網站，以確保投資者可查閱本公司的資訊、最新消息及報告。

股東大會上就每一重要事項提呈獨立的決議案，包括董事選舉。股東大會上採用投票表決方式作出決策。有關投票表決程序的詳情列載於寄發予股東的通函內。通函亦詳列有關提呈決議案的詳情及候選董事的履歷。

股東權利

應股東要求召開股東特別大會

根據本公司組織章程細則，於送達要求之日持有附帶本公司股東大會投票權的不少於十分之一繳足股本的任何兩名或以上股東或任何一名股東(為一間認可結算所(或其代理人))，有權提出書面要求召開股東特別大會。書面要求應送達本公司於香港的主要辦事處(地址：香港銅鑼灣告士打道262號中糧大廈8樓801-2室)，並以公司秘書為收件人，當中須列明大會的目的、請求人的姓名及聯絡資料，並由請求人簽署。

倘董事會於送達要求之日起計21日內並無按既定程序在之後的21日內召開大會，則請求人自身或當中持有彼等全部投票權50%以上的任何請求人可按董事會召開大會的相同方式召開股東大會。惟按上述方式召開的任何大會不得於送達有關要求之日起計三個月屆滿後召開，且本公司須向請求人償付因應董事會未有召開大會而致使彼等須召開大會所合理產生的所有開支。



Procedures for directing Shareholders' enquiries to the Board

For enquiries to the Board, the Shareholders may contact the Company Secretary at the Hong Kong office of the Company at Suites 801-2, 8th Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong or by email to info@mengniu.com. The Company will endeavor to respond to their queries in a timely manner. Shareholders may also make enquiries with the Directors at the general meetings of the Company.

In addition, the Shareholders can contact Computershare Hong Kong Investor Services Limited, the share registrar of the Company in Hong Kong, if they have any enquiries about their shareholdings and entitlements to dividend.

Procedures for putting forward proposals at general meetings by Shareholders

A Shareholder may, during the period commencing no earlier than the day after the despatch of the notice of any general meeting and ending no later than seven days prior to the date of such general meeting, give a notice in writing to the Nomination Committee of the Company of his/her intention to propose any person (other than himself/herself) for election to the office of a Director and a notice in writing signed by the person to be proposed of his/her willingness to be elected. Such notices shall be sent to Suites 801-2, 8th Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong, for the attention of the Company Secretary, specifying the name and contact details of the shareholder putting forward the proposal for election of Director and the name and contact details of the person proposed to be elected.

Other than the above concerning a proposal of a person for election as a Director, Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.

股東可向董事會提出查詢的程序

股東如欲向董事會作出查詢，可聯絡本公司公司秘書，地址為香港銅鑼灣告士打道262號中糧大廈8樓801-2室，或電郵至info@mengniu.com。本公司定當盡力及時回應他們的查詢。股東亦可於本公司股東大會上向董事查詢。

此外，股東如欲查詢其持股及獲派股息的權利，可聯絡本公司的香港股份過戶登記處香港中央證券登記有限公司。

股東在股東大會提出建議的程序

在不早於寄發任何股東大會通知翌日起至不遲於該股東大會舉行日期前七日止之期間內，股東可向本公司提名委員會發出表明有意建議任何人士（不包括其本人）選舉董事的書面通知，及由該獲建議人士簽署表明願意獲選舉的通知。該等通知須送交香港銅鑼灣告士打道262號中糧大廈8樓801-2室，以公司秘書為收件人，當中須列明提出選舉董事建議的股東之姓名及聯絡資料，以及獲建議選舉的人士之姓名及聯絡資料。

除上述有關選舉董事人士的建議外，股東亦可按上述程序就有關書面要求所註明的任何事項召開股東特別大會。



REPORT OF THE DIRECTORS

董事會報告

The Board presents its report together with the audited financial statements of the Company and the Group for the year ended 31 December 2016. The business review of the Group for the year ended 31 December 2016 is set out in the sections headed “CEO’s Statement”, “Management Discussion and Analysis” and “Corporate Governance Report” of this Annual Report. The discussions therein form part of this Report of the Directors.

PRINCIPAL ACTIVITIES AND ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The principal activities of the Group are manufacturing and distribution of quality dairy products including liquid milk products (such as UHT milk, milk beverages and yogurt), ice cream, milk formula and other products (such as cheese) in China. There were no significant changes in the nature of the Group’s principal activities during the year under review.

Particulars of the Company’s subsidiaries are set out in note 1 to the financial statements.

The Group’s revenue is derived principally from business activities in China. An analysis of the Group’s performance for the year ended 31 December 2016 by business segments is set out in note 4 to the financial statements.

BUSINESS REVIEW

The business review of the Group including a fair review of the Group’s business, a description of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group that have occurred since the end of the financial year, an indication of likely future development in the Group’s business, key performance indicators, environmental policies and performance, and the Group’s key relationships with its employees, customers and suppliers and others that have a significant impact on the Group and on which the Group’s success depends is set out in the sections of this annual report headed “CEO’s Statement”, “Management Discussion and Analysis” and in the notes to the financial statements.

董事會提呈其報告，連同本公司及本集團截至二零一六年十二月三十一日止年度的經審核財務報表。本集團截至二零一六年十二月三十一日止年度的業務回顧載於本年報「總裁致辭」、「管理層討論及分析」及「企業管治報告」各節。該等討論為本董事會報告一部份。

主要業務及營運分析

本公司主要業務為投資控股。本集團的主要業務為在中國生產及銷售優質乳製品，包括液態奶產品（如超高溫滅菌奶（UHT奶）、乳飲料及酸奶）、冰淇淋、奶粉及其他產品（如奶酪）。回顧年內，本集團主要業務性質並無重大改變。

本公司子公司的詳情載於財務報表附註1。

本集團的收入主要來自在中國的業務活動。本集團截至二零一六年十二月三十一日止年度按業務分部資料劃分的業績分析載於財務報表附註4。

業務回顧

本集團的業務回顧載於本年報的「總裁致辭」、「管理層討論及分析」及財務報表附註，內容包括對本集團業務的中肯審視、對本集團面臨的主要風險及不確定因素的概述、財政年度末起所發生的影響本集團的重要事件的詳情、對本集團可能日後業務發展的預測、主要表現指標、環境保護政策及表現，以及本集團與其僱員、顧客及供應商的重要關係以及與其他對本集團有重要影響（而本集團的興盛繫於該等人士）的人士的關係。



COMPLIANCE WITH LAWS AND REGULATIONS

The Group's main operations are carried out by the Company's subsidiaries in the PRC while the Company itself is listed on the Hong Kong Stock Exchange. The Group's operations are regulated by Hong Kong and PRC laws. During the year ended 31 December 2016 and up to the date of this report, the Board was not aware of any non-compliance with the relevant laws and regulations that have a significant impact on the Company.

Please refer to the discussions in this report and the "Corporate Governance Report" for further details on the Group's compliance with the relevant laws and regulations.

RESULTS AND DISTRIBUTION

The results of the Group for the year ended 31 December 2016 are set out in the consolidated statement of profit or loss on pages 111 to 112.

The Board has recommended the payment of a final dividend of RMB0.089 (2015: RMB0.14) per share, amounting to approximately RMB349,327,000 (2015: RMB549,357,000) in total, to Shareholders whose names appear on the register of members on Thursday, 8 June 2017.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group and the Company during the year are set out in note 15 to the financial statements.

RESERVES

Details of the movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on pages 117 to 118 and note 55 to the financial statements. The Company's distributable reserves, calculated in accordance with statutory provisions applicable in the Company's place of incorporation, amounted to approximately RMB13,222,061,000 as at 31 December 2016 (2015: RMB12,943,077,000).

遵守法律及法規

本集團的主要業務營運由本公司在中國的子公司進行，而本公司本身在香港聯交所上市。本集團的營運受香港及中國法律規管。截至二零一六年十二月三十一日止年度及直至本報告日期，董事會並無得悉任何違反相關法律及法規而對本公司有重大影響的事件。

有關本集團遵守相關法律及法規的進一步詳情亦載於本報告及「企業管治報告」。

業績及分派

本集團截至二零一六年十二月三十一日止年度的業績載於第111頁至第112頁綜合損益表。

董事會建議向二零一七年六月八日(星期四)名列股東名冊的股東派付期末股息每股人民幣0.089元(二零一五年：人民幣0.14元)，合共約人民幣349,327,000元(二零一五年：人民幣549,357,000元)。

物業、廠房及設備

本集團及本公司本年度物業、廠房及設備的變動詳情載於財務報表附註15。

儲備

本集團及本公司年內的儲備變動詳情載於第117頁至第118頁綜合權益變動表及財務報表附註55。本公司於二零一六年十二月三十一日的可供分派儲備(根據本公司註冊成立地點適用的法定條文計算)約為人民幣13,222,061,000元(二零一五年：人民幣12,943,077,000元)。



Report of the Directors 董事會報告

DONATIONS

Charitable and other donations made by the Group during the year amounted to approximately RMB13,209,000 (2015: RMB12,362,000).

SHARE CAPITAL AND SHARE OPTIONS

During the year, the Company issued 7,165,736 ordinary shares (2015: 4,093,971 ordinary shares), fully paid, were issued for a total consideration of RMB76.5 million (2015: RMB65.1 million) as a result of the exercise of share options under the share option scheme of the Company.

Details of movement in the Company's share capital and share options during the year are set out in notes 38 and 41 to the financial statements.

捐款

本集團於年內捐獻約人民幣13,209,000元(二零一五年：人民幣12,362,000元)作為慈善及其他捐款。

股本及購股權

年內，本公司已根據本公司購股權計劃行使購股權而發行7,165,736股繳足普通股(二零一五年：4,093,971股普通股)，總代價為人民幣76.5百萬元(二零一五年：人民幣65.1百萬元)。

本公司年內股本及購股權變動的詳情載於財務報表附註38及41。



DIRECTORS

The Directors during the year ended 31 December 2016 were:

Executive Directors

Lu Minfang (appointed on 15 September 2016)
Bai Ying
Wu Wenting (appointed on 15 September 2016)
Sun Yiping (resigned on 15 September 2016)

Non-executive Directors

Ma Jianping (appointed on 19 February 2016)
Niu Gensheng
Tim Ørting Jørgensen
(appointed on 1 April 2016)
Filip Kegels (appointed on 1 April 2016)
Ning Gaoning (resigned on 19 February 2016)
Yu Xubo (resigned on 15 September 2016)
Liu Ding (resigned on 15 September 2016)
Finn S. Hansen (resigned on 1 April 2016)
Christian Neu (resigned on 1 April 2016)

Independent Non-executive Directors

Jiao Shuge (alias Jiao Zhen)
Julian Juul Wolhardt
Zhang Xiaoya
Yau Ka Chi (appointed on 1 October 2016)
Wu Kwok Keung Andrew (resigned on 1 October 2016)
Liao Jianwen (resigned on 15 September 2016)

In accordance with Article 112 of the Company's articles of association, Mr. Jiao Shuge (alias Jiao Zhen) and Mr. Zhang Xiaoya will retire by rotation and Mr. Lu Minfang, Ms. Wu Wenting and Mr. Yau Ka Chi will also retire in accordance with the Company's articles of association and, being eligible, offer themselves for re-election at the forthcoming annual general meeting as at the date of this report.

The Company considers that all the independent non-executive Directors are independent pursuant to the criteria set out in Rule 3.13 of the Listing Rules and that a confirmation of independence has been received from each of them.

董事

於截至二零一六年十二月三十一日止年度內，董事如下：

執行董事

盧敏放(於二零一六年九月十五日獲委任)
白瑛
吳文婷(於二零一六年九月十五日獲委任)
孫伊萍(於二零一六年九月十五日辭任)

非執行董事

馬建平(於二零一六年二月十九日獲委任)
牛根生
Tim Ørting Jørgensen
(於二零一六年四月一日獲委任)
Filip Kegels(於二零一六年四月一日獲委任)
寧高寧(於二零一六年二月十九日辭任)
于旭波(於二零一六年九月十五日辭任)
柳丁(於二零一六年九月十五日辭任)
Finn S. Hansen(於二零一六年四月一日辭任)
Christian Neu(於二零一六年四月一日辭任)

獨立非執行董事

焦樹閣(又名焦震)
Julian Juul Wolhardt
張曉亞
邱家賜(於二零一六年十月一日獲委任)
胡國強(於二零一六年十月一日辭任)
廖建文(於二零一六年九月十五日辭任)

截至本報告日期，根據本公司組織章程細則第112條，焦樹閣(又名焦震)先生及張曉亞先生將會輪值告退，而盧敏放先生、吳文婷女士及邱家賜先生亦將根據本公司的組織章程細則退任，惟彼等符合資格及願意於應屆股東週年大會膺選連任。

根據上市規則第3.13條所載的準則，本公司認為獨立非執行董事均為獨立人士，並已收到其有關獨立性的確認書。



Report of the Directors 董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of the Directors and the senior management are set out on pages 54 to 61.

DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting has service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to directors' duties and responsibilities in the Group and the prevailing market rate.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transaction, arrangement or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

PERMITTED INDEMNITY PROVISION

The articles of association of the Company provides that every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director or other officer of the Company in defending any proceedings, whether civil or criminal. In addition, the Company has maintained appropriate insurance in respect of potential legal actions against the Directors and its officers.

董事及高級管理人員履歷詳情

董事及高級管理人員簡要履歷詳情載於第54頁至第61頁。

董事的服務合約

將於應屆股東週年大會提呈重選的董事概無與本公司簽訂不可由本公司於一年內免付補償(法定補償除外)予以終止的服務合約。

董事薪酬

董事袍金須於股東大會經股東批准。其他酬金經參考董事於本集團的職責及責任及現行市場薪酬水平後由本公司董事會釐定。

董事的交易、安排或合約權益

於年底時或年內任何時間，本公司或其任何子公司概無簽訂任何涉及本集團的業務而任何董事直接或間接在其中擁有重大權益的重大交易、安排或合約。

獲准許的彌償條文

本公司的組織章程細則規定每位董事或本公司其他高級職員均有權就在任何民事或刑事訴訟中提出答辯而作為董事或本公司其他高級職員招致或蒙受的所有損失或責任獲得以本公司資產向其作出彌償保證。此外，本公司已就針對董事及其高級職員的潛在法律行動購買合適的保險。



Report of the Directors 董事會報告

DIRECTORS' INTERESTS, LONG AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2016, the interests and short positions of the Directors and chief executives of the Company and their respective associates in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (the "Associated Corporations") as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules were as follows:

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

董事於股份、相關股份及債權證的權益、好倉及淡倉

於二零一六年十二月三十一日，本公司董事及主要行政人員及各自的聯繫人士於本公司及其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)(「相聯法團」)的股份、相關股份及債權證中，擁有已列入證券及期貨條例第352條規定存置的登記冊內的權益及淡倉，或如上市規則附錄十所載列，根據上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司和香港聯合交易所有限公司(「聯交所」)的權益及淡倉如下：

於本公司或其任何相聯法團股份的好倉(不包括根據本公司購股權計劃授予的購股權)：

Name of Director 董事姓名	Company/Name of Associated Corporation 本公司／相聯法團名稱	Nature of Interest 權益性質	Total Number of Ordinary Shares 普通股總數	Percentage of the Company's/ Associated Corporation's Issued Share Capital 佔本公司／相聯法團 已發行股本的百分比
Bai Ying 白瑛	The Company 本公司	Personal Interest 個人權益	4,937,277 (L) ⁽¹⁾	0.13% ⁽²⁾
	Inner Mongolia Mengniu Dairy (Group) Company Limited ("Inner Mongolia Mengniu") 內蒙古蒙牛乳業(集團)股份 有限公司(「內蒙蒙牛」)	Personal Interest 個人權益	336,151 (L)	0.02%

Notes:

- (1) It included shares granted to Mr. Bai Ying under the restricted share award scheme and the key management retention plan of the Company.
- (2) The calculation is based on the number of shares as a percentage of the total number of issued shares of the Company (i.e. 3,925,027,186 shares) as at 31 December 2016.
- (L) Indicates a long position.

附註：

- (1) 該數目包括根據本公司限制性股票獎勵計劃及關鍵崗位員工留任方案授予白瑛先生的股票。
- (2) 按照股份數目佔本公司於二零一六年十二月三十一日已發行股份總數3,925,027,186股的百分比計算得出。
- (L) 表示好倉。



Report of the Directors 董事會報告

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

Save as disclosed above and as set out in the section headed "Share Option Scheme" below, as at 31 December 2016, none of the Directors and the chief executive 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 the Associated Corporations as recorded in the register of the Company required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed under the sections headed "Directors' Interests, Long and Short Positions in Shares, Underlying Shares and Debentures" above and "Share Option Scheme" and "Share Award Scheme" below, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate granted to any Director, or his or her respective spouse or minor children, or were any such rights exercised by them; or was the Company, or any of its holding companies, subsidiaries or fellow subsidiaries, a party to any arrangement to enable the Directors to acquire such rights in the Company or any other body corporate.

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

除上文所披露者及下文「購股權計劃」一節所述外，於二零一六年十二月三十一日，本公司各董事及主要行政人員及各自的聯繫人士於本公司或任何相聯法團的股份、相關股份及債權證中，概無擁有任何須登記在根據證券及期貨條例第352條規定存置的登記冊內，或根據標準守則須知會本公司和聯交所的權益及淡倉。

董事收購股份的權利

除於上文「董事於股份、相關股份及債權證的權益、好倉及淡倉」一節及下文「購股權計劃」及「股票獎勵計劃」所披露者外，於年內任何時間，概無任何董事或其各自的配偶或未成年子女獲授出可藉收購本公司或任何其他法團實體的股份或債權證獲利的權利，而彼等並無行使任何有關權利，且本公司或其任何控股公司、子公司或同系子公司概無訂立任何安排，致使董事可獲得於本公司或任何其他法團實體的有關權利。



Report of the Directors 董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 December 2016, the interests or short positions of substantial shareholders of the Company, other than the Directors or the chief executive of the Company whose interests and short positions in the shares of the Company and of the Associated Corporations are set out above, in the shares and underlying shares of the Company as recorded in the register required to be maintained under section 336 of the SFO were as follows:

主要股東權益

於二零一六年十二月三十一日，根據證券及期貨條例第336條規定存置的登記冊所記錄，本公司的主要股東（於本公司及相聯法團的股份中所擁有的權益及淡倉已於上文載列的本公司董事及主要行政人員除外）於本公司股份及相關股份中的權益或淡倉如下：

Name of Substantial Shareholder	主要股東姓名／名稱	Number of Ordinary Shares 普通股數目	Percentage of the Company's Issued Share Capital ⁽⁷⁾ 佔本公司已發行股本百分比 ⁽⁷⁾
COFCO Corporation	中糧集團有限公司	1,234,500,758 (L) ⁽¹⁾	31.45%
COFCO (Hong Kong) Limited	中糧集團(香港)有限公司	1,233,700,758 (L) ⁽²⁾	31.43%
China Foods (Holdings) Limited	中國食品(控股)有限公司	1,233,700,758 (L) ⁽³⁾	31.43%
Farwill Limited	志遠有限公司	1,233,700,758 (L) ⁽²⁾	31.43%
Colour Spring Limited	彩泉有限公司	1,233,700,758 (L) ⁽²⁾	31.43%
COFCO Dairy Holdings Limited	中糧乳業控股有限公司	1,233,700,758 (L) ⁽²⁾⁽⁴⁾	31.43%
COFCO Dairy Investments Limited	中糧乳業投資有限公司	1,233,700,758 (L) ⁽²⁾⁽⁵⁾	31.43%
Prominent Achiever Limited	互達有限公司	1,233,700,758 (L) ⁽²⁾⁽⁵⁾	31.43%
Arla Foods amba	Arla Foods amba	1,233,700,758 (L) ⁽²⁾	31.43%
Danone SA	Danone SA	1,233,700,758 (L) ⁽⁶⁾	31.43%
Danone Asia Pte Ltd	Danone Asia Pte Ltd	1,233,700,758 (L) ⁽²⁾	31.43%
Commonwealth Bank of Australia	Commonwealth Bank of Australia	468,578,000 (L)	11.94%
JP Morgan Chase & Co	JP Morgan Chase & Co	270,444,841 (L)	6.89%
		5,655,841 (S)	0.14%
		237,480,088 (P)	6.05%

Notes:

- (1) COFCO Corporation is deemed interested in an aggregate of 1,234,500,758 shares in the Company, comprising (a) 1,233,700,758 shares in the Company through its wholly-owned subsidiary, COFCO (Hong Kong) Limited and (b) 800,000 shares in the Company through another of its wholly-owned subsidiary, COFCO (BVI) Limited. COFCO (BVI) Limited is deemed interested in 800,000 shares in the Company through its wholly-owned subsidiary, COFCO (BVI) No. 9 Limited.

附註：

- (1) 中糧集團有限公司被視為於本公司合共1,234,500,758股股份中擁有權益，當中包括(a)透過其全資子公司中糧集團(香港)有限公司於本公司1,233,700,758股股份及(b)透過其另一全資子公司COFCO (BVI) Limited於本公司800,000股股份中擁有權益。COFCO (BVI) Limited被視為透過其全資子公司COFCO (BVI) No. 9 Limited於本公司800,000股股份中擁有權益。



Report of the Directors 董事會報告

- | | |
|---|---|
| (2) COFCO (Hong Kong) Limited, Farwill Limited, Colour Spring Limited, COFCO Dairy Holdings Limited, COFCO Dairy Investments Limited, Prominent Achiever Limited, Arla Foods amba, Danone Asia Pte Ltd are deemed interested in an aggregate of 1,233,700,758 shares in the Company under section 317 of the SFO. | (2) 根據證券及期貨條例第317條，中糧集團(香港)有限公司、志遠有限公司、彩泉有限公司、中糧乳業控股有限公司、中糧乳業投資有限公司、互達有限公司、Arla Foods amba、Danone Asia Pte Ltd被視為於本公司合共1,233,700,758股股份中擁有權益。 |
| (3) China Foods (Holdings) Limited (previously known as COFCO (BVI) No. 108 Limited) is deemed interested in 1,233,700,758 shares in the Company through its wholly-owned subsidiary, Farwill Limited. | (3) 中國食品(控股)有限公司(前稱COFCO (BVI) No. 108 Limited)被視為透過其全資子公司志遠有限公司擁有本公司1,233,700,758股股份的權益。 |
| (4) COFCO Dairy Holdings Limited is deemed interested in 1,233,700,758 shares in the Company through its subsidiary, COFCO Dairy Investments Limited. | (4) 中糧乳業控股有限公司被視為透過其子公司中糧乳業投資有限公司擁有本公司1,233,700,758股股份的權益。 |
| (5) COFCO Dairy Investments Limited is deemed interested in 296,028,044 shares in the Company through its wholly-owned subsidiary, Prominent Achiever Limited. | (5) 中糧乳業投資有限公司被視為透過其全資子公司互達有限公司擁有本公司296,028,044股股份的權益。 |
| (6) Danone SA is deemed interested in 1,233,700,758 shares in the Company through its subsidiary, Danone Asia Pte Ltd. | (6) Danone SA被視為透過其子公司Danone Asia Pte Ltd於本公司1,233,700,758股股份中擁有權益。 |
| (7) The total issued shares of the Company as at 31 December 2016 was 3,925,027,186. | (7) 於二零一六年十二月三十一日，本公司已發行股份總數為3,925,027,186股。 |
| (S) Indicates a short position. | (S) 表示淡倉。 |
| (L) Indicates a long position. | (L) 表示好倉。 |
| (P) Indicates a put position. | (P) 表示認沽倉盤。 |

Saved as disclosed above, as at 31 December 2016, no other interests or short position in the shares or underlying shares of the Company were recorded in the register maintained under Section 336 of the SFO.

除上文所披露者外，於二零一六年十二月三十一日，根據證券及期貨條例第336條規定存置的登記冊所示，概無任何其他於本公司股份或相關股份中的權益或淡倉。



CONNECTED TRANSACTION

The equity transfer agreement in relation to the entire equity interest in Dumex Baby Food Co., Ltd. (多美滋嬰幼兒食品有限公司) (“Dumex China”)

On 1 December 2015, Yashili International Group Limited (雅士利國際集團有限公司) (the “Purchaser”) and Danone Asia Pacific Holdings Pte. Ltd. (the “Seller”) entered into an equity transfer agreement (the “Equity Transfer Agreement”) pursuant to which the Purchaser has conditionally agreed to purchase and the Seller has conditionally agreed to sell the entire issued capital of Dumex China (including the rights to be licensed or assigned to Dumex China pursuant to a trademark license agreement, a patent license agreement and a trademark assignment agreement) for a consideration of €150 million (equivalent to approximately HK\$1,230 million), subject to adjustments, payable in cash (the “Dumex Transaction”). Please refer to the joint announcement of Yashili International Holdings Ltd (“Yashili”, together with its subsidiaries, the “Yashili Group”) and the Company dated 1 December 2015 for further details.

The Directors (including the independent non-executive Directors) are of the view that the Dumex Transaction will benefit the Company and its Shareholders as a whole as the Dumex Transaction may benefit the Yashili Group in the following areas: (1) obtaining the “Dumex” trademark which is highly recognized in the PRC; (2) obtaining access to Dumex China’s sales network which enable the Yashili Group to penetrate into the markets of first and second tier cities; (3) optimizing the Yashili Group’s production network and reducing production costs by acquiring advanced production facilities; (4) obtaining the Danone Group’s continuous support in research and development which in turn would enhance the Yashili Group’s research and development capabilities; and (5) broadening the product portfolio of the Yashili Group. Please refer to the joint announcement of Yashili and the Company dated 1 December 2015 for further details.

The Dumex Transaction was completed in May 2016, upon which Dumex China became an indirect wholly-owned subsidiary of Yashili.

Dumex China is a company incorporated in the PRC and an indirect wholly-owned subsidiary of Danone SA dedicated to the IMF business in the PRC. It is primarily engaged in the manufacture, sale and import of dairy products and other related nutrition products.

關連交易

有關多美滋嬰幼兒食品有限公司(「多美滋中國」)全部股權的股權轉讓協議

二零一五年十二月一日，雅士利國際集團有限公司(「購買方」)和Danone Asia Pacific Holdings Pte. Ltd.(「出售方」)訂立一項股權轉讓協議(「股權轉讓協議」)，據此，購買方有條件地同意購買，且出售方有條件地同意出售，多美滋中國的全部已發行股本(包括根據一項商標許可協議、一項專利許可協議及一項商標轉讓協議將向多美滋中國許可或轉讓的權利)，代價為150百萬歐元(相當於約1,230百萬港元(可予以調整))，全部以現金支付(「多美滋交易」)。進一步詳情請參閱雅士利國際控股有限公司(「雅士利」)，連同其子公司統稱「雅士利集團」與本公司日期為二零一五年十二月一日的聯合公告。

董事(包括獨立非執行董事)認為多美滋交易將有益於本公司及其股東的整體利益，原因是多美滋交易將可能在下述方面有益於雅士利集團：(1)獲得在中國被高度認可的「多美滋」商標；(2)獲得多美滋中國的銷售網絡，有助於雅士利集團拓展一、二線城市市場；(3)通過收購先進的生產設施，優化雅士利集團的生產網絡及降低生產成本；(4)獲得Danone集團在研發方面給予的持續支持，從而加強雅士利集團的研發能力；及(5)豐富雅士利集團的產品組合。進一步詳情請參閱雅士利與本公司日期為二零一五年十二月一日的聯合公告。

多美滋交易事項已於二零一六年五月完成交割，於交割完成後，多美滋中國成為雅士利的間接全資子公司。

多美滋中國為一家於中國註冊成立的公司，且是一間在中國專門從事嬰幼兒配方奶粉業務達能SA的間接全資子公司，其主要從事製造、銷售及進口乳製品及相關營養品業務。



Report of the Directors 董事會報告

As at the date of the signing of the Equity Transfer Agreement, Yashili is an approximate 51% owned subsidiary of the Company. Since Danone Asia Baby Nutrition Pte. Ltd. (“Danone Asia”) has 25% shareholding interest in Yashili, Danone Asia is a connected person of the Company at the subsidiary level under the Listing Rules. As each of Danone Asia and the Seller is a member of the Danone Group, therefore, the Seller is also a connected person of the Company at subsidiary level and the Dumex Transaction constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the highest of the applicable percentage ratios calculated under Chapter 14A of the Listing Rules in respect of the Dumex Transaction exceeds 1% but is less than 5% for the Company, the Dumex Transaction is subject to the reporting and announcement requirements but is exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTION

On 20 February 2012, the Company entered into a master sale and purchase agreement (the “Master Sale and Purchase Agreement”) with COFCO Corporation (“COFCO”), a substantial shareholder of the Company holding approximately 31.45% in the shares of the Company as at 31 December 2016 and therefore a connected person of the Company, pursuant to which the Group will continue to, subject to the Group’s regular review and at the Group’s option, purchase white sugar, edible oil, other raw materials and related products (including packaging materials) from COFCO, its subsidiaries and certain associated companies (collectively “COFCO Corporation Group Companies”) for a term commencing from 20 January 2012 to 31 December 2014.

On 31 December 2014, the Company entered into a new master sale and purchase agreement (the “New Master Sale and Purchase Agreement”) with COFCO to renew the existing Master Sale and Purchase Agreement for a term of three years commencing from 1 January 2015 and ending on 31 December 2017, which may be extended at the Company’s option, for a further period of not more than three continuous years, subject to compliance with any relevant requirement under the Listing Rules. The annual transaction amount under the New Master Sale and Purchase Agreement for each of the three years ending 31 December 2015, 2016 and 2017 is not expected to exceed RMB800,000,000.

As COFCO, being a substantial shareholder of the Company, is a connected person of the Company, the transactions under the New Master Sale and Purchase Agreement constituted continuing connected transactions of the Group.

於簽署股權轉讓協議的日期，雅士利為本公司擁有約51%股權的子公司。由於Danone Asia Baby Nutrition Pte. Ltd. (「Danone Asia」)持有雅士利25%股權，Danone Asia為上市規則下本公司在子公司層面的關連人士。由於Danone Asia及出售方均為Danone集團的成員，因此出售方亦為本公司在子公司層面的關連人士，而多美滋交易構成上市規則第14A章下本公司的關連交易。由於就多美滋交易而言上市規則第14A章下的最高適用百分比率就本公司而言超過1%但低於5%，多美滋交易將遵守上市規則第14A章下知會聯交所及發佈公告要求，但獲豁免獨立股東批准要求。

持續關連交易

於二零一二年二月二十日，本公司與中糧集團有限公司(「中糧集團」)(為於二零一六年十二月三十一日在本公司的股份中持有約31.45%權益的主要股東，故此為本公司的關連人士)訂立總購銷協議(「總購銷協議」)。據此，在本集團定期檢討及本集團有權選擇的情況下，由二零一二年一月二十日至二零一四年十二月三十一日期間，本集團繼續從中糧集團、其子公司及其若干聯營公司(統稱「中糧集團公司」)購入白砂糖、食用油、其他原料及相關產品(包括包裝材料)。

於二零一四年十二月三十一日，本公司與中糧集團訂立新總購銷協議(「新總購銷協議」)以續新現有總購銷協議，協議期為三年，自二零一五年一月一日起至二零一七年十二月三十一日止，有關期限可在本公司選擇下再延長不超過連續三年，惟須遵守上市規則下的任何相關規定。新總購銷協議於截至二零一五年、二零一六年及二零一七年十二月三十一日止三個年度各年之交易額按每年計算預期不超過人民幣800,000,000元。

因中糧集團作為本公司之主要股東是本公司之關連人士，新總購銷協議項下的交易構成本集團的持續關連交易。



Report of the Directors 董事會報告

For the year ended 31 December 2016, the total amount paid/payable by the Group to the COFCO Corporation Group Companies for the purchase of white sugar, edible oil, other raw materials and related products (including packaging materials) was approximately RMB405,348,000.

The independent non-executive Directors of the Company have reviewed the continuing connected transactions set out above and have confirmed that these continuing connected transactions were entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole. The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Ernst & Young, the Company's auditors, were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and with reference to Practice Note 740 *Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules* issued by the Hong Kong Institute of Certified Public Accountants. Ernst & Young have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditors' letter has been provided by the Company to the Stock Exchange.

截至二零一六年十二月三十一日止年度，本集團就購入白砂糖、食用油、其他原料及相關產品(包括包裝材料)已付／應付中糧集團公司之總金額約為人民幣405,348,000元。

本公司獨立非執行董事已審閱上文所載之持續關連交易，並已確認該等持續關連交易乃(i)於本集團日常及一般業務過程中進行；(ii)按正常商業條款或更佳條款而進行；及(iii)根據規管上述交易的相關協議條款進行，而該等條款屬公平、合理，並符合股東之整體利益。本公司確認其已遵守上市規則第14A章的披露規定。

本公司之核數師—安永會計師事務所獲委聘根據香港會計師公會頒佈的香港核證委聘準則第3000號「對過往財務資料進行審核或審閱以外的核證委聘」及參考實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」，對本集團的持續關連交易進行報告。安永會計師事務所已根據上市規則第14A.56條發出無保留意見函，當中載有彼等就本集團於上文披露之持續關連交易之發現及結論。本公司已向聯交所提供核數師函之副本。



Report of the Directors 董事會報告

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “2005 Share Option Scheme”) on 28 June 2005 for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. The 2005 Share Option Scheme expired on 27 June 2015. The following share options are granted under the 2005 Share Option Scheme and are valid and exercisable during the year.

購股權計劃

本公司於二零零五年六月二十八日採納一項購股權計劃(「二零零五年購股權計劃」)，藉此鼓勵及獎勵對本集團業務成功有貢獻的合資格參與者。二零零五年購股權計劃於二零一五年六月二十七日屆滿。年內，根據二零零五年購股權計劃授出，且於年內仍然有效及可予行使的購股權如下：

Name or category of participant 參與者姓名或類別	Number of share options 購股權數目					As at 31 December 2016 於二零一六年 十二月三十一日	Date of grant of share options 授出購股權日期	Exercise period of share options (both dates inclusive) ⁽¹⁾ 購股權行使期間 (包括首尾兩天) ⁽¹⁾	Exercise price of share options 購股權行使價 HK\$ 港元
	As at 1 January 2016 於 二零一六年 一月一日	Granted during the year 年內授出	Exercised during the year ⁽²⁾ 年內行使 ⁽²⁾	Lapsed during the year 年內失效	Cancelled during the year 年內註銷				
Executive Director 執行董事									
Bai Ying 白瑛	4,163,548	-	- (3,200,000)		-	963,548	10.10.2011 二零一一年 十月十日	10.10.2015 to 9.10.2018 二零一五年十月十日 至 二零一八年十月九日	12.05
Employees in Aggregate 僱員總計	37,036,134	-	(7,165,736) (28,500,000)		-	1,370,398	10.10.2011 二零一一年 十月十日	10.10.2015 to 9.10.2018 二零一五年十月十日 至 二零一八年十月九日	12.05
	41,199,682	-	(7,165,736) (31,700,000)		-	2,333,946			



Report of the Directors 董事會報告

Notes:

- (1) The exercise period of the share options granted commences after a certain vesting period and the fulfilment of certain performance targets, and ends on a date which is no later than seven years from the date of grant of such options. Further details of the share option scheme are set out in note 41 to the financial statements.
- (2) The weighted average closing price of the Company's shares immediately before the dates on which the options were exercised was HK\$14.18.

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

During the year ended 31 December 2016, no share option was granted under the 2016 Share Option Scheme.

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

Save as disclosed above, none of the Directors or the chief executive (including their spouses and children under the age of 18) during the year ended 31 December 2016, held any interest in, or were granted any right to subscribe for, the securities of the Company and its associated corporations within the meaning of the SFO, or had exercised any such rights.

The values of share options calculated using the binomial model are subject to certain fundamental limitations, due to the subjective nature of and uncertainty related to a number of assumptions of the expected future performance input to the model, and certain inherent limitations of the model itself.

The value of an option varies with different variables of certain subjective assumptions. Any change to the variables used may materially affect the estimation of the fair value of an option.

附註：

- (1) 該等購股權的行使期由若干歸屬期及達成若干表現目標後開始生效，直至授出該等購股權日期起不超過七年當日為止。有關購股權計劃的進一步詳情載於財務報表附註41。
- (2) 本公司股份緊接購股權獲行使日期前的加權平均收市價為14.18港元。

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

截至二零一六年十二月三十一日止年度，概無購股權根據二零一六年購股權計劃授出。

除上文披露者外，本公司或其任何子公司於年期內概無訂立任何安排，以使董事或本公司主要行政人員或其各自的聯繫人士藉收購本公司或任何其他法團股份或債權證獲取利益。

除上文披露者外，截至二零一六年十二月三十一日止年度，概無任何董事或主要行政人員（包括彼等的配偶及18歲以下的子女）持有或獲授予任何權利認購本公司及其相聯法團（定義見證券及期貨條例）證券的任何權益，亦無行使任何該等權利。

購股權價值採用二項計價模式計算，但由於模式所採納的多項未來表現假設所存在的主觀性及不肯定因素，以及模式本身若干內在限制，故此計算方法受到某些基本限制。

購股權價值隨著若干主觀假設不同變數而變動。所使用變數的任何變動或會對購股權估計公允值造成重大影響。



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SHARE AWARD SCHEME**1) Restricted Share Award Scheme**

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

As at 31 December 2016, the number of shares of the Company granted to selected participants before bonus issue was 32,349,400 and that after bonus issue was 10,653,825, of which 2,229,500 (before bonus issue) shares were granted to Mr. Bai Ying, an executive Director. For further details of the grant of shares, please refer to the Company’s announcements dated 29 April 2013, 22 April 2014, 19 September 2014, 8 April 2015, 30 September 2015 and 22 September 2016. Further details of the Restricted Share Award Scheme are also set out in note 42 to the financial statements.

2) Key Management Retention Plan

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

As at 31 December 2016, the aggregate number of shares of the Company granted to selected participants under the Retention Plan was 14,492,753, of which 466,521 shares were granted to Mr. Bai Ying, an executive Director. For further details of the Retention Plan, please refer to the Company’s announcement dated 11 April 2016. Further details of the Retention Plan are also set out in Note 42 to the financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company’s articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to its existing Shareholders.

股票獎勵計劃**1) 限制性股票獎勵計劃**

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

於二零一六年十二月三十一日，紅股發行前已授予獲選參與者的本公司股票數目為32,349,400股，紅股發行後為10,653,825股，其中2,229,500股(紅股發行前)股票授予執行董事白瑛先生。有關授出股票的進一步詳情，請參閱本公司日期為二零一三年四月二十九日、二零一四年四月二十二日、二零一四年九月十九日、二零一五年四月八日、二零一五年九月三十日及二零一六年九月二十二日的公告。有關限制性股票獎勵計劃的進一步詳情亦載於財務報表附註42。

2) 關鍵崗位員工留任方案

本公司採納關鍵崗位員工留任方案(「留任方案」)以挽留及激勵本集團內高潛質的關鍵管理崗位人員及僱員，並實現本公司的戰略目標。根據留任方案，本公司將就執行留任方案出資最多人民幣150百萬元。

於二零一六年十二月三十一日，本公司向留任方案下獲選參與者合共授出14,492,753股本公司股份，當中有466,521股股份已授予執行董事白瑛先生。有關留任方案的進一步詳情，請參閱本公司日期為二零一六年四月十一日的公告。留任方案的進一步詳情亦載於財務報表附註42。

優先認購權

本公司的組織章程細則或開曼群島法例並無訂出任何有關本公司須向現有股東按比例發售新股的優先認購權規定。



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

During the year ended 31 December 2016,

- (1) the Company repurchased on the open market a total of 6,116,000 shares of the Company at a total consideration of RMB58.1 million, all of which were cancelled during the year ended 31 December 2016; and
- (2) the trustee of the share award scheme purchased on the open market a total of 2,094,000 shares of the Company at a total consideration of approximately RMB16.9 million.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2016.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme as set out on pages 96 to 97 and the share award scheme as set out on page 98, no equity-linked agreements were entered into by the Group, or existed during the year.

PUBLIC FLOAT

As at the date of this report, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of purchases attributable to the five largest suppliers of the Group combined was less than 30% of the total purchases of the Group.

The percentage of revenue attributable to the five largest customers of the Group combined was less than 30% of the total revenue of the Group.

購買、出售或贖回本公司的上市證券

截至二零一六年十二月三十一日止年度，

- (1) 本公司以總代價人民幣58.1百萬元於公開市場購回合共6,116,000股本公司股份，全部已於截至二零一六年十二月三十一日止年度註銷；及
- (2) 股票獎勵計劃受託人以總代價約人民幣16.9百萬元於公開市場購入合共2,094,000股本公司股份。

除上述披露者外，截至二零一六年十二月三十一日止年度，本公司或其任何子公司概無購買、贖回或出售本公司任何上市證券。

股票掛鈎協議

除第96頁至第97頁所載的購股權計劃及第98頁所載的股票獎勵計劃外，本集團並無訂立或年內並無存在任何股票掛鈎協議。

公眾持股量

基於公開予本公司查閱的資料及據董事所知悉，於本報告日期，本公司已維持上市規則所訂明的公眾持股量。

管理合約

本公司於年內概無訂立或存在牽涉本公司整體業務或任何重大業務部分的管理及行政合約。

主要客戶及供應商

本集團五大供應商合共應佔的採購百分比不足本集團總採購額的30%。

本集團五大客戶合共應佔的收入百分比不足本集團收入總額的30%。



Report of the Directors 董事會報告

PLEDGE OF ASSETS

As at 31 December 2016, the Group has pledged certain investment deposits, pledged deposits, land use rights, property, plant and equipment and dairy cows aggregating to approximately RMB1,641,618,000 (2015: RMB1,181,352,000).

Details are set out in the respective notes to the financial statements.

CONTINGENT LIABILITIES AND COMMITMENTS

Details of contingent liabilities and commitments are set out in notes 46 and 49, respectively, to the financial statements.

FINANCIAL SUMMARY

A summary of the results for the year and of the assets and liabilities of the Group as at 31 December 2016 and for the previous four financial periods are set out on pages 291 to 292.

CORPORATE GOVERNANCE

The Company's corporate governance principles and practices are set out in the Corporate Governance Report on pages 64 to 83.

AUDITORS

The financial statements have been audited by Ernst & Young. A resolution for the re-appointment of Ernst & Young as auditors of the Company will be proposed at the forthcoming annual general meeting.

By order of the Board of Directors

Jeffrey, Minfang Lu
Chief Executive Officer

Hong Kong, 29 March 2017

資產抵押

於二零一六年十二月三十一日，本集團已抵押的若干投資存款、保證金存款、土地使用權、物業、廠房及設備及乳牛合共約人民幣1,641,618,000元（二零一五年：人民幣1,181,352,000元）。

有關詳情載於財務報表相關附註。

或然負債及承諾

有關或然負債及承諾的詳情分別載於財務報表附註46及49。

財務概要

本集團於二零一六年十二月三十一日及過去四個財政年度期間的年度業績及資產負債概要載於第291頁至292頁。

企業管治

本公司的企業管治原則及慣例載於第64頁至第83頁所載的企業管治報告內。

核數師

財務報表已由安永會計師事務所審核。應屆股東週年大會將提呈決議案，續聘安永會計師事務所為本公司核數師。

承董事會命

盧敏放
總裁

香港，二零一七年三月二十九日



CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. LU Minfang
(appointed on 15 September 2016)

Mr. BAI Ying

Ms. WU Wenting
(appointed on 15 September 2016)

Ms. SUN Yiping
(resigned on 15 September 2016)

Non-executive Directors

Mr. MA Jianping (*Chairman*)
(appointed on 19 February 2016)

Mr. NIU Gensheng

Mr. Tim Ørting JØRGENSEN
(appointed on 1 April 2016)

Mr. Filip KEGELS
(appointed on 1 April 2016)

Mr. NING Gaoning
(resigned on 19 February 2016)

Mr. YU Xubo
(resigned on 15 September 2016)

Ms. LIU Ding
(resigned on 15 September 2016)

Mr. Finn S. HANSEN (resigned on 1 April 2016)

Mr. Christian NEU (resigned on 1 April 2016)

Independent Non-executive Directors

Mr. JIAO Shuge (alias JIAO Zhen) (*Vice-Chairman*)

Mr. Julian Juul WOLHARDT

Mr. ZHANG Xiaoya

Mr. YAU Ka Chi
(appointed on 1 October 2016)

Mr. WU Kwok Keung Andrew
(resigned on 1 October 2016)

Mr. LIAO Jianwen
(resigned on 15 September 2016)

Senior Management

Mr. ZHANG Ping

Mr. LIU Shengli

Mr. WANG Yansong

Mr. GAO Fei

Mr. SHI Dongwei

Mr. KWOK Wai Cheong, Chris (*Qualified Accountant & Company Secretary*)

Stock Code

Hong Kong Stock Exchange 2319

董事會

執行董事

盧敏放先生
(於二零一六年九月十五日獲委任)

白瑛先生

吳文婷女士
(於二零一六年九月十五日獲委任)

孫伊萍女士
(於二零一六年九月十五日辭任)

非執行董事

馬建平先生(*主席*)
(於二零一六年二月十九日獲委任)

牛根生先生

Tim Ørting JØRGENSEN先生
(於二零一六年四月一日獲委任)

Filip KEGELS先生
(於二零一六年四月一日獲委任)

寧高寧先生
(於二零一六年二月十九日辭任)

于旭波先生
(於二零一六年九月十五日辭任)

柳丁女士
(於二零一六年九月十五日辭任)

Finn S. HANSEN先生(於二零一六年四月一日辭任)

Christian NEU先生(於二零一六年四月一日辭任)

獨立非執行董事

焦樹閣(又名焦震)先生(*副主席*)

Julian Juul WOLHARDT先生

張曉亞先生

邱家賜先生
(於二零一六年十月一日獲委任)

胡國強先生
(於二零一六年十月一日辭任)

廖建文先生
(於二零一六年九月十五日辭任)

高級管理層

張平先生

劉勝利先生

王豔松先生

高飛先生

石東偉先生

郭偉昌先生(*合資格會計師及公司秘書*)

股份代號

香港聯合交易所 2319



Corporate Information 公司資料

INVESTOR RELATIONS CONTACT

Ms. SHI Lei
Suites 801-2, 8th Floor, COFCO Tower
262 Gloucester Road
Causeway Bay
Hong Kong
Email: ir@mengniu.cn
Website: www.mengniuir.com

PLACE OF BUSINESS IN HONG KONG

Suites 801-2, 8th Floor, COFCO Tower
262 Gloucester Road, Causeway Bay
Hong Kong

REGISTERED OFFICE

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

PRINCIPAL SHARE REGISTRAR

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

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

LEGAL ADVISORS

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

As to Cayman Islands Law
Maples and Calder Asia

PRINCIPAL BANKERS

Agricultural Bank of China
BNP Paribas
Industrial Commercial Bank of China
Ping An Bank
Rabobank
Standard Chartered Bank

AUDITORS

Ernst & Young

INVESTOR RELATIONS CONSULTANT

Strategic Financial Relations (China) Limited

投資者關係聯絡人

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香港
銅鑼灣告士打道262號
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註冊辦事處

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

主要股份過戶登記處

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

香港股份過戶登記分處

香港中央證券登記有限公司
香港
灣仔皇后大道東183號
合和中心46樓

法律顧問

香港法律
蘇利文•克倫威爾律師事務所(香港)
有限法律責任合夥

開曼群島法律
Maples and Calder Asia

主要往來銀行

中國農業銀行
法國巴黎銀行
中國工商銀行
平安銀行
荷蘭合作銀行
渣打銀行

核數師

安永會計師事務所

投資者關係顧問

縱橫財經公關顧問(中國)有限公司



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



Ernst & Young
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To the shareholders of China Mengniu Dairy Company Limited
(Incorporated in the Cayman Islands with limited liability)

致：中國蒙牛乳業有限公司全體股東
(於開曼群島註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of China Mengniu Dairy Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 111 to 290, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

意見

吾等已完成審計中國蒙牛乳業有限公司(「貴公司」)及其子公司(「貴集團」)載於第111至290頁的綜合財務報表，包括於二零一六年十二月三十一日的綜合財務狀況表、截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括重大會計政策概要。

吾等認為，該等綜合財務報表已根據國際會計準則理事會頒佈的國際財務報告準則真實而公平地反映貴集團在二零一六年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為編製。



Independent Auditor's Report 獨立核數師報告

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

意見基礎

吾等已根據香港會計師公會頒佈的香港審計準則進行審計。吾等就該等準則下承擔的責任於本報告「核數師就審計綜合財務報表須承擔的責任」一節中進一步闡述。根據香港會計師公會專業會計師道德守則（「守則」），吾等獨立於貴集團，並已履行守則中其他職業道德責任。吾等相信，吾等獲得的審計憑證充足且能適當地為吾等的意見提供基礎。

關鍵審計事項

關鍵審計事項為吾等的專業判斷中，審計本期綜合財務報表中最重要的事項。此等事項乃於吾等審計整體綜合財務報表及就此出具意見時處理，而不會就此等事項單獨發表意見。下文載有吾等的審計如何處理以下各項事項的資料。

吾等已履行本報告「核數師就審計綜合財務報表須承擔的責任」一節所述的責任，包括有關此等事項的責任。因此，吾等的審計包括執行為評估應對綜合財務報表重大錯誤陳述風險而設的程序。審計程序結果包括處理以下事項的程序，為吾等就隨附的綜合財務報表審計意見提供基礎。



KEY AUDIT MATTERS (continued)**關鍵審計事項(續)****Key audit matter**
關鍵審計事項**How our audit addressed the key audit matter**
審計關鍵審計事項時的處理方法*Impairment testing of goodwill and trademarks with indefinite lives**商譽及無限年期商標的減值測試*

Goodwill and trademarks with indefinite useful lives before impairment provision amounting to RMB8,622,686,000 represented 18% of the Group's total assets as at 31 December 2016. The impairment tests performed by management for various cash-generating units or groups of cash-generating units ("CGUs or CGU groups") involved significant judgement for the determination of the value in use of the CGU or CGU group. In particular, due to the deterioration of the performance of the milk powder product CGU group in 2016, management focused on the assessment of the recoverability of goodwill and trademarks with indefinite lives before impairment provision recorded for the milk powder product CGU group aggregating RMB7,587,870,000, which resulting in an impairment provision of RMB2,253,794,000 in the current year. This is a key audit matter due to the magnitude, the complexity, and the management estimates involved in the impairment testing. The accounting policies and related disclosures are included in notes 2.4, 3 and 21 to the financial statements.

二零一六年十二月三十一日，減值撥備前商譽及無限年期商標達人民幣8,622,686,000元，佔貴集團總資產18%。管理層就不同現金產生單位或各現金產生單位組別（「現金產生單位或現金產生單位組別」）執行釐定現金產生單位或現金產生單位組別的使用價值的減值測試涉及重大判斷。具體而言，由於二零一六年奶粉產品現金產生單位組別表現倒退，故管理層針對評估奶粉產品現金產生單位組別減值撥備前商譽及無限年期商標共人民幣7,587,870,000元的可收回能力，導致本年減值撥備人民幣2,253,794,000元。由於減值測試涉及規模、複雜程度及管理層估計，故此乃關鍵審計事項。會計政策及相關披露載於財務報表附註2.4、3及21。

Our audit procedures included an assessment of the 2017 budget and the five-year projection prepared by management and a reconciliation of the inputs used to determine the value in use calculations in the 2017 budget and the five-year projection. Furthermore, we involved internal valuation specialists to assist us in evaluating the inputs used including the weighted average costs of capital and expected perpetual rates, and the model used. We also focused on the adequacy of the Company's disclosures concerning those key assumptions included in note 21 to the financial statements.

吾等的審計程序包括評估管理層編製的二零一七年預算及五年預測，以及評估釐定以二零一七年預算及五年預測計算使用價值所用數據的對賬。此外，吾等由內部估值專家協助評估已用數據，包括加權平均資本成本、預期長遠增長率及所使用模型。吾等亦著重貴公司就財務報表附註21所載主要假設所作披露是否準確。



Independent Auditor's Report 獨立核數師報告

KEY AUDIT MATTERS (continued)**關鍵審計事項(續)****Key audit matter****關鍵審計事項****How our audit addressed the key audit matter****審計關鍵審計事項時的處理方法***Acquisition of Dumex Baby Food Co., Ltd. ("Dumex China")*

收購多美滋嬰幼兒食品有限公司(「多美滋中國」)

On 31 May 2016, the Group acquired a 100% equity interest of Dumex China from Danone Asia Pacific Holdings Pte. Ltd. ("Danone") at a cash consideration of RMB1,027,258,000. Management engaged external appraisers to evaluate the fair value of the identifiable assets and liabilities of Dumex China. This is a key audit matter due to the significant management estimates and judgment involved in the accounting for the fair value of the identifiable assets and liabilities.

Related disclosures are included in notes 3 and 44 to the financial statements.

二零一六年五月三十一日，貴集團自Danone Asia Pacific Holdings Pte. Ltd. (「Danone」) 收購多美滋中國全部股權，現金代價為人民幣1,027,258,000元。管理層委聘外部估值師評估多美滋中國的可識別資產及負債公允值。由於可識別資產及負債公允值的會計處理涉及重大管理層估計及判斷，故此乃關鍵審計事項。

相關披露載於財務報表附註3及44。

We evaluated the competency and objectivity of the external appraisers engaged by the Company to perform the valuation. We also involved our internal valuation specialists in evaluating the valuation methodologies adopted and the assumptions used in the valuation of the identifiable assets and liabilities of Dumex China, in particular, trademarks, land use rights and property, plant and equipment.

吾等已評估 貴公司為估值委聘的外部估值師的能力及客觀程度。吾等亦要求內部估值專家評估多美滋中國的可識別資產及負債(尤其商標、土地使用權及物業、廠房及設備)估值採用的估值方法及所用的假設。



OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

年報所載其他資料

貴公司董事須負責編製其他資料。其他資料包括年報所載資料，但不包括綜合財務報表及吾等的核數師報告。

吾等對綜合財務報表的意見並不涵蓋其他資料，吾等亦不對其他資料發表任何形式的鑒證結論。

審計綜合財務報表時，吾等的責任為閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或吾等於審計過程中所瞭解的情況有重大抵觸，或者似乎有重大錯誤陳述。基於吾等已執行的工作，倘吾等認為其他資料有重大錯誤陳述，吾等須報告該事實。在此方面，吾等並無任何報告。

董事對綜合財務報表的責任

貴公司董事遵照國際會計準則理事會頒佈的國際財務報告準則及香港公司法的披露規定編製真實且公允地呈列的綜合財務報表，並須負責其認為就編製不存在由於欺詐或錯誤而導致的重大錯誤陳述的綜合財務報表而言屬必要的內部監控。

編製綜合財務報表時，貴公司董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非貴公司董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會協助貴公司董事履行監督貴集團財務報告過程的責任。



Independent Auditor's Report 獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審計綜合財務報表須承擔的責任

吾等的目標為合理確定整體綜合財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出載有吾等意見的核數師報告。本報告僅為全體股東編製，並不能作其他用途。吾等概不就本報告內容對任何其他人士承擔或接受任何責任。

合理確定屬高層次核證，但不能擔保根據香港審計準則進行的審計工作總能發現所有存在的重大錯誤陳述。錯誤陳述可源於欺詐或錯誤，倘個別或整體於合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

根據香港審計準則審計時，吾等運用專業判斷，於整個審計過程中抱持專業懷疑態度。吾等亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，因應此等風險設計及執行審計程序，獲得充足及適當審計憑證為吾等的意見提供基礎。由於欺詐涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部控制，因此未能發現由此造成的重大錯誤陳述風險較未能發現由於錯誤而導致的重大錯誤陳述風險更高。
- 瞭解有關審計的內部控制，以設計恰當的審計程序，但並非旨在對貴集團內部控制的有效程度發表意見。
- 評估所用會計政策是否恰當，以及董事所作會計估算及相關披露是否合理。



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

核數師就審計綜合財務報表須承擔的責任(續)

- 總結董事採用以持續經營為基礎的會計法是否恰當，並根據已獲取的審計憑證，總結是否有對貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘吾等總結認為存在重大不確定因素，吾等需於核數師報告中提請注意綜合財務報表內的相關資料披露，或如果相關披露不足，則修訂吾等的意見。吾等的結論以截至核數師報告日期所獲得的審計憑證為基礎，惟未來事件或情況可能導致貴集團不再具有持續經營的能力。
- 評估綜合財務報表(包括資料披露)的整體列報、架構及內容，以及綜合財務報表是否已公允反映及列報相關交易及事項。
- 就貴集團內各實體或業務活動的財務資料獲得充足的審計憑證，以就綜合財務報表發表意見。吾等須負責指導、監督及執行集團的審計工作。吾等須為吾等的審計意見承擔全部責任。

吾等與審核委員會就(其中包括)審計工作的計劃範圍及時間安排及重大審計發現，包括吾等於審計期間識別出內部監控的任何重大缺陷溝通。

吾等亦向審核委員會提交聲明，說明吾等已遵守有關獨立性的道德要求，並就所有被合理認為可能影響吾等的獨立性的關係及其他事宜及相關防範措施(如適用)與審核委員會溝通。



Independent Auditor's Report 獨立核數師報告

**AUDITOR'S RESPONSIBILITIES FOR THE
AUDIT OF THE CONSOLIDATED FINANCIAL
STATEMENTS** (continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Tong Ka Yan, Augustine.

Ernst & Young

Certified Public Accountants

Hong Kong

29 March 2017

**核數師就審計綜合財務報表須承擔的
責任(續)**

吾等從與審核委員會溝通的事項中，決定哪些事項對本期綜合財務報表的審計工作最為重要，因而構成關鍵審計事項。除非法律或法規不容許公開披露此等事項，或於極罕有的情況下，吾等認為披露此等事項可合理預期的不良後果將超越公眾知悉此等事項的利益而不應於報告中披露，否則吾等會於核數師報告中描述此等事項。

出具本獨立核數師報告的審計項目合夥人為唐嘉欣。

安永會計師事務所

執業會計師

香港

二零一七年三月二十九日



CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

Year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
CONTINUING OPERATIONS	持續經營業務			
REVENUE	收入	5	53,779,339	49,026,516
Cost of sales	銷售成本		(36,143,937)	(33,651,042)
GROSS PROFIT	毛利		17,635,402	15,375,474
Other income and gains	其他收入及收益	5	701,784	521,268
Selling and distribution expenses	銷售及經銷費用		(13,435,206)	(10,985,039)
Administrative expenses	行政費用		(2,471,365)	(1,871,250)
Other expenses	其他費用	6	(2,850,668)	(392,591)
Interest income	利息收入		477,844	563,273
Finance costs	融資成本	8	(293,700)	(318,634)
Share of profits/(losses) of associates	應佔聯營公司利潤/ (虧損)	22	(225,477)	137,669
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	來自持續經營業務的 稅前利潤/(虧損)	7	(461,386)	3,030,170
Income tax expense	所得稅支出	11	(351,379)	(510,038)
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	來自持續經營業務的 本年利潤/(虧損)		(812,765)	2,520,132
DISCONTINUED OPERATION	已終止經營業務			
Profit for the year from a discontinued operation	來自已終止經營業務的 本年利潤	12	-	122
PROFIT/(LOSS) FOR THE YEAR	本年利潤/(虧損)		(812,765)	2,520,254
Attributable to:	以下各方應佔：			
Owners of the Company	本公司擁有人		(751,155)	2,367,291
Non-controlling interests	非控股股東權益		(61,610)	152,963
			(812,765)	2,520,254



Consolidated Statement of Profit or Loss 綜合損益表

Year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (EXPRESSED IN RMB PER SHARE)	本公司普通股擁有人 應佔每股盈利/(虧損) (以每股人民幣元計)	14		
Basic	基本			
- For profit/(loss) for the year	- 本年利潤/(虧損)		(0.193)	0.609
- For profit/(loss) from continuing operations	- 來自持續經營業務的利潤/(虧損)		(0.193)	0.609
Diluted	攤薄			
- For profit/(loss) for the year	- 本年利潤/(虧損)		(0.193)	0.607
- For profit/(loss) from continuing operations	- 來自持續經營業務的利潤/(虧損)		(0.193)	0.607



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

Year ended 31 December 2016 截至二零一六年十二月三十一日止年度

	Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
PROFIT/(LOSS) FOR THE YEAR	本年利潤／(虧損)	(812,765)	2,520,254
OTHER COMPREHENSIVE INCOME/(LOSS)	其他全面收益／(虧損)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:	其後期間重新分類至損益的其他全面收益／(虧損)：		
Exchange differences:	匯兌差額：		
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	(128,597)	(66,650)
Cash flow hedges:	現金流量對沖：		
Effective portion of changes in fair value of hedging instruments arising during the year	來自本年對沖工具公允值變動的實際部分	—	9,645
Income tax effect	所得稅影響	—	(1,257)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	其後期間重新分類至損益的其他全面虧損淨額	(128,597)	(58,262)
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:	其後期間不會重新分類至損益的其他全面收益／(虧損)：		
Equity investments designated at fair value through other comprehensive income:	指定為以公允值計量且其變動計入其他全面收益的股本投資：		
Changes in fair value	公允值變動	94,371	(117,050)
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods	其後期間不會重新分類至損益的其他全面收益／(虧損)淨額	94,371	(117,050)
OTHER COMPREHENSIVE LOSS, NET OF TAX	其他全面虧損，扣除稅項	(34,226)	(175,312)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	年度全面收益／(虧損)總額	(846,991)	2,344,942
Attributable to:	以下各方應佔：		
Owners of the Company	本公司擁有人	(823,053)	2,157,043
Non-controlling interests	非控股股東權益	(23,938)	187,899
		(846,991)	2,344,942



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2016 於二零一六年十二月三十一日

			31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元
		Notes 附註		
NON-CURRENT ASSETS				
非流動資產				
Property, plant and equipment	物業、廠房及設備	15	12,698,374	11,637,977
Construction in progress	在建工程	16	1,271,844	900,939
Investment properties	投資物業	17	67,486	20,078
Land use rights	土地使用權	18	983,794	888,680
Goodwill	商譽	19	4,527,518	5,850,599
Other intangible assets	其他無形資產	20	2,086,247	1,731,018
Investments in associates	於聯營公司的投資	22	4,132,099	4,185,883
Deferred tax assets	遞延稅項資產	23	529,123	307,534
Biological assets	生物資產	24	479,386	289,823
Non-current financial assets	非流動金融資產	25	2,495,681	2,327,916
Long term prepayments	長期預付款	28	15,566	91,738
Total non-current assets	總非流動資產		29,287,118	28,232,185
CURRENT ASSETS				
流動資產				
Other current financial assets	其他流動金融資產	25	4,195,737	5,255,273
Derivative financial instruments	衍生金融工具	34	36,501	10,944
Inventories	存貨	26	3,314,282	4,339,506
Trade and bills receivables	應收賬款及票據	27	2,340,099	1,617,757
Prepayments, deposits and other receivables	預付款、按金及其他應收款項	28	2,704,611	2,158,884
Pledged deposits	保證金存款	29	960,863	722,402
Cash and bank balances	現金及銀行結存	29	6,070,078	7,931,237
Assets of disposal groups classified as held for sale	分類為持有待售的處置組內資產	12	215,138	384,353
Total current assets	總流動資產		19,837,309	22,420,356



Consolidated Statement of Financial Position 綜合財務狀況表

As at 31 December 2016 於二零一六年十二月三十一日

		Notes 附註	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元
CURRENT LIABILITIES	流動負債			
Trade and bills payables	應付賬款及票據	30	5,405,620	4,644,298
Other payables and accruals	其他應付款項及預提費用	31	6,510,886	4,989,524
Interest-bearing bank and other borrowings	計息銀行及其他借貸	32	3,045,417	6,080,751
Other loans	其他貸款	33	52,559	43,915
Derivative financial instruments	衍生金融工具	34	—	3,160
Deferred income	遞延收入	36	135,093	45,652
Income tax payable	應付所得稅		145,242	153,367
			15,294,817	15,960,667
Liabilities directly associated with the assets classified as held for sale	與分類為持有待售的 資產直接相關的負債	12	7,852	15,708
Total current liabilities	總流動負債		15,302,669	15,976,375
NET CURRENT ASSETS	淨流動資產		4,534,640	6,443,981
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		33,821,758	34,676,166
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank and other borrowings	計息銀行及其他借貸	32	5,542,163	4,969,511
Long term payables	長期應付款項	35	36,914	68,399
Deferred income	遞延收入	36	533,385	303,116
Deferred tax liabilities	遞延稅項負債	23	62,190	76,050
Other non-current financial liabilities	其他非流動金融負債	37	2,143,378	2,643,936
Total non-current liabilities	總非流動負債		8,318,030	8,061,012
NET ASSETS	淨資產		25,503,728	26,615,154



Consolidated Statement of Financial Position 綜合財務狀況表

As at 31 December 2016 於二零一六年十二月三十一日

		Notes	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元
		附註		
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	38	357,374	357,262
Treasury shares held under share award scheme	股票獎勵計劃下持有的庫存股份	42	(354,409)	(415,762)
Other reserves	其他儲備	39	12,940,822	13,321,140
Retained earnings	保留利潤		7,901,126	8,873,599
			20,844,913	22,136,239
Non-controlling interests	非控股股東權益		4,658,815	4,478,915
TOTAL EQUITY	總權益		25,503,728	26,615,154

Ma Jianping
馬建平
Director
董事

Jeffrey, Minfang Lu
盧敏放
Director
董事



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 December 2015 截至二零一五年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔													
		Treasury shares held under share award scheme 股票獎勵計劃下持有的庫存股份	Share capital 股本	Share premium 股份溢價	Contributed surplus 實收溢餘	Statutory reserves 法定儲備	Foreign currency transition reserve 貨幣換算儲備	Financial assets revaluation reserve 金融資產重估儲備	Share option reserve 儲備	Share award reserve 獎勵儲備	Hedging reserve 對沖儲備	Equity transaction reserve 權益交易儲備	Putable non-controlling interest reserve 非控股股東權益儲備	Retained earnings 保留利潤	Total equity 總權益
		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	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	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
	於二零一五年一月一日	198,246	489,075	11,771,025	292,020	2,498,524	(590,205)	152,947	314,765	(5,718)	1,810,862	(1,218,235)	6,819,844	21,489,400	24,492,873
Profit for the year	本年利潤	-	-	-	-	-	-	-	-	-	-	-	-	2,367,291	2,367,291
Other comprehensive income/(loss) for the year	本年其他全面收益/(虧損)：	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences related to foreign operations	換算海外業務的匯兌差額	-	-	-	-	-	(98,916)	-	-	-	-	-	-	-	-
Cash flow hedges, net of tax	現金流量對沖，扣除稅項	-	-	-	-	-	-	-	-	5,718	-	-	-	-	-
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	指定為以公允價值計量且其變動計入其他全面收益的股本投資的公允價值變動，扣除稅項	-	-	-	-	-	-	(117,050)	-	-	-	-	-	-	-
	於二零一五年十二月三十一日	198,246	489,075	11,771,025	292,020	2,498,524	(590,205)	152,947	314,765	(5,718)	1,810,862	(1,218,235)	6,819,844	21,489,400	24,492,873
Total comprehensive income/(loss) for the year	年度全面收益/(虧損)總額	-	-	-	-	-	(98,916)	(117,050)	-	5,718	-	-	-	2,367,291	2,157,043
Bonus issue	發行紅股	160,687	-	(160,687)	-	-	-	-	-	-	-	-	-	-	-
Equity-settled share option arrangements	以股份支付的購股權安排	41	-	-	-	-	-	-	(69,359)	-	-	-	-	-	(69,359)
Shares issued under equity-settled share option arrangements	根據以股份支付的購股權安排發行股份	41	-	64,771	-	-	-	-	-	-	-	-	-	65,100	65,100
Transfer of share option reserve upon exercise of share options	行使購股權轉出購股權儲備	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shares purchased for share award scheme	為股票獎勵計劃購股	-	-	6,601	-	-	-	(6,601)	-	-	-	-	-	-	-
Share award scheme	股票獎勵計劃	-	(135,535)	-	-	-	-	-	-	-	-	-	-	(135,535)	-
Shares vested under share award scheme	根據股票獎勵計劃歸屬股份	42	-	-	-	-	-	91,724	-	-	-	-	-	91,724	91,724
Deemed disposal of equity interests in subsidiaries without loss of control	視同出售子公司的股權(沒有失去控制權)	42	208,648	9,349	-	-	-	(218,197)	-	-	-	-	-	-	-
Reclassification from contributed surplus to equity	自實收溢餘重新分類至權益	39(a)(c)	-	-	-	-	-	-	-	-	1,289,362	-	-	1,289,362	3,414,319
Transaction reserve	權益交易儲備	-	-	-	(27,343)	-	-	-	-	-	27,343	-	-	-	-
Acquisition of non-controlling interests	收購非控股股東權益	39(b)	-	-	-	-	-	-	-	-	(1,885,419)	-	-	(1,885,419)	(2,510,675)
Capital injection from non-controlling interests	非控股股東權益注資	-	-	-	-	-	-	-	-	-	480	-	-	480	19,926
Deconsolidation of puttable non-controlling interests	終止確認可沽出非控股股東權益	37(b)(c)	-	-	-	-	-	-	-	-	-	(299,634)	-	(299,634)	(441,844)
Dividends paid/payable to owners of the Company	向本公司擁有人派付/應付股息	13	-	(546,923)	-	-	-	-	-	-	-	-	-	(546,923)	(546,923)
Dividends paid/payable to non-controlling interests	向非控股股東派付/應付股息	-	-	-	-	-	-	-	-	-	-	-	-	(109,394)	(109,394)
Transfer to statutory reserves	轉撥至法定儲備	-	-	-	-	312,536	-	-	-	-	-	-	(312,536)	-	-
	於二零一五年十二月三十一日	357,262	(415,762)	11,144,136	204,677	2,809,060	(689,121)	35,297	112,332	-	1,222,228	(1,517,869)	8,873,559	22,186,239	26,161,154



Consolidated Statement of Changes in Equity 綜合權益變動表

Year ended 31 December 2016 截至二零一六年十二月三十一日止年度

	Attributable to owners of the Company 本公司持有入應佔										Total equity 總權益 RMB'000 人民幣千元			
	Share capital 股本 RMB'000 人民幣千元 Note 88 附註88	Treasury shares held under share award scheme 股票獎勵 計劃下持有的庫存股份 RMB'000 人民幣千元 Note 42 附註42	Share premium 股本溢價 RMB'000 人民幣千元	Contributed surplus 實收溢餘 RMB'000 人民幣千元	Statutory reserves 法定儲備 RMB'000 人民幣千元 Note 39(e) 附註39(e)	Foreign currency translation reserve 貨幣溢價 RMB'000 人民幣千元	Financial assets revaluation reserve 金融資產重估儲備 RMB'000 人民幣千元 Note 25(b)(ii) 附註25(b)(ii)	Share option reserve/ share award reserve 購股權 儲備 RMB'000 人民幣千元	Equity transaction reserve 權益交易儲備 RMB'000 人民幣千元	Puttable non-controlling interest reserve 可沽值 非控股股東權益儲備 RMB'000 人民幣千元		Retained earnings 保留溢利 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元	
At 1 January 2016 於二零一六年一月一日	357,262	(415,702)	11,144,136*	204,677*	2,809,060*	(689,121)*	35,297*	112,332*	1,222,628*	(1,517,669)*	8,873,599	22,138,239	4,478,915	26,615,154
Loss for the year 本年虧損	-	-	-	-	-	-	-	-	-	-	(751,155)	(751,155)	(61,610)	(812,765)
Other comprehensive income/(loss) for the year 本年其他全面收益/(虧損):	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences related to foreign operations 換算海外業務的匯兌差額	-	-	-	-	-	(166,269)	-	-	-	-	-	-	-	(166,269)
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax 指定為以公允價值計量且其變動計入其他全面收益的股本投資，扣除稅項	-	-	-	-	-	-	94,371	-	-	-	-	-	-	94,371
Total comprehensive income/(loss) for the year 年度全面收益/(虧損)總額	-	-	-	-	-	(166,269)	94,371	-	-	-	(751,155)	(623,053)	(23,938)	(846,991)
Shares issued under equity-settled share option arrangements 根據以股份支付計劃發行的安插發行股份	635	-	75,629	-	-	-	-	-	-	-	-	76,464	-	76,464
Transfer of share option reserve upon exercise of share options 行使購股權時轉出購股權儲備	-	-	10,194	-	-	-	-	(10,194)	-	-	-	-	-	-
Shares purchased for share award scheme 為股票獎勵計劃購股	-	(16,916)	-	-	-	-	-	-	-	-	-	-	-	(16,916)
Share award scheme 股票獎勵計劃	-	-	-	-	-	-	-	40,939	-	-	-	40,939	-	40,939
Shares vested under share award scheme 股票獎勵計劃下歸屬的股份	-	76,269	(24,707)	-	-	-	-	(53,562)	-	-	-	-	-	-
Shares repurchased and canceled 股份購回及註銷	(623)	-	(57,619)	-	-	-	-	-	(188,439)	-	-	(68,142)	-	(68,142)
Acquisition of non-controlling interests 收購非控股股東權益	-	-	-	-	-	-	-	-	-	-	-	(188,439)	-	(188,439)
Acquisition of subsidiaries 收購子公司	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital injection from non-controlling interests 非控股股東權益注資	-	-	-	-	-	-	-	-	-	-	-	-	41,620	41,620
Decognition of puttable non-controlling interests 終止確認可沽值非控股股東權益	-	-	-	-	-	-	-	-	-	230,518	-	230,518	38,475	38,475
Dividends paid to owners of the Company 已向本公司擁有人派付股息	-	-	(592,697)	-	-	-	-	-	-	-	-	(592,697)	-	(592,697)
Dividends paid/payable to non-controlling interests 向非控股股東派付/應付股息	-	-	-	-	-	-	-	-	-	-	-	-	(55,561)	(55,561)
Transfer to statutory reserves 轉撥至法定儲備	-	-	-	-	221,318	-	-	-	-	-	(221,318)	-	-	-
At 31 December 2016 於二零一六年十二月三十一日	357,374	(354,409)	10,955,136*	204,677*	3,030,378*	(855,390)*	123,668*	89,515*	1,034,189*	(1,287,351)*	7,901,126	20,344,913	4,653,815	25,037,728

* These reserve accounts comprise the consolidated other reserves of RMB12,940,822,000 (2015: RMB13,321,140,000) in the consolidated statement of financial position.
該等儲備賬戶包括綜合財務狀況表內綜合其他儲備人民幣12,940,822,000元(二零一五年: 人民幣13,321,140,000元)。



CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2016 截至二零一六年十二月三十一日止年度

	Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash flows from operating activities	經營業務產生的現金流量		
Profit/(loss) before tax:	稅前利潤/(虧損):		
From continuing operations	來自持續經營業務	(461,386)	3,030,170
From a discontinued operation	來自已終止經營業務	-	122
Adjustments for:	就下列各項調整:		
Interest income	利息收入	(477,844)	(563,273)
Finance costs	融資成本	293,700	318,634
Depreciation of items of property, plant and equipment	物業、廠房及設備折舊	1,536,404	1,391,302
Depreciation of investment properties	投資物業折舊	2,457	3,030
Amortisation of land use rights	土地使用權攤銷	24,760	26,005
Amortisation of other intangible assets	其他無形資產攤銷	37,903	23,951
Loss/(gain) on disposal of items of property, plant and equipment	處置物業、廠房及 設備虧損/(收益)	20,634	(10,412)
Gain on disposal of a disposal group classified as held for sale	出售分類為持有待售 的處置組收益	(29,127)	-
Provision for trade receivables and other receivables	應收賬款及 其他應收款項	63,530	9,503
Write-back of provision for trade receivables and other receivables	撥回應收賬款及 其他應收款項撥備	(20,740)	(83,955)
Write-down of inventories to net realisable value	存貨撇減至可變現淨值	129,857	43,806
Provision for construction in progress	在建工程撥備	1,712	-
Impairment of goodwill	商譽減值	2,253,794	-
Government grants related to income	與收入相關的政府補助	-	(78,450)
Amortisation of deferred income-assets other than biological assets	遞延收入攤銷—生物資產以 外的資產	(32,667)	(25,547)
Share of losses/(profits) of associates	應佔聯營公司虧損/(利潤)	225,477	(137,669)
Loss on deemed disposal of partial interests in an associate	視同出售一間聯營公司部分 權益虧損	-	33,045
Gain on disposal of subsidiaries	出售子公司收益	-	(60,232)
Fair value gain arising from re-measuring the initial equity interest	重新計量最初持有股權 產生的公允價值收益	(9,489)	-
Gain on bargain purchase	議價購入收益	(9,213)	-
Gain arising from changes in contingent considerations	或然代價變動產生收益	-	(95,022)
Loss arising from changes in fair value less cost to sell of dairy cows	乳牛公允價值減銷售成本 的變動產生的虧損	25,696	19,323
Foreign exchange losses/(gains), net	匯兌虧損/(收益)淨額	(134,235)	53,754
Net fair value loss on forward currency contracts	遠期外幣合約公允價值 虧損淨額	2,371	12,444
Unrealised fair value gain of commodity futures contracts	商品期貨合約未變現 公允價值收益	(4,850)	(5,933)
Equity-settled share option arrangements	以股份支付的購股權安排	-	(69,359)
Share award scheme	股票獎勵計劃	40,939	91,724
		3,479,683	3,926,961
Increase in other financial assets - entrusted loans	其他金融資產增加 - 委託貸款	(1,207)	(78,106)
Decrease/(increase) in inventories	存貨減少/(增加)	1,014,334	(97,609)
Increase in trade and bills receivables	應收賬款及票據增加	(649,458)	(392,254)
Decrease/(increase) in pledged deposits	保證金存款減少/(增加)	50,272	(103,703)
Increase in prepayments, deposits and other receivables	預付款、按金及其他應收 款項增加	(570,760)	(498,940)
Increase/(decrease) in trade and bills payables	應付賬款及票據 增加/(減少)	498,557	(312,966)
Increase in accruals and other payables	預提費用及其他應付款項增加	1,555,190	420,309



Consolidated Statement of Cash Flows 綜合現金流量表

Year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash generated from operations	經營業務產生的現金		5,376,611	2,863,692
Interest paid	支付利息		(312,332)	(294,526)
Income taxes paid	支付所得稅		(551,335)	(659,977)
Net cash flows from operating activities	經營業務產生的淨現金流量		4,512,944	1,909,189
Cash flows from investing activities	投資活動產生的現金流量			
Proceeds from disposal of items of property, plant and equipment	處置物業、廠房及設備所得款項		100,226	102,751
Proceeds from disposal of investment properties	處置投資物業所得款項	17	1,306	-
Proceeds from disposal of land use rights	處置土地使用權所得款項		-	6,057
Proceeds from disposal of other intangible assets	處置其他無形資產所得款項		-	7,577
Proceeds from disposal of biological assets	處置生物資產所得款項	24	7,653	6,429
Proceeds from disposal of a disposal group classified as held for sale	出售分類為持有待售的處置組所得款項		98,000	-
Purchase of items of property, plant and equipment	購置物業、廠房及設備		(1,004,187)	(553,761)
Purchase of construction in progress	購置在建工程	16	(1,976,081)	(2,311,753)
Purchase of land use rights	購置土地使用權	18	(46,285)	(17,093)
Purchase of other intangible assets	購置其他無形資產	20	(10,922)	(7,737)
Purchase of biological assets	購置生物資產		(230,775)	(152,484)
Acquisition of unlisted equity investments	購買非上市股本投資		-	(2,500)
Disposal of unlisted equity investments	出售非上市股本投資		-	1,554
Capital injection to associates	向聯營公司注資		-	(517)
Dividends received from associates	收取聯營公司股息		18,555	23,460
Acquisition of subsidiaries	收購子公司		(1,156,675)	18,925
Receipt of purchase price adjustments	收取購買價調整		72,437	-
Disposal of subsidiaries	出售子公司	45	-	151,593
Payment of contingent considerations	或然代價付款		(10,000)	(10,000)
Receipt of government grants related to purchase of fixed assets and biological assets	收取購買固定資產及生物資產相關的政府補助金		291,862	111,515
Increase of long term time deposits	長期定期存款增加		(25,143)	(415,909)
Purchase of time deposits with original maturity of more than three months	購置原到期日為三個月以上的定期存款		(1,657,141)	(14,873)
Purchase of unit trust investments	購置單位信託投資		-	(170,000)
Disposal of unit trust investments	出售單位信託投資		170,000	327,000
Purchase of investment deposits	購置投資存款		(4,139,490)	(9,346,781)
Withdrawal of investment deposits	收回投資存款		5,049,039	12,265,485
Interest received	收取利息		442,158	517,706
Net cash flows from/(used in) investing activities	投資活動產生/(所用)淨現金流量		(4,005,463)	536,644



Consolidated Statement of Cash Flows 綜合現金流量表

Year ended 31 December 2016 截至二零一六年十二月三十一日止年度

	Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash flows from financing activities	融資活動產生的現金流量		
Proceeds from interest-bearing bank loans	計息銀行貸款所得款項	11,002,522	6,552,196
Repayment of interest-bearing bank loans	償還計息銀行貸款	(13,972,904)	(5,670,507)
Increase in pledged deposits for bank loans	銀行貸款的保證金存款增加	(288,733)	(363,110)
Proceeds from other loans	其他貸款所得款項	8,644	4,000
Repayment of long term payables	償還長期應付款項	(77,013)	(86,227)
Shares purchases for share award scheme	為股票獎勵計劃購股	(16,916)	(135,535)
Shares issued under equity-settled share option arrangements	根據以股份支付的購股權安排發行股份	76,464	65,100
Shares repurchased and cancelled	股份購回及註銷	(58,142)	-
Acquisition of non-controlling interests	收購非控股股東權益	(137,724)	(2,510,675)
Capital injection from non-controlling interests	非控股股東權益注資	38,475	19,926
Dividends paid to owners of the Company	支付本公司擁有人的股息	(552,697)	(585,118)
Dividends paid to non-controlling interests	支付非控股股東權益的股息	(58,471)	(69,599)
Deemed disposal of equity interests in a subsidiary without loss of control	視作出售一間子公司的股權(沒有失去控制權)	-	3,468,594
Net cash flows from/(used in) financing activities	融資活動產生/(所用)淨現金流量	(4,036,495)	689,045
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	(3,529,014)	3,134,878
Cash and cash equivalents at beginning of year	年初現金及現金等價物	6,833,608	3,607,033
Effect of foreign exchange rate changes, net	匯率變動影響(淨額)	51,062	92,658
Cash and bank balances attributable to disposal groups	處置組應佔現金及銀行結存	(119)	(961)
Cash and cash equivalents at end of year	年終現金及現金等價物	3,355,537	6,833,608
Analysis of balances of cash and cash equivalents	現金及現金等價物結餘分析		
Cash and bank balances as stated in the consolidated statement of financial position	於綜合財務狀況表中列賬的現金及銀行結存	6,070,078	7,931,237
Restricted deposits	受限制存款	-	(40,229)
Time deposits with original maturity more than three months	原到期日為三個月以上的定期存款	(2,714,541)	(1,057,400)
Cash and cash equivalents as stated in the consolidated statement of cash flows	於綜合現金流量表中列賬的現金及現金等價物	3,355,537	6,833,608



NOTES TO FINANCIAL STATEMENTS

財務報表附註

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands. The registered office of the Company is located at P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands. The Company is an investment holding company and its subsidiaries are engaged in the manufacture and distribution of dairy products mainly in the People's Republic of China (the "PRC").

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

1. 公司及集團資料

本公司為在開曼群島註冊成立的獲豁免有限公司。本公司的註冊辦事處位於P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands。本公司為一間投資控股公司，而其子公司主要於中華人民共和國（「中國」）從事乳製品生產及經銷業務。

有關子公司的資料

本公司主要子公司詳情如下：

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及業務地點	Issued/registered share capital 已發行/ 註冊股本	Percentage of equity interest attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
China Dairy Holdings (i)	Cayman Islands 開曼群島	US\$214 214美元	100%	-	Investment holding 投資控股
China Dairy (Mauritius) Limited (i)	Mauritius 毛裡裘斯	US\$100 100美元	-	100%	Investment holding 投資控股
Start Great Holdings Limited (i)	British Virgin Islands 英屬處女群島	US\$16,066,969 16,066,969美元	100%	-	Investment holding 投資控股
Colour Vantage Limited (i)	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	-	Investment holding 投資控股
Golden Stage Holdings Limited (i)	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	-	Investment holding 投資控股
Mengniu (China) Investment Company Limited (i) 蒙牛(中國)投資有限公司 (i)	PRC 中國	US\$200,000,000 200,000,000美元	100%	-	Investment holding 投資控股
China Mengniu International Co., Ltd. (i) 中國蒙牛國際有限公司 (i)	British Virgin Islands 英屬處女群島	HK\$8,448,802,973 8,448,802,973港元	99.95%	-	Investment holding 投資控股
Plant Base Limited (i) 植樸磨坊有限公司 (i)	HK 香港	HK\$1 1港元	-	100%	Investment holding 投資控股
Mengniu Hi-tech Dairy Product (Maanshan) Co., Ltd. (i)(iii) 蒙牛高科乳製品(馬鞍山)有限公司 (i)(iii)	PRC 中國	RMB100,000,000 人民幣100,000,000元	-	79.98%	Manufacture and sale of dairy products 生產及出售乳製品



Notes To Financial Statements 財務報表附註

1. CORPORATE AND GROUP INFORMATION 1. 公司及集團資料(續)

(continued)

Information about subsidiaries (continued)

有關子公司的資料(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及業務地點	Issued/registered share capital 已發行/ 註冊股本	Percentage of equity interest attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct	Indirect	
			直接	間接	
Inner Mongolia Mengniu Danone Dairy Co., Ltd. (i)(iii) 內蒙古蒙牛達能乳製品有限公司 (i)(iii)	PRC 中國	RMB250,000,000 人民幣250,000,000元	–	79.98%	Manufacture and sale of dairy products 生產及出售乳製品
Mengniu Hi-tech Dairy Product (Beijing) Co., Ltd. (i)(iii) 蒙牛高科乳製品(北京)有限責任公司 (i)(iii)	PRC 中國	RMB87,500,000 人民幣87,500,000元	21.36%	58.63%	Manufacture and sale of dairy products 生產及出售乳製品
Mengniu Dairy (Hengshui) Co., Ltd. (i)(iii) 蒙牛乳業(衡水)有限公司 (i)(iii)	PRC 中國	RMB150,000,000 人民幣150,000,000元	26%	73.99%	Manufacture and sale of dairy products 生產及出售乳製品
Inner Mongolia Mengniu Dairy (Group) Company Limited ("Inner Mongolia Mengniu") (iii) 內蒙古蒙牛乳業(集團)股份有限公司 (「內蒙蒙牛」) (iii)	PRC 中國	RMB1,504,290,870 人民幣1,504,290,870元	8.97%	91.01%	Manufacture and sale of dairy products 生產及出售乳製品
Inner Mongolia Mengniu Dairy Baotou Co., Ltd. (i)(ii) 內蒙古蒙牛乳業包頭有限責任公司 (i)(ii)	PRC 中國	RMB30,000,000 人民幣30,000,000元	26.40%	73.59%	Manufacture and sale of dairy products 生產及出售乳製品
Mengniu Dairy (Luannan) Co., Ltd. (i)(iii) 蒙牛乳業(瀋南)有限責任公司 (i)(iii)	PRC 中國	RMB56,000,000 人民幣56,000,000元	26.06%	73.93%	Manufacture and sale of dairy products 生產及出售乳製品
Mengniu Dairy (Tangshan) Co., Ltd. (i)(iii) 蒙牛乳業(唐山)有限責任公司 (i)(iii)	PRC 中國	RMB70,000,000 人民幣70,000,000元	26.05%	73.94%	Manufacture and sale of dairy products 生產及出售乳製品
Mengniu Dairy Taian Co., Ltd. (i)(iii) 蒙牛乳業泰安有限責任公司 (i)(iii)	PRC 中國	RMB60,000,000 人民幣60,000,000元	26.03%	73.96%	Manufacture and sale of dairy products 生產及出售乳製品
Mengniu Dairy (Maanshan) Co., Ltd. (i)(ii) 蒙牛乳業(馬鞍山)有限公司 (i)(ii)	PRC 中國	RMB275,000,000 人民幣275,000,000元	–	99.98%	Manufacture and sale of dairy products 生產及出售乳製品



Notes To Financial Statements 財務報表附註

1. CORPORATE AND GROUP INFORMATION 1. 公司及集團資料(續)

(continued)

Information about subsidiaries (continued)

有關子公司的資料(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及業務地點	Issued/registered share capital 已發行/ 註冊股本	Percentage of equity interest attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Inner Mongolia Mengniu Hi-tech Dairy Co., Ltd. (i)(ii) 內蒙古蒙牛高科乳業有限公司 (i)(ii)	PRC 中國	RMB150,000,000 人民幣150,000,000元	-	99.98%	Manufacture and sale of dairy products 生產及出售乳製品
Mengniu Saibei Dairy Co., Ltd. (i)(iii) 蒙牛塞北乳業有限公司 (i)(iii)	PRC 中國	US\$8,994,700 8,994,700美元	26%	73.99%	Manufacture and sale of dairy products 生產及出售乳製品
Mengniu Dairy (Qiqihaer) Co., Ltd. (i)(iii) 蒙牛乳業(齊齊哈爾)有限公司 (i)(iii)	PRC 中國	RMB75,000,000 人民幣75,000,000元	26%	73.99%	Manufacture and sale of dairy products 生產及出售乳製品
Shijiazhuang Junlebao Dairy Co., Ltd. (ii) 石家莊君樂寶乳業有限公司 (ii)	PRC 中國	RMB52,351,700 人民幣52,351,700元	-	50.99%	Manufacture and sale of dairy products 生產及出售乳製品
Yashili International Holdings Ltd. ("Yashili") 雅士利國際控股有限公司(「雅士利」)	Cayman Islands 開曼群島	HK\$1,000,000,000 1,000,000,000港元	-	51.01%	Investment holding 投資控股
Yashili International Group Limited 雅士利國際集團有限公司	Hong Kong 香港	HK\$1 1港元	-	51.01%	Investment holding 投資控股
Yashili International Group Ltd. ("Yashili International") (iv) 雅士利國際集團有限公司(「雅士利國際」) (iv)	PRC 中國	RMB1,126,105,300 人民幣1,126,105,300元	-	51.01%	Production and sale of dairy products 生產及出售乳製品
Yashili New Zealand Dairy Co., Ltd. 新西蘭雅士利乳業國際控股有限公司	New Zealand 新西蘭	NZD287,032,059 287,032,059新西蘭元	-	51.01%	Production and sale of dairy products 生產及出售乳製品
Yashili International Baby Nourishment Co., Ltd. (i) (雅士利國際嬰幼兒營養品有限公司 (i))	PRC 中國	RMB531,815,600 人民幣531,815,600元	-	51.01%	Production and sale of dairy products 生產及出售乳製品
Plant Base (China) Limited (iv) 植樸磨坊(中國)有限公司 (iv)	PRC 中國	RMB600,000,000 人民幣600,000,000元	-	51%	Investment holding 投資控股



Notes To Financial Statements 財務報表附註

1. CORPORATE AND GROUP INFORMATION

(continued)

Information about subsidiaries (continued)

1. 公司及集團資料(續)

有關子公司的資料(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及業務地點	Issued/registered share capital 已發行/ 註冊股本	Percentage of equity interest attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Aspen Foods (Zhengzhou) Co., Ltd. (i)(ii) 植樸磨坊食品(鄭州)有限公司 (i)(ii)	PRC 中國	RMB550,000,000 人民幣550,000,000元	-	51%	Manufacture, distribution and sale of plant-based beverages 生產、分銷及銷售植物性 飲料
Dumex Baby Food Co., Ltd. ("Dumex China") (ii) 多美滋嬰幼兒食品有限公司(「多美滋中國」) (ii)	PRC 中國	RMB2,226,000,000 人民幣2,226,000,000元	-	51.01%	Production and sale of dairy products 生產及出售乳製品

(i) Not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network

(i) 未經香港安永會計師事務所或安永全球網絡其他成員公司審計。

(ii) The subsidiaries are registered as companies with limited liability under PRC law.

(ii) 該等子公司均根據中國法律註冊為有限責任公司。

(iii) The subsidiaries are registered as Sino-foreign equity joint ventures under PRC law.

(iii) 該等子公司均根據中國法律註冊為中外合資公司。

(iv) The subsidiaries are wholly-foreign-owned enterprises established in the PRC.

(iv) 該等子公司均為於中國註冊的全資外資企業。

During the year, Yashili, a 51.01% indirectly owned subsidiary of the Company, acquired a 100% equity interest in Dumex China from Danone Asia Pacific Holdings Pte. Ltd. ("Danone"). Further details of the acquisition are included in note 44 to the financial statements.

年內，本公司間接擁有51.01%權益的子公司雅士利向Danone Asia Pacific Holdings Pte. Ltd. (「Danone」)收購多美滋中國全部股權。收購進一步詳情載於財務報表附註44。

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

董事認為上表載列的本公司子公司主要對本集團本年度業績構成影響，或構成本集團資產淨值的重大部分。董事認為提供其他子公司詳情會導致詳情過於冗長。



Notes To Financial Statements 財務報表附註

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared on a historical cost basis except for share options, certain financial assets and derivative financial instruments which have been measured at fair value. Certain biological assets and agricultural produce upon harvest are measured at fair value less costs to sell. Disposal groups classified as held for sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in note 2.4. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2016. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

2.1 編製基準

此等財務報表按照國際會計準則委員會(「國際會計準則委員會」)頒佈的國際財務報告準則(「國際財務報告準則」)及香港公司條例披露規定編製。財務報表以歷史成本法編製，惟購股權、若干金融資產及衍生金融工具以公允值計量。若干生物資產及農產品收成以公允值減銷售成本計量。分類為持有待售的處置組乃按其賬面值及公允值減銷售成本後的餘額孰低列賬，詳情載於附註2.4。財務報表以人民幣(「人民幣」)呈列，除另有指明外，所有數值均調整至最接近的千位。

綜合基準

綜合財務報表包括本公司及其子公司(統稱「本集團」)截至二零一六年十二月三十一日止年度的財務報表。子公司為本公司直接或間接控制的實體(包括結構性實體)。當本集團通過參與被投資方的相關活動而承擔可變回報的風險或享有可變回報，並且有能力運用對被投資方的權力(即使本集團目前有能力主導被投資方的相關活動的現時權利)影響該等回報時，即取得控制權。

當本公司直接或間接擁有少於被投資方大多數的表決或類似權利，在評估其是否擁有對被投資方的權力時，本集團會考慮所有相關事實及情況，包括：

- (a) 與被投資方其他表決權持有人的合約安排；
- (b) 其他合約安排產生的權利；及
- (c) 本集團的表決權及潛在表決權。



2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the day that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.1 編製基準(續)

綜合基準(續)

子公司的財務報表按與本公司相同的報告期，並採用一致的會計政策編製。子公司的業績由本集團取得控制權當日起直至該等控制權終止當日為止綜合列賬。

損益及其他全面收益各部分乃歸屬於本公司擁有人及非控股股東權益，即使此令致非控股股東權益有虧損結餘。本集團內公司間的所有資產及負債、權益、收入、開支及本集團成員公司間交易的相關現金流量於綜合時悉數對銷。

倘有事實及情況顯示上述三項控制權要素有一項或多於一項出現變動，本集團會重新評估其是否對被投資方擁有控制權。子公司的所有權變動(並無失去控制權)按權益交易入賬。

倘本集團失去對子公司的控制權，則其終止確認(i)該子公司的資產(包括商譽)及負債、(ii)任何非控股股東權益的賬面值及(iii)於權益內記錄的累計換算差額；及確認(i)所收代價的公允值、(ii)所保留任何投資的公允值及(iii)損益中任何因此產生的盈餘或虧損。先前於其他全面收益內確認的本集團應佔部分重新歸類為損益或保留利潤(如適用)，所按基準與本集團已直接出售相關的資產或負債所規定者相同。



Notes To Financial Statements 財務報表附註

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 28	<i>Investment Entities: Applying the Consolidation Exception</i>
Amendments to IFRS 11 and IFRS 14	<i>Accounting for Acquisitions of Interests in Joint Operations</i> <i>Regulatory Deferral Accounts</i>
Amendments to IAS 1	<i>Disclosure Initiative</i>
Amendments to IAS 16 and IAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>
Amendments to IAS 16 and IAS 41	<i>Agriculture: Bearer Plants</i>
Amendments to IAS 27	<i>Equity Method in Separate Financial Statements</i>
Annual Improvements 2012-2014 Cycle	Amendments to a number of IFRSs

2.2 會計政策變動及披露

本集團已於本年度的財務報表首次採納以下新頒佈及經修訂國際財務報告準則。

國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第28號的修訂	投資實體： 應用綜合豁免
國際財務報告準則第11號的修訂 國際財務報告準則第14號	收購合營業務權益的會計處理 監管遞延賬戶
國際會計準則第1號的修訂	披露動議
國際會計準則第16號及國際會計準則第38號的修訂	釐清折舊與攤銷的可接受方法
國際會計準則第16號及國際會計準則第41號的修訂	農業：生產性植物
國際會計準則第27號的修訂 二零一二年至二零一四年週期年度改進	獨立財務報表中的權益法 修訂多項國際財務報告準則



2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Except for the amendments to IFRS 10, IFRS 12 and IAS 28, amendments to IFRS 11, IFRS 14, amendments to IAS 16 and IAS 41, amendments to IAS 27, and certain amendments included in the *Annual Improvements 2012-2014 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the amendments are described below:

- (a) Amendments to IAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:
- (i) the materiality requirements in IAS 1;
 - (ii) that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;
 - (iii) that entities have flexibility as to the order in which they present the notes to financial statements; and
 - (iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss. The amendments have had no significant impact on the Group's financial statements.

2.2 會計政策變動及披露(續)

除與編製本集團財務報表無關的國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第28號的修訂、國際財務報告準則第11號的修訂、國際財務報告準則第14號、國際會計準則第16號及國際會計準則第41號的修訂、國際會計準則第27號的修訂及二零一二年至二零一四年週期年度改進中若干修訂外，修訂性質及影響闡述如下：

- (a) 國際會計準則第1號的修訂載有針對財務報表呈列及披露的改善。修訂釐清：
- (i) 國際會計準則第1號的重大性要求；
 - (ii) 可分列損益表及財務狀況表中的特定項目；
 - (iii) 實體可靈活決定呈列財務報表附註的順序；及
 - (iv) 使用權益法列賬的分佔聯營公司及合營公司的其他全面收益必須匯總單獨列賬，並按其後期間能或不能重新分類至損益分類。

此外，修訂釐清於財務狀況表及損益表呈列額外小計時所適用的要求。修訂對本集團的財務報表並無任何重大影響。



Notes To Financial Statements 財務報表附註

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (b) Amendments to IAS 16 and IAS 38 clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are applied prospectively. The amendments have had no impact on the financial position or performance of the Group as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.
- (c) *Annual Improvements to IFRSs 2012-2014 Cycle* issued in September 2014 sets out amendments to a number of IFRSs. Details of the amendments are as follows:
- IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*: Clarifies that changes to a plan of sale or a plan of distribution to owners should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. Accordingly, there is no change in the application of the requirements in IFRS 5. The amendments also clarify that changing the disposal method does not change the date of classification of the non-current assets or disposal group held for sale. The amendments are applied prospectively. The amendments have had no impact on the Group as the Group did not have any change in the plan of sale or disposal method in respect of the disposal group held for sale during the year.

2.2 會計政策變動及披露(續)

- (b) 國際會計準則第16號及國際會計準則第38號的修訂釐清國際會計準則第16號及國際會計準則第38號的原則，即收入反映自經營業務(資產為其一部分)產生的經濟利益的模式，而非通過使用資產消耗的經濟利益的模式。因此，收入法不得用於折舊物業、廠房及設備，並且僅於非常有限的情況下可用於攤銷無形資產。該等修訂獲提前應用。由於本集團並未使用收入法計算其非流動資產的折舊，故修訂對本集團財務狀況或表現並無影響。
- (c) 二零一二年至二零一四年週期年度改進於二零一四年九月發佈，修訂多項國際財務報告準則。修訂詳情如下：
- 國際財務報告準則第5號持有待售的非流動資產及已終止經營業務：釐清向擁有人進行出售或作出分派的計劃的變動不應被視為一項新的出售計劃，而應被視為原計劃的延續。因此，應用國際財務報告準則第5號的規定並無變動。該等修訂亦釐清變更處置方式不會改變持有待售的非流動資產或處置組的分類日期。該等修訂獲提前應用。由於本集團於本年度的持有待售的處置組的出售計劃或處置方式並無任何變動，故該等修訂對本集團並無影響。



Notes To Financial Statements 財務報表附註

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i> ²
Amendments to IFRS 4	<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts</i> ²
IFRS 9	<i>Financial Instruments</i> ²
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
IFRS 15	<i>Revenue from Contracts with Customers</i> ²
Amendments to IFRS 15	<i>Clarifications to IFRS 15 Revenue from Contracts with Customers</i> ²
IFRS 16	<i>Leases</i> ³
Amendments to IAS 7	<i>Disclosure Initiative</i> ¹
Amendments to IAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i> ¹
IFRIC 22	<i>Foreign Currency Transactions and Advance Consideration</i> ²
Amendments to IAS 40	<i>Transfer of Investment Property</i> ²
Annual Improvements 2014-2016 Cycle	Amendments to IFRS 12 <i>Disclosure of Interests in Other Entities</i> ¹
	Amendments to IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i> ²
	Amendments to IAS 28 <i>Investments in Associates and Joint Ventures</i> ²

- ¹ Effective for annual periods beginning on or after 1 January 2017
- ² Effective for annual periods beginning on or after 1 January 2018
- ³ Effective for annual periods beginning on or after 1 January 2019
- ⁴ No mandatory effective date yet determined but available for adoption

2.3 已頒佈但尚未生效的國際財務報告準則

本集團並未於該等財務報表中採納以下已頒佈但尚未生效的新訂及經修訂國際財務報告準則。

國際財務報告準則第2號的修訂	以股份為基礎的支付交易的分類與計量 ²
國際財務報告準則第4號的修訂	與國際財務報告準則第4號保險合約一併應用的國際財務報告準則第9號金融工具 ²
國際財務報告準則第9號	金融工具 ²
國際財務報告準則第10號及國際會計準則第28號的修訂	投資者與其聯營公司或合營企業之間的資產出售或注資 ⁴
國際財務報告準則第15號	客戶合約收益 ²
國際財務報告準則第15號的修訂	釐清國際財務報告準則第15號來自客戶合約的收益 ²
國際財務報告準則第16號	租賃 ³
國際會計準則第7號的修訂	披露計劃 ¹
國際會計準則第12號的修訂	就未變現虧損確認遞延稅項資產 ¹
國際財務報告詮釋委員會詮釋第22號	外幣交易及墊付代價 ²
國際會計準則第40號的修訂	轉讓投資物業 ²
二零一四年至二零一六年週期年度改進	國際財務報告準則第12號於其他實體的權益披露的修訂 ¹
	國際財務報告準則第1號首次採用國際財務報告準則的修訂 ²
	國際會計準則第28號投資聯營公司及合營企業的修訂 ²

- ¹ 於二零一七年一月一日或之後開始的年度期間生效
- ² 於二零一八年一月一日或之後開始的年度期間生效
- ³ 於二零一九年一月一日或之後開始的年度期間生效
- ⁴ 尚未確定強制生效日期但可供採納



Notes To Financial Statements 財務報表附註

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

Further information about those IFRSs that are expected to be applicable to the Group is as follows:

The IASB issued amendments to IFRS 2 in June 2016 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet the employee's tax obligation associated with the share-based payment; and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. The Group expects to adopt the amendments from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

In September 2014, the IASB issued the final version of IFRS 9 (the "IFRS 9 (2014)"), bringing together all phases of the financial instruments project to replace IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group has early adopted IFRS 9 (2009) and IFRS 9 (2013) on 1 January 2014 and 1 July 2014, respectively, while the Group expects to adopt the full text of IFRS 9 (2014) from 1 January 2018.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

本集團預期應用的國際財務報告準則進一步資料如下：

國際會計準則理事會於二零一六年六月頒佈的國際會計準則第2號的修訂闡述三大範疇：歸屬條件對計量以現金結算以股份為基礎付款交易的影響；為僱員履行與以股份為基礎付款的稅務責任而預扣若干金額的以股份為基礎付款交易(附有淨額結算特質)的分類；以及對以股份為基礎付款交易的條款及條件作令其分類由現金結算變為權益結算的修訂時的會計處理方法。修訂釐清計量以權益結算以股份為基礎付款時歸屬條件的入賬方法亦適用於以現金結算以股份為基礎付款。修訂引入一個例外情況，倘符合若干條件，為僱員履行與以股份為基礎付款的稅務責任而預扣若干金額的以股份為基礎付款交易(附有淨額結算特質)，將整項分類為以股本結算以股份為基礎付款交易。此外，該等修訂明確說明，倘以現金結算以股份為基礎付款交易的條款及條件有所修訂，令其成為以權益結算以股份為基礎付款交易，該交易自修訂日期起作為以權益結算的交易入賬。本集團預期自二零一八年一月一日起採納該等修訂。該等修訂預期不會對本集團財務報表產生任何重大影響。

二零一四年九月，國際會計準則委員會頒佈國際財務報告準則第9號的最終版本(「國際財務報告準則第9號(二零一四年)」)，將金融工具項目的所有階段結集以取代國際會計準則第39號及國際財務報告準則第9號的全部先前版本。該準則引入分類及計量、減值及對沖會計處理的新規定。早前，本集團分別於二零一四年一月一日及二零一四年七月一日採納國際財務報告準則第9號(二零零九年)及國際財務報告準則9號(二零一三年)，而本集團預期自二零一八年一月一日起採納國際財務報告準則第9號(二零一四年)全文。



2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for application now.

IFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under IFRSs. In April 2016, the IASB issued amendments to IFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt IFRS 15 and decrease the cost and complexity of applying the standard. The Group expects to adopt IFRS 15 on 1 January 2018 and is currently assessing the impact of IFRS 15 upon adoption.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

國際財務報告準則第10號及國際會計準則第28號的修訂闡述國際財務報告準則第10號及國際會計準則第28號之間有關投資者與其聯營公司或合營企業之間的資產出售或注資兩者規定不一致。修訂規定，倘投資者與其聯營公司或合營企業之間的資產出售或注資構成一項業務時，則須確認全數收益或虧損。倘交易涉及不構成一項業務的資產時，由該交易產生的收益或虧損於該投資者的損益內確認，惟僅以不相關投資者於該聯營公司或合營企業的權益為限。該等修訂獲提前應用。國際會計準則理事會於二零一五年十二月撤銷國際財務報告準則第10號及國際會計準則第28號早前的強制生效日期，新強制生效日期將於完成對聯營公司及合營企業的更多會計審閱後釐定。然而，修訂現時可供採納。

國際財務報告準則第15號建立了全新五步模型以對客戶合約收益進行入賬。根據國際財務報告準則第15號，收益確認的金額反映實體預期向客戶轉讓貨品或服務而有權換取的代價。國際財務報告準則第15號提供更有系統地計量及確認收入的方法。準則亦引入大量定性及定量披露規定，包括劃分總收入、有關履行責任的資料、各期間之間的合約資產及負債賬目結餘變動，以及主要判斷及估計。該準則將取代國際財務報告準則項下所有現有收入確認規定。二零一六年四月，國際會計準則理事會頒佈國際財務報告準則第15號的修訂，以引入識別表現責任、委託人與代理的應用指引、知識產權許可及過渡安排的實施問題。修訂亦旨在協助確保於實體採納國際財務報告準則第15號時應用一致，並降低應用準則的成本及複雜程度。本集團預期於二零一八年一月一日採納國際財務報告準則第15號，目前正評估採納國際財務報告準則第15號後的影響。



Notes To Financial Statements 財務報表附註

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

IFRS 16 replaces IAS 17 *Leases*, IFRIC-Int 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in IAS 40. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between operating leases and finance leases. The Group expects to adopt IFRS 16 on 1 January 2019 and is currently assessing the impact of IFRS 16 upon adoption.

Amendments to IAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments will result in additional disclosure to be provided in the financial statements. The Group expects to adopt the amendments from 1 January 2017.

2.3 已頒佈但尚未生效的國際財務報告準則 (續)

國際財務報告準則第16號取代國際會計準則第17號租賃、國際財務報告詮釋委員會詮釋第4號釐定安排是否包括租賃、常設詮釋委員會詮釋第15號經營租賃－優惠及常設詮釋委員會詮釋第27號評估牽涉租賃的法律形式的交易的內容。該準則載列有關租賃確認、計量、呈列及披露的原則，並要求承租人須確認絕大部分租賃資產及負債。準則包括承租人免於確認的兩項事項：租賃低價值資產及短期租賃。於租賃開始日期，承租人將確認負債以作出租賃付款（即租賃負債），而資產指於租期使用相關資產的權利（即使用權資產）。使用權資產其後按成本減累計折舊及任何減值虧損計量，除非使用權資產符合於國際會計準則第40號中投資物業的定義。租賃負債將於其後增加以反映有關租賃負債利息並因支付租賃付款而減少。承租人將須單獨確認有關租賃負債的利息開支及有關使用權資產的折舊費。承租人亦將須於發生若干事件（即租期變動、用於釐定未來租賃付款的指數或利率變動導致的該等付款變動）時重新計量租賃負債。承租人將一般確認重新計量租賃負債金額，作為對使用權資產的調整。國際財務報告準則第16號項下的出租人會計與國際會計準則第17號項下的會計相比並無大幅改變。出租人將繼續使用國際會計準則第17號中的相同劃分原則劃分所有租賃及區分經營租賃及融資租賃。本集團預期於二零一九年一月一日採納國際財務報告準則第16號，目前正評估採納國際財務報告準則第16號後的影響。

國際會計準則第7號的修訂要求實體披露以便財務報表的使用者評估融資活動所產生的負債變動，包括現金流量產生的變動及非現金變動。修訂將導致須於財務報表內額外披露。本集團預期自二零一七年一月一日起採納該等修訂。



2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

Amendments to IAS 12 were issued with the purpose of addressing the recognition of deferred tax assets for unrealised losses related to debt instruments measured at fair value, although they also have a broader application for other situations. The amendments clarify that an entity, when assessing whether taxable profits will be available against which it can utilise a deductible temporary difference, needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. The Group expects to adopt the amendments from 1 January 2017.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

頒佈國際會計準則第12號的修訂旨在處理就有關按公允值計量的債務工具的未變現虧損確認遞延稅項資產，而修訂亦適合於其他方面廣泛應用。修訂釐清，評估應課稅溢利是否將可供其利用可扣減暫時性差異時，實體需要考慮稅法是否就撥回可扣減暫時性差異限制實體可作出扣減的應課稅溢利來源。此外，修訂就實體應如何釐定未來應課稅溢利提供指引，並解釋應課稅溢利可包括以高於資產的賬面值收回部分資產的情況。本集團預期自二零一七年一月一日起採納該等修訂。

2.4 重大會計政策概要

投資聯營公司及合營企業

聯營公司指本集團持有其一般不少於20%投票權的長期權益而對其有重要影響力的公司。重大影響力為可參與被投資對象的財政及營運政策決定而非對該等政策施加控制或共同控制。

合營企業屬共同安排，據此，擁有該安排共同控制權的訂約方有權享有合營企業的資產淨值。共同控制權指按照合約協定對一項安排所共有的控制權，僅在相關活動必須獲得共同享有控制權的各方一致同意方能決定時存在。

本集團於聯營公司及合營企業的投資乃採用權益會計法按本集團所佔資產淨值減任何減值損失於綜合財務狀況表列賬。

任何可能存在的相異會計政策已相應作出調整，以使之貫徹一致。



Notes To Financial Statements 財務報表附註

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Investments in associates and joint ventures** (continued)

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in profit or loss and other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operation*.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportional share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

2.4 重大會計政策概要(續)**投資聯營公司及合營企業(續)**

本集團所佔聯營公司及合營企業的收購後業績及其他全面收益分別計入損益及其他全面收益。此外，若於聯營公司或合營企業的權益中直接確認變動，本集團會(如適用)於綜合權益變動表內確認其任何應佔變動。本集團與其聯營公司或合營企業之間交易所產生的未變現收益及虧損，均以本集團於聯營公司或合營企業的投資為限予以抵銷，除非未變現虧損提供所轉讓資產的減值憑證。收購聯營公司或合營企業產生的商譽乃作為本集團於聯營公司或合營企業的投資的一部分入賬。

倘於聯營公司的投資成為於合營企業的投資，則保留權益不會重新計量，反之亦然。反而該投資繼續使用權益法入賬。在所有其他情況，失去聯營公司的重大影響或失去合營公司的共同控制權後，本集團會按其公允值計量及確認任何保留投資。失去重大影響或共同控制權後，聯營公司或合營企業賬面值與保留投資公允值及出售所得款項之間的差異於損益確認。

倘對一間聯營公司或合營企業的投資分類為持有待售，則其乃根據國際財務報告準則第5號持有待售的非流動資產及已終止經營業務入賬。

業務合併及商譽

業務合併採用收購法入賬。所轉讓的代價按收購日期期的公允值計量，乃本集團所轉讓資產、本集團對被收購方前擁有人所承擔的負債及本集團所發行以換取被收購方控制權的股權於收購日期期公允值的總和。於各業務合併中，本集團選擇是否以公允值或被收購方可識別資產淨值的應佔比例，計算被賦予現時擁有人權利並將於清盤時按比例分佔實體的淨資產的非控股股東權益。非控股股東權益的一切其他成分乃按公允值計量。收購相關成本於產生時支銷。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in consolidated statement of profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in consolidated statement of profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in consolidated statement of profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

2.4 重大會計政策概要(續)

業務合併及商譽(續)

本集團收購業務時會根據合約條款、經濟情況及於收購日期的相關條件評估金融資產及所承擔的負債作適當分類及指定，包括被收購方區分主合約的嵌入式衍生工具。

倘業務合併分階段完成，以往持有的股權須按收購日期公允值重新計量，因此產生的收益或虧損將於綜合損益表確認。

收購方將轉讓的任何或然代價按收購日期的公允值確認。分類為資產或負債的或然代價按公允值計量，而公允值變動將於綜合損益表確認。分類為權益的或然代價不會重新計量，其後結算將於權益內入賬。

商譽初步按成本計量，而成本指所轉讓代價、就非控股股東權益確認的金額及本集團以往持有被收購方的股權的任何公允值的總和超出所購入可識別資產及所承擔負債淨額的差額。倘此代價與其他項目的總和低於所收購淨資產的公允值，則經重新評估後的差額於綜合損益表確認為議價購入的收益。

最初確認後，商譽按成本值減任何累計減值損失計算。商譽每年測試是否有所減值，倘有事件或情況變化顯示賬面值可能出現減值，則會更頻密進行測試。本集團於十二月三十一日進行年度商譽減值測試。就減值測試而言，業務合併收購的商譽自收購日期起分配至本集團各現金產生單位或現金產生單位組別，預期彼等將從合併的協同效益中受益，不論本集團其他資產或負債是否分配至該等單位或單位組別。



Notes To Financial Statements 財務報表附註

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Business combinations and goodwill** (continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its share options, certain financial assets, biological assets and derivative financial instruments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.4 重大會計政策概要(續)**業務合併及商譽(續)**

減值按與商譽有關的現金產生單位或現金產生單位組別可收回金額評估釐定。倘現金產生單位或現金產生單位組別的可收回金額低於賬面值，則確認減值損失。已確認的商譽減值損失不會在以後期間撥回。

倘商譽獲分配至現金產生單位或現金產生單位組別，並出售該單位中一部分業務，則於釐定出售收益或虧損時，與該已出售業務相關的商譽計入該業務的賬面值。在此情況下出售的商譽根據所出售業務的相關價值及所保留現金產生單位的部分計量。

公允值計量

於各報告期末，本集團按公允值計量其購股權、若干金融資產、生物資產及衍生金融工具。公允值為於計量日市場參與者於有秩序交易中出售資產可收取或轉讓負債須支付的價格。公允值計量乃基於假設出售資產或轉移負債的交易於資產或負債的主要市場或於未有主要市場的情況下，則於資產或負債的最有利市場進行。主要或最有利市場須位於本集團能到達的地方。資產或負債的公允值乃基於市場參與者為資產或負債定價所用的假設計量(假設市場參與者依照彼等的最佳經濟利益行事)。

以公允值計量非金融資產，應當考慮市場參與者將該資產用於最佳用途產生經濟利益的能力，或者將該資產出售予能夠用於最佳用途的其他市場參與者產生經濟利益的能力。

本集團以公允值計量相關資產或負債，應當採用在當前情況下適用，並且有足夠可利用資料的估值技術，以及盡量使用相關可觀察輸入資料，盡量避免使用不可觀察輸入資料。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- | | | |
|---------|---|---|
| Level 1 | – | based on quoted prices (unadjusted) in active markets for identical assets or liabilities |
| Level 2 | – | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly |
| Level 3 | – | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable |

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, construction contract assets, financial assets, investment properties, goodwill and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2.4 重大會計政策概要(續)

公允值計量(續)

所有以公允值計量或在財務報表中披露的資產和負債均按如下公允值層級分類，由對公允值計量具有重要意義的輸入值所屬的最低層次決定：

- | | | |
|-----|---|---|
| 第一級 | – | 以於活躍市場中相同資產或負債的報價(未經調整)釐定 |
| 第二級 | – | 以使用可直接或間接觀察並對公允值計量有重要影響的最低層次輸入資料的估值技術釐定 |
| 第三級 | – | 以使用對公允值計量有重大影響且並非可觀察的最低層次輸入資料的估值技術釐定 |

財務報表中持續確認的資產及負債，於每一報告期末本集團重新評估分類(基於對公允值計量整體具有重要意義的輸入值所屬的最低層次)以釐定是否有各層次之間的轉換。

非金融資產減值

當有跡象顯示出現減值，或當須進行資產年度減值測試(存貨、建築合約資產、金融資產、投資物業、商譽及分類為持有待售的非流動資產/處置組除外)，則估計資產的可收回金額。資產的可收回金額乃選取資產或現金產生單位的使用價值及其公允值減銷售成本的較高者，並對個別資產釐定，惟倘資產並無產生大致獨立於其他資產或資產組別的現金流入，則可收回金額在該資產所屬的現金產生單位基礎上確定。



Notes To Financial Statements 財務報表附註

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Impairment of non-financial assets** (continued)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the consolidated statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the consolidated statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

2.4 重大會計政策概要(續)**非金融資產減值(續)**

減值損失僅於資產賬面值超出其可收回金額時確認。評估使用價值時，估計未來現金流量乃按稅前折現率折現至現值。所用稅前折現率反映當前市場對貨幣時值及該資產特定風險的評估。減值損失於產生期間自綜合損益表中與減值資產功能一致的支出類別扣除。

於各報告期末，本集團評估是否有跡象顯示先前確認的減值損失可能不再存在或已經減少。如有該等跡象，本集團會估計可收回金額。僅若用以釐定商譽除外資產的可收回金額的估計有變動，方會撥回先前確認該資產的減值損失，惟金額不得超過假使該資產在過往年度並無確認減值損失時，原應釐定的賬面值(扣減任何折舊／攤銷後)。減值損失撥回計入產生期間的綜合損益表中，惟該資產按重估金額列賬時，則該減值虧損撥回根據與該重估資產相關的會計政策列賬。

關聯人士

一方被視為與本集團有關聯，倘：

- (a) 該方為該名人士家族的人士或直系親屬，而該名人士
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團施加重大影響；或
 - (iii) 為本集團或本集團母公司主要管理人員的成員；

或



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for “Non-current assets and disposal groups held for sale”. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

2.4 重大會計政策概要(續)

關聯人士(續)

- (b) 該方為符合下列任何條件的實體：
- (i) 該實體與本集團屬同一集團的成員公司；
 - (ii) 一間實體為另一實體的聯營公司或合營企業(或另一實體的母公司、子公司或同系子公司的旗下)；
 - (iii) 該實體及本集團均為同一第三方的合營企業；
 - (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；
 - (v) 該實體為離職後福利計劃，該計劃的受益人為本集團或與本集團有關的實體僱員；
 - (vi) 該實體由(a)項所述人士控制或共同控制；
 - (vii) 於(a)(i)項所述人士對該實體有重大影響或屬該實體(或該實體的母公司)主要管理人員的成員；及
 - (viii) 向本集團或本集團母公司提供主要管理人員服務的實體或組成其部分的集團的任何成員。

物業、廠房及設備及折舊

物業、廠房及設備(在建工程除外)為按成本值減去累計折舊及任何減值損失後列賬。倘物業、廠房及設備項目分類為持有待售或當其為分類為持有待售的處置組的一部分時，其不予折舊並根據國際財務報告準則第5號入賬，進一步闡釋見會計政策「持有待售的非流動資產及處置組」。物業、廠房及設備項目成本包括其購買價及使資產處於擬定用途的運作狀況及地點而產生的任何直接應佔成本。



Notes To Financial Statements 財務報表附註

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Property, plant and equipment and depreciation**

(continued)

Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the consolidated statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of property, plant and equipment are dealt with as movements in the asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the consolidated statement of profit or loss. Any subsequent revaluation surplus is credited to the consolidated statement of profit or loss to the extent of the deficit previously charged. An annual transfer from the asset revaluation reserve to retained profits is made for the difference between the depreciation based on the revalued carrying amount of an asset and the depreciation based on the asset's original cost. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

2.4 重大會計政策概要(續)**物業、廠房及設備及折舊(續)**

成本亦可包括自權益轉撥以外幣購買物業、廠房及設備的合資格現金流量對沖所產生的任何收益或虧損。

物業、廠房及設備項目投入運作後產生的支出(例如維修及保養)，一般於其產生期間於綜合損益表扣除。而大修支出在符合確認條件時，計入資產的賬面值作為更換成本。當物業、廠房及設備的重要部件須定期更換，本集團將該等部件確認為獨立的資產，並在特定可使用年期下單獨計提折舊。

本集團經常進行估值以確保重估資產的公允價值與其賬面值不會有重大差異。物業、廠房及設備的價值變動作資產重估儲備變動處理。倘按個別資產基準，此儲備的總數不足以彌補虧絀，則超出虧絀的部分於綜合損益表扣除。其後任何重估盈餘計入綜合損益表，惟以過往扣除的虧絀為限。基於資產經重估賬面值的折舊與基於該項資產原來成本的折舊的差額部分，每年會由資產重估儲備轉撥至保留利潤。出售一項重估資產時，就以往估值實現的資產重估儲備的有關部分乃轉入保留利潤，作為儲備的變動處理。



Notes To Financial Statements 財務報表附註

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Property, plant and equipment and depreciation**

(continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The depreciation rates of property, plant and equipment are as follows:

Freehold land	Not depreciated
Buildings and structures	2% to 7%
Plant and machinery	10% to 32%
Office equipment	10% to 32%
Motor vehicles	10% to 32%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the consolidated statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress

Construction in progress represents plant and property under construction, which are stated at cost less any impairment losses, and are not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.4 重大會計政策概要(續)**物業、廠房及設備及折舊(續)**

折舊乃按物業、廠房及設備的各個項目於其估計可使用年期以直線法撇減其成本至剩餘價值。物業、廠房及設備的折舊率如下：

永久業權土地	不折舊
房屋及建築物	2%至7%
廠房及機器	10%至32%
辦公設備	10%至32%
汽車	10%至32%

倘一項物業、廠房及設備的各部分有著不同可使用年期，則有關項目的成本以合理基準分配於各部分，而每部分將作獨立折舊。剩餘價值、可使用年期及折舊方法至少於各財政年度結算日審閱及調整(如適用)。

物業、廠房及設備項目(包括經初步確認為資產的任何重要部件)乃於出售時或在預計未來不可從其使用或出售中獲得經濟利益時終止確認。於終止確認資產當年的綜合損益表中確認的出售或廢棄而產生的任何收益或虧損乃銷售所得款項淨額與相關資產賬面值之間的差額。

在建工程

在建工程是指正在興建的廠房及物業，乃以成本值減任何減值損失列賬。在建工程不計提折舊。成本值包括在建期間的直接建築成本及已借相關資金所屬已撥充資本的借貸費用。當在建工程竣工、隨時可供使用時，在建工程重新分類歸入物業、廠房及設備內的適當類別。



Notes To Financial Statements 財務報表附註

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Investment properties**

Investment properties are interests in buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and impairment losses.

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of investment properties. The estimated useful lives range from 27.5 to 50 years. Depreciation methods, useful lives and residual values are reassessed at each reporting date.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

2.4 重大會計政策概要(續)**投資物業**

投資物業指持作賺取租金收入及／或資本增值用途，而非用於生產或供應貨品或服務或作行政用途；或作日常業務過程中出售用途的樓宇權益。該等物業初步按成本(包括交易成本)計量。初步確認後，投資物業按成本減累計折舊及減值虧損計量。

折舊乃按資產之成本減其剩餘價值計量。折舊按直線法於投資物業之估計可使用年期內於損益確認。估計可使用年期介乎27.5年至50年。折舊方法、可使用年期及剩餘價值於各報告日期重估。

投資物業報廢或出售產生的任何收益或虧損於其報廢或出售年度於損益表確認。

持有待售的非流動資產及處置組

倘非流動資產及處置組的賬面值將主要透過一項銷售交易而非透過持續使用得以收回，該等非流動資產及處置組則分類為持有待售。為此，該資產(或處置組)必須在其當前情況下僅根據出售此類資產(或處置組)的通常及慣用的條款即可立即出售，並且出售必須極可能發生。所有分類為處置組的子公司資產及負債重新歸類為持有待售，而不論本集團於出售後有否保留其前子公司的非控股股東權益。

分類為持有待售的非流動資產及處置組(投資物業及金融資產除外)乃按其賬面值及公允值減銷售成本後的餘額孰低計量。分類為持有待售的物業、廠房及設備及無形資產不予折舊或攤銷。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit (or group of cash-generating units) level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Patents and licences

Purchased patents and licences are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 5 to 20 years.

Trademarks

Trademarks acquired separately are measured at cost. Trademarks acquired as part of a business combination are valued at fair value based on the royalty relief method.

Trademarks with finite useful lives are amortised on the straight-line basis over their estimated useful lives of 10 years. Trademarks with indefinite useful lives are tested for impairment annually.

Computer software

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on the straight-line basis over its estimated useful life of 3 to 10 years.

2.4 重大會計政策概要(續)

無形資產(商譽除外)

單獨收購的無形資產於初步確認時按成本計量。於業務合併時所收購無形資產的成本相等於收購日期期的公允值。無形資產的可使用年期可評估為有限或無限。年期有限的無形資產其後於可使用經濟年期內攤銷，並於有跡象顯示無形資產可能出現減值時評估減值。可使用年期有限的無形資產的攤銷年期及攤銷方法至少於各財政年度結算日複核一次。

可使用年期無限的無形資產於每年按個別或現金產生單位或現金產生單位組別作減值測試，且不予攤銷。對年期無限的無形資產需每年對其使用年期作複核，以釐定無限可使用年期的評估是否持續可靠。否則，可使用年期評估按預期法自此由無限年期更改為有限年期。

專利及特許權

所購買專利及特許權乃按成本減任何減值損失列賬，且按估計可使用年期5至20年以直線法攤銷。

商標

所收購商標按成本單獨計量。作為業務合併一部分所收購的商標根據特許權費減免法按公允值進行估值。

可使用年期有限的商標按估計可使用年期10年以直線法攤銷。可使用年期無限的商標每年測試減值。

電腦軟件

購入的電腦軟件根據購買及使用該特定軟件所引起的成本進行資本化。有關成本按其估計可使用年期3至10年以直線法攤銷。



Notes To Financial Statements 財務報表附註

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Intangible assets (other than goodwill)** (continued)**Research and development costs**

All research costs are charged to the consolidated statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products, commencing from the date when the products are put into commercial production.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the consolidated statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

2.4 重大會計政策概要(續)**無形資產(商譽除外)(續)****研究開發費用**

所有研究費用在產生時於綜合損益表支銷。

開發新產品的項目產生的支出，僅當本集團可顯示下列各項，方予資本化及遞延：完成該項無形資產使其可供使用或出售在技術上的可行性、其完成意向，及使用或出售該資產的能力、該資產日後如何產生經濟利益、是否有資源可以完成該項目，以及在開發過程中是否可以可靠地計量該項支出。不符合該等條件的產品開發支出在產生時支銷。

遞延開發費用按成本值減任何減值損失列賬並以直線法按相關產品自其投產日期起計的商業年期攤銷。

租賃

凡資產擁有權絕大部分回報及風險(不包括法定所有權)轉歸本集團所有的租約，均列作融資租約。於融資租約開始時，租賃資產的成本乃按最低租約付款的現值撥充資本，並連同債務(不包括利息部分)一併入賬，藉以反映購買與融資情況。根據已資本化的融資租約持有的資產(包括經營租賃下的土地租賃預付款)計入物業、廠房及設備，並按租期或資產的估計可使用年期兩者中的較短者折舊。有關租約的財務成本乃於綜合損益表中扣除，以反映租期內的固定週期支出比率。

透過具融資性質的租購合約收購的資產乃列作融資租約，惟有關資產乃按估計可使用年期予以折舊。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the consolidated statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the consolidated statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating lease are initially stated at cost and subsequently recognised as an expense in the consolidated statement of profit or loss on the straight-line basis over the lease terms from 30 to 70 years.

When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

Investments and other financial assets

Initial recognition and measurement

The Group initially recognises financial assets at which the Group becomes a party to the contractual provisions of the instruments.

Regular way purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets are classified, at initial recognition, as debt instruments at amortised cost, debt instruments, derivatives and equity instruments at fair value through profit or loss and equity instruments designated at fair value through other comprehensive income (with gains and losses remaining in other comprehensive income, without recycling).

2.4 重大會計政策概要(續)

租賃(續)

若出租者保留資產所有權的絕大部分回報及風險，則有關租賃歸類為經營租賃。當本集團為出租者時，本集團根據經營租賃出租的資產計入非流動資產，而經營租賃下的應收租金按租賃期以直線法計入綜合損益表。當本集團為承租人時，經營租賃下的應付租金扣除從出租者收取的任何獎勵按租賃期以直線法自綜合損益表扣除。

經營租賃下的土地租賃預付款最初按成本值列賬，其後按介乎30至70年的租賃期以直線法在綜合損益表確認為支出。

倘不能可靠地於土地及樓宇項目之間分配租賃付款，全部租賃付款將列入物業、廠房及設備下的融資租約的土地及樓宇成本。

投資及其他金融資產

初始確認及計量

本集團成為工具合約條文的訂約方時，初始確認金融資產。

金融資產的定期購買及出售均於交易日(即本集團承諾購買或出售該資產當日)確認。

金融資產於初始確認時分類為按攤銷成本計量的債務工具、債務工具、以公允值計量且其變動計入損益的衍生工具及權益工具，以及指定為以公允值計量且其變動計入其他全面收益的權益工具(連同仍於其他全面收益列賬且並未重新使用的收益及虧損)。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Investments and other financial assets** (continued)

This classification depends on whether the financial asset is a debt or equity investment.

A financial asset is classified as debt instruments at amortised cost, if:

- (a) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- (b) the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

All other financial assets are measured at fair value through profit or loss, except for investments in equity instruments that are not held for trading where, the Group may elect at initial recognition to present gains and losses in other comprehensive income.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of profit or loss.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Debt instruments at amortised cost

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the financial asset is derecognised or impaired and through the amortisation process using the effective interest rate method.

2.4 重大會計政策概要 (續)**投資及其他金融資產** (續)

此分類視乎金融資產是債務或股權投資而定。

倘出現下列情況，則將金融資產分類為按攤銷成本計量的債務工具：

- (a) 持有資產之業務模式旨在持有資產以收取合約現金流量；及
- (b) 金融資產的合約條款於指定日期產生僅屬本金及利息付款的現金流量。

所有其他金融資產以公允值計量且其變動計入損益，惟就本集團於並非持作買賣的權益工具的投資而言，本集團可於初始確認時選擇於其他全面收益呈列收益及虧損。

於初始確認時，本集團以公允值計量金融資產，另倘金融資產並非以公允值計量且其變動計入損益，則加入因收購金融資產而直接應佔的交易成本。以公允值計量且其變動計入損益的金融資產的交易成本乃於綜合損益表內支銷。

後續計量

金融資產的後續計量取決於以下分類：

按攤銷成本計量的債務工具

其後按攤銷成本計量且並非對沖關係一部分的債務投資的收益或虧損，於金融資產取消確認或減值時在損益中確認，並利用實際利率法攤銷。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Debt instruments, derivatives and equity instruments at fair value through profit or loss

A gain or loss on a debt investment, derivatives and equity instruments that are subsequently measured at fair value and is not part of a hedging relationship is recognised in profit or loss and presented in the consolidated statement of profit or loss in the period in which they arise.

Equity instruments designated at fair value through other comprehensive income

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present unrealised and realised fair value gains and losses on equity investments in other comprehensive income, there is no subsequent recycling of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as long as they represent a return on investment.

The Group is required to reclassify all affected debt investments when and only when its business model for managing those assets changes.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.4 重大會計政策概要(續)

投資及其他金融資產(續)

以公允值計量而變動計入損益的債務工具、衍生工具及權益工具

其後按公允值計量且並非對沖關係一部分的債務投資、衍生工具及權益工具的收益或虧損於損益中確認並於其產生期間於綜合損益表中呈列。

指定為以公允值計量而變動計入其他全面收益的權益工具

本集團按公允值後續計量所有股本投資。倘本集團管理層選擇在其他全面收益中呈列未變現和已變現公允值收益及虧損，則公允值收益及虧損後續將不會轉回至損益。此等投資的股息只要仍代表投資回報，則繼續於損益確認。

僅於本集團管理此等資產的業務模式出現變動時，方須重新分類所有受影響的債務投資。

終止確認金融資產

金融資產(或，如適用，一項金融資產的一部分或一組類似金融資產的一部分)主要於下列情況下將終止確認(即從本集團綜合財務狀況表移除)：

- 收取該項資產所得現金流量的權利經已屆滿；或
- 本集團已轉讓其收取該項資產所得現金流量的權利，或根據「轉手」安排承擔在無重大延誤下向第三方全數支付已收取現金流量的責任；及(a)本集團已轉讓資產絕大部分風險及回報，或(b)本集團並無轉讓或保留資產的絕大部分風險及回報，但已轉讓資產控制權。



Notes To Financial Statements 財務報表附註

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Derecognition of financial assets** (continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2.4 重大會計政策概要(續)**終止確認金融資產(續)**

倘本集團已轉讓從資產收取現金流量的權利或已訂立轉手安排，則將評估其是否已保留資產所有權的風險及回報並其程度。倘並無轉讓或保留資產絕大部分風險及回報，亦無轉讓資產的控制權，則按本集團持續參與程度持續確認該等轉讓資產。在此情況下，本集團亦將確認相應的負債。已轉移資產及相關負債以本集團保留的權利與義務為基礎進行計量。

以經轉讓資產擔保方式的持續參與按資產原始賬面值與本集團可能被要求償還的對價的最高金額之間的較低者計量。

金融資產減值

本集團會於各報告期末評估是否有客觀證據顯示某項金融資產或一組金融資產出現減值。倘初步確認資產後發生一項或以上事件而對金融資產或一組金融資產的估計未來現金流量產生能可靠估計的影響，則出現減值。發生減值的證據可包括債務人或一組債務人出現重大財政困難，違約或拖欠利息或本金支付，有面臨破產或進行其他財務重組的可能，以及有公開資料表明其估計未來現金流量確已減少且可計量，如欠款數目變動或出現與違約相關的經濟狀況。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the consolidated statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in the consolidated statement of profit or loss.

2.4 重大會計政策概要(續)

金融資產減值(續)

按攤銷成本列賬的金融資產

對於按攤銷成本列賬的金融資產，本集團首先單獨評估單項金額重大的金融資產是否存在減值，或對單項金額不重大的金融資產按組合評估是否存在減值客觀證據。對本集團釐定為不存在減值客觀證據的單獨評估金融資產，無論其金額是否重大，其應當包括在具有類似信用風險特性的金融資產組合內並按組合進行減值測試。已單獨進行減值測試及已確認減值損失或繼續確認減值損失的資產，不應包括在組合中進行減值測試。

任何被識別的減值損失的虧損金額按該資產的賬面值與估計未來現金流量的現值兩者的差額計量(不包括尚未發生的未來信貸虧損)。估計未來現金流量的現值按該金融資產的原實際利率(即初始確認時使用的實際利率)折現。

該資產的賬面值可通過使用備抵賬目方式抵減，虧損則於綜合損益表確認。利息收入就削減賬面值持續累算，並按計量減值損失時對未來現金流進行折現時使用的利率累算。倘並無合理前景於未來收回款項，並且所有抵押品已變現或已轉讓至本集團時，貸款及應收款項連同任何相關備抵可予撇銷。

倘於後續期間，於減值確認後發生致使估計減值損失的金額增加或減少的事件，則會調整備抵賬目以增加或減少先前確認的減值損失。倘其後收回撇銷，則收回金額計入綜合損益表的其他費用。



Notes To Financial Statements 財務報表附註

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial liabilities****Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables, interest-bearing bank loans, other loans, bonds payables and other financial liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss. The net fair value gain or loss recognised in the consolidated statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IFRS 9 are satisfied. No financial liabilities have been designated at fair value through profit or loss by the Group.

2.4 重大會計政策概要(續)**金融負債****初始確認及計量**

金融負債於初始確認時分類為以公允值計量且其變動計入損益的金融負債，貸款及借貸，或指定為有效對沖的對沖工具的衍生工具(如適用)。

所有金融負債初始時均按公允值確認，而貸款及借貸則須在此基礎上扣除直接應佔交易成本。

本集團的金融負債包括應付賬款及票據、其他應付款項、計息銀行貸款、其他貸款、應付債券及其他金融負債。

後續計量

金融負債的後續計量取決於其分類如下：

以公允值計量且其變動計入損益的金融負債

以公允值計量且其變動計入損益的金融負債包括持作買賣的金融負債及於首次確認時指定為以公允值計量且其變動計入損益的金融負債。

倘收購金融負債旨在於短期內購回，則該等負債分類為持作買賣。該分類包括由本集團訂立的衍生金融工具，惟該等衍生金融工具於對沖關係(定義見國際財務報告準則第9號)中並無指定為對沖工具。個別嵌入式衍生工具亦分類為持作買賣，惟彼等被指定為有效對沖工具除外。持作買賣的負債的收益或虧損於綜合損益表中確認。於綜合損益表中確認的公允值淨額收益或虧損不包括有關該等金融負債的任何利息。

於首次確認時指定為以公允值計量且其變動計入損益的金融負債於首次確認日期及僅於符合國際財務報告準則第9號的準則時予以指定。本集團並無指定任何以公允值計量且其變動計入損益的金融負債。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the consolidated statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation.

2.4 重大會計政策概要(續)

金融負債(續)

貸款及借貸

於初始確認後，計息貸款及借貸其後採用實際利率法以攤銷成本計量，除非折現影響非屬重大，在此情況下，則按成本列賬。當負債終止確認並透過以實際利率法攤銷時，收益及虧損於綜合損益表確認。

攤銷成本乃經考慮收購的任何折價或溢價及屬實際利率組成部分的費用或成本後計算。實際利率攤銷金額列入綜合損益表的融資成本中。

財務擔保合約

本集團發行的財務擔保合約乃因特定債務人不能根據債務工具所述條款支付到期款項而應向持有人支付款項以彌補其由此招致的損失的合約。財務擔保合約首次按公允值並對發行擔保的直接應佔交易成本進行調整後確認為負債。於首次確認後，本集團按下列兩者的較高者計量財務擔保合約：(i)於報告期末須履行現時責任的最佳估計開支金額；及(ii)首次確認金額減累計攤銷金額(如適用)。



Notes To Financial Statements 財務報表附註

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the consolidated statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments**Initial recognition and subsequent measurement**

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the consolidated statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

2.4 重大會計政策概要(續)**終止確認金融負債**

當負債項下的責任解除、註銷或屆滿，即終止確認金融負債。

倘現有的金融負債被另一項從同一貸款人按相當不同的條款訂定的金融負債取代，或現有負債的條款有相當修改，該項交換或修改乃被視作終止確認原負債並確認新負債，而各賬面值的差額乃於綜合損益表中確認。

抵銷金融工具

僅倘目前有強制執行的法律權力抵銷已確認的金額，且有意按照淨額結清，或同時有意變現資產及結清負債，則可抵銷金融資產及金融負債及按淨值列報於財務狀況表中。

衍生金融工具**初始確認及其後計量**

本集團利用衍生金融工具，如外幣合約及利率掉期，以分別對沖其外幣風險及利率風險。該等衍生金融工具乃按訂立衍生工具合約當日的公允值初步確認，其後按公允值重新計量。當公允值為正數時，該等衍生工具入賬列為資產，當公允值為負數時，則列為負債。

衍生工具公允值變動所產生的任何收益或虧損，直接列入綜合損益表內，惟現金流量對沖的有效部分則於其他全面收益內確認，且於之後該對沖項目影響損益時重新分類至損益。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments (continued)

Initial recognition and subsequent measurement (continued)

A hedging relationship qualifies for hedge accounting only if all of the following criteria are met:

- the hedging relationship consists only of eligible hedging instruments and eligible hedged items.
- At the inception of the hedging relationship there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge. That documentation shall include identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the entity will assess whether the hedging relationship meets the hedge effectiveness requirements (including its analysis of the sources of hedge ineffectiveness and how it determines the hedge ratio).
- the hedging relationship meets all of the following hedge effectiveness requirements: there is an economic relationship between the hedged item and the hedging instrument; the effect of credit risk does not dominate the value changes that result from that economic relationship; and the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item. However, that designation shall not reflect an imbalance between the weightings of the hedged item and the hedging instrument that would create hedge ineffectiveness (irrespective of whether recognised or not) that could result in an accounting outcome that would be inconsistent with the purpose of hedge accounting.

2.4 重大會計政策概要(續)

衍生金融工具(續)

初始確認及其後計量(續)

對沖關係僅於達成以下全部條件時，方可合資格採用對沖會計處理：

- 對沖關係僅包括合資格對沖工具及合資格對沖項目。
- 對沖關係開始時，實體對對沖關係及進行對沖的風險管理目標及策略有正式的指定及記錄文件。記錄文件應包含對沖工具、對沖項目的識別、被對沖風險的性質及實體如何評估對沖關係是否滿足對沖有效性規定(包括其對對沖無效性來源的分析及其如何釐定對沖比率)。
- 對沖關係滿足以下所有對沖有效性規定：對沖項目與對沖工具間的經濟關係；信貸風險的影響不會影響經濟關係引致的價值變動；及對沖關係的對沖比率與實體實際對沖對沖項目的數量及實體實際使用以對沖對沖項目數量的對沖項目數量所引致者相同。然而，該項指定不會反映將導致對沖失效(無論確認與否)的對沖項目與對沖工具間的比重失衡，從而導致會計處理結果與對沖會計處理目的不一致。



Notes To Financial Statements 財務報表附註

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Derivative financial instruments** (continued)**Initial recognition and subsequent measurement** (continued)

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

Fair value hedges

The gain or loss on the hedging instrument shall be recognised in profit or loss (or other comprehensive income, if the hedging instrument hedges an equity instrument for which an entity has elected to present changes in fair value in other comprehensive income).

For fair value hedges relating to items carried at amortised cost, the adjustment to carrying value is amortised through the consolidated statement of profit or loss over the remaining term of the hedge using the effective interest rate method. Effective interest rate amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value is recognised immediately in the consolidated statement of profit or loss.

The hedging gain or loss on the hedged item shall adjust the carrying amount of the hedged item (if applicable) and be recognised in profit or loss. If the hedged item is a financial asset (or a component thereof) that is measured at fair value through profit or loss, the hedging gain or loss on the hedged item shall be recognised in profit or loss. However, if the hedged item is an equity instrument for which an entity has elected to present changes in fair value in other comprehensive income, those amounts shall remain in other comprehensive income.

2.4 重大會計政策概要(續)**衍生金融工具(續)****初始確認及其後計量(續)**

就對沖會計而言，對沖分為：

- 公允值對沖，即對沖某項已確認資產或負債的公允值變動風險或某項未確認已承諾承擔；或
- 現金流量對沖，即對沖現金流量變動風險，該風險屬某項已確認資產或負債或某項很可能發生的預計交易相關特定風險，或未確認的已承諾承擔的外匯風險；或
- 對沖於海外業務的投資淨額。

公允值對沖

對沖工具的收益或虧損將於損益(或其他全面收益，倘對沖工具對沖實體選取以於其他全面收益呈列公允值變動的權益工具)確認。

就與按攤銷成本列賬的項目相關的公允值對沖而言，賬面值調整會透過綜合損益表在剩餘期間以有效利率法攤銷。有效利率攤銷可能於調整出現時立即開始，且不得遲於對沖項目不再調整與對沖風險相關的公允值變動時。倘對沖項目獲解除確認，未攤銷公允值會即時於綜合損益表確認。

對沖項目的對沖收益或虧損將調整對沖項目的賬面值(如適用)，並於損益確認。倘對沖項目為以公允值計量而其變動於損益確認的金融資產(或其組成部分)，則對沖項目的對沖收益或虧損於損益確認。然而，倘對沖項目為實體選取以於其他全面收益呈列公允值變動的權益工具，則該等金額將仍於其他全面收益內確認。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments (continued)

Fair value hedges (continued)

When a hedged item is an unrecognised firm commitment (or a component thereof), the cumulative change in the fair value of the hedged item subsequent to its designation is recognised as an asset or a liability with a corresponding gain or loss recognised in profit or loss.

Cash flow hedges

The separate component of equity associated with the hedged item (cash flow hedge reserve) is adjusted to the lower of the following (in absolute amounts): (i) the cumulative gain or loss on the hedging instrument from inception of the hedge; and (ii) the cumulative change in fair value (present value) of the hedged item (i.e. the present value of the cumulative change in the hedged expected future cash flows) from inception of the hedge.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge (i.e. the portion that is offset by the change in the cash flow hedge reserve calculated in accordance with above mentioned shall be recognised in other comprehensive income.

Amounts recognised in other comprehensive income are transferred to the consolidated statement of profit or loss when the hedged transaction affects profit or loss, such as when hedged financial income or financial expense is recognised or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised in other comprehensive income are transferred to the initial carrying amount of the non-financial asset or non-financial liability.

Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised in other comprehensive income are transferred to the consolidated statement of profit or loss in the same period or periods during which the asset acquired or liability assumed affects the consolidated statement of profit or loss.

2.4 重大會計政策概要(續)

衍生金融工具(續)

公允值對沖(續)

當對沖項目為未確認已承諾承擔(或其組成部分),對沖項目於指定後的公允值累計變動確認為資產或負債,而相關收益或虧損於損益確認。

現金流量對沖

有關對沖項目(現金流量對沖儲備)的權益的獨立部分為下列兩項的絕對額中較低者:(i)對沖工具對沖期開始的累計收益或虧損;及(ii)對沖期項目自對沖期開始的公允值(現值)累計變動(即對沖預期未來現金流量累計變動的現值)。

確定為有效對沖的對沖工具的收益或虧損部分(即被按上述計算的現金流量對沖儲備變動所抵銷的部分)須於其他全面收益內確認。

倘對沖交易影響損益,例如當對沖財務收入或財務開支獲確認時或當預期銷售發生時,於其他全面收益確認的金額會轉撥至綜合損益賬。倘對沖項目為非金融資產或非金融負債的成本,於其他全面收益確認的金額會轉撥至非金融資產或非金融負債的初步賬面值。

倘對沖項目為非金融資產或非金融負債的成本,則於同期或所收購資產或所承擔負債影響綜合損益的期間內,於其他全面收益確認的金額則轉撥至綜合損益賬。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Derivative financial instruments** (continued)**Cash flow hedges** (continued)

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or when the hedge no longer meets the criteria for hedge accounting, the amounts previously recognised in other comprehensive income remain in hedging reserve until the forecast transaction occurs or the foreign currency firm commitment is met.

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

- Where the Group expects to hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the end of the reporting period, the derivative is classified as non-current (or separated into current and non-current portions) consistently with the classification of the underlying item.
- Embedded derivatives that are not closely related to the host contract are classified consistently with the cash flows of the host contract.
- Derivative instruments that are designated as, and are effective hedging instruments, are classified consistently with the classification of the underlying hedged item. The derivative instruments are separated into current portions and non-current portions only if a reliable allocation can be made.

Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the consolidated statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

2.4 重大會計政策概要 (續)**衍生金融工具** (續)**現金流量對沖** (續)

倘對沖工具屆滿或被出售、終止或行使而未被取代或作出再投資(作為對沖策略的一部分),或當對沖不再滿足對沖會計法基準時,先前於其他全面收益確認的金額仍於對沖儲備內保留,直至出現預期交易或滿足外幣已承諾承擔時為止。

流動與非流動分類

並無指定為有效對沖工具的衍生工具乃根據對事實及情況的評估(即相關合約現金流量)分類為流動或非流動,或單獨列為流動及非流動部分。

- 當本集團預期持有衍生工具作為經濟對沖(而並無應用對沖會計處理方法)至超過報告期結束後十二個月期間,該衍生工具乃與相關項目的分類一致分類為非流動(或拆分列為流動及非流動部分)。
- 與主合約並非密切聯繫的嵌入式衍生工具乃與主合約的現金流量一致分類。
- 指定為及為有效對沖工具的衍生工具乃與相關對沖項目的分類一致分類。衍生工具僅於可作出可靠分配時拆分列為流動部分及非流動部分。

庫存股份

重新購入並由本公司或本集團持有的本身股本工具(庫存股份)按成本直接在權益中確認。概無就購買、銷售、發行或註銷本集團本身股本工具而於綜合損益表內確認收益或虧損。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Biological assets

Dairy cows

Dairy cows, including milkable cows, heifers and calves, are measured on initial recognition and at the end of the reporting period at their fair value less costs to sell, with any resultant gain or loss recognised in the consolidated statement of profit or loss for the year in which it arises. Costs to sell are the incremental costs directly attributable to the disposal of an asset, mainly transportation cost and excluding finance costs and income taxes. The fair value of dairy cows is determined based on their present location and condition and is determined independently by a professional valuer.

The feeding costs and other related costs including the depreciation charge, utilities cost and consumables incurred for the raising of heifers and calves are capitalised, until such time as the heifers and calves begin to produce milk.

Agricultural produce

Milk

Agricultural produce represents milk. Milk is recognised at the point of harvest at its fair value less costs to sell. The fair value of milk is determined based on market prices in the local area.

Inventories

Inventories are stated at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Raw materials	–	cost on a weighted average basis;
Finished goods	–	cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity on a weighted average basis.

Net realisable value is the estimated selling price less any estimated costs to be incurred to completion and disposal.

2.4 重大會計政策概要(續)

生物資產

乳牛

乳牛(包括奶牛、小母牛及小牛)於初步確認時及報告期末按公允值減銷售成本計量，所得收益或虧損於產生年度在綜合損益表內確認。銷售成本為出售資產直接應佔的增量成本(主要為運輸成本，融資成本及所得稅除外)。乳牛的公允值由專業估值師按其目前所處位置及狀況獨立釐定。

飼養成本及其他相關成本(包括飼養小母牛及小牛所產生的折舊開支、水電成本及消耗品)乃撥充資本，直至小母牛及小牛開始產奶為止。

農產品

牛奶

農產品指牛奶。牛奶於出產時按公允值減銷售成本確認。牛奶的公允值按當地市價釐定。

存貨

存貨以其成本值與可變現淨值兩者中的較低數額列賬。

將各產品運至現址並達致現狀產生的成本的會計處理方法如下：

原材料	–	成本(按加權平均法計算)；
成品	–	直接材料及直接人工成本，以及根據正常運作量比例計算的生產經常費用(按加權平均法計算)。

可變現淨值按估計售價減去完工及銷售所需的任何估計成本釐定。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Cash and cash equivalents**

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the consolidated statement of profit or loss.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognised in accordance with the general guidance for provisions above; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the guidance for revenue recognition.

2.4 重大會計政策概要(續)**現金及現金等價物**

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款以及可隨時轉換為已知數額現金、價值變動風險極微及一般自購入後三個月內到期的短期高流動性投資，扣減須應要求償還及構成本集團現金管理不可分割部分的銀行透支。

就綜合財務狀況表而言，現金及現金等價物包括用途不受限制的手頭現金及銀行存款（包括定期存款）及與現金性質相似的資產。

撥備

若因過往事項而現時有法定或推定債務，而且可能需要有資源外流以償付這些債務，且惟能對債務數額作出可靠估計，便確認撥備。

倘折現影響重大，則確認的撥備額為預期需用作償還債務的未來支出於報告期末的現值。因時間流逝而增加的折現現值，列作融資成本計入綜合損益表。

於業務合併中確認的或然負債按其公允值初步計量。其後以(i)根據上述計提準備的一般原則確認的金額；及(ii)初始確認金額扣減按照收入確認原則確認的累計攤銷金額（如適用）中較高者計量。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred income tax

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 重大會計政策概要(續)

所得稅

所得稅包括即期及遞延稅項。損益賬外確認的相關所得稅項目，計入損益賬外的其他全面收益或直接計入權益。

即期所得稅

即期稅項資產及負債乃根據於報告期末已頒佈或實質上已頒佈的稅率(及稅法)按預期可收回的數額或支付予稅務機關數額計算，並考慮本集團經營所在國家的現行詮釋及慣例。

遞延所得稅

於報告期末的資產及負債的稅基與其就財務報告而言的賬面值之間的所有暫時性差異，須按債務法計提遞延稅項撥備。

所有應課稅暫時性差異均會確認遞延稅項負債，惟下列各項除外：

- 倘遞延稅項負債產生自於商譽或非業務合併交易中資產或負債的初始確認，且於交易時對會計利潤或應課稅利潤或虧損均無影響；及
- 對於涉及子公司、聯營公司及合營企業的投資的應課稅暫時性差異，倘可以控制撥回暫時性差異的時間，且該暫時性差異在可預見的將來很可能不會撥回。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Income tax** (continued)**Deferred income tax** (continued)

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.4 重大會計政策概要 (續)**所得稅** (續)**遞延所得稅** (續)

對於所有可扣減暫時性差異及結轉的未用稅項抵免及未用稅項虧損，若日後有可能出現應課稅利潤，可用以抵扣該等可扣減暫時性差異、結轉的未用稅項抵免及未用稅項虧損的，則遞延稅項資產一律確認入賬，惟下列各項除外：

- 倘若有關可扣減暫時性差異的遞延稅項資產的起因，是產生於非業務合併交易中資產或負債的初始確認，而且在交易時，對會計利潤或應課稅利潤或虧損均無影響；及
- 對於涉及子公司、聯營公司及合營企業的投資的可扣減暫時性差異，只有在暫時性差異有可能在可預見將來撥回，而且日後有可能出現應課稅利潤，可用以抵扣該等暫時性差異時，方會確認遞延稅項資產。

遞延稅項資產的賬面值，在各自報告期末予以審閱。若不再可能有足夠應課稅利潤用以抵扣遞延稅項資產的全部或部分金額，則扣減遞延稅項資產賬面值。並無確認的遞延稅項資產，在各自報告期末重新評估，若可能有足夠應課稅利潤可供收回全部或部分遞延稅項資產，則予確認。

變現資產或清償負債的期間預期適用的稅率，會用作計量遞延稅項資產及負債，並以報告期末已經頒佈或實質上已經頒佈的稅率（及稅法）為基準。

倘存在法律上可強制執行的權利，藉以用即期稅項資產抵銷即期稅項負債，而遞延稅項與同一應課稅實體及同一稅務當局相關，則遞延稅項資產及遞延稅項負債相互抵銷。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government grants

Grants relating to biological assets

An unconditional government grant related to a biological asset measured at its fair value less costs to sell is recognised in the consolidated statement of profit or loss when, and only when, the government grant becomes receivable. If a government grant related to a biological asset measured at its fair value less costs to sell is conditional, the Group recognises the government grant in the consolidated statement of profit or loss when, and only when, the conditions attaching to the government grant are met.

Other grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the consolidated statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the consolidated statement of profit or loss by way of a reduced depreciation charge.

Where the Group receives grants of non-monetary assets, the grants are recorded at the fair value of the non-monetary assets and released to the consolidated statement of profit or loss over the expected useful lives of the relevant assets by equal annual instalments.

2.4 重大會計政策概要(續)

政府補助金

與生物資產有關的補助金

與按公允值減銷售成本計量的生物資產有關的無條件政府補助金於(及只會於)預期可收到時在綜合損益表確認。倘與按公允值減銷售成本計量的生物資產有關的政府補助金為有條件,本集團則於(及只會於)符合該政府補助金的附帶條件時在綜合損益表確認該政府補助金。

其他補助金

倘有相當把握將會收到補助金及將符合所有附帶條件時,政府補助金即按公允值確認入賬。若補助金與支出項目有關,即於所擬補償的成本的支銷期間內有系統地確認為收入。

倘補助金與資產有關,即將其公允值計入遞延收益賬戶,並於有關資產的預計可使用年內,以等額年金調撥往綜合損益表或從資產賬面值中扣減並以經扣減折舊開支調撥往綜合損益表。

倘本集團收取非貨幣資產補助,此補助按非貨幣資產的公允值入賬,並於有關資產的預計可使用年內,以等額年金調撥往綜合損益表。



Notes To Financial Statements 財務報表附註

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Government grants** (continued)**Other grants** (continued)

Where the Group receives government loans granted with no or at a below-market rate of interest for the construction of a qualifying asset, the initial carrying amount of the government loans is determined using the effective interest rate method, as further explained in the accounting policy for “Financial liabilities” above. The benefit of the government loans granted with no or at a below-market rate of interest, which is the difference between the initial carrying value of the loans and the proceeds received, is treated as a government grant and released to the consolidated statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

Rental income

Revenue is recognised on a time proportion basis over the lease terms.

Interest income

Revenue is recognised as interest accrues using the effective interest method by applying the rate that exactly discounts estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

2.4 重大會計政策概要(續)**政府補助金(續)****其他補助金(續)**

當本集團因興建合資格資產而收取無息或低於市場利率的政府貸款，則政府貸款的初步賬面值採用實際利率法釐定(上文有關「金融負債」的會計政策中有進一步解釋)。所授出無息或低於市場利率的政府貸款的利益(即貸款的初步賬面值與所收取款項的差額)視為政府補助金並於有關資產的預計可使用年內，以等額年金調撥往綜合損益表。

收入確認

收入於經濟利益很可能流入本集團及能夠可靠地計量時按下列準則確認入賬：

貨品銷售

當貨品所有權附帶的重大風險及回報轉給買家，且本集團不再對所售貨品具有通常與所有權有關的管理權，亦無實際控制權時即確認收入。

租金收入

收入按租期時間比例確認。

利息收入

在利息產生時確認利息收入，採用實際利率法計算，該比率為將金融工具估計未來收回現金按金融工具的估計年期或更短期間(如適用)折現至金融資產賬面淨值的折現率。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Dividends

Revenue is recognised when the shareholders' right to receive the payment has been established.

Employee benefits

Retirement benefits

The Group's subsidiaries operating in the People's Republic of China except for Hong Kong and Macau ("Mainland China") participate in a central defined contribution retirement benefit plan managed by the local municipal government in the locations in which they operate. Contributions are made based on a percentage of the companies' payroll costs and are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the central defined contribution retirement benefit plan.

The Company also participates in the defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") in Hong Kong under the Mandatory Provident Fund Schemes Ordinance for its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Share-based payments

The Company operates a share option scheme and share award scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

2.4 重大會計政策概要(續)

收入確認(續)

股息

股東收取款項的權利得以確立時確認收入。

僱員福利

退休福利

本集團在中華人民共和國(香港及澳門除外)(「中國大陸」)營運的子公司，參與其營業所在地的地方政府管理的中央界定供款退休福利計劃，有關供款乃根據公司薪金費用的某百分比計算，並根據中央界定供款退休福利計劃的規則，應付時在綜合損益表內支銷。

本公司亦根據強制性公積金計劃條例就其僱員參與香港一項界定供款強制性公積金退休福利計劃(「強積金計劃」)。供款乃根據僱員基本薪金的某個百分比計算，並根據強積金計劃的規則，應付時在綜合損益表內支銷。強積金計劃的資產乃以獨立於本集團的一項獨立管理的基金持有。本集團就強積金計劃作出僱主供款時，供款全數歸屬僱員。

以股份為基礎的支付

本公司採納一項購股權計劃及股票獎勵計劃，藉此對本集團業務有貢獻的合資格參與者作出鼓勵及獎賞。本集團僱員(包括董事)會收取以股份為基礎的支付形式的酬金，而僱員會提供服務作為換取股本工具的代價(「股權結算交易」)。



Notes To Financial Statements 財務報表附註

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Employee benefits** (continued)**Share-based payments** (continued)

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in notes 41 and 42 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the consolidated statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

2.4 重大會計政策概要 (續)**僱員福利** (續)**以股份為基礎的支付** (續)

與僱員進行的股權結算交易乃參考授出權利當日的公允值計算成本。公允值乃由外聘估價師按二項式計價模式釐定(詳情見財務報表附註41及42)。

股權結算交易的成本連同權益的相應增加會於業績及服務條件達到的期間內於僱員福利費用內確認。歸屬日之前的各報告期末就股權結算交易確認的累計支出反映歸屬期屆滿的部分以及本集團對最終將歸屬的股本工具數目的最佳估計。期間內於綜合損益表扣除或計入的數額指於該期間初及終已確認累計支出的變動。

釐定獎勵的授出日期公允值時並不計及服務和非市況表現條件，但將評估條件獲達成的機會率，作為本集團對最終將歸屬的股權工具數目的最佳估計一部分。市況表現條件在授出日期公允值內反映。在一項獎勵上附加但不設相關服務要求的任何其他條件被視為非歸屬條件。非歸屬條件在一項獎勵的公允值內反映，並導致一項獎勵的即時支銷，除非同時有其他服務及／或表現條件。

對因非市場表現及／或服務條件未達成而最終未有歸屬的獎勵而言，將不會確認開支。如獎勵附帶市況或非歸屬條件，則該情況下不論是否達到該市況或非歸屬條件，該交易均會視作歸屬處理，惟其他所有業績及／或服務條件必須達成。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

Share-based payments (continued)

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Where funds have been borrowed generally, and used for the purpose of obtaining qualifying assets, a capitalisation rate has been applied to the expenditure on the individual assets.

2.4 重大會計政策概要(續)

僱員福利(續)

以股份為基礎的支付(續)

股權結算報酬條款修訂時，倘報酬的原條款達到，需按條款並無進行修訂的情形確認最少的支出。此外，倘任何修訂導致於修訂日期所計量的以股份為基礎的支付的總公允價值增加或以其他方式令僱員受惠，則所產生的任何額外支出予以確認。

股權結算報酬註銷時，視作報酬於註銷當日已經歸屬，而報酬尚未確認的任何支出會即時確認。此包括本集團或僱員並未達致其可控制的非歸屬條件的任何報酬。然而，倘註銷的報酬有任何替代的新報酬，並指定為授出當日的替代報酬，則該項註銷及新報酬會如上段所述被視為對原有報酬的修訂處理。

尚未行使購股權的攤薄影響應通過計算每股盈利時的額外股份攤薄反映。

借貸成本

若借貸成本直接屬於購買、興建或生產合資格資產(即需要相當長時間才可擬定用途或出售的資產)，即撥充資本作為該等資產成本的一部分，而當相關資產大致達到擬定用途或出售時，即不再把該等借貸成本撥充資本。用以支付合資格資產的特定借款的臨時投資所賺取的投資收益從撥充資本的借貸成本中扣除。所有其他借貸成本皆於產生期間支銷。借貸成本包括利息及實體因資金借貸而產生的其他成本。

倘資金屬一般借貸並用於取得合資格資產，則個別資產開支將按比率撥作資本。



Notes To Financial Statements 財務報表附註

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Dividends**

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

Each entity in the Group determines its own functional currency based on the assessment of its specific facts and circumstances. The Company, established in the Cayman Islands, uses the Hong Kong dollar as its functional currency. As the Group mainly operates in Mainland China, RMB is used as the presentation currency of the Group. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss.

Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the consolidated statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

2.4 重大會計政策概要(續)**股息**

期末股息於獲股東於股東大會上批准後確認為負債。

由於本公司的組織章程大綱及細則授權董事宣派中期股息，故中期股息同時建議及宣派。因此，中期股息在建議及宣派時即時確認為負債。

外幣

本集團各實體按其特定事實及情況釐定其功能貨幣。本公司於開曼群島成立，功能貨幣為港元。由於本集團主要於中國大陸營業，故使用人民幣為本集團的呈列貨幣。由本集團實體記錄的外幣交易最初以交易當日各通行功能貨幣匯率記錄入賬。以外幣列值的貨幣性資產及負債，則按報告期末的適用功能貨幣匯率換算。結算或換算貨幣項目產生的差額於綜合損益表確認。

貨幣項目結算或換算產生的差額於綜合損益表確認，惟指定對沖本集團海外業務投資淨額一部分的貨幣項目除外。該等貨幣項目於其他全面收益表確認，直至投資淨額獲出售，屆時累計金額重新分類至綜合損益表。就該等貨幣項目匯兌差額應佔稅項支出及抵免亦計入其他全面收益。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain entities comprising the Group are currencies other than RMB. As at the reporting date, the assets and liabilities of companies whose functional currency differs from the presentation currency are translated into RMB at the rates of exchange prevailing at the end of the reporting period and their statements of profit or loss are translated at the weighted average exchange rates for the reporting period.

The resulting exchange differences are recognised in other comprehensive income and accumulated in a separate component of equity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

2.4 重大會計政策概要(續)

外幣(續)

以外幣列值及按歷史成本計量的非貨幣項目，乃按最初進行交易當日的匯率換算。以外幣列值及按公允值計量的非貨幣項目，須按計量公允值當日的匯率換算。換算按公允值計量的非貨幣項目而產生的收益或虧損，按確認該項目的公允值變動的收益或虧損一致的方法處理(即其他全面收益或損益表已確認的項目的公允值收益或虧損，其換算差額亦分別於其他全面收益或損益表確認)。

本集團旗下若干實體的功能貨幣為人民幣以外的貨幣。於報告日期，倘公司的功能貨幣與呈列貨幣不同，其資產及負債乃按報告期末通行的匯率換算為人民幣，而損益表則按該報告期間的加權平均匯率換算。

因此產生的匯兌差額乃於其他全面收益內確認並於權益的一個獨立組成部分內累計。出售外國業務時，與該特定外國業務有關的其他全面收益的組成部分於綜合損益表內確認。

就綜合現金流量表而言，海外子公司的現金流量按產生現金流量當日的適用匯率換算為人民幣。海外子公司全年經常產生的現金流量則按當年的加權平均匯率換算為人民幣。



Notes To Financial Statements 財務報表附註

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Withholding tax arising from the distribution of dividends

The Group's determination as to whether to accrue for withholding taxes arising from the distributions of dividends from certain subsidiaries according to the relevant tax jurisdictions is subject to judgement on the timing of the payment of the dividends or on whether certain companies of the Group is determined to be a Chinese resident enterprise by the PRC governing tax authorities in the future. Management considered that it is not probable that the Group's subsidiaries in PRC will distribute profits earned from 1 January 2008 to 31 December 2016 in the foreseeable future, and accordingly no provision for withholding tax was made in 2016. Where the final outcome of these matters is different from the amounts originally determined, the difference will impact the deferred tax provision in the period in which the differences realise.

3. 重大會計判斷及估計

管理層於編製本集團的財務報表時，須對收入、開支、資產及負債及其隨附披露事項，以及或然負債的披露作出判斷、估計及假設。由於該等假設及估計具有不確定性，可能導致資產或負債的賬面值須於未來作出重大調整。

判斷

應用本集團的會計政策的過程中，管理層已作出以下判斷(除涉及估值的項目外)，乃對財務報表內已確認金額構成最重大影響：

分派股息產生的預扣稅

本集團根據相關稅務機關的規定計提從若干子公司分配股息所產生的預扣稅，是否計提取決於股息支付的時間或本集團的某些公司在未來期間是否被中國政府稅務當局認定為中國居民企業納稅人。管理層認為在可預見的未來，本集團的中國子公司不大可能分派於二零零八年一月一日至二零一六年十二月三十一日所賺取的利潤，因此二零一六年並無計提額外預扣稅。倘該事件的最終結果與當初釐定者不一樣，差異所產生的遞延稅項將在差異變現的當期計提。



3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Judgements (continued)

Operating lease commitments – Group as lessee

The Group has entered into commercial leases on certain machinery. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it does not bear all the significant risks and rewards of ownership of these machinery and accounts for the contracts as operating leases.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of goodwill and trademarks with indefinite useful lives

The Group determines whether goodwill and trademarks with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating unit (or group of cash-generating units) to which the goodwill and trademarks with indefinite useful lives are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit (or group of cash-generating units) and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Details of goodwill and trademarks with indefinite useful lives are given in note 21 to the financial statements.

3. 重大會計判斷及估計(續)

判斷(續)

經營租賃承擔 – 本集團作為承租人

本集團已就若干機器訂立商業租約。本集團根據對該等安排的條款及條件進行評估，已決定不會承擔此等機器所有權的所有重大風險及回報，並將合約歸類為經營租賃。

估計的不確定性

對未來事項的主要假設及於報告期末估計的不確定性的其他主要來源(存有重大風險可能導致資產及負債賬面值須於下一財政年度內作出重大調整者)於下文論述。

商譽及無限年期商標減值

本集團每年最少一次釐定商譽及無限年期商標是否減值。釐定商譽及無限年期商標是否減值須估計獲分派商譽及無限年期商標的現金產生單位或現金產生單位組別的使用價值。估計使用價值時，本集團須估計預期來自現金產生單位或現金產生單位組別之日後現金流量，並挑選合適的折現率以計算該等現金流量的現值。商譽及無限年期商標詳情請參閱財務報表附註21。



Notes To Financial Statements 財務報表附註

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)**Estimation uncertainty** (continued)**Impairment of non-financial assets (other than goodwill and trademarks with indefinite useful lives)**

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Business combinations and goodwill

When the Group completes a business combination, the identifiable assets acquired and the liabilities assumed are recognised at their fair value. Management estimation is required to determine the fair values of the assets acquired, the liabilities assumed, and the purchase consideration, and on the allocation of the purchase consideration to the identifiable assets and liabilities. The fair values of the identifiable assets acquired and the liabilities assumed are determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable market where possible, but where this is not feasible, a degree of judgement and estimation is required in establishing fair values. Management must estimate the expected future cash flows and discount rate in order to calculate the fair values.

3. 重大會計判斷及估計(續)**估計的不確定性(續)****非金融資產(商譽及無限年期商標除外)減值**

於每個報告期末，本集團評估所有非金融資產是否存在任何減值跡象。倘跡象顯示非金融資產的賬面值可能無法收回時，將對該等資產進行減值測試。減值存在於當某一資產或某一現金產生單位的賬面值超過其可收回金額時，即其公允值減其銷售成本與其使用價值的較高者。公允值減銷售成本的計算基於在相似資產公平交易中，可獲得的具約束性銷售交易信息或可觀察市場價格減處置該資產的增量成本。計算使用價值時，管理層須估計來自資產或現金產生單位的預期未來現金流量，並選擇合適的折現率，以計算現金流量的現值。

業務合併及商譽

倘本集團完成業務合併，則所收購的可識別資產及所承擔的負債按其公允值確認。釐定所收購資產、所承擔負債、購買代價的公允值，以及分配可識別資產及負債的購買代價時須運用管理層估計。所收購的可識別資產及所承擔的負債的公允值運用估值技術(包括貼現現金流模式)釐定。此等模式所用數據在可能情況下從可觀察市場取得，惟在不可行情況下，則須作出判斷及估計以釐定公允值。管理層須估計未來現金流量及折現率以計算公允值。



3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences and all unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, which affects the probability of utilisation and the tax rate to be used in the calculations. Details of deferred tax assets are contained in note 23 to the financial statements.

Impairment of trade and other receivables

The Group determines the provision for impairment of trade and other receivables based on an assessment of the recoverability of the receivables. This assessment is based on the credit history of its customers and other debtors and the current market condition. Management reassesses the provisions at the end of each reporting period.

Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them. Details of share-based payments are contained in notes 41 and 42 to the financial statements.

Fair value of dairy cows

The Group's dairy cows are valued at fair value less costs to sell. The fair value of dairy cows is determined based on either the market-determined prices as at the end of the reporting period adjusted with reference to the species, age, growing condition, costs incurred and expected yield of the milk to reflect differences in characteristics and/or stages of growth of the dairy cows; or the present value of expected net cash flows from the dairy cows discounted at a current market-determined rate, when market-determined prices are unavailable; or the cost when appropriate. Any change in the estimates may affect the fair value of the dairy cows significantly. The independent qualified professional valuer and management review the assumptions and estimates periodically to identify any significant change in the fair value of dairy cows. Details of assumptions used are disclosed in note 24.

3. 重大會計判斷及估計(續)

估計的不確定性(續)

遞延稅項資產

遞延稅項資產就所有可扣減暫時性差異及所有未用稅項虧損加以確認，惟僅限於日後有可能出現應課稅利潤，可用以抵扣該等可扣減暫時性差異及未用稅項虧損的情況。釐定可予確認的遞延稅項資產金額時，須就會影響可用作扣減的可能性及用於計算的稅率之日後應稅利潤的大致時間及水平，作出重要的管理層判斷。遞延稅項資產的詳情請參閱財務報表附註23。

應收賬款及其他應收款項減值

本集團按應收款項可收回程度的評估就應收賬款及其他應收款項釐定減值撥備。該等評估乃基於客戶及其他債務人的信貸紀錄及現時市況。管理層於各報告期末重新評估撥備。

以股份為基礎的支付

本集團計量與僱員的股權結算交易的成本時乃參考權益工具授出當日的公允值。估算公允值須釐定授出權益工具(視乎授出的條款及條件)的最合適估值模式，亦須釐定估值模式最適合的輸入數據，包括購股權的預計年期、波動率及股息率，以及就此作出假設。以股份為基礎的支付的詳情列於財務報表附註41及42。

乳牛的公允值

本集團的乳牛乃按公允值減銷售成本後估值。乳牛的公允值乃按報告期末的市場定價釐定，並參考品種、年齡、生長狀況、所招致成本及預期產奶量作出調整，以反映乳牛的不同特點及／或生長階段；或如沒有市場定價，則以來自乳牛的按現行市場利率貼現的預期現金流量淨額的現值；或在適當情況下按成本釐定。任何估計變動均可能顯著影響乳牛的公允值。獨立合資格專業估值師及管理層定期複核各項假設及估計，以識別乳牛公允值的任何重大變動。所用假設詳情披露於附註24。



Notes To Financial Statements 財務報表附註

4. OPERATING SEGMENT INFORMATION

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

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

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

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

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

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

4. 經營分部資料

出於管理需要，本集團按產品及服務構組業務單元，共有下列四個可報告經營分部：

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

管理層獨立監察本集團各經營分部的業績，以作出有關資源分配及表現評估的決策。分部表現乃根據可報告分部利潤／(虧損)(其為對來自持續經營業務的經調整稅前利潤／(虧損)的一種計量)予以評估。來自持續經營業務的經調整稅前利潤／(虧損)與本集團來自持續經營業務的稅前利潤／(虧損)計量方式一致，惟利息收入、融資成本、應佔聯營公司利潤、所得稅支出及總部及公司支出不包含於該計量內。

分部資產並不包括股本投資，以及其他不分部的總部及公司資產，因為此等資產按集團層面管理。

分部負債並不包括其他不分部的總部及公司負債，因為此等負債按集團層面管理。

分部間銷售及轉讓乃參考以當時市價向第三者銷售所採用的售價進行交易。



Notes To Financial Statements 財務報表附註

4. OPERATING SEGMENT INFORMATION

(continued)

Year ended 31 December 2016

4. 經營分部資料(續)

截至二零一六年十二月三十一日止年度

		Liquid milk products 液態奶產品 RMB'000 人民幣千元	Ice cream products 冰淇淋產品 RMB'000 人民幣千元	Milk powder products 奶粉產品 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment revenue:	分部收入：					
Sales to external customers	銷售予外部客戶	48,102,872	2,179,940	3,150,895	345,632	53,779,339
Intersegment sales	分部間銷售	536,786	128,143	-	274,220	939,149
		48,639,658	2,308,083	3,150,895	619,852	54,718,488
<i>Reconciliation:</i>	<i>調整：</i>					
Elimination of intersegment sales	對銷分部間銷售					(939,149)
Revenue from continuing operations	來自持續經營業務的收入					53,779,339
Segment results	分部業績	2,708,266	(258,975)	(2,724,266)	(132,689)	(407,664)
<i>Reconciliation:</i>	<i>調整：</i>					
Interest income	利息收入					477,844
Finance costs	融資成本					(293,700)
Share of losses of associates	應佔聯營公司利潤					(225,477)
Corporate and other unallocated expenses	公司及其他不分部支出					(12,389)
Loss before tax from continuing operations	來自持續經營業務之稅前虧損					(461,386)
Income tax expense	所得稅支出					(351,379)
Loss for the year from continuing operations	來自持續經營業務之本年虧損					(812,765)
Segment assets	分部資產	28,933,430	2,309,669	12,829,812	632,420	44,705,331
<i>Reconciliation:</i>	<i>調整：</i>					
Elimination of intersegment receivables	對銷分部間應收款項					(8,691,755)
Corporate and other unallocated assets	公司及其他不分部資產					12,895,713
Assets related to disposal groups	涉及處置組的資產					215,138
Total assets	總資產					49,124,427



Notes To Financial Statements 財務報表附註

4. OPERATING SEGMENT INFORMATION

(continued)

Year ended 31 December 2016

4. 經營分部資料(續)

截至二零一六年十二月三十一日止年度

		Liquid milk products 液態奶產品 RMB'000 人民幣千元	Ice cream products 冰淇淋產品 RMB'000 人民幣千元	Milk powder products 奶粉產品 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment liabilities	分部負債	14,579,687	2,183,081	3,010,372	903,729	20,676,869
<i>Reconciliation:</i>	<i>調整：</i>					
Elimination of intersegment payables	對銷分部間應付款項					(8,691,755)
Corporate and other unallocated liabilities	公司及其他不分部負債					11,627,733
Liabilities related to disposal groups	涉及處置組的負債					7,852
Total liabilities	總負債					23,620,699
Other segment information:	其他分部資料：					
Depreciation and amortisation	折舊及攤銷	1,178,533	130,095	195,193	34,671	1,538,492
Unallocated amounts	不分部款項					63,032
Total depreciation and amortisation	折舊及攤銷總額					1,601,524
Capital expenditure	資本開支	2,422,710	304,224	1,453,539	4,352	4,184,825
Unallocated amounts	不分部款項					167,663
Total capital expenditure*	資本開支總額*					4,352,488
Impairment losses recognised in the consolidated statement of profit or loss	於綜合損益表確認的減值虧損	102,113	5,801	2,338,850	2,129	2,448,893
Impairment losses reversed in the consolidated statement of profit or loss	於綜合損益表撥回的減值虧損	(14,125)	(6,210)	(216)	(189)	(20,740)
Impairment losses recognised/ (reversed) in the consolidated statement of profit or loss	於綜合損益表確認/ (撥回)的減值虧損	87,988	(409)	2,338,634	1,940	2,428,153
Unallocated amounts relating to share option scheme and share award scheme	涉及購股權計劃及股票獎勵計劃的未分配款項					40,939
Total non-cash expenses relating to share option scheme and share award scheme	涉及購股權計劃及股票獎勵計劃的非現金支出總額					40,939



Notes To Financial Statements 財務報表附註

4. OPERATING SEGMENT INFORMATION

(continued)

Year ended 31 December 2015

4. 經營分部資料(續)

截至二零一五年十二月三十一日止年度

		Liquid milk products 液態奶產品 RMB'000 人民幣千元	Ice cream products 冰淇淋產品 RMB'000 人民幣千元	Milk powder products 奶粉產品 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment revenue:	分部收入:					
Sales to external customers	銷售予外部客戶	43,326,642	2,141,192	3,228,800	329,882	49,026,516
Intersegment sales	分部間銷售	417,043	188,830	50,378	236,331	892,582
		43,743,685	2,330,022	3,279,178	566,213	49,919,098
<i>Reconciliation:</i>	<i>調整:</i>					
Elimination of intersegment sales	對銷分部間銷售					(892,582)
Revenue from continuing operations	來自持續經營業務的收入					49,026,516
Segment results	分部業績	3,166,684	(235,084)	(67,127)	(244,527)	2,619,946
<i>Reconciliation:</i>	<i>調整:</i>					
Interest income	利息收入					563,273
Finance costs	融資成本					(318,634)
Share of profits of associates	應佔聯營公司利潤					137,669
Corporate and other unallocated expenses	公司及其他不分部支出					27,916
Profit before tax from continuing operations	來自持續經營業務之稅前利潤					3,030,170
Income tax expense	所得稅支出					(510,038)
Profit for the year from continuing operations	來自持續經營業務之本年利潤					2,520,132
Segment assets	分部資產	26,601,192	1,896,127	14,331,373	1,324,122	44,152,814
<i>Reconciliation:</i>	<i>調整:</i>					
Elimination of intersegment receivables	對銷分部間應收款項					(9,681,088)
Corporate and other unallocated assets	公司及其他不分部資產					15,796,462
Assets related to disposal groups	涉及處置組的資產					384,353
Total assets	總資產					50,652,541



Notes To Financial Statements 財務報表附註

4. OPERATING SEGMENT INFORMATION

(continued)

Year ended 31 December 2015

4. 經營分部資料(續)

截至二零一五年十二月三十一日止年度

		Liquid milk products 液態奶產品 RMB'000 人民幣千元	Ice cream products 冰淇淋產品 RMB'000 人民幣千元	Milk powder products 奶粉產品 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment liabilities	分部負債	14,552,301	1,483,008	2,058,501	1,464,801	19,558,611
<i>Reconciliation:</i>	<i>調整:</i>					
Elimination of intersegment payables	對銷分部間應付款項					(9,681,088)
Corporate and other unallocated liabilities	公司及其他不分部負債					14,144,156
Liabilities related to disposal groups	涉及處置組的負債					15,708
Total liabilities	總負債					24,037,387
Other segment information:	其他分部資料:					
Depreciation and amortisation	折舊及攤銷	1,096,485	92,171	162,242	35,416	1,386,314
Unallocated amounts	不分部款項					57,974
Total depreciation and amortisation	折舊及攤銷總額					1,444,288
Capital expenditure	資本開支	2,100,021	211,880	456,555	8,489	2,776,945
Unallocated amounts	不分部款項					249,975
Total capital expenditure*	資本開支總額*					3,026,920
Impairment losses recognised in the consolidated statement of profit or loss	於綜合損益表確認的減值虧損	45,044	4,893	2,182	1,190	53,309
Impairment losses reversed in the consolidated statement of profit or loss	於綜合損益表撥回的減值虧損	(81,442)	(2,313)	(200)	–	(83,955)
Impairment losses recognised/(reversed) in the consolidated statement of profit or loss	於綜合損益表確認/(撥回)的減值虧損	(36,398)	2,580	1,982	1,190	(30,646)
Net amortised/(reversal of) fair value relating to share option scheme and share award scheme	涉及購股權計劃及股票獎勵計劃的公允價值攤銷/(撥回)淨額	12,640	(6,118)	5,726	–	12,248
Unallocated amounts relating to share option scheme and share award scheme	涉及購股權計劃及股票獎勵計劃的不分部款項					10,117
Total non-cash expenses relating to share option scheme and share award scheme	涉及購股權計劃及股票獎勵計劃的非現金支出總額					22,365



Notes To Financial Statements 財務報表附註

4. OPERATING SEGMENT INFORMATION

(continued)

* Capital expenditure consists of cash paid for the purchase of property, plant and equipment, construction in progress, intangible assets, land use rights, biological assets, equity interests in subsidiaries, associates and other equity investments.

Geographical information**a. Revenue from external customers**

Over 90% of the revenue is contributed by customers in Mainland China.

b. Non-current assets

Over 90% of the Group's non-current assets are located in Mainland China.

Information about major customers

There was no sales to a single customer which amounted for 10% or more of the Group's revenue for the year ended 31 December 2016 and 2015.

4. 經營分部資料(續)

* 資本開支包括添置物業、廠房及設備、在建工程、無形資產、土地使用權、生物資產、子公司、聯營公司及其他股本投資的股權所支付的現金。

地區資料**a. 來自外部客戶的收入**

90%以上的收入來自位於中國大陸的客戶。

b. 非流動資產

本集團90%以上的非流動資產位於中國大陸。

主要客戶資料

截至二零一六年及二零一五年十二月三十一日止年度，並無向單一客戶的銷售佔本集團收入10%或以上。



Notes To Financial Statements 財務報表附註

5. REVENUE, OTHER INCOME AND GAINS

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

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

5. 收入、其他收入及收益

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

本集團來自持續經營業務的收入、其他收入及收益的分析如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue:	收入：		
Sale of goods	商品銷售	53,779,339	49,026,516
Other income and gains:	其他收入及收益：		
Government grants related to	政府補助金		
– Recognition of deferred income (note 36)	– 與確認遞延收入有關 (附註36)	37,494	32,939
– Income and biological assets (note a)	– 與收入及生物資產有關 (附註a)	183,308	228,475
Gain on disposal of subsidiaries	出售子公司收益	–	60,232
Gain on disposal of a disposal group classified as held for sale	出售分類為持有待售的處置組收益	29,127	–
Gain arising from changes in contingent considerations (note b)	或然代價變動產生收益 (附註b)	–	95,022
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備收益	–	10,412
Promotion service income (note c)	宣傳服務收入 (附註c)	134,090	–
Gross rental income	租金總收入	47,468	47,357
Foreign exchange gains, net	匯兌收益淨額	134,235	–
Others	其他	136,062	46,831
		701,784	521,268
		54,481,123	49,547,784



Notes To Financial Statements 財務報表附註

5. REVENUE, OTHER INCOME AND GAINS

(continued)

Notes:

- (a) The government grants in the form of cash donations have been received for the Group's contribution to the development of the local dairy industry. There are no unfulfilled conditions or contingencies attaching to these grants.

- (b) On 10 January 2013, the Group acquired a 49% Oushi Mengniu (Inner Mongolia) Dairy Products Co., Ltd. ("Oushi Mengniu") with a cash consideration of RMB60,000,000 paid at the acquisition date, an aggregate of RMB40,000,000 paid equally in the first, second, third and fourth anniversaries of the acquisition date, together with a contingent consideration of RMB150,000,000. The above contingent consideration would only be paid when the Group's milk powder business meets certain performance targets.

On 31 December 2015, Inner Mongolia Mengniu and Arla Foods Amba ("Arla") entered into an agreement according to which, Arla waived its right of receiving an amount of RMB100,000,000 out of the contingent consideration of RMB150,000,000, in order to receive the remaining amount of RMB50,000,000 immediately although the Group still had not met the before mentioned performance targets.

As a result, Inner Mongolia Mengniu derecognised the present value of the contingent consideration of RMB100,000,000, which was RMB95,022,000 and recognised a gain in the consolidated statement of profit or loss during 2015.

- (c) This represented promotion service income from Danone and Arla during 2016.

5. 收入、其他收入及收益(續)

附註：

- (a) 本集團因對當地乳業發展有所貢獻，故獲現金捐獻形式的政府補助金。該等補助金並無附帶任何未達成的條件或或然事項。

- (b) 二零一三年一月十日，本集團收購內蒙古歐世蒙牛乳製品有限責任公司（「歐世蒙牛」）49% 股權，現金代價人民幣60,000,000元於收購日期支付，收購日期第一、二、三及四個週年將等額支付合共人民幣40,000,000元及或然代價人民幣150,000,000元。上述或然代價僅於本集團的奶粉業務達到若干收購日期後達到若干業績目標時支付。

二零一五年十二月三十一日，內蒙蒙牛及Arla Foods Amba（「Arla」）訂立一項協議，據此，Arla放棄其從該人民幣150,000,000元或然代價中收取人民幣100,000,000元的權利，以即時收取餘額人民幣50,000,000元，儘管本集團仍未達至上述表現目標。

故此，內蒙蒙牛取消確認該人民幣100,000,000元的或然代價的現值，即人民幣95,022,000元，並於二零一五年於綜合損益表確認收益。

- (c) 此處指二零一六年內來自Danone及Arla的宣傳服務收入。



Notes To Financial Statements 財務報表附註

6. OTHER EXPENSES

6. 其他費用

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Donations	捐贈支出	13,209	12,362
Fair value change of biological assets (note 24)	生物資產公允值變動 (附註24)	25,696	19,323
Loss on disposal of items of property, plant and equipment	處置物業、廠房及 設備虧損	20,634	—
Impairment of goodwill (note 21)	商譽減值(附註21)	2,253,794	—
Provision for construction in progress (note 16)	在建工程撥備 (附註16)	1,712	—
Write-down of inventories to net realisable value (note 26)	存貨撇減至可變現淨值 (附註26)	129,857	43,806
Provision for trade receivables and other receivables	應收賬款及其他 應收款項撥備	63,530	9,503
Write-back of provision for trade receivables and other receivables	撥回應收賬款及 其他應收款項	(20,740)	(83,955)
Educational surcharges and city construction tax	教育費附加和城市維護 建設稅	235,761	235,546
Foreign exchange losses, net	匯兌虧損淨額	—	53,754
Net fair value loss on forward currency contracts (note 34(a))	遠期外幣合約公允值虧損 淨額(附註34(a))	2,371	12,444
Loss on deemed disposal of partial interests in an associate (note a)	視同出售一間聯營公司部分 權益虧損(附註a)	—	33,045
Others	其他	124,844	56,763
		2,850,668	392,591

Note:

- (a) On 20 July 2015, China Modern Dairy Holdings Ltd. ("China Modern Dairy") issued additional shares to new shareholders, which resulted in the dilution of Group's interest in China Modern Dairy from 27.9% to 25.4%.

附註：

- (a) 二零一五年七月二十日，中國現代牧業控股有限公司(「中國現代牧業」)向新股東發出額外股份，以致本集團於中國現代牧業的權益由27.9%攤薄至25.4%。



Notes To Financial Statements 財務報表附註

7. PROFIT/(LOSS) BEFORE TAX

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

7. 稅前利潤／(虧損)

本集團來自持續經營業務的稅前利潤／(虧損)乃經扣除／(計入)下列各項後計算所得：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cost of inventories sold	銷售存貨成本	36,157,504	33,663,028
Realised and unrealised fair value gains of commodity futures contracts, net (note 34(b))	變現及未變現商品期貨合約公允值收益淨額(附註34(b))	(13,567)	(11,986)
Cost of sales	銷售成本	36,143,937	33,651,042
Employee benefit expense (including directors' and chief executive's remuneration as disclosed in note 9)	僱員福利費用(包括附註9披露的董事及主要行政人員薪酬)		
– Wages, salaries, housing benefits and other allowances	– 工資、薪金、住房福利及其他津貼	4,051,872	3,095,035
– Retirement benefit contributions	– 退休福利供款	386,663	321,522
– Share option scheme expense (note 41)	– 購股權計劃開支(附註41)	–	(69,359)
– Share award scheme expense (note 42)	– 股票獎勵計劃開支(附註42)	40,939	91,724
		4,479,474	3,438,922
Depreciation of items of property, plant and equipment (note 15)	物業、廠房及設備折舊(附註15)	1,536,404	1,391,302
Depreciation of investment properties (note 17)	投資物業折舊(附註17)	2,457	3,030
Amortisation of land use rights (note 18)	土地使用權攤銷(附註18)	24,760	26,005
Amortisation of other intangible assets (note 20)	其他無形資產攤銷(附註20)	37,903	23,951
Research and development costs – current year expenditure	本年研究開發費用	108,141	81,900
Outsourcing expense (note a)	外包費用(附註a)	256,752	483,914
Minimum lease payments under operating leases	經營租賃最低租金	230,752	196,825
Display space leasing fees	陳列空間租賃費	949,638	789,301
Auditor's remuneration (note b)	核數師酬金(附註b)	7,695	7,510



Notes To Financial Statements 財務報表附註

7. PROFIT/(LOSS) BEFORE TAX (continued)

Notes:

- (a) For the purpose of promoting operation efficiency, the Group outsourced the production of certain products. The amounts represent the total amount paid by the Group for purchasing outsourcing services.
- (b) In addition to the above fees paid or payable to the auditors, Yashili, a subsidiary of the Company listed on the Main Board of Hong Kong Exchanges and Clearing Limited, had an amount of RMB3,190,000 (2015: RMB2,930,000) paid/payable as auditors' remuneration during the year.

8. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

7. 稅前利潤／(虧損)(續)

附註：

- (a) 為提升營運效率，本集團外包若干產品生產。該金額指本集團就購買該等外包服務支付的總額。
- (b) 除上述已付或應付核數師費用外，本公司於香港交易及結算所有限公司主板上市的子公司雅士利本年已付／應付核數師酬金人民幣3,190,000元(二零一五年：人民幣2,930,000元)。

8. 融資成本

來自持續經營業務的融資成本分析如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Interest on bank loans	銀行貸款利息	186,731	188,110
Interest on US\$500,000,000 3.50% bond due 2018	息率3.50%於二零一八年到期之500,000,000美元債券之利息	125,914	114,423
Interest on long term payables	長期應付款項利息	6,744	6,502
Increase in discounted amounts of contingent considerations arising from the passage of time	因時間流逝而增加或然代價的折現現值	549	8,918
Net fair value loss/(gain) on interest rate forward contracts (note 34(a))	利率遠期合約的公允值虧損／(收益)淨額(附註34(a))	(26,238)	681
		293,700	318,634



Notes To Financial Statements 財務報表附註

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

9. 董事及主要行政人員薪酬

根據香港聯合交易所有限公司證券上市規則(「上市規則」)、香港公司條例第383(1)(a)、(b)、(c)及(f)條，以及公司(披露董事利益資料)規例第2部分披露的本年度董事及主要行政人員薪酬如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Fees	袍金	1,585	1,692
Other emoluments	其他酬金		
– Basic salaries, housing benefits, other allowances and benefits in kind (note (e))	– 基本薪金、住房福利、其他津貼及實物利益(附註(e))	9,995	11,941
– Retirement benefit contributions (note (e))	– 退休福利供款(附註(e))	280	197
		11,860	13,830



Notes To Financial Statements 財務報表附註

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

9. 董事及主要行政人員薪酬(續)

		Notes 附註	Fees 袍金 RMB'000 人民幣千元	Basic salaries, housing benefits, other allowances and benefits in kind 基本薪金、住房福利、其他津貼及實物利益 RMB'000 人民幣千元	Retirement benefit contributions 退休福利供款 RMB'000 人民幣千元	Total remuneration 總薪酬 RMB'000 人民幣千元
2016	二零一六年					
Executive directors	執行董事					
- Mr. Jeffrey, Minfang Lu	- 盧敏放先生	(a)/(e)	9	2,069	18	2,096
- Ms. Sun Yiping	- 孫伊萍女士	(a)	21	2,380	75	2,476
- Mr. Bai Ying	- 白瑛先生		30	4,629	107	4,766
- Ms. Wu Wenting	- 吳文婷女士	(a)	9	557	18	584
Non-executive directors	非執行董事					
- Mr. Ning Gaoning	- 寧高寧先生	(a)	25	-	-	25
- Mr. Ma Jianping	- 馬建平先生	(a)	125	-	-	125
- Mr. Yu Xubo	- 于旭波先生	(a)	106	-	-	106
- Mr. Niu Gensheng	- 牛根生先生		150	360	62	572
- Ms. Liu Ding	- 柳丁女士	(a)	106	-	-	106
- Mr. Finn S. Hansen	- Finn S. Hansen先生	(a)	37	-	-	37
- Mr. Christine Neu	- Christine Neu先生	(a)	37	-	-	37
- Mr. Tim Ørting Jørgensen	- Tim Ørting Jørgensen先生	(a)	113	-	-	113
- Mr. Filip Kegels	- Filip Kegels先生	(a)	113	-	-	113
Independent non-executive directors	獨立非執行董事					
- Mr. Jiao Shuge	- 焦樹閣先生	(b)	-	-	-	-
- Mr. Julian Juul Wolhardt	- Julian Juul Wolhardt先生	(b)	-	-	-	-
- Mr. Zhang Xiaoya	- 張曉亞先生		260	-	-	260
- Mr. Wu Kwok Keung Andrew	- 胡國強先生	(a)	195	-	-	195
- Mr. Liao Jianwen	- 廖建文先生	(a)	184	-	-	184
- Mr. Yau Ka Chi	- 邱家賜先生	(a)	65	-	-	65
			1,585	9,995	280	11,860



Notes To Financial Statements 財務報表附註

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

9. 董事及主要行政人員薪酬(續)

			Fees	Basic salaries, housing benefits, other allowances and benefits in kind	Retirement benefit contributions	Total remuneration
	Notes	袍金	基本薪金、住房福利、其他津貼及實物利益	退休福利供款	總薪酬	
	附註	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	
2015						
		二零一五年				
Executive directors		執行董事				
- Ms. Sun Yiping	(a)	- 孫伊萍女士	30	8,347	98	8,475
- Mr. Bai Ying		- 白瑛先生	30	3,234	99	3,363
Non-executive directors		非執行董事				
- Mr. Ning Gaoning	(a)	- 寧高寧先生	150	-	-	150
- Mr. Yu Xubo	(a)	- 于旭波先生	150	-	-	150
- Mr. Niu Gensheng		- 牛根生先生	150	360	-	510
- Ms. Liu Ding	(a)	- 柳丁女士	150	-	-	150
- Mr. Finn S. Hansen	(a)	- Finn S. Hansen先生	150	-	-	150
- Mr. Christine Neu	(a)	- Christine Neu先生	150	-	-	150
Independent non-executive directors		獨立非執行董事				
- Mr. Jiao Shuge	(b)	- 焦樹閣先生	-	-	-	-
- Mr. Julian Juul Wolhardt	(b)	- Julian Juul Wolhardt先生	-	-	-	-
- Mr. Zhang Xiaoya		- 張曉亞先生	244	-	-	244
- Mr. Wu Kwok Keung Andrew	(a)	- 胡國強先生	244	-	-	244
- Mr. Liao Jianwen	(a)	- 廖建文先生	244	-	-	244
			1,692	11,941	197	13,830



Notes To Financial Statements 財務報表附註

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

Notes:

- a. Mr. Ning Gaoning resigned as a director on 19 February 2016. Mr. Finn S. Hansen and Mr. Christine Neu resigned as directors on 1 April 2016, Ms. Sun Yiping, Mr. Yu Xubo, Ms. Liu Ding and Mr. Liao Jianwen resigned as directors on 15 September 2016. Mr. Wu Kwok Keung Andrew resigned as a director on 1 October 2016. Mr. Ma Jianping was appointed as a director on 19 February 2016. Mr. Tim Ørting Jørgensen and Mr. Filip Kegels were appointed as directors on 1 April 2016. Mr. Jeffrey, Minfang Lu and Ms. Wu Wenting were appointed as directors on 15 September 2016. Mr. Yau Ka Chi was appointed as a director on 1 October 2016.
- b. During 2016, the two directors agreed to waive their entitlements to directors' fees totalling RMB520,000 (2015: RMB488,000) for the year. Other than the aforementioned, there was no arrangement under which a director waived or agreed to waive any remuneration during the year.
- c. As of 31 December 2016, certain directors were granted share options in respect of their services to the Group under the share option scheme of the Company, further details of which are set out in note 41 to the financial statements. In accordance with IFRS 2, share option benefits represent the fair value at the grant date of the share options issued under the share option scheme of the Company amortised to the consolidated statement of profit or loss during the year disregarding whether the options have been vested/exercised or not. During 2015, there was a reversal of share-based payment expenses relating to the share option lapsed due to the unfulfilment of vesting conditions under the share option scheme. The reversed share option benefits relating to the share options granted to Mr. Bai Ying was approximately RMB6,122,000.

9. 董事及主要行政人員薪酬(續)

附註：

- a. 寧高寧先生於二零一六年二月十九日辭任董事一職，Finn S. Hansen先生及Christine Neu先生於二零一六年四月一日辭任董事一職，孫伊萍女士、于旭波先生、柳丁女士及廖建文先生於二零一六年九月十五日辭任董事一職，胡國強先生於二零一六年十月一日辭任董事一職。馬建平先生於二零一六年二月十九日獲委任為董事，Tim Ørting Jørgensen先生及Filip Kegels先生於二零一六年四月一日獲委任為董事，盧敏放先生及吳文婷女士於二零一六年九月十五日獲委任為董事，邱家賜先生於二零一六年十月一日獲委任為董事。
- b. 二零一六年度，兩位董事同意放棄其董事袍金，金額合共人民幣520,000元(二零一五年：人民幣488,000元)。除前述者外，本年度並無任何有關董事放棄或同意放棄任何酬金的安排。
- c. 截至二零一六年十二月三十一日，若干董事就其向本集團提供的服務獲本公司根據購股權計劃授予購股權，詳情載於財務報表附註41。根據國際財務報告準則第2號，購股權福利指按本公司購股權計劃所發行的購股權於授出日期的公允值，年內已於綜合損益表內予以攤銷，而不論該等購股權是否已歸屬/行使。二零一五年內，撥回已失效購股權涉及的以股份為基礎的支付，乃由於購股權計劃項下的歸屬條件未獲達成。授予白瑛先生的購股權涉及的撥回購股權福利約人民幣6,122,000元。



Notes To Financial Statements 財務報表附註

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

Notes: (continued)

- d. As of 31 December 2016, Ms. Sun Yiping and Mr. Bai Ying were granted shares in respect of their services to the Group under the share award scheme of the Company, further details of which are set out in note 42 to the financial statements. In accordance with IFRS 2, share-based payments benefits represent the fair value at the grant date of the shares amortised to the consolidated statement of profit or loss during the year disregarding whether the shares have been vested/exercised or not. During the year, due to the unfulfilment of vesting conditions under the Share Award Scheme, there was a reversal of the share-based payments expenses relating to the shares granted to Ms. Sun Yiping of RMB48,122,000 (2015: recognised an expense RMB6,660,000). The share-based payments expenses relating to the shares granted to Mr. Bai Ying was RMB4,480,000 (2015: RMB15,806,000).
- e. In addition to the above remuneration paid or payable to Mr. Jeffrey, Minfang Lu, Yashili had an amount of RMB2,243,000 paid/payable to him as its executive director and chief executive officer during the year.

10. FIVE HIGHEST PAID EMPLOYEES

Two (2015: two) of the five highest paid employees were directors whose emoluments have been shown above. Details of emoluments paid to the remaining three (2015: three) non-director, highest paid employees, who are neither a director nor chief executive of the Company are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Basic salaries, housing benefits, other allowances and benefits in kind	基本薪金、住房福利、其他津貼及實物利益	10,939	6,626
Retirement scheme contributions	退休福利計劃供款	228	294
		11,167	6,920

9. 董事及主要行政人員薪酬(續)

附註：(續)

- d. 截至二零一六年十二月三十一日，孫伊萍女士及白瑛先生就其對本集團提供的服務獲本公司根據股票獎勵計劃獲授出股份，詳情載於財務報表附註42。根據國際財務報告準則第2號，以股份為基礎的支付福利指股份於授出日期的公允值，年內已於綜合損益表內予以攤銷，而不論該等股份是否已歸屬／行使。年內，由於股票獎勵計劃下的歸屬條件未能實現，有關授予孫伊萍女士的股份以股份為基礎的付款費用撥回人民幣48,122,000元(二零一五年：確認費用人民幣6,660,000元)。有關授予白瑛先生的股份以股份為基礎的付款費用為人民幣4,480,000元(二零一五年：人民幣15,806,000元)。
- e. 除上述已付或應付盧敏放先生的酬金外，雅士利就盧敏放先生於年內作為其執行董事及總裁已付／應付人民幣2,243,000元。

10. 五位最高薪僱員

五位最高薪僱員包括兩位(二零一五年：兩位)董事，有關彼等的酬金資料已於上文披露。本年度支付予本公司其餘三位(二零一五年：三位)非董事、最高薪僱員(非董事或總裁)的酬金如下：



Notes To Financial Statements 財務報表附註

10. FIVE HIGHEST PAID EMPLOYEES (continued)

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

10. 五位最高薪僱員 (續)

酬金列入以下組別的最高薪非董事僱員的數目如下：

		Number of employees 僱員數目	
		2016 二零一六年	2015 二零一五年
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	–	1
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	–	1
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	1	1
HK\$3,500,001 to HK\$4,000,000	3,500,001港元至4,000,000港元	–	–
HK\$4,000,001 to HK\$4,500,000	4,000,001港元至4,500,000港元	–	–
HK\$4,500,001 to HK\$5,000,000	4,500,001港元至5,000,000港元	2	–
		3	3

During 2015, share options were granted to one non-director, highest paid employee in respect of his services to the Group, further details of which are set out in note 41 to the financial statements. During 2015, the reversed share option benefits relating to the share options granted to the non-director, highest paid employee were approximately RMB8,034,000 in aggregate. The share option benefits relating to the share options granted to this non-director, highest paid employee are not included in the above analysis.

二零一五年內，一名最高薪非董事僱員就其對本集團的服務獲授購股權（有關詳情在財務報表附註41中披露）。二零一五年內，有關向該名最高薪非董事僱員授出購股權的撥回購股權福利合共約為人民幣8,034,000元。上述分析並無包括有關向該名最高薪非董事僱員授出購股權的購股權福利。

During the year, shares were granted to three (2015: three) non-director, highest paid employees in respect of their services under the share award scheme of the Company, further details of which are set out in note 42 to the financial statements. During the year, the share-based payments relating to the shares granted to non-director, highest paid employees were approximately RMB3,720,000 (2015: RMB7,323,000) in aggregate. The share-based payments relating to the shares granted to these non-director, highest paid employees are not included in the above analysis.

年內，三名（二零一五年：三名）最高薪非董事僱員就其服務根據本公司的股票獎勵計劃獲授股份（有關詳情在財務報表附註42中披露）。年內，有關向該等最高薪非董事僱員授出股份的以股份為基礎的支付合共約人民幣3,720,000元（二零一五年：人民幣7,323,000元）。上述分析並無包括有關向該等最高薪非董事僱員授出股份的以股份為基礎的支付。



Notes To Financial Statements 財務報表附註

11. INCOME TAX EXPENSE

Under the Law of the People's Republic of China on Corporate Income Tax ("PRC CIT Law"), except for certain preferential tax treatment available to certain subsidiaries of the Group, the entities within the Group are subject to PRC corporate income tax ("CIT") at a rate of 25% (2015: 25%) on the taxable income as reported in their statutory accounts which are prepared in accordance with the PRC accounting standards and financial regulations.

11. 所得稅支出

根據中華人民共和國企業所得稅法(「中國企業所得稅法」)，除本集團若干子公司獲授若干稅務優惠外，本集團旗下的企業應就其法定賬目所呈報應課稅利潤按25%(二零一五年：25%)之稅率交納中國企業所得稅(「企業所得稅」)，法定賬目乃按照中國會計準則及財務法規編製。

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Current income tax	即期所得稅		
Current charge for the year	本年即期支出	515,010	444,910
Adjustments recognised in the year for current tax of prior years	年內就往年當期所得稅確認的調整	28,200	13,196
Deferred income tax (note 23)	遞延所得稅(附註23)	(191,831)	51,932
		351,379	510,038



Notes To Financial Statements 財務報表附註

11. INCOME TAX EXPENSE (continued)

A reconciliation of the income tax expense applicable to profit/(loss) before tax at the statutory income tax rate to the income tax expense at the Group's effective income tax rate for the year is as follows:

11. 所得稅支出 (續)

在年度內，就稅前利潤／(虧損)按法定所得稅稅率計算的所得稅支出，與按照本集團實際所得稅稅率計算的所得稅支出調節如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
	Notes 附註		
Profit/(loss) before tax from continuing operations	來自持續經營業務之稅前利潤／(虧損)	(461,386)	3,030,170
At CIT rate of 25% (2015: 25%)	按25%(二零一五年：25%)企業所得稅稅率計算	(115,347)	757,543
Non-deductible items and others, net	不可抵扣的項目及其他(淨額)	553,309	(4,896)
Adjustment recognised in the year for current tax of prior years	年內就往年當期所得稅確認的調整	28,200	13,196
Effect of lower tax rates	低稅率的影響	(132,385)	(94,433)
Effect of tax exemptions	稅務豁免的影響	(191,709)	(201,942)
Losses/(profits) attributable to associates	聯營公司貢獻虧損／(利潤)	56,369	(25,912)
Tax losses utilised from previous periods	使用以往期間稅務虧損	(83,056)	(38,357)
Tax losses not recognised	未確認稅務虧損	235,998	104,839
At the effective income tax rate of (76.16%) (2015: 16.83%)	按(76.16%)(二零一五年：16.83%)實際所得稅稅率計算	351,379	510,038

Notes:

- (a) Included in the non-deductible items was an item relating to the impairment provision of goodwill related to the milk powder product CGU Group amounting to RMB563,449,000 in 2016 (2015: Nil).
- (b) Thirteen (2015: fifteen) subsidiaries were granted lower tax rates by the state tax bureau in accordance with the PRC CIT law and the corresponding transitional tax concession policy and "The notice of tax policies relating to the implementation of the western China development strategy."
- Twenty-eight (2015: twenty-two) subsidiaries were granted tax exemptions in accordance with the policy of "The notice of preferential tax policy for preliminary processing of agriculture products".
- The total taxable profits of the subsidiaries that are subject to tax concessions amounted to approximately RMB1,635,273,000 (2015: RMB1,102,545,000) in aggregate.
- (c) The share of tax attributable to associates amounting to approximately RMB7,491,000 (2015: RMB3,641,000) is included in the share of profits of associates on the face of the consolidated statement of profit or loss.

附註：

- (a) 計入不可抵扣的項目中包括二零一六年就奶粉產品現金產生單位組別提撥商譽減值撥備人民幣563,449,000元(二零一五年：無)。
- (b) 十三間(二零一五年：十五間)子公司獲國家稅務局根據中國企業所得稅法、有關稅收優惠過渡政策及《關於深入實施西部大開發戰略有關稅收政策問題的通知》授予低稅率優惠。
- 二十八間(二零一五年：二十二間)子公司獲根據《關於發佈享受企業所得稅優惠政策的農產品初加工範圍(試行)的通知》的政策豁免稅務。
- 獲授稅務優惠的子公司的應課稅利潤總額合共約人民幣1,635,273,000元(二零一五年：人民幣1,102,545,000元)。
- (c) 聯營公司應佔稅項約人民幣7,491,000元(二零一五年：人民幣3,641,000元)，已計入綜合損益表的應佔聯營公司利潤內。



12. DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

On 29 August 2013, Inner Mongolia Mengniu Founding Industry Management Co., Ltd. (“Founding”) acquired an additional 64% equity interest in Chengdu Mengniu Dairy Sales Co., Ltd. (“Chengdu Sales”) exclusively with a view to subsequent disposal within one year. Prior to the acquisition, Chengdu Sales was a 36% associate of Founding. The purchase consideration for the acquisition was in the form of cash of RMB5,763,000 paid on the acquisition date. Chengdu Sales engages in the dairy products trading business. The subsidiary was acquired for the purpose of the Group’s distributorship reorganisation. As at 31 December 2013 and 2014, Chengdu Sales was in the process of liquidation. On 15 December 2015, the liquidation procedures had been concluded. As such the net assets of Chengdu Sales had been classified as a disposal group in the consolidated statement of financial position as at 31 December 2013 and 2014, and the operating results of Chengdu Sales for the years ended 31 December of 2013, 2014 and 2015 had been disclosed as a discontinued operation in the consolidated statement of profit or loss.

As at 31 December 2015, Yashili planned to dispose, in the next 12 months, of Scient (China) Baby Nourishment Co., Ltd. (“Scient China”) and Heilongjiang Yashilli Dairy Co., Ltd. (“Yashili Heilongjiang”), which no longer operated as at 31 December 2015. Scient China and Yashili Heilongjiang were principally engaged in the production and sale of paediatric milk formula products and base powders, respectively. The proposed disposal is pursued in view of the key strategic deployment of Yashili in the next five years, with an aim to provide a highly efficient and modern production layout through attaining an optimised and reasonable production capacity. As at 31 December 2016, the negotiation for the sale of Scient China was still in progress and expected to be completed in the next 12 months, while the disposal effort of Yashili Heilongjiang was temporarily ceased. As such, the net assets of Scient China were classified as a disposal group held for sale as at 31 December 2015 and 2016, while the net assets of Yashili Heilongjiang were classified as a disposal group held for sale as at 31 December 2015 and were ceased to be classified as a disposal group held for sale as at 31 December 2016.

In addition, Danone Dairy (Shanghai) Co., Ltd. (“Danone Shanghai”), an indirectly owned subsidiary of the Group, intends to dispose, in the next 12 months, of a dairy processing plant it no longer utilises as at 31 December 2015, which includes a parcel of land use rights, certain production lines and related buildings. As at 31 December 2015, final negotiation for the sale was in progress. As such the related assets of Danone Shanghai had been classified as a disposal group held for sale as at 31 December 2015. As at 31 December 2016, the transaction had been concluded.

12. 分類為持有待售的處置組

二零一三年八月二十九日，內蒙古蒙牛方鼎產業管理有限責任公司（「方鼎」）增購成都蒙牛乳業銷售有限責任公司（「成都銷售」）64%股權，其純粹旨在隨後於一年內出售該等股權。收購前，成都銷售為方鼎佔36%的聯營公司。收購的購買代價以現金人民幣5,763,000元於收購日期支付。成都銷售從事乳製品交易事務。收購該子公司旨在配合本集團重組經銷商架構。於二零一三年及二零一四年十二月三十一日，成都銷售仍處於註銷過程中。二零一五年十二月十五日，該公司註銷過程完成。故成都銷售於二零一三年及二零一四年十二月三十一日的資產淨值於綜合財務狀況表分類為處置組，而成都銷售截至二零一三年、二零一四年及二零一五年十二月三十一日止年度的經營業績於綜合損益表內披露為一項已終止經營業務。

二零一五年十二月三十一日，雅士利計劃於未來12個月出售其於二零一五年十二月三十一日不再經營的施恩（中國）嬰幼兒營養品有限公司（「施恩中國」）及黑龍江雅士利乳業有限公司（「雅士利（黑龍江）」）。施恩中國及雅士利（黑龍江）分別主要從事製造及銷售嬰幼兒配方奶粉及基粉。進行建議出售旨在達成雅士利未來五年的策略性發展，旨在透過達致最佳及合理產能提供一個高效率的現代化生產佈局。二零一六年十二月三十一日仍就出售施恩中國磋商，預期於未來12個月完成，而出售雅士利（黑龍江）的工作則暫停。故此，施恩中國的淨資產於二零一五年及二零一六年十二月三十一日分類為持有待售的處置組，而雅士利（黑龍江）的淨資產於二零一五年十二月三十一日分類為持有待售的處置組，並於二零一六年十二月三十一日不再分類為持有待售的處置組。

此外，本集團間接子公司達能乳業（上海）有限公司（「達能上海」）擬於未來十二個月出售其於二零一五年十二月三十一日不再使用的乳品加工廠，包括一幅土地的土地使用權、若干生產線及相關樓宇。二零一五年十二月三十一日正就出售進行最後階段磋商，故此，達能上海的相關資產於二零一五年十二月三十一日分類為持有待售的處置組。於二零一六年十二月三十一日，該交易已完成。



Notes To Financial Statements 財務報表附註

12. DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE (continued)

The major classes of assets and liabilities of disposal groups classified as held for sale as at 31 December are as follows:

12. 分類為持有待售的處置組(續)

於十二月三十一日分類為持有待售的處置組的主要資產及負債類別如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Assets	資產		
Property, plant and equipment	物業、廠房及設備	134,453	242,645
Construction in progress	在建工程	-	378
Investment properties	投資物業	44,774	44,538
Land use rights	土地使用權	31,079	50,110
Other intangible assets	其他無形資產	645	144
Deferred tax assets	遞延稅項資產	-	8,575
Inventories	存貨	-	31,229
Trade and bills receivables	應收賬款及票據	39	144,094
Prepayments, deposits and other receivables	預付款、按金及其他應收款項	10,589	6,370
Cash and bank balances	現金及銀行結存	1,080	961
		222,659	529,044
Less: Intra-group receivables	減：集團內公司間應收款項	(7,521)	(144,691)
Assets classified as held for sale	分類為持有待售的資產	215,138	384,353
Liabilities	負債		
Trade and bills payables	應付賬款及票據	201	33,454
Other payables and accruals	其他應付款項及預提費用	6,440	78,152
Deferred tax liabilities	遞延稅項負債	2,864	5,414
		9,505	117,020
Less: Intra-group payables	減：集團內公司間應付款項	(1,653)	(101,312)
Liabilities directly associated with the assets classified as held for sale	與分類為持有待售的資產直接相關的負債	7,852	15,708
Net assets directly associated with disposal groups	與處置組直接相關的淨資產	207,286	368,645



Notes To Financial Statements 財務報表附註

13. DIVIDENDS

13. 股息

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
	Notes 附註		
<i>Declared and paid during the year</i>	本年度宣派及支付		
Equity dividends on ordinary shares	普通股股息	552,697	546,923
<i>Proposed for approval at the AGM</i>	提呈於股東週年大會批准		
Equity dividends on ordinary shares: Proposed final – RMB0.089 (2015: RMB0.14) per ordinary share	普通股股息： 擬派末期股息 — 每股普通股 人民幣0.089元 (二零一五年： 人民幣0.14元)	349,327	549,357
	(a)/(b)		

Notes:

- (a) The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming Annual General Meeting (the "AGM").
- (b) This dividend was not recognised as a liability in the consolidated financial statements as at 31 December 2016 but will be reflected as an appropriation of share premium account for the year ending 31 December 2017.

附註：

- (a) 擬派年度期末股息須由本公司股東在應屆股東週年大會(「股東週年大會」)批准。
- (b) 該等股息並未於二零一六年十二月三十一日的綜合財務報表確認為負債，但將反映為截至二零一七年十二月三十一日止年度的股份溢價分配。



Notes To Financial Statements 財務報表附註

14. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY**(a) Basic earnings/(loss) per share**

The basic earnings/(loss) per share for the year is calculated by dividing the profit/(loss) for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

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

14. 本公司普通股擁有人應佔每股盈利/(虧損)**(a) 每股基本盈利/(虧損)**

本年度每股基本盈利/(虧損)乃根據年內本公司普通股擁有人應佔利潤/(虧損)除以年內已發行普通股的加權平均數計算。

計算每股基本盈利/(虧損)時所用加權平均股份數目調節如下：

		2016 二零一六年 Number of shares 股份數目 '000 千股	2015 二零一五年 Number of shares 股份數目 '000 千股
Issued ordinary shares at 1 January	於一月一日已發行普通股	3,923,977	1,958,591
Effect of shares repurchase and cancellation	股份購回及註銷的影響	(5,052)	-
Effect of bonus shares	紅股的影響	-	1,961,292
Effect of share options exercised	已行使購股權的影響	2,550	2,391
Effect of shares purchased under share award scheme	根據股票獎勵計劃 回購股份的影響	(35,300)	(33,073)
Weighted average number of ordinary shares for the purpose of the basic earnings/(loss) per share calculation	計算每股基本盈利/(虧損)所用的普通股 加權平均數	3,886,175	3,889,201



Notes To Financial Statements 財務報表附註

14. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (continued)

(b) Diluted earnings/(loss) per share

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

No adjustment has been made to the basic loss per share amount presented for the year ended 31 December 2016 in respect of a dilution because the impact of the share options and shares under share award scheme outstanding had an anti-dilutive effect on the basic loss per share amount presented.

For the year ended 31 December 2015, the reconciliation of the weighted average number of shares used in calculating the diluted earnings per share amount is as follows:

14. 本公司普通股擁有人應佔每股盈利/(虧損)(續)

(b) 每股攤薄盈利/(虧損)

每股攤薄盈利/(虧損)乃根據年內本公司普通股擁有人應佔利潤/(虧損)除以用作計算每股基本盈利/(虧損)所採用的年內已發行普通股加權平均數，並假設年內所有具攤薄結果的普通股按無代價發行或轉換為普通股的普通股加權平均數計算。

由於尚未行使的購股權及有關股票獎勵計劃的股份對截至二零一六年十二月三十一日止年度所呈列的每股基本虧損金額具有反攤薄影響，故該年度所呈列的每股基本虧損金額概無就攤薄作出調整。

截至二零一五年十二月三十一日止年度，計算每股攤薄盈利時所用加權平均股份數目調節如下：

		2015 二零一五年 Number of shares 股份數目 '000 千股
Weighted average number of ordinary shares for the purpose of the basic earnings per share calculation	計算每股基本盈利所用的普通股加權平均數	3,889,201
Weighted average number of ordinary shares, assuming issued at no consideration on the deemed exercise of all share options during the year	假設年內所有購股權獲行使並按無代價發行之普通股加權平均數	3,281
Adjustments for share award scheme	就股票獎勵計劃作出調整	4,761
Weighted average number of ordinary shares for the purpose of the diluted earnings per share calculation	計算每股攤薄盈利所用的普通股加權平均數	3,897,243



Notes To Financial Statements 財務報表附註

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Freehold land 永久業權土地 RMB'000 人民幣千元	Buildings and structures 房屋及建築物 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Office equipment 辦公設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日						
Cost	成本	37,095	6,011,772	13,362,562	776,500	159,473	20,347,402
Accumulated depreciation and impairment	累計折舊及減值	-	(1,558,484)	(6,674,526)	(363,713)	(112,702)	(8,709,425)
Net carrying amount	賬面淨值	37,095	4,453,288	6,688,036	412,787	46,771	11,637,977
At 1 January 2016, net of accumulated depreciation and impairment	於二零一六年一月一日， 扣減累計折舊及減值	37,095	4,453,288	6,688,036	412,787	46,771	11,637,977
Additions	添置	-	198,320	431,449	247,510	9,459	886,199
Transfers from construction in progress (note 16)	轉撥自在建工程 (附註16)	13,625	587,802	1,150,239	47,936	4,332	1,803,934
Transfers to construction in progress (note 16)	轉撥至在建工程 (附註16)	-	(361)	(74,124)	-	-	(74,485)
Transfers to investment properties (note 17)	轉撥至投資物業 (附註17)	-	(50,621)	-	-	-	(50,621)
Acquisition of subsidiaries	收購子公司	-	59,622	10,479	9,372	1,704	81,177
Disposals	出售	-	(111,372)	(63,451)	(7,345)	(4,038)	(186,206)
Transfers from assets of a disposal group classified as held for sale	轉撥自分類為持有待售的 處置組資產	-	20,013	15,840	2,009	1,061	38,923
Depreciation provided during the year (note 7)	年內折舊撥備 (附註7)	-	(307,768)	(1,065,040)	(146,875)	(16,721)	(1,536,404)
Exchange realignment	匯兌調整	3,793	18,299	75,121	289	378	97,880
At 31 December 2016, net of accumulated depreciation and impairment	於二零一六年 十二月三十一日， 扣減累計折舊及減值	54,513	4,866,683	7,168,549	565,683	42,946	12,698,374
At 31 December 2016	於二零一六年 十二月三十一日						
Cost	成本	54,513	6,671,726	14,699,828	1,017,738	158,146	22,601,951
Accumulated depreciation and impairment	累計折舊及減值	-	(1,805,043)	(7,531,279)	(452,055)	(115,200)	(9,903,577)
Net carrying amount	賬面淨值	54,513	4,866,683	7,168,549	565,683	42,946	12,698,374



Notes To Financial Statements 財務報表附註

15. PROPERTY, PLANT AND EQUIPMENT

(continued)

15. 物業、廠房及設備(續)

		Freehold land 永久業權土地 RMB'000 人民幣千元	Buildings and structures 房屋及建築物 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Office equipment 辦公設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日						
Cost	成本	40,103	5,334,002	11,392,719	628,299	182,384	17,577,507
Accumulated depreciation and impairment	累計折舊及減值	-	(1,443,198)	(6,055,361)	(299,519)	(112,121)	(7,910,199)
Net carrying amount	賬面淨值	40,103	3,890,804	5,337,358	328,780	70,263	9,667,308
At 1 January 2015, net of accumulated depreciation and impairment	於二零一五年一月一日， 扣減累計折舊及減值	40,103	3,890,804	5,337,358	328,780	70,263	9,667,308
Additions	添置	-	40,459	522,561	222,815	13,146	798,981
Transfers from construction in progress (note 16)	轉撥自在建工程 (附註16)	-	975,415	1,927,393	14,977	2,859	2,920,644
Transfers from investment properties (note 17)	轉撥自投資物業 (附註17)	-	36,168	-	-	-	36,168
Acquisition of a subsidiary	收購子公司	-	-	-	241	-	241
Disposals	出售	-	(61,959)	(81,537)	(5,875)	(3,339)	(152,710)
Disposal of subsidiaries (note 45)	出售子公司(附註45)	-	(229)	(6,117)	(13,314)	(535)	(20,195)
Assets of disposal groups classified as held for sale (note 12)	分類為持有待售的 處置組資產 (附註12)	-	(176,230)	(59,039)	(4,483)	(2,893)	(242,645)
Depreciation provided during the year (note 7)	年內折舊撥備 (附註7)	-	(259,238)	(969,211)	(130,190)	(32,663)	(1,391,302)
Exchange realignment	匯兌調整	(3,008)	8,098	16,628	(164)	(67)	21,487
At 31 December 2015, net of accumulated depreciation and impairment	於二零一五年 十二月三十一日， 扣減累計折舊及減值	37,095	4,453,288	6,688,036	412,787	46,771	11,637,977
At 31 December 2015	於二零一五年 十二月三十一日						
Cost	成本	37,095	6,011,772	13,362,562	776,500	159,473	20,347,402
Accumulated depreciation and impairment	累計折舊及減值	-	(1,558,484)	(6,674,526)	(363,713)	(112,702)	(8,709,425)
Net carrying amount	賬面淨值	37,095	4,453,288	6,688,036	412,787	46,771	11,637,977



Notes To Financial Statements 財務報表附註

15. PROPERTY, PLANT AND EQUIPMENT

(continued)

- (a) Certain property, plant and equipment of the Group with net book values of approximately RMB184,937,000 (2015: RMB217,460,000), RMB117,245,000 (2015: RMB65,877,000) and RMB211,681,000 (2015: RMB42,674,000) as at 31 December 2016 have been pledged to secure the long term payables (note 35), short term bank loans (note 32) and long term bank loans (note 32), respectively.
- (b) The Group leases its ranch facilities included in property, plant and equipment with a net book value of approximately RMB7,564,000 (2015: RMB127,011,000) to independent third parties under operating lease arrangements, with lease terms ranging from five to eight years (note 48(a)).

16. CONSTRUCTION IN PROGRESS

Movements of construction in progress are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Carrying amount at beginning of year	年初賬面值	900,939	2,030,097
Acquisition of subsidiaries	收購子公司	130,627	-
Additions during the year	年內添置	1,976,081	2,311,753
Assets of disposal groups classified as held for sale (note 12)	分類為持有待售的處置組資產(附註12)	-	(378)
Transfers from assets of disposal groups classified as held for sale	轉撥自分類為持有待售的處置組資產	41	-
Transfers from property, plant and equipment (note 15)	轉撥自物業、廠房及設備(附註15)	74,485	-
Disposal of subsidiaries (note 45)	出售子公司(附註45)	-	(267,693)
Transfers to property, plant and equipment (note 15)	轉撥至物業、廠房及設備(附註15)	(1,803,934)	(2,920,644)
Transfers to other intangible assets (note 20)	轉撥至其他無形資產(附註20)	(5,010)	(133,518)
Transfers to land use rights (note 18)	轉撥至土地使用權(附註18)	-	(41,807)
Impairment (note 6)	減值(附註6)	(1,712)	-
Exchange realignment	匯兌調整	327	(76,871)
Carrying amount at end of year	年終賬面值	1,271,844	900,939

15. 物業、廠房及設備(續)

- (a) 本集團若干於二零一六年十二月三十一日賬面淨值約人民幣184,937,000元(二零一五年:人民幣217,460,000元)、人民幣117,245,000元(二零一五年:人民幣65,877,000元)及人民幣211,681,000元(二零一五年:人民幣42,674,000元)的物業、廠房及設備已經分別用作本集團獲得長期應付款項(附註35)、短期銀行貸款(附註32)及長期銀行貸款(附註32)的抵押品。
- (b) 本集團根據經營租賃安排向若干獨立第三方租賃其列入物業、廠房及設備的牧場設施的賬面淨值約人民幣7,564,000元(二零一五年:人民幣127,011,000元),租賃為期五年至八年(附註48(a))。

16. 在建工程

本集團的在建工程變動如下:



Notes To Financial Statements 財務報表附註

17. INVESTMENT PROPERTIES

17. 投資物業

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January, net of accumulated depreciation	於一月一日，扣減累計折舊	20,078	103,814
Additions during the year	年內添置	550	-
Transfers from property, plant and equipment (note 15)	轉撥自物業、廠房及設備(附註15)	50,621	-
Transfers to property, plant and equipment (note 15)	轉撥至物業、廠房及設備(附註15)	-	(36,168)
Assets of disposal groups classified as held for sale	分類為持有待售的處置組資產	-	(44,538)
Disposals	出售	(1,306)	-
Depreciation provided during the year (note 7)	年內折舊撥備(附註7)	(2,457)	(3,030)
At 31 December, net of accumulated depreciation	於十二月三十一日，扣減累計折舊	67,486	20,078
At 31 December	於十二月三十一日		
Cost	成本	75,032	23,894
Accumulated depreciation	累計折舊	(7,546)	(3,816)
Net carrying amount	賬面淨值	67,486	20,078

The fair value of the investment properties, as determined by the directors of the Company, based on the market approach with reference to market transaction prices of similar properties, taking into account other factors, i.e., characteristics of the properties and locations, was estimated to be approximately RMB94,566,000 as at 31 December 2016 (2015: RMB28,547,000).

投資物業公允值於二零一六年十二月三十一日估計約為人民幣94,566,000元(二零一五年：人民幣28,547,000元)，該公允值由本公司董事根據市場法及參考類似物業的市場交易價格釐定，並已計及其他因素，即物業特質及地點等。



Notes To Financial Statements 財務報表附註

17. INVESTMENT PROPERTIES (continued)**Fair value hierarchy**

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

17. 投資物業(續)**公允價值層級**

下表載列有關本集團投資物業的公允價值計量等級：

		Fair value measurements as at 31 December 2016 using 於二零一六年十二月三十一日使用的公允價值計量			
		Quoted prices in active markets (Level 1) 活躍市場的 報價 (第一級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Fair value measurement for:	就下列各項的 公允價值計量：				
Commercial properties	商用物業	-	-	94,566	94,566

		Fair value measurements as at 31 December 2015 using 於二零一五年十二月三十一日使用的公允價值計量			
		Quoted prices in active markets (Level 1) 活躍市場的 報價 (第一級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Fair value measurement for:	就下列各項的 公允價值計量：				
Commercial properties	商用物業	-	-	28,547	28,547

During the year, there were no transfers into or out of Level 3 (2015: Nil).

年內，概無轉入第三級或自第三級轉出(二零一五年：無)。



Notes To Financial Statements 財務報表附註

18. LAND USE RIGHTS

18. 土地使用權

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Carrying amount at beginning of year	年初賬面值	908,368	1,073,291
Transfers from construction in progress (note 16)	轉撥自在建工程(附註16)	-	41,807
Additions during the year	年內添置	46,285	17,093
Acquisition of subsidiaries	收購子公司	76,555	-
Transfers from assets of disposal groups classified as held for sale	轉撥自持有待售的處置組資產	2,578	-
Disposal of a subsidiary (note 45)	出售子公司(附註45)	-	(141,651)
Disposal	出售	(3,716)	(6,057)
Assets of disposal groups classified as held for sale	分類為持有待售的處置組資產	-	(50,110)
Amortisation provided during the year (note 7)	年內計提攤銷(附註7)	(24,760)	(26,005)
Carrying amount at end of year	年終賬面值	1,005,310	908,368
Current portion included in prepayments, deposits and other receivables under current assets (note 28)	計入流動資產中預付款、按金及其他應收款項的即期部分(附註28)	21,516	19,688
Non-current portion	非即期部分	983,794	888,680
		1,005,310	908,368

Certain land use rights of the Group with net book values of approximately RMB21,867,000 (2015: RMB9,485,000) and RMB93,215,000 (2015: RMB23,454,000) have been pledged to secure the short term bank loans and long term bank loans of the Group, details of which are set out in note 32 to the financial statements.

本集團賬面淨值約人民幣21,867,000元(二零一五年: 人民幣9,485,000元)及人民幣93,215,000元(二零一五年: 人民幣23,454,000元)的若干土地使用權已作為本集團短期銀行貸款及長期銀行貸款的抵押, 有關詳情載於財務報表附註32。



Notes To Financial Statements 財務報表附註

19. GOODWILL

19. 商譽

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日的賬面值	5,850,599	5,837,501
Acquisition of subsidiaries	收購子公司	930,713	13,098
Impairment during the year (note 21)	年內減值(附註21)	(2,253,794)	-
Carrying amount at 31 December	於十二月三十一日的賬面值	4,527,518	5,850,599

During 2016, Yashili, a 51.01% indirectly owned subsidiary of the Company, acquired a 100% equity interest in Dumex China. The business acquisition gave rise to goodwill of RMB718,476,000. Further details of the acquisition are included in note 44 to the financial statements.

During 2016, Linxia Yiqing Muslim Food Co., Ltd. ("Linxia Yiqing"), a 70% indirectly owned subsidiary of the Company, acquired a 70% equity interest in Inner Mongolia Yiqing Food Co., Ltd. ("Inner Mongolia Yiqing") from Inner Mongolia Fuyuan Farming Co., Ltd. ("Fuyuan"), an associate of the Group, and acquired a 30% equity interest in Inner Mongolia Yiqing from independent third parties. The business acquisition gave rise to goodwill of RMB48,452,000. Further details of the acquisition are included in note 44 to the financial statement.

During 2016, the Group acquired an additional 87% equity interest in Shanghai Mengniu Dairy Co., Ltd. ("Shanghai Mengniu"), in which the Group originally had an equity interest of 13%. The business acquisition gave rise to goodwill of RMB125,212,000. Further details of the acquisition are included in note 44 to the financial statements.

During 2016, the Group acquired nine other subsidiaries from third parties. These subsidiaries are mainly engaged in the sale of dairy products. The total purchase consideration for these acquisitions were in the form of cash of RMB40,638,000 paid at acquisition date. These business acquisitions gave rise to goodwill of RMB38,573,000 in total.

During 2015, the Group acquired an additional 72% equity interest in Wuhan Mengniu Dairy Co., Ltd. ("Wuhan Mengniu"), in which the Group originally had an equity interest of 28%, from an independent third party. Wuhan Mengniu is mainly engaged in the sale of dairy products. The purchase consideration for the acquisition was in the form of cash of RMB40,103,000 paid at the acquisition date. This business acquisition gave rise to goodwill of RMB13,098,000.

As at 31 December 2016 and 2015, the goodwill was tested for impairment (note 21).

二零一六年內，本公司間接擁有51.01%權益的子公司雅士利收購多美滋中國全部股權。是項業務收購產生商譽人民幣718,476,000元。收購進一步詳情載於財務報表附註44。

二零一六年內，本公司間接擁有70%股權的子公司臨夏壹清真食品有限公司(「臨夏壹清」)向本集團聯營公司內蒙古富源牧業有限責任公司(「富源」)收購內蒙古壹清食品有限公司(「內蒙壹清」)70%股權，並向獨立第三方收購內蒙壹清30%股權。是項業務收購產生商譽人民幣48,452,000元。收購進一步詳情載於財務報表附註44。

二零一六年內，本集團收購上海蒙牛乳業有限公司(「上海蒙牛」)額外87%股權(本集團原於該公司持有13%股權)。是項業務收購產生商譽人民幣125,212,000元。收購進一步詳情載於財務報表附註44。

二零一六年內，本集團向第三方收購其他九間子公司。此等子公司主要從事銷售乳製品。此等收購的總收購代價以現金形式支付，於收購日期支付人民幣40,638,000元。此等業務收購產生商譽共人民幣38,573,000元。

二零一五年，本集團向一名獨立第三方收購武漢蒙牛乳業有限公司(「武漢蒙牛」)額外72%股權(本集團原於該公司持有28%股權)。武漢蒙牛主要從事銷售乳製品。收購代價以現金人民幣40,103,000元於收購日期支付。是項業務收購產生商譽人民幣13,098,000元。

於二零一六年及二零一五年十二月三十一日，商譽已進行減值測試(附註21)。



Notes To Financial Statements 財務報表附註

20. OTHER INTANGIBLE ASSETS

Movements of other intangible assets are as follows:

20. 其他無形資產

其他無形資產變動如下：

		Patents and licences 專利及特許權 RMB'000 人民幣千元	Trademarks 商標 RMB'000 人民幣千元 Note a 附註a	Computer software 電腦軟件 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元 Note b 附註b	Total 總計 RMB'000 人民幣千元
Cost at 1 January 2016, net of accumulated amortisation	於二零一六年一月一日， 按成本值，扣減累計攤銷	1,803	1,542,259	175,296	11,660	1,731,018
Acquisition of subsidiaries	收購子公司	-	301,155	93	75,952	377,200
Additions	添置	-	-	10,922	-	10,922
Transfer from construction in progress (note 16)	轉撥自在建工程 (附註16)	-	-	5,010	-	5,010
Amortisation provided during the year (note 7)	年內計提攤銷 (附註7)	(644)	(1,560)	(34,161)	(1,538)	(37,903)
At 31 December 2016	於二零一六年十二月三十一日	1,159	1,841,854	157,160	86,074	2,086,247
At 31 December 2016 Cost	於二零一六年十二月三十一日 成本	5,313	1,857,064	247,014	91,142	2,200,533
Accumulated amortisation	累計攤銷	(4,154)	(15,210)	(89,854)	(5,068)	(114,286)
Net carrying amount	賬面淨值	1,159	1,841,854	157,160	86,074	2,086,247
Cost at 1 January 2015, net of accumulated amortisation	於二零一五年一月一日， 按成本值，扣減累計攤銷	9,605	1,543,819	53,757	13,194	1,620,375
Additions	添置	-	-	7,737	-	7,737
Transfer from construction in progress (note 16)	轉撥自在建工程 (附註16)	-	-	133,518	-	133,518
Disposal	出售	(3,333)	-	(3,184)	-	(6,517)
Assets of disposal groups classified as held for sale (note 12)	分類為持有待售的 處置組資產(附註12)	-	-	(144)	-	(144)
Amortisation provided during the year (note 7)	年內計提攤銷 (附註7)	(4,469)	(1,560)	(16,388)	(1,534)	(23,951)
At 31 December 2015	於二零一五年十二月三十一日	1,803	1,542,259	175,296	11,660	1,731,018
At 31 December 2015 Cost	於二零一五年十二月三十一日 成本	5,336	1,555,909	232,599	15,195	1,809,039
Accumulated amortisation	累計攤銷	(3,533)	(13,650)	(57,303)	(3,535)	(78,021)
Net carrying amount	賬面淨值	1,803	1,542,259	175,296	11,660	1,731,018



Notes To Financial Statements 財務報表附註

20. OTHER INTANGIBLE ASSETS (continued)

Notes:

- (a) There were five trademarks: a trademark acquired in 2007 at a cost of RMB15,690,000, which was stated at cost less any impairment losses and was amortised on the straight-line basis over its estimated useful life of 10 years; four trademarks acquired as part of business combination in 2010 at RMB174,219,000, in 2013 at RMB1,366,000,000, in 2016 at RMB283,047,000 and RMB18,108,000 respectively, which were regarded as having indefinite useful lives because the trademarked products are expected to generate net cash inflows indefinitely. As at 31 December 2016 and 2015, the four trademarks with indefinite useful lives were tested for impairment (note 21).
- (b) Others represented the exclusive right of distribution channels of RMB78,147,000 acquired as part of business combinations, and the customer relationships with an amount of RMB13,000,000 acquired as part of a business combination in 2014. They were stated at cost less any impairment losses and were amortised on the straight-line basis over their estimated useful lives ranging from 10 to 15 years.

21. IMPAIRMENT TESTING OF GOODWILL AND TRADEMARKS WITH INDEFINITE USEFUL LIVES

Goodwill and trademarks with indefinite useful lives acquired through business combinations have been allocated to the following cash-generating units (the “CGUs”) or groups of cash-generating units (the “CGU Groups”) for impairment testing:

- liquid milk products CGU Group excluding Shijiazhuang Junlebao Dairy Co., Ltd. (“Junlebao”) CGU Group;
- ice cream products CGU Group excluding Yiqing CGU;
- milk powder products CGU Group;
- low temperature products CGU Group;
- Junlebao CGU Group; and
- Yiqing CGU.

20. 其他無形資產附註：(續)

附註

- (a) 商標共有五個：一個於二零零七年按成本人民幣15,690,000元收購，已按成本減去任何減值損失列賬及以直線法按其估計可使用年期十年攤銷；四個則為業務合併一部分，分別於二零一零年及二零一三年以人民幣174,219,000元及人民幣1,366,000,000元收購，以及於二零一六年以人民幣283,047,000元及人民幣18,108,000元收購，並因商標產品預期可以無限期限產生淨現金流入而被視為擁有無限可使用年期。於二零一六年及二零一五年十二月三十一日，上述四個無限年期的商標已進行減值測試(附註21)。
- (b) 其他指作為業務合併的一部分，以人民幣78,147,000元收購的分銷渠道專營權，以及作為業務合併一部分，於二零一四年以人民幣13,000,000元收購的客戶關係。彼等按成本減任何減值虧損列賬並就彼等介乎10至15年的估計可使用年期按直線基準攤銷。

21. 商譽及無限年期商標的減值測試

透過業務合併取得的商譽及無限年期商標已分配至下列現金產生單位(「現金產生單位」)或現金產生單位組別(「現金產生單位組別」)作減值測試：

- 液態奶產品現金產生單位組別(石家莊君樂寶乳業有限公司(「君樂寶」)現金產生單位組別除外)；
- 冰淇淋產品現金產生單位組別(壹清現金產生單位除外)；
- 奶粉產品現金產生單位組別；
- 低溫產品現金產生單位組別；
- 君樂寶現金產生單位組別；及
- 壹清現金產生單位。



Notes To Financial Statements 財務報表附註

21. IMPAIRMENT TESTING OF GOODWILL AND TRADEMARKS WITH INDEFINITE USEFUL LIVES (continued)

Goodwill and trademarks with indefinite useful lives before impairment provision allocated to each of the CGUs or CGU Groups are as follows:

		Liquid milk products		Ice cream products		Milk powder products		Low temperature products		Junlebao		Wuhan Mengniu [#]		Yiqing		Total	
		液態奶產品	冰淇淋產品	奶粉產品	低溫產品	君樂寶	武漢蒙牛 [#]	壹清	總計								
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
		RMB'000	RMB'000	RMB'000	RMB'000	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	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Goodwill	商譽	344,316	167,433	23,865	23,865	5,938,823	5,220,347	142,563	142,563	283,293	283,293	-	13,098	48,452	-	6,781,312	5,850,599
Trademarks	商標	-	-	-	-	1,649,047	1,366,000	-	-	174,219	174,219	-	-	18,108	-	1,841,374	1,540,219
		344,316	167,433	23,865	23,865	7,587,870	6,586,347	142,563	142,563	457,512	457,512	-	13,098	66,560	-	8,622,686	7,390,818

[#] The goodwill allocated to Wuhan Mengniu CGU in 2015 was reallocated to liquid milk products CGU Group due to the Group's reorganisation.

The recoverable amount of each CGU or CGU Group has been determined based on a value in use calculation using cash flow projections based on financial budgets or forecasts approved by senior management covering a five-year period.

Assumptions were used in the value in use calculation of each CGU or CGU Group for 31 December 2016 and 2015. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

- Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margin achieved in the three years immediately before the budget year, adjusted for expected efficiency improvements and expected increase in production costs.
- Raw materials price fluctuation – Reference is made to the actual data of the past year of countries from where raw materials are sourced.

21. 商譽及無限年期商標的減值測試 (續)

分配至各現金產生單位或現金產生單位組別的減值撥備前商譽及無限可使用年期商標的總額如下：

[#] 基於本集團重組，二零一五年分配予武漢蒙牛現金產生單位的商譽重新分配予液態奶產品現金產生單位組別。

各現金產生單位或現金產生單位組別的可收回金額以經高級管理人員批准的五年財政預算或預測為基準，採用現金流量預測計算所得的使用價值予以釐定。

計算二零一六年及二零一五年十二月三十一日各現金產生單位或現金產生單位組別的使用價值時採用若干假設。管理層按現金流量預測進行商譽減值測試所依據的各項主要假設詳述如下：

- 預算毛利率 – 用於釐定預算毛利率價值的基準乃緊接預算年度前三年達致的平均毛利率，並因應預計效能提升及預期生產成本增加而予以調整。
- 原材料價格變動 – 參考原料採購國家往年實際數據。



Notes To Financial Statements 財務報表附註

21. IMPAIRMENT TESTING OF GOODWILL AND TRADEMARKS WITH INDEFINITE LIVES (continued)

- c) Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant CGUs or CGU Groups.
- d) Growth rates – The growth rates used to extrapolate the cash flows beyond the five-year period are based on the estimated growth rate of each unit taking into account the industry growth rate, past experience and the medium or long term growth target of each CGU or CGU Group.

The discount rates applied to cash flow projections and the growth rates used to extrapolate cash flows beyond the five-year period are as follows:

21. 商譽及無限年期商標的減值測試 (續)

- c) 折現率 – 所用折現率乃稅前並反映有關現金產生單位或現金產生單位組別的特定風險。
- d) 增長率 – 用於推算五年期以後現金流量的增長率，乃以各單位的估計增長率為基準，並考慮行業增長率、過往經驗及各現金產生單位或現金產生單位組別的中長期增長目標計算所得。

用於現金流量預測的折現率及用於五年期以後現金流量推斷的增長率如下：

		Discount rate 折現率		Growth rate 增長率	
		2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年
Liquid milk products CGU Group	液態奶產品現金產生單位組別	11.40%	10.36%	4.0%	4.0%
Ice cream products CGU Group	冰淇淋產品現金產生單位組別	11.27%	10.53%	3.0%	3.0%
Milk powder products CGU Group	奶粉產品現金產生單位組別	12.16%	11.85%	3.0%	3.0%
Low temperature products CGU Group	低溫產品現金產生單位組別	16.75%	16.19%	3.0%	3.0%
Junlebao CGU Group	君樂寶現金產生單位組別	14.71%	14.53%	4.0%	4.0%
Wuhan Mengniu CGU	武漢蒙牛現金產生單位	n/a	12.67%	n/a	3.0%
		不適用		不適用	
Yiqing CGU	壹清現金產生單位	13.63%	n/a	3.0%	n/a
			不適用		不適用



Notes To Financial Statements 財務報表附註

21. IMPAIRMENT TESTING OF GOODWILL AND TRADEMARKS WITH INDEFINITE LIVES (continued)

The values assigned to key assumptions are consistent with external information sources.

During 2016, due to the deterioration of the performance of the milk powder product CGU Group, the directors have consequently determined to recognise an impairment loss of the goodwill directly related to the milk powder product CGU Group amounting to RMB2,253,794,000 (note 6). The recoverable amount of the milk powder product CGU Group amounted to RMB7,544,021,000 as at 31 December 2016.

The sensitivity analysis for the milk powder product CGU Group on the key assumptions used in the calculation of value in use, taken individually, gives the following results:

	Reasonably possible change 合理可能變動	Additional impairment 額外減值 RMB'000 人民幣千元
Revenue growth rate 收入增長率	Decrease 2% 減少2%	642,919
Gross margin rate 毛利率	Decrease 1% 減少1%	639,273
Discount rate 折現率	Increase 1% 增加1%	1,044,822

Except for the milk powder product CGU Group, in the opinion of the Company's directors, any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the CGU's or CGU Group's carrying amount to exceed its recoverable amount.

21. 商譽及無限年期商標的減值測試 (續)

主要假設的價值與外部數據來源一致。

二零一六年內，奶粉產品現金產生單位組別表現倒退，董事其後確認直接有關奶粉產品現金產生單位組別的商譽減值虧損人民幣2,253,794,000元(附註6)。於二零一六年十二月三十一日，奶粉產品現金產生單位組別的可收回金額為人民幣7,544,021,000元。

計算使用價值時所用的主要假設各自進行的奶粉產品現金產生單位組別敏感度分析結果如下：

董事認為，除奶粉產品現金產生單位組別外，釐定可收回金額時所用主要假設的任何合理可能變動不會導致現金產生單位或現金產生單位組別賬面值超逾其可收回金額。



Notes To Financial Statements 財務報表附註

22. INVESTMENTS IN ASSOCIATES

22. 於聯營公司的投資

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Share of net assets	應佔淨資產	3,042,538	3,096,322
Goodwill on acquisition	收購獲得的商譽	1,089,561	1,089,561
		4,132,099	4,185,883

The Group's trade receivable and payable balances with associates are disclosed in note 50 to the financial statements.

本集團與聯營公司之間的應收賬款及應付賬款結餘於財務報表附註50中披露。

Particulars of the material associate are as follows:

重要聯營公司詳情如下：

Name 名稱	Particulars of issued shares held 持有已發行股份詳情	Place of incorporation/ registration and business 註冊成立/註冊及 營業地點	Percentage of equity interest attributable to the Group (indirect) 本集團應佔的股權 百分比(間接)		Principal activities 主要業務
			2016 二零一六年	2015 二零一五年	
China Modern Dairy Holdings Ltd.(i) 中國現代牧業控股有限公司(i)	Ordinary shares of HK\$0.1 each 每股面值0.1港元的 普通股	Cayman Islands 開曼群島	25.4%	25.4%	Production and sale of milk 生產及出售牛奶

(i) Not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network

(i) 未經香港安永會計師事務所或安永全球網絡的其他成員公司審核。



Notes To Financial Statements 財務報表附註

22. INVESTMENTS IN ASSOCIATES (continued)

China Modern Dairy, which is considered a material associate of the Group, is a strategic partner of the Group mainly engaged in the manufacture and distribution of raw milk and is accounted for using the equity method.

The following table illustrates the summarised financial information of China Modern Dairy extracted from its financial statements, adjusted base on the fair value valuation of its assets and liabilities at the acquisition date, reconciled to the carrying amount in the consolidated financial statements:

22. 於聯營公司的投資(續)

中國現代牧業被視為本集團重要聯營公司，為本集團主要從事原奶生產及經銷業務的策略伙伴，並以權益法入賬。

下表列示中國現代牧業的財務資料概要(摘錄自其財務報表，並根據於收購日期其資產及負債的公允值估值調整)及與綜合財務報表賬面值的對賬：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Current assets	流動資產	3,552,655	2,952,869
Non-current assets	非流動資產	14,027,737	14,351,989
Current liabilities	流動負債	7,825,119	7,238,778
Non-current liabilities	非流動負債	2,860,689	2,319,026
Net assets	淨資產	6,894,584	7,747,054
Less: Non-controlling interests	減：非控股股東權益	(101,383)	(168,135)
Attributable to owners of China Modern Dairy	中國現代牧業 擁有人應佔	6,793,201	7,578,919



Notes To Financial Statements 財務報表附註

22. INVESTMENTS IN ASSOCIATES (continued)

Reconciliation to the Group's interest in the associate:

22. 於聯營公司的投資 (續)

本集團於聯營公司的權益調整如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Proportion of the Group's ownership	本集團擁有權所佔比例	25.4%	25.4%
Group's share of net assets attributable to owners of the associate, excluding goodwill	本集團分佔聯營公司擁有人應佔資產淨值，不包括商譽	1,726,152	1,925,803
Group's share of net assets of an unlisted domestic subsidiary of the associate, excluding goodwill	本集團分佔聯營公司國內一間非上市子公司的資產淨值，不包括商譽	90,507	110,879
Goodwill on acquisition	收購獲得的商譽	1,048,421	1,048,421
Exchange realignment	匯兌調整	301,224	107,560
Carrying amount of the investment	投資賬面值	3,166,304	3,192,663
Revenue	收入	4,862,311	4,826,341
Profit/(loss) for the year	本年利潤／(虧損)	(785,495)	343,718
Total comprehensive income/(loss) for the year	年度全面收益總額／(虧損)	(785,495)	343,718
Dividend received	已收股息	-	13,843
Fair value of the Group's investment	本集團投資公允值	2,302,911	2,269,785

The following table illustrates the aggregate financial information of the Group's associates that are not individually material extracted from their unaudited management accounts:

下表顯示本集團聯營公司(個別而言並不重大)的財務資料總述(摘錄自其未經審核管理賬目)：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Aggregate carrying amount of the Group's investments in the associates	本集團於聯營公司投資的賬面值總額	965,795	993,220
Share of the associates' revenues and profits/(losses):	分佔聯營公司的溢利及利潤／(虧損)：		
Revenues	收入	1,001,752	1,696,500
Profit/(loss) for the year	本年利潤／(虧損)	(10,093)	43,760
Total comprehensive income/(loss) for the year	年度全面收益／(虧損)總額	(10,093)	43,760



Notes To Financial Statements 財務報表附註

22. INVESTMENTS IN ASSOCIATES (continued)

All the above associates have been accounted for using the equity method in these financial statements. The Group has discontinued the recognition of its share of losses of certain associates because the share of losses of the associates exceeded the Group's interests in these associates. The amounts of the Group's unrecognised share of losses of these associates for the current year and cumulatively were RMB47,752,000 (2015: RMB31,377,000) and RMB117,447,000 (2015: RMB100,888,000), respectively.

23. DEFERRED TAX

The movements in the deferred tax assets during the year are as follows:

Deferred tax assets:

Deferred tax arising from:		Tax losses available for offsetting future taxable profits	Write-down of inventories to net realisable value	Provision for trade receivables and others receivable	Impairment of property, plant and equipment	Un-invoiced accruals	Deferred income	Share award scheme	Others	Total
遞延稅項來自：		可抵銷日後應課稅利潤的稅項虧損	撇減存貨至可變現淨值	其他應收款項撥備	物業、廠房及設備減值	未獲得發票的預提費用	遞延收入	股票獎勵計劃	其他	總計
		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
At 1 January 2016	於二零一六年一月一日	141,435	5,970	523	724	104,304	38,302	3,228	13,048	307,534
Acquisition of subsidiaries (note 44)	收購子公司(附註44)	33,323	-	-	-	-	-	-	-	33,323
Exchange alignment	匯兌調整	1,720	-	-	-	-	-	-	-	1,720
Credited/(charged) to profit or loss	損益內記賬/(支賬)	58,744	3,516	12,312	439	38,236	50,627	14,747	7,925	186,546
At 31 December 2016	於二零一六年十二月三十一日	235,222	9,486	12,835	1,163	142,540	88,929	17,975	20,973	529,123

22. 於聯營公司的投資(續)

上述所有聯營公司已採用權益法於財務報表內處理。本集團已終止確認其所佔若干聯營公司的虧損，因為應佔聯營公司的虧損超過本集團於聯營公司的權益。於本年度，本集團未確認應佔該等聯營公司的虧損及累計虧損分別為人民幣47,752,000元(二零一五年：人民幣31,377,000元)及人民幣117,447,000元(二零一五年：人民幣100,888,000元)。

23. 遞延稅項

年內遞延稅項資產變動如下：

遞延所得稅資產：



Notes To Financial Statements 財務報表附註

23. DEFERRED TAX (continued)

The movements in the deferred tax assets during the year are as follows: (continued)

Deferred tax assets: (continued)

Deferred tax arising from:	Tax losses available for offsetting future taxable profits	Write-down of inventories to net realisable value	Provision for trade receivables and others receivable	Impairment of property, plant and equipment	Un-invoiced accruals	Deferred income	Share award scheme	Derivative financial instruments	Others	Total
遞延稅項來自：	可抵銷日後應課稅利潤的稅項虧損	撤減存貨至可變現淨值	其他應收款項撥備	物業、廠房及設備減值	未獲得發票的預提費用	遞延收入	股票獎勵計劃	衍生金融工具	其他	總計
	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
At 1 January 2015	22,211	48,555	8,058	1,333	227,134	34,216	18,739	1,257	18,407	379,910
Assets of disposal groups classified as held for sale (note 12)	(7,851)	(471)	(253)	-	-	-	-	-	-	(8,575)
Charged to other comprehensive income	-	-	-	-	-	-	-	(1,257)	-	(1,257)
Credited/(charged) to profit or loss	127,075	(42,114)	(7,282)	(609)	(122,830)	4,086	(15,511)	-	(5,359)	(62,544)
At 31 December 2015	141,435	5,970	523	724	104,304	38,302	3,228	-	13,048	307,534

Management expects it is probable that taxable profits will be available against which the above tax losses and deductible temporary differences can be utilised in the coming years.

23. 遞延稅項 (續)

年內遞延稅項資產變動如下：(續)

遞延所得稅資產：(續)

管理層預期未來年度有可能出現應課稅利潤，可用以抵扣上述稅項虧損及可扣減暫時性差異。



Notes To Financial Statements 財務報表附註

23. DEFERRED TAX (continued)

Deferred tax assets have not been recognised in respect of the following items:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Tax losses arising in Mainland China (i)	於中國大陸產生的稅項虧損(i)	1,362,175	751,934
Deductible temporary differences	可扣減暫時性差異	223,678	770,507
		1,585,853	1,522,441

(i) The above tax losses are available for a maximum of five years for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that tax profits will be available against which the above items can be utilised. The approval of tax authorities would also be required to utilise the above deductible temporary differences by the Group.

The movements in the deferred tax liabilities during the year are as follows:

23. 遞延稅項 (續)

遞延稅項資產並未就下列項目確認：

(i) 上述稅項虧損可用以抵銷公司產生虧損日後應課稅利潤最多五年。

遞延稅項資產並無就上述各項而予以確認，因認為可能沒有可供上述各項動用的稅項利潤。本集團動用上述可扣減暫時性差異時，亦需取得稅務機關的批准。

年內遞延所得稅負債變動如下：

Deferred liabilities arising from:		Fair value adjustments arising from acquisition of subsidiaries 收購子公司 產生的公允價值 調整 RMB'000 人民幣千元	Fair value adjustments of financial instruments 金融工具的 公允價值調整 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日	72,213	3,059	778	76,050
Charged/(credited) to profit or loss	損益內支賬/(記賬)	(17,537)	4,455	(778)	(13,860)
At 31 December 2016	於二零一六年十二月三十一日	54,676	7,514	-	62,190



Notes To Financial Statements 財務報表附註

23. DEFERRED TAX (continued)

23. 遞延稅項(續)

Deferred liabilities arising from:		Fair value adjustments arising from acquisition of subsidiaries	Fair value adjustments of financial instruments	Others	Total
遞延負債來自：		收購子公司產生的公允價值調整	金融工具的公允價值調整	其他	總計
		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
At 1 January 2015	於二零一五年一月一日	84,240	7,804	32	92,076
Assets of disposal groups classified as held for sale (note 12)	分類為持有待售處置組資產(附註12)	(5,414)	-	-	(5,414)
Charged/(credited) to profit or loss	損益內支賬/(記賬)	(6,613)	(4,745)	746	(10,612)
At 31 December 2015	於二零一五年十二月三十一日	72,213	3,059	778	76,050

Pursuant to the PRC CIT 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%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

At 31 December 2016, no deferred tax liabilities have been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's other subsidiaries located in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB12,591,481,000 at 31 December 2016 (2015: RMB11,038,475,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

根據中國企業所得稅法，於中國大陸成立的外資企業向外國投資者宣派的股息須徵收10%預扣稅。有關規定自二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後所產生的盈利。倘中國與外國投資者所屬司法權區之間訂有稅務協定，則可按較低預扣稅率徵收。本集團的適用稅率為5%或10%。因此，本集團須就該等於中國大陸成立的子公司就二零零八年一月一日起產生的盈利所分派的股息計繳預扣稅。

二零一六年十二月三十一日，並未就本集團位於中國大陸的其他子公司的未匯出盈利而應付的預扣稅確認其他遞延稅項負債。董事認為，該等子公司於可見將來分派盈利的可能性很低。二零一六年十二月三十一日，尚未就與於中國大陸子公司的投資相關的臨時性差異總額確認遞延稅項負債合共約人民幣12,591,481,000元(二零一五年：人民幣11,038,475,000元)。

概無因本公司向其股東支付股息而附帶的所得稅後果。



Notes To Financial Statements 財務報表附註

24. BIOLOGICAL ASSETS**(A) Nature of activities**

Certain subsidiaries of the Company are milk production companies that principally engaged in the production and sale of milk. Dairy cows are primarily held to produce milk. The quantity of dairy cows owned by the Group and the output of milk at the end of the reporting period and during the year are shown below.

		2016 二零一六年 Head of dairy cows 乳牛(頭)	2015 二零一五年 Head of dairy cows 乳牛(頭)
Milkable cows	奶牛	10,172	3,989
Heifers and calves	小母牛及小牛	14,602	10,284
Total dairy cows	乳牛總數	24,774	14,273

Milkable cows are those dairy cows that are held for milk production. Heifers and calves are those dairy cows that have not reached the age that can produce milk.

In general, the heifers are inseminated with semen when the heifers reached approximately 14 months of age. After approximately a nine month pregnancy term, a calf is born and the dairy cow begins to produce raw milk and the lactation period begins. A milkable cow is typically milked for approximately 305 days before a dry period of approximately 60 days.

When a heifer begins to produce milk, it would be transferred to the category of milkable cows based on the estimated fair value on the date of transfer. The sale of dairy cows is not one of the Group's principal activities and is not included as revenue. The sales of dairy cows are determined based on the actual selling prices.

24. 生物資產**(A) 業務性質**

本公司若干子公司為牛奶生產企業，主要從事牛奶產銷。乳牛主要乃持有作產奶之用。本集團於報告期末及年內擁有的乳牛數量及產奶量如下。

		2016 二零一六年 Head of dairy cows 乳牛(頭)	2015 二零一五年 Head of dairy cows 乳牛(頭)
Milkable cows	奶牛	10,172	3,989
Heifers and calves	小母牛及小牛	14,602	10,284
Total dairy cows	乳牛總數	24,774	14,273

奶牛為持作產奶用途的乳牛。小母牛及小牛為尚未到產奶年齡的乳牛。

一般情況下，小母牛於長至約十四個月大時配種。約九個月孕期過後，小牛出生，乳牛開始出產原奶，哺乳期開始。奶牛通常會擠奶約305天，之後進入約60天乾乳期。

小母牛開始產奶時，將按轉撥日期的估計公允值轉撥至奶牛類別。乳牛銷售並非本集團的主要業務之一，亦不計入收入。乳牛銷售乃根據實際售價而定。



Notes To Financial Statements 財務報表附註

24. BIOLOGICAL ASSETS (continued)**(A) Nature of activities** (continued)

		2016 二零一六年 Tonne 噸	2015 二零一五年 Tonne 噸
Volume of sales of milk produced	所產奶銷量	59,808	26,128

The Group is exposed to fair value risks arising from changes in price of the dairy products. The Group does not anticipate that the price of the dairy products will decline significantly in the foreseeable future and the directors of the Company are of the view that there is no available derivative or other contracts which the Group can enter into to manage the risk of a decline in the price of the dairy products.

(B) Value of dairy cows

The value of dairy cows at the end of the reporting period was:

24. 生物資產 (續)**(A) 業務性質** (續)

		2016 二零一六年 Tonne 噸	2015 二零一五年 Tonne 噸
Volume of sales of milk produced	所產奶銷量	59,808	26,128

本集團承受乳製品價格變動所產生的公允價值風險。本集團預計於可見將來乳製品價格不會大幅下跌。本公司董事認為，並無可用的衍生工具或本集團可以訂立的其他合約可用以控制乳製品價格下跌的風險。

(B) 乳牛價值

報告期末的乳牛價值：

		Heifers and calves 小母牛及小牛 RMB'000 人民幣千元	Milkable cows 奶牛 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日	182,488	107,335	289,823
Increases due to purchase	因收購增加	69,737	-	69,737
Increase due to raising (Feeding cost and others)	因養殖(飼養成本及 其他)增加	153,175	-	153,175
Transfer	轉出	(193,507)	193,507	-
Decrease due to sales	因出售減少	(848)	(6,805)	(7,653)
Gain/(loss) arising from changes in fair value less costs to sell of dairy cows (note 6)	乳牛公允價值減銷售成本 變動產生的收益/ (虧損)(附註6)	31,033	(56,729)	(25,696)
At 31 December 2016	於二零一六年 十二月三十一日	242,078	237,308	479,386



Notes To Financial Statements 財務報表附註

24. BIOLOGICAL ASSETS (continued)

(B) Value of dairy cows (continued)

24. 生物資產(續)

(B) 乳牛價值(續)

		Heifers and calves 小母牛及小牛 RMB'000 人民幣千元	Milkable cows 奶牛 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	108,571	51,700	160,271
Increases due to purchase	因收購增加	74,606	1,886	76,492
Increase due to raising (Feeding cost and others)	因養殖(飼養成本及 其他)增加	78,812	–	78,812
Transfer	轉出	(63,415)	63,415	–
Decrease due to sales	因出售減少	(3,004)	(3,425)	(6,429)
Loss arising from changes in fair value less costs to sell of dairy cows (note 6)	乳牛公允價值減銷售成本 變動產生的虧損 (附註6)	(13,082)	(6,241)	(19,323)
At 31 December 2015	於二零一五年 十二月三十一日	182,488	107,335	289,823

The Group's dairy cows in Mainland China were valued by an independent qualified professional valuer. The fair values less cost to sell of the heifers and calves are determined with reference to the market-determined prices of items with similar age, breed and genetic merit, if the market-determined prices are available. Due to the fact that the market-determined prices of milkable cows are not available, the valuer has applied the net present value approach to calculate the fair values less cost to sell of these items.

Certain dairy cows of the Group with fair values less cost to sell of approximately RMB51,810,000 (2015: Nil) as at 31 December 2016 have been pledged to secure the long term bank loans of the Group, details of which are set out in note 32 to the financial statements.

本集團於中國大陸的乳牛由獨立合資格專業估值師估值。倘可取得市場定價，小母牛及小牛的公允價值減出售成本乃經參考年齡、品種及遺傳優點相近的項目的市場定價釐定。由於無法獲得奶牛的市場定價，估值師已應用淨現值法，以計算該等項目的公允價值減出售成本。

於二零一六年十二月三十一日，本集團若干乳牛的公允價值減出售成本約人民幣51,810,000元(二零一五年：無)，該款項已抵押擔保本集團的長期銀行貸款。詳情載於財務報表附註32。



Notes To Financial Statements 財務報表附註

24. BIOLOGICAL ASSETS (continued)**(B) Value of dairy cows** (continued)

The principal valuation assumptions adopted in applying the net present value approach are as follows:

- The quantities of the existing dairy cows at the end of the reporting period will reduce at a certain culling rate due to the natural or unnatural factors;
- The culling rates adopted are based on the current available breeding data of the Group and future operating plans;
- The quantities of cows will increase as calves are born;
- The expected average prices of milk during the six projected lactation periods are estimated after taking into account certain percentage growth, future demand and inflation in the PRC for each projected year;
- The cash flows for financing the assets and taxation are not included as required by IAS 41 *Agriculture*;
- Costs are average costs based on historical cost information; and
- The discount rate used was 12.52% as at 31 December 2016 (2015: 12.83%).

24. 生物資產 (續)**(B) 乳牛價值** (續)

應用淨現值法時採納的主要估值假設列載如下：

- 於報告期末的現有奶牛數量將因為自然及非自然因素而按某個淘汰率扣減；
- 所採納淘汰率乃基於本集團目前可取得的養殖資料及未來營運計劃；
- 小牛出生將增加牛隻數量；
- 考慮每個預測年度若干增長百分比、未來需求及中國通脹來估計牛奶於六個哺乳期預測期間的預期平均價格；
- 並無根據國際會計準則第41號農業計入資產及稅項提供資金的現金流；
- 成本基於過往成本資料的平均成本；及
- 於二零一六年十二月三十一日所用折現率為12.52%(二零一五年：12.83%)。



Notes To Financial Statements 財務報表附註

25. OTHER FINANCIAL ASSETS

25. 其他金融資產

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At fair value through other comprehensive income:	以公允價值計量且其變動計入其他全面收益：			
Hong Kong listed equity investments in YuanShengTai	投入原生態的香港上市股本投資	(a)	78,592	89,484
Hong Kong listed equity investments in China Shengmu	投入中國聖牧的香港上市股本投資	(b)	519,003	413,740
			597,595	503,224
At fair value through profit or loss:	以公允價值計量且其變動計入損益：			
Unlisted equity investments	非上市股本投資		38,529	42,012
Short term unit trust investments	短期單位信託投資	(c)	–	70,000
Long term unit trust due within one year	於一年內到期的長期單位信託投資	(c)	–	100,000
Short term investment deposits	短期投資存款	(d)	4,139,490	5,049,039
			4,178,019	5,261,051
At amortised cost:	按攤銷成本：			
Long term entrusted loans	長期委託貸款	(e)	101,930	120,736
Long term entrusted loans due within one year	於一年內到期的長期委託貸款	(e)	56,247	36,234
Long term receivables	長期應收款項	(f)	123,689	53,149
Long term time deposits	長期定期存款	(g)	1,633,938	1,608,795
			1,915,804	1,818,914
Total other financial assets	其他金融資產總額		6,691,418	7,583,189
Current	流動		4,195,737	5,255,273
Non-current	非流動		2,495,681	2,327,916
			6,691,418	7,583,189



Notes To Financial Statements 財務報表附註

25. OTHER FINANCIAL ASSETS (continued)

Notes:

- (a) On 25 November 2013, the Company acquired 172,275,000 shares, representing a 4.41% equity interest, in YuanShengTai Dairy Farm Limited, a Hong Kong listed dairy company, with approximately HK\$469,831,000, equivalent to RMB369,396,000. Management designated the equity investment as a financial asset at fair value through other comprehensive income upon initial application of IFRS 9 (2009) on 1 January 2014, as management considered it a strategic investment for the purpose of securing high quality raw milk in the long run. The fair value of the listed equity securities was determined by reference to published quotations. A decrease in fair value for the year ended 31 December 2016 and an accumulated decrease in fair value as of 31 December 2016 with amounts of RMB10,892,000 (2015: RMB13,802,000) and RMB290,804,000 (2015: RMB279,912,000), respectively, had been recognised in other comprehensive income.
- (b) On 25 May 2011, the Company acquired a 5.81% equity interest in an unlisted dairy company with approximately HK\$125,322,000, equivalent to RMB98,531,000. Management designated the equity investment as a financial asset at fair value through other comprehensive income upon initial application of IFRS 9 (2009) on 1 January 2014, as management considered it a strategic investment for the purpose of securing high quality raw milk in the long run. The equity investment was subsequently converted into 269,865,600 shares in China Shengmu Organic Milk Limited ("China Shengmu") upon China Shengmu's initial public offering on the Main Board of The Stock Exchange of Hong Kong Limited on 15 July 2014, representing around a 4.25% equity interest in China Shengmu. The fair value of the listed equity securities was determined by reference to published quotations. An increase in fair value for the year ended 31 December 2016 and an accumulated increase in fair value as of 31 December 2016 with amounts of RMB105,263,000 (2015: a decrease of RMB103,248,000) and RMB420,472,000 (2015: RMB315,209,000), respectively, had been recognised in other comprehensive income.

25. 其他金融資產(續)

附註：

- (a) 二零一三年十一月二十五日，本公司以約469,831,000港元(相等於人民幣369,396,000元)，收購一間香港上市乳業公司原生態牧業有限公司172,275,000股股份，佔其4.41%股權。於二零一四年一月一日首次應用國際財務報告準則第9號(二零零九年)時，管理層將該項股本投資指定為以公允值計量且其變動計入其他全面收益的金融資產，此乃由於管理層認為其屬於一項策略投資，旨在確保優質原奶的長遠供應。該等上市股本證券的公允值乃經參考所公佈報價釐定。截至二零一六年十二月三十一日止年度公允值減少人民幣10,892,000元(二零一五年：人民幣13,802,000元)及於二零一六年十二月三十一日公允值累計減少人民幣290,804,000元(二零一五年：人民幣279,912,000元)，已於其他全面收益確認。
- (b) 二零一一年五月二十五日，本集團以約125,322,000港元(相等於人民幣98,531,000元)收購一間非上市乳業公司5.81%股權。於二零一四年一月一日首次應用國際財務報告準則第9號(二零零九年)時，管理層將該項股本投資指定為以公允值計量且其變動計入其他全面收益的金融資產，此乃由於管理層認為其屬於一項策略投資，旨在確保優質原奶的長遠供應。於中國聖牧有機奶業有限公司(「中國聖牧」)於二零一四年七月十五日在香港聯合交易所有限公司主板首次公開發售後，該項股本投資其後轉換為中國聖牧269,865,600股股份，佔中國聖牧約4.25%股權。該等上市股本證券的公允值乃經參考所公佈報價而釐定。截至二零一六年十二月三十一日止年度公允值增加人民幣105,263,000元(二零一五年：減少人民幣103,248,000元)，以及截至二零一六年十二月三十一日公允值累計增加人民幣420,472,000元(二零一五年：人民幣315,209,000元)，已於其他全面收益確認。



Notes To Financial Statements 財務報表附註

25. OTHER FINANCIAL ASSETS (continued)

Notes: (continued)

- (c) The Group from time to time purchases various unit trust investments for treasury management purpose. As at 31 December 2015, the Group held unit trust investments of RMB170,000,000, with no guaranteed return amount. The unit trust investments as at 31 December 2015 had been settled when due during 2016.

Included in the above balances, an amount of RMB170,000,000 was invested in trust units set up and managed by an affiliate of a substantial shareholder of the Company as at 31 December 2015.

- (d) The Group from time to time purchases various investment deposits from commercial banks for treasury management purpose. As at 31 December 2016, the Group held investment deposits of RMB3,839,490,000 (31 December 2015: RMB4,749,039,000) with guaranteed return amounts and short term investment deposits of RMB300,000,000 (2015: RMB300,000,000) with no guaranteed return.

As at 31 December 2015, investment deposits amounting to RMB100,000,000 were pledged for the Group's issuance of letters of credit.

- (e) Entrusted loans represent the Group's loans to certain dairy farmers via banks. The above entrusted loans are unsecured, with annual interest rates ranging from 4.75% to 8.96% (2015: 5.58% to 6.90%). As at 31 December 2016, these entrusted loans were neither past due nor impaired and had no recent history of default.
- (f) Long term receivables represent the receivables arising from disposal of certain property, plant and equipment to independent third parties. As at 31 December 2016, those long term receivables were neither past due nor impaired.
- (g) The effective interest rates on long term time deposits as at 31 December 2016 varied from 2.94% to 5.23% (2015: 4.25% to 5.60%) per annum and would mature in two to five years.

25. 其他金融資產 (續)

附註：(續)

- (c) 本集團不時為庫務管理目的購入多項單位信託投資。於二零一五年十二月三十一日，本集團持有不設保證回報金額的單位信託投資人民幣170,000,000元。於二零一五年十二月三十一日的單位信託投資已於二零一六年到期時結算。

上述結餘中，其中人民幣170,000,000元已於二零一五年十二月三十一日投資於由本公司主要股東的聯屬公司設立及管理的信託單位。

- (d) 本集團不時為庫務管理目的向商業銀行購入多項投資存款。於二零一六年十二月三十一日，本集團持有設有保證回報金額的投資存款人民幣3,839,490,000元（二零一五年十二月三十一日：人民幣4,749,039,000元），以及不設保證回報金額的短期投資存款人民幣300,000,000元（二零一五年：人民幣300,000,000元）。

於二零一五年十二月三十一日，投資存款人民幣100,000,000元已抵押以為本集團發出的信用證作擔保。

- (e) 委託貸款指本集團通過銀行向若干奶農提供的貸款。以上委託貸款屬無抵押，年利率介乎4.75%至8.96%（二零一五年：5.58%至6.90%）。於二零一六年十二月三十一日，該等委託貸款尚未逾期亦無減值，近期亦無拖欠記錄。
- (f) 長期應收款項指因出售若干物業、廠房及設備予獨立第三方而產生的應收款項。於二零一六年十二月三十一日，該等長期應收款項並無逾期亦無減值。
- (g) 於二零一六年十二月三十一日，長期定期存款的實際年利率介乎2.94%至5.23%（二零一五年：4.25%至5.60%），並將於兩至五年內到期。



Notes To Financial Statements 財務報表附註

26. INVENTORIES

26. 存貨

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Raw materials	原材料	2,007,684	3,464,868
Finished goods	產成品	1,306,598	874,638
Total inventories at the lower of cost and net realisable value	按成本與可變現淨值的較低者計價的存貨總額	3,314,282	4,339,506

The amount of write-down of inventories recognised as an expense was RMB129,857,000 (2015: RMB43,806,000), which was recognised in other expenses (note 6).

確認為開支的存貨撇減金額為人民幣129,857,000元(二零一五年:人民幣43,806,000元),並於其他費用(附註6)中確認。

27. TRADE AND BILLS RECEIVABLES

27. 應收賬款及票據

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Bills receivable	應收票據	212,780	191,462
Trade receivables	應收賬款	2,198,968	1,500,562
Impairment	減值	(71,649)	(74,267)
		2,340,099	1,617,757



Notes To Financial Statements 財務報表附註

27. TRADE AND BILLS RECEIVABLES (continued)

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

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

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 3 months	三個月內	2,041,533	1,389,573
4 to 6 months	四至六個月	224,670	94,581
7 to 12 months	七至十二個月	63,584	50,881
Over 1 year	逾一年	10,312	82,722
		2,340,099	1,617,757

The movements in the provision for impairment of trade receivables are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	74,267	159,826
Impairment losses recognised	已確認減值虧損	51,292	7,235
Amount written off as uncollectible	列為不可收回而撇銷的金額	(33,253)	(7,933)
Assets classified as held for sale	分類為持有待售的資產	-	(906)
Impairment losses reversed	減值虧損撥回	(20,657)	(83,955)
At 31 December	於十二月三十一日	71,649	74,267

27. 應收賬款及票據(續)

本集團通常給予客戶特定信貸額度，並可在特定情況下調整。本集團密切留意逾期未償還結餘。鑒於上文所述及本集團的應收賬款與大量不同類別的客戶有關，故並無重大信貸集中風險。本集團並無就其應收賬款持有任何抵押品或其他信貸提升。應收賬款並無附帶利息。

於報告期末，經扣除撥備的應收賬款及票據按發票日期的賬齡分析如下：

應收賬款減值撥備變動如下：



Notes To Financial Statements 財務報表附註

27. TRADE AND BILLS RECEIVABLES (continued)

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB67,314,000 (2015: RMB68,598,000) with an aggregate carrying amount before provision of RMB215,617,000 (2015: RMB148,148,000).

The individually impaired trade receivables relate to customers those were in financial difficulties or were in default and only a portion of the receivables is expected to be recovered.

The aging analysis of the trade and bills receivables that are not individually nor collectively considered to be impaired is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Neither past due nor impaired	既未過期亦無減值	2,132,649	1,468,323
Past due but not impaired	已過期但無減值		
– Within three months	– 三個月內	23,365	64
– Over three months	– 三個月以上	5,453	1,149
		2,161,467	1,469,536

Trade and bills receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Trade and bills receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

As at 31 December 2016, none of bills receivable were endorsed by the Group (2015: Nil).

27. 應收賬款及票據 (續)

上述應收賬款減值撥備中包括一項個別減值應收賬款的撥備人民幣67,314,000元(二零一五年：人民幣68,598,000元)，該項應收賬款未計撥備前的賬面總額為人民幣215,617,000元(二零一五年：人民幣148,148,000元)。

個別減值應收賬款與陷入財務困境或已出現拖欠的客戶有關，預期該等應收款項中只可收回部分。

個別或總體均不存在減值問題的應收賬款及應收票據的賬齡分析如下：

既未過期亦無減值的應收賬款及票據與大量不同類別的客戶有關，彼等於近期並無拖欠款項記錄。

到期未付但並無減值的應收賬款及票據與數個獨立客戶有關，該等客戶於本集團內有良好往績記錄。根據過往經驗，本公司董事認為無需就該等結餘計提減值撥備，皆因信貸質量並無太大的轉變而結餘被認為依然可以全數收回。

於二零一六年十二月三十一日，本集團概無背書任何應收票據(二零一五年：無)。



Notes To Financial Statements 財務報表附註

28. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

28. 預付款、按金及其他應收款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Deposits	按金	47,601	90,882
Prepayments	預付款	1,257,546	955,110
Value-added tax recoverable	可抵扣增值稅	346,978	343,993
Other receivables	其他應收款項	919,953	591,654
Corporate income tax recoverable	可退企業所得稅	37,624	53,797
Land use rights – current portion (note 18)	土地使用權 – 即期部分 (附註18)	21,516	19,688
Long term prepayments (note a)	長期預付款(附註a)	88,959	195,498
Total prepayments, deposits and other receivables	預付款、按金及 其他應收款項總額	2,720,177	2,250,622
Less: Long term prepayments – non-current portion (note a)	減：長期預付款 – 非即期 部分(附註a)	(15,566)	(91,738)
		2,704,611	2,158,884

Note:

- (a) The Group had entered into long term raw milk supply contracts with certain milking cow raising companies. In accordance with these contracts, the Group prepaid for raw milk supplies for the next two to five years.

附註：

- (a) 本集團與若干飼養乳牛公司訂立長期原料鮮奶供貨合約。根據該等合約，本集團就未來兩至五年原料鮮奶供貨預付款項。



Notes To Financial Statements 財務報表附註

29. CASH AND BANK BALANCES AND OTHER DEPOSITS

29. 現金及銀行結存及其他存款

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash and cash equivalents as stated in the consolidated statement of cash flows	列於綜合現金流量表的現金及現金等價物		3,355,537	6,833,608
Pledged deposits	保證金存款	(a)	960,863	722,402
Restricted deposits	受限制存款	(b)	–	40,229
Time deposits	定期存款		4,348,479	2,666,195
			8,664,879	10,262,434
Less: Short term pledged deposits for banking facilities	減：銀行融資的短期保證金存款	30/32	(960,863)	(722,402)
Less: Long term time deposits	減：長期定期存款	25	(1,633,938)	(1,608,795)
Cash and bank balances as stated in the consolidated statement of financial position	列於綜合財務狀況表的現金及銀行結存		6,070,078	7,931,237

Notes:

附註：

(a) As at 31 December 2016, the Group's pledged deposits were for the following bank facilities:

(a) 於二零一六年十二月三十一日，本集團的已抵押存款就以下銀行融資作出：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Pledged to secure bills payable (note 30)	抵押以獲得應付票據(附註30)	137,136	107,089
Pledged to secure interest-bearing bank and other borrowings (note 32)	抵押以獲得計息銀行及其他借貸(附註32)	811,271	522,538
Pledged to secure letters of credit	抵押以獲得信用證	12,456	92,775
		960,863	722,402

(b) As at 31 December 2015, the Group held a prepayment amounting to RMB40,229,000 from a potential buyer intending to acquire certain property, plant and equipment and land use rights of Danone Shanghai (note 12). The amount was deposited in a restricted bank account and would only be released upon the conclusion of the translation.

(b) 於二零一五年十二月三十一日，本集團持有由一名擬收購達能上海的若干物業、廠房及設備以及土地使用權的潛在買家支付的預付款為數人民幣40,229,000元(附註12)。該等款項已存入一個受限制的銀行賬戶，並將只會於匯兌完成時獲解除。



Notes To Financial Statements 財務報表附註

29. CASH AND BANK BALANCES AND OTHER DEPOSITS (continued)

At the end of the reporting period, cash and bank balances of the Group denominated in RMB amounted to approximately RMB5,196,478,000 (2015: RMB5,986,347,000). The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at the prevailing market interest rates. Time deposits are made for varying periods of between one day and five years depending on the immediate cash requirements of the Group and earn interest at the respective time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

30. TRADE AND BILLS PAYABLES

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

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 3 months	三個月內	4,733,321	4,005,836
4 to 6 months	四至六個月	638,773	602,214
7 to 12 months	七至十二個月	23,768	29,781
Over 1 year	逾一年	9,758	6,467
		5,405,620	4,644,298

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

29. 現金及銀行結存及其他存款(續)

於報告期末，本集團的現金及銀行結存以人民幣為單位的金額約人民幣5,196,478,000元(二零一五年：人民幣5,986,347,000元)。人民幣並非可自由兌換為其他貨幣。然而，根據中國大陸的外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准透過獲授權進行外匯業務的銀行，將人民幣匯兌為其他貨幣。

銀行存款根據市場利率計息。定期存款乃視乎本集團的即時現金需求而按介乎一日至五年的不同存款期存放，以及根據定期存款利率計息。銀行結存及保證金存款乃存放於信譽良好且無近期拖欠記錄的銀行。

30. 應付賬款及票據

本集團應付賬款及票據按發票日期的賬齡分析如下：

本集團的應付賬款為無抵押及免息及須應要求隨時償還。



Notes To Financial Statements 財務報表附註

30. TRADE AND BILLS PAYABLES (continued)

Included in the above balances, bills payable with an aggregate balance of approximately RMB345,704,000 (2015: RMB325,446,000) were secured by the pledge of certain of the Group's deposits amounting to approximately RMB137,136,000 (2015: RMB107,089,000) (note 29). Except for the above, bills payable were unsecured, non-interest-bearing and payable when due ranging from 3 to 6 months.

30. 應付賬款及票據(續)

在上述金額中，結餘總額約人民幣345,704,000元(二零一五年：人民幣325,446,000元)的應付票據以本集團若干存款為數約人民幣137,136,000元(二零一五年：人民幣107,089,000元)(附註29)作抵押。除上述者外，應付票據為無抵押及免息，並將於三至六個月內到期。

31. OTHER PAYABLES AND ACCRUALS**31. 其他應付款項及預提費用**

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Advances from customers	來自客戶墊款	1,717,628	1,106,731
Salary and welfare payables	應付薪金及福利費	911,725	653,617
Other payables	其他應付款項	3,881,533	3,229,176
		6,510,886	4,989,524

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

本集團的其他應付款項為免息及須應要求隨時償還。

32. INTEREST-BEARING BANK AND OTHER BORROWINGS**32. 計息銀行及其他借貸**

		2016 二零一六年			2015 二零一五年		
		Maturity 到期日	Fixed rate 固定利率 RMB'000 人民幣千元	Floating rate 浮動利率 RMB'000 人民幣千元	Maturity 到期日	Fixed rate 固定利率 RMB'000 人民幣千元	Floating rate 浮動利率 RMB'000 人民幣千元
Current	即期						
Short term bank loans, secured	短期銀行貸款， 有抵押	2017 二零一七年	135,000	768,091	2016 二零一六年	501,696	-
Short term bank loans, unsecured	短期銀行貸款， 無抵押	2017 二零一七年	1,558,061	444,000	2016 二零一六年	5,397,321	150,000
Current portion of long term bank loans – secured	長期銀行貸款即期部分 —有抵押	2017 二零一七年	7,566	32,400	2016 二零一六年	-	19,000
Current portion of long term bank loans – unsecured	長期銀行貸款即期部分 —無抵押	2017 二零一七年	-	100,299	2016 二零一六年	-	12,734



Notes To Financial Statements 財務報表附註

32. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

32. 計息銀行及其他借貸(續)

		2016 二零一六年			2015 二零一五年		
		Maturity 到期日	Fixed rate 固定利率 RMB'000 人民幣千元	Floating rate 浮動利率 RMB'000 人民幣千元	Maturity 到期日	Fixed rate 固定利率 RMB'000 人民幣千元	Floating rate 浮動利率 RMB'000 人民幣千元
Non-current	非即期						
Long term bank loans, secured	長期銀行貸款，有抵押	2019 二零一九年	14,018	40,000	2019 二零一九年	-	60,000
Long term bank loans, secured	長期銀行貸款，有抵押	2021 二零二一年	-	117,600	-	-	-
Long term bank loans, unsecured	長期銀行貸款，無抵押	2030 二零三零年	68,000	-	2030 二零三零年	68,000	-
Long term bank loans, unsecured	長期銀行貸款，無抵押	2023 二零二三年	-	179,650	2023 二零二三年	-	196,500
Long term bank loans, unsecured	長期銀行貸款，無抵押	2020 二零二零年	-	130,000	2020 二零二零年	-	60,000
Long term bank loans, unsecured	長期銀行貸款，無抵押	2019 二零一九年	-	1,390,903	2019 二零一九年	-	21,701
Long term bank loans, unsecured	長期銀行貸款，無抵押	2018 二零一八年	150,000	-	-	-	-
Long term bank loans, unsecured	長期銀行貸款，無抵押	-	-	-	2017 二零一七年	-	1,340,034
US\$500,000,000 3.5% bonds issued in 2013	於二零一三年發行的500,000,000美元票息率3.5%的債券	2018 二零一八年	3,451,992	-	2018 二零一八年	3,223,276	-
			5,384,637	3,202,943		9,190,293	1,859,969



Notes To Financial Statements 財務報表附註

32. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

The repayment schedule of the interest-bearing bank and other borrowings is as follows:

32. 計息銀行及其他借貸(續)

計息銀行及其他借貸的還款期如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 1 year	一年內	3,045,417	6,080,751
1 to 2 years	一至兩年	3,601,992	1,340,034
2 to 5 years	兩至五年	1,692,521	3,629,477
Over 5 years	五年以上	247,650	-
Total interest-bearing bank and other borrowings	計息銀行及其他借貸總額	8,587,580	11,050,262
Less: Amount due within one year included in current liabilities	減：計入流動負債的一年內到期款項	(3,045,417)	(6,080,751)
		5,542,163	4,969,511

Notes:

- (a) As at 31 December 2016 and 2015, the Group's interest-bearing bank and other borrowings were secured as follows:

附註：

- (a) 於二零一六年及二零一五年十二月三十一日，本集團的計息銀行及其他借貸抵押情況如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Secured by pledged deposits	以保證金存款抵押	699,317	461,696
Secured by dairy cows, land use rights and property, plant and equipment	以乳牛、土地使用權及物業、廠房及設備抵押	415,358	119,000
Unsecured	無抵押	7,472,905	10,469,566
		8,587,580	11,050,262



Notes To Financial Statements 財務報表附註

32. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

Notes: (continued)

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

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Hong Kong dollars	港元	69,325	901,452
United States dollars	美元	5,605,820	6,897,340
Euro	歐元	14,899	28,934
RMB	人民幣	2,897,536	3,222,536
		8,587,580	11,050,262

- (c) The floating annual interest rates of the short term bank loans and long term bank loans varied from 1.50% to 7.18% (2015: from 1.81% to 9.47%), which were determined based on the interest rates announced by the People's Bank of China, Hong Kong Interbank Offered Rate and the London Interbank Offered Rate.

The fixed annual interest rates of the short term bank loans varied from 1.15% to 6.63% (2015: from 1.20% to 6.90%). The fixed annual interest rates of the long term bank loans varied from 1.20% to 7.93% (2015: from 1.20% to 6.72%).

- (d) On 27 November 2013, the Company issued five-year bonds due 2018 with an aggregate principal amount of USD500,000,000 at 99.456% of the face value. The bond bears interest from and including 27 November 2013 at the rate of 3.5% per annum, payable semi-annually in arrears on 27 May and 27 November each year.

33. OTHER LOANS

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Short term loans	短期貸款	52,559	43,915

Other loans are unsecured and interest-free. There were no repayment terms for the Group's other loans.

Other loans were all granted by local government authorities in the PRC for the purpose of supporting the Group's establishment of production plants in various locations in the PRC.

32. 計息銀行及其他借貸(續)

附註：(續)

- (b) 本集團以下列貨幣計值的計息銀行及其他借貸的賬面值如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Hong Kong dollars	港元	69,325	901,452
United States dollars	美元	5,605,820	6,897,340
Euro	歐元	14,899	28,934
RMB	人民幣	2,897,536	3,222,536
		8,587,580	11,050,262

- (c) 短期銀行貸款及長期銀行貸款的浮動年利率按中國人民銀行公佈的利率、香港銀行同業拆息及倫敦銀行同業拆息釐定為介乎1.50%至7.18% (二零一五年：1.81%至9.47%)。

短期銀行貸款的固定年利率介乎1.15%至6.63% (二零一五年：1.20%至6.90%)。長期銀行貸款的固定年利率介乎1.20%至7.93% (二零一五年：1.20%至6.72%)。

- (d) 於二零一三年十一月二十七日，本公司發行二零一八年到期的五年債券，本金總額為99.456%面值的500,000,000美元。債券將由二零一三年十一月二十七日(包括當日)起按年利率3.5%計息，於五月二十七日及十一月二十七日每半年派息一次。

33. 其他貸款

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Short term loans	短期貸款	52,559	43,915

其他貸款為無抵押及免息。本集團其他貸款並無還款期。

其他貸款全部由中國地方政府當局為支持本集團在中國多個地方設置生產廠房而授出。



Notes To Financial Statements 財務報表附註

34. DERIVATIVE FINANCIAL INSTRUMENTS

34. 衍生金融工具

	Notes 附註	2016 二零一六年		2015 二零一五年	
		Assets 資產 RMB'000 人民幣千元	Liability 負債 RMB'000 人民幣千元	Assets 資產 RMB'000 人民幣千元	Liability 負債 RMB'000 人民幣千元
Forward currency contracts	遠期外幣合約 (a)	2,640	-	5,011	-
Interest rate forward contracts	利率遠期合約 (a)	23,078	-	-	3,160
Commodity futures contracts	商品期貨合約 (b)	10,783	-	5,933	-
		36,501	-	10,944	3,160

Notes:

- (a) The Group has entered into various forward currency contracts and interest rate forward contracts to manage its exchange rate and floating interest rate exposures. These forward contracts are not designated for hedging purposes and are measured at fair value through profit or loss. Net fair value loss on forward currency contracts of RMB2,371,000 (2015: RMB12,444,000) was recognised in other expenses during the year (note 6). Net fair value gain on interest rate forward contracts of RMB26,238,000 (2015: net fair value loss RMB681,000) was recognised in finance costs during the year (note 8).
- (b) To manage its price exposure to future purchase of commodities as raw materials, such as white sugar, palm oil and raw milk powder, the Group entered into various commodity futures contracts. The Group accounted for these commodity futures contracts at fair value with changes recognised in profit or loss. During the year, a net fair value gain of RMB13,567,000 (2015: RMB11,986,000) was credited to cost of sales (note 7).

附註：

- (a) 本集團已訂立多項遠期外幣合約及利率遠期合約以管理其匯率及浮動利率風險。該等遠期合約並非指定作對沖用途，乃按公允值計入損益計量。遠期外幣合約公允值虧損淨額人民幣2,371,000元(二零一五年：人民幣12,444,000元)於年內確認為其他費用(附註6)。利率遠期合約公允值收益淨額人民幣26,238,000元(二零一五年：公允值虧損淨額人民幣681,000元)於年內確認為融資成本(附註8)。
- (b) 為管理未來購置商品作為原材料(例如白糖、棕櫚油及原料奶粉)的價格風險，本集團訂立多項商品期貨合約。本集團將此等商品期貨合約按公允值列賬，而公允值的變動則於損益內確認。年內，公允值收益淨額人民幣13,567,000元(二零一五年：人民幣11,986,000元)已計入銷售成本(附註7)。



Notes To Financial Statements 財務報表附註

35. LONG TERM PAYABLES

The Group's long term payables represent the amortised costs of the outstanding instalments payable for the purchase of production equipment. The effective interest rate used for the amortisation is the prevailing market interest rate. The balances are repayable as follows:

35. 長期應付款項

本集團的長期應付款項指須就購置生產設備分期支付款項的攤銷成本。攤銷所使用的實際利率為市場利率。有關結餘的還款期如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 1 year	一年內	57,111	70,622
1 to 2 years	一至兩年	25,773	45,312
2 to 5 years	兩至五年	11,141	23,087
Total long term payables	長期應付款項總額	94,025	139,021
Less: Amount due within one year included in current liabilities under other payables	減：計入流動負債中 其他應付款項的 一年內到期款項	(57,111)	(70,622)
		36,914	68,399

Long term payables are secured by the Group's property, plant and equipment (note 15(a)).

長期應付款項以本集團的物業、廠房及設備作抵押(附註15(a))。



Notes To Financial Statements 財務報表附註

36. DEFERRED INCOME

Various local government authorities have granted certain property, plant and equipment to the Group for nil consideration, have provided finance to the Group for the purchase of certain property, plant and equipment, and/or have financed the Group by way of a cash donation with certain conditions attaching to these cash donations. Both the property, plant and equipment and grants are recorded initially at fair value. These grants are initially recorded as deferred income. The grants relate to certain property, plant and equipment are amortised to match the depreciation charge of the property, plant and equipment granted or purchased in accordance with their estimated useful lives. The cash donations with unfulfilled conditions or contingencies are only recognised in profit or loss when the Group satisfied the attached conditions. Movements of the balances during the year are as follows:

36. 遞延收入

多個地方政府當局無償向本集團授予若干物業、廠房及設備，為購買若干物業、廠房及設備向本集團提供資金及／或以現金捐獻方式向本集團提供融資，讓本集團透過現金捐款方式(此等現金捐獻附帶若干條件)向本集團提供融資。物業、廠房及設備及補助金最初均以公允值列賬。此等補助金初步記錄為遞延收入。與若干物業、廠房及設備有關的補助金按配合獲授或購入的物業、廠房及設備的折舊計提的方式，根據其估計可使用年期攤銷。未能達到所附帶的條件或然事件的現金捐獻將只會於本集團達到所附帶的條件時在損益內確認。年內該結餘的變動如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At beginning of year	年初	348,768	294,014
Received during the year	年內收取	357,204	137,693
Disposal of a subsidiary (note 45)	出售子公司(附註45)	-	(50,000)
Amortisation during the year (note 5)	年內攤銷(附註5)	(37,494)	(32,939)
At end of year	年終	668,478	348,768
Current portion	即期部分	135,093	45,652
Non-current portion	非即期部分	533,385	303,116
		668,478	348,768



Notes To Financial Statements 財務報表附註

37. OTHER NON-CURRENT FINANCIAL LIABILITIES

37. 其他非流動金融負債

	Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Present value of considerations arising from business combinations to be paid beyond one year	(a)	-	9,451
Present value of redemption amount for potential acquisition of puttable non-controlling interests	(b)/(c)	2,143,378	2,634,485
		2,143,378	2,643,936

Notes:

- (a) As at 31 December 2015, the fair value of the considerations with the contract amount of RMB10,000,000 to be paid beyond one year arising from the Group's acquisition of Oushi Mengniu at the acquisition date was remeasured to RMB9,451,000. The amount was settled during 2016.
- (b) According to the equity purchase agreement entered into among the Group, Junlebao and the non-controlling shareholders of Junlebao, the Group granted a put option to the non-controlling shareholders under which the non-controlling shareholders have the right to sell, and the Group has an obligation to buy the 49% equity interest in Junlebao in the years ended 31 December 2016, 2017 and 2018. During 2016, the non-controlling shareholders of Junlebao did not exercise its right of selling the 16.33% equity interest in Junlebao. At 31 December 2016, the Group derecognised the carrying amount of the non-controlling interests of RMB186,425,000 (2015: RMB478,814,000) and recognised the present value of the amount payable upon exercise of the option of RMB312,705,000 (2015: RMB683,147,000) as a financial liability and accounted for the difference in equity.
- (c) Under the equity joint venture contract entered into between Inner Mongolia Mengniu and Danone Asia Pte Ltd. ("Danone Asia Pte") dated 9 August 2013, an option was granted to Danone Asia Pte to terminate the equity joint venture contract and sell the entire Danone Asia Pte's Stake to Inner Mongolia Mengniu at the exercise price within a 15-day period at the beginning of each biennial (2-year) period from the seventh (7th) anniversary of the relevant closing date under the amended and restated framework agreement, subject to compliance with the then applicable laws and regulations (including the Listing Rules) by the Company, including the then relevant Listing Rules in connection with connected transactions. As at 31 December 2016, the Group derecognised a non-controlling interest of RMB581,912,000 (2015: RMB550,112,000) and recognised a present value of the amount payable upon exercise of the option of RMB1,830,673,000 (2015: RMB1,951,338,000) as a financial liability and accounted for the difference in equity.

附註：

- (a) 於二零一五年十二月三十一日，因本集團收購歐世蒙牛而須於一年後支付的合約金額人民幣10,000,000元之代價於收購日期公允值重新計量為人民幣9,451,000元。金額已於二零一六年內清償。
- (b) 根據本集團、君樂寶及君樂寶的非控股股東訂立的股權購買協議，本集團向非控股股東授出認沽權。據此，截至二零一六年、二零一七年及二零一八年十二月三十一日止年度，非控股股東有權出售且本集團有責任購買君樂寶49%股權。二零一六年內，君樂寶的非控股股東尚未行使其出售君樂寶16.33%股權的權利。於二零一六年十二月三十一日，本集團終止確認非控股股東權益賬面值人民幣186,425,000元（二零一五年：人民幣478,814,000元），並確認按行使認沽權時應付的金融負債現值人民幣312,705,000元（二零一五年：人民幣683,147,000元），並將差額計入權益。
- (c) 根據內蒙蒙牛與Danone Asia Pte Ltd.（「Danone Asia Pte」）訂立日期為二零一三年八月九日的合資經營合同，Danone Asia Pte獲授一項選擇權，可自經修訂及重訂的框架協議相關交割日滿七(7)週年後起，每兩(2)年期間開始後15天內終止合資經營合同，並按行使價向內蒙蒙牛出售Danone Asia Pte全部股權，惟本公司必須遵守當時的適用法例及法規（包括上市規則）的規定，包括當時上市規則關於關連交易的規定。於二零一六年十二月三十一日，本集團終止確認非控股股東權益人民幣581,912,000元（二零一五年：人民幣550,112,000元），並確認按行使選擇權時應付的金融負債現值人民幣1,830,673,000元（二零一五年：人民幣1,951,338,000元），並將差額計入權益。



Notes To Financial Statements 財務報表附註

38. SHARE CAPITAL

38. 股本

			2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Authorised:	法定：			
Ordinary shares of HK\$0.1 each	每股面值0.1港元的普通股		565,022	565,022
			Number of ordinary shares 普通股數目 '000 千股	RMB'000 人民幣千元
		Notes 附註		
Issued and fully paid:	已發行及繳足：			
At 1 January 2016	於二零一六年一月一日		3,923,977	357,262
Shares issued under the equity- settled share option scheme	根據以股份支付的 購股權計劃發行股份	(a)	7,166	635
Shares repurchased and cancelled	股份購回及註銷	(b)	(6,116)	(523)
At 31 December 2016	於二零一六年 十二月三十一日		3,925,027	357,374
			Number of ordinary shares 普通股數目 '000 千股	RMB'000 人民幣千元
		Notes 附註		
Issued and fully paid:	已發行及繳足：			
At 1 January 2015	於二零一五年一月一日		1,958,591	196,246
Shares issued under the equity- settled share option scheme	根據以股份支付的 購股權計劃發行股份	(a)	4,094	329
Bonus issue	發行紅股	(c)	1,961,292	160,687
At 31 December 2015	於二零一五年 十二月三十一日		3,923,977	357,262



Notes To Financial Statements 財務報表附註

38. SHARE CAPITAL (continued)

Notes:

- (a) Details of the Company's share option scheme and the share options issued under the scheme are included in note 41 to the financial statements.
- (b) During the year, an aggregate of 6,116,000 shares were repurchased and cancelled by the Company, resulting in the decrease in share capital of RMB523,000 and share premium of RMB57,619,000.
- (c) On 30 October 2015, an aggregate of 1,961,292,388 bonus shares were issued by the Company on the basis of one share for every one existing share held as of 19 October 2015.

39. OTHER RESERVES

The movements of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 117 to 118 of the financial statements.

- (a) During October 2014, Yashili, China Mengniu International Company Limited. ("Mengniu International") and Danone Asia Baby Nutrition Pte. Ltd. ("Danone Asia") entered into a subscription agreement pursuant to which, among other things, Danone Asia had conditionally agreed to subscribe for and Yashili had conditionally agreed to allot and issue 1,186,390,074 subscription shares (representing approximately 25% of the entire issued share capital of Yashili as enlarged by the allotment) at the subscription price of HK\$3.70 per subscription share. On 12 February 2015, the conditions precedents of the subscription agreement were fulfilled and the allotment had completed. As a result, the interests of the Company in Yashili (through its shareholding interests in Mengniu International) were diluted from approximately 68.02% to approximately 51.01% without loss of control. The deemed disposal was accounted for as an equity transaction, and as a consequence the difference of RMB961,804,000 between the amount by which the non-controlling interests were adjusted and the fair value of the consideration received was recognised directly in equity as a reserve.

38. 股本(續)

附註：

- (a) 本公司購股權計劃及根據該計劃發行的購股權的詳情載列於財務報表附註41。
- (b) 年內，本公司購回及註銷合共6,116,000股股份，導致減少股本人民幣523,000元及股份溢價人民幣57,619,000元。
- (c) 於二零一五年十月三十日，本公司按於二零一五年十月十九日每持有一股現有股份發行一股股份的基準，合共發行1,961,292,388股紅股。

39. 其他儲備

本集團的儲備及本年度及過往年度的儲備變動，載於財務報表第117至第118頁的綜合權益變動表內。

- (a) 於二零一四年十月，雅士利、中國蒙牛國際有限公司(「蒙牛國際」)與Danone Asia Baby Nutrition Pte. Ltd. (「Danone Asia」)訂立認購協議，據此(其中包括)Danone Asia有條件同意認購及雅士利有條件同意配發及發行1,186,390,074股認購股份(相當於經配發擴大後的雅士利全部已發行股本約25%)，認購價為每股認購股份3.70港元。於二零一五年二月十二日，認購協議的先決條件已達成，且配發完成。故此，本公司(透過其於蒙牛國際的股權)於雅士利的權益由約68.02%攤薄至約51.01%，惟並無失去控制權。該視同出售計為股權交易，故此，經調整非控股股東權益與已收代價的公允值差額人民幣961,804,000元已直接於權益確認為儲備。



Notes To Financial Statements 財務報表附註

39. OTHER RESERVES (continued)

(b) On 31 December 2014, China Dairy (Mauritius) Limited, a wholly-owned subsidiary of the Company, entered into an equity interest transfer agreement to acquire an approximately 6.6862% equity interest in Inner Mongolia Mengniu from the sellers at an aggregate consideration of approximately RMB2,505,732,000 in form of cash within 10 business days of the obtaining of the approval of the Ministry of Commerce of the PRC. On 26 January 2015, the transaction was completed and the interest of the Company in Inner Mongolia Mengniu was increased to approximately 99.9775%. This acquisition was accounted for as an equity transaction, and as a consequence the difference of RMB1,890,606,000, representing the amount of the fair value of the consideration over the amount by which the non-controlling interests were adjusted, was charged directly in equity.

Junlebao, an indirectly-owned subsidiary of the Company, entered into an equity interest transfer agreement to acquire an approximately 48.7784% equity interest in Baoding Junlebao Dairy Co., Ltd. ("Baoding Junlebao") from an independent third party. On 13 January 2015, the transaction was completed, which resulted in the increase of Junlebao's interest in Baoding Junlebao from 50.92% to 99.70%. This acquisition was accounted for as an equity transaction, and as a consequence the difference of RMB5,187,000, representing the amount of non-controlling interests adjusted, over the fair value of the consideration paid, was credited directly in equity.

Inner Mongolia Mengniu, an indirectly-owned subsidiary of the Company, entered into an equity interest transfer agreement to acquire a 48% equity interest in Beijing Mengniu Hongda Dairy Co., Ltd. ("Beijing Hongda") from an independent third party at an aggregate consideration of RMB264,000,000 in form of cash. On 26 December 2016, the transaction was completed, which resulted in the increase of Inner Mongolia Mengniu's interest in Beijing Hongda from 52% to 100%. This acquisition was accounted for as an equity transaction, and as a consequence the difference of RMB185,494,000, representing the amount of the fair value of the consideration over the amount by which the non-controlling interests were adjusted, was charged directly in equity.

39. 其他儲備 (續)

(b) 於二零一四年十二月三十一日，本公司全資子公司China Dairy (Mauritius) Limited訂立股權轉讓協議，以向賣方收購內蒙蒙牛約6.6862%股權，現金代價合共約為人民幣2,505,732,000元，有關代價應於取得中國商務部批文後十個營業日內支付。於二零一五年一月二十六日，交易完成，本公司於內蒙蒙牛的股權增至約99.9775%。有關收購以股權交易入賬，故此，差額人民幣1,890,606,000元(為代價的公允值超出經非控股股東權益調整的金額)已直接從權益中扣除。

本公司間接擁有的子公司君樂寶訂立一項股權轉讓協議，向獨立第三方收購保定君樂寶乳業有限公司(「保定君樂寶」)約48.7784%股權。二零一五年一月十三日，交易完成，君樂寶於保定君樂寶的權益由50.92%增至99.70%。此項收購入賬為一項股權交易，因此，差額人民幣5,187,000元(為經非控股股東權益調整的金額超出已付代價的公允值差額)已直接計入權益中。

本公司間接擁有的子公司內蒙蒙牛訂立股權轉讓協議，向獨立第三方收購北京蒙牛宏達乳製品有限責任公司(「北京宏達」)48%股權，代價總額為人民幣264,000,000元，以現金支付。二零一六年十二月二十六日，交易完成，內蒙蒙牛於北京宏達的權益由52%增至100%。此項收購入賬為一項股權交易，因此，差額人民幣185,494,000元(為代價的公允值超出非控股股東權益經調整的金額)已直接從權益中扣除。



Notes To Financial Statements 財務報表附註

39. OTHER RESERVES (continued)

- (c) On 16 November 2015, Inner Mongolia Mengniu disposed of a 100% equity interest in Oushi Mengniu to Yashili International. The disposal was a common control business combination and was accounted for as an equity transaction. As the interests of the Company in Yashili International and Inner Mongolia Mengniu were 51.01% and 99.9775%, respectively, the disposal resulted in the Company's equity interest in Oushi Mengniu decreasing from 99.9775% to 51.01% without loss of control. As a consequence, the difference of RMB307,558,000 between the amount by which the non-controlling interests were adjusted and the fair value of the consideration was recognised directly in equity as a reserve.
- (d) The balance of the contributed surplus of the Group represents the difference between the nominal value of the share capital of the subsidiaries acquired pursuant to the group reorganisation scheme on 14 May 2004 to rationalise the structure of the Group in preparation for the public listing of the Company's shares on the Hong Kong Stock Exchange and the nominal value of the shares of the Company issued in exchange therefor. An amount of RMB27,343,000 previously recognised in contributed surplus, representing the excess of the amount of capital injected by the non-controlling shareholder over its additional interest in the subsidiary's net assets attributable to the Company's owners, was reclassified to equity transaction reserve during 2015.
- (e) In accordance with the relevant PRC laws and regulations, the PRC domestic companies are required to transfer 10% of their profit after income tax, as determined under the PRC accounting standards and financial regulations, to the statutory common reserve. Subject to certain restrictions as set out in the relevant PRC laws and regulations, the statutory common reserve may be used to offset against the accumulated losses, if any.

39. 其他儲備 (續)

- (c) 於二零一五年十一月十六日，內蒙蒙牛向雅士利國際出售於歐世蒙牛的全部股權。該項出售為一項共同控制業務合併，並入賬為一項股權交易。由於本公司於雅士利國際及內蒙蒙牛的權益分別為51.01%及99.9775%，故該項出售導致本公司於歐世蒙牛的股權由99.9775%降至51.01%，惟並無失去控制權。因此，經非控股股東權益調整的金額與代價公允值之間人民幣307,558,000元的差額已直接於權益內確認為儲備。
- (d) 本集團的實繳盈餘的結餘指根據為籌備本公司股份於香港聯交所公開上市以精簡本集團架構的集團重組而於二零零四年五月十四日收購子公司的股本面值與本公司交換所發行股份的面值兩者之間的差額。過往於實繳盈餘確認的人民幣27,343,000元，即該非控股股東權益所注入的資本金額超過本公司擁有人應佔該子公司資產淨值的額外權益的數額，已於2015年內重新分類至權益交易儲備。
- (e) 根據中國有關法律及法規的規定，中國國內公司須將除所得稅後利潤的10%（根據中國會計準則及財政法規釐定）轉撥至法定公積金。根據中國有關法律及法規所載若干限制的規定，法定公積金可被用作抵銷累計虧損（如有）。



Notes To Financial Statements 財務報表附註

40. MAJOR NON-CASH TRANSACTIONS

During 2016, the Group purchased property, plant and equipment by means of long term payables with a total contractual amount and a total amortised cost of approximately RMB30,697,000 (2015: RMB83,902,000) and RMB29,338,000 (2015: RMB87,835,000), respectively.

41. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Share Option Scheme include the Company's directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers and any person or entity that provides research, development or technological support to the Group. The Share Option Scheme became effective on 28 June 2005 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of shares in respect of share options currently permitted to be granted under the Share Option Scheme is an amount equivalent, upon their exercise, to 10% of the total number of shares of the Company in issue as at the date of approval and adoption of the Share Option Scheme provided that the Group may at any time seek approval from its shareholders to refresh the limit to 10% of the shares in issue as at the date of approval by the shareholders in a general meeting where such limit is refreshed. The maximum number of shares issuable under share options to each eligible participant in the Share Option Scheme within any 12-month period is limited to 1% of the total shares of the Company in issue at any time. Any further grant of share options in excess of these limits is subject to shareholders' approval in a general meeting.

40. 重大非現金交易

二零一六年內，本集團透過長期應付款項，即合約款項總額及攤銷成本總額分別約人民幣30,697,000元(二零一五年：人民幣83,902,000元)及人民幣29,338,000元(二零一五年：人民幣87,835,000元)的方式購買物業、廠房及設備。

41. 購股權計劃

本公司設立的購股權計劃(「購股權計劃」)，目的為激勵對本集團業務成功作出貢獻的合資格參與者，並為彼等作出獎賞。購股權計劃的合資格計劃參與者包括本公司董事(包括獨立非執行董事)、本集團之其他僱員、本集團之貨品或服務供應商、客戶以及向本集團提供研究、開發或技術支援的任何人士或實體。購股權計劃於二零零五年六月二十八日生效，除另作取消或修訂外，否則於該日起十年內有效。

現時根據購股權計劃准予授出的購股權經行使後可予發行的股份數目最多相等於本公司在批准及採納購股權計劃當日已發行股份總數10%，惟本集團可隨時徵求股東批准將上限重新釐定為股東於有關上限獲更新的股東大會上授出有關批准當日已發行股份10%。於任何十二個月期間內，根據購股權可發行之購股權計劃內每位合資格參與者的股份數目最多為於任何時間本公司已發行股份總數1%。凡再授出任何超出此上限的購股權，必須經股東於股東大會上批准。



41. SHARE OPTION SCHEME (continued)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK\$5,000,000, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 20 business days from the date of offer, upon payment of a consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than seven years from the date of offer of the share options or the expiry date of the Share Option Scheme, if earlier.

The exercise price of share options is determinable by the directors, but may not be less than the highest of (i) The Stock Exchange of Hong Kong Limited (the "Stock Exchange") closing price of the Company's shares on the offer date of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five business days immediately preceding the offer date; and (iii) the nominal value of the shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

41. 購股權計劃(續)

向本公司董事、主要行政人員或主要股東或彼等任何聯繫人授出的購股權必須經獨立非執行董事事先批准。此外，於任何十二個月期間內，凡向本公司主要股東或獨立非執行董事或彼等之任何聯繫人授出的任何購股權超出於任何時間本公司已發行股份0.1%或總值(按授出日期本公司股份的收市價計算)超出5,000,000港元，必須經股東於股東大會上事先批准。

承授人可於授出購股權建議日起20個營業日內以支付象徵性代價合共1港元接納此建議。授出購股權的行使期由董事會決定，行使期由某一歸屬期後起計及在不遲過授出購股權建議日七年之日或購股權計劃到期日(以較早者為準)終止。

購股權行使價由董事釐定，惟不可低於(i)本公司股份於授出購股權建議之日在香港聯合交易所有限公司(「聯交所」)所報的收市價；(ii)本公司股份於緊接建議授出日期前五個營業日在聯交所所報的平均收市價；及(iii)股份面值最高者。

購股權持有人無權獲派股息或於股東大會上投票。



Notes To Financial Statements 財務報表附註

41. SHARE OPTION SCHEME (continued)
Particulars of outstanding share options**41. 購股權計劃**(續)
尚未行使購股權詳情

Date of grant 授出日期	Exercise period of share options (both dates inclusive) 購股權的行使期間 (包括首尾兩日)	Exercise price per share option (note e) 每份購股權的 行使價(附註e)		Weighted average fair value per share option 每份購股權的 加權平均公允值	
		(HK\$) (港元) Before bonus issue 發行紅股前	(HK\$) (港元) After bonus issue 發行紅股後	(HK\$) (港元) Before bonus issue 發行紅股前	(HK\$) (港元) After bonus issue 發行紅股後
23 November 2009 二零零九年十一月二十三日	23 November 2011 to 22 November 2015 (note a) 二零一一年 十一月二十三日至 二零一五年 十一月二十二日 (附註a)	24.40	12.20	8.50	4.25
6 December 2010 二零一零年十二月六日	6 December 2012 to 5 December 2016 (note b) 二零一二年 十二月六日至 二零一六年 十二月五日 (附註b)	22.80	11.40	7.25	3.63
10 October 2011 二零一一年十月十日	10 October 2015 to 9 October 2018 (note c) 二零一五年 十月十日至 二零一八年 十月九日 (附註c)	24.10	12.05	8.37	4.19



Notes To Financial Statements 財務報表附註

41. SHARE OPTION SCHEME (continued)**Particulars of outstanding share options** (continued)

Notes:

- (a) The share options will be vested in three batches with 20%, 40% and 40% of the share options vesting on, respectively, the second, third and fourth anniversaries of the date of the grant. In addition, the share options will only be vested if and when the pre-set performance targets of the Group, the division of the grantee and the grantee are achieved. Unless all of these targets are met, the share options will lapse.

Out of the 89,025,000 share options granted in aggregate, 20,116,500 share options were granted in exchange for and replacement of the outstanding share options previously granted on 9 November 2007 to better achieve the objectives of the Share Option Scheme.

- (b) The share options will be vested in three batches with 20%, 40% and 40% of the share options granted vesting on, respectively, the second, third and fourth anniversaries of the date of the grant. In addition, the share options will only be vested if and when the pre-set performance targets of the Group, the division of the grantee and the grantee are achieved. Unless all of these targets are met, the share options will lapse.
- (c) The share options will be vested in two equal batches with 50% of the share options granted vesting on the fourth and fifth anniversaries of the date of grant. In addition, the share options will only be vested if and when the pre-set performance targets of the Group, the division of the grantee and the grantee are achieved. Unless all of these targets are met, the share options will lapse.
- (d) The exercise price per share option was the average closing share price for the five business days immediately preceding the grant date or the closing price of the shares on the grant date.

As at 30 October 2015, bonus shares were issued by the Company on the basis of one share for every one existing share held as of 19 October 2015. As a result, the exercise price per share option was adjusted.

- (e) Except for the options granted on 10 October 2011, which have a contractual life of seven years, the contractual life of the above options granted is six years.

All the above options granted have no cash alternatives.

41. 購股權計劃(續)**尚未行使購股權詳情**(續)

附註：

- (a) 購股權將歸屬分為三份，20%、40%及40%購股權分別於由授出日期起第二、三及四個週年歸屬。此外，倘若達到本集團、承授人所屬部門及承授人的預定表現目標，則有關購股權方獲歸屬。倘未能達致上述全部目標，則有關購股權將失效。

於合共授出的89,025,000份購股權中，其中20,116,500份購股權乃就替代先前於二零零七年十一月九日所授出的未行使購股權而授出，以更好達致購股權計劃的目標。

- (b) 購股權將歸屬分為三份，20%、40%及40%購股權分別於由授出日期起第二、三及四個週年歸屬。此外，倘若達到本集團、承授人所屬部門及承授人的預定表現目標，則有關購股權方獲歸屬。倘未能達致上述全部目標，則有關購股權將失效。
- (c) 購股權將歸屬分為兩等份，50%及50%購股權分別於由授出日期起第四及五個週年歸屬。此外，倘若達到本集團、承授人所屬部門及承授人的預定表現目標，則有關購股權方獲歸屬。倘未能達致上述全部目標，則有關購股權將失效。
- (d) 每份購股權的行使價乃緊接授出日期前五個營業日的平均股份收市價或授出日期的股份收市價。

於二零一五年十月三十日，本公司按於二零一五年十月十九日每持有一股現有股份發行一股股份的基準發行紅股。因此，每股購股權的行使價已作調整。

- (e) 除了於二零一一年十月十日授出的購股權合約年期為七年外，上述所授出購股權的合約年期為六年。

上述所有授出的購股權均並無現金替代品。



Notes To Financial Statements 財務報表附註

41. SHARE OPTION SCHEME (continued)
Movements of outstanding share options**41. 購股權計劃**(續)
尚未行使購股權變動

Date of grant	授出日期	As at 1 January 2016	Granted during the year	Exercised during the year	Forfeited during the year	Lapsed/ expired during the year	As at 31 December 2016	Exercisable at 31 December 2016
		於二零一六年 一月一日	年內授出	年內行使	年內沒收	年內 失效/屆滿	於二零一六年 十二月 三十一日	於二零一六年 十二月 三十一日 可行使
23 November 2009	二零零九年十一月二十三日	-	-	-	-	-	-	-
6 December 2010	二零一零年十二月六日	-	-	-	-	-	-	-
10 October 2011	二零一一年十月十日	41,199,682	-	(7,165,736)	-	(31,700,000)	2,333,946	2,333,946
Total	總計	41,199,682	-	(7,165,736)	-	(31,700,000)	2,333,946	2,333,946

Date of grant	授出日期	As at 1 January 2015	Granted during the year	Bonus issue	Exercised during the year	Forfeited during the year	Lapsed/ expired during the year	As at 31 December 2015	Exercisable at 31 December 2015
		於二零一五年 一月一日	年內授出	發行紅股	年內行使	年內沒收	年內 失效/屆滿	於二零一五年 十二月 三十一日	於二零一五年 十二月 三十一日 可行使
23 November 2009	二零零九年 十一月二十三日	2,302,524	-	401,227	(2,701,935)	-	(1,816)	-	-
6 December 2010	二零一零年十二月六日	828,000	-	28,000	(856,000)	-	-	-	-
10 October 2011	二零一一年十月十日	38,600,000	-	20,867,859	(536,036)	-	(17,732,141)	41,199,682	9,499,682
Total	總計	41,730,524	-	21,297,086	(4,093,971)	-	(17,733,957)	41,199,682	9,499,682



41. SHARE OPTION SCHEME (continued)**Movements of outstanding share options** (continued)

Subsequent to the end of the reporting period of 2015, out of the total outstanding share options of 41,199,682 as at 31 December 2015, 31,700,000 share options had lapsed due to the unfulfilment of vesting conditions.

The Group reversed an expense of RMB69,359,000 relating to the share options lapsed due to the unfulfilment of vesting conditions under the Share Option Scheme in 2015 (note 7 and note 9).

The 7,165,736 share options (2015: 4,093,971) exercised during the year resulted in the issue of 7,165,736 (2015: 4,093,971) ordinary shares of the Company and new share capital of RMB635,000 (2015: RMB329,000) and share premium of RMB75,829,000 (2015: RMB64,771,000), as further detailed in note 38 to the financial statements. The weighted average share price at the date of exercise of these options was HK\$14.58 (2015: HK\$18.44).

At the end of the reporting period, the Company had 2,333,946 (2015: 9,499,682) vested share options outstanding under the Share Option Scheme. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 2,333,946 (2015: 9,499,682) additional ordinary shares of the Company and additional share capital of RMB209,000 (2015: RMB796,000) and share premium of RMB24,948,000 (2015: RMB95,106,000) (before issue expenses).

41. 購股權計劃(續)**尚未行使購股權變動**(續)

於二零一五年十二月三十一日尚未行使的購股權共41,199,682份購股權單位中，31,700,000份因未達到歸屬條件而於二零一五年報告期末後失效。

二零一五年，本集團撥回有關購股權因未能履行於購股權計劃項下的歸屬條件而失效的開支人民幣69,359,000元(附註7及9)。

7,165,736份(二零一五年：4,093,971份)購股權於年內行使，因而已發行7,165,736股(二零一五年：4,093,971股)本公司普通股，產生新股本為人民幣635,000元(二零一五年：人民幣329,000元)，股份溢價人民幣75,829,000元(二零一五年：人民幣64,771,000元)，詳情載於財務報表附註38。此等購股權行使日的加權平均股價為14.58港元(二零一五年：18.44港元)。

於報告期末，本公司共有2,333,946份(二零一五年：9,499,682份)購股權計劃項下的已歸屬未行使購股權。按本公司現時之股本結構，全面行使尚餘之購股權將引致額外發行2,333,946股(二零一五年：9,499,682股)本公司普通股及人民幣209,000元(二零一五年：人民幣796,000元)額外股本及人民幣24,948,000元(二零一五年：人民幣95,106,000元)股份溢價(扣除發行費用前)。



Notes To Financial Statements 財務報表附註

42. SHARE AWARD SCHEME

The share award scheme of the Company was adopted by the board on 26 March 2013 (the “Adoption Date”). The purpose of the share award scheme is to provide an incentive to encourage the participants for the continual operation and development of the Group.

Subject to the terms of the share award scheme and the Listing Rules, the board may at any time make an offer to any eligible person it may in its absolute discretion select to accept the grant of an award over such a number of shares as it may determine (the “Participants”). Existing shares of the Company will be purchased by an independent trustee (the “Trustee”) of the share award scheme from the market out of cash contributed by the Group and be held in trust for the relevant Participants until such shares are vested with the relevant Participants in accordance with the provisions of the share award scheme. The shares of the Company granted and held by the trustee until vesting are referred to as the treasury shares and each treasury share shall represent one ordinary share of the Company.

No shares shall be purchased pursuant to the share award scheme, nor any amounts paid to the Trustee for the purpose of making such a purchase, if as a result of such purchase, the number of shares administered under the share award scheme shall exceed 5% of the issued capital of the Company. The maximum number of shares which may be granted to a Participant at any one time or in aggregate may not exceed 0.5% of the issued capital of the Company at the Adoption Date.

Subject to any early termination as may be determined by the board, the share award scheme shall be valid and effective for a period of 5 years commencing on the Adoption Date.

42. 股票獎勵計劃

本公司股票獎勵計劃於二零一三年三月二十六日(「採納日期」)獲董事會採納。股票獎勵計劃旨在獎勵參與者繼續為本集團的經營及發展作出貢獻。

根據股票獎勵計劃條款及上市規則，董事會可隨時向任何合資格人士作出要約，由合資格人士酌情選擇接納董事會決定授出的有關股份數目之獎勵(「參與者」)。股票獎勵計劃的獨立受託人(「受託人」)以本集團出資的現金於市場上購買本公司現有股份，及以信託形式代相關參與者持有，直至該等股份根據股票獎勵計劃的條文歸屬於相關參與者為止。已授出及由受託人持有直至歸屬的本公司股份稱為庫存股份，而各庫存股份應指本公司一股普通股。

概無股份根據本股票獎勵計劃獲購買，亦無向受託人支付任何款項以作出有關購買，倘因有關購買，致使本股票獎勵計劃管理的股份數目超過本公司已發行股本5%，於任何時間可能授予單一參與者的股票數目上限或總數不得超過採納日期本公司已發行股本0.5%。

受限於董事會可能釐定的任何提早終止，股票獎勵計劃將於採納日期起計五年期間內一直有效及生效。



Notes To Financial Statements 財務報表附註

42. SHARE AWARD SCHEME (continued)

Particulars and movements of share award scheme

42. 股票獎勵計劃(續)

股票獎勵計劃詳情及變動

Date of grant	授出日期	Notes	Fair value per share		As at	Granted	Vesting	Forfeited	As at
			Before bonus issue	After bonus issue	1 January 2016	during the year	during the year	during the year	31 December 2016
		附註	(HK\$) (港元)	(HK\$) (港元)	於 二零一六年 一月一日	年內授出	年內歸屬	年內沒收	於 二零一六年 十二月 三十一日
			發行紅股前	發行紅股後					
26 April 2013	二零一三年四月二十六日	(a)	21.65	10.83	9,345,600	-	-	(9,345,600)	-
2 April 2015	二零一五年四月二日	(c)	40.10	20.05	3,738,210	-	-	(1,606,388)	2,131,822
11 April 2016	二零一六年四月十一日	(d)	12.42	n/a	-	14,492,753	(5,104,602)	(1,731,248)	7,656,903
21 September 2016	二零一六年九月二十一日	(e)	13.96	n/a	-	10,653,825	-	(10,653,825)	-
					13,083,810	25,146,578	(5,104,602)	(23,337,061)	9,788,725

Date of grant	授出日期	Notes	Fair value per share		As at	Granted	Vesting	Bonus	Forfeited	As at
			Before bonus issue	After bonus issue	1 January 2015	during the year	during the year	issue	during the year	31 December 2015
		附註	(HK\$) (港元)	(HK\$) (港元)	於 二零一五年 一月一日	年內授出	年內歸屬	發行紅股	年內沒收	於 二零一五年 十二月 三十一日
			發行紅股前	發行紅股前						
26 April 2013	二零一三年四月二十六日	(a)	21.65	10.83	7,409,800	-	(1,228,000)	6,181,800	(3,018,000)	9,345,600
17 April 2014	二零一四年四月十七日	(b)	40.95	20.48	6,055,000	-	(6,055,000)	-	-	-
2 April 2015	二零一五年四月二日	(c)	40.10	20.05	-	8,725,000	-	8,725,000	(13,711,790)	3,738,210
					13,464,800	8,725,000	(7,283,000)	14,906,800	(16,729,790)	13,083,810



Notes To Financial Statements 財務報表附註

42. SHARE AWARD SCHEME (continued)
Particulars and movements of share award scheme

(continued)

Notes:

- (a) On 26 April 2013, a total number of 17,569,400 shares, representing 0.99% of the issued capital of the Company as at the Adoption Date, were granted to the Participants. Out of the total shares granted, 8,425,800 shares were granted to the Chief Executive Officer, who is also an executive Director of the Company (resigned as the Chief Executive Officer and executive Directors on 15 September 2016), which would vest in five tranches each on the first, second, third, fourth and fifth anniversaries of the Grant Date in accordance with certain vesting conditions (including the Group's performance targets), subject to the publication of the full-year results of the Company for the financial years ended/ending 31 December 2013, 2014, 2015, 2016 and 2017. The grant of the shares to other directors, senior management, heads of departments and other employees of the Group would vest in full on 31 March 2014 in accordance with the vesting conditions (including the Group's performance targets), subject to the publication of the full-year results of the Company for the financial year ended 31 December 2013.
- (b) On 17 April 2014, the Company further granted 6,055,000 shares under share award scheme to the Participants, representing approximately 0.34% of the issued share capital of the Company as at the Adoption Date. This batch of shares would vest in full by 30 April 2015 in accordance with the vesting conditions (which include the Group's performance targets in 2014), subject to the publication of the full-year results of the Company for the financial year ended 31 December 2014.

42. 股票獎勵計劃(續)
股票獎勵計劃詳情及變動(續)

附註：

- (a) 二零一三年四月二十六日，本公司向參與者授出合共17,569,400股股份，佔本公司於採納日期的已發行股本0.99%。於已授出股份總數中，8,425,800股股份乃授予總裁(亦為本公司執行董事，於二零一六年九月十五日辭任總裁及執行董事)，該等股份將根據若干歸屬條件(包括本集團表現目標)，分五個批次歸屬，而歸屬日期分別為自授出日期起第一、二、三、四及五個週年歸屬，惟須待本公司就截至二零一三年、二零一四年、二零一五年、二零一六年及二零一七年十二月三十一日止財政年度刊發全年業績後，方可歸屬。向本集團其他董事、高級管理人員、部門主管及其他僱員授出的股份，根據歸屬條件(包括本集團表現目標)於二零一四年三月三十一日悉數歸屬，但須待本公司就截至二零一三年十二月三十一日止財政年度刊發全年業績後，方可歸屬。
- (b) 二零一四年四月十七日，本公司根據股票獎勵計劃進一步向參與者授出6,055,000股股份，佔本公司於採納日期的已發行股本約0.34%。該批股份將根據歸屬條件(將包括本集團於二零一四年表現目標)，於二零一五年四月三十日悉數歸屬，惟須待本公司就截至二零一四年十二月三十一日止財政年度刊發全年業績後，方可歸屬。



Notes To Financial Statements 財務報表附註

42. SHARE AWARD SCHEME (continued)

Particulars and movements of share award scheme

(continued)

Notes: (continued)

- (c) On 2 April 2015, the Company further granted 8,725,000 shares under share award scheme to the Participants, representing approximately 0.49% of the issued share capital of the Company as at the Adoption Date. Out of the total shares granted, 2,472,700 shares would vest in three tranches each on the first, second and third anniversaries of the grant date in accordance with the vesting conditions (including the Group's performance targets) subject to the publication of the full-year results of the Company for the financial years ended/ending 31 December 2015, 2016 and 2017, respectively. The shares granted to other directors, senior management, heads of departments and other employees of the Group would vest in full on 31 March 2016 in accordance with the vesting conditions (including the Group's performance targets) subject to the publication of the full-year results of the Company for the financial year ended 31 December 2015.
- (d) On 11 April 2016, the Company further granted 14,492,753 shares under share award scheme to the participants, representing approximately 0.37% of the issued share capital of the Company as at the Adoption Date. These granted shares would vest in two tranches each on 31 December 2016 and 2017 in accordance with the vesting conditions (including the Participants' performance targets), subject to the Participants' performance results for the financial years ending 31 December 2016 and 2017, respectively.
- (e) On 21 September 2016, the Company further granted 10,653,825 shares under share award scheme to the Participants, representing approximately 0.3% of the issued share capital of the Company as at the Adoption Date. These granted shares would vest in full by 31 March 2017 in accordance with the vesting conditions (which include the Group's performance targets in 2016), subject to the publication of the full-year results of the Company for the financial year ended 31 December 2016.

42. 股票獎勵計劃(續)

股票獎勵計劃詳情及變動(續)

附註：

- (c) 二零一五年四月二日，本公司根據股票獎勵計劃進一步向參與者授出8,725,000股股份，佔本公司於採納日期的已發行股本約0.49%。已授出股份總數中，2,472,700股股份將根據歸屬條件(包括本集團表現目標)，分三個批次歸屬，而歸屬日期分別為自授出日期起第一、二及三個週年，惟須待本公司就截至二零一五年、二零一六年及二零一七年十二月三十一日止財政年度分別刊發全年業績後，方可歸屬。已向本集團其他董事、高級管理人員、部門主管及其他僱員授出的股份，根據歸屬條件(包括本集團表現目標)，須於二零一六年三月三十一日悉數歸屬，惟須待本公司就截至二零一五年十二月三十一日止財政年度刊發全年業績後，方可歸屬。
- (d) 二零一六年四月十一日，本公司根據股票獎勵計劃進一步向參與者授出14,492,753股股份，佔本公司於採納日期的已發行股本約0.37%。該等授出的股份將各於二零一六年及二零一七年十二月三十一日分兩次根據歸屬條件(包括參與者的表現目標)歸屬，惟須視乎參與者分別於截至二零一六年及二零一七年十二月三十一日止財政年度的表現業績而定。
- (e) 二零一六年九月二十一日，本公司根據股票獎勵計劃進一步向參與者授出10,653,825股股份，佔本公司於採納日期的已發行股本約0.3%。此等授出的股份於二零一七年三月三十一日根據歸屬條件(包括本集團於二零一六年的表現目標)悉數歸屬，惟須視乎本公司刊發截至二零一六年十二月三十一日止財政年度的全年業績，方能歸屬。



Notes To Financial Statements 財務報表附註

42. SHARE AWARD SCHEME (continued)**Particulars and movements of share award scheme**

(continued)

During 2016, 23,337,061 (2015: 16,729,790) shares lapsed due to the unfulfillment of vesting condition under the share award scheme.

The fair value of the shares granted was calculated based on the market prices of the Company's shares at the respective grant dates. No dividend will be considered. The fair value of the shares granted on 11 April 2016 and 21 September 2016 was HK\$12.42 per share and HK\$13.96 per share, respectively (2015: HK\$40.10 per share before bonus issue). During 2016, there was an expense relating to the share award scheme of RMB202,243,000 (2015: RMB277,497,000), and a reversal of expense due to the unfulfillment of vesting condition under the share award scheme of RMB161,304,000 (2015: RMB185,773,000). The Group accordingly recognised a net expense relating to the share award scheme of approximately RMB40,939,000 (2015: RMB91,724,000) in the consolidated statement of profit or loss during the year (note 7).

During the year, the Company acquired 2,094,000 of the Company's shares (2015: 5,447,000) through purchases on the market under the share award scheme. The total amount paid to acquire the shares during the year was HK\$19,786,000 (2015: HK\$166,807,000), equivalent to RMB16,916,000 (2015: RMB135,535,000).

During the year, 5,104,602 (2015: 7,283,000) shares with a total amount of RMB78,269,000 (2015: RMB208,848,000) were vested and exercised under the share award scheme, resulting in the transfer out of RMB53,562,000 (2015: RMB218,197,000) from the share award reserve, with the difference of RMB24,707,000 (2015 credited: RMB9,349,000) debited to the share premium account. The weighted average share price at the date of exercise of these shares was HK\$17.14 (2015: HK\$36.34).

42. 股票獎勵計劃(續)**股票獎勵計劃詳情及變動**(續)

二零一六年內，共23,337,061股股份(二零一五年：16,729,790)因未能達到股票獎勵計劃的歸屬條件而失效。

已授出股份的公允值乃基於本公司股份於各授出日期的市值計算，當中不會計及股息。二零一六年四月十一日及二零一六年九月二十一日授出的股份的公允值分別為每股12.42港元及13.96港元(二零一五年：發行紅股前每股40.10港元)。二零一六年內，股票獎勵計劃支出為人民幣202,243,000元(二零一五年：人民幣277,497,000元)，並就未能達到股票獎勵計劃的歸屬條件而撥回支出人民幣161,304,000元(二零一五年：人民幣185,773,000元)。本集團因此於年內於綜合損益表中確認股票獎勵計劃淨支出約人民幣40,939,000元(二零一五年：人民幣91,724,000元)(附註7)。

年內，本公司根據股票獎勵計劃透過市場購買本公司2,094,000股股份(二零一五年：5,447,000股)。年內購買該等股份的已支付金額總數為19,786,000港元(二零一五年：166,807,000港元)，相當於人民幣16,916,000元(二零一五年：人民幣135,535,000元)。

年內，總額為人民幣78,269,000元(二零一五年：人民幣208,848,000元)的5,104,602股股份(二零一五年：7,283,000股)已根據股票獎勵計劃歸屬及行使，導致自股票獎勵儲備轉出人民幣53,562,000元(二零一五年：人民幣218,197,000元)，差額人民幣24,707,000元(二零一五年計入：人民幣9,349,000元)已自股份溢價賬扣除。此等股份行使日期的加權平均股價為17.14港元(二零一五年：36.34港元)。



Notes To Financial Statements 財務報表附註

43. A PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiary that has material non-controlling interests are set out below:

43. 擁有重大非控股股東權益的部分擁有子公司

本集團擁有重大非控股股東權益的子公司的詳情如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Percentage of equity interest held by non-controlling interests: Yashili	非控股股東權益持有的股權百分比： 雅士利	48.96%	48.96%
Profit for the year allocated to non-controlling interests: Yashili	非控股股東權益分佔的本年利潤： 雅士利	(176,637)	21,986
Dividends paid to non-controlling interests: Yashili	向非控股股東權益派付的股息： 雅士利	16,194	36,494
Accumulated balances of non-controlling interest at the reporting dates: Yashili	於報告日期非控股股東權益的累計結餘： 雅士利	3,874,555	4,029,714



Notes To Financial Statements 財務報表附註

43. A PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

The following tables illustrate the summarised financial information of the above subsidiary. The amounts disclosed are before any inter-company eliminations:

43. 擁有重大非控股股東權益的部分擁有子公司(續)

下表列示上述子公司的簡明財務資料。所披露的金額未計任何集團內公司間的抵銷：

		Yashili 雅士利 2016 二零一六年 RMB'000 人民幣千元	Yashili 雅士利 2015 二零一五年 RMB'000 人民幣千元
Revenue	收入	2,203,315	2,761,571
Total expenses	開支總額	(2,523,533)	(2,643,315)
Profit/(loss) for the year	本年利潤/(虧損)	(320,218)	118,256
Other comprehensive income for the year	本年其他全面收益	76,667	71,354
Total comprehensive income/(loss) for the year	年內全面收益/(虧損)總額	(243,551)	189,610
Current assets	流動資產	4,099,891	5,041,729
Non-current assets	非流動資產	3,866,100	2,621,960
Current liabilities	流動負債	2,253,535	1,674,798
Non-current liabilities	非流動負債	10,842	8,249
Net cash flows from/(used in) operating activities	經營活動產生/(所用)的現金流量淨額	(477,239)	80,032
Net cash flows used in investing activities	投資活動所用的現金流量淨額	(366,891)	(1,726,751)
Net cash flows from financing activities	融資活動產生的現金流量淨額	94,607	2,711,686
Effect of exchange rate changes on cash and cash equivalents	匯率對現金及現金等價物的影響	23,458	2,721
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	(726,065)	1,067,688



Notes To Financial Statements 財務報表附註

44. BUSINESS COMBINATION**Acquisition of Dumex China**

On 31 May 2016, Yashili, a 51.01% indirectly owned subsidiary of the Company, acquired a 100% equity interest in Dumex China from Danone. Dumex China is mainly engaged in the manufacture and sale of infant milk formula products of Dumex brand. The acquisition was made as part of the Group's strategy to expand its market share of infant milk formula products in Mainland China.

The purchase consideration for the acquisition was in the form of cash, with RMB1,099,695,000 paid at the acquisition date and RMB72,437,000 of purchase price adjustments received from Danone after the closing of the transaction.

The fair values of the identifiable assets and liabilities of Dumex China as at the date of acquisition were as follows:

44. 業務合併**收購多美滋中國**

二零一六年五月三十一日，本公司間接擁有51.01%股權的子公司雅士利向Danone收購多美滋中國全部股權。多美滋中國主要從事製造及銷售多美滋品牌的嬰幼兒配方奶粉。該項收購為本集團擴大其中國內地的嬰幼兒配方奶粉市場份額的策略的一環。

收購代價以現金形式支付，於收購日期支付人民幣1,099,695,000元，購買價格調整人民幣72,437,000元於交易完成後向Danone收取。

於收購日期，多美滋中國的可識別資產及負債公允值如下：

		Fair value recognised on acquisition 於收購時確認的 公允值
	Note 附註	RMB'000 人民幣千元
Assets	資產	
Property, plant and equipment	物業、廠房及設備	68,290
Construction in progress	在建工程	7,473
Land use rights	土地使用權	41,527
Other intangible assets	其他無形資產	283,120
Inventories	存貨	64,945
Trade and bills receivables	應收賬款及票據	63,887
Prepayments, deposits and other receivables	預付款、按金及其他應收款項	14,116
Cash and bank balances	現金及銀行結存	112,071
Total assets	總資產	655,429
Liabilities	負債	
Trade and bills payables	應付賬款及票據	(43,626)
Other payables and accruals	其他應付款項及預提費用	(302,909)
Current tax payable	當期應付稅項	(112)
Total liabilities	總負債	(346,647)
Total identifiable net assets at fair value	按公允值計算之可識別淨資產總額	308,782
Add: Goodwill arising on acquisition	加：收購產生的商譽	19 718,476
Purchase consideration at fair value	按公允值計算的收購代價	1,027,258



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44. BUSINESS COMBINATION (continued)**Acquisition of Dumex China** (continued)

The fair values of the trade receivables and other receivables as at the date of acquisition were same as the gross contractual amounts of trade receivables and other receivables, which amounted to RMB63,887,000 and RMB14,116,000, respectively.

The Group incurred transaction costs of RMB5,510,000 for this acquisition. These transaction costs have been expensed and are included in administrative expenses in the consolidated statement of profit or loss.

An analysis of the cash flows in respect of the acquisition of Dumex China for the current year is as follows:

44. 業務合併(續)**收購多美滋中國**(續)

於收購日期，應收賬款及其他應收款項公允值分別為人民幣63,887,000元及人民幣14,116,000元，與應收賬款及其他應收款項合約總額相同。

本集團就該項收購產生交易成本人民幣5,510,000元。有關交易成本已於綜合損益表支銷，並計入行政費用。

收購多美滋中國的本年現金流量分析如下：

		RMB'000 人民幣千元
Cash consideration	現金代價	1,099,695
Receipt of purchase price adjustments	收取購買價調整	(72,437)
Cash and cash equivalents acquired	收購所得現金及現金等價物	(112,071)
Net outflow of cash and cash equivalents included in cash flows from investing activities	計入投資活動所得現金流量的現金及現金等值物流出淨額	915,187
Transaction costs of the acquisition included in cash flows from operating activities	計入經營活動所得現金流量的收購交易成本	5,510
		920,697

Since the acquisition, Dumex China contributed RMB101,089,000 to the Group's revenue and caused net loss of RMB55,905,000 to the consolidated loss for the year ended 31 December 2016.

Had the combination taken place at the beginning of the year, the revenue from continuing operations of the Group and net loss of the Group for the year ended 31 December 2016 would have been RMB53,908,797,000 and RMB961,984,000 respectively.

自收購以來，多美滋中國為本集團截至二零一六年十二月三十一日止年度的收入貢獻人民幣101,089,000元，並為綜合虧損帶來淨虧損人民幣55,905,000元。

倘有關合併於年初進行，則截至二零一六年十二月三十一日止年度來自本集團持續經營業務的收入及本集團淨虧損將分別為人民幣53,908,797,000元及人民幣961,984,000元。



Notes To Financial Statements 財務報表附註

44. BUSINESS COMBINATION (continued)**Acquisition of Inner Mongolia Yiqing**

On 26 September 2016, Linxia Yiqing, a 70% indirectly owned subsidiary of the Company, acquired a 70% and 30% equity interest in Inner Mongolia Yiqing from an associate of the Group and independent third parties, respectively. Inner Mongolia Yiqing is mainly engaged in the sale of ice cream products of Yiqing brand. The acquisition was made as part of the Group's strategy to expand its market share of ice cream products in Mainland China.

The purchase consideration for the acquisition was in the form of cash, with RMB5,600,000 and RMB2,400,000 paid at the acquisition date to the associate and independent third parties, respectively.

The fair values of the identifiable assets and liabilities of Inner Mongolia Yiqing as at the date of acquisition were as follows:

44. 業務合併(續)**收購內蒙壹清**

二零一六年九月二十六日，本公司間接擁有70%股權的子公司臨夏壹清分別向本集團的聯營公司及獨立第三方收購內蒙壹清70%及30%股權。內蒙壹清主要從事銷售壹清品牌的冰淇淋產品。是項收購為本集團擴大其中國內地的冰淇淋市場份額的策略的一環。

是項收購的收購代價以現金形式支付，於收購日期分別向聯營公司及獨立第三方支付人民幣5,600,000元及人民幣2,400,000元。

於收購日期，內蒙壹清的可識別資產及負債公允值如下：

		Notes 附註	Fair value recognised on acquisition 收購時確認 的公允值 RMB'000 人民幣千元
Assets			
Property, plant and equipment	物業、廠房及設備		9,763
Other intangible assets	其他無形資產		24,371
Deferred tax assets	遞延稅項資產	23	7,614
Inventories	存貨		11,461
Trade and bills receivables	應收賬款及票據		5,886
Prepayments, deposits and other receivables	預付款、按金及其他應收款項		8,391
Cash and bank balances	現金及銀行結存		389
Total assets	總資產		67,875
Liabilities			
Trade and bills payables	應付賬款及票據		(67,914)
Other payables and accruals	其他應付款項及預提費用		(40,413)
Total liabilities	總負債		(108,327)
Total identifiable net liabilities at fair value	按公允值計算的可識別淨負債總額		(40,452)
Add: Goodwill arising on acquisition	加：收購產生的商譽	19	48,452
Purchase consideration at fair value	按公允值計算的收購代價		8,000



Notes To Financial Statements 財務報表附註

44. BUSINESS COMBINATION (continued)**Acquisition of Inner Mongolia Yiqing** (continued)

The fair values of the trade receivables and other receivables as at the date of acquisition were same as the gross contractual amounts of trade receivables and other receivables, which amounted to RMB5,886,000 and RMB379,000, respectively.

The Group incurred transaction costs of RMB54,000 for this acquisition. These transaction costs have been expensed and are included in administrative expenses in the consolidated statement of profit or loss.

An analysis of the cash flows in respect of the acquisition of Inner Mongolia Yiqing for the current year is as follows:

		RMB'000 人民幣千元
Cash consideration	現金代價	8,000
Cash and cash equivalents acquired	收購所得現金及銀行等價物	(389)
Net outflow of cash and cash equivalents included in cash flows from investing activities	計入投資活動所得現金流量的現金及現金等值物流出淨額	7,611
Transaction costs of the acquisition included in cash flows from operating activities	計入經營活動所得現金流量的收購交易成本	54
		7,665

Since the acquisition, Inner Mongolia Yiqing contributed RMB5,417,000 to the Group's revenue and caused net loss of RMB6,033,000 to the consolidated loss for the year ended 31 December 2016.

Had the combination taken place at the beginning of the year, the revenue from continuing operations of the Group and net loss of the Group for the year ended 31 December 2016 would have been RMB53,877,738,000 and RMB867,276,000 respectively.

Acquisition of Shanghai Mengniu

On 26 December 2016, the Group acquired an 83% equity interest in Shanghai Mengniu from independent third parties, in which the Group originally had an equity interest of 13%. Shanghai Mengniu is mainly engaged in the sale of liquid milk products. The acquisition was made as part of the Group's strategy to expand its market share of liquid milk products in Mainland China.

44. 業務合併(續)**收購內蒙壹清(續)**

於收購日期，應收賬款及其他應收款項的公允值分別為人民幣5,886,000元及人民幣379,000元，與應收賬款及其他應收款項的合約總額相同。

本集團就是項收購產生交易成本人民幣54,000元。有關交易成本已於綜合損益表支銷，並計入行政費用。

收購內蒙壹清的本年現金流量分析如下：

		RMB'000 人民幣千元
Cash consideration	現金代價	8,000
Cash and cash equivalents acquired	收購所得現金及銀行等價物	(389)
Net outflow of cash and cash equivalents included in cash flows from investing activities	計入投資活動所得現金流量的現金及現金等值物流出淨額	7,611
Transaction costs of the acquisition included in cash flows from operating activities	計入經營活動所得現金流量的收購交易成本	54
		7,665

自收購以來，內蒙壹清為本集團截至二零一六年十二月三十一日止年度的收入貢獻人民幣5,417,000元，並為綜合虧損帶來淨虧損人民幣6,033,000元。

倘有關合併於年初進行，則截至二零一六年十二月三十一日止年度來自本集團持續經營業務的收入及本集團淨虧損將分別為人民幣53,877,738,000元及人民幣867,276,000元。

收購上海蒙牛

二零一六年十二月二十六日，本集團向獨立第三方收購上海蒙牛83%股權，本集團最初持有上海蒙牛13%股權。上海蒙牛主要從事銷售液體奶產品。是項收購為本集團擴大其中國內地的液體奶產品市場份額的策略的一環。



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44. BUSINESS COMBINATION (continued)**Acquisition of Shanghai Mengniu** (continued)

The purchase consideration for the acquisition was in the form of cash, with RMB77,400,000 paid at the acquisition date and the remaining RMB8,600,000 of cash to be paid when certain transaction terms are completed. Besides, the purchase consideration also consisted an effective settlement of trade receivables due from Shanghai Mengniu with RMB119,312,000.

The fair values of the identifiable assets and liabilities of Shanghai Mengniu as at the date of acquisition were as follows:

44. 業務合併 (續)**收購上海蒙牛** (續)

是項收購的收購代價以現金形式支付，於收購日期支付人民幣77,400,000元，若干交易條款完成後將以現金支付餘下人民幣8,600,000元。此外，收購代價亦包括應收上海蒙牛應收賬款有效結算人民幣119,312,000元。

於收購日期，上海蒙牛的可識別資產及負債公允值如下：

	Notes 附註	Fair value recognised on acquisition 收購時確認的 公允值 RMB'000 人民幣千元
Assets		
Property, plant and equipment		452
Other intangible assets		69,721
Deferred tax assets	23	25,709
Inventories		16,812
Trade and bills receivables		38,828
Prepayments, deposits and other receivables		1,339
Cash and bank balances		9,314
Total assets		162,175
Liabilities		
Trade and bills payables		(36,587)
Other payables and accruals		(32,637)
Total liabilities		(69,224)
Total identifiable net assets at fair value		92,951
Less: Trade receivables due from Shanghai Mengniu		(119,312)
Less: Acquisition-date fair value of the Group's initial 13% equity interest in Shanghai Mengniu		(12,851)
Add: Goodwill arising on acquisition	19	125,212
Add: Effective settlement of trade receivables due from Shanghai Mengniu		119,312
Purchase consideration at fair value		205,312



Notes To Financial Statements 財務報表附註

44. BUSINESS COMBINATION (continued)**Acquisition of Shanghai Mengniu** (continued)

The fair values of the trade receivables and other receivables as at the date of acquisition were same as the gross contractual amounts of trade receivables and other receivables, which amounted to RMB38,828,000 and RMB1,339,000, respectively.

The Group incurred transaction costs of RMB340,000 for this acquisition. These transaction costs have been expensed and are included in administrative expenses in the consolidated statement of profit or loss.

Fair value gain of RMB9,489,000 arising from re-measuring the Group's initial equity interest in Shanghai Mengniu at acquisition date was recognised in other income and gains.

An analysis of the cash flows in respect of the acquisition of Shanghai Mengniu for the current year is as follows:

		RMB'000 人民幣千元
Cash consideration	現金代價	77,400
Cash and cash equivalents acquired	收購所得現金及銀行等價物	(9,314)
Net outflow of cash and cash equivalents included in cash flows from investing activities	計入投資活動所得現金流量的現金及現金等值物流出淨額	68,086
Transaction costs of the acquisition included in cash flows from operating activities	計入經營活動所得現金流量的收購交易成本	340
		68,426

Since the acquisition, Shanghai Mengniu did not contribute any revenue and profit or loss to the Group's consolidated loss for the year ended 31 December 2016.

Had the combination taken place at the beginning of the year, the revenue from continuing operations of the Group and net loss of the Group for the year ended 31 December 2016 would have been RMB53,951,695,000 and RMB898,218,000 respectively.

Acquisition of other subsidiaries

During 2016, the Group acquired twelve other subsidiaries from third parties. These subsidiaries are mainly engaged in the manufacture and sale of dairy products. These acquisitions were made as part of the Group's strategy to expand its market share of liquid milk products in Mainland China. The total purchase consideration for these acquisitions were in the form of cash of RMB146,497,000 paid at the acquisition date. These business acquisitions gave rise to goodwill of RMB38,573,000 and gain on bargain purchase of RMB9,213,000 in total.

44. 業務合併(續)**收購上海蒙牛(續)**

於收購日期，應收賬款及其他應收款項的公允值分別為人民幣38,828,000元及人民幣1,339,000元，與應收賬款及其他應收款項的合約總額相同。

本集團就是項收購產生交易成本人民幣340,000元。有關交易成本已於綜合損益表支銷，並計入行政費用。

重新計量本集團於收購日期最初持有的上海蒙牛股權產生的人民幣9,489,000元公允值收益，已於其他收入及收益中確認。

收購上海蒙牛的本年現金流量分析如下：

		RMB'000 人民幣千元
Cash consideration	現金代價	77,400
Cash and cash equivalents acquired	收購所得現金及銀行等價物	(9,314)
Net outflow of cash and cash equivalents included in cash flows from investing activities	計入投資活動所得現金流量的現金及現金等值物流出淨額	68,086
Transaction costs of the acquisition included in cash flows from operating activities	計入經營活動所得現金流量的收購交易成本	340
		68,426

自收購以來，上海蒙牛於截至二零一六年十二月三十一日止年度並無對本集團產生任何收入，亦無對綜合虧損產生任何損益。

倘有關合併於年初進行，則截至二零一六年十二月三十一日止年度來自本集團持續經營業務的收入及本集團淨虧損將分別為人民幣53,951,695,000元及人民幣898,218,000元。

收購其他子公司

二零一六年內，本集團向第三方收購其他十二間子公司。此等子公司主要從事生產及銷售乳製品。此等收購為本集團擴大其中國內地的液體奶產品市場份額的策略的一環。此等收購的總收購代價以現金形式支付，於收購日期支付人民幣146,497,000元。此等業務收購共產生商譽人民幣38,573,000元以及議價購入收益人民幣9,213,000元。



Notes To Financial Statements 財務報表附註

45. DISPOSAL OF SUBSIDIARIES**In 2015:**

On 19 January 2015, Junlebao, an indirectly owned subsidiary of the Company, exchanged its wholly-owned equity interests in Zhangjiakou Junlebao Dairy Co., Ltd. ("Zhangjiakou Junlebao") for an equity interest in Banner Baby Dairy Company Limited, which was subsequently accounted for as an associate of Junlebao.

Net assets of Zhangjiakou Junlebao disposed of as at 19 January 2015:

		Notes 附註	RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	15	20,189
Construction in progress	在建工程	16	267,079
Prepayments, deposits and other receivables	預付款、按金及其他應收款項		35,175
Inventories	存貨		18,266
Cash and bank balances	現金及銀行結存		861
Trade and bills payables	應付賬款及票據		(24,289)
Other payables and accruals	其他應付款項及預提費用		(193,291)
Deferred income	遞延收入		(50,000)
			73,990
Initial recognition of an associate	初步確認為一間聯營公司		123,979
Gain on disposal of a subsidiary	出售一間子公司收益		49,989

An analysis of the net outflow of cash and cash equivalents in respect of disposal of Zhangjiakou Junlebao is as follows:

出售張家口君樂寶的現金及現金等價物流出淨額分析如下：

		RMB'000 人民幣千元
Cash and bank balances disposed of	已出售現金及銀行結存	(861)
Net outflow of cash and cash equivalents in respect of the disposal of Zhangjiakou Junlebao	與出售張家口君樂寶有關的現金及現金等價物流出淨額	(861)

45. 出售子公司**二零一五年：**

二零一五年一月十九日，本公司的間接擁有子公司君樂寶以其於張家口君樂寶乳業有限公司（「張家口君樂寶」）的股權換取旗幟嬰兒乳品股份有限公司的股權，該公司交易於結算後列為君樂寶的聯營公司。

於二零一五年一月十九日出售的張家口君樂寶淨資產：



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45. DISPOSAL OF SUBSIDIARIES (continued)**In 2015: (continued)**

On 4 November 2015, Inner Mongolia Mengniu disposed of its 100% equity interest in Beijing Fangshan Mengniu Dairy Co., Ltd., ("Beijing Fangshan") to an independent third party, for a consideration of RMB153,000,000, payable in cash on the date of completion of the transaction.

Net assets of Beijing Fangshan disposed of as at 4 November 2015:

		Notes 附註	RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	15	6
Construction in progress	在建工程	16	614
Land use rights	土地使用權	18	141,651
Cash and bank balances	現金及銀行結存		546
Other payables and accruals	其他應付款項及預提費用		(60)
			142,757
Satisfied by cash consideration	以現金代價支付		(153,000)
Gain on disposal of a subsidiary	出售一間子公司收益		10,243

An analysis of the net inflow of cash and cash equivalents in respect of disposal of Beijing Fangshan is as follows:

45. 出售子公司(續)**二零一五年：(續)**

二零一五年十一月四日，內蒙蒙牛向獨立第三方出售其於北京房山蒙牛乳業有限公司(「北京房山」)全部股權，代價為人民幣153,000,000元，於交易完成日期以現金支付。

於二零一五年十一月四日北京房山已出售淨資產：

		RMB'000 人民幣千元
出售北京房山的現金及現金等價物流入淨額	分析如下：	
Cash consideration	現金代價	153,000
Less: cash and bank balances disposed of	減：已出售現金及銀行結存	(546)
Net inflow of cash and cash equivalents in respect of the disposal of Beijing Fangshan	與出售北京房山有關的現金及現金等價物流入淨額	152,454



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46. CONTINGENT LIABILITIES

Aside from the disclosure in note 37, the Group had contingent liabilities not provided for in the consolidated financial statements at the end of the reporting period as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Guarantees given to banks in connection with facilities granted to: Third parties	就以下人士獲授融資而向銀行提供擔保： 第三方	-	14,000

47. PLEDGE OF ASSETS

Details of the Group's bills payable, bank loans and long term payables, which are secured by the assets of the Group, are included in notes 30, 32 and 35, respectively, to the financial statements.

48. OPERATING LEASE ARRANGEMENTS**(a) As lessor**

At the end of the reporting period, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within one year	一年內	3,550	10,729
In the second to fifth years, inclusive	兩至五年(包括首尾兩年)	3,360	8,317
Over five years	五年以上	1,400	1,200
		8,310	20,246

46. 或然負債

除附註37所披露者外，本集團於報告期末在綜合財務報表內的未撥備或然負債列載如下：

47. 資產抵押

有關獲本集團的資產作抵押的本集團應付票據、銀行貸款及長期應付款項詳情，分別載於財務報表附註30、32及35。

48. 經營租賃安排**(a) 作為出租人**

於報告期末，本集團根據不可註銷經營租賃，日後到期應收其租戶的最低租金總額如下：



Notes To Financial Statements 財務報表附註

48. OPERATING LEASE ARRANGEMENTS

(continued)

(b) As lessee

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases in respect of buildings and certain production equipment as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within one year	一年內	178,989	137,567
In the second to fifth years, inclusive	兩至五年(包括首尾兩年)	324,605	253,174
Over five years	五年以上	59,115	51,780
		562,709	442,521

49. COMMITMENTS

In addition to the operating lease commitments detailed in note 48, the Group had the following outstanding capital commitments in respect of the purchase and construction of property, plant and equipment as at the end of the reporting period:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Contracted, but not provided for	已訂約但未撥備	643,196	797,598

At the end of the reporting period, the Group did not have any significant commitments.

48. 經營租賃安排(續)**(b) 作為承租人**

於報告期末，本集團按照房屋及若干生產設備的不可註銷經營租賃須於日後支付的最低租金總額如下：

49. 承擔

除附註48詳述的經營租賃承擔外，於報告期末，本集團有關購置及興建物業、廠房及設備的資本承擔如下：

於報告期末，本集團並無任何重大承擔。



Notes To Financial Statements 財務報表附註

50. RELATED PARTY TRANSACTIONS

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

50. 關聯人士交易

- (a) 除於本財務報表其他段落披露的交易外，本集團與其聯營公司及其他關聯人士進行下列重大交易。

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
(I)	Sales of liquid milk products to associates	(I)	2,136,086	3,449,808
(II)	Sales of ice cream products to associates	(II)	29,055	39,859
(III)	Sales of other dairy products to associates	(III)	837	8,788
(IV)	Sales of products to affiliates of a major shareholder of the Company	(IV)	15,884	16,869
(V)	Provision of outsourcing services to an associate	(V)	8,970	-
(VI)	Purchases of raw materials from affiliates of a major shareholder of the Company	(VI)	405,348	225,660
(VII)	Purchases of raw materials from associates	(VII)	3,273,880	2,997,453
(VIII)	Purchases of outsourcing services from an associate	(VIII)	3,270	-

Note:

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

附註：

- (i) 價格是經參考當時市場價格／費率及收取第三方的價格釐定。

(b) Other transactions with associates

- (i) During 2016, the Group acquired 70% equity interest in Linxia Yiqing from Fuyuan, an associate of the Group. The transaction was an asset acquisition. The purchase consideration for the acquisition was in the form of cash, with RMB37,580,000 in total paid at the acquisition date. Linxia Yiqing is mainly engaged in the manufacture of ice cream products of Yiqing brand and was still in the process of construction as at the acquisition date.

(b) 與聯營公司其他交易

- (i) 二零一六年內，本集團向本集團聯營公司富源收購臨夏壹清 70% 股權。該項交易為資產收購。收購的購買代價以現金人民幣 37,580,000 元於收購日期悉數支付。臨夏壹清主要從事生產壹清品牌的冰淇淋產品，於收購日期仍然在建。



Notes To Financial Statements 財務報表附註

50. RELATED PARTY TRANSACTIONS (continued)**(b) Other transactions with associates** (continued)

- (ii) During 2016, Linxia Yiqing, a 70% indirectly owned subsidiary of the Company, acquired a 70% and 30% equity interest in Inner Mongolia Yiqing from an associate of the Group and independent third parties, respectively. The purchase consideration for the acquisition was in the form of cash, with RMB5,600,000 and RMB2,400,000 paid at the acquisition date to the associate and independent third parties, respectively. Further details of the acquisition are included in note 44 to the financial statements.

(c) Compensation of key management personnel of the Group

Key management compensation is detailed in notes 9 and 10 to the financial statements.

Except for (a. IV/VI), the above transactions did not constitute connected transactions/continuing connected transactions as defined in the Listing Rules.

(d) Year-end balances arising from related party transactions are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade and bills receivables from: 應收賬款及票據：			
Associates	聯營公司	526,848	544,834
Affiliates of a major shareholder of the Group	本集團一名主要股東的 聯屬公司	3,491	1,223
		530,339	546,057
Prepayments, deposits and other receivables from: 預付款、按金及其他應收款項：			
Associates	聯營公司	199,240	37
Affiliates of a major shareholder of the Company	本集團一名主要股東的 聯屬公司	564	-
		199,804	37

50. 關聯人士交易 (續)**(b) 與聯營公司其他交易** (續)

- (ii) 二零一六年內，本公司間接擁有70%股權的子公司臨夏壹清分別向本集團聯營公司及獨立第三方收購內蒙壹清70%及30%股權。收購的購買代價分別以現金人民幣5,600,000元及人民幣2,400,000元於收購日期向聯營公司及獨立第三方支付。收購進一步詳情載於財務報表附註44。

(c) 本集團的主要管理人員的報酬

主要管理人員報酬詳情載於財務報表附註9及10。

除(a. IV/VI)外，上述交易並不構成上市規則所界定的關連交易／持續關連交易。

(d) 關聯人士交易產生的年末結餘如下：

Notes To Financial Statements 財務報表附註

50. RELATED PARTY TRANSACTIONS (continued)**(d) Year-end balances arising from related party transactions are as follows:** (continued)

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade and bills payables to: 應付賬款及票據：			
Associates	聯營公司	163,011	196,720
Affiliates of a major shareholder of the Group	本集團一名主要股東的 聯屬公司	47,196	31,945
		210,207	228,665
Other payables and accruals to: 其他應付款項及預提費用：			
Associates	聯營公司	11,371	20,789
		11,371	20,789

The above balances are unsecured, non-interest-bearing and repayable on credit terms similar to those offered to or by independent third parties.

(e) Other outstanding balances with associates

As at 31 December 2016, the Group had entrusted loans due to certain associates of RMB33,086,000 (2015: Nil), included in the interest-bearing bank and other borrowings. The Group obtained those loans from certain associates via banks. The balances are unsecured, with annual interest rates of 1.15% (2015: Nil).

50. 關聯人士交易(續)**(d) 關聯人士交易產生的年末結餘如下：**(續)

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade and bills payables to: 應付賬款及票據：			
Associates	聯營公司	163,011	196,720
Affiliates of a major shareholder of the Group	本集團一名主要股東的 聯屬公司	47,196	31,945
		210,207	228,665
Other payables and accruals to: 其他應付款項及預提費用：			
Associates	聯營公司	11,371	20,789
		11,371	20,789

上述結餘為無抵押、不計息及須於要求時償還，信貸條款與給予或獲自獨立第三方的條款相若。

(e) 與聯營公司其他結餘

於二零一六年十二月三十一日，本集團擁有應付若干聯營公司委託貸款人民幣33,086,000元(二零一五年：無)，並已計入計息銀行及其他借貸。本集團透過銀行從若干聯營公司取得該等貸款。結餘為無抵押，年利率為1.15%(二零一五年：無)。



Notes To Financial Statements 財務報表附註

51. FINANCIAL INSTRUMENTS BY CATEGORY

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

Financial assets

		2016 二零一六年				2015 二零一五年			
		Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Total	Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Total
		攤銷成本 RMB'000 人民幣千元	按公允價值計量且其變動計入損益 RMB'000 人民幣千元	按公允價值計量且其變動計入其他全面收益 RMB'000 人民幣千元	總計 RMB'000 人民幣千元	攤銷成本 RMB'000 人民幣千元	按公允價值計量且其變動計入損益 RMB'000 人民幣千元	按公允價值計量且其變動計入其他全面收益 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Trade and bills receivables	應收賬款及票據	2,340,099	-	-	2,340,099	1,617,757	-	-	1,617,757
Financial assets included in prepayments, deposits and other receivables	計入預付款、按金及其他應收款項的金融資產	859,682	-	-	859,682	591,654	-	-	591,654
Equity investments	股本投資	-	38,529	597,595	636,124	-	42,012	503,224	545,236
Unit trust investment	單位信託投資	-	-	-	-	-	170,000	-	170,000
Entrusted loans	委託貸款	158,177	-	-	158,177	156,970	-	-	156,970
Derivative financial instruments	衍生金融工具	-	36,501	-	36,501	-	10,944	-	10,944
Investment deposits	投資存款	-	4,139,490	-	4,139,490	-	5,049,039	-	5,049,039
Pledged deposits	保證金存款	960,863	-	-	960,863	722,402	-	-	722,402
Long cash receivables	長期應收款項	183,960	-	-	183,960	53,149	-	-	53,149
Cash and cash equivalents	現金及現金等價物	3,355,537	-	-	3,355,537	6,833,608	-	-	6,833,608
Restricted deposits	受限制存款	-	-	-	-	40,229	-	-	40,229
Time deposits	定期存款	4,348,479	-	-	4,348,479	2,666,195	-	-	2,666,195
		12,206,797	4,214,520	597,595	17,018,912	12,681,964	5,271,995	503,224	18,457,183

51. 按類別劃分的金融工具

於報告期末，各分類的金融工具的賬面值如下：

金融資產

Notes To Financial Statements 財務報表附註

51. FINANCIAL INSTRUMENTS BY CATEGORY (continued)
Financial liabilities

51. 按類別劃分的金融工具(續)

金融負債

		2016 二零一六年			2015 二零一五年		
		Amortised cost	Fair value through profit or loss	Total	Amortised cost	Fair value through profit or loss	Total
		攤銷成本	按公允價值 計量且其 變動計入 損益	總計	攤銷成本	按公允價值 計量且其 變動計入 損益	總計
		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
Trade and bills payables	應付賬款及票據	5,405,620	-	5,405,620	4,644,298	-	4,644,298
Financial liabilities included in other payables and accruals	計入其他應付款項及 預提費用的金融負債	3,824,422	-	3,824,422	3,158,554	-	3,158,554
Interest-bearing bank loans and other borrowings	計息銀行及其他借貸	8,587,580	-	8,587,580	11,050,262	-	11,050,262
Other loans	其他貸款	52,559	-	52,559	43,915	-	43,915
Derivative financial instruments	衍生金融工具	-	-	-	-	3,160	3,160
Long term payables	長期應付款項	94,025	-	94,025	139,021	-	139,021
Other non-current financial liabilities	其他非流動金融負債	2,143,378	-	2,143,378	2,643,936	-	2,643,936
		20,107,584	-	20,107,584	21,679,986	3,160	21,683,146



Notes To Financial Statements 財務報表附註

52. FAIR VALUES AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS**Fair value**

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

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

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

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

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

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

52. 金融工具的公允值及公允值層級**公允值**

金融資產及負債的公允值為市場參與者於現時進行的交易(強迫或清算銷售除外)中可出售資產或轉讓負債的金額。

下文載列用於估計公允值的方法及假設：

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

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

上市股本投資的公允值乃基於市場報價。

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



Notes To Financial Statements 財務報表附註

52. FAIR VALUES AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value (continued)

The following table shows the valuation technique used in the determination of fair values of unit trust investments and investment deposits, which falls within level 3 of the fair value hierarchy, as well as the significant unobservable inputs used in the valuation.

	Valuation technique 估值技術	Significant unobservable input 重大不可觀察輸入數據	Range 範圍	Sensitivity of fair value to the input 輸入數據對公允值的影響
Investment deposits 投資存款	Discounted cash flow method 折現現金流量法	Expected yield 預期收益率	0.13% to 4.00% (2015: 2.00% to 5.10%) 0.13%至4.00%(二零一五年: 2.00%至5.10%)	10% (2015: 10%) increase (decrease) in expected yield would result in increase (decrease) in fair value by RMB2,807,000 (2015: RMB5,168,000) 預期收益率增加(減少)10%(二零一五年: 10%)將導致公允值增加(減少)人民幣2,807,000元(二零一五年: 人民幣5,168,000元)
		Discount rate 折現率	0.13% to 4.00% (2015: 2.00% to 5.10%) 0.13%至4.00%(二零一五年: 2.00%至5.10%)	10% (2015: 10%) increase (decrease) in discount rate would result in decrease (increase) in fair value by RMB2,803,000 (2015: RMB5,107,000) 折現率增加(減少)10%(二零一五年: 10%)將導致公允值減少(增加)人民幣2,803,000元(二零一五年: 人民幣5,107,000元)
Unit trust investments 單位信託投資	Discounted cash flow method 折現現金流量法	Expected yield 預期收益率	2015: 9.20% to 11.00% 二零一五年: 9.20%至11.00%	2015: 10% increase (decrease) in expected yield would result in increase (decrease) in fair value by RMB209,000 二零一五年: 預期收益率增加(減少)10%將導致公允值增加(減少)人民幣209,000元
		Discount rate 折現率	2015: 9.20% to 11.00% 二零一五年: 9.20%至11.00%	2015: 10% increase (decrease) in discount rate would result in decrease (increase) in fair value by RMB209,000 二零一五年: 折現率增加(減少)10%將導致公允值減少(增加)人民幣209,000元

52. 金融工具的公允值及公允值層級 (續)

公允值(續)

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



Notes To Financial Statements 財務報表附註

52. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)**Fair value** (continued)

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

52. 金融工具的公允值及公允值層級 (續)**公允值(續)**

本集團金融工具(除賬面值與公允值合理地相若的金融工具外)的賬面值及公允值如下:

		Carrying amounts 賬面值		Fair values 公允值	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Financial assets	金融資產				
Long term entrusted loans	長期委託貸款	101,930	120,736	99,324	122,501
Long term receivables	長期應收款項	123,689	53,149	132,182	47,669
Long term time deposits	長期定期存款	1,633,938	1,608,795	1,630,006	1,588,705
		1,859,557	1,782,680	1,861,512	1,758,875

		Carrying amounts 賬面值		Fair values 公允值	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Financial liabilities	金融負債				
Other non-current financial liabilities	其他非流動金融負債	2,143,378	2,643,936	2,143,378	2,643,936
Interest-bearing bank and other borrowings – non-current portion	計息銀行及其他借貸 – 非流動部分	5,542,163	4,969,511	5,751,298	4,991,684
Long term payables	長期應付款項	36,914	68,399	35,260	67,327
		7,722,455	7,681,846	7,929,936	7,702,947



Notes To Financial Statements 財務報表附註

52. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)**Fair value hierarchy**

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

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

Assets measured at fair value:

52. 金融工具的公允值及公允值層級 (續)**公允值層級**

本集團採用以下層級釐定及披露金融工具的公允值：

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

按公允值計量的資產：

		2016 二零一六年			
		Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Hong Kong listed equity investments	香港上市股本投資	597,595	-	-	597,595
Unlisted equity investments	非上市股本投資	-	-	38,529	38,529
Investment deposits	投資存款	-	-	4,139,490	4,139,490
Derivative financial instruments	衍生金融工具	10,783	25,718	-	36,501



Notes To Financial Statements 財務報表附註

52. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)**Fair value hierarchy** (continued)

Assets measured at fair value: (continued)

		2015 二零一五年			
		Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Hong Kong listed equity investments	香港上市股本投資	503,224	-	-	503,224
Unlisted equity investments	非上市股本投資	-	-	42,012	42,012
Unit trust investments	單位信託投資	-	-	170,000	170,000
Investment deposits	投資存款	-	-	5,049,039	5,049,039
Derivative financial instruments	衍生金融工具	5,933	5,011	-	10,944

Liabilities measured at fair value:

按公允值計量的負債：

		2015 二零一五年			
		Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Derivative financial instruments	衍生金融工具	-	3,160	-	3,160
		-	3,160	-	3,160



Notes To Financial Statements 財務報表附註

52. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Assets for which fair values are disclosed:

		2016 二零一六年			
		Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Long term entrusted loans	長期委託貸款	-	99,324	-	99,324
Long term receivables	長期應收款項	-	132,182	-	132,182
Long term time deposits	長期定期存款	-	1,630,006	-	1,630,006
		-	1,861,512	-	1,861,512

		2015 二零一五年			
		Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Long term entrusted loans	長期委託貸款	-	122,501	-	122,501
Long term receivables	長期應收款項	-	47,669	-	47,669
Long term time deposits	長期定期存款	-	1,588,705	-	1,588,705
		-	1,758,875	-	1,758,875



Notes To Financial Statements 財務報表附註

52. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)**Fair value hierarchy** (continued)

Liabilities for which fair values are disclosed:

52. 金融工具的公允值及公允值層級 (續)

公允值層級(續)

有披露公允值的負債：

		2016 二零一六年			
		Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Other non-current financial liabilities	其他非流動金融負債	-	2,143,378	-	2,143,378
Interest-bearing bank and other borrowings – non-current portion	計息銀行及其他借貸 – 非流動部分	-	5,751,298	-	5,751,298
Long term payables	長期應付款項	-	35,260	-	35,260
		-	7,929,936	-	7,929,936

		2015 二零一五年			
		Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Other non-current financial liabilities	其他非流動金融負債	-	2,643,936	-	2,643,936
Interest-bearing bank and other borrowings – non-current portion	計息銀行及其他借貸 – 非流動部分	-	4,991,684	-	4,991,684
Long term payables	長期應付款項	-	67,327	-	67,327
		-	7,702,947	-	7,702,947



53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk management

The Group's principal financial instruments, other than derivatives, comprise cash and cash equivalents, trade receivables and payables, other receivables and payables, balances with related parties, interest-bearing bank loans, other loans and long term payables. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Group also entered into derivative transactions, mainly commodity futures contracts, forward currency contracts and interest rate forward contracts. The purpose is to manage the commodity risk, the exchange rate and floating rate exposures arising from the Group's operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk and equity price risk. The board of directors and senior management meet periodically to analyse and formulate measures to manage the Group's exposure to these risks. Generally, the Group adopts prudent strategies on its risk management.

(i) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates. The Group closely monitors its interest rate risk by performing periodic reviews and evaluations of its debt portfolio and gearing ratio. The interest rates and terms of repayment of the bank loans of the Group are disclosed in note 32 to the financial statements. In the opinion of the directors, the Group has no significant interest rate risk and has not used any interest rate swaps to hedge its exposure to interest rate risk.

53. 財務風險管理目標及政策

財務風險管理

本集團的主要金融工具(衍生工具除外)包括現金及現金等價物、應收及應付賬款、其他應收及應付款項、與關聯人士的結餘、計息銀行借貸、其他貸款及長期應付款項。該等金融工具旨在為本集團的營運籌集資金。本集團擁有各式各樣直接來自其業務的其他金融資產及負債，例如應收賬款及應付賬款。

本集團亦訂立衍生交易，主要為商品期貨合約、遠期貨幣合約及利率遠期合約，目的為管理本集團業務所產生的商品風險、匯率及浮動利率風險。

來自本集團金融工具的主要風險有利率風險、外幣風險、信貸風險及流動性風險及股本價格風險。董事會及高級管理人員定期舉行會議，分析本集團所承受的風險，並制定用以管理風險的措施。本集團一般採納審慎的策略管理風險。

(i) 利率風險

本集團承受的市場利率變動風險主要有關本集團的浮息借貸。本集團定期檢討和評估其債務組合及資本負債比率，對其利率風險進行密切注視。本集團的銀行貸款利率及還款期於財務報表附註32披露。董事認為，本集團並無重大利率風險，亦未曾使用任何利率掉期對沖利率風險。



Notes To Financial Statements 財務報表附註

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**Financial risk management** (continued)**(i) Interest rate risk** (continued)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit/(loss) before tax (through the impact on floating rate borrowings):

		Increase/ (decrease) in basis points 基點增加/ (減少)	Increase/ (decrease) in profit/(loss) before tax 税前利潤/(虧損) 增加/(減少) RMB'000 人民幣千元
2016	二零一六年		
RMB	人民幣	50	(9,640)
RMB	人民幣	(50)	9,640
Hong Kong dollars	港元	50	(78)
Hong Kong dollars	港元	(50)	78
United States dollars	美元	50	(17,861)
United States dollars	美元	(50)	17,861
Euro	歐元	50	(139)
Euro	歐元	(50)	139
2015	二零一五年		
RMB	人民幣	50	(2,255)
RMB	人民幣	(50)	2,255
Hong Kong dollars	港元	50	(309)
Hong Kong dollars	港元	(50)	309
United States dollars	美元	50	(13,721)
United States dollars	美元	(50)	13,721
Euro	歐元	50	(203)
Euro	歐元	(50)	203

53. 財務風險管理目標及政策(續)**財務風險管理**(續)**(i) 利率風險**(續)

下表列示在所有其他變數維持不變的情況下，利率可能出現合理可能變動對本集團税前利潤/(虧損)(透過浮息借貸的影響)的影響：



53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Financial risk management (continued)

(ii) Foreign currency risk

The Group's businesses are principally located in Mainland China and substantially all transactions are conducted in RMB, except for the purchases of imported machinery and equipment and sales of dairy products to Hong Kong and Macau. As at 31 December 2016, substantially all of the Group's assets and liabilities were denominated in RMB except for the cash and bank balances of approximately RMB204,524,000 (2015: RMB1,722,071,000), RMB611,330,000 (2015: RMB121,752,000), RMB33,649,000 (2015: RMB52,265,000), RMB8,083,000 (2015: RMB3,165,000) and RMB16,014,000 (2015: RMB28,953,000) which were denominated in United States dollars, Hong Kong dollars, Euro, New Zealand dollars and Danish Krone, respectively, a pledged deposit of approximately RMB11,366,000 (2015: RMB12,182,000) which was denominated in United States dollars, an investment deposit of approximately RMB4,473,000 (2015: Nil) which was denominated in Hong Kong dollars, and the interest-bearing bank and other borrowings of approximately RMB69,325,000 (2015: RMB901,452,000), RMB5,605,820,000 (2015: RMB6,897,340,000) and RMB14,899,000 (2015: RMB28,934,000) which were denominated in Hong Kong dollars, United States dollars and Euro, respectively. The fluctuation of the exchange rates of RMB against foreign currencies could affect the Group's results of operations. However, in the opinion of the directors, the foreign currency risk exposure is under management's control.

53. 財務風險管理目標及政策(續)

財務風險管理(續)

(ii) 外幣風險

本集團的業務主要位於中國大陸，除購置進口機器及設備及向港澳出售乳製品外，絕大部分交易均以人民幣為本位貨幣。於二零一六年十二月三十一日，本集團的資產及負債中，除了現金及銀行結存約人民幣204,524,000元(二零一五年：人民幣1,722,071,000元)、人民幣611,330,000元(二零一五年：人民幣121,752,000元)、人民幣33,649,000元(二零一五年：人民幣52,265,000元)、人民幣8,083,000元(二零一五年：人民幣3,165,000元)及人民幣16,014,000元(二零一五年：人民幣28,953,000元)分別以美元、港元、歐元、新西蘭元及丹麥克朗計值，已抵押存款約人民幣11,366,000元(二零一五年：人民幣12,182,000元)以美元計值，投資存款約人民幣4,473,000元(二零一五年：無)以港元計值，計息銀行及其他借貸約人民幣69,325,000元(二零一五年：人民幣901,452,000元)、人民幣5,605,820,000元(二零一五年：人民幣6,897,340,000元)及人民幣14,899,000元(二零一五年：人民幣28,934,000元)分別以港元、美元及歐元計值之外，本集團絕大部分資產及負債均以人民幣為單位。人民幣兌外幣的匯價若有波動，可能影響本集團的經營業績，但董事認為外幣風險在管理層的控制之中。



Notes To Financial Statements 財務報表附註

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**Financial risk management** (continued)**(ii) Foreign currency risk** (continued)

The following table demonstrates the sensitivity to a reasonably possible change in the RMB exchange rates as compared to United States dollars, Hong Kong dollars, Euro, New Zealand dollars and Danish Krone with all other variables held constant, of the Group's profit/(loss) before tax (due to changes in the fair value of monetary assets and liabilities) and equity:

		Increase/ (decrease) in RMB rate 人民幣匯率 上升/(下降) %	Increase/ (decrease) in profit/(loss) before tax 稅前利潤/(虧損) 增加/(減少) RMB'000 人民幣千元	Increase/ (decrease) in equity 權益 增加/(減少) RMB'000 人民幣千元
2016	二零一六年	5 (5)	150,872 (150,872)	(122,773) 122,773
2015	二零一五年	5 (5)	(74,757) 74,757	(79,771) 79,771

(iii) Credit risk

The cash and bank balances, as well as the pledged deposits, of the Group are mainly deposited with state-owned commercial banks in Mainland China.

The majority of the Group's sales are conducted on a cash basis. The Group has implemented policies to ensure that sales of products are made to distributors, who wish to trade on credit terms, with an appropriate credit history which is subject to periodic reviews. Receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise deposits and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these assets.

Except for the above, the Group has no significant concentration of credit risk, with exposure spreading over a number of counterparties.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 27 to the financial statements.

53. 財務風險管理目標及政策(續)**財務風險管理**(續)**(ii) 外幣風險**(續)

下表列示在所有其他變數維持不變的情況下，人民幣與美元、港元、歐元、新西蘭元及丹麥克朗的兌換率可能出現的合理可能變動(因貨幣資產及負債的公允值變動導致)對本集團稅前利潤/(虧損)及權益的影響：

(iii) 信貸風險

本集團的現金及銀行結存及保證金存款，主要存於中國大陸的國有商業銀行。

本集團大部分的銷售均按現金基準進行。本集團已實施政策以確保產品是售予擁有適當信貸記錄並有意以除賬形式進行交易的經銷商，並就其信貸記錄進行定期的覆檢。本集團一直持續監察應收款項的結餘，本集團並無重大壞賬風險。

由於交易方違約產生由按金及其他應收款項構成的本集團其他金融資產的信貸風險最高限額相等於此等資產的賬面值。

除上述者外，本集團的風險涉及多名對手方，並無重大的集中信貸風險。

有關本集團因應收賬款而須面對的信貸風險的其他量化數據，披露於財務報表附註27。



Notes To Financial Statements 財務報表附註

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**Financial risk management** (continued)**(iv) Liquidity risk**

The Group closely monitors its liquidity risk by performing periodic reviews and evaluations of its liquidity with regard to the industry characteristics, market conditions, business strategies and changes in the Group's state of affairs and adjusting the current and non-current portions of the Group's debt portfolio on a proper and timely basis. In addition, the Group aims to ensure a continuity of funds and flexibility through the use of various means of financing and by keeping committed credit lines available.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2016 based on contractual undiscounted payments.

53. 財務風險管理目標及政策 (續)**財務風險管理** (續)**(iv) 流動性風險**

本集團定期會根據行業特點、市場環境、業務戰略及本集團財務狀況的變化，對集團的流動性進行檢討及審視，適當並及時調整本集團負債結構的即期及非即期部分，以監控流動性風險。此外，本集團亦透過利用不同的融資方式及保持一定的承諾信貸額度以確保資金的連續性及靈活性。

下表載列於二零一六年十二月三十一日根據合約無折讓付款的本集團金融負債的到期情況。

		2016 二零一六年				
		On demand 按要求	Less than 1 year 一年以內	1 to 5 years 一至五年	More than 5 years 五年以上	Total 總計
		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
Interest-bearing bank and other borrowings	計息銀行及其他借貸	-	3,107,443	5,337,436	257,718	8,702,597
Other loans	其他貸款	52,559	-	-	-	52,559
Trade and bills payables	應付賬款及票據	-	5,405,620	-	-	5,405,620
Financial liabilities included in other payables and accruals, excluding current portion of long term payables	計入其他應付款項及預提費用的金融負債，不包括長期應付款項的即期部分	-	3,824,422	-	-	3,824,422
Long term payables	長期應付款項	-	60,733	39,088	-	99,821
Other financial liabilities	其他金融負債	-	-	388,157	2,216,730	2,604,887



Notes To Financial Statements 財務報表附註

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**Financial risk management** (continued)**(iv) Liquidity risk** (continued)**53. 財務風險管理目標及政策**(續)**財務風險管理**(續)**(iv) 流動性風險**(續)

		2015 二零一五年				
		On demand 按要求 RMB'000 人民幣千元	Less than 1 year 一年以內 RMB'000 人民幣千元	1 to 5 years 一至五年 RMB'000 人民幣千元	More than 5 years 五年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Interest-bearing bank and other borrowings	計息銀行及其他借貸	-	6,150,899	5,014,296	-	11,165,195
Other loans	其他貸款	43,915	-	-	-	43,915
Trade and bills payables	應付賬款及票據	-	4,644,298	-	-	4,644,298
Financial liabilities included in other payables and accruals, excluding current portion of long term payables	計入其他應付款項及預提費用的金融負債，不包括長期應付款項的即期部分	-	3,158,554	-	-	3,158,554
Long term payables	長期應付款項	-	74,874	75,327	-	150,201
Other financial liabilities	其他金融負債	-	-	860,363	2,478,620	3,338,983



Notes To Financial Statements 財務報表附註

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**Financial risk management** (continued)**(v) Equity price risk**

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group was exposed to equity price risk arising from individual equity investments classified as equity investments (note 25) as at 31 December 2016.

The following table demonstrates the sensitivity to every 5% change in the fair values of the equity investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period. For the purpose of this analysis, for the equity investments, the impact is deemed to be on the financial assets revaluation reserve and no account is given for factors such as impairment which might impact the consolidated statement of profit or loss.

2016 二零一六年		Carrying amount of equity investments 股本投資的賬面值 RMB'000 人民幣千元	Change in equity 股本變動 RMB'000 人民幣千元
Hong Kong listed equity investments	香港上市股本投資	597,595	29,880
2015 二零一五年		Carrying amount of equity investments 股本投資的賬面值 RMB'000 人民幣千元	Change in equity 股本變動 RMB'000 人民幣千元
Hong Kong listed equity investments	香港上市股本投資	503,224	25,161

53. 財務風險管理目標及政策 (續)**財務風險管理** (續)**(v) 股本價格風險**

股本價格風險為股票指數水平及個別證券價值變動導致股本證券公允值下降的風險。於二零一六年十二月三十一日，本集團面對的股本價格風險來自分類為股本投資(附註25)的個別股本投資。

下表顯示在其他所有可變因素維持不變且未計入任何稅務影響的情況下，股本投資公允值每變動變動5%時的敏感度，乃按股本投資於報告期末的賬面值計算。就本分析而言，對於股本投資，視為對金融資產重估儲備造成影響，並無計及可能影響綜合損益表的因素，例如減值。



Notes To Financial Statements 財務報表附註

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**Capital management**

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2016 and 31 December 2015.

The Group monitors capital using a gearing ratio, which is net debt divided by the capital plus net debt. Net debt includes interest-bearing bank and other borrowings, trade and bills payables, other payables and accruals, other loans, long term payables and other non-current financial liabilities, less cash and bank balances and long term time deposits, and excludes disposal groups. Capital represents equity attributable to owners of the Company. The gearing ratios as at the end of reporting periods were as follows:

53. 財務風險管理目標及政策(續)**資本管理**

本集團資本管理的基本目標乃維持本集團持續經營的能力及保持穩健的資本比率，以支持其業務及提高股東價值。

本集團管理其資本架構，並因應經濟環境的變化及相關資產的風險特徵作出調整。為維持或調整資本架構，本集團可能會調整派付予股東的股息、股東的資本回報或發行新股。於截至二零一六年十二月三十一日及二零一五年十二月三十一日止年度有關資本管理的目標、政策或程序並無變動。

本集團以資本負債比率監控資本，資本負債比率即淨負債除以資本總額加上淨負債之和。淨負債包括計息銀行及其他借貸、應付賬款及票據、其他應付款項及預提費用、其他貸款、長期應付款項，以及其他非流動金融負債，減現金及銀行結存及長期定期存款，並不包括處置組。資本指本公司擁有人應佔權益。於報告期末的資本負債比率如下：



Notes To Financial Statements 財務報表附註

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

53. 財務風險管理目標及政策(續)

資本管理(續)

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Interest-bearing bank and other borrowings	計息銀行及其他借貸	8,587,580	11,050,262
Trade and bills payables	應付賬款及票據	5,405,620	4,644,298
Other payables and accruals	其他應付款項及預提費用	6,510,886	4,989,524
Other loans	其他貸款	52,559	43,915
Long term payables	長期應付款項	36,914	68,399
Other non-current financial liabilities	其他非流動金融負債	2,143,378	2,643,936
Less: Cash and bank balances	減：現金及銀行結存	(6,070,078)	(7,931,237)
Less: Long term time deposits	減：長期定期存款	(1,633,938)	(1,608,795)
Net debt	淨負債	15,032,921	13,900,302
Equity attributable to owners of the Company	本公司擁有人應佔權益	20,844,913	22,136,239
Adjusted capital	經調整資本	20,844,913	22,136,239
Capital and net debt	資本與淨負債	35,877,834	36,036,541
Gearing ratio	資本負債比率	41.90%	38.57%



Notes To Financial Statements 財務報表附註

54. EVENTS AFTER THE REPORTING PERIOD

As disclosed in note 22 to the financial statements, the Group held 1,347,903,000 shares in China Modern Dairy, representing 25.4% of the issued share capital of China Modern Dairy as at 31 December 2016.

On 7 February 2017, the Group completed the acquisition of 965,465,750 China Modern Dairy shares, with cash consideration of HK\$1,873,003,555, which is equivalent to HK\$1.94 per China Modern Dairy share. As such, up to 7 February 2017, the Group owned an aggregate of 2,313,368,750 China Modern Dairy shares, representing approximately 37.7% of the issued share capital of China Modern Dairy. Accordingly, the Group made a conditional mandatory cash offer (i) for all the issued China Modern Dairy shares (other than those already owned or agreed to be acquired by the Group), and (ii) for cancellation of all outstanding China Modern Dairy options (the "Cash Offer") on 14 February 2017.

On the final closing date of the Cash Offer on 21 March 2017, taking into account the valid acceptances in respect of 1,442,400,662 China Modern Dairy shares, the Group would hold an aggregate of 3,755,769,412 China Modern Dairy shares (representing approximately 61.3% of the issued share capital of China Modern Dairy as of 21 March 2017).

Further details of the above transactions were included in the Company's announcement dated 4 January 2017, 25 January 2017, 7 February 2017, 14 February 2017, 7 March 2017 and 21 March 2017, respectively.

54. 報告期後事項

誠如財務報表附註22所披露，於二零一六年十二月三十一日，本集團持有1,347,903,000股中國現代牧業股份，相當於中國現代牧業已發行股本25.4%。

二零一七年二月七日，本集團完成收購965,465,750股中國現代牧業股份，現金代價為1,873,003,555港元，相當於每股中國現代牧業股份1.94港元。因此，直至二零一七年二月七日，本集團擁有合共2,313,368,750股中國現代牧業股份，相當於中國現代牧業已發行股本約37.7%。因此，本集團於二零一七年二月十四日就(i)收購全部已發行中國現代牧業股份(本集團已擁有或同意收購的股份除外)；及(ii)註銷所有尚未行使的中國現代牧業購股權提出有條件強制性現金要約(「現金要約」)。

於現金要約最後截止日期二零一七年三月二十一日，鑒於已就1,442,400,662股中國現代牧業股份接獲有效接納，本集團將持有合共3,755,769,412股中國現代牧業股份(相當於截至二零一七年三月二十一日中國現代牧業已發行股本約61.3%)。

有關上述交易詳情載於本公司日期為二零一七年一月四日、二零一七年一月二十五日、二零一七年二月七日、二零一七年二月十四日、二零一七年三月七日及二零一七年三月二十一日的公告。



Notes To Financial Statements 財務報表附註

55. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

55. 本公司財務狀況表

報告期末有關本公司財務狀況表的資料如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	288	376
Loans to a subsidiary	應收一間子公司貸款	1,941,087	1,817,983
Investments in subsidiaries	於子公司的投資	13,410,180	12,559,704
Investments in an associate	於一間聯營公司的投資	2,980,538	2,791,512
Non-current financial assets	非流動金融資產	78,592	89,484
Total non-current assets	總非流動資產	18,410,685	17,259,059
CURRENT ASSETS	流動資產		
Derivative financial instruments	衍生金融工具	32,935	-
Prepayments, deposits and other receivables	預付款、按金及其他應收款項	3,909,106	3,835,706
Pledged deposits	保證金存款	11,366	12,182
Cash and bank balances	現金及銀行結存	1,178,735	2,149,968
Total current assets	總流動資產	5,132,142	5,997,856
CURRENT LIABILITIES	流動負債		
Loans from subsidiaries	來自子公司的貸款	2,996,934	3,142,154
Other payables and accruals	其他應付款項及預提費用	265,624	121,267
Interest-bearing bank and other borrowings	計息銀行及其他借貸	-	2,485,890
Derivative financial instruments	衍生金融工具	-	3,160
Total current liabilities	總流動負債	3,262,558	5,752,471
NET CURRENT ASSETS	淨流動資產	1,869,584	245,385
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	20,280,269	17,504,444
NON-CURRENT LIABILITIES	非流動負債		
Loans from a subsidiary	來自一間子公司的貸款	2,272,856	-
Interest-bearing bank and other borrowings	計息銀行及其他借貸	4,827,997	4,515,307
Total non-current liabilities	總非流動負債	7,100,853	4,515,307
NET ASSETS	淨資產	13,179,416	12,989,137
EQUITY	權益		
Issued capital	股本	357,374	357,262
Treasury shares held under share award scheme	股票獎勵計劃下持有的庫存股份	(432,678)	(415,762)
Reserves	儲備	13,254,720	13,047,637
TOTAL EQUITY	總權益	13,179,416	12,989,137

Ma Jianping
馬建平
Director
董事

Jeffrey, Minfang Lu
盧敏放
Director
董事



Notes To Financial Statements 財務報表附註

55. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

55. 本公司財務狀況表(續)

附註：

本公司儲備如下：

		Share premium	Contributed surplus	Foreign currency translation differences	Financial assets revaluation reserve	Retained earnings	Share option reserve/ share award reserve	Total
		股份溢價	實繳盈餘	貨幣換算儲備	金融資產重估儲備	保留利潤	股權儲備/股份獎勵儲備	總計
		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
			Note (a) 附註(a)					
At 1 January 2015	於二零一五年一月一日	14,249,796	387,574	(1,424,877)	(266,110)	(127,415)	217,741	13,036,709
Loss for the year	本年虧損	-	-	-	-	(15,568)	-	(15,568)
Other comprehensive loss for the year:	本年其他全面虧損：							
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	指定為以公允值計量且其變動計入其他全面收益的股本投資的公允值變動，扣除稅項	-	-	-	(13,802)	-	-	(13,802)
Exchange differences between functional currency and presentation currency	功能貨幣及呈報貨幣的匯兌差額	-	-	764,459	-	-	-	764,459
Total comprehensive loss for the year	本年全面虧損總額	-	-	764,459	(13,802)	(15,568)	-	735,089
Bonus issue	發行紅股	(160,687)	-	-	-	-	-	(160,687)
Shares issued under equity-settled share option arrangements	根據以股份支付的購股權安排發行股份	64,771	-	-	-	-	-	64,771
Equity-settled share option arrangements	以股份支付的購股權安排	-	-	-	-	-	(69,359)	(69,359)
Transfer of share option reserve upon exercise of share options	行使購股權時轉出購股權儲備	6,601	-	-	-	-	(6,601)	-
Shares vested under share award scheme	根據股票獎勵計劃歸屬的股份	25,258	-	-	-	-	(26,084)	(826)
Share award scheme	股票獎勵計劃	-	-	-	-	-	(11,137)	(11,137)
Dividends paid/payable to owners of the Company	已派付/應派付本公司擁有人股息	(546,923)	-	-	-	-	-	(546,923)
At 31 December 2015	於二零一五年十二月三十一日	13,638,816	387,574	(660,418)	(279,912)	(142,983)	104,560	13,047,637



Notes To Financial Statements 財務報表附註

55. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note: (continued)

A summary of the Company's reserves is as follows: (continued)

55. 本公司財務狀況表(續)

附註：(續)

本公司儲備如下：(續)

		Share premium	Contributed surplus	Foreign currency translation differences	Financial assets revaluation reserve	Retained earnings	Share option reserve/ share award reserve	Total
		股份溢價	實繳盈餘	貨幣換算儲備	金融資產重估儲備	保留利潤	股權儲備/ 股份獎勵儲備	總計
		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
			Note (a)					
			附註(a)					
At 1 January 2016	於二零一六年一月一日	13,638,816	387,574	(660,418)	(279,912)	(142,983)	104,560	13,047,637
Loss for the year	本年虧損	-	-	-	-	(32,116)	-	(32,116)
Other comprehensive loss for the year:	本年其他全面虧損：							
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	指定為以公允值計量且其變動計入其他全面收益的股本投資的公允值變動，扣除稅項	-	-	-	(10,892)	-	-	(10,892)
Exchange differences between functional currency and presentation currency	功能貨幣及呈報貨幣的匯兌差額	-	-	846,285	-	-	-	846,285
Total comprehensive income/(loss) for the year	年度全面收益/(虧損)總額	-	-	846,285	(10,892)	(32,116)	-	803,277
Shares issued under equity-settled share option arrangements	根據以股份支付的購股權安排發行股份	75,829	-	-	-	-	-	75,829
Transfer of share option reserve upon exercise of share options	行使購股權時轉出購股權儲備	10,194	-	-	-	-	(10,194)	-
Share award scheme	股票獎勵計劃	-	-	-	-	-	(61,707)	(61,707)
Share repurchased and cancelled	股份購回及註銷	(57,619)	-	-	-	-	-	(57,619)
Dividends paid to owners of the Company	已向本公司擁有人派付股息	(552,697)	-	-	-	-	-	(552,697)
At 31 December 2016	於二零一六年十二月三十一日	13,114,523	387,574	185,867	(290,804)	(175,099)	32,659	13,254,720



Notes To Financial Statements 財務報表附註

55. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note: (continued)

A summary of the Company's reserves is as follows: (continued)

Note:

- (a) The contributed surplus of the Company represents the difference between the then combined net asset value of the subsidiaries acquired pursuant to the group reorganisation and the nominal value of the shares of the Company issued in exchange therefor.

56. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 29 March 2017.

55. 本公司財務狀況表(續)

附註：(續)

本公司儲備如下：(續)

附註：

- (a) 本公司的實繳盈餘指根據集團重組所收購子公司的當時合併資產淨值與本公司為換取上述合併資產淨值所發行股份的面值間的差額。

56. 批准財務報表

董事會已於二零一七年三月二十九日批准及授權刊發財務報表。



FINANCIAL SUMMARY

財務概要

The following is a summary of the published audited financial statements of China Mengniu Dairy Company Limited (the "Company") and its subsidiaries for the respective years.

下列為中國蒙牛乳業有限公司(「本公司」)及其子公司於下列各年度已發佈的經審核財務報表概要。

RESULTS

業績

		Year ended 截至止年度				
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Revenue	收入	53,779,339	49,026,516	50,049,243	43,356,908	35,999,990
Profit/(loss) before tax from continuing operations	來自持續經營業務的稅前利潤/(虧損)	(461,386)	3,030,170	3,150,008	2,204,503	1,733,863
Income tax expense	所得稅支出	(351,379)	(510,038)	(459,292)	(366,713)	(245,476)
Profit/(loss) for the year from continuing operations	來自持續經營業務的 本年利潤/(虧損)	(812,765)	2,520,132	2,690,716	1,837,790	1,488,387
Profit/(loss) for the year from discontinued operation	來自已終止經營業務的 本年利潤/(虧損)	-	122	(63)	24,198	429
Profit/(loss) for the year	本年利潤/(虧損)	(812,765)	2,520,254	2,690,653	1,861,988	1,488,816
Attributable to:	以下各方應佔：					
Owners of the Company	本公司擁有人	(751,155)	2,367,291	2,350,803	1,630,925	1,303,101
Non-controlling interests	非控股股東權益	(61,610)	152,963	339,850	231,063	185,715
Proposed dividend	擬派股息	349,327	549,357	548,406	367,053	282,917
Earnings/(loss) per share attributable to ordinary equity holders of the Company (RMB) (note (i))	本公司普通股擁有人應佔每股盈利/(虧損)(人民幣)(附註(i))			Restated 經重述	Restated 經重述	Restated 經重述
For profit/(loss) for the year	本年利潤/(虧損)					
- Basic	- 基本	(0.193)	0.609	0.605	0.452	0.369
- Diluted	- 攤薄	(0.193)	0.607	0.602	0.448	0.369



Financial Summary 財務概要

ASSETS, LIABILITIES AND EQUITY

資產、負債及權益

		At 31 December 於十二月三十一日				
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Total assets	總資產	49,124,427	50,652,541	47,080,792	40,339,396	20,915,894
Total liabilities	總負債	23,620,699	24,037,387	22,587,919	22,328,258	7,794,787
Equity attributable to owners of the Company	本公司擁有人應佔權益	20,844,913	22,136,239	21,489,400	15,360,918	12,489,245
Non-controlling interests	非控股股東權益	4,658,815	4,478,915	3,003,473	2,650,220	631,862

Note:

附註：

(i) The calculation basis for the earnings/(loss) per share attributable to ordinary equity holders of the Company is set out in note 14 to the consolidated financial statements.

(i) 本公司普通股擁有人應佔每股盈利/(虧損)的計算基準載於綜合財務報表附註14。





只為點滴幸福

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

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

Stock Code 股份代號 : 2319

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