



蒙牛®



FIFA WORLD CUP
RUSSIA
2018

2018 FIFA 世界杯全球官方贊助商

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

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

Stock Code 股份代號 : 2319

ANNUAL REPORT

2017

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 (such as UHT milk, milk beverages and yogurt), ice cream, milk formula and other products (such as plant protein beverage and cheese). As of December 2017, the Group’s annual production capacity reached 9.22 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(如植物蛋白飲品、奶酪)。於二零一七年十二月，本集團乳製品的全年生產能力達922萬噸。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	2017 二零一七年 RMB Million 人民幣百萬元	2016 二零一六年 RMB Million 人民幣百萬元
Revenue	收入	60,156	53,779
Gross Profit	毛利	21,183	17,635
Profit/(Loss) Attributable to Owners of the Company	本公司擁有人應佔利潤/(虧損)	2,048	(751)
Net cash flows from operating activities	經營業務產生的淨現金流量	5,505	4,513
Earnings/(Loss) per Share (RMB)	每股盈利/(虧損)(人民幣元)		
– Basic	– 基本	0.526	(0.193)
– Diluted	– 攤薄	0.526	(0.193)

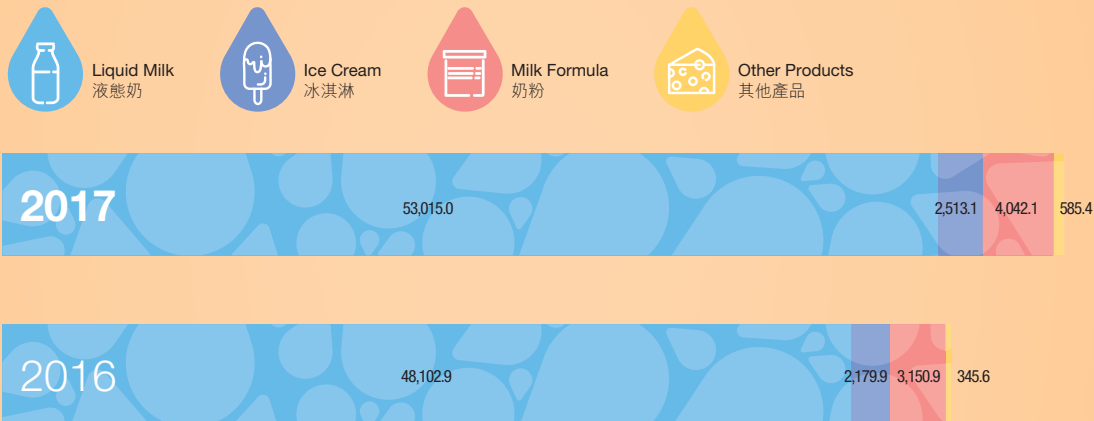
- Mengniu was included in the “Global Dairy Top 20” list published by Rabobank for the ninth consecutive year. In 2017, for the first time, Mengniu climbed into the top 10, attaining a new height in the global dairy industry ranking.
- Mengniu has fully implemented its new business division system and the Group’s four major business divisions, namely room temperature, chilled, milk formula and ice cream products, have been established based on product categories. This has translated into greater synergies for development, better resources utilization, and higher operational and management efficiency, as well as enhanced product quality.
- Mengniu focuses on its dominant brands, strengthens brand communication and product innovation, as well as sales execution. While strengthening traditional channels, it also vigorously develops digital marketing and new retail channels, so as to enhance sales and profitability in multiple dimensions.
- Mengniu’s liquid milk maintained its market leadership, while the overall sales of room temperature dairy products have been favorable, and chilled dairy products achieved a steady increase in market share, strengthening its top position nationwide based on market share.
- Mengniu continued its upstream resources deployment by increasing its stake in China Modern Dairy Holdings Ltd. (“China Modern Dairy”; stock code: 1117) to ensure stable supply of high quality raw milk sources. At the same time, it has actively expanded its raw milk sources overseas to enhance its international milk sources deployment.
- Mengniu is moving towards a new milestone in international brand building. It is cooperating with world famous brands like Shanghai Disney Resort in its promotion efforts; becoming the official dairy products partner of Universal Beijing Resort; sponsoring international events such as NBA matches, Boao Forum for Asia and BRICS Summit; and at the end of 2017, becoming the Official 2018 FIFA World Cup™ Sponsor.
- 蒙牛連續九年入選荷蘭合作銀行發佈的「全球乳業20強」，並於二零一七年首次進入前十，刷新在全球乳業的排名。
- 蒙牛新事業部制全面實施，按產品種類劃分為常溫、低溫、奶粉、冰淇淋四大事業部，進一步提升協同發展、資源利用、營運管理效率和產品質量。
- 蒙牛聚焦優勢品牌，強化品牌溝通和產品創新，並且強化銷售執行力，在加強傳統渠道的同時，大力開發數字化營銷及新零售渠道，多維度提升銷售和盈利能力。
- 蒙牛液態奶保持市場領先地位，常溫乳品整體銷售良好，低溫乳品市場份額穩步上升，進一步鞏固其全國市場份額第一地位。
- 蒙牛持續佈局上游資源，透過增持中國現代牧業控股有限公司（「中國現代牧業」；股份代號：1117），確保優質奶源的穩定供應，同時積極在海外拓展奶源地，深化其國際奶源佈局。
- 蒙牛在品牌國際化方面邁向新里程，除與世界知名品牌如上海迪士尼度假區合作推廣外，同時成為北京環球度假區官方乳製品的合作夥伴，並贊助國際級盛事如NBA賽事、博鰲亞洲論壇、金磚國家峰會，二零一七年底更正式成為2018 FIFA世界盃全球官方贊助商。

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)

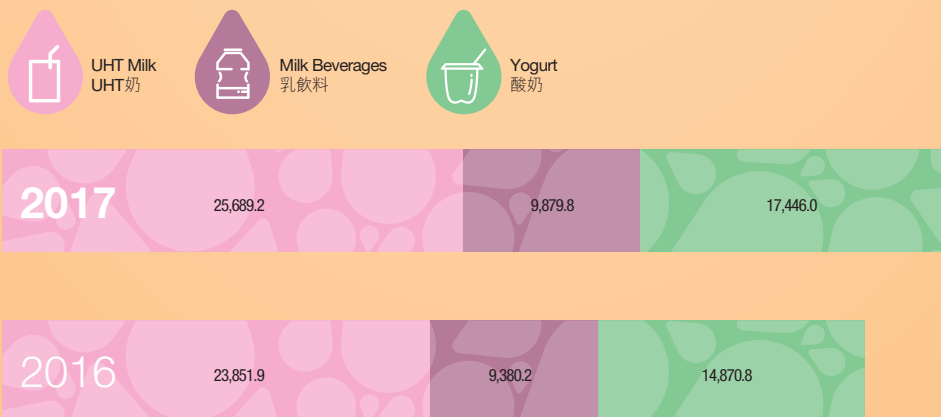
RMB Million 人民幣百萬元



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

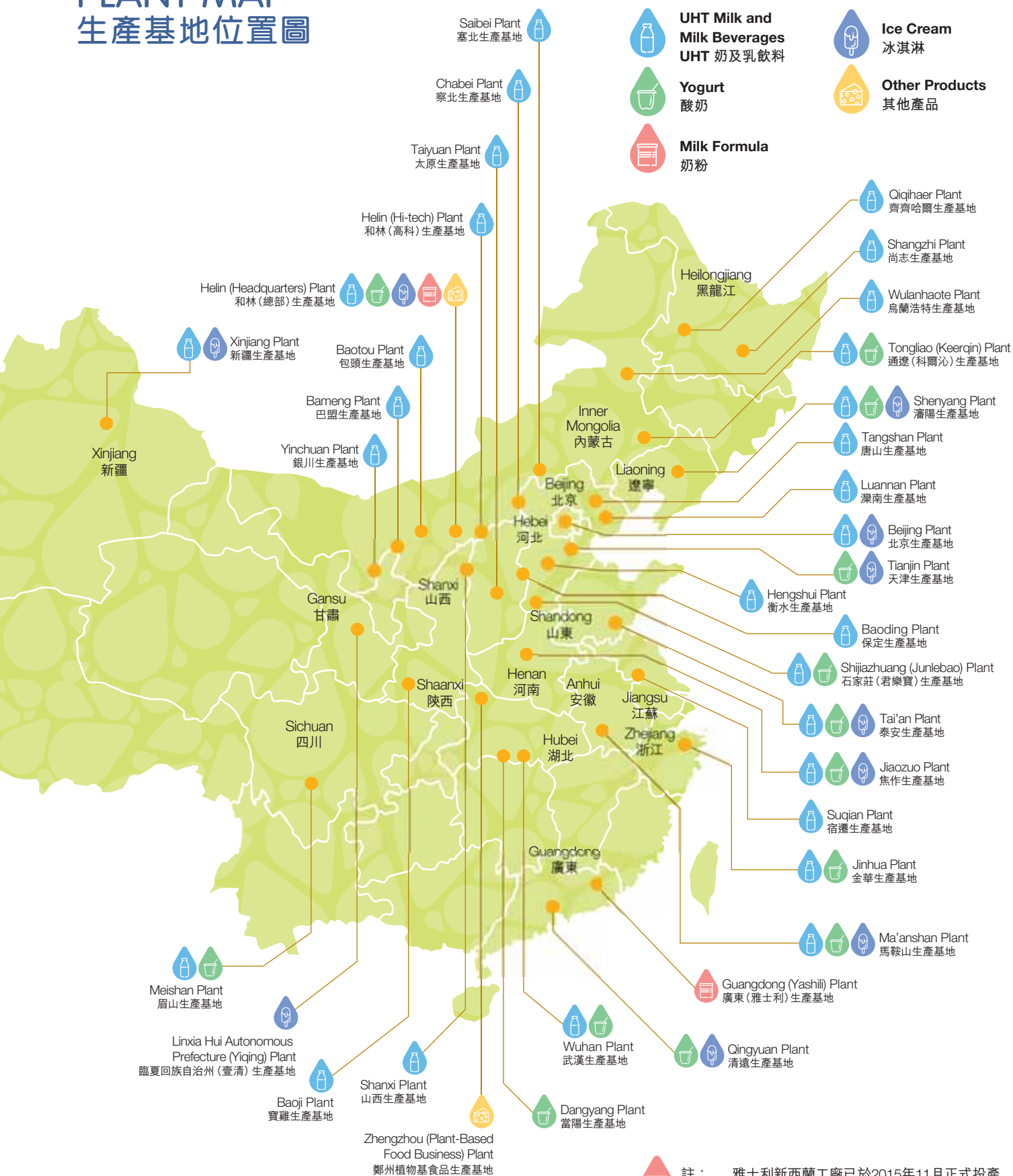
按液態奶產品劃分之收入(截至十二月三十一日止年度)

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 and its Management

- Made “Global Dairy Top 20” list published by Rabobank and ranked among the top 10 for the first time
- Awarded “2017 Leading Enterprise of China’s Dairy Industry” by China Dairy Industry Association
- Conferred the title of “Strategic Partner of China’s Aerospace Program” by the China Space Foundation
- Received the “Case Prize of the Belt & Road Initiative in 2017” at the Media Cooperation Forum on Belt and Road organized by the People’s Daily
- Awarded the “Poverty Alleviation Award of China Social Responsibility 2017” by xinhuanet.com and Corporate Social Responsibility Research Center of the Chinese Academy of Social Sciences
- Named “Leading Enterprise of Corporate Social Responsibility under China’s New Normal” by Chinadevelopment.com.cn
- Mr. Lu Minfang, Chief Executive Officer, named “2017 Food Leader” by xinhuanet.com at the 2017 China Food Development Conference

Mengniu’s Brands

- One of the “Interbrand Best Chinese Brands 2017”
- Among the top 20 in the BrandZ™ 2017 list of the most valuable Chinese brands
- Yogurt and probiotics drinks topped the “2017 China Brand Power Index (C-BPI)” list published by the Ministry of Industry and Information Technology of the PRC
- One of the “TOP 10 most effective brands” named at the “2017 Greater China Effie Awards”

Mengniu’s Products

- *Milk Deluxe Organic Milk* garnered the “Gold Award” at the 11th BioFach China
- *Champion Oats* and the Red product series were named “Outstanding Chinese New Dairy Products” by the China Dairy Industry Association
- *Ruiipuen* garnered “Gold Prize – Quality Award” from the China Dairy Industry Association and also “Excellent Reputation Award” at the China Children and Woman Industry Expo in 2017

本集團及管理層

- 獲荷蘭合作銀行列入「全球乳業二十強」名單，並首次躋身前十
- 榮獲中國乳製品工業協會頒發「中國乳業2017年度領軍企業」
- 榮獲中國航天基金會授予「中國航天事業戰略合作夥伴」稱號
- 榮獲《人民日報》「一帶一路」媒體合作論壇頒發「2017一帶一路建設案例獎」
- 榮獲新華網及中國社會科學院企業社會責任研究中心頒發「2017中國社會責任扶貧獎」
- 榮獲中國發展網頒發「中國新常態企業社會責任領軍企業獎」
- 總裁盧敏放先生獲新華網2017中國食品發展大會評為「2017年度食品領軍人物」

蒙牛品牌

- 榮獲Interbrand 2017最佳中國品牌
- 榮獲BrandZ™2017最具價值中國品牌20強
- 酸奶及乳酸菌飲料位列中國工業和信息化部「2017年中國品牌力指數(C-BPI)排行榜」冠軍
- 評為「2017大中華區艾菲獎最具實效品牌TOP 10」

蒙牛產品

- 特侖蘇有機奶榮膺「第十一屆中國國際有機食品博覽會乳品金獎」
- 冠益乳燕麥及紅色系列產品獲中國乳製品工業協會頒發「中國乳業優秀新產品獎」
- 瑞哺恩於2017年獲授予「中國乳製品工業協會品質金獎」，並榮獲「婦兒博覽會消費者好口碑」大獎



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全球官方赞助商





自然力量 天生要强

蒙牛汇聚自然精华 助你成就更强

CEO'S STATEMENT 總裁致辭



Mr. Jeffrey, Minfang LU
盧敏放先生
Chief Executive Officer
總裁

STAY TRUE TO OUR
INITIAL GOAL, TRIUMPH
TOGETHER, AND BUILD
A HUNDRED-BILLION YUAN
REVENUE INTERNATIONAL
DAIRY ENTERPRISE AT
“MENGNIU SPEED”
不忘初心，共贏冠軍，
以蒙牛速度
打造千億級國際乳企

For Mengniu, 2017 was a year of change and advancement. During the year, Mengniu adhered to its core values of quality and innovation, following diligently the strategy of “Focusing on Development and Gathering Strengths” in developing the independent businesses under its new business division system, keeping its eyes on star brands and consolidating advantageous resources, so as to ensure the balanced development of all product categories. It also endeavored to unleash the “wolf spirit” in members of the Mengniu team, building a team of superb quality and high efficiency, a team that by working hand-in-hand saw the Group make the “Global Dairy Top 10” list for the first time.

In this first year of implementation of the new business division setup, the four major businesses namely room temperature, chilled, milk formula and ice cream products, have been established based on product categories. Responding to consumption structure upgrade in the country, consumers wanting more diverse choices and the still largely untapped chilled product market, Mengniu was able to effectively apply its proprietary technologies and quality milk source to develop mid-range to high-end products and introduce new products under its various star brands, plus step up development of chilled yogurt products to seize share in the mid-range to high-end markets.

二零一七年是蒙牛的變革、奮進之年。蒙牛堅守質量、創新的核心，嚴格落實「聚焦、聚勢、凝心、凝力」戰略舉措，堅實通過新事業部制打造獨立業務板塊，聚焦明星品牌及整合優勢資源，保障各品類全面、均衡發展，並且透過釋放蒙牛人的「狼性」文化，打造高質高效的蒙牛團隊，攜手使本集團首次挺進「全球乳業十強」。

於新事業部制施行的第一年，蒙牛按產品種類劃分為常溫、低溫、奶粉、冰淇淋四大事業部。應對國內消費結構升級、消費行為多元化的趨勢及低溫產品市場龐大的拓展空間，蒙牛高效利用自有技術與優質奶源，積極開發中高端定位產品，推出多款明星品牌下的新產品，並大力發展低溫酸奶產品，搶佔中高端市場份額。



In 2017, Mengniu has achieved an outstanding performance in brand internationalization. In March, Mengniu signed a strategic agreement with the Universal Beijing Resort and became the resort's exclusive official dairy and ice cream products partner. At that, the Group is now a partner of two major theme parks, one in Shanghai and the other in Beijing, and hence the first dairy brand to own cooperation rights with both Disneyland and the Universal Studio in one same country. Around the end of the year, Mengniu's international standard quality again gained endorsement. It became the Official 2018 FIFA World Cup™ Sponsor. It is not only the first dairy brand to make it among global official sponsors of the FIFA, but also the first Chinese food and beverage brand to make that list, marking a new milestone on its path to building an international brand. Innovation is what provides Mengniu the new energy to develop, and with strong and effective execution capability, the Group boasts the "Mengniu Speed" never seen before in the industry – updates on all online and offline advertisements for different product brands were completed in only 12 days after the global sponsorship was announced and in just 18 days the first product in World Cup-themed packaging hit the market, followed subsequently by 161 products under 27 brands. A World Cup Russia "all-star team" has born.

二零一七年，蒙牛在品牌國際化方面取得了卓越的成績。三月份，蒙牛與北京環球度假區達成戰略協議，成為在度假區提供乳製品和冰淇淋的獨家官方合作夥伴。這樣一來，蒙牛已將上海和北京的兩大主題公園盡收囊中，成為可以在一個國家裏同時拿下迪士尼樂園和環球影城的合作權益的第一個乳業品牌。年底蒙牛國際化質量再獲背書，正式成為2018 FIFA世界杯全球官方贊助商，不僅是FIFA全球官方贊助商中的首個乳品品牌，也是第一個作為世界杯全球贊助商的中國食品飲料品牌，使蒙牛的品牌國際化邁向新里程。創新為蒙牛帶來新的發展活力，而高效、強大的執行力則打造刷新行業的「蒙牛速度」－在宣布成為世界杯全球官方贊助商後，蒙牛僅用了12天便完成了多個品牌的線上線下廣告全面更新；僅18天便推出首款世界杯主題包裝產品，旗下27個產品品牌161款產品隨後統一換上世界杯主題包裝，組成俄羅斯世界杯賽場上一支閃耀的「明星之隊」。

CEO'S STATEMENT 總裁致辭

Quality has always been the core value of Mengniu and innovation is its core competitive strength, and the new normal for Mengniu's development is to pursue international standards and use the most stringent of those standards as benchmark to transform itself into a world-class Chinese dairy enterprise. Together with strategic partners like Danone Group and Arla Foods, Mengniu has led the pack in deploying its global value chain following international standards and, in doing so, has helped the Chinese dairy industry improve its overall quality. It has kept putting the latest technological achievements to use and adopting the most rigorous quality requirements throughout its industrial chain to help it explore and exploit the potential-rich "blue ocean" of new products. Its innovative and quality products are not only widely recognized by consumers in China, but also those overseas as reflected in its sales overseas rapidly growing. During the period of the BRICS summit, Mengniu's products namely *Milk Deluxe*, *Just Yoghurt*, *Champion*, *Pure Milk* and *Deluxe* ice cream were the designated dairy products for the BRICS leaders' meeting held in Xiamen, showing to the world the leading quality of Mengniu products.

On top of consistently improving dairy product quality and striving for development which is in sync with the industrial chain, Mengniu is also dedicated to being an outstanding corporate citizen, promoting charitable activities, driving development of local communities and helping its employees learn and grow, so that Mengniu can become a leading sustainable enterprise. During the year, Mengniu mounted the "Mengniu Inclusive Nutrition Plan" for pupils in rural schools in 157 districts and counties in 24 provinces, cities and autonomous regions in the PRC, spreading the warmth and care from Mengniu to the next generation. At the same time, sparing no efforts in nurturing industry specialists, Mengniu continued to, via such projects as the "Golden Key of Milk Cow" technology workshops, the "Star Ranchers" advanced learning platform and the "University of Ranchers", establish a sustainable dairy industry ecosystem and enhance the competitiveness of the Chinese dairy industry. Mengniu's effort to lead corporations in the PRC in fulfilling their social responsibility are well-recognized by the community. During the year, the Group was awarded "Leading Enterprise of Corporate Social Responsibility under China's New Normal" by chinadevelopment.com.cn.

Mengniu, together with its three major shareholders and international leading partners, will continue to apply world-class advanced resources and platforms and bring in leading technologies and management modes, with the aim of building Mengniu into a world-class dairy enterprise. By deploying a global industrial chain and drawing on overseas resources to fortify its advantages in the industry, Mengniu will continue to facilitate the building of a global "Dairy Community", pinpointing especially countries along the "Belt and Road".

蒙牛始終把質量作為核心價值觀，把創新作為核心競爭力，將國際標準作為發展新常態，用全球最嚴標準打造世界級的中國乳業品牌。蒙牛攜手Danone集團及Arla Foods等戰略夥伴，率先開展全球乳業布局，在全產業鏈層面對標國際標準，助力中國乳業全面質量升級，同時不斷推動最新技術成果和嚴格質量規範在全產業鏈上的應用，開發高潛力的新品市場藍海。創新、優質的產品不僅廣受國內消費者認可，海外銷售增長亦勢頭喜人。在金磚國家峰會期間，蒙牛旗下的特侖蘇、純甄、冠益乳、純牛奶和蒂蘭聖雪等產品成為金磚國家領導人廈門會晤的指定乳製品，向世界展示了蒙牛產品的領先質量。

在不斷提升本集團的乳製品質量、與產業鏈共同發展的同時，蒙牛亦致力成為優秀的企業公民，推動公益慈善、帶動地方發展，並促進員工學習成長，讓蒙牛成為可持續發展企業的典範。蒙牛於年內在中國24個省、市、自治區，合共157個區縣的鄉村學校推行「蒙牛營養普惠計劃」，讓下一代感受到來自蒙牛的溫暖與關愛。同時，我們不遺餘力培養業界專才，通過「奶牛金鑰匙」技術示範專場、「星牛人」高端學習平台及「牧場主大學」等項目，致力打造可持續奶業生態圈及提升中國乳業競爭力。社會各界充分肯定蒙牛引領中國企業肩負社會責任，本集團於年內獲中國發展網頒發「中國新常態企業社會責任領軍企業獎」。

蒙牛將繼續攜手三大股東及國際領先的合作夥伴，利用世界先進的資源及平台，引入先進的技術和管理模式，打造世界級的乳品企業。通過全產業鏈的國際化布局，利用海外資源鞏固行業優勢，蒙牛將繼續推進全球、特別是「一帶一路」沿綫國家的「乳業共同體」的建設。

CEO'S STATEMENT 總裁致辭

With rising consumer confidence, the younger consumer population and their demand for diverse product choices growing, commanding upgrade of the mid-range to high-end consumption structure, Mengniu is open to new development opportunities. We believe, in the coming future, the dairy industry in China will venture into a “golden decade” and see rapid growth. Adhering to its emphasis on “Quality, Innovation and Internationalization”, Mengniu will insist on upholding the core value of quality, maintaining its excellence via innovation, enhancing the efficiency of research and development, closely following the trend of consumption upgrade, in its march towards the mid to high-end of the value chain. At the same time, Mengniu will further its effort in brand internationalization. Leveraging the 2018 FIFA World Cup™, the most influential sports event in the world, Mengniu will let the world see the top Chinese dairy product enterprise that it is and present to consumers its natural, nutritious and delicious products.

Mengniu celebrated its 18th birthday in 2017. The next decade will see the Group grow from 19 years of age to 28, which is also the golden 10 years for a person. This golden 10 years of Mengniu match perfectly with that of the industry. This is a rare development opportunity for Mengniu and all Mengniu staff members are ready to devote their best 10 years in life to embrace the advent of the golden 10 years of the dairy industry in China.

We will stay true to our initial goal when we started up our business as we begin a new journey. We will continue to foster development of our business with innovation and to provide green, healthy and high quality dairy products to consumers and better satisfy people's desire for a good life. Remaining loyal to the spirit of “No Compromise on Product, Quality, Execution and Values” and returning to the work culture that emphasizes the “wolf spirit” characterized by strength in execution and with the determination to “winning and win-win”, we aim to build Mengniu into a hundred-year enterprise, a champion in the dairy industry and a forerunner in the global dairy industry. Mengniu will speed up realizing its “2020 Goal”, which is to achieve its objective to become a hundred-billion yuan revenue international dairy enterprise by 2020.

Jeffrey, Minfang LU
Chief Executive Officer

Hong Kong, 27 March 2018

隨著消費者信心回升，消費年齡年輕化及需求多樣化，中高端消費結構升級為蒙牛帶來新的發展機遇。我們相信，未來一段時間，中國乳業必將迎來一個快速發展的新「金色十年」。蒙牛圍繞「質量、創新、國際化」，堅守以質量為核心價值觀，以創新保持不凡，提升研發效率，緊跟消費升級，引領消費趨勢，邁向價值鏈中高端。同時蒙牛將進一步推進品牌國際化，借勢2018 FIFA世界杯這一全球最具影響力的體育賽事，向全球展現中國頂級乳品企業，為消費者介紹天然、營養、美味的蒙牛產品。

二零一七年是蒙牛18歲的生日，未來的十年，從19歲到28歲，也是一個人的金色十年。蒙牛的金色十年和行業的金色十年完全重合在了一起，這是一個難得的發展機遇，蒙牛人已經準備好用人生中最好的十年，迎接中國乳業的金色十年。

我們將回歸創業初心，開啟全新征途。我們將貫徹創新發展理念，為消費者提供綠色健康的優質乳品，更好地滿足人們對於美好生活的嚮往。我們將秉持「產品不妥協、質量不妥協、執行不妥協、價值觀不妥協」的精神，回歸高執行力的「狼性」團隊文化，抱以「必贏、共贏」的決心，共築百年蒙牛、共贏乳業冠軍，堅守在全球乳業第一陣營，加速邁向蒙牛的「二零二零目標」—即蒙牛在二零二零年要成為銷售額達到一千億人民幣的國際乳業巨企。

盧敏放
總裁

香港，二零一八年三月二十七日

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FIFA WORLD CUP
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MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

INDUSTRY REVIEW

In 2017, China, as the world's second largest economy, developed steadily in positive strides with GDP growing at 6.9%. The rebound of domestic consumer confidence index and the increase in the country's per capita disposable income pushed up consumption demand and in turn drove the upgrade of consumption structure, all developments conducive to the growth of the country's dairy industry.

Phenomena including emergence of the middle class, the growing population of new-generation consumers and the aging population have seen more consumers earnest in pursuing healthy and green lifestyle, and choosing premium, healthy and fresh products. As a result, product offerings in the market have become more diversified. During the year, fast-moving consumer goods industry maintained steady growth with the focus of competition shifting from pricing to product innovation and channel transformation, bringing to the foreground the importance of having corporate brand advantage. As for the dairy product industry, it has been recovering at a faster pace against the backdrop of stable supply and pricing of raw milk. Measures such as product upgrade and innovation and introducing differentiated premium dairy products have become the main boosters of sustainable profitability improvement for dairy enterprises.

In spite of growing demand, product quality remains crucial in helping China's dairy industry enhance competitiveness. During the year, the state continued to strengthen monitoring of food safety and endeavored to improve the quality of dairy products. The Ministry of Agriculture has vowed to invigorate the country's dairy product industry and for that has drawn up plans for "Five Major Actions", aiming to speed up modernization of the industry and enhance the quality of the entire industry chain, thereby ensuring sustainable development of the industry. In 2017, among the major food product types sampled by the national regulatory authorities, the passing rates of dairy products and infant milk formula are as high as 99.2% and 99.5% respectively, which is proof of China's dairy products leading the food industry and having made a sustainable improvement in quality, helping to boost the confidence of consumers in domestic dairy products.

Looking forward, with dairy product consumption still in the stage of steady growth in China, the dairy product industry is expected to maintain relatively fast growth in the next 5 to 10 years at the push of product innovation and capacity upgrade. Room temperature product business will trend up steadily, while the business of chilled products will maintain rapid growth, with new product segments such as fresh milk and cheese expected to stand out. As for milk

行業回顧

二零一七年，中國作為全球第二大經濟體，發展態勢穩中向好，國民生產總值增長達6.9%；國內消費者信心指數回升，全國居民人均可支配收入持續增長拉動消費需求，促進消費結構升級，對國內乳業發展產生正面的影響。

隨著新興中產階級、新生代消費群體增加及人口老齡化多極發展，消費者追求健康綠色的生活方式，傾向於購買高端、健康及新鮮的產品，促使市場產品結構進一步邁向多元。年內，快消品行業維持穩定增長的趨勢，競爭由價格促銷轉向產品創新及渠道轉型的角力，企業品牌優勢逐漸顯現。乳製品行業加快復蘇，在原奶供應及價格穩定的背景下，產品升級創新、推出高端差異化乳製品等成為企業持續提升盈利能力的主要動力。

儘管需求增長，產品質量依然是提升中國乳業競爭力的關鍵。年內國家持續加強食品安全監察力度，促進乳製品質量提升，國家農業部部署振興乳業「五大行動」，加快乳業現代化步伐，提升全產業鏈的質量建設，確保中國乳業的可持續發展。二零一七年，在國家監管部門抽檢的各大類食品中，乳製品合格率達99.2%，嬰幼兒配方乳粉合格率达到99.5%，質量領跑食品行業，顯示中國乳製品質量持續穩定向好，進一步提升了消費者對於國產乳製品的信心度。

展望未來，中國仍然處在乳製品消費穩健增長的時期，預計未來5-10年乳製品行業仍會在產品創新和產能升級推動下保持較快發展。常溫業務發展穩中有升，低溫業務將保持高速發展，特別是鮮奶、奶酪等新興業務增長較佳。奶粉業務方面，二胎政策帶來的人口紅利開始體現，而國內嬰幼兒奶粉配方註冊制將在二零一八年落地推

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

powder business, with the two-child policy starting to bear result and the national infant milk formula registration system to take effect in 2018, which will raise the industry barrier, hasten the consolidation of the industry and optimize the industry structure, the milk powder industry is expected to develop healthily in the long run. In the changing market and with consumers becoming more sophisticated in taste, leading dairy product enterprises with good reputation, outstanding quality, strong innovative capability, and sales channels that reach wide and deep will be well-poised to reinforce their leadership in the consolidating industry.

As China assumes growing importance on the international stage, her dairy industry is also advancing in strides on the path of internationalization. Dairy product enterprises have been aligning production with international standards, perking up production techniques and research capability and improving overall product quality, and actively pushing to “go global” by expanding their overseas markets and building a global supply chain to help them achieve stronger brand recognition and reputation internationally.

BUSINESS REVIEW

In 2017, Mengniu introduced a new business division system, achieving integrated management of production, supply and sales, manpower, finance and assets as well as accountability, power and incentives. After implementation of the new organizational structure, four major business divisions, namely room temperature, chilled, milk formula and ice cream products, have been established based on product categories, resulting in greater synergies for development, better resources utilization, and operational and management efficiency, as well as enhanced product quality.

To keep up with the domestic consumption upgrade and diversification of consumption behavior, Mengniu has kept focusing effort on product research, development and innovation, with providing premium and ever more nutritious and healthier products as the purpose of product upgrade. Mengniu has set its sight on capturing market share in mid-range and high-end markets by using its proprietary technology and quality milk sources efficiently to develop products for these markets. To fortify the dominance of Mengniu's star brands and products, the Group has not only introduced many new products under its star brands, but has also strived for continuous technological breakthroughs aiming to best and quickly “lock up freshness”. Adopting Quick Response (QR) code technology, Mengniu has made it possible for consumers to trace the milk sources and manufacturing process, letting them know that the products are fresh, healthy, high-quality and safe to enjoy.

行，有利提高行業門檻、加速奶粉產業的整合、優化產業結構，預期奶粉行業將長遠健康發展。由於市場格局變化及消費需求升級，口碑好、質量高、創新強、銷售渠道覆蓋廣而深的龍頭乳製品企業將可在行業整合中進一步鞏固領先地位。

隨著中國在全球化格局中的地位日益顯著，中國乳業也在國際化道路上不斷前行。中國乳製品企業紛紛對標國際水平，提升技術及研發能力，全面提升產品質量，同時積極「走出去」，拓展海外市場及佈局全球供應鏈，提升品牌的國際知名度及美譽度。

業務回顧

二零一七年，蒙牛推行新事業部制，建立產供銷一體化、人財物一體化、責權利一體化的管理系統。隨著新的組織架構正式落地，本集團以產品種類劃分，設立了常溫、低溫、奶粉、冰淇淋四大事業部，使本集團在協同發展、資源利用、營運管理效率以致產品質量均有所提升。

為順應國內消費結構升級與消費行為多元化的趨勢，蒙牛發力產品研發創新，以高端化、營養化、健康化作為產品升級之目標，高效利用自有技術與優質奶源，積極開發中高端定位產品，搶佔中高端市場份額。為鞏固蒙牛明星品牌及產品的主導地位，本集團推出多款明星品牌下的新產品，在技術層面不斷升級，力求短時間最大限度「鎖住新鮮」，並以二維碼技術為基礎，為消費者打開追蹤奶源及生產流程的大門，傳遞產品新鮮、健康、優質、安全的訊息。

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Using digital technology and Big Data in management, the Group has built itself into a smart dairy enterprise by adopting a management and tracing system that covers the entire industrial chain, enabling it to realize continuous innovation in product quality management and marketing methods. During the year, the Group set up the e-commerce division to start deploying its new retail model, optimizing sales channels and nurturing new growth drivers. Mengniu also beefed up marketing efforts, enhancing flexibility and employing diverse marketing means. By making use of platforms such as social media and synchronizing online and offline efforts, it was able to infuse its brand proposition into marketing processes, thus achieving optimal communication effect.

During the year, Mengniu's liquid milk maintained its market leadership, while the overall sales of room temperature product business continued to improve. *Milk Deluxe* achieved double digit growth in sales and scaled a new height. Star products such as *Just Yoghurt* and *Fruit Milk Drink* reported high growth in sales and sales of chilled products were growing significantly faster than the entire industry. With market shares climbing steadily, the Group has strengthened its top position in the nationwide chilled fresh dairy product market. Milk formula business gradually made adjustments on channel deployment, product structure and branding, which laid a solid foundation for it to compete in a market skewing towards high-end and differentiated products. To date, Yashili has completed registration of 39 formulas in 13 series and *Junlebao* has completed registration of 18 formulas in 6 series to prepare for seizing business opportunities arising in the gradually recovering milk formula market. For ice cream business, upgrade efforts were made on multi dimensions including branding, product, packaging and marketing communication. 42 new products were launched to market and achieved satisfactory sales growth.

The brand influence of Mengniu also made new heights. Not only was it included on the "Global Dairy Top 20" list published by Rabobank in 2017 for the ninth consecutive year, but it also earned a spot among the top 10 for the first time, a record for Mengniu in global ranking of dairy companies. During the same period, Mengniu was again named by Interbrand as one of the Best China Brands in 2017 and also made it among the top 20 in the BrandZ™ list of the most valuable Chinese brands for three years in a row. In the "2017 China Brand Power Index (C-BPI)" published by the Ministry of Industry and Information Technology of the PRC, Mengniu's yogurt products and *Yoyi C* made the top C-BPI rankings in the yogurt and probiotics drinks industries respectively, whereas its yogurt products retained the top position for seven years in a row and was crowned the "Golden Brand" title.

本集團透過數字化管理及大數據技術打造智能乳企，建立全產業鏈管理和全追溯體系，實現產品質量管理及市場營銷方式上的不斷創新。本集團在年內成立了電商事業部，搶先佈局新零售模式，不斷優化銷售渠道及開拓新的業績增長點。蒙牛並在營銷上加大投入，增強營銷方式之靈活性與多樣性，結合社交媒體等平台於線上、線下協同發力，將品牌主張巧妙融入營銷過程，從而實現最佳傳播效果。

年內，蒙牛液態奶繼續保持市場領先地位。常溫業務整體銷售業績進一步向好，*特侖蘇*銷售達到雙位數增長並再創新高，明星產品*純甄*、*真果粒*銷售實現高增長，低溫產品銷售增速亦明顯優於行業增速，市場份額穩步上升，進一步鞏固其低溫新鮮乳製品市場全國第一地位。奶粉業務逐步進行渠道佈局、產品結構和牌佈局方面的調整，為市場高端化差異化的競爭打下良好基礎，直至目前為止，雅士利已完成13個系列39個配方的註冊，而君樂寶已完成6個系列18個配方的註冊，迎接奶粉市場逐步回暖的商機。冰淇淋業務從品牌、產品、包裝及營銷傳播等多維度升級，推出42個新產品，銷售增長理想。

蒙牛的品牌影響力亦飛躍上新的臺階，不但連續第九年入圍荷蘭合作銀行公佈的二零一七年度「全球乳業二十強」名單，更首次躋身前十，刷新蒙牛在全球乳業的排名。同期，蒙牛再度入選Interbrand 2017最佳中國品牌，並連續三年入選BrandZ™最具價值中國品牌二十強。於中國工業和信息化部二零一七年中國品牌力指數(C-BPI)排名中，蒙牛酸奶及*優益C*分別獲評C-BPI酸奶、乳酸菌飲料行業品牌力第一，而蒙牛酸奶更連續七年蟬聯榜首，榮膺「黃金品牌」。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

The Group was relentless in building Mengniu into a reputed international dairy product brand during the year via cooperating with world famous brands in promotion and sponsoring international events. Apart from being the official partner of NBA in China, the sole official dairy products provider of the Boao Forum for Asia, the official dairy products partner of the Shanghai Disney Resort, the exclusive dairy and ice cream provider of the Universal Beijing Resort and the “Strategic Partner of China’s Aerospace Program”, Mengniu products were also chosen as the official products for the meeting of BRICS leaders in Xiamen during the BRICS Summit in 2017. In the year end, Mengniu has become an Official 2018 FIFA World Cup™ Sponsor. Mengniu is not just the first dairy brand among the global official sponsors of FIFA, but also the first Chinese food and beverage brand to be a global official sponsor of the World Cup, taking Mengniu towards a new milestone in international brand building.

To realize a more integrated up- and down-stream cooperating system and unleash greater synergies, in 2017, Mengniu acquired additional shares in China Modern Dairy through a series of transactions, increasing its shareholdings in China Modern Dairy to approximately 60.77%. China Modern Dairy is the largest dairy farming company in China and also the first in the industry to obtain the national High-quality Milk Project accreditation for its UHT milk and pasteurized milk. After increasing its shareholdings in China Modern Dairy, the Group has been continuously enhancing its synergy with China Modern Dairy for its upstream and downstream businesses. On the upstream, Mengniu has made better use of the quality milk supply and nationwide ranch resources of China Modern Dairy, thereby securing stable supply of raw milk to support the development of low temperature yogurt business and business deployment of low temperature fresh milk. As for downstream business, in July 2017, the Group, applying its professional brand operation experience, launched together with China Modern Dairy the crossover brand *Xianyu* room temperature pure milk, with “freshness” and “vitality” as its appeals. On the manufacturing and operation front, the Group signed an agreement to acquire 50% equity interests in two dairy plants of China Modern Dairy in January 2018, such that China Modern Dairy will focus on rearing of milk cattle and supplying raw milk, whereas Mengniu will integrate the production capacities of the factories and use its well-established sales channels to drive sales of brand products.

借力國際知名品牌合作推廣及大力贊助國際級盛事，蒙牛在年內不斷發力打造世界知名乳業品牌。除了是NBA中國官方市場合作夥伴、博鰲亞洲論壇唯一指定乳品供應商、上海迪士尼度假區官方乳品合作夥伴、北京環球度假區官方乳品及冰淇淋獨家供應商、以及「中國航天事業戰略合作夥伴」外，蒙牛於二零一七年更成為金磚國家峰會期間，金磚國家領導人廈門會晤指定產品，以及於去年底正式成為2018 FIFA世界盃全球官方贊助商。蒙牛不僅是FIFA全球官方贊助商中的首個乳品品牌，也是第一個作為世界盃全球贊助商的中國食品飲料品牌，使蒙牛的品牌國際化邁向新里程。

為實現更融合的上下游合作體系及增加協同效應，蒙牛於二零一七年經過一連串交易增持中國現代牧業股份，使其於中國現代牧業的持股量增加至約60.77%。中國現代牧業是國內規模最大的奶牛養殖企業，也是首家優質UHT奶及巴氏奶同時通過優質乳工程驗收的企業。增持中國現代牧業後，本集團不斷加強與中國現代牧業在上游和下游業務的協同。上游方面，蒙牛更好地利用中國現代牧業的優質原奶供應和全國的牧場資源，獲得穩定的原奶供給保障，支持低溫酸奶業務發展及低溫鮮奶業務佈局。下游業務方面，本集團發揮專業的品牌運作經驗，於二零一七年七月與中國現代牧業以組合品牌方式推出常溫純牛奶鮮語，主打牛奶之「鮮」與「活」；在生產運營方面，本集團於二零一八年一月簽署協議，收購中國現代牧業旗下兩家乳製品工廠的50%股權，由此中國現代牧業將專注於經營奶牛養殖業務及原奶供應，而蒙牛將整合該工廠產能資源，利用自身健全完善的銷售渠道擴大品牌產品銷售。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Business Division Performance**Room Temperature Product Business**

The Group continued to boost the room temperature product business through product upgrade and innovation, launching more high-end, diversified and healthy products that match the trend of consumption upgrade. Leveraging increased branding and marketing efforts, overall sales of room temperature product business continued to improve. Of which, *Milk Deluxe*, the hottest milk product in China, recorded double-digit growth with a sales amount of over RMB10 billion during the year. Room temperature yogurt *Just Yoghurt* and fruit dairy drink *Fruit Milk Drink* also reported satisfactory growth.

As for UTH milk, *Milk Deluxe* has speeded up deployment for moving high-end and delivering personalized consumption experience. It has launched the super high-end *M-PLUS High Protein Milk*, the first milk product tailored for sports enthusiasts in China, and *Milk Supreme*, a gift-grade super high-end milk product. To meet consumers' growing demand for fresh products and tapping the raw milk resources of China Modern Dairy, Mengniu joint hands with China Modern Dairy to introduce *Xianyu Pure Milk*, using the production technique that can complete the processes "from milking to processing in two hours" to retain bioactive substances, thus the freshness of and nutrients in the milk, and as such has opened the room temperature fresh milk niche between the room temperature milk and fresh milk markets. With respect to dairy beverages, heeding consumption psychology and the topics of interest of the new-generation consumers, and engaging the celebrity Li Yifeng as the product ambassador, Mengniu launched the blueberry flavor *Fruit Milk Drink* which recorded outstanding sales growth. As for *Just Yoghurt*, brand promotion was carried out via the strong alliance with the Hollywood hit "Transformers: The Last Knight" and bundling with "Go Fighting! Season 3", with Zhang Yixing endorsing the product. These successful brand promotion activities have contributed to the record breaking sales.

Chilled Product Business

During the year, the chilled product division of Mengniu strived to maximize organizational and management efficiency. With "Refining Product Mix Deployment and Striving for Product Innovation and Leadership" as its core mission, the division adjusted the structure of its marketing department and optimized its brand management system, thereby achieving highly efficient and synergistic manufacturing, cost saving and improved cost effectiveness of marketing spending. It also tightened cooperation on chilled product business with Danone S.A., the second largest strategic

事業部表現**常溫業務**

本集團持續發力常溫產品，配合消費升級趨勢，通過產品升級創新，推出高端化、多元化及健康化的常溫產品，並加大品牌營銷力度，使該業務整體銷售業績進一步向好。其中，中國牛奶第一單品**特侖蘇**，年內錄得雙位數增長，銷售額超過人民幣百億元。常溫酸奶**純甄**、果粒乳飲料**真果粒**分別實現良好增長。

在UTH奶方面，**特侖蘇**加快高端化及個性化佈局，推出針對泛運動人群的**M-PLUS高蛋白牛奶**超高端產品，成為中國首個針對運動人群之專屬牛奶產品，並推出超高端禮品級產品**奶爵6特乳**。為配合消費者對產品新鮮度日益增強的追求，蒙牛結合中國現代牧業原奶資源，與中國現代牧業攜手推出**鮮語純牛奶**，主打「從擠奶到加工，兩小時完成」的生產工藝，保留原奶活性物質，力保新鮮營養，成功在常溫牛奶和鮮牛奶市場之間，開闢出常溫鮮牛奶市場。乳飲料方面，蒙牛抓緊消費心理需求，結合新生代消費群體關注的議題及人氣偶像李易峰代言，推出**真果粒藍莓味**單品，銷量增長突出。而**純甄**則透過與好萊塢電影《變形金剛5：最後的戰士》強勢合作和捆綁《極限挑戰3》進行品牌宣傳，並邀請張藝興為產品代言人。此等成功的品牌推廣活動，令銷售再創高峰。

低溫業務

蒙牛低溫事業部於年內在組織管理層面力求效能最大化，以「品類佈局，實現產品創新領先」為核心任務，通過調整市場部架構、優化品牌管理體系，實現生產高效協同、節省成本及提升營銷費用投入效益，並深化與蒙牛第二大戰略股東Danone S.A.及其子公司(統稱「Danone集團」)在低溫業務方面之合作，藉著Danone集團世界級低溫產品研發技術，積極開展區域產品研發，並推出多款低溫新品，驅動銷量良好增長。此外，

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shareholder of Mengniu, and its subsidiaries (collectively referred to as “Danone Group”). Drawing on Danone Group’s world-class chilled product research and development technology, it actively pursued regional product research and development and launched many new chilled products which gave sales a strong push to grow. In addition, on top of making all-out effort to expand modern trade channels, increase the number of sales points and increase its market penetration, the business division also strived to develop such emerging channels as e-commerce platforms and catering channel to create new sales growth drivers. The above measures helped Mengniu’s chilled products maintain industry leadership and achieved a steadily increased market share in 2017.

In 2017, the chilled business division of Mengniu embarked on product research and development and production technology upgrades to align with practices of Danone Group, building together world-leading production facilities. The division launched six new product series during the year supported by comprehensive value marketing. For instance, in April 2017, Mengniu used for the first time the exclusive patented Ystral smoothing technique from Danone Group, combined with patented bacteria from the US and the raw milk from quality ranches in China to introduce super high-end *Milk Deluxe Yogurt* of plain and durian flavors. *Yoyi C* also launched the functional product *LC-37*, a new probiotics product made using powerful concentration technology with authorized use of exclusive bacteria and an innovative product revolutionizing probiotics product offerings. Under *LC-37*, an upgraded low-sugar enzyme-rich product was also launched to meet consumers’ growing demand for healthier product choices. For *Champion*, active product structure upgrade was carried out and the new *BB12* product series namely *Jianzihao*, *Mailaoru* and *Xianlaoru* were introduced to strengthen the brand’s “professional and functional” positioning in the yogurt market. To continue to enhance the competitiveness of basic chilled products, their packaging and taste were also upgraded.

Milk Formula Business

As for the milk formula business, Yashili International Holdings Ltd (“Yashili”, stock code: 1230), in which the Group held approximately 51% shares, has completed the registration of 39 formulas in 13 product series to date in response to the implementation of China’s milk formula registration system. Yashili had the highest number of registered formulas in the first batch list announced, which has clearly demonstrated its professional strength to the industry and consumers alike. The Group’s another milk formula brand, *Junlebao*, has also completed registrations of 18 formulas in 6 product series as of now.

低溫事業部在深耕傳統商超渠道，推動售點增加和渠道下沉的同時，亦力拓電商、餐飲等新興渠道，開闢新的銷售增長來源。以上舉措，促使蒙牛低溫產品在二零一七年保持行業領先地位，穩步提升市場份額。

二零一七年，蒙牛低溫事業部對標Danone集團，進行了產品研發、工藝技術等方面的升級，合力打造世界領先工廠，並於年內發佈6個系列的新品，全面鋪開價值營銷。其中，於二零一七年四月，蒙牛首次運用Danone集團獨有Ystral專利平滑工藝，使用美國專利菌種與中國優質牧場原奶，推出特侖蘇原味及榴蓮味超高端酸奶；優益C亦推出採用高濃度濃縮技術及獨家菌種授權研製的功能性產品LC-37，成為顛覆活性乳酸菌品類的創新產品，並進一步升級推出低糖酵素口味的LC-37，滿足市場日趨健康化的消費需求；冠益乳積極進行產品結構升級，推出BB12健字號、麥酪乳、鮮酪乳一系列產品，強化「專業功能性」酸奶定位。基礎低溫產品亦從包裝及口感上進行升級更新，持續提升產品競爭力。

奶粉業務

奶粉業務方面，本集團持有約51%股份的雅士利國際控股有限公司（「雅士利」，股份代號：1230）配合中國嬰幼兒奶粉配方註冊制的實施，至今已完成13個系列39個配方註冊，是首批公佈的名單中獲得註冊配方數量最多企業，向行業及消費者全方位展示專業化實力。本集團旗下的另一奶粉品牌君樂寶，至今亦已完成6個系列18個配方的註冊。

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During the year, Yashili gradually rolled out its differentiated business model and brand deployment, with *Yashily* and *Dumex* focusing on provision of basic nutritional cow milk formula; *Arla* and *Reeborne* focused on comprehensive penetration of the organic market; and *Doraler's* goat milk formula was introduced to develop the goat milk formula market. Yashili positioned *Yashily* and *Dumex* as medium to high-end brands, *Reeborne* and *Doraler* as high-end brands, and *Arla Baby & Me* as super high-end brand. Through a more delicate brand matrix, Yashili achieved full coverage of different tiers of the market. Yashili made strategic plan and spent its brand promotion costs effectively by reaching its target customers with Big Data. Yashili put strong emphasis on digital marketing, closer communication with consumers and their mouth of words and offline activities, aiming at approaching mothers to achieve cost effectiveness, thus realizing the dual targets of brand growth and corporate profits.

Yashili has made all-out effort in channel transformation and business innovation and the corporate structure has transformed into the channel-oriented and brand-oriented core business unit (“CBU”) structure, including “Mother-and-baby CBU”, “High-end mother-and-baby CBU”, “Modern Trade CBU” and “Innovation CBU”. Hence, the proportion of mother-and-baby channel is further increased and the growth of e-commerce business is stimulated. During the year, “Mother-and-baby CBU” has accelerated the exploration of mother-and-baby chain stores through partnership and pushing a money-based incentive mechanism; “High-end Mother-and-baby CBU” strictly controlled costs in the supermarket channel and stabilized sales volume through strengthening the expansion of mother-and-baby store chain channels; “Modern Trade CBU” has reduced losses by KAs significantly through the partial transformation by expediting direct supply to mother-and-baby stores; “Innovation CBU” has developed the online business layout in full based on its existing e-commerce network, while pushing forward community marketing and consolidating internal marketing resources.

Ice Cream Business

In 2017, the ice cream business division adhered to its high-end and product diversification strategy. With a deep understanding of market trends, it targeted young consumers and appealed to them via online promotions, and also mounted large-scale marketing activities to widen coverage of different consumer groups, resulting in notably enhanced brand influence. With traditional channels as the main focus, Mengniu increased the number of sales points. Its dedicated team also worked hard to rally more key accounts (KAs), expand catering channels, operate trial image stores and expand e-commerce business to boost the sales of ice-cream products. Moreover, effort was made on improving management of freezers so as to lift utilization efficiency. All such efforts together contributed to the satisfactory year-on-year sales growth of the business.

年內，雅士利逐步推進差異化業務模式及品牌佈局：以雅士利和多美滋等品牌產品提供基礎營養牛奶粉，以Arla和瑞哺恩全面滲透有機市場，並推出朵拉小羊奶粉開拓羊奶粉市場；中高端品牌有雅士利和多美滋、高端品牌有瑞哺恩和朵拉小羊、超高端品牌有Arla寶貝與我，透過更緊密的品牌矩陣，全面覆蓋不同檔次市場。雅士利透過深挖大數據獲取目標人群，將品牌費用精準投放，側重數字營銷和與消費者加強溝通，重視口碑宣傳，配合線下活動深入貼近媽媽，以較低的投入帶來更高的產出，實現品牌成長和企業盈利雙重目標。

雅士利深度推動渠道轉型和創新業務，組織架構轉為以渠道和品類主導的CBU架構，包括「母嬰CBU」、「高端母嬰CBU」、「商超CBU」及「創新CBU」，進一步提高母嬰渠道佔比，和促進電商業務成長。年內，「母嬰CBU」通過合夥提成激勵機制，加速開拓母嬰連鎖；「高端母嬰CBU」透過控制商超渠道費用及加強拓展母嬰連鎖，穩定了銷量；「商超CBU」通過推動母嬰門店直供完成局部轉型，KA減虧效果顯著；「創新CBU」則以原有電商為基礎，拓展社群行銷、整合內部市場資源等，全面開展線上業務佈局。

冰淇淋業務

二零一七年，冰淇淋事業部秉持產品高端化、多樣化策略，深刻洞察市場趨勢，重點針對年輕消費者進行在線傳播推廣，聚焦大型營銷活動，覆蓋更多消費人群，顯著提升品牌影響力。蒙牛以傳統渠道為核心，增加售點數量，加上專屬團隊提升重點客戶(Key Account, 簡稱「KA」)數量，以及開拓餐飲渠道、試點實體店、拓展電商等，拓展冰淇淋銷售，同時加強冰櫃管理，提升冰櫃使用效率。多方面協同助力使該業務銷售額同比實現良好增長。

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During the year, Mengniu introduced 42 new ice cream products and pursued upgrade on multiple dimensions including branding, product, packaging and marketing communications. Under the *Suibian* brand, the *SuiXinGuo* product series recorded outstanding results in 2017. With innovative products tailored to meet the demand of today's consumers and the support of marketing content that consumers like, *SuiXinGuo*'s annual sales surpassed the RMB100 million mark. Among all the new ice cream products, the *Russian Milk Ice Cream* won the most acclaims among consumers for its mouth feel and was the best-selling product during the year. The high-end ice cream brand *Deluxe* displayed its brand-new packaging at the Shanghai Disney Resort and also sponsored the BRICS country leaders' meeting during the BRICS summit in Xiamen in 2017, striving to become an internationally renowned high-end ice cream brand.

Other Products

Mengniu has set up a joint venture with WhiteWave Foods Company ("WhiteWave") to engage in plant-based nutrition product business. The two parties hold 51% and 49% interests in the joint venture respectively. In April 2017, Danone Group, one of the strategic shareholders of Mengniu, announced the completion of acquisition of WhiteWave, meaning Mengniu's plant protein beverage business will access to more supportive resources. With plant-based nutrition products gaining prominence as a food and beverage category in the global market, the Group can strengthen its long-term competitiveness by upgrading its plant-based protein drinks business to complement the animal protein drinks business.

During the year, after adjusting and optimizing its product positioning, the plant-based protein beverage business under the *ZhiPuMoFang* brand ventured into the soy milk market. Emphasizing fresh grinding of soybean and capitalizing on the 8 seconds VTIS freshness preservation technology plus quality US brand assurance, the brand introduced *Silk Americano Soymilk*, featuring the original taste soy milk and almond flavor soy milk. Leveraging the channel resources of Mengniu's room temperature products and focusing on regional markets, the business was able to reap enhanced synergies with Mengniu's core business.

Quality Management

Adhering to the principle of delivering the highest quality products with meticulous attention to detail, Mengniu has strived to provide products of "aeronautic quality" to give consumers the perfect product experience. 2017 was the first year Mengniu implemented the new business division system, and accordingly the quality accountability system by business division followed suit, resulting in improvement of core quality indicators from end-to-end of its industrial chain against those of last year. During the year,

年內蒙牛推出42個冰淇淋新產品，並從品牌、產品、包裝及營銷傳播等各方面多維度升級，其中，*隨變隨芯*果系列產品在二零一七年再創佳績，打造滿足時下消費者需求的創新產品及喜愛的營銷內容，年銷售突破億元人民幣；在各種冰淇淋新品之中，口感廣受消費者好評的*俄式奶純冰淇淋*為年度最高銷售額單品；高端冰淇淋品牌*蒂蘭聖雪*則以全新包裝亮相上海迪士尼度假區，並贊助二零一七年金磚峰會期間之金磚國家領導人廈門會晤，著力打造國際知名的高端冰淇淋品牌。

其他產品

蒙牛透過和 WhiteWave Foods Company (「WhiteWave」)成立合資公司進行植物基營養品業務，分別持有該合資公司51%及49%的權益。二零一七年四月，蒙牛戰略股東之一Danone集團宣佈完成對WhiteWave的收購，蒙牛植物蛋白飲品業務將得到更多資源支持。隨著植物基營養品作為一種在全球市場中地位愈發重要的食品飲料類別，通過提升植物蛋白飲品業務與動物蛋白飲品業務形成良好互補，可增強本集團長遠競爭力。

年內，*植樸磨坊*品牌的植物基蛋白飲品業務於調整、優化產品定位後進入豆奶市場，依託原豆鮮磨和8秒VTIS鎖鮮優勢技術，以及源自美國的高質量品牌保證，推出*Silk美式豆奶*，主打原味豆奶及巴旦木風味豆奶，借力蒙牛常溫產品的渠道資源，聚焦區域性市場，提升與蒙牛核心業務的協同效應。

質量管理

蒙牛堅持以匠心鑄造質量，打造全方位的「航天品質」產品，務求為消費者提供完美的產品體驗。二零一七年是蒙牛施行新事業部制的第一年，隨著質量管理方面亦同步實行事業部主體責任制，其產業鏈端到端的核心質量指標均優於去年。年內，蒙牛繼續對標國家《食品安全法》及國際先進標準升級質量管理體系，滿足各類體系認證需求，並與新事業部制的管理流程深度融合，推行

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Mengniu continued to upgrade its quality management system in compliance with the country's "Food Safety Law" and advanced international standards. It was able to meet the requirements of various standards and certifications by integrating them into the management process of the new business division system. It has launched a three-tier – "Group-Business Division-Factory" – food safety risks monitoring and prevention system, which can ensure safety of products throughout the entire industrial chain, from milk source to the market, with stringent entry barriers in place, adopting automated inspection, real-time management and control, and permitting whole-process traceability.

At group level, Mengniu provides comprehensive, intelligent and systematic quality assurance to the entire industry chain by the extensive application and highly efficient synergistic operation of Laboratory Information Management System ("LIMS") and SAP system, with combination of its own comprehensive quality management and laboratory management systems. The integrated and collaborative operation of LIMS and SAP systems enables Mengniu to track information forward and backward at all quality control points on its industrial chain. On the basis of the LIMS and SAP information system and employing tools such as Business Intelligence ("BI"), Mengniu established the "Quality Cloud" management platform for real-time management and monitoring of key quality data at crucial points of operation in the ranches, factories and the market.

Mengniu's milk source quality management covers risk control and management, production base upgrade and nurturing of professionals and specialists to upgrade the quality of milk and reduce food safety risk. Efforts are also made in promoting the management techniques of milk suppliers to actively respond to higher national requirements. During the year, milk suppliers of Mengniu's various business divisions passed 100% of the tests conducted by inspection organizations on samples of raw milk. Meanwhile, Mengniu continued to promote its ranch food safety management and assessment system. On the success of cooperating with core strategic farming partners, the system was promoted to and adopted by more leading farming groups in China during the year. As at the end of 2017, Mengniu's tailored food safety protection standard for ranches was adopted by a total of 47 ranches, helping them effectively guarantee food safety.

「集團－事業部－工廠」三級食品安全風險監測預防體系，從奶源到市場的全產業鏈層層把關，實行嚴格准入、自動化監測、實時管控及全程可追溯。

在整體集團層面，蒙牛通過Laboratory Information Management System(「LIMS」)和SAP系統的拓展性應用及高效協同，結合自身全面質量管理和實驗室管理體系、為各環節全面提供智能化、系統化的質量保障。透過LIMS和SAP系統的集成交互業務，蒙牛實現產品全產業鏈質量控制點的正反向信息可追溯。在LIMS和SAP信息系統的基礎上，借助Business Intelligence(「BI」)等工具，蒙牛打造了「質量雲」管理平台，實現了對牧場、工廠、市場等環節關鍵質量信息的實時監控。

蒙牛的奶源質量管理工作圍繞風險管控、生產基地升級以及專業技能人才培养，以提高牛奶質量、降低食品安全風險，並推進供奶方管理技術的提升，主動響應更高的國家要求。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持續達100%。同時，蒙牛持續推廣牧場食品安全管理審核體系，在蒙牛核心戰略牧業合作夥伴基礎上，年內推廣落地至更多國內領先的牧業集團。截至二零一七年底，蒙牛訂製版牧場食品安全保障標準共計在47家牧場落地實施，有效提升了牧場食品安全保障能力。

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Mengniu continued to align the food safety standards of its factories with Danone Group's Food Safety Item ("FSI"), focusing on high risk areas of food safety management to improve food safety management indexes. To prevent and control the risk of contamination by microorganisms in the environment, Mengniu joined hands with 3M, a leading global microorganism inspection company, and led the cold drink industry in implementing environmental microorganism inspection pinpointing procedures exposed to high contamination risks.

Under the new business division framework, the original production and manufacturing system quality center of Mengniu was divided into room temperature, chilled and ice cream products quality management departments, each with redefined duties and responsibilities to guarantee product quality and safety, which enabled the smooth transition of quality management works and improved the level of satisfaction of consumers in a comprehensive manner. During the year, the room temperature product quality management department took the lead in establishing and standardizing the tasting, examination and certification procedures of raw dairy products and put strenuous efforts in improving the drinking straws of *Just Yoghurt* to enhance consumer experience. With the help of Big Data analysis, Mengniu has laid down its requirements and established a clear risk assessment mechanism, enabling it to carry out lifecycle management and tracing of new products to lower their quality risks.

To ensure comprehensive monitoring of all processes of the student milk business operation, the Group integrates the best resources available and directs various departments to build an independent student milk control and management system with emphasis on upgrading its operational and management level. During the year, there was no safety incident in relation to student milk products.

During 2017, the chilled business division aligned with Danone Group's FSI in 14 factories to carry out the Neptune cleansing certification, risk control on mold and listings of quality defects, dealing with three aspects regarding the incompatible equipment, food safety equipment and potential risks for food safety, in order to continuously enhance the quality control and perfection of products while meticulously manufacturing quality yogurt. During the year, management of front-end fruit products supply base and suppliers was imposed to guarantee product quality and safety from the source. Chilled and cold chain management was carried out abiding by the new "Food Safety Law" with key risks and critical control points in the operation chain identified and sorted out. At the same time, a cold chain improvement project team was set up by chilled product quality management department together with the chilled product business division to create sample markets and promote establishment of the cold chain at the retail-end.

蒙牛工廠食品安全持續對標Danone集團食品安全標準(Food Safety Item, 簡稱「FSI」), 聚焦食品安全管理高風險點, 提升食品安全管理指數。為預防及控制環境微生物污染風險, 蒙牛聯合國際頂尖的微生物檢測公司3M, 在冷飲行業率先開展環境微生物的監測, 排查高風險易污染控制點。

在新事業制框架下, 蒙牛原本的生產製造系統質量中心按照生產品類分為常溫、低溫及冰淇淋質量管理部, 重新梳理職責, 致力保障產品質量安全, 實現質量管理的平穩過渡, 同時全面提升消費者滿意度。年內, 常溫質量管理部率先進行生乳品嘗驗證流程的建立與規範, 以及從改進純甄吸管等著手, 提升消費者對產品的體驗。蒙牛並通過大數據分析制定要求及明確風險評估機制, 對新品全生命週期進行管理跟蹤, 降低新產品質量風險。

為確保學生奶業務的各環節受到全面監控, 本集團整合最佳資源、各部門聯動形成獨立的學生奶管控體系, 重點提升學生奶業務的運營管理水平, 年內全面杜絕學生奶產品食品安全事件。

二零一七年底溫事業部在14個工廠與達能集團FSI進行對標, 從不可妥協設備、食品安全設備、潛在食品安全風險三個方面, 推行Neptune清洗驗證、黴菌風險控制、質量缺陷單等, 不斷提升產品品質控制與產品完美性, 匠心製造高品質酸奶。年內實施原果基地和果製品供貨商的前端管理, 從源頭保障產品的質量安全。低溫冷鏈管理對照新《食品安全法》, 梳理識別低溫產品各環節關鍵風險和關鍵控制點。同時低溫質量管理部聯合低溫事業部成立冷鏈項目改善小組打造樣板市場, 推動零售終端冷鏈建設。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

As far as the quality management of milk formula products is concerned, all products from the plants of Yashili and Junlebao passed the respective national standards in their internal inspection during the year. In the stringent external samplings by government authorities, Yashily, Mengniu, Dumex, Scient and Junlebao all achieved 100% passing rate in samplings on brand products.

During the year, Mengniu's ice cream quality management department represented the Group to participate in works in relation to the planning of 2018 National Frozen Drinks Sample Tests, formulation of risk control and monitoring plans and the amendment of the frozen drinks inspection rules. Mengniu also led the industry in developing risk control and inspection of *Listeria monocytogenes*. Through managing and control of risks in design, procedure and management change, the ice cream division ensured its operations meet all food safety inspection standards of the nation, the Group and the business division itself.

Cheese business implemented ISO9001 quality management and FSSC22000 food safety systems, and obtained national dual system certifications in October 2017. Besides, the business developed different technical standards for new cheese products according to their characteristics and implemented quality tests and tasting procedures accordingly, assuring that the new products have passed all the standards designed for them. In 2017, five new products have been successfully put into the market.

Development of Milk Sources

In 2017, Mengniu adjusted its milk source management regime in accordance with its new business division system, transforming from a raw milk purchase department into a comprehensive business operation unit to serve the room temperature, chilled and ice cream product business divisions.

Mengniu's efforts in developing milk source continue to focus on the integration and optimization of supply, which entails increasing the proportion of self-control milk source and standardized ranches. Mengniu implements centralized management of raw milk and milk powder to close the gap between supply and demand in peak and low seasons. At the same time, the Group also establishes milk source economic zones that are demand driven and with factories in the centers. Four major milk source economic zones, namely the Inner Mongolia Helin base, Northeast China, Northern and Eastern China and North West-Southern China, were formed according to the positioning of different regions and their complementary relations to optimize matching and deployment of supply and demand. To expand overseas milk source, Mengniu has extended its milk source access to countries famed for their rich milk supply, such as Denmark, Australia and New Zealand, further enhancing its overseas industrial chain.

奶粉質量管理方面，年內雅士利及君樂寶工廠所有產品的內部檢測結果均符合相關國家標準，在外部的國家嚴格抽檢中，雅士利、蒙牛、多美滋、施恩及君樂寶品牌產品抽檢結果均100%合格。

年內，蒙牛冰淇淋質量管理部作為本集團代表參與國家二零一八年冷凍飲品抽檢規劃、風險監控計劃制定以及冷凍飲品審核細則的修訂，並在業內率先開展針對李斯特菌的風險監控。冰淇淋事業部並通過實施設計風險、過程風險、變更管理風險管控，保障100%符合國家、集團、事業部三級驗證食品安全指標。

奶酪業務推行ISO9001質量管理和FSSC22000食品安全體系，於二零一七年十月取得國家雙體系認證。此外，該業務根據乳酪新品特性，分類制定工藝標準，開展品質實驗，組織口感品評，保障產品各項指標符合新品設計要求，二零一七年成功上市5個新產品。

奶源建設

二零一七年蒙牛的奶源管理沿襲事業部制調整，由原奶採購部門過渡成為全面運營業務單元，全面服務常溫、低溫及冰淇淋事業部。

蒙牛奶源建設持續整合優化供應，提升自控奶源及標準化牧場佔比，對原奶與奶粉進行統籌管理，減少原奶淡旺季供給差距。同時，以需求為導向、工廠為中心打造奶源經濟圈佈局，按照各區域定位及互補關係，劃分為內蒙古和林基地、東北、華北一華東、西北一華南四大奶源經濟圈，優化供需匹配佈局。在海外奶源的開拓方面，蒙牛已將奶源地延伸至丹麥、澳大利亞、新西蘭等黃金奶源帶，深化其海外全產業鏈的佈局。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

During the year, Mengniu established the “Excellent Milk Source Operation and Management Model” to carry out systematic planning of works in relation to milk source, focusing on five major themes – “upgrading quality, reducing cost, optimizing structure, rationalizing pace and adjusting deployment” – to help the Group improve overall performance. During the year, Mengniu was able to improve quality management, matching of supply and demand, staff techniques and ranch efficiency, thus achieving lean and excellent milk source operation as well as synergistic upstream and downstream development, with the aim to speeding up construction of the “2020 Sustainable Ecosystem of Milk Sources” and promoting sustainable development of China’s dairy industry. During the period, the percentage of milk sources provided by standardized ranches and scaled farms of Mengniu was maintained at 100%.

Learning from Arla Garden’s century-long ranch management experience and Arla Foods’ advanced Standard Operational Procedure (“SOP”), the “Mengniu Ranch Quality and Safety Management System” achieved 100% coverage of all ranches and milk source practitioners during the year. The system matches the standards of Arla Foods in nutrition for dairy cattle, quality, safety, animal welfare and rearing environment, and implements in the greatest depth the most stringent international food safety standard for ranches – the New Zealand AsureQuality food safety and management standard, combined with ISO9000 standards to achieve overall improvement from ranch construction, raw milk production and transportation to procurement and overall management. At the same time, efforts were made to align with over 200 domestic regulations and standards in relation to dairy farming, and ranch management standards and key control areas were 100% adopted. “Mengniu Ranch Quality and Safety Management System” enables cooperating ranches to strengthen standardized set-up and self-management, and enhance their refined technical management capability, which in turn helps Mengniu speed up construction of modernized milk source bases and better guarantee food safety at the source, evidencing the improvement in quality and safety management achieved by the dairy industry in China.

Information Management system

Mengniu has adopted the SAP system since 2013. After three years of intensive construction, Mengniu’s information system management structure built with SAP as the core system is basically in shape, and the SAP and LIMS systems, Wei Sales Platform (“WSP”) and BI projects are gradually coming together in bringing synergy, providing digital, intelligent and systematic management assurance to Mengniu.

蒙牛於年內建立「奶源卓越運營管理模式」，對奶源工作進行系統性規劃，聚焦「升質量、降成本、優結構、理節奏、調佈局」五大主題，協助集團提升整體業績表現。年內蒙牛從質量管理、供需匹配、人員技術及牧場效能等方面提升，實現蒙牛奶源精益化卓越運營及上下游協同發展，加速構建「奶源2020可持續發展生態圈」，助力中國奶業的可持續發展。期內，蒙牛規模化、集約化的奶源比例達到100%。

借鑒Arla Garden的百年牧場管理經驗及Arla Foods先進的牧場標準化操作規程(Standard Operational Procedure, 簡稱「SOP」)管理標準，本集團建構的「蒙牛牧場質量安全管理體系」於年內已實現100%覆蓋牧場及奶源從業人員。該體系在奶牛營養、質量安全、動物福利以及蓄養環境等環節與Arla Foods對標，並深化落實國際牧場最嚴食品安全標準—新西蘭AsureQuality食品安全管理標準，結合ISO9000標準由興建牧場、原奶生產運輸至採購管理等所有環節全面改進。同時對標200餘條國內畜牧養殖相關法規及標準，牧場管理及關鍵控制內容採納率達100%。「蒙牛牧場質量安全管理體系」加強了蒙牛合作牧場標準化建設及自主管理，提升了精細化技術管理能力，從而加快蒙牛現代化奶源基地建設，進一步保障源頭食品安全，亦是中國奶業在質量安全管理的進步象徵。

信息管理系統

自二零一三年引入SAP系統以來，經過三年的集中建設，以SAP為核心的蒙牛信息化管理架構已基本形成，SAP與LIMS系統、微銷售(Wei Sales Platform, 簡稱「WSP」)及BI項目正逐步實現全面協同，為蒙牛提供數字化、智能化、系統化的管理保障。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

To further enhance safety of the corporate production process, Mengniu initiated the “Safety Cloud” management system in June 2017, which can automatically collect data and implement real-time monitoring in key safety control points and important equipment and infrastructure by using Internet of Things technology, to conduct highly effective information integration platform management. The system can also issue early warning on discovery of abnormal information and fully control safety risks. During the year, the system was used in five Mengniu plants, namely Helin, Tai’an, Jinhua, Suqian and Hengshui. Mengniu Dairy (Hengshui) Co., Ltd. and Inner Mongolia Mengniu Hi-tech Dairy Co., Ltd. earned the national honor of “First Class Enterprise in Safety Production Standardization”.

Construction of the southern and northern data centers, which took two years, was completed during the year. The Group’s information system has been transferred into the two centers deemed as the “Digitalized Heart” of Mengniu, which is more reliable and secure. From design to construction, the southern and northern data centers followed the Tier 4 standards, the highest level in the industry, and Cloud-based structure solution to reduce the total cost and enhance utilization rate of the corporate’s information system. In the future, the two data centers will continue to push forward integration with such core systems as SAP. Using the self-owned “Mengniu Cloud” model, the Group will also provide its different business divisions with fast and reliable shared information technology infrastructure service, which guarantees the steady development of Mengniu in the “Internet+” era.

To build an efficient, centralized and integrated supplier and procurement information management platform, and to boost economies of scale in procurement and strengthen its management standard, core competitiveness and risk resistance capability, Mengniu commenced the second phase of the Supplier Relationship Management (“SRM”) project in June 2017, aiming to refine the function of the platform. It also completed the roll-out of the platform nationwide during the year, allowing it to implement whole life-cycle management of suppliers and communicate and work with suppliers more efficiently and with greater transparency.

為進一步提高企業生產過程安全性，蒙牛於二零一七年六月份啟動「安全雲端管理系統」，利用物聯網技術對安全關鍵控制點和重要設備設施運行數據進行自動採集、實時監控，進行高效的信息化集成平台管理，同時可針對異常數據預警，全面控制安全風險。年內，該系統已在蒙牛和林、泰安、金華、宿遷、衡水五個基地上線運行，蒙牛乳業(衡水)有限公司及內蒙古蒙牛高科乳業有限公司獲得國家級「安全生產標準化一級企業」榮譽稱號。

歷時兩年建設的南北數據中心項目已於年內完成，實現信息系統向南北中心的全面切換，標誌著蒙牛擁有一顆「數字化心臟」，信息系統的穩定性和安全性進一步提升。南北數據中心從設計到建設均按照行業最高級別的Tier 4機房標準及雲化基礎架構方案執行，降低企業信息化系統整體成本，同時提升了系統可用率。未來，南北數據中心將持續推進與SAP等核心系統的整合，本集團並將通過自有的「蒙牛雲」模式，為各事業部提供快速、可靠的信息技術基礎設施共享服務，成為蒙牛在「互聯網+」時代中穩定發展的堅實保障。

為搭建高效、統一、集成的供貨商及採購管理信息平台，更好地實現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，蒙牛於二零一七年六月啟動了供貨商關係管理(Supplier Relationship Management，簡稱「SRM」)項目二期，進一步完善平台功能，並於年內完成全國上線，實現了蒙牛供貨商全生命週期管理，同時提高了本集團與供貨商合作溝通效率及透明度。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

With the core systems, such as SAP and WSP, in application, to better bring out value of data and achieve effective data-based management, the sales BI project was launched during the year to integrate all sales-related BI systems and group them under the regional BI systems. Using the same management language and same data source, the system provides managers at different levels access to reliable and consistent management information, thereby facilitating smooth flow of information between the head office and major operational regions. The project has boosted the Group's capability in data tracking and carrying out operational analysis, as well as formulating specific action plans, enabling the Group to implement its "digitalization" strategy on the sales front.

Sales management

Under the Group's new business division system, the four major divisions, namely room temperature, chilled, milk formula and ice cream products, are responsible for managing their own marketing efforts and sales, with the aim of enhancing synergies for business development, operational efficiency and management standard. The new system also commanded transformation of Mengniu's e-commerce team, which focused on online sales before, into a business division performing multiple functions, including Big Data-aided marketing and development of proprietary business tools.

During the year, the room temperature product business division put in place the Total Marketing Solution ("TMS") management model, allowing it to refine and rationalize mechanisms, evaluation systems as well as the transportation cost management system, thereby helping sales companies enhance sales and profitability. Enhancing its channel penetration is one of the major goals of the channel strategy of the room temperature product business division. In 2017, by taking actions in six areas, namely "segmentation, point-of-sales, investment, promotion, personnel and image", in other words, "better market differentiation, investment in points-of-sales, promotion at fairs, increasing sales personnel at town level and building better signage image for stores in villages and towns", it was able to effectively increase market penetration in counties, towns and villages.

基於SAP、WSP等核心系統的應用，為進一步挖掘數據價值，實現以數據為決策依據的管理目標，年內啟動了銷售BI項目，將所有銷售相關類BI系統，全部整合至實體大區的BI系統。透過統一的管理語言，唯一的數據口徑，為各層級管理者提供可信、一致的管理信息，全面打通本集團總部與大區的信息流通。該項目增強了數據追溯能力，提升經營分析能力及有助擬定針對性的行動方案，在銷售前線落實蒙牛「數字化」戰略。

銷售管理

蒙牛推行新事業部制，市場營銷管理由常溫、低溫、奶粉、冰淇淋事業部各司其責、協同發展，進一步提升營運效率和管理水平。在新的事業部制下，蒙牛電商團隊亦從在線銷售發展為綜合大數據營銷、自主工具開發等多項功能的事業部。

常溫事業部在年內制定Total Marketing Solution (「TMS」)管理模型，通過完善梳理機制、評價體系、運費管理體系等舉措，提升銷售分公司銷售及盈利能力。「渠道下沉」是常溫事業部渠道策略主要目標之一，二零一七年通過「細分、售點、投資、推廣、人員、形象」六個方面的執行動作，即通過「細分市場、投資售點、趕集熱賣推廣、增加駐鎮理貨人員、布建鄉鎮門店店招形象」等強化縣鎮村滲透，取得了良好的成效。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Chilled product business division established 14 major sales management regions. By focusing on star products and implementing value marketing, new products saw satisfactory sales volume growth; by adding more number of sales points and enhancing execution at the sales points, all channels realized sales volume growth higher than the industry; by implementing route-to-market measures, including direct operation in counties and direct control of sales points to drive channel penetration, satisfactory sales volume growth in lower-tier cities was also achieved. At the same time, the division has been exploring the use of emerging new channels, vertically expanding fresh foods e-commerce and focusing on core catering points-of-sales, creating new sales growth drivers.

Milk formula business shifted its organization structure from the original independent subsidiaries to the CBU structure categorized by channels and brands, in which “Mother-and-baby CBU” followed the strategic target of brand upgrade and channel transformation; “Modern Trade CBU” was devoted to tackle the problem regarding “channel penetration, product categories and price declines”; “High-end mother-and-baby CBU” was committed to bring *Dumex* back among the four largest foreign-owned brands and enable *Arla* to top the brand pyramid; while “Innovation CBU” expanded the community marketing and consolidated its internal market resources based on existing e-commerce channels.

On top of enhancing traditional sales channels, the ice cream business division has also strengthened development of KAs and embarked on exploring catering channels, developing soft-serve ice cream, putting up pilot experience stores and expanding e-commerce, among other new channels, which have pushed up sales amount.

To capitalize on the development of Big Data, Mengniu developed the marketing BI analytical platform during the year. The convenient mobile data analytical platform links up and presents visual sales and financial data, relating precise and timely information to different sales units to help them enhance offline sales performance. Moreover, Mengniu’s E-commerce division has built a consumer Data Management Platform (“DMP”) and optimized Database Intelligence (“DBI”) of the Group, starting with monitoring the source of information to achieve link up of sales data and customize a labeling system exclusive for Mengniu, fully utilizing DMP to gain a deeper understanding of consumers and achieve precision marketing.

低溫事業部成立了14個銷售管理大區，通過聚焦明星品類，堅持價值行銷，實現新品銷量的良好增長；通過售點增加，強化售點執行，實現高於行業的各渠道銷售增幅；通過縣城直營、售點直控等措施精耕渠道，推動渠道下沉，帶動下線城市銷量增長；同時拓展新興渠道，開發垂直生鮮電商，專注餐飲核心售點，形成了新的銷量增長來源。

奶粉事業部組織架構從原有獨立子公司轉變為以渠道和品類切割的CBU架構，其中「母嬰CBU」承載了品牌升級和渠道轉型的戰略目標；「商超CBU」著力改變「下沉渠道、下沉品類、下沉價格帶」問題；「高端母嬰CBU」致力於使多美滋重回外資四大品牌之列、*Arla*成為品牌金字塔上的皇冠；「創新CBU」則以原有電商渠道為基礎，拓展社群行銷、整合內部市場資源。

冰淇淋事業部在強化傳統渠道的同時，加強KA的開發，並開拓餐飲渠道，發展軟冰，試點體驗店，拓展電商等新興渠道，亦實現了銷售額的良好增長。

為配合大數據發展，蒙牛在年內打造營銷BI分析平台，將銷售及財務數據貫通化、可視化，為各銷售單位提供更精確、及時、方便的移動數據分析平台，助力提升線下銷售績效。蒙牛電商事業部搭建了消費者數據管理平台(Data Management Platform，簡稱「DMP」)，並針對集團數據智能(Database Intelligence，簡稱「DBI」)進行整體優化，基於蒙牛數據源的監測，實現營銷數據打通，為蒙牛定制專屬標籤體系，充分利用DMP深入理解消費者，以實現精準化營銷。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

During the year, via fully exploiting digital marketing, optimizing product mix, improving the structure and proportion of traffic-generating and profit-contributing products, the e-commerce division of Mengniu had achieved increase in sales volume and profit, while ensuring prices of different products remain stable. Also, with the help of online consumption Big Data in relation to new product categories, Mengniu quickly seized market shares by launching products including chilled and ice cream products on online channels to capture untapped niches.

Mengniu also signed a strategic cooperation agreement with Alibaba on pursuing Big Data analysis for the purpose of formulating precise marketing and sales initiatives, and also to jointly explore new retail modes, such as smart shelves and un-manned convenience stores, carrying trials in selected markets. The plan is to take advantage of the data and efficiency boosting strengths of new retail channels to foster channel penetration, enlarge point-of-sales network, and ultimately quickly replicate the model within the Group.

Furthermore, Mengniu continued to cooperate with e-commerce platforms, such as Tmall, JD.com, Suning.com and Womai.com, and changed its focus from pure sales to brand promotion, conducting integrated marketing and content marketing, which resulted in stellar performance in significant promotional periods. During the year, Mengniu and JD.com jointly launched the movie “Treasure Story in JD”, with *Tianxiaohai*, a room temperature yoghurt introduced by Mengniu for online consumers, playing a role in the movie, demonstrating precision in product placement marketing. With the use of multiple marketing means, such as live show, cooperation with Key Opinion Leaders, videos and movies to provide quality marketing content and communication, Mengniu’s E-commerce sales was boosted successfully. In the “Double 11” period in 2017, Mengniu for the third year in a row took the top spot in dairy product sales on online sales platforms as a whole.

Agreeing with the changed marketing trend in the dairy industry, Mengniu used channels like new media and Internet+ to develop fine management of the entire supply chain enabled by digital and intelligent technologies, thereby satisfying more sophisticated consumer needs. Mengniu and JD.com together launched the *Suqian Ranch Pure Milk* and with the support of JD.com’s Blockchain technology, consumers are given access to specific information, tracing back to operations at the dairy cattle ranch, raw milk warehouse and production and processing, promoting interaction with consumers and boosting consumer confidence in Mengniu’s products.

年內，蒙牛電商事業部充分利用數字化營銷，優化品類結構，改善引流品和利潤貢獻品類的產品結構和佔比，保證各品類在維持穩定價格的基礎上，實現銷量和利潤的同步提升，並且基於新品類產品的線上消費者大數據，擴充線上空白品類如低溫及冰淇淋產品，迅速搶佔市場。

蒙牛亦與阿里巴巴簽署戰略合作協議，以大數據分析達致精準營銷，並攜手探索智能貨架及無人便利店等「新零售」領域，在試點市場試行運營，借助新零售渠道在數據賦能和效率提升方面的強大優勢，進一步實現渠道下沉，擴大終端網絡，並將模式在本集團內快速複製。

此外，蒙牛繼續與天貓、京東、蘇寧易購及我買網等電商平台深入合作，並將單純的銷售轉向品牌宣傳，進行整合營銷、內容營銷，在重大促銷節點屢創佳績。年內，蒙牛牽手京東首次推出618大電影《經海路618號》，將蒙牛專為在線消費者訂製的甜小嫻常溫酸牛奶在其中客串演出，進行了一次非常精準的植入廣告營銷。蒙牛透過結合直播、達人合作、視訊、電影等多維度持續產生優質內容，成功推動電商銷售增長。於二零一七年「雙十一」期間，蒙牛電商再次拿下乳製品全網銷售冠軍，奪得三連冠。

蒙牛順應乳業營銷方面的趨勢轉變，利用新媒體和互聯網+等渠道，全面打造數字化、智能化的全供應鏈精細管理，滿足消費者更高的要求。蒙牛攜手京東推出宿遷牧場純牛奶，搭載京東區塊鏈可追溯技術，使消費者可以在追溯系統中看到牧場、奶牛、原奶倉儲及生產加工等具體信息，加強與消費者互動，提升消費者對蒙牛產品的信任。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

As for the overseas business, apart from continuing to adopt the domestic export model, with room temperature products covering markets in Southeast Asia, Hong Kong and Macau, and chilled products focusing on Hong Kong and Macau, Mengniu also built a new business model in 2018, with Singapore as its regional head office. Investment and sales efforts are made from Singapore pinpointing Southeast Asia, and gradually covering Southeast Asia region.

Branding Strategy

During the year, adhering to its “A Little Happiness Matters” brand concept, by keeping its finger on the pulse of the market and with the support of Big Data, Mengniu fully exploited the Internet and social media, integrated on- and off-line marketing, and forged strategic partnership with leading global brands as guided by its strategy for developing into an international brand. Mengniu was able to enhance its brand value and influence for achieving the goal of building Mengniu into a world-class Chinese brand and continued to bring care and happiness to consumers.

With respect to cooperation with theme parks, Mengniu is the official dairy product partner of Shanghai Disney Resort and, in March 2017, Mengniu signed a strategic agreement with Universal Beijing Resort and became the sole official dairy product and ice cream product supplier. As for sponsoring top international sports competitions, Mengniu has been the official strategic partner of NBA China for many years. And, in late 2017, it became an Official 2018 FIFA World Cup™ Sponsor. Four categories comprising a total of 161 products under 27 brands of the Group have been awarded the titles of “Official Drinkable Yogurt of the 2018 FIFA World Cup™”, “Official Pre-packaged Ice Cream of the 2018 FIFA World Cup™” and “Official Milk of the 2018 FIFA World Cup™ (for Greater China)”, and “Official Powdered Milk of the 2018 FIFA World Cup™ (for Greater China)”. Mengniu is the first dairy product brand to cooperate with FIFA as a global sponsor and also the first food and beverage brand in China to be a global sponsor of the World Cup, marking a big step forward made by Mengniu onto the international stage.

海外業務方面，蒙牛除了延續國內出口模式，以常溫產品輻射東南亞、香港及澳門，以及低溫產品聚焦香港及澳門外，並於二零一八年搭建全新業務模式，以新加坡作為區域總部，向東南亞進行投資與銷售，逐步覆蓋至東南亞區域。

品牌策略

年內，蒙牛秉持「只為點滴幸福」的品牌理念，緊貼市場脈搏，依託大數據支持，深度利用互聯網及社交媒體，通過線上線下的整合營銷，配合國際化品牌發展戰略，和與國際領先品牌的戰略合作，提升品牌價值及影響力，打造蒙牛成為世界級的中國品牌，繼續將關愛、幸福帶給消費者。

與主題樂園合作方面，蒙牛是上海迪士尼度假區官方乳品合作夥伴，並於二零一七年三月與北京環球度假區達成戰略協議，成為其官方乳品及冰淇淋的獨家供應商。贊助國際頂級體育賽事方面，蒙牛不單是NBA中國多年的官方戰略合作夥伴，於二零一七年底，蒙牛更正式成為2018 FIFA世界盃全球官方贊助商，旗下4大品類共27個品牌的161個產品獲得「2018 FIFA世界盃全球官方飲用酸牛奶」、「2018 FIFA世界盃全球官方預包裝冰淇淋」和「2018 FIFA世界盃官方牛奶(大中華區)」、「2018 FIFA世界盃官方奶粉(大中華區)」的殊榮。蒙牛是首個與FIFA合作的乳品品牌全球贊助商，亦是中國第一個食品飲料品牌成為世界盃全球贊助商，標誌著蒙牛進一步走向國際舞台。



MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Mengniu has cooperated with Chinese aeronautic sector for 14 years and has been awarded the title of “Strategic Partner of China’s Aerospace Program” by the China Space Foundation. Mengniu held a press conference with “aeronautic quality, healthy China” as theme of the year to kick off promotion of basic pure milk and *Champion* products, taking advantage of the fervor created by the launch of space cargo ship “Tianzhou 1”, in its bid to deliver products of aeronautic quality to every family.

Mengniu also became the sponsor of international leaders’ conference showing the international standing of its brands. Products including *Pure Milk*, *Champion*, *Just Yoghurt*, *Deluxe Ice Cream* and *Milk Deluxe* were the designated dairy products for national leaders’ meeting during the BRICS Summit held in Xiamen, a testament to the world of the leading quality of Mengniu products.

The four major business divisions of Mengniu introduced brand promotion programs based on the characteristics of different sub-brand products and their target consumer groups. *Milk Deluxe*, in the room temperature business, for the 11th consecutive year sponsored the Boao Forum for Asia as the event’s sole official dairy product supplier, continuing to draw limelight onto the high-end image of the brand. And, by upgrading the organic milk series and actively developing new products, the brand has strengthened the supremacy of its expertise-embedded products. During the year, *M-PLUS High Protein Milk*, the first milk product created for sports enthusiasts in China, was launched under the *Milk Deluxe* brand. At the support of combined online and offline resources, integrated promotion and interactive marketing for the product, Mengniu has opened a new professional milk market. *Milk Deluxe* sponsored the 2017 Beijing Marathon as the sole dairy product supplier. It also sponsored the 2017 China Open tennis tournament to promote the brand concept of “a self-discipline person like you deserves better” of *M-PLUS High Protein Milk*. Moreover, *Milk Deluxe* cooperated with high-end fitness center chains in five core cities to launch the “M-PLUS-21 Days Good Health Nutrition program” and, together with WeChat and Weibo promotion, creating buzz in the market. *Milk Deluxe* also launched the super high-end product *Milk Supreme*. Riding on the superior identity of *Milk Deluxe*, efforts were made to upgrade *Milk Supreme*’s product quality and a gift box packaging was introduced to strengthen the supremacy of the *Milk Deluxe* brand.

蒙牛與中國航天領域的合作已進入第14個年頭，榮獲中國航天基金會「中國航天事業戰略合作夥伴」稱號，並以「航天品質，健康中國」為年度主題召開航天品質發佈會，結合「天舟一號」貨運飛船發射進行推廣傳播，同時開展對集團基礎白奶及冠益乳的品牌傳播活動，致力於將航天品質送入千家萬戶。

蒙牛亦透過贊助國際領導人會議，提升品牌在國際間的地位。在金磚國家峰會期間，蒙牛旗下的純牛奶、冠益乳、純甄、蒂蘭聖雪冰淇淋和特侖蘇等產品成為金磚國家峰會期間，金磚國家領導人廈門會晤的指定乳製品，向世界展示了蒙牛產品的領先質量。

蒙牛旗下4大事業部亦針對不同子品牌產品的特性及目標消費群，量身訂製品牌傳播方案。常溫業務方面，特侖蘇連續11年贊助博鰲亞洲論壇，為官方唯一指定乳品，持續傳播品牌的高端形象，並透過全面升級有機奶、積極研發新品，進一步強化產品高端性及專業性。年內特侖蘇推出國內首款運動人群專屬牛奶—*M-PLUS*高蛋白牛奶，結合線上線下資源進行整合傳播、互動營銷，開闢了全新的專業牛奶市場。特侖蘇透過贊助2017北京馬拉松項目，成為其獨家乳製品供貨商，以及贊助2017中國網球公開賽，傳播*M-PLUS*高蛋白牛奶品牌「自律如你，值得更好」的品牌理念。特侖蘇並聯合五大核心城市高端連鎖健身會所，推出「M-PLUS-21天健康營養計劃」，配合微信、微博打造話題。此外，特侖蘇亦推出超高端產品奶爵6特乳，依託「特侖蘇榮譽出品」，對產品全新升級，並以禮盒裝進一步強化特侖蘇品牌的高端地位。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

As for *Just Yoghurt*, it succeeded in enhancing its brand influence and sales by actively boosting brand promotion and carrying out marketing projects in association with popular films and television programs. During the year, *Just Yoghurt* cooperated with the Hollywood movie “Transformers: The Last Knight”, with its products seamlessly placed in the movie, and in association launched the Transformer special edition of *Just Yoghurt*, with the support of online publicity platforms like maoyan.com and Tmall and offline cinema promotion activities, achieving all-round publicity for the brand. In addition, *Just Yoghurt* partnered with Shanghai Dragon Television and sponsored the popular program “Go Fighting! Season 3”. Six new packaging designs were introduced matching the image of Go Fighting brothers. Moreover, by leveraging the influence of brand ambassador Zhang Yixing plus media like WeChat and Weibo, a multi-dimensional publicity campaign was mounted. *Just Yoghurt* was also the title sponsor of Jiangsu Television’s “Our Challenge”. By implanting brand elements into the program and rallying the support of fans of the TV stars, consumer awareness of the brand was markedly enhanced. Besides, *Just Yoghurt* was the sole cooperation partner of Jack Ma’s first movie “Gong Shou Dao”. At the “Double 11” evening premiere party, *Just Yoghurt* blended martial arts moves into the promotion of its brand concept of “A taste of *Just Yoghurt*, a taste of pure and true” that echoes with advocacy of “Balance” of the movie, thus helped boost consumers’ understanding of *Just Yoghurt*.

To promote the upgraded product formula of the *Future Star* product series, the first milk product series professionally tailored for kids in China, the brand cooperated with Shanghai Disney Resort during the year, having its first brand activity in the Walt Disney Grand Theatre, complemented by the launch of a limited-edition Shanghai Disney Resort themed packaging and lucky draw promotion making use of “one barcode per pack” technology. The promotion campaign was a great success. Moreover, working with Jiangsu Television, the brand incorporated its brand elements into the “Wings of Song” singing competition for children. The online recruitment of participants went viral on the Internet, making the event a hot topic in the community.

*純甄*亦積極推動圍繞人氣電影電視的品牌傳播及營銷計劃，成功提升品牌影響力及銷售。*純甄*於年內與好萊塢電影《變形金剛5：最後的騎士》合作，將產品自然地植入電影內容，並推出變形金剛特別定制包裝，聯合貓眼、天貓等在線資源及線下影院活動，全方位宣傳品牌。此外，*純甄*與上海東方衛視合作，贊助王牌節目《極限挑戰3》，結合極限兄弟形象定制6款新包裝，並借助代言人張藝興的影響力，利用微信微博等資源進行多維度傳播。*純甄*更冠名江蘇衛視《我們的挑戰》，將品牌元素植入節目，並聯動明星粉絲團，大大提升品牌認知度。此外，*純甄*作為馬雲首部電影《功守道》的獨家合作夥伴，於雙11晚會首映中，蒙牛以武功招式為依託，將*純甄*「一口*純甄*，回歸純與真」的理念完美融合在《功守道》之中，與《功守道》的平衡理念相契合，增加消費者對*純甄*的認識。

為配合推廣中國第一款專業兒童牛奶未來星全面升級產品配方，年內未來星與上海迪士尼度假區合作，在華特迪士尼劇院舉行首次品牌活動，並推出未來星上海迪士尼度假區主題限量包裝，配合一包一碼技術進行抽獎促銷活動，獲得圓滿成功。此外，未來星攜手江蘇衛視，將品牌元素植入《歌聲的翅膀》兒童歌唱比賽，在線招募火爆網絡，成功引起大眾熱話。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Fruit Milk Drink kicked off an integrated marketing project called “Blue Friend” for a new blueberry flavor product, aiming to create a unique brand image, with celebrity Li Yifeng as the product ambassador and by linking the product with the Internet catchword “Blue Friend” to aid emotional marketing. The project received wide market acclaims, which had helped enhance product sales volume and market penetration and share of the brand. *Fruit Milk Drink*'s “Blue Friend” integrated marketing campaign was granted the “Brand Building Award” of “China Great-wall Advertiser Awards 2017”.

As for the chilled product business, *Yoyi C* launched *LC-37* that caters particularly the professional probiotics beverage market. *LC-37* secured pop star Kris Wu as the brand ambassador to help deliver the brand concept of “This is a small but powerful bottle of *Yoyi C*”, with the aim of grabbing a share of the young consumer market. To boost product sales, *Yoyi C* hosted the integrated digital marketing activity “Global Food Festival” to convey to consumers the core proposition of “Healthy Intestines Keep You Young” of the brand. In addition, boasting brand advantage, *Milk Deluxe* launched the super high-end *Milk Deluxe Yogurt*, and by sponsoring the sports hall-of-fame award “China Top Ten Benefitting Lawreus Sport for Good Award”, the product became the sole official dairy product of the event. A Michelin star chef was also engaged to promote the superb image of the brand and effectively conveyed the brand spirit of “Not all yogurts are *Milk Deluxe*”.

真果粒以藍莓味新品開展「藍朋友」整合營銷項目，打造獨特品牌形象，以著名藝人李易峰為代言人，並將產品與網絡流行語「藍朋友」相聯繫，實現情感營銷，在市場廣受好評，大大提升產品銷量、品牌滲透率及市場份額。真果粒「藍朋友」整合行銷專案亦獲「二零一七中國廣告長城獎廣告主獎品牌塑造大獎」。

低溫業務方面，優益C針對專業型乳酸菌市場推出 *LC-37*，力邀人氣偶像吳亦凡代言，傳遞「這是一小瓶強大的優益C」的品牌理念，搶佔年輕消費者市場；優益C並舉行「全球吃貨節」數字化整合營銷活動，向消費者傳遞「腸活動，常年輕」的核心品牌主張，拉動產品銷售。此外，特侖蘇依託其品牌優勢，推出超高端特侖蘇酸奶，透過贊助體壇殿堂級大獎—「中國十佳勞倫斯冠軍獎」，成為唯一指定乳製品，並配合米芝蓮星級主廚推廣，打造品牌的頂級形象，成功傳播「不是所有酸奶都是特侖蘇」的品牌精神。



MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

As for the milk formula business, Yashili actively participated in the charity event “Droplets New Special Foundation” to boost its brand image. It also carried out the “Parent-child NBA Contest” with online and offline promotion activities, which helped to enhance consumption experience and attract new customers. *Reeborne* joined hands with Henan TV City Channel to hold the event “Caring for Nursing Mothers”, under which “*Reeborne* Organic Nursery Rooms” were created. Moreover, advertisements and soft interaction marketing were carried out via platforms like iQiYi, Moments, Babytree, mama.cn for core regional markets. *Dumex* and *Arla* launched the national contests for mothers with overwhelming success, and thus fostered the recognition and confidence of consumers towards their products and brands. Furthermore, *Arla* initiated infant-raising internet variety shows “Parenting Tips” and “Sweet Cafe”, which attracted active participation of mothers.

During the year, Mengniu’s ice cream business started the nationwide “Scan the code, Shake the red packet, Win a phone” promotion for its key products. Commercials were placed in the NBA and CBA television programs and broadcasted online, and an ice cream shake-shake song was created to stimulate conversation. More than 2,000 promotional activities at key sales points were conducted, which had helped in raising consumer awareness and preference of Mengniu’s ice cream brands and in turn sales volume of products. In addition, Mengniu focused on promoting the high-end ice cream brand *Deluxe*, pursuing upgrade on multiple fronts including branding, product, packaging and marketing communications. A new packaging of the product made its debut at Disney, starting the “Taste the Chinese high-end ice cream, enjoy your time at Shanghai Disney” promotion and at the same time the H5 scan code interactive activity was launched online, creating a craze among consumers.

Capitalizing on its brand image built over the years and dedication to product quality, Mengniu’s brand status is well recognized by the industry and the public. In the 2017 China Brand Power Index (C-BPI) ranking compiled by the Ministry of Industry and Information Technology, Mengniu was the C-BPI Top Brand in both the yogurt and probiotics beverages industries and its yogurt product was crowned the “Golden Brand” title for staying in the top spot for seven consecutive years. Mengniu also once again made it among Interbrand Best China Brands 2017. For three years in a row, Mengniu was among the BrandZ™ list of top 20 most valuable Chinese brands. Besides, Mengniu was one of the “TOP 10 Most Effective Brands” and “TOP 10 Most Effective Advertisers” at the “2017 Greater China Effie Awards”, being the only dairy enterprise honored at the event.

奶粉業務方面，雅士利重點參與「小水滴新生專項基金」慈善活動，增強品牌軟性競爭力，同時線上線下進行「活力約賽親子NBA」宣傳活動，有效增強消費體驗及新客拉動。*瑞哺恩*攜手河南都市頻道舉行「關愛背奶媽媽公益活動」，溫情打造「*瑞哺恩*有機母嬰室」，並在重點區域通過愛奇藝、朋友圈、寶寶樹、媽媽網等進行廣告曝光和軟性互動。*多美滋*和*Arla*開展全國媽媽班競賽，反應熱烈，提升消費者對產品及品牌的認知度及信賴度。*Arla*亦打造逗趣育兒網綜節目「奇萌說」及「快閃咖啡店」，吸引媽媽熱情參與。

年內，蒙牛冰淇淋業務在全國啟動「掃碼搖紅包，贏手機大獎」活動推銷其重點產品，投放廣告於NBA及CBA電視節目及網絡傳播，配合打造冰淇淋搖搖歌進行話題炒作，並於關鍵銷售點進行2,000多場推廣活動，提升品牌關注度及好感度，成功拉動產品銷量。此外，蒙牛著力推廣高端冰淇淋品牌*蒂蘭聖雪*，從品牌、產品、包裝及營銷傳播等各方面多維度升級，其全新包裝亮相迪士尼，開展「品中國高端冰淇淋，享上海迪士尼禮遇」活動，同時在線上發起H5掃碼互動，掀起消費者追捧熱潮。

憑藉多年的品牌形象建設及產品質量的持續堅持，蒙牛的品牌地位廣受行業及大眾認同。在中國工業和信息化部二零一七年中國品牌力指數(C-BPI)排名中，蒙牛獲評酸奶、乳酸菌飲料兩個行業C-BPI冠軍；蒙牛酸奶連續七年蟬聯榜首，榮膺「黃金品牌」。此外，蒙牛品牌再度榮獲Interbrand 2017最佳中國品牌，並連續三年入選BrandZ™最具價值中國品牌20強，同時榮獲二零一七大中華區艾菲獎最具實效品牌TOP 10和最具實效廣告主TOP 10，是唯一獲獎的乳製品企業。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

FINANCIAL REVIEW

Exertion in product innovation, active branding and marketing efforts and remarkable sales execution saw Mengniu's room temperature and chilled products achieve satisfactory sales growth. The Group's total revenue for 2017 was RMB60,155.6 million (2016: RMB53,779.3 million), representing an increase of 11.9% year-on-year. Products that contributed the most to the Group's revenue growth were *Milk Deluxe*, *Just Yoghurt*, *Fruit Milk Drink*, *Mengniu Pure Milk*, *Champion* and *Yoyi C*.

Gross profit

With raw milk price staying relatively low and product mix constantly improving, gross profit of the Group for the year increased to RMB21,182.7 million (2016: RMB17,635.4 million) and gross profit margin increased by 2.4 percentage points to 35.2% as compared with last year (2016: 32.8%).

Operating expenses

The Group implemented proactive channel expansion and brand promotion strategies. As such, its operating expenses were RMB18,548.5 million (2016: RMB18,757.3 million), or 30.8% (2016: 34.9%) of the Group's revenue. In the previous year, the Group recognized an impairment provision on goodwill of RMB2,253.8 million for its milk powder business. Excluding the impairment of goodwill, the operating expenses in 2016 were RMB16,503.5 million, representing 30.7% of the Group's revenue for that year.

Selling and distribution expenses for the year increased by 10.7% to RMB14,868.8 million (2016: RMB13,435.2 million), representing a decrease of 0.3 percentage point to 24.7% (2016: 25.0%) of the Group's revenue.

Advertising and promotion expenses for the year decreased by 4.7% to RMB5,083.1 million (2016: RMB5,333.7 million), or decreased to 8.4% (2016: 9.9%) of the Group's revenue.

During the year, administrative and other operating expenses increased 19.9% to RMB3,679.7 million (2016: RMB3,068.2 million, excluding impairment of goodwill), or increased to 6.1% (2016: 5.7%) of the Group's revenue, mainly due to foreign exchange loss and the losses on deemed disposal of partial interests in associates incurred during the year.

財務回顧

受益於產品創新、積極的品牌行銷以及卓越的銷售執行，常溫及低溫產品銷量增長理想，本集團二零一七年總收入為人民幣601.556億元（二零一六年：人民幣537.793億元），同比增長11.9%；對收入增幅貢獻較大的產品為特侖蘇、純甄、真果粒、蒙牛白奶、冠益乳及優益C等。

毛利

由於原奶價格維持相對較低水平及產品結構持續優化，本集團年內毛利上升至人民幣211.827億元（二零一六年：人民幣176.354億元），毛利率較去年上升2.4個百分點至35.2%（二零一六年：32.8%）。

經營費用

本集團採取積極的渠道拓展和品牌推廣策略，本年度經營費用為人民幣185.485億元（二零一六年：人民幣187.573億元），佔本集團收入比例為30.8%（二零一六年：34.9%）。去年，本集團確認了奶粉產品業務的商譽減值撥備人民幣22.538億元。若不含商譽減值，二零一六年經營費用為人民幣165.035億元，佔本集團該年收入比例為30.7%。

年內銷售及經銷費用上升10.7%至人民幣148.688億元（二零一六年：人民幣134.352億元），佔本集團收入比例下降0.3個百分點至24.7%（二零一六年：25.0%）。

年內廣告及宣傳費用下降4.7%至人民幣50.831億元（二零一六年：人民幣53.337億元），佔本集團收入比例下降至8.4%（二零一六年：9.9%）。

年內，行政及其他經營費用上升19.9%至人民幣36.797億元（二零一六年：人民幣30.682億元（不含商譽減值）），佔本集團收入比例上升至6.1%（二零一六年：5.7%），佔比上升主要因為今年錄得匯兌虧損及視作出售部分聯營公司權益之虧損。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Profit from operating activities and net profit

Although financial performance attributable to the Group from an associate recorded a relatively significant loss during the year, thanks to the Group's significant increase in revenue and gross profit, plus product optimization, the Group's EBITDA increased to RMB4,144.7 million (2016: RMB956.0 million, or RMB3,209.8 million excluding impairment of goodwill) and EBITDA margin was 6.9% (2016: 1.8%, or 6.0% excluding impairment of goodwill).

Profit attributable to owners of the Company amounted to RMB2,047.8 million (2016: loss of RMB751.2 million, or profit of RMB1,502.6 million excluding impairment of goodwill). Basic earnings per share was RMB0.526 (basic loss per share in 2016: RMB0.193).

Income tax expense

Income tax expense of the Group in 2017 was RMB594.3 million (2016: RMB351.4 million), up by 69.1% year-on-year. Effective income tax rate was 22.6% (2016: 19.6%, excluding impairment of goodwill), up by 3.0 percentage points year-on-year, mainly due to the loss contribution from a major associate to the Group and the accounting losses on deemed disposal of partial interests in associates by the Group.

Capital expenditure

For the year ended 31 December 2017, capital expenditure of the Group was RMB6,650.9 million (2016: RMB4,352.5 million), up by 52.8% year-on-year. Of the total, RMB2,151.9 million was spent on building new production facilities and modifying existing ones and related investments, RMB249.2 million on purchasing biological assets and RMB4,249.8 million were invested in equities (mainly including acquisition of additional equity interests in China Modern Dairy).

經營業務利潤及淨利潤

年內，雖然聯營公司財務表現錄得較大虧損，但在本集團收入以及毛利顯著增加及產品優化的成效下，本集團息稅折舊攤銷前利潤(EBITDA)上升至人民幣41.447億元(二零一六年：人民幣9.560億元，不含商譽減值為人民幣32.098億元)，EBITDA利潤率為6.9%(二零一六年：1.8%，不含商譽減值為6.0%)。

本公司擁有人應佔利潤達人民幣20.478億元(二零一六年：應佔虧損為人民幣7.512億元，不含商譽減值之應佔利潤為人民幣15.026億元)。每股基本盈利為人民幣0.526元(二零一六年每股基本虧損：人民幣0.193元)。

所得稅支出

本集團於二零一七年所得稅支出為人民幣5.943億元(二零一六年：人民幣3.514億元)，同比上升69.1%。所得稅有效稅率為22.6%(二零一六年：19.6%(不含商譽減值))，同比上升3.0個百分點，主要由於一間主要聯營公司對本集團的貢獻為虧損以及視同出售聯營公司部分權益之會計損失造成。

資本支出

截至二零一七年十二月三十一日止年度，本集團資本支出為人民幣66.509億元(二零一六年：人民幣43.525億元)，同比上升52.8%；資本支出用於新建和改建生產設備及相關投入，達人民幣21.519億元；購入生物資產達人民幣2.492億元；及股權投資(主要包括增持中國現代牧業股權)達人民幣42.498億元。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Working capital, financial resources and capital structure

For the year ended 31 December 2017, the Group's net cash inflow from operating activities increased to RMB5,505.4 million (2016: RMB4,512.9 million), primarily due to continuous optimization of product structure, cost control and enhanced working capital management.

As at 31 December 2017, outstanding interest-bearing bank and other borrowings of the Group increased to RMB13,950.1 million (31 December 2016: RMB8,587.6 million), including interest-bearing bank and other borrowings repayable within one year in the amount of RMB7,935.0 million (31 December 2016: RMB3,045.4 million). More than 40% of the interest-bearing bank and other borrowings bore fixed interests. The increase in interest-bearing bank and other borrowings was mainly due to increase in equity investments during the year.

Net borrowings (total amount of interest-bearing bank and other borrowings net of cash and bank balances) of the Group as at 31 December 2017 were RMB7,991.2 million (31 December 2016: RMB2,517.5 million).

The Group's total equity as at 31 December 2017 was RMB27,107.1 million (31 December 2016: RMB25,503.7 million). Debt-to-equity ratio (total amount of interest-bearing bank and other borrowings over total equity) was 51.5% (31 December 2016: 33.7%).

Finance costs of the Group in 2017 were RMB399.9 million (2016: RMB293.7 million), representing approximately 0.7% of the total revenue (2016: 0.5%).

PRODUCT

In 2017, Mengniu continued to innovate and actively pursue product research and development to promote continuous improvement of the enterprise. Heeding the trend of consumers craving for diverse, high-end and healthy products, it launched differentiated and market-oriented new products. All-out efforts were also made to upgrade products in terms of variety, flavor and packaging, so as to create better consumption experience of dairy products for consumers. Mengniu also achieved huge success in brand promotion, marketing and sales by using new media and Big Data flexibly.

營運資金、財務資源及資本架構

截至二零一七年十二月三十一日止年度，本集團經營業務所產生的現金淨流入增加至人民幣55.054億元(二零一六年：人民幣45.129億元)，主要由於產品結構持續優化、成本控制以及提升營運資金管理所致。

於二零一七年十二月三十一日，本集團之未償還計息銀行及其他借貸增加至人民幣139.501億元(二零一六年十二月三十一日：人民幣85.876億元)，其中一年內償還的計息銀行及其他借貸為人民幣79.350億元(二零一六年十二月三十一日：人民幣30.454億元)。超過四成計息銀行及其他借貸按固定利率計算。計息銀行及其他借貸增加主要為年內新增股權投資所致。

本集團於二零一七年十二月三十一日之淨借貸(計息銀行及其他借貸總額扣除現金及銀行存款)為人民幣79.912億元(二零一六年十二月三十一日：人民幣25.175億元)。

本集團於二零一七年十二月三十一日之總權益為人民幣271.071億元(二零一六年十二月三十一日：人民幣255.037億元)。債務權益比率(計息銀行及其他借貸總額除以總權益)為51.5%，(二零一六年十二月三十一日：33.7%)。

本集團於二零一七年的融資成本為人民幣3.999億元(二零一六年：人民幣2.937億元)，佔收入比約0.7%(二零一六年：0.5%)。

產品

二零一七年，蒙牛繼續貫徹創新理念，積極研發新產品以推動企業持續進步。針對消費者愈發多元化、高端化、和對健康有更高追求等發展趨勢，推出具差異性和市場針對性的全新產品，從產品品類、口味及包裝等各方面進行提升，為消費者帶來更好的乳製品消費體驗，並靈活利用新媒體和大數據進行品牌推廣和營銷，獲得十分理想的成績。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

The main products of the Group are liquid milk, ice cream, milk formula and other products. Their performances during the year under review are outlined in the table below:

本集團產品主要分為液態奶、冰淇淋、奶粉及其他產品，回顧年內表現如下：

Product category 產品品類	Financial performance 財務表現	Highlights 動向
Liquid milk 液態奶	Revenue amounted to RMB53,015.0 million (2016: RMB48,102.9 million), accounting for 88.1% of the Group's total revenue (2016: 89.4%). 收入為人民幣530.150億元(二零一六年：人民幣481.029億元)，佔本集團總收入的88.1%(二零一六年：89.4%)。	
UHT milk UHT奶	Revenue amounted to RMB25,689.2 million (2016: RMB23,851.9 million), accounting for 48.5% of the liquid milk segment revenue (2016: 49.6%). 收入為人民幣256.892億元(二零一六年：人民幣238.519億元)，佔液態奶收入48.5%(二零一六年：49.6%)。	<ul style="list-style-type: none"> - <i>Milk Deluxe</i> upgraded its organic milk product series, continuing to boost its image as a high-end product brand and promote its brand spirit of "New Nutritional Level Makes a Better Life". During the period, super high-end <i>Milk Deluxe M-PLUS High Protein Milk</i> was launched, which is the first milk product created for sports enthusiasts in China. In addition, Mengniu also launched the super high-end <i>Milk Supreme</i> that comes in specially designed gift packaging. - 特侖蘇全線升級有機奶，持續強化特侖蘇的產品高端性，進一步發揚「營養新高度、成就更好人生」的品牌精神。期內特侖蘇推出超高端產品 <i>M-PLUS高蛋白牛奶</i>，打造中國首個針對運動人群之專屬牛奶產品；此外，蒙牛亦推出定位超高端禮盒裝產品—<i>奶爵6特乳</i>。 - <i>Future Star Kid Growth Milk</i> undertook innovative research and development on its formula, and launched <i>Future Star Kid Organic Milk</i> during the year, which is produced using <i>Milk Deluxe</i> organic milk source and under the banner of "Natural Nutrition and Focus on Growth". It also introduced <i>Future Star A2B Casein Pure Milk</i>, made with premium milk in limited supply from meticulously selected designated ranches. - 未來星兒童成長牛奶對配方進行創新性研發，在年內推出採用特侖蘇有機奶源製造、以「自然營養，專注成長」為口號的未來星兒童有機奶，並發佈精選來自專屬牧場、奶源限量供應的未來星A2B-酪蛋白純牛奶。



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"> - Prime Ranch Pure Milk in fresh packaging was launched to market. Using QR code and implementing “One Pack, One Code”, product batch numbers can be traced with ease and production processes are more transparent. - 精選牧場純牛奶使用全新包裝上市，全面推行「一包一碼」，通過二維碼技術實現產品批次信息同步及提高生產過程的透明度。 - Mengniu joined hands with China Modern Dairy to introduce Xianyu Pure Milk. It has opened a niche – the room temperature fresh milk market – in between the room temperature milk and fresh milk markets. - 蒙牛與中國現代牧業攜手推出鮮語純牛奶，在常溫牛奶和鮮牛奶市場之間，開闢出常溫鮮牛奶市場。 - The upgraded packaging of Mengniu Pure Milk carries an aerospace-themed label to highlight the brand proposition of “Let’s Enjoy Aeronautic Quality Milk”. - 蒙牛純牛奶升級包裝設計，增加航天背書標識，突出「航天品質，你我共享」的品牌主張。
		<p>Key products:</p> <ul style="list-style-type: none"> - Milk Deluxe - Mengniu Pure Milk - Prime Ranch Pure Milk - Future Star Kid Growth Milk - Xianyu Pure Milk - XinYangDao - Awakening Youth Milk
		<p>重點產品：</p> <ul style="list-style-type: none"> - 特侖蘇 - 蒙牛純牛奶 - 精選牧場純牛奶 - 未來星兒童成長牛奶 - 鮮語純牛奶 - 新養道 - 煥輕

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
Milk beverages 乳飲料	<p>Revenue amounted to RMB9,879.8 million (2016: RMB9,380.2 million), accounting for 18.6% of the liquid milk segment revenue (2016: 19.5%). 收入為人民幣98.798億元(二零一六年: 人民幣93.802億元), 佔液態奶收入18.6%(二零一六年: 19.5%)。</p>	<ul style="list-style-type: none"> - Yoyi C launched LC-37 that targets the professional probiotics beverage market. Every 100 ml of the product contains 50 billion active bacteria C, 500 times the national standard. It also has an exclusive 37°C highly active bacterial strain, overcoming the technical bottleneck faced by the low temperature probiotics industry and becoming an innovative product which revolutionizes probiotics product offerings. In May 2017, under LC-37, an upgraded low-sugar enzyme-rich product was launched. - 優益C針對專業型乳酸菌市場推出LC-37, 每100毫升含有500億活的活力C菌, 高於國家標準500倍, 更擁有獨家37°C強活性的菌株特性, 打破了低溫乳酸菌行業的技術瓶頸, 成為顛覆活性乳酸菌品類的創新產品, 二零一七年五月LC-37更進一步升級推出低糖酵素口味新品。 - Fruit Milk Drink focused on the new blueberry flavored product, and mounted a promotional campaign themed "Bring Your Blue Friend Home", so as to capture share in the young consumer market. - 真果粒重點發力藍莓味新品, 以「帶藍朋友回家」為營銷主題, 搶佔年輕消費者市場份額。 <p>Key products:</p> <ul style="list-style-type: none"> - Yoyi C - Fruit Milk Drink - Suan Suan Ru <p>重點產品:</p> <ul style="list-style-type: none"> - 優益C - 真果粒 - 酸酸乳
Yogurt 酸奶	<p>Revenue amounted to RMB17,446.0 million (2016: RMB14,870.8 million), accounting for 32.9% of the liquid milk segment revenue (2016: 30.9%). 收入為人民幣174.460億元(二零一六年: 人民幣148.708億元), 佔液態奶收入32.9%(二零一六年: 30.9%)。</p>	<ul style="list-style-type: none"> - During the year, 15 new products of chilled yogurt under 6 series were introduced to the market, targeting at higher market share of the high-end yogurt market. - 於年內共上市6個產品系列共15款低溫酸奶新產品, 大力搶佔高端的酸奶市場。 - Building on the strong brand advantage of Milk Deluxe, Milk Deluxe Yogurt was launched. The product combines patented bacteria from the US, Danone's exclusive craftsmanship from France and premium ingredients from all over the world, speaking truly to the brand spirit of "Not all yogurts are Milk Deluxe". The Group's yogurt business has advanced on the high-end trend. - 以特侖蘇的品牌優勢, 強勢推出特侖蘇酸奶, 以美國專利菌種、法國達能獨有工藝及全球優質食材匠心演繹「不是所有酸奶都是特侖蘇」的品牌精神, 進一步拓展高端酸奶業務。



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"> - Just Yoghurt and the Hollywood movie "Transformers: The Last Knight" jointly launched the Transformers special edition packaging. Brand promotion revolved around "Go Fighting! Season 3", with the Go Fighting brothers featuring in six new packaging designs. - 純甄與好萊塢電影《變形金剛5：最後的戰士》合作推出變形金剛特別定制包裝；捆綁《極限挑戰3》進行品牌宣傳，結合極限兄弟形象定制6款新包裝。 - Champion focused on optimizing product structure and introduced a series of products, namely Jianzihao, Mailaoru and Xianlaoru. Making the best of its core asset – the "BB-12" bacteria, Champion has strengthened its positioning as a "professional and functional" yogurt. - 冠益乳聚焦優化產品結構，推出健字號、麥酪乳、鮮酪乳一系列產品，圍繞品牌核心資產「BB-12」菌種，強化「專業功能性」酸奶定位。 - Bio introduced Kaquzi Grain Mix Flavored Yogurt, with its positioning as a food replacement boosting the best mix of natural ingredients among the domestic yogurt market, containing American almonds and cranberries, Australian oats and pumpkin seeds. - 碧悠推出卡趣滋穀物組合風味發酵乳，並主打代餐，內含美國扁桃仁、蔓越莓乾、澳洲燕麥、甄選南瓜籽，是國內酸奶市場天然原料種類最豐富的穀物蓋。 <p>Key products:</p> <ul style="list-style-type: none"> - Just Yoghurt - Milk Deluxe Yogurt - Champion - Inner Mongolia Solid Yogurt - European Charcoal Yogurt - Bio <p>重點產品：</p> <ul style="list-style-type: none"> - 純甄 - 特侖蘇酸奶 - 冠益乳 - 內蒙古老酸奶 - 歐式炭燒酸奶 - 碧悠

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	Revenue amounted to RMB2,513.1 million (2016: RMB2,179.9 million), accounting for 4.2% of the Group's total revenue (2016: 4.1%). 收入為人民幣25.131億元(二零一六年：人民幣21.799億元)，佔本集團總收入4.2%(二零一六年：4.1%)。	



- Mengniu's newly launched *Russian Milk Ice Cream* brings back the original flavor of Russian ice cream. With high milk content, rich milk flavor and a smooth texture, the product has been well received by the market.
- 蒙牛全新推出俄式奶純冰淇淋，還原俄羅斯冰淇淋風味，含奶量高，奶味濃郁，口感細膩，推出後大受歡迎。
- *SuiXinGuo* product series under *Suibian* continued to lead the trend of matching delicious cheese with fruit jam and ice cream. During the year, two brand-new products, blueberry cheese crunchy cone ice cream and mango cheese crunchy cone ice cream, were launched.
- 隨變隨芯果系列產品繼續引領美味芝士配搭果醬與冰淇淋的新風，於年內推出兩款新品：藍莓芝士脆筒口味雪糕和芒果芝士脆筒口味雪糕。
- *Mood for Green* launched the sticky rice red bean ice cream, adopting unique technique in the industry to make sure the sticky rice dumplings are evenly set and pleasantly chewy, which earned great market acclaims.
- 綠色心情推出糯米紅豆冰淇淋，採用行業獨創工藝，保證糯米團子均勻排列和Q彈狀態，獲得市場好評。
- *Deluxe* carried out upgrade on multiple fronts from branding, product, packaging to marketing and communication. Two new ice cream gift box packagings were introduced.
- 蒂蘭聖雪從品牌、產品、包裝及營銷傳播等多維度升級，推出兩款冰淇淋禮盒。

Key products:

- *Deluxe*
- *Russian Milk Ice Cream*
- *Suibian*
- *Mood for Green*

重點產品：

- 蒂蘭聖雪
- 俄式奶純冰淇淋
- 隨變
- 綠色心情

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Product category 產品品類	Financial performance 財務表現	Highlights 動向
Milk Formula 奶粉	Revenue amounted to RMB4,042.1 million (2016: RMB3,150.9 million), accounting for 6.7% of the Group's total revenue (2016: 5.9%). 收入為人民幣40.421億元(二零一六年：人民幣31.509億元)，佔本集團總收入6.7%(二零一六年：5.9%)。	<ul style="list-style-type: none"> - Yashily emphasizes the provision of basic nutrients. Originally canned and imported from New Zealand, Yashily Super α-Golden Stage (renamed as Yashily Jingpo upon implementation of the national infant milk formula registration system) targets the medium-to-high end market and owns the patented INFAT™ active energy system, which promotes probiotics growth in intestines of infants and toddlers. - 雅士利品牌側重基礎營養，其中新西蘭原罐進口的雅士利超級α-金裝(國家嬰幼兒奶粉配方註冊制實施後已更名為雅士利菁珀)嬰幼兒奶粉定位中高端市場，擁有專利INFAT™動態活力系統，提升嬰幼兒腸道益生菌生長。 - Qinyou series and organic series of Reeborne completed the upgrade of their packaging and formula, and made increasing efforts in penetrating the organic market, while taking advantage of online and offline advertising exposures and soft interactive marketing with target customers to enhance brand exposure and recognition. - 瑞哺恩的親悠系列及有機系列完成包裝及配方升級，並著力強化有機市場的滲透，同時結合線上線下平台進行廣告曝光及與消費群軟性互動，提升品牌曝光度及知名度。 - Dumex is committed to building professional formula series to satisfy babies' special nutritional needs. Its three major product series cover products for allergies, digestion and under-weight new born babies. - 多美滋致力滿足嬰幼兒的特殊營養需求，為嬰幼兒提供專業配方系列產品，三大系列產品包括過敏系列、消化系列及低體重兒系列。 - Arla Baby & Me organic formula is originated from Denmark, highlighting its royal origination and aiming at super high-end market. - Arla寶貝與我有機奶粉源自丹麥，有「皇室御用品牌」的美譽，定位超高端市場。



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Product category 產品類別	Financial performance 財務表現	Highlights 動向
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- Yashili launched *Doraler*, its first high-end imported goat milk formula brand, in last November, which is originally canned and imported from Australia. 100% made of pure goat milk protein, the new product has a smooth and creamy texture and is easy to be absorbed.
- 雅士利於去年十一月推出首個高端進口羊奶粉品牌朵拉小羊，為澳大利亞原罐進口，100%純羊乳蛋白，溫和細膩易吸收。

Key products:

- *Yashily Super α- Golden Stage* (Currently known as *Yashily Jingpo*)
- *Reeborne*
- *Dumex Diamor*
- *Arla Baby & Me*
- *Doraler*
- *Yashily α- Golden Stage*

重點產品：

- 雅士利超級α-金裝(現已更名為雅士利菁珀)
- 瑞哺恩
- 多美滋致粹
- *Arla寶貝與我*
- 朵拉小羊
- 雅士利α-金裝

Other Products 其他產品	Revenue amounted to RMB585.4 million (2016: RMB345.6 million), accounting for 1.0% of the Group's total revenue (2016: 0.6%). 收入為人民幣5.854億元(二零一六年：人民幣3.456億元)，佔本集團總收入1.0%(二零一六年：0.6%)。
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- The plant-based protein beverage *ZhiPuMoFang*, a joint creation of Mengniu and WhiteWave, underwent product adjustment and upgrade. Heeding future market trend, *Silk Americano Soymilk* series featuring two flavors – original and almond – was launched.
- 蒙牛與WhiteWave共同創立的植物蛋白飲品品牌植樸磨坊，對產品進行了調整和升級，根據未來市場發展趨勢推出*Silk美式豆奶*系列產品，有原味及巴旦木兩種口味。

Key products:

- *Silk Americano Soymilk*
- *Lao Qu Bei*

重點產品：

- *Silk美式豆奶*
- 酪趣貝

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PRODUCTION

Mengniu deploys its production capacity heeding market potential and its own product strategy. As of December 2017, Mengniu had 38 production bases in China and one in New Zealand, which together had a total production capacity of 9.22 million tons (December 2016: 9.21 million tons).

CORPORATE SOCIAL RESPONSIBILITY

With fulfilling the mission of “Focus on nutrition and health, deliver a drop of happiness for every moment and every day to more people” as its guide, Mengniu had drawn up its strategies for sustainable development 2030 to contribute its strength to help the society. In addition to constantly improving the quality of the Group’s dairy products and pushing to grow with the industrial chain, Mengniu is also committed to supporting charitable causes, fostering development of local communities as well as supporting learning and growth of employees to make Mengniu an example to emulate in sustainable development.

Supporting to the “Healthy China 2030 Planning Outline” issued by the State Council and the “Milk Sponsorship Charity Program” jointly initiated by the Ministry of Agriculture and the Dairy Association of China, in 2017, Mengniu introduced the “Mengniu Inclusion Nutrition Plan” in rural schools in a total of 157 regions and counties in 24 provinces, cities and municipalities in China. The program covered 209 schools and 40,000 students and over 250,000 cases of milk were donated. Schools in state-level targeted poverty alleviation counties, such as Foping County, Shaanxi and Lushi County, Sanmenxia were covered in the program that deprived students in those areas were able to feel the warm and loving care of Mengniu and grow up healthily.

生產

蒙牛根據市場潛力及產品策略佈局產能，於二零一七年十二月，蒙牛於全國共設有生產基地38個，新西蘭設有生產基地1個，產能合共為922萬噸(二零一六年十二月：921萬噸)。

社會責任

蒙牛以「專注營養健康，每一天每一刻為更多人帶來點滴幸福」為使命，制訂可持續發展2030策略，貢獻自身力量，除了不斷提升本集團的乳製品質量、與產業鏈共同發展外，亦致力推動公益慈善、帶動地方發展，並促進員工學習成長，讓蒙牛成為可持續發展的典範。

其中，蒙牛於二零一七年積極響應國務院印發的《健康中國2030規劃綱要》及農業部聯合中國奶業協會發起的「牛奶助學公益行動」，在中國24個省、市、自治區，合共157個區縣的鄉村學校推行「蒙牛營養普惠計劃」。計劃覆蓋209所學校、4萬位學生，捐贈超過25萬箱學生奶。計劃並覆蓋國家級定點扶貧縣如陝西佛坪縣和三門峽盧氏縣，讓資源缺乏的學生們也能感受到來自蒙牛的溫暖與關愛，得以健康茁壯成長。



MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Mengniu spares no effort in nurturing talent for the industry and is committed to creating a sustainable dairy industry ecosystem and enhancing the competitiveness of China's dairy industry. During the year under review, Mengniu set up the "Golden Key of Milk Cow" technology demonstration sites in China's key "Grain to Fodder" regions. Experts were invited to introduce the latest breeding and rearing technology to a total of 1,500 participants from about 800 ranches in 15 provinces and 29 cities in China, which translated into economic benefit. Mengniu established the high-end learning platform "Star Ranchers" and gathered top-notch professionals from around the world to give lectures on practical ranch management and industry-leading technology through video and satellite links, allowing real-time interaction between them and approximately 1,500 dairy farmers. Mengniu also launched the "Increasing Efficiency Program" and adopted the "Theoretical Training plus Practical Application" and "Assessment-Reporting-Interpreting-Improvement-Re-assessment" models to improve the skills of ranch employees and efficiency of ranches.

In addition, Mengniu organized the 8th and 9th Training Seminars for talents of modern dairy farms with China Agricultural University under the "University of Ranchers" program, which provided training to over 1,000 ranch owners and its own staff at various levels. Mengniu also strived to improve the quality of upstream milk source and offered financial support to 100 medium to small family ranches via the "Mengniu + Bank + Ranch" tri-party financing model. Comprehensive guidance was offered to family ranches to help them build their own ranches and achieve sustainable development. At the same time, Mengniu also had ranch owners signed the "Code of Social Responsibility of Ranch Owners" to enhance their awareness of dairy cattle welfare and environmental protection, thereby realizing Mengniu's value – giving equal emphasis to social responsibility and scientific breeding – in its practice.

蒙牛對培養業界專才不遺餘力，致力打造可持續奶業生態圈及提升中國乳業競爭力。回顧年內，蒙牛在中國重點「糧改飼」區域展開「奶牛金鑰匙」技術示範專場，邀請專家為來自國內15個省、29個市的800餘個牧場共1,500人介紹最新的養殖技術，為牧場提高經濟效益。蒙牛打造高端學習平台「星牛人項目」，從世界各地羅致行業頂級專家，利用視頻及衛星傳輸教授牧場的實踐管理及行業尖端技術，與約1,500個奶農進行實時互動。蒙牛亦展開了「效能提升行動」，分別採取「理論培訓加駐場實踐」及「評估－報告－解讀－改善－再評估」模式以提升人員技能及牧場效能。

此外，蒙牛繼續在「牧場主大學」項目中，與中國農業大學聯合舉辦了第八期及第九期現代奶牛場高級人才研修班，為超過1,000位牧場主及公司各級人員進行培訓。蒙牛並致力提升上游原奶品質，向100個中小型家庭牧場以「蒙牛+銀行+牧場」三方聯合籌資模式提供資金幫扶；全程指導家庭牧場建設，達致牧場的可持續發展。同時與牧場主簽訂《牧場主社會責任守則》，建立牧場主對奶牛福利和環境保護的可持續發展意識，實現社會責任與科學飼養並重的價值觀。



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Mengniu's role in leading Chinese enterprises in honoring social responsibility is fully recognized by different parties in the community. The Group was awarded "Leading Enterprise of Corporate Social Responsibility under China's New Normal" by chinadevelopment.com.cn and its chief executive officer Mr. Lu Minfang received the "2017 Asian Social Caring Leadership Award" at the "Nobel Laureates Series: the 5th Social Caring Pledge Scheme Award Presentation Ceremony". The Group, thanks to its "University of Ranchers" project, also clinched the "2017 China's Outstanding Corporate Citizenship Award" by China Association of Social Workers.

HUMAN RESOURCES

As at 31 December 2017, the Group had a total of about 41,141 employees in China and Hong Kong, including about 2,313 employees of Yashili. During the year, total staff costs (including salaries of directors and senior executives) amounted to approximately RMB5,133.8 million (2016: RMB4,479.5 million).

In 2017, Mengniu completed the establishment of its new business division organizational structure, grouping its businesses into four major divisions, namely room temperature products, chilled products, milk formula and ice cream, to raise the Group's overall operational efficiency. The "Build up a leaner and stronger headquarters" project it launched was designed to set the functional positioning of its headquarters according to three major principles, which are strategic orientation, clear role and responsibility, and competence and efficiency. The project helped improve the efficiency of decision making, whereas a new position and grading system was established and evaluation of various management positions of the Group as well as the adjustment of rankings of staff members were completed.

During the year under review, Mengniu continued to optimize and implement its unique talent nurturing system that entails job orientation, training of general core capabilities, and professional and leadership skills. To match the time for learning of employees, the Group combines resources online and offline for training its people. It rebuilt the four-in-one Internet learning platform "Zhi De" to offer training and support to employees anytime, anywhere. The platform supports mobile data sharing and access, allowing more employees to receive training while lowering training cost.

社會各界對蒙牛帶動中國企業肩負社會責任充分肯定。本集團獲中國發展網頒發「中國新常態企業社會責任領軍企業獎」，行政總裁盧敏放先生在「諾貝爾獎學人系列：第五屆社會關愛企業計劃頒獎典禮」上榮獲「2017年度亞洲社會關愛領袖獎」；本集團同時憑藉「牧場主大學」項目獲得中國社會工作聯合會頒發「2017中國優秀企業公民獎」。

人力資源

於二零一七年十二月三十一日，本集團於中國大陸及香港合共聘用僱員約41,141名，包括雅士利僱員約2,313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51.338億元(二零一六年：人民幣44.795億元)。

二零一七年，蒙牛完成推進以常溫、低溫、奶粉及冰淇淋產品四大業務板塊組成的新事業部制組織架構，全面提升集團運營效率，其中於本集團總部開展的「做精總部」項目，就以戰略導向、權責清晰及精幹高效三大原則，確立總部的功能定位、提升決策效率、建立新的崗位職級體系，並完成本集團各管理崗位的價值評估及員工職級轉換工作。

回顧年內，蒙牛繼續優化及實施具蒙牛特色的人才培養體系，推行入職、核心通用力、專業力及領導力的課程體系。為彈性配合員工的學習時間，本集團實現線上及線下的混合式全面人才培養，重新搭建了四合一互聯網學習平台「值得」，隨時隨地為員工提供培訓支持。該平台實現移動端數據共享互通，提高培訓的覆蓋率，降低培訓成本。

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In addition, through establishing systems and carrying out leadership development program, the Group strengthened its leadership pool and enhanced the capability of managers at all levels. At the same time, Mengniu continued to increase employees' knowledge and awareness of its culture, putting particular emphasis on promoting the proactive and aggressive "Wolf Culture". During the year, the different business divisions embraced a host of corporate cultural activities such as "Mighty Mengniu Rises to Challenges", "The Journey to Gobi Desert" and the "The Journey to Jinggang Mountain".

To strengthen the determination of the management team to achieve Mengniu's 2020 strategy and enhance the team's commitment to and confidence in continuously growing the Group's business, Mengniu implemented the retention plan for core staff, with the award of restricted shares as an incentive, to encourage and retain core staff in key positions at level four and above. During the year under review, 6,998,575 shares were granted under the share award scheme and 10,930,005 share options were granted under the share option scheme, based on the individual performance of the management.

OUTLOOK

Along with the continuous deepening of the supply side reform of the dairy industry and the full implementation of the infant milk formula registration system in 2018, the recovery of consumer confidence, the complete roll out of China's two-child policy and the trend of skewing towards younger consumers and more diversified demands, the industry is looking at a revival of sales of liquid milk and milk powder, opportunities arising from upgrade of the middle to high-end consumption structure and adjustment of the competitive landscape, and all these are presenting Mengniu with new development opportunities.

Looking forward, on the basis of "Focusing on Development and Gathering Strengths", Mengniu's new business divisions will develop different product categories by focusing on resource advantages, and enhancing cost saving, efficiency and the value of different brands. With "Quality, Innovation and Internationalization" at heart, Mengniu will insist on its quality as core competitiveness, with the spirit of the "Craftsman of Milk", ensuring the safety and high quality of every drop of milk it offers. Mengniu will continue to align with and also strive to surpass international standards, and enhance its efforts in innovation, and research and development. It will endeavor to develop milk source to guarantee the quality and stability of supply that it may provide products of "Golden BRICS quality" and "aeronautic quality".

另外，本集團通過構建系統及實施領導力發展項目，加強建設領導人才梯隊以提升各層級管理者能力。蒙牛同時持續加強員工對蒙牛文化的認知培養，特別是致力推動積極、進取的「狼性文化」，各事業部在年內開展如「蒙牛人大闖關」、「戈壁行」、「井岡山之行」等企業文化活動。

為了加強管理團隊為達成蒙牛二零二零年戰略的決心，以及鞏固團隊對本集團未來持續增長的服務承諾與信心，蒙牛推行關鍵崗位員工留任計劃，通過限制性股票激勵，保留和激勵本集團四層級及以上核心關鍵崗位。於回顧年內，按各管理層個人績效，根據股票獎勵計劃共授予6,998,575股，另根據購股權計劃授予購股權10,930,005份。

展望

隨著乳業供給側改革不斷深化、嬰幼兒配方奶粉註冊制在二零一八年全面實施，加上消費者信心回升、中國全面開放二胎政策、消費年齡年輕化及需求多樣化，行業正迎來液態奶及奶粉銷售復蘇的趨勢、中高端消費結構升級的機遇以及競爭格局的調整，為蒙牛帶來新的發展機遇。

展望未來，蒙牛將在「聚焦、聚勢、凝心、凝力」的基礎上，以新事業部平台發展各個品類，聚焦資源優勢，節本增效，提升品牌價值。蒙牛圍繞「質量、創新、國際化」，堅守以質量為核心競爭力，以「牛奶工匠」精神保障每一滴牛奶的質量安全，持續對標及超越國際標準，加大創新研發力度，並深化奶源建設，確保奶源供應的質量及穩定性，打造金磚質量、航天品質的產品。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Mengniu will follow closely the trend of consumption upgrade and move toward the middle and higher end of the value chain. Through actively promoting the development of chilled and ice cream products and accelerating launch of new products, Mengniu will be offering more nutritious and healthy products for consumers to enjoy. At the same time, Mengniu will continue to push forward with digitalization, by using its own “Mengniu Cloud” platform and online sales penetration and brand building, in cooperation with partners such as Alibaba and JD.com in full embrace of the Big Data era.

Mengniu will continue to join hands with its three major shareholders, namely COFCO Group, Danone Group and Arla Foods, and international leading partners such as WhiteWave and UC Davis from the US to establish a world-class dairy enterprise by bringing in advanced technologies and management methods via introducing world-leading resources and platforms. With a value chain well-deployed internationally, it will leverage overseas resources to consolidate its industry strengths. Mengniu will continue to promote construction of a global “Dairy Community”, pinpointing especially countries along the “Belt and Road”.

To further brand internationalization, Mengniu for the first time sponsored overseas sports events, becoming the Official 2018 FIFA World Cup™ Sponsor with 161 products of 27 brands under its four major product categories selected as the designated products of World Cup, which represents a significant breakthrough of Mengniu in promoting soccer and sports marketing effort. At the same time, Mengniu is also the first dairy brand partnering with FIFA as a global sponsor and the first Chinese food and beverage brand to become a global sponsor of the World Cup. Mengniu is set to present itself to the world as China’s top dairy enterprise and letting consumers around the world know about Mengniu’s natural, nutritious and delicious products at the most prominent sports event in 2018, thereby achieving another breakthrough in gaining influence both in China and overseas.

The Mengniu team will embrace its original “Wolf Culture”, uphold the pure heart it has from day one building the Group’s business and hasten the pace of the Group in scaling new heights in the industry. Mengniu will continue to improve the quality and the brand reputation of its products, keeping in mind its original intention of “Cows of Inner Mongolia, Cows of China and Cows of the world” and determination to “must-win and win-win”, that it may stand firm on the forefront of the global dairy industry as it pushes ahead with its “2020 Goal” to achieve sales of RMB100 billion in 2020, putting its best effort into becoming a world class dairy enterprise.

蒙牛將緊跟消費升級，引領消費趨勢，邁向價值鏈中高端，積極拓展低溫、冰淇淋產品，加速新品推出，為消費者帶來更多的營養、健康享受。同時，蒙牛繼續推進數字化建設，通過自有「蒙牛雲」平台，及與阿里巴巴、京東等合作夥伴深化在線銷售、品牌建設等合作，全面擁抱大數據時代。

蒙牛將繼續攜手三大股東中糧集團、Danone集團及Arla Foods，以及美國WhiteWave、UC Davis等國際領先的合作夥伴，利用世界先進的資源及平台引進先進的技術和管理模式，打造世界級的乳品企業。通過全產業鏈的國際化佈局，利用海外資源鞏固行業優勢，蒙牛將繼續推進全球、特別是「一帶一路」沿線國家「乳業共同體」的建設。

為了進一步推進品牌國際化，蒙牛首次贊助國外舉行的體育賽事，成為2018 FIFA世界盃全球官方贊助商，4大產品類別27個品牌共161個產品成為世界盃指定產品。這是蒙牛推動足球事業發展，深化體育營銷佈局的重大突破，同時，蒙牛也是國際足聯在全球贊助商級別首次合作的乳品品牌，及中國食品飲料行業中成為世界盃全球贊助商的第一個品牌。蒙牛有望借勢二零一八年全球最具影響力的體育賽事，向全球展現中國頂級乳品企業，向全球消費者介紹天然、營養、美味的蒙牛產品，蒙牛於國內外影響力有望進一步突破。

蒙牛將回歸高執行力的「狼性」團隊文化，抱以創業初心，加速邁向行業巔峰。蒙牛將持續提升質量及品牌，以「內蒙牛，中國牛，世界牛」的初心，及「必贏、共贏」的決心，堅守在全球乳業第一陣營，向「2020目標」、即蒙牛在二零二零年銷售額要達到千億元人民幣穩健邁進，為成為世界級乳品企業而努力。



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DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

EXECUTIVE DIRECTOR

Mr. Lu Minfang, aged 49, 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 and the chairman and a non-executive director of China Modern Dairy, an associate of the Company listed in Hong Kong. He was the chief executive officer and an 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 Danone Group and Dumex Baby Food Co. Ltd. for over 10 years. During his tenure at 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 Danone Group’s baby nutrition business in China. Prior to joining 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 senior 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，49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，及本公司於香港上市的聯營公司中國現代牧業主席及非執行董事。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

Ms. Wu Wenting, aged 54, 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.

NON-EXECUTIVE DIRECTOR

Mr. Ma Jianping, aged 54, 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. Mr. Ma is also the chairman of the board and a non-executive director of China Foods Limited, a company listed in Hong Kong. Mr. Ma was a director of COFCO Property (Group) Co., Ltd., a company listed in Shenzhen, up to December 2016. He was also a non-executive director of Joy City Property Limited up to January 2017 and was the chairman of the board and a non-executive director of COFCO Meat Holdings Limited up to January 2018, both companies listed in Hong Kong. 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 in China in July 1986 and subsequently received an Executive Master of Business Administration from the same university in December 2005, and he has extensive experience in strategic planning, corporate finance, investment and merger and acquisition, and business management.

吳文婷女士，54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。

非執行董事

馬建平先生，54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。馬先生亦為香港上市公司中國食品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。他亦曾任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，以及香港上市公司中糧肉食控股有限公司的董事會主席兼非執行董事直至二零一八年一月。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。

馬先生於1986年7月畢業於中國的對外經濟貿易大學，後於2005年12月獲該校高級管理人員工商管理碩士學位，並於戰略規劃、企業融資、投資併購及企業管理方面擁有廣泛經驗。

DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層

Mr. Niu Gensheng, aged 60, is a non-executive director of the Company, one of the members in the team founding Yili Group, the founder of Inner Mongolia Mengniu Dairy (Group) Company Limited 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.

Mr. Tim Ørting Jørgensen, aged 53, 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 27 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.

牛根生先生，60歲，本公司非執行董事及伊利集團創始團隊成員、內蒙古蒙牛乳業(集團)股份有限公司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」。

Tim Ørting Jørgensen先生，53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27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。

DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層

Mr. Pascal De Petrini, aged 58, was appointed as a non-executive director of the Company in December 2017. He is currently Senior Vice President and Non-Executive Chairman Asia at Danone. Mr. De Petrini has been working as senior management in the food and beverage industry for more than 30 years. His experience covers the full range of businesses, including sales and purchase, factory management, supply chain, among others. Mr. De Petrini joined Danone in 1984 and worked in France in the areas of project management, factory demand and supply planning, and sales as business development director and strategic committee member. From 1998 to 2002, Mr. De Petrini was the general manager of Danone's biscuits business in China. Mr. De Petrini returned to Paris in 2002 to work in the headquarters of Danone as General Manager of Themis (global SAP program roll-out) until 2004. From 2004 to 2007, Mr. De Petrini worked in Indonesia as general manager of Aqua, a bottled water company of Danone. From 2007 to 2008, Mr. De Petrini worked as vice president of Danone's water business in Asia Pacific and was responsible for the water and beverage business in China, Indonesia and New Zealand. From 2008 to 2011, Mr. De Petrini worked as vice president of Danone's early life nutrition business in Asia Pacific and was responsible for ten countries in the region, including China. In 2011, Mr. De Petrini joined Fraser & Neave Ltd, a listed company engaged in the food and beverage business across the Asia Pacific region, as Chief Executive Officer until 2013, when he joined the Fonterra Cooperative Group Ltd as managing director of its businesses in Asia Pacific, Middle East & Africa. In 2015, Mr. De Petrini returned to Danone as Executive Vice President of Strategic Resource Cycles until shifting to his current role in 2017. He is also the chairman of Danone Ecosystem Fund and the board of Livelihood Fund for Family Farming, two important social innovation funds created by Danone. Mr. De Petrini graduated from École Nationale Supérieure des Mines de Nancy in France with a Master of Science in Engineering degree in 1981 and obtained a Master of Science in Management degree from ESSEC Business School in France in 1983.

Pascal De Petrini先生，58歲，於二零一七年十二月獲委任為本公司非執行董事。彼目前於達能擔任高級副總裁及亞洲非執行主席。De Petrini先生在食品飲料行業出任高級管理層超過30年，其經驗涵蓋多個業務範疇，包括銷售及採購、工廠管理、供應鏈等各個方面。De Petrini先生於一九八四年加入達能，並於法國出任業務發展總監及戰略委員會成員，從事項目管理、工廠需求及供應規劃及銷售。自一九九八年至二零零二年，De Petrini先生出任達能餅乾業務中國區總經理。De Petrini先生於二零零二年返回巴黎，於達能總部出任Themis(推出全球SAP計劃)總經理至二零零四年。自二零零四年至二零零七年，De Petrini先生於印度尼西亞出任達能的瓶裝水公司Aqua之總經理。自二零零七年至二零零八年，De Petrini先生出任達能亞太水業務之副總裁，並負責中國、印度尼西亞及紐西蘭的飲用水及飲料業務。自二零零八年至二零一一年，De Petrini先生擔任達能亞太早期營養品業務之副總裁，並負責區內十個國家(包括中國)。De Petrini先生於二零一一年加入Fraser & Neave Ltd(一家於亞太區從事食品及飲料業務的上市公司)出任行政總裁至二零一三年，彼其時加入恒天然合作社集團有限公司，出任其亞太、中東及非洲業務之董事總經理。於二零一五年，De Petrini先生重新回歸達能出任Strategic Resource Cycles之執行副總裁，直至彼於二零一七年轉為目前職位為止。彼現為達能生態系統發展基金的主席及家庭農業生計基金的董事，兩個達能創立的社會創新領域的重要基金。De Petrini先生於一九八一年於法國的École Nationale Supérieure des Mines de Nancy畢業，取得工程碩士學位，並於一九八三年於法國的ESSEC Business School取得管理碩士學位。

DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Jiao Shuge (alias Jiao Zhen), aged 52, 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 44, 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 Asia Limited 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 China 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.

獨立非執行董事

焦樹閣(又名焦震)先生，52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，44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 Asia Limited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先生目前擔任中國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臍帶血庫企業集團獨立非執行董事。

DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層

Mr. Zhang Xiaoya, aged 55, 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 United Dairy Farming Co., Ltd (中鼎聯合牧業股份有限公司), as well as the chairman of Beijing Xindajiating Investment Company Limited (北京信達嘉鼎投資有限公司), an independent non-executive director of New Focus Auto Tech Holdings Limited, a company listed in Hong Kong and an independent director of Guangzhou Zhujiang Digital Group (廣州珠江數碼集團). Mr. Zhang previously served as a director and president of AirMedia Group Inc., a company listed on NASDAQ and the chairman of Unibank Media (銀廣通傳媒集團).

Mr. Yau Ka Chi, aged 60, 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，55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。彼現為中鼎聯合牧業股份有限公司董事長，同時還擔任北京信達嘉鼎投資有限公司董事長、香港上市公司新焦點汽車技術控股有限公司獨立非執行董事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，60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超過20年，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 53, graduated from Beijing Information Science and Technology University with a Master's 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 fast-moving consumer goods industry, 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 a non-executive director of Yashili and China Modern Dairy, both companies listed in Hong Kong.

Mr. Liu Shengli, aged 53, is a vice president of the Group. 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's 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 20 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. Gao Fei, aged 41, is a vice president of the Group. Mr. Gao joined the Group in 1999, and successively held the positions of regional manager, center manager, sales director and general manager of the 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 and management 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.

高級管理層

張平先生，53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中國現代牧業的非執行董事。

劉勝利先生，53歲，為本集團副總裁。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20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。

高飛先生，41歲，為本集團副總裁。高先生於一九九九年加入本集團，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。

DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層

Mr. Shi Dongwei, aged 53, 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 over 16 years of experience in public affairs. He graduated from the 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. Luo Yan, aged 56, joined the Group in November 2017 and is now serving as a vice president of the new business division. Mr. Luo graduated from China Textile University and Fudan University, and obtained a Bachelor's Degree in Textile Engineering and a Master's Degree in Business Administration respectively. Mr. Luo joined General Mills China as national sales director in 1999; he held the position of vice president (Greater China) in 2008 and was responsible for overseeing Wanchai Ferry Business Department in the Greater China region and sales in China region. In 2013, Mr. Luo took up the role as the global business director of Häagen-Dazs at General Mills Minnesota Headquarters. He continued to be the vice president (Greater China) of General Mills in 2014, and was responsible for the sales in China Region as well as the retail and food and beverage business department of Häagen-Dazs.

Mr. Wen Yongping, aged 43, joined the Group in 1999 and is currently a vice president of the Group and the general manager of the milk sources business department. Mr. Wen graduated from Inner Mongolia Agricultural University and obtained a Master Degree of Food Engineering. Mr. Wen once served as the general manager of production direction centre, operations assistant vice president and milk sources vice president in the Group, and is experienced in production and operations management and milk sources management. Mr. Wen is also a non-executive director of China Modern Dairy, a company listed in Hong Kong.

石東偉先生，53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。石先生擁有超過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。

羅彥先生，56歲，於二零一七年十一月加入本集團，現任新業務群副總裁。羅先生先後畢業於中國紡織大學及復旦大學，分別獲得紡織工程學士、工商管理碩士學位。羅先生於一九九九年加入通用磨坊食品中國公司，任全國銷售總監；於二零零八年擔任大中華區副總裁，分管大中華區灣仔碼頭事業部和中國區銷售。二零一三年，羅先生於通用磨坊明尼蘇達總部擔任哈根達斯全球事業部總監一職，並於二零一四年繼續擔任通用磨坊大中華區副總裁，負責中國區銷售，並兼負責哈根達斯零售和餐飲事業部。

溫永平先生，43歲，於一九九九年加入本集團工作，現任本集團副總裁、奶源事業部總經理。溫先生畢業於內蒙古農業大學，獲得食品工程碩士學位。溫先生歷任本集團生產指揮中心總經理、營運助理副總裁、奶源管理副總裁等職務，在生產運營管理及奶源管理領域擁有豐富的經驗。溫先生亦為香港上市公司中國現代牧業的非執行董事。

DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層

Mr. Zhang Zhaoxu, aged 44, joined the Group in July 2017, and is now serving as vice president of human resources. He graduated from Southeast University and Tianjin University and obtained a Bachelor's Degree in Engineering and a Master's Degree in management respectively. Mr. Zhang joined various enterprises in the Fortune Global 500 between 1996 and 2012, and assumed management role in human resources. In 2013, he joined China Fortune Land Development Co., Ltd as the general manager of human resources centre of City Developments Group. He joined Glaxosmithkline (China) Investment Co. Ltd as human resources director of consumer healthcare products business (China region) in 2015.

Mr. Yu Weizu, aged 51, joined the Group in June 2017, and is now serving as vice president in research and development and innovation. He graduated from the University of Minnesota and Seton Hall University in the United States, and obtained a Doctoral Degree in Food Science and Master's Degree in Business Administration respectively. Mr. Yu joined the Shanghai Institute of Botany of the Chinese Academy of Sciences after graduation from Fudan University in 1986; and he worked as a scientist and research and development director in companies like PepsiCo Group, Dupont, Kraft, etc. in the United States from 1994 to 2009; he joined BIMBO as vice president of research and development in 2009; he was selected as the distinguished expert of the Thousand Talents Plan and joined COFCO as chief scientist of Nutrition Health Research Institute in 2012; he joined Ingredion Group as the vice president of research and development in 2014.

Mr. Yang Zhigang, aged 45, joined the Group in June 2017, and is now serving as vice president of safety and quality management. He graduated from Huazhong Agricultural University and Central China Normal University, and obtained a Bachelor's Degree in Food Technology and Engineering and a Master's Degree in Economics respectively. Mr. Yang joined Hubei Entry-Exit Inspection and Quarantine Bureau as deputy section manager, section manager and deputy director of the office in 1995; and he joined the registration and administration department of Certification and Accreditation Administration of the People's Republic of China as researcher, department head and vice inspector in 2002; he joined COFCO as general manager and vice director of the quality and safety management department, vice director of the audit and legal risk control department in 2013.

張朝旭先生，44歲，於二零一七年七月加入本集團，現任人力資源副總裁，先後畢業於東南大學及天津大學，分別獲得工科學士與管理學碩士研究生學歷。張先生自一九九六年至二零一二年期間先後加入多家世界五百強企業擔任人力資源管理崗位，並於二零一三年加入華夏幸福股份有限公司，任城市發展集團人力資源中心總經理，二零一五年加入葛蘭素史克(中國)投資有限公司，任消費者保健品業務中國區人力資源總監。

俞偉祖先生，51歲，於二零一七年六月加入本集團，現任研發創新副總裁，先後畢業於美國明尼蘇達大學及美國西東大學，分別獲得食品科學博士、工商管理碩士學位。俞先生於一九八六年在復旦大學畢業後加入中國科學院上海植物研究所；從一九九四年至二零零九年間先後在美國百事集團、杜邦、卡夫等公司擔任科學家和研發總監；二零零九年加入寶堡，任研發副總裁；二零一二年入選國家千人計劃特聘專家，並加入中糧集團，任營養健康研究院首席科學家；二零一四年加入宜瑞安集團，任研發副總裁。

楊志剛先生，45歲，於2017年6月加入本集團，現任安全質量管理副總裁，先後畢業於華中農業大學及華中師範大學，分別獲得食品科技與工程學士、經濟學碩士學位。楊先生於1995年加入湖北省出入境檢驗檢疫局，任副科長、科長、辦公室副主任；2002年加入國家認證認可監督管理委員會註冊管理部，任調研員、處長、副巡視員；2013年加入中糧集團，任質量安全管理部總經理、副總監、審計與法律風控部副總監。

DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層

Mr. Zhang Yong, aged 41, joined the Group in September 2017, and is now serving as vice president of strategic management. Mr. Zhang graduated from Nanjing University and Duke University in the United States and obtained a Bachelor's Degree in Biology and a Master's Degree in Business Administration respectively. Mr. Zhang joined P&G company as assistant brand manager of marketing department in 1996; he joined Reckitt Benckiser (China) Co. Ltd. as marketing manager in 2000 while joining Boston Consulting Group as project manager in 2006; in 2010, he worked as the strategic executive director of Greater China region upon joining Starbucks Corporate Management Company Limited and he joined Booz & Company in 2010 as director in Greater China region; he joined McKinsey & Company as global vice managing partner in 2014; in 2015, he joined Sanpower Group as vice president.

Mr. Kwok Wai Cheong, Chris, aged 45, 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.

張邕先生，41歲，於2017年9月加入本集團，現任戰略管理副總裁，張先生先後畢業於南京大學及美國杜克大學，分別獲得生物學學士學位、工商管理碩士學位。張先生於1996年加入寶潔公司，任市場部助理品牌經理；2000年加入利潔時(中國)有限公司，任市場營銷經理；2006年加入波士頓諮詢公司，任項目經理；2010年加入星巴克企業管理有限公司，任大中華區戰略執行總監；2010年加入博斯諮詢公司，任大中華區總監；2014年加入麥肯錫公司，任全球副董事合夥人；2015年加入三胞集團，任副總裁。

郭偉昌先生，45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 2017, the Board comprised ten Directors, including two executive Directors, namely, Mr. Lu Minfang and Ms. Wu Wenting, four non-executive Directors, namely, Mr. Ma Jianping, Mr. Niu Gensheng, Mr. Tim Ørting Jørgensen and Mr. Pascal De Petrini and four independent non-executive Directors, namely, Mr. Jiao Shuge (alias Jiao Zhen), 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.

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 52 to 57 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.

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

於二零一七年十二月三十一日，董事會由十名董事組成，包括兩名執行董事（盧敏放先生及吳文婷女士）、四名非執行董事（馬建平先生、牛根生先生、Tim Ørting Jørgensen先生及Pascal De Petrini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。

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52頁至第57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。

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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.

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.

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。

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。

CORPORATE GOVERNANCE REPORT 企業管治報告

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.

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company has provided the Directors with reading materials with appropriate emphasis on the roles, functions and duties of the Directors. A summary of trainings received by the Directors during the year according to the records provided by the Directors is as follows:

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。

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。本公司向董事提供著重強調董事的角色、職能及責任的學習材料。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	執行董事	
Lu Minfang	盧敏放	A, B, C
Wu Wenting	吳文婷	A, C
Bai Ying (resigned on 31 August 2017)	白瑛(於二零一七年八月三十一日辭任)	C
Non-executive Directors	非執行董事	
Ma Jianping	馬建平	A, B, C
Niu Gensheng	牛根生	A, C
Tim Ørting Jørgensen	Tim Ørting Jørgensen	A, B, C
Pascal De Petrini (appointed on 20 December 2017)	Pascal De Petrini (於二零一七年十二月二十日獲委任)	A, C
Filip Kegels (resigned on 20 December 2017)	Filip Kegels (於二零一七年十二月二十日辭任)	A, C
Independent Non-executive Directors	獨立非執行董事	
Jiao Shuge (alias Jiao Zhen)	焦樹閣(又名焦震)	A, B, C
Julian Juul Wolhardt	Julian Juul Wolhardt	A, B, C
Zhang Xiaoya	張曉亞	A, C
Yau Ka Chi	邱家賜	A, 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 six meetings during the year ended 31 December 2017 and one further meeting since 1 January 2018 up to the date of this report. Details of the Directors' attendance at the Board and Board Committee meetings, the annual general meeting (the "AGM") and the extraordinary general meetings of the Company held in 2017 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。

董事會截至二零一七年十二月三十一日止年度舉行了六次會議，並於二零一八年一月一日至本報告日期期間舉行了一次會議。各董事出席於二零一七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」）及特別股東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	Extraordinary 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	特別股東大會
Executive Directors	執行董事							
Lu Minfang	盧敏放	6/6				2/2	1/1	2/2
Wu Wenting	吳文婷	5/6		3/3			0/1	1/2
Bai Ying (resigned on 31 August 2017)	白瑛(於二零一七年八月三十一日辭任)	2/4					0/1	1/2
Non-executive Directors	非執行董事							
Ma Jianping	馬建平	6/6			2/2	2/2	1/1	2/2
Niu Gensheng	牛根生	5/6				1/2	0/1	0/2
Tim Ørting Jørgensen	Tim Ørting Jørgensen	4/6			2/2	2/2	0/1	0/2
Pascal De Petrini (appointed on 20 December 2017)	Pascal De Petrini (於二零一七年十二月二十日獲委任)	0/0			0/0	0/0	0/0	0/0
Filip Kegels (resigned on 20 December 2017)	Filip Kegels (於二零一七年十二月二十日辭任)	2/6			1/2	1/2	0/1	0/2
Independent Non-executive Directors	獨立非執行董事							
Jiao Shuge (alias Jiao Zhen)	焦樹閣(又名焦震)	5/6		3/3			0/1	1/2
Julian Juul Wolhardt	Julian Juul Wolhardt	3/6	3/3	3/3	1/2		1/1	1/2
Zhang Xiaoya	張曉亞	6/6	3/3				0/1	1/2
Yau Ka Chi	邱家賜	6/6	3/3				1/1	2/2

* During the year, the Company held four quarterly meetings and two other meetings 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兩次其他會議，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。

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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.

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 2017, 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, an executive Director.

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.

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.

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。

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。截至二零一七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。

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。

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。

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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 2017, 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.

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.

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

於二零一七年十二月三十一日，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。

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。

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The Remuneration Committee held two meetings during the year ended 31 December 2017. 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 proposal of granting share options according to the Company's share option scheme, and made recommendations to the Board; and
- reviewed the proposal of granting shares according to the Company's share award scheme, and made recommendations to the Board.

薪酬委員會於截至二零一七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表現；
- 檢討及批准董事及高級管理層薪酬，包括委聘書的條款；
- 檢討薪酬政策並向董事會提出建議；
- 審議本公司按購股權計劃授出購股權的方案，並向董事會提出建議；及
- 審議本公司按股票獎勵計劃授出股票的方案，並向董事會提出建議。

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The remuneration of the members of the senior management by band for the year ended 31 December 2017 is set out below:

董事及高級管理層薪酬

截至二零一七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：

Remuneration bands (RMB) 薪酬組別 (人民幣元)	Number of persons 人數
0-1,000,000	2
1,000,001-2,000,000	4
2,000,001-3,000,000	1
3,000,001-4,000,000	1
5,000,001-6,000,000	1
12,000,001-13,000,000	1
13,000,001-14,000,000	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.

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。

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NOMINATION COMMITTEE

As at 31 December 2017, 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. Pascal De Petrini). 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. Less than half of the members of Nomination Committee are independent non-executive Directors during the year of 2017. The Directors are of the view that each of Mr. Tim Ørting Jørgensen, Mr. Filip Kegels (who has been a member of the Nomination Committee until 20 December 2017) and Mr. Pascal De Petrini (who has been a member of the Nomination Committee since 20 December 2017) 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 approved the adoption of the board diversity policy in August 2013. 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

於二零一七年十二月三十一日，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Pascal De Petrini先生）。馬建平先生擔任提名委員會主席。

企業管治守則守則條文第A.5.1條規定發行人必須設立由董事會主席或獨立非執行董事擔任主席的提名委員會，成員須以獨立非執行董事佔大多數。於二零一七年期間，提名委員會中的獨立非執行董事人數不足一半。董事認為，儘管Tim Ørting Jørgensen先生、Filip Kegels先生（彼直至二零一七年十二月二十日止為提名委員會成員）及Pascal De Petrini先生（彼自二零一七年十二月二十日起為提名委員會成員）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 2017 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 2017, 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 2017. 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;

提名委員會於截至二零一七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

於二零一七年十二月三十一日，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。

審核委員會於截至二零一七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.

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。

Other than the reporting responsibilities of the Company's auditors (please refer to the independent auditors' report set out on pages 101 to 108), 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 2017 and the consolidated financial performance and cash flows of the Group for the year then ended.

除本公司核數師肩負呈報責任(請參閱第101頁至第108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二零一七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。

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 a comprehensive risk management system in a scientific manner and to apply the concepts, philosophies, procedures, methods 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.

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體系，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 a scientific and effective system for segregation of duties 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 department and each of the function supervision departments while the third line 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 by ways of introducing external consultation bodies for providing guidance and training on risk management and advocating the culture of risk management, etc., has gradually enhanced the professional standard of the risk management staff.

The Group has established a comprehensive framework for risk management, with a fundamental standard of risk management basically formulated, adopting a rotational management method of risk identification, risk evaluation, risk responses, risk control and risk reporting to commence the work on 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 annual full-scale identification and evaluation by each of the business and function units on 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 focuses on the control over 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 the process of risk identification, risk evaluation, risk responses, risk control and risk reporting. Based on such an initiative, it has formulated appropriate risk response 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、各職能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。

本集團已建立了全面風險管理框架，基本建立了風險管理基礎規範，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開展風險管理工作，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，每年度組織各業務及職能單位全面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進行重點管控，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 2017, the Group adopted a management principle of different levels and ranks, with significant risks against different levels and ranks assigned to the responsible departments and personnel for the formulation of appropriate strategies and measures on risk responses. The risk management department of the Group and the risk management commissioner of each of the business units performed follow-up supervision on the process and results of the risk responses, with an aim to recognise any outstanding risks and enhance the first line of defense with a supplement to perfect the measures on risk responses in order to deal with the material adverse factors which affect the realisation of the corporate's strategic and operation 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 executive deputy chairman of the Risk Control Committee respectively while the committee members 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.

二零一七年，本集團採取分層分級的管理原則，針對不同層級的重要風險均落實到責任部門與責任人，制訂適當的風險應對策略和措施，集團風險管理部及各業務單元風險管理專員對風險應對過程和結果進行跟進監督，旨在發現剩餘風險，促進第一道防線補充完善風險應對措施，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 2017 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, and their 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二零一七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。

CORPORATE GOVERNANCE REPORT 企業管治報告

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 scientific and 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 2017, 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, a practical guide on internal audit and CSA (Control Self Assessment) standard has been formulated in 2017 to improve the internal control system, enhances the awareness of internal control of business units and their self-management capability.

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。

二零一七年，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蹤整改，促進了重要經營風險的有效應對和管理的改善。同時，2017年建立了內部審計實務指南、CSA (Control Self Assessment)標準，完善了內部控制體系，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。

CORPORATE GOVERNANCE REPORT 企業管治報告

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 requirements of the SFO and the Listing Rules. The Internal 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 inspection 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 channels and methods of reporting. The channels and methods 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 2017, 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。

截至二零一七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 2017 are as follows:

Services rendered	提供的服務	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 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 audit services	其他審計服務	2,400	1,950
Non-audit service	非審計服務		
Review on continuing connected transactions	審閱持續關連交易	50	45
Other professional services*	其他專業服務*	2,150	900
		9,400	7,695

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

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 RMB2,726,000 (2016: RMB3,190,000) paid/payable as auditors' remuneration during the year.

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。

截至二零一七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。

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2,726,000元(二零一六年：人民幣3,190,000元)。

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。

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STRATEGY AND DEVELOPMENT COMMITTEE

The Company has established a Strategy and Development Committee on 27 August 2009. As at 31 December 2017, 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. Pascal De Petrini. 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 2017, 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 2017, 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，於二零一七年十二月三十一日，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Pascal De Petrini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，其於截至二零一七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二零一七年十二月三十一日止年度一直嚴格遵守標準守則。

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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 32nd 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32樓），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。

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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 32nd Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong or by email to info@mengniuir.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 32nd 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32樓，或電郵至info@mengniuir.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32樓，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 2017. The business review of the Group for the year ended 31 December 2017 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 (such as UHT milk, milk beverages and yogurt), ice cream, milk formula and other products (such as plant protein beverage and 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 2017 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.

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 2017 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.

董事會提呈其報告，連同本公司及本集團截至二零一七年十二月三十一日止年度的經審核財務報表。本集團截至二零一七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(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(如植物蛋白飲品、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。本集團截至二零一七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。

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。截至二零一七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」。

REPORT OF THE DIRECTORS 董事會報告

RESULTS AND DISTRIBUTION

The results of the Group for the year ended 31 December 2017 are set out in the consolidated statement of profit or loss on page 109.

The Board has recommended the payment of a final dividend of RMB0.12 (2016: RMB0.089) per share, amounting to approximately RMB471,283,000 (2016: RMB349,327,000) in total, to Shareholders whose names appear on the register of members on Thursday, 10 May 2018.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group 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 114 to 115 and note 53 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 RMB11,575,796,000 as at 31 December 2017 (2016: RMB13,222,061,000).

DONATIONS

Charitable and other donations made by the Group during the year amounted to approximately RMB20,555,000 (2016: RMB13,209,000).

SHARE CAPITAL AND SHARE OPTIONS

During the year, the Company issued 2,333,946 ordinary shares (2016: 7,165,736 ordinary shares), fully paid, for a total consideration of RMB23.9 million (2016: RMB76.5 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.

業績及分派

本集團截至二零一七年十二月三十一日止年度的業績載於第109頁綜合損益表。

董事會建議向二零一八年五月十日(星期四)名列股東名冊的股東派付期末股息每股人民幣0.12元(二零一六年: 人民幣0.089元), 合共約人民幣471,283,000元(二零一六年: 人民幣349,327,000元)。

物業、廠房及設備

本集團本年度物業、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114頁至第115頁綜合權益變動表及財務報表附註53。本公司於二零一七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11,575,796,000元(二零一六年: 人民幣13,222,061,000元)。

捐款

本集團於年內捐獻約人民幣20,555,000元(二零一六年: 人民幣13,209,000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2,333,946股繳足普通股(二零一六年: 7,165,736股普通股), 總代價為人民幣23.9百萬元(二零一六年: 人民幣76.5百萬元)。

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。

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS

The Directors during the year ended 31 December 2017 were:

Executive Directors

Lu Minfang
Wu Wenting
Bai Ying (resigned on 31 August 2017)

Non-executive Directors

Ma Jianping
Niu Gensheng
Tim Ørting Jørgensen
Pascal De Petrini (appointed on 20 December 2017)

Filip Kegels (resigned on 20 December 2017)

Independent Non-executive Directors

Jiao Shuge (alias Jiao Zhen)
Julian Juul Wolhardt
Zhang Xiaoya
Yau Ka Chi

In accordance with Article 112 of the Company's articles of association, Mr. Ma Jianping, Mr. Niu Gensheng and Mr. Julian Juul Wolhardt will retire by rotation and Mr. Pascal De Petrini 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.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of the Directors and the senior management are set out on pages 52 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.

董事

於截至二零一七年十二月三十一日止年度內，董事如下：

執行董事

盧敏放
吳文婷
白瑛(於二零一七年八月三十一日辭任)

非執行董事

馬建平
牛根生
Tim Ørting Jørgensen
Pascal De Petrini
(於二零一七年十二月二十日獲委任)
Filip Kegels(於二零一七年十二月二十日辭任)

獨立非執行董事

焦樹閣(又名焦震)
Julian Juul Wolhardt
張曉亞
邱家賜

截至本報告日期，根據本公司組織章程細則第112條，馬建平先生、牛根生先生及Julian Juul Wolhardt先生將會輪值告退，而Pascal De Petrini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。

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52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。

REPORT OF THE DIRECTORS 董事會報告

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.

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

As at 31 December 2017, 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。

董事於股份、相關股份及債權證的權益、好倉及淡倉

於二零一七年十二月三十一日，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	Nature of Interest 權益性質	Total Number of Ordinary Shares 普通股總數	Percentage of the Company's Issued Share Capital ⁽²⁾ 佔本公司已發行 股本的百分比 ⁽²⁾
Lu Minfang 盧敏放	Personal Interest 個人權益	164,100 (L) ⁽¹⁾	0.004%
Wu Wenting 吳文婷	Personal Interest 個人權益	70,300 (L) ⁽¹⁾	0.002%

REPORT OF THE DIRECTORS 董事會報告

Notes:

- (1) It represents shares granted to Mr. Lu Minfang and Ms. Wu Wenting under the restricted share award scheme 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. 3,927,361,132 shares) as at 31 December 2017.
- (L) Indicates a long position.

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

Save as disclosed above and as set out in the section headed "Share Option Scheme" below, as at 31 December 2017, 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.

附註：

- (1) 該數目指根據本公司限制性股票獎勵計劃授予盧敏放先生及吳文婷女士的股票。
- (2) 按照股份數目佔本公司於二零一七年十二月三十一日已發行股份總數3,927,361,132股的百分比計算得出。
- (L) 表示好倉。

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，於二零一七年十二月三十一日，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 2017, 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

於二零一七年十二月三十一日，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⁾	31.43%
COFCO (Hong Kong) Limited	中糧集團(香港)有限公司	1,233,700,758 (L) ⁽²⁾	31.41%
China Foods (Holdings) Limited	中國食品(控股)有限公司	1,233,700,758 (L) ⁽³⁾	31.41%
Farwill Limited	志遠有限公司	1,233,700,758 (L) ⁽²⁾	31.41%
Colour Spring Limited	彩泉有限公司	1,233,700,758 (L) ⁽²⁾	31.41%
COFCO Dairy Holdings Limited	中糧乳業控股有限公司	1,233,700,758 (L) ⁽²⁾⁽⁴⁾	31.41%
COFCO Dairy Investments Limited	中糧乳業投資有限公司	1,233,700,758 (L) ⁽²⁾⁽⁵⁾	31.41%
Prominent Achiever Limited	互達有限公司	1,233,700,758 (L) ⁽²⁾⁽⁵⁾	31.41%
Arla Foods amba	Arla Foods amba	1,233,700,758 (L) ⁽²⁾	31.41%
Danone SA	Danone SA	1,233,700,758 (L) ⁽⁶⁾	31.41%
Danone Asia Pte Ltd	Danone Asia Pte Ltd	1,233,700,758 (L) ⁽²⁾	31.41%
Commonwealth Bank of Australia	Commonwealth Bank of Australia	234,896,000 (L)	5.98%
JP Morgan Chase & Co	JP Morgan Chase & Co	233,850,876 (L)	5.95%
		3,341,689 (S)	0.09%
		211,595,293 (P)	5.39%
FIL Limited	FIL Limited	203,164,000 (L)	5.17%

Notes:

- (1) COFCO Corporation is deemed interested in an aggregate of 1,234,500,758 shares in the Company, comprising (a) 1,233,700,758 shares in the Company through its wholly-owned subsidiary, COFCO (Hong Kong) Limited and (b) 800,000 shares in the Company through another of its wholly-owned subsidiary, COFCO (BVI) Limited. COFCO (BVI) Limited is deemed interested in 800,000 shares in the Company through its wholly-owned subsidiary, COFCO (BVI) No. 9 Limited.
- (2) COFCO (Hong Kong) Limited, Farwill Limited, Colour Spring Limited, COFCO Dairy Holdings Limited, COFCO Dairy Investments Limited, Prominent Achiever Limited, Arla Foods amba, Danone Asia Pte Ltd are deemed interested in an aggregate of 1,233,700,758 shares in the Company under section 317 of the SFO.

附註：

- (1) 中糧集團有限公司被視為於本公司合共1,234,500,758股股份中擁有權益，當中包括(a)透過其全資子公司中糧集團(香港)有限公司於本公司1,233,700,758股股份及(b)透過其另一全資子公司COFCO (BVI) Limited於本公司800,000股股份中擁有權益。COFCO (BVI) Limited被視為透過其全資子公司COFCO (BVI) No. 9 Limited於本公司800,000股股份中擁有權益。
- (2) 根據證券及期貨條例第317條，中糧集團(香港)有限公司、志遠有限公司、彩泉有限公司、中糧乳業控股有限公司、中糧乳業投資有限公司、互達有限公司、Arla Foods amba、Danone Asia Pte Ltd被視為於本公司合共1,233,700,758股股份中擁有權益。

REPORT OF THE DIRECTORS 董事會報告

- | | |
|--|---|
| (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 2017 was 3,927,361,132. | (7) 於二零一七年十二月三十一日，本公司已發行股份總數為3,927,361,132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 2017, 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，於二零一七年十二月三十一日，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 sale and purchase agreement in relation to the disposal of shares in China Modern Dairy Holdings Ltd.

On 5 August 2017, the Company and COFCO Dairy Investments Limited (the "Purchaser") entered into a sale and purchase agreement (the "Sale and Purchase Agreement") pursuant to which the Company agreed to sell and the Purchaser agreed to purchase 30,000,000 shares of China Modern Dairy Holdings Ltd. ("CMD") for a consideration of HK\$41.4 million, payable in cash (the "Disposal"). Please refer to the announcement of the Company dated 6 August 2017 for further details.

關連交易

有關出售中國現代牧業控股有限公司之股份之買賣協議

於二零一七年八月五日，本公司與中糧乳業投資有限公司(「買方」)訂立買賣協議(「買賣協議」)，據此，本公司同意出售而買方同意收購中國現代牧業控股有限公司(「現代牧業」)之30,000,000股股份，代價為41.4百萬港元，以現金支付(「出售事項」)。進一步詳情請參閱本公司日期為二零一七年八月六日之公告。

REPORT OF THE DIRECTORS 董事會報告

The Directors (including the independent non-executive Directors) are of the view that the Disposal will benefit the Company and its Shareholders as a whole as: (a) the Disposal would further optimise the shareholding structure of CMD and enhance the corporate governance of CMD; (b) the Disposal would also promote cooperation between CMD on the one hand, and COFCO, Danone and Arla Foods on the other, in areas including technology development and operational management, thereby further improving the technology standard and operational efficiency of CMD; and (c) in light of the above, the benefits of the Disposal in enhancing the shareholder value of CMD and the Group would outweigh the one-off unaudited loss incurred by the Group as a result of the Disposal.

The Disposal was completed on 29 August 2017 in accordance with the Sale and Purchase Agreement.

CMD is a company incorporated in the Cayman Islands with limited liability, and the shares of CMD have been listed on the Main Board of the Stock Exchange since 2010. The CMD group is the largest dairy farming company in terms of herd size as well as the largest raw milk producer in China. It is headquartered in China's eastern province of Anhui, and its primary business is raising dairy cows and selling raw milk to branded dairy companies for processing into consumer dairy products.

As at the date of the signing of the Sale and Purchase Agreement, the Purchaser holds approximately 31.42% of the issued share capital of the Company. Therefore, the Purchaser is a connected person of the Company under the Listing Rules. The Disposal and the issuance of the zero-coupon exchangeable bonds due 2022 in the principal amount of US\$194,800,000 by the Company are transactions which are aggregated for the purpose of Rule 14.22 of the Listing Rule. In addition it is the intention of the Company that CMD not be a subsidiary of the Company, accordingly, the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the Disposal is more than 25% but less than 75%, and therefore (i) the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules; and (ii) the Disposal also constitutes a connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

董事(包括獨立非執行董事)認為出售事項將令本公司及其股東整體受惠，原因為：(a)出售事項會進一步優化現代牧業之股權架構及加強現代牧業之企業管治；(b)出售事項亦會推動現代牧業作為一方與中糧集團、Danone及Arla Foods作為其他方之間在包括科技發展及營運管理等範疇的合作，從而進一步改善現代牧業之科技標準及營運效率；及(c)鑒於以上所述，出售事項所帶來提高現代牧業及本集團之股東價值之裨益將超過本集團因出售事項而產生之一次性未經審核虧損。

出售事項已於二零一七年八月二十九日根據買賣協議完成。

現代牧業為在開曼群島註冊成立的有限公司，而現代牧業股份自二零一零年起於聯交所主板上市。現代牧業集團為中國最大奶牛養殖公司(以畜群規模計)及最大原料奶生產商。現代牧業的總部位於華東安徽省，主要業務為飼養奶牛及銷售原料奶予知名乳業公司以加工成消費乳製品。

截至簽訂買賣協議日期，買方持有本公司約31.42%已發行股本。因此，根據上市規則，買方為本公司的關連人士。出售事項及本公司發行二零二二年到期、本金額為194,800,000美元之零息可交換債券為就上市規則第14.22條合併計算之交易。此外，按本公司之意向，由於現代牧業並非本公司附屬公司，因此根據上市規則就出售事項計算之最高適用百分比率高於25%但低於75%，且因此(i)出售事項構成本公司根據上市規則第14章之主要交易，且須遵守上市規則第14章有關申報、公告及股東批准的規定；及(ii)出售事項亦構成本公司之關連交易，且須遵守上市規則第14A章有關申報、公告及獨立股東批准的規定。

REPORT OF THE DIRECTORS 董事會報告

CONTINUING CONNECTED TRANSACTION

On 31 December 2014, the Company entered into a new master sale and purchase agreement (the “2014 Master Sale and Purchase Agreement”) with COFCO Corporation (“COFCO”) to renew the existing Master Sale and Purchase Agreement 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 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 2014 Master Sale and Purchase Agreement for each of the three years ended 31 December 2015, 2016 and 2017 was not expected to exceed RMB800,000,000, RMB800,000,000 and RMB1,000,000,000 respectively.

As COFCO, being a substantial shareholder of the Company, is a connected person of the Company, the transactions under the 2014 Master Sale and Purchase Agreement constituted continuing connected transactions of the Group.

For the year ended 31 December 2017, the total amount paid/payable by the Group to COFCO Corporation Group Companies for the purchase of white sugar, edible oil, other raw materials and related products (including packaging materials) was approximately RMB798,045,000.

CMD has purchased feedstuffs and other related materials from COFCO Corporation Group Companies (the “CMD Transactions”) during the year ended 31 December 2017. The transaction amount under the CMD Transactions for the year ended 31 December 2017 which constitute continuing connected transaction of the Company under Chapter 14A of the Listing Rules was not expected to exceed RMB200,000,000.

For the year ended 31 December 2017, the total amount paid/payable by CMD to COFCO Corporation Group Companies for the CMD Transactions which constitute continuing connected transaction of the Company under Chapter 14A of the Listing Rules was approximately RMB170,579,000.

持續關連交易

於二零一四年十二月三十一日，本公司與中糧集團有限公司(「中糧集團」)訂立新總購銷協議(「二零一四年總購銷協議」)以續新現有總購銷協議，據此，在本集團定期檢討及本集團有權選擇之前提下，本集團將繼續從中糧集團、其附屬公司及若干聯營公司(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)，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。二零一四年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分別人民幣800,000,000元、人民幣800,000,000元及人民幣1,000,000,000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，二零一四年總購銷協議項下的交易構成本集團的持續關連交易。

截至二零一七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798,045,000元。

截至二零一七年十二月三十一日止年度，現代牧業已向中糧集團公司採購飼料及其他有關物料(「現代牧業交易」)。截至二零一七年十二月三十一日止年度，現代牧業交易項下構成本公司在上市規則第14A章項下之持續關連交易之交易金額預期不超過人民幣200,000,000元。

截至二零一七年十二月三十一日止年度，現代牧業就現代牧業交易已付/應付中糧集團公司構成本公司在上市規則第14A章項下之持續關連交易之總金額為約人民幣170,579,000元。

REPORT OF THE DIRECTORS 董事會報告

In view of the anticipated expiration of the term of the 2014 Master Sale and Purchase Agreement on 31 December 2017, the Company has delivered an extension notice (the “Extension Notice”) to COFCO to exercise its right to extend the term of the 2014 Master Sale and Purchase Agreement for a further three years. The Company received a confirmation from COFCO on 27 December 2017 acknowledging receipt of the Extension Notice. Following the extension of the term of the 2014 Master Sale and Purchase Agreement, the Group will continue to purchase (subject to the Group’s regular review and at the Group’s option) white sugar, edible oil, other raw materials and related products (including packaging materials) from COFCO Corporation Group Companies for a term commencing from 1 January 2018 and ending on 31 December 2020. The annual transaction amount under the 2014 Master Sale and Purchase Agreement for each of the three years ending 31 December 2018, 2019 and 2020 is not expected to exceed RMB1,500,000,000.

As COFCO, being a substantial shareholder of the Company, is a connected person of the Company, the transactions under the 2014 Master Sale and Purchase Agreement (as extended by the Extension Notice) constituted continuing connected transactions of the Group.

As the applicable percentage ratios in respect of the transaction value under the 2014 Master Sale and Purchase Agreement (as extended by the Extension Notice) are on an annual basis more than 0.1% but less than 5%, the continuing connected transactions under the 2014 Master Sale and Purchase Agreement (as extended by the Extension Notice) are subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

鑒於預計二零一四年總購銷協議於二零一七年十二月三十一日屆滿，本公司已向中糧集團發出延長通知(「延長通知」)，以行使其權利延長二零一四年總購銷協議，協議期為三年。本公司於二零一七年十二月二十七日收到中糧集團確認收到延長通知。於延長二零一四年總購銷協議後，本集團將於由二零一八年一月一日起至二零二零年十二月三十一日止期間，繼續向中糧集團公司採購(在本集團定期檢討及本集團有權選擇之前提下)白砂糖、食用油、其他原料及相關產品(包括包裝材料)。截至二零一八年、二零一九年及二零二零年十二月三十一日止三個年度各年，二零一四年總購銷協議項下之年度交易額預期將不多於人民幣1,500,000,000元。

由於中糧集團(作為本公司之主要股東)為本公司之關連人士，故根據二零一四年總購銷協議(經延長通知延長)項下的交易構成本集團的持續關連交易。

由於二零一四年總購銷協議(經延長通知延長)項下交易價值之適用百分比率按年度基準高於0.1%但低於5%，故二零一四年總購銷協議(經延長通知延長)項下之持續關連交易須遵守上市規則第14A章有關申報、公告及年度審閱的規定，惟獲豁免遵守有關獨立股東批准的規定。

REPORT OF THE DIRECTORS 董事會報告

CMD has purchased feedstuffs and other related materials from COFCO Corporation Group Companies in the past and will continue to purchase feedstuffs and other related materials from COFCO Corporation Group Companies commencing from 1 January 2018. The annual transaction amount under the CMD Transactions for each of the three years ending 31 December 2018, 2019 and 2020 is not expected to exceed RMB500,000,000. The aggregated annual transaction amount (i) under the 2014 Master Sale and Purchase Agreement (as extended by the Extension Notice) and (ii) of the CMD Transactions for each of the three years ending 31 December 2018, 2019 and 2020 is not expected to exceed RMB2,000,000,000. The applicable percentage ratios in respect of the aggregated transaction value (i) under the 2014 Master Sale and Purchase Agreement (as extended by the Extension Notice) and (ii) of the CMD Transactions for each of the three years ending 31 December 2018, 2019 and 2020 are on an annual basis more than 0.1% but less than 5%.

For further details about the 2014 Master Sale and Purchase Agreement and the extension of its term, please refer to the announcements of the Company dated 31 December 2014 and 28 December 2017.

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 and the CMD 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.

現代牧業過往向中糧集團公司採購飼料及其他有關物料，且自二零一八年一月一日起將繼續向中糧集團公司採購飼料及其他有關物料。截至二零一八年、二零一九年及二零二零年十二月三十一日止三個年度，現代牧業交易項下之年度交易金額預期不超過人民幣500,000,000元。截至二零一八年、二零一九年及二零二零年十二月三十一日止三個年度，有關(i)二零一四年總購銷協議(經延長通知延長)項下及(ii)現代牧業交易之總年度交易金額預期不超過人民幣2,000,000,000元。截至二零一八年、二零一九年及二零二零年十二月三十一日止三個年度，有關(i)二零一四年總購銷協議(經延長通知延長)項下及(ii)現代牧業交易之交易總值之適用百分比比率按年度基準高於0.1%但低於5%。

有關二零一四年總購銷協議及延長其條款之進一步詳情，請參閱本公司日期為二零一四年十二月三十一日及二零一七年十二月二十八日之公告。

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及現代牧業交易進行報告。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

1) 2005 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

1) 二零零五年購股權計劃

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 2017 於二零一七年 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 2017 於 二零一七年 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*	963,548	-	(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	1,370,398	-	(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
	2,333,946	-	(2,333,946)	-	-	-			

Resignation with effect from 31 August 2017.

辭任自二零一七年八月三十一日起生效。

Notes:

附註：

- (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\$17.71.

- (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17.71港元。

REPORT OF THE DIRECTORS 董事會報告

2) 2016 Share Option Scheme

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

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

2) 二零一六年購股權計劃

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

下列購股權於年內根據二零一六年購股權計劃授出。

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 2017 於二零一七年 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 2017 於 二零一七年 一月一日	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed during the year 年內失效	Cancelled during the year 年內註銷				
Executive Director 執行董事									
Lu Minfang 盧敏放	-	865,000	-	-	-	865,000	13.7.2017 二零一七年 七月十三日	13.7.2018 to 12.7.2022 二零一八年七月十三日至 二零二二年七月十二日	14.812
Wu Wenting 吳文婷	-	238,300	-	-	-	238,300	13.7.2017 二零一七年 七月十三日	13.7.2018 to 12.7.2022 二零一八年七月十三日至 二零二二年七月十二日	14.812
Employees in Aggregate 僱員總計	-	9,826,705	-	(480,790)	-	9,345,915	13.7.2017 二零一七年 七月十三日	13.7.2018 to 12.7.2022 二零一八年七月十三日至 二零二二年七月十二日	14.812
	-	10,930,005	-	(480,790)	-	10,449,215			

Note:

- (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 five 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.

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五年當日為止。有關購股權計劃的進一步詳情載於財務報表附註41。

REPORT OF THE DIRECTORS 董事會報告

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 2017, 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. Details of the valuation are set out in note 41 to the financial statements.

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.

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

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

During the year ended 31 December 2017, the number of shares of the Company granted to selected participants was 6,998,575, of which 234,400 shares were granted to the Directors, details of which are as follows:

Name of Director 董事姓名	As at 1 January 2017 於二零一七年 一月一日	Granted during the year 年內授出	Vested during the year 年內歸屬	Forfeited during the year 年內失效	As at 31 December 2017 於二零一七年 十二月三十一日
Lu Minfang 盧敏放	–	164,100	–	–	164,100
Wu Wenting 吳文婷	–	70,300	–	–	70,300

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，截至二零一七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。估值詳情載於財務報表附註41。

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。

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。

截至二零一七年十二月三十一日止年度，已授予獲選參與者的本公司股票數目為6,998,575股，其中234,400股股份授予董事，詳情載列如下：

REPORT OF THE DIRECTORS 董事會報告

2) Key Management Retention Plan

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

During the year ended 31 December 2017, no share was granted under the Retention Plan.

Further details of the Share Award Scheme 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.

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

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities during the year ended 31 December 2017.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme as set out on pages 94 to 96 and the share award scheme as set out on pages 96 to 97, 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.

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。

截至二零一七年十二月三十一日止年度，概無根據留任方案授出任何股份。

股票獎勵計劃的進一步詳情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。

購買、出售或贖回本公司的上市證券

截至二零一七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94頁至第96頁所載的購股權計劃及第96頁至第97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。

REPORT OF THE DIRECTORS 董事會報告

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.

PLEDGE OF ASSETS

As at 31 December 2017, the Group has pledged certain investment deposits, pledged deposits, land use rights, property, plant and equipment and dairy cows aggregating to approximately RMB2,594,835,000 (2016: RMB1,641,618,000).

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

COMMITMENTS

Details of commitments are set out in note 47 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 2017 and for the previous four financial periods are set out on pages 295 to 296.

CORPORATE GOVERNANCE

The Company's corporate governance principles and practices are set out in the Corporate Governance Report on pages 64 to 82.

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, 27 March 2018

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%。

資產抵押

於二零一七年十二月三十一日，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2,594,835,000元（二零一六年：人民幣1,641,618,000元）。

有關詳情載於財務報表相關附註。

承諾

有關承諾的詳情載於財務報表附註47。

財務概要

本集團於二零一七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295頁至第296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82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，二零一八年三月二十七日

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. LU Minfang
 Ms. WU Wenting
 Mr. BAI Ying
 (resigned on 31 August 2017)

Non-executive Directors

Mr. MA Jianping (*Chairman*)
 Mr. NIU Gensheng
 Mr. Tim Ørting JØRGENSEN
 Mr. Pascal DE PETRINI
 (appointed on 20 December 2017)
 Mr. Filip KEGELS
 (resigned on 20 December 2017)

Independent Non-executive Directors

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

Senior Management

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

Stock Code

Hong Kong Stock Exchange 2319

INVESTOR RELATIONS CONTACT

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

董事會

執行董事

盧敏放先生
 吳文婷女士
 白瑛先生
 (於二零一七年八月三十一日辭任)

非執行董事

馬建平先生(*主席*)
 牛根生先生
 Tim Ørting JØRGENSEN先生
 Pascal DE PETRINI先生
 (於二零一七年十二月二十日獲委任)
 Filip KEGELS先生
 (於二零一七年十二月二十日辭任)

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

高級管理層

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

股份代號

香港聯合交易所 2319

投資者關係聯絡人

吳柳英女士
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 銅鑼灣
 告士打道262號
 中糧大廈32樓
 電郵地址: ir@mengniu.cn
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CORPORATE INFORMATION 公司資料

PLACE OF BUSINESS IN HONG KONG

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262 Gloucester Road, Causeway Bay
Hong Kong

REGISTERED OFFICE

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

PRINCIPAL SHARE REGISTRAR

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

HONG KONG BRANCH SHARE REGISTRAR

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

LEGAL ADVISORS

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

As to Cayman Islands Law
Maples and Calder Asia

PRINCIPAL BANKERS

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

AUDITORS

Ernst & Young

INVESTOR RELATIONS CONSULTANT

Strategic Financial Relations (China) Limited

香港營業地點

香港
銅鑼灣告士打道262號
中糧大廈32樓

註冊辦事處

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

主要股份過戶登記處

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

香港股份過戶登記分處

香港中央證券登記有限公司
香港
灣仔皇后大道東183號
合和中心46樓

法律顧問

香港法律
蘇利文•克倫威爾律師事務所(香港)
有限法律責任合夥

開曼群島法律

Maples and Calder Asia

主要往來銀行

中國農業銀行
法國巴黎銀行
星展銀行
中國工商銀行
荷蘭合作銀行
渣打銀行

核數師

安永會計師事務所

投資者關係顧問

縱橫財經公關顧問(中國)有限公司

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



Ernst & Young
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

安永會計師事務所
香港中環添美道1號
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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 109 to 294, which comprise the consolidated statement of financial position as at 31 December 2017, 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 2017, 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109頁至第294頁的綜合財務報表，包括於二零一七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二零一七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 (“HKSAAs”) 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，而吾等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。

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*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 amounting to RMB6,374,273,000 represented 11% of the Group's total assets as at 31 December 2017. The impairment tests performed by management regarding various groups of cash-generating units ("CGU groups") involved significant judgement for the determination of the value in use of the CGU groups. This is a key audit matter due to the magnitude, the complexity, and the management's 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.

二零一七年十二月三十一日，商譽及無限年期商標達人民幣6,374,273,000元，佔 貴集團總資產11%。管理層就不同現金產生單位組別（「現金產生單位組別」）進行釐定現金產生單位組別的使用價值的減值測試涉及重大判斷。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 2018 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 2018 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二零一八年預算及五年預測，以及評估釐定以二零一八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充足。

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

Impairment testing of an investment in a material associate

於重大聯營公司的投資的減值測試

The Group's investment in China Modern Dairy Holdings Ltd. ("China Modern Dairy"), a material associate of the Group, amounting to RMB6,217,336,000 represented 11% of the Group's total assets as at 31 December 2017. The impairment test of the investment in China Modern Dairy performed by management with the assistance from an external valuer involved significant judgement for the determination of the value in use of China Modern Dairy. This is a key audit matter due to the magnitude and the complexity of the estimates and the uncertainty on future market circumstances. The accounting policies and related disclosures are included in notes 2.4, 3 and 22 to the financial statements.

二零一七年十二月三十一日，貴集團於中國現代牧業控股有限公司（「中國現代牧業」）（貴集團的重大聯營公司）的投資達人民幣6,217,336,000元，佔貴集團總資產11%。外部估值師協助管理層對於中國現代牧業的投資進行減值測試，當中涉及釐定中國現代牧業的使用價值的重大判斷。由於其規模、估計的複雜程度及未來市場情況的不確定性，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22。

We assessed the objectivity, independence and competence of the external valuer who performed the value in use calculation. We assessed the 2018 budget and the five-year projection of China Modern Dairy prepared by management and a reconciliation of the inputs used to evaluate the value in use calculations in the 2018 budget and the five-year projection. Furthermore, we involved internal valuation specialist to assist us in evaluating the inputs used, including the weighted average costs of capital, the 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 22 to the financial statements.

吾等評估執行使用價值計算的外部估值師的客觀程度、獨立性及能力。吾等的審計程序包括評估管理層編製的中國現代牧業二零一八年預算及五年預測，以及評估以二零一八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所用數據，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22所載主要假設所作披露是否充足。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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，或似有重大錯誤陳述。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條例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。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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相關道德要求，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

27 March 2018

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

二零一八年三月二十七日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

Year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
REVENUE	收入	5	60,155,622	53,779,339
Cost of sales	銷售成本		(38,972,927)	(36,143,937)
GROSS PROFIT	毛利		21,182,695	17,635,402
Other income and gains	其他收入及收益	5	338,179	701,784
Selling and distribution expenses	銷售及經銷費用		(14,868,755)	(13,435,206)
Administrative expenses	行政費用		(2,497,212)	(2,471,365)
Other expenses	其他費用	6	(1,182,498)	(2,850,668)
Interest income	利息收入		584,011	477,844
Finance costs	融資成本	8	(399,872)	(293,700)
Share of losses of associates	應佔聯營公司虧損	22	(531,587)	(225,477)
PROFIT/(LOSS) BEFORE TAX	稅前利潤／(虧損)	7	2,624,961	(461,386)
Income tax expense	所得稅支出	11	(594,283)	(351,379)
PROFIT/(LOSS) FOR THE YEAR	本年利潤／(虧損)		2,030,678	(812,765)
Attributable to:	以下各方應佔：			
Owners of the Company	本公司擁有人		2,047,839	(751,155)
Non-controlling interests	非控股股東權益		(17,161)	(61,610)
			2,030,678	(812,765)
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)		0.526	(0.193)
Diluted	攤薄			
– For profit/(loss) for the year	– 本年利潤／(虧損)		0.526	(0.193)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

Year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
PROFIT/(LOSS) FOR THE YEAR	本年利潤/(虧損)		2,030,678	(812,765)
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		194,835	(128,597)
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	34(a)	30,617	-
Share of other comprehensive income of associates	分佔聯營公司其他全面收益		3,617	-
Net 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)淨額		229,069	(128,597)
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	25(a)/(b)	(270,160)	94,371
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		(270,160)	94,371
OTHER COMPREHENSIVE LOSS, NET OF TAX	其他全面虧損，扣除稅項		(41,091)	(34,226)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	年度全面收益/(虧損)總額		1,989,587	(846,991)
Attributable to:	以下各方應佔:			
Owners of the Company	本公司擁有人		2,023,028	(823,053)
Non-controlling interests	非控股股東權益		(33,441)	(23,938)
			1,989,587	(846,991)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2017 於二零一七年十二月三十一日

		Notes 附註	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 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	15	12,715,454	12,698,374
Construction in progress	在建工程	16	1,363,399	1,271,844
Investment properties	投資物業	17	59,333	67,486
Land use rights	土地使用權	18	1,055,968	983,794
Goodwill	商譽	19	4,532,899	4,527,518
Other intangible assets	其他無形資產	20	2,193,901	2,086,247
Investments in associates	於聯營公司的投資	22	7,194,010	4,132,099
Deferred tax assets	遞延稅項資產	23	665,364	529,123
Biological assets	生物資產	24	646,143	479,386
Derivative financial instruments	衍生金融工具	34	54,602	-
Other financial assets	其他金融資產	25	1,585,183	2,495,681
Long term prepayments	長期預付款	28	54,769	15,566
Total non-current assets	總非流動資產		32,121,025	29,287,118
CURRENT ASSETS				
	流動資產			
Other financial assets	其他金融資產	25	10,690,539	4,195,737
Derivative financial instruments	衍生金融工具	34	5,584	36,501
Inventories	存貨	26	3,510,268	3,314,282
Trade and bills receivables	應收賬款及票據	27	2,646,834	2,340,099
Prepayments, deposits and other receivables	預付款、按金及其他應收款項	28	2,541,423	2,704,611
Pledged deposits	保證金存款	29	466,265	960,863
Cash and bank balances	現金及銀行結存	29	5,958,877	6,070,078
Assets of a disposal group classified as held for sale	分類為持有待售的處置組內資產	12	197,916	215,138
Total current assets	總流動資產		26,017,706	19,837,309

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

As at 31 December 2017 於二零一七年十二月三十一日

		Notes	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
		附註		
CURRENT LIABILITIES	流動負債			
Trade and bills payables	應付賬款及票據	30	6,342,273	5,405,620
Other payables and accruals	其他應付款項及預提費用	31	7,324,223	6,510,886
Interest-bearing bank and other borrowings	計息銀行及其他借貸	32	7,935,027	3,045,417
Other loans	其他貸款	33	22,912	52,559
Derivative financial instruments	衍生金融工具	34	1,222	-
Deferred income	遞延收入	36	160,279	135,093
Income tax payable	應付所得稅		231,899	145,242
Other financial liabilities	其他金融負債	37	545,594	-
			22,563,429	15,294,817
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	2,864	7,852
Total current liabilities	總流動負債		22,566,293	15,302,669
NET CURRENT ASSETS	淨流動資產		3,451,413	4,534,640
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		35,572,438	33,821,758
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank and other borrowings	計息銀行及其他借貸	32	6,015,097	5,542,163
Long term payables	長期應付款項	35	10,894	36,914
Deferred income	遞延收入	36	739,459	533,385
Deferred tax liabilities	遞延稅項負債	23	70,028	62,190
Other financial liabilities	其他金融負債	37	1,629,837	2,143,378
Total non-current liabilities	總非流動負債		8,465,315	8,318,030
NET ASSETS	淨資產		27,107,123	25,503,728

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

As at 31 December 2017 於二零一七年十二月三十一日

		Notes 附註	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
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	357,572	357,374
Treasury shares held under share award scheme	股票獎勵計劃下持有的 庫存股份	42	(262,929)	(354,409)
Other reserves	其他儲備	39	12,716,143	12,940,822
Retained earnings	保留利潤		9,793,487	7,901,126
			22,604,273	20,844,913
Non-controlling interests	非控股股東權益		4,502,850	4,658,815
TOTAL EQUITY	總權益		27,107,123	25,503,728

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 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 premium	Contributed surplus	Statutory reserves	Foreign currency transition reserve	Financial assets revaluation reserve	Share option reserve/award reserve	Equity transaction reserve	Puttable non-controlling interest reserve	Retained earnings	Total equity
		股本	股份溢價	實收溢餘	法定儲備	貨幣換算儲備	金融資產重估儲備	購股權儲備/股份獎勵儲備	權益交易儲備	可沽售非控股股東權益儲備	保留利潤	總權益	
		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	
		Note 38	Note 42	Note 39(d)	Note 25(a)(i)	Note 25(a)(ii)	Note 25(a)(b)	Note 25(a)(c)	Note 25(a)(d)	Note 25(a)(e)	Note 25(a)(f)	Note 25(a)(g)	
		附註38	附註42	附註39(d)	附註25(a)(i)	附註25(a)(ii)	附註25(a)(b)	附註25(a)(c)	附註25(a)(d)	附註25(a)(e)	附註25(a)(f)	附註25(a)(g)	
At 1 January 2016	於二零一六年一月一日	357,262	(415,762)	11,144,136*	2,839,000*	(689,121)*	35,297*	112,332*	1,222,628*	(1,517,689)*	8,873,599	22,136,239	26,615,154
Loss for the year	本年虧損	-	-	-	-	-	-	-	-	-	(751,155)	(751,155)	(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	換算外幣財務報表差額	-	-	-	-	-	-	-	-	-	-	-	-
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綜合收益的股本投資，扣除稅項	-	-	-	-	(166,269)	-	-	-	-	-	(166,269)	(126,597)
Total comprehensive income/(loss) for the year	年度全面收益/(虧損)總額	-	-	-	-	(166,269)	94,371	-	-	-	(751,155)	(823,053)	(846,991)
Shares issued under equity-settled share option arrangements	根據以股份支付計劃發行的股票	41	635	-	-	-	-	-	-	-	-	-	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	-	-	75,829	-	-	-	-	-	-	-	-	-
Shares purchased for share award scheme	高階管理層計劃購股	-	-	10,194	-	-	-	(10,194)	-	-	-	-	-
Share award scheme	股票獎勵計劃	-	-	(16,916)	-	-	-	-	-	-	-	(16,916)	(16,916)
Shares vested under share award scheme	根據股票獎勵計劃歸屬股份	42	-	-	-	-	-	40,939	-	-	-	40,939	40,939
Shares repurchased and canceled	股份購回及註銷	-	-	(24,707)	-	-	-	(63,562)	-	-	-	-	-
Acquisition of non-controlling interests	收購非控股股東權益	38(b)	(623)	(57,619)	-	-	-	-	-	(188,439)	-	(651,142)	(53,142)
Acquisition of subsidiaries	收購子公司	-	-	-	-	-	-	-	-	-	-	(81,285)	(293,724)
Capital injection from non-controlling interests	非控股股東權益注資	-	-	-	-	-	-	-	-	-	-	41,620	41,620
Derecognition of puttable non-controlling interests	終止確認可沽售非控股股東權益	-	-	-	-	-	-	-	-	-	-	38,475	38,475
Dividends paid to owners of the Company	已向本公司擁有人派付股息	-	-	(552,697)	-	-	-	-	-	230,518	-	230,518	491,107
Dividends paid/payable to non-controlling interests	向非控股股東權益派付/應付股息	13	-	-	-	-	-	-	-	-	-	(532,697)	(532,697)
Transfer to statutory reserves	轉撥至法定儲備	-	-	-	221,318	-	-	-	-	-	-	-	(55,561)
At 31 December 2016	於二零一六年十二月三十一日	357,374	(354,409)	10,595,136*	3,030,378*	(855,390)*	129,668*	89,515*	1,034,189*	(1,287,351)*	7,901,126	20,844,913	25,503,728

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

Year ended 31 December 2017 截至二零一七年十二月三十一日止年度

	Attributable to owners of the Company 本公司擁有人權益											Total equity 總權益 RMB'000 人民幣千元		
	Treasury shares held under share award scheme 附註42 附註42	Share premium 股本溢價 RMB'000 人民幣千元	Share contributed surplus 實收溢利 RMB'000 人民幣千元	Statutory reserves 法定儲備 RMB'000 人民幣千元	Foreign currency translation reserve 外幣兌換儲備 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	Share option reserve/ share award reserve 附註38(d) 附註38(d)	Share option reserve/ share award reserve 附註38(d) 附註38(d)	Equity transaction reserve 權益交易儲備 RMB'000 人民幣千元	Puttable non-controlling interest reserve 可沽非 控股公司之 權益儲備 RMB'000 人民幣千元	Retained earnings 保留利潤 RMB'000 人民幣千元		Total 合計 RMB'000 人民幣千元	Non-controlling interests 非控股 股東權益 RMB'000 人民幣千元
At 1 January 2017 於二零一七年一月一日	357,374	(354,409)	10,565,136*	204,677*	3,030,378*	(855,330)*	129,668*	88,515*	-	1,034,189*	(1,237,351)*	20,644,913	4,658,815	25,503,728
Profit for the year 本年利潤	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income/(loss) for the year 本年其他全面收益/(虧損):	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences related to foreign operations 換算外幣業務的匯兌差額	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	211,115	-	-	-	-	-	-	-	194,635
Cash flow hedges, net of tax 現金流量對沖，扣除稅項	-	-	-	-	-	-	(270,160)	-	-	-	-	(270,160)	-	(270,160)
Share of other comprehensive income of associates 分佔聯營公司其他全面收益	-	-	-	-	-	-	-	30,617	-	-	-	30,617	-	30,617
Total comprehensive income/(loss) for the year 年度全面收益/(虧損)總額	-	-	-	-	-	211,115	(270,160)	30,617	-	-	-	2,047,839	(33,441)	1,969,587
Shares issued under equity-settled share option arrangements 按股份支付計劃發行的股份	198	-	-	-	-	-	-	-	-	-	-	23,881	-	23,881
Transfer of share option reserve upon exercise of share options 行使購股權時由儲備轉出	-	-	-	-	-	-	-	12,582	-	-	-	12,582	-	12,582
Share award scheme 股票獎勵計劃	-	-	-	-	-	-	-	(7,685)	-	-	-	-	-	-
Shares vested under share award scheme 根據股票獎勵計劃歸屬的股份	-	-	-	-	-	-	-	43,544	-	-	-	43,544	-	43,544
Share of other changes in equity of an associate 聯營公司之其他權益變動	-	-	-	-	-	-	-	(66,216)	-	-	-	-	-	-
Acquisition of non-controlling interests 收購非控股股東權益	-	-	-	-	-	-	-	-	-	-	-	(7,348)	-	(7,348)
Disposal of subsidiaries 出售子公司	-	-	-	-	-	-	-	-	-	-	-	(11,880)	-	(11,880)
Acquisition of subsidiaries 收購子公司	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal of equity interests in subsidiaries without loss of control (並未失去控制)的股本投資	-	-	-	-	-	-	-	-	-	-	-	-	-	-
De recognition of payable non-controlling interests 取消確認可沽非控股股東權益	-	-	-	-	-	-	-	-	-	-	-	1,299	53	1,822
Dividends paid to owners of the Company 已向本公司擁有人派付股息	-	-	-	-	-	-	-	-	-	-	-	19,070	(51,123)	(32,053)
Dividends payable to non-controlling interests 向非控股股東派付/應付股息	-	-	-	-	-	-	-	-	-	-	-	-	-	(344,816)
Transfer to statutory reserves 轉撥至法定儲備	-	-	-	-	-	-	-	-	-	-	-	-	-	(54,116)
At 31 December 2017 於二零一七年十二月三十一日	357,572	(262,829)	10,256,634*	204,677*	3,185,856*	(644,275)*	(140,492)*	71,530*	30,617*	1,023,608*	(1,268,281)*	22,604,273	4,502,850	27,107,123

* These reserve accounts comprise the consolidated other reserves of RMB12,716,143,000 (2016: RMB12,940,822,000) 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12,716,143,000元(二零一六年: 人民幣12,940,822,000元)。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2017 截至二零一七年十二月三十一日止年度

	Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 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):	2,624,961	(461,386)
Adjustments for:	就下列各項調整:		
Interest income	利息收入	(584,011)	(477,844)
Finance costs	融資成本	399,872	293,700
Depreciation of items of property, plant and equipment	物業、廠房及設備折舊	1,622,015	1,536,404
Depreciation of investment properties	投資物業折舊	2,447	2,457
Amortisation of land use rights	土地使用權攤銷	24,536	24,760
Amortisation of other intangible assets	其他無形資產攤銷	54,852	37,903
Loss on disposal of items of property, plant and equipment	處置物業、廠房及設備虧損	28,280	20,634
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撥備	86,972	63,530
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	(3,079)	(20,740)
Write-down of inventories to net realisable value	存貨撇減至可變現淨值	84,998	129,857
Provision for construction in progress	在建工程撥備	256	1,712
Provision for property, plant and equipment	物業、廠房及設備撥備	7,216	-
Impairment of goodwill	商譽減值	-	2,253,794
Amortisation of deferred income for assets other than biological assets	生物資產以外的資產的遞延收入攤銷	(85,354)	(32,667)
Share of losses of associates	應佔聯營公司虧損	531,587	225,477
Loss on deemed disposal of partial interests in associates	視同出售部分聯營公司權益之虧損	125,439	-
Loss on disposal of partial interests in an associate	出售部分聯營公司權益之虧損	18,204	-
Loss on disposal of a subsidiary	出售子公司虧損	11,698	-
Fair value gain arising from re-measuring the initial equity interest upon business combination	業務合併後重新計量最初持有股權產生的公允值收益	-	(9,489)
Fair value gain on zero coupon exchangeable bonds due 2022	二零二二年到期的零息可交換債券之公允值收益	(2,363)	-
Gains on bargain purchase	議價購入收益	-	(9,213)
Fair value change of biological assets	生物資產公允值變動	63,099	25,696
Foreign exchange losses/(gains), net	匯兌虧損/(收益)淨額	202,347	(134,235)
Net fair value loss/(gain) on forward currency contracts	遠期外幣合約公允值虧損/(收益)淨額	(1,483)	2,371
Net fair value gain on a convertible promissory note	可換股承兌票據之公允值收益淨額	(3,711)	-
Unrealised fair value loss/(gain) of commodity futures contracts	商品期貨合約未變現公允值虧損/(收益)	10,544	(4,850)
Equity-settled share option arrangements	以股份支付的購股權安排	12,582	-
Share award scheme	股票獎勵計劃	43,544	40,939
		5,275,448	3,479,683
Decrease/(increase) in other financial assets – entrusted loans to certain dairy farmers	其他金融資產減少/(增加) – 授予若干奶農的委託貸款	47,667	(1,207)
Decrease/(increase) in inventories	存貨減少/(增加)	(321,015)	1,014,334
Increase in trade and bills receivables	應收賬款及票據增加	(355,449)	(649,458)
Decrease/(increase) in pledged deposits and other financial assets	保證金存款及其他財務資產減少/(增加)	(266,502)	50,272
Decrease/(increase) in prepayments, deposits and other receivables	預付款、按金及其他應收款項減少/(增加)	41,721	(570,760)
Increase in trade and bills payables	應付賬款及票據增加	975,059	498,557
Increase in accruals and other payables	預提費用及其他應付款項增加	1,107,137	1,555,190

CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

Year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cash generated from operations	經營業務產生的現金		6,504,066	5,376,611
Interest paid	支付利息		(360,906)	(312,332)
Income taxes paid	支付所得稅		(637,721)	(551,335)
Net cash flows from operating activities	經營業務產生的淨現金流量		5,505,439	4,512,944
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		111,658	100,226
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		4,597	-
Proceeds from disposal of biological assets	處置生物資產所得款項	24	19,338	7,653
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		(616,747)	(1,004,187)
Purchase of construction in progress	購置在建工程		(1,417,340)	(1,976,081)
Purchase of land use rights	購置土地使用權	18	(105,894)	(46,285)
Purchase of other intangible assets	購置其他無形資產		(11,906)	(10,922)
Purchase of biological assets	購置生物資產		(249,194)	(230,775)
Increase in investments in associates	於聯營公司的投資增加		(4,222,805)	-
Dividends received from associates	收取聯營公司股息		5,973	18,555
Disposal of partial interests in an associate	出售部分聯營公司權益		35,082	-
Acquisition of subsidiaries	收購子公司		(26,963)	(1,156,675)
Receipt of purchase price adjustments in relation to acquisition of a subsidiary	有關收購子公司的收取購買價調整		-	72,437
Disposal of subsidiaries	出售子公司		20,683	-
Payment of contingent considerations	或然代價付款		-	(10,000)
Receipt of government grants for property, plant and equipment and biological assets	收取物業、廠房及設備及生物資產的政府補助金		225,451	291,862
Decrease/(increase) of long term time deposits	長期定期存款減少/(增加)		594,434	(25,143)
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		(114,892)	(1,657,141)
Disposal of unit trust investments	出售單位信託投資		-	170,000
Purchase of investment deposits	購置投資存款		(9,193,003)	(4,139,490)
Withdrawal of investment deposits	收回投資存款		4,139,490	5,049,039
Increase in other financial assets	其他金融資產增加		(1,065,400)	-
Purchase of a convertible promissory note	購置可換股承兌票據		(182,959)	-
Interest received	收取利息		600,204	442,158
Net cash flows used in investing activities	投資活動所用淨現金流量		(11,450,193)	(4,005,463)

CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

Year ended 31 December 2017 截至二零一七年十二月三十一日止年度

	Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 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	19,293,595	11,002,522
Repayment of interest-bearing bank loans	償還計息銀行貸款	(14,814,305)	(13,972,904)
Proceeds from issuance of zero coupon exchangeable bonds	發行零息可交換債券所得款項	1,317,061	-
Decrease/(increase) in pledged deposits for bank loans	銀行貸款的保證金存款減少/(增加)	561,995	(288,733)
Proceeds from other loans	其他貸款所得款項	-	8,644
Repayment of other loans	償還其他貸款	(18,323)	-
Repayment of long term payables	償還長期應付款項	(59,780)	(77,013)
Shares purchases for share award scheme	為股票獎勵計劃購股	-	(16,916)
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	23,881	76,464
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	(158,556)	(137,724)
Capital injection from non-controlling interests	非控股股東權益注資	-	38,475
Disposal of equity interests in subsidiaries without loss of control	出售子公司的股權(並未失去控制權)	1,852	-
Dividends paid to owners of the Company	已向本公司擁有人派付股息	(344,816)	(552,697)
Dividends paid to non-controlling interests	已向非控股股東權益派付股息	(54,336)	(58,471)
Net cash flows from/(used in) financing activities	融資活動產生/(所用)淨現金流量	5,748,268	(4,036,495)
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(196,486)	(3,529,014)
Cash and cash equivalents at beginning of year	年初現金及現金等價物	3,355,537	6,833,608
Effect of foreign exchange rate changes, net	匯率變動影響(淨額)	(30,687)	51,062
Cash and bank balances attributable to disposal groups	處置組應佔現金及銀行結存	1,080	(119)
Cash and cash equivalents at end of year	年終現金及現金等價物	3,129,444	3,355,537
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	5,958,877	6,070,078
Time deposits with original maturity more than three months	原到期日為三個月以上的定期存款	(2,829,433)	(2,714,541)
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	3,129,444	3,355,537

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 ("Golden Stage") (i)	British Virgin Islands 英屬處女群島	US\$1 1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) (植朴磨坊有限公司)(i)	Hong Kong 香港	HK\$1 1港元	-	100%	Investment holding 投資控股
Easy Reach Investment Co., Ltd. (i) (盈達實業投資有限公司)(i)	Hong Kong 香港	HK\$1,000,000 1,000,000港元	100%	-	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	
Tianjin New Value Supply Chain Co., Ltd. (i)(iv) (天津通瑞供應鏈有限公司)(i)(iv)	PRC 中國	RMB20,000,000 人民幣20,000,000元	-	100%	Sale of dairy products 出售乳製品
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	-	80%	Manufacture and sale of dairy products 生產及出售乳製品
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	-	80%	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%	58.64%	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	8.99%	91.01%	Manufacture and sale of dairy products 生產及出售乳製品
Inner Mongolia Mengniu Dairy Baotou Co., Ltd. (i)(iii) (內蒙古蒙牛乳業包頭有限責任公司)(i)(iii)	PRC 中國	RMB30,000,000 人民幣30,000,000元	26.40%	73.60%	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%	73.94%	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%	73.95%	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%	73.97%	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	
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	–	100%	Manufacture and sale of dairy products 生產及出售乳製品
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	–	100%	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%	74%	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%	74%	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	–	51%	Manufacture and sale of dairy products 生產及出售乳製品
Wei'xian Leyuan Farming Co., Ltd. (i)(ii) (樂源牧業威縣有限公司)(i)(ii)	PRC 中國	RMB100,000,000 人民幣100,000,000元	–	51%	Breeding dairy cows and production of milk 養殖乳牛及生產牛奶
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. (Yashili New Zealand) (新西蘭雅士利乳業國際控股有限公司) (「雅士利新西蘭」)	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

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	
Yashili International Baby Nourishment Co., Ltd. (i)(ii) (雅士利國際嬰幼兒營養品有限公司)(i)(ii)	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
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
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
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

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

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

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

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

(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) 該等子公司均根據中國法律註冊為有限責任公司。

(iii) 該等子公司均根據中國法律註冊為中外合資公司。

(iv) 該等子公司均為於中國註冊的全資外資企業。

During 2016, 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.

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.

於二零一六年，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。

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 under the historical cost convention except for share options, certain financial assets, derivative financial instruments and certain other borrowings 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 include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2017. 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、衍生金融工具及若干其他借貸以公允值計量。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餘額的較低者列賬，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」)截至二零一七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。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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 date 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編製，並採用一致的會計政策。子公司的業績由本集團取得控制權當日起直至該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。子公司的所有權益變動(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的相關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 revised IFRSs for the first time for the current year's financial statements.

Amendments to IAS 7	<i>Disclosure Initiative</i>
Amendments to IAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>
Amendments to IFRS 12 included in <i>Annual Improvements to IFRSs 2014-2016 Cycle</i>	<i>Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12</i>

The nature and the impact of the amendments are described below:

- (a) 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. Disclosure of the changes in liabilities arising from financing activities is provided in note 40(b) to the financial statements.

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經修訂國際財務報告準則。

國際會計準則 第7號的修訂	披露動議
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
國際財務報告準則 在二零一四年至 二零一六年週期 年度改進所載國際 財務報告準則 第12號的修訂	於其他實體的權益披露：對國際財務報告準則第12號中披露規定範圍的澄清

該等修訂的性質及影響如下文所述：

- (a) 國際會計準則第7號的修訂要求實體作出披露，以使財務報表使用者可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。有關融資活動所產生的負債變動於財務報表附註40(b)披露。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (b) Amendments to IAS 12 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 amendments have had no impact on the financial position or performance of the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.
- (c) Amendments to IFRS 12 clarify that the disclosure requirements in IFRS 12, other than those disclosure requirements in paragraphs B10 to B16 of IFRS 12, apply to an entity's interest in a subsidiary, a joint venture or an associate, or a portion of its interest in a joint venture or an associate that is classified as held for sale or included in a disposal group classified as held for sale. The Group has adopted the amendments retrospectively. The Group disclosed the required information about certain assets of Scient (China) Baby Nourishment Co., Ltd. ("Scient China"), a 51.01% indirectly owned subsidiary, that were classified as held for sale as at 31 December 2017. Further details are given in note 12.

2.2 會計政策變動及披露(續)

- (b) 國際會計準則第12號的修訂清楚說明實體於評估是否有應課稅溢利可用作抵扣可扣減暫時差額時，需要考慮稅務法例是否對於可扣減暫時差額撥回時可用作抵扣的應課稅溢利的來源有所限制。此外，該等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收回超過賬面值的部分資產的情況。由於本集團並無任何可扣減暫時差額或該等修訂範圍內的資產，故該等修訂對本集團的財務狀況或表現並無任何影響。
- (c) 國際財務報告準則第12號的修訂釐清國際財務報告準則第12號之披露規定(國際財務報告準則第12號第B10至B16段之披露規定除外)適用於實體於附屬公司、合營企業或聯營公司的權益，或其於分類為持有待售或列於分類為持有待售的處置組的合營企業或聯營公司的權益的一部分。本集團已追溯採納該等修訂。本集團已披露於二零一七年十二月三十一日分類為持有待售的施恩(中國)嬰幼兒營養品有限公司(「施恩中國」)(間接擁有51.01%權益的子公司)若干資產的所需資料。進一步詳情見附註12。

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> ¹
Amendments to IFRS 4	<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts</i> ¹
IFRS 9	<i>Financial Instruments</i> ¹
Amendments to IFRS 9	<i>Prepayment Features with Negative Compensation</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> ¹
Amendments to IFRS 15	<i>Clarifications to IFRS 15 Revenue from Contracts with Customers</i> ¹
IFRS 16	<i>Leases</i> ²
Amendments to IAS 40	<i>Transfers of Investment Property</i> ¹
IFRIC 22	<i>Foreign Currency Transactions and Advance Consideration</i> ¹
IFRIC 23	<i>Uncertainty over Income Tax Treatments</i> ²
Amendments to IAS 28	<i>Long-term Interests in Associates and Joint Ventures</i> ²
IFRS 17	<i>Insurance Contracts</i> ³
Amendments to IAS 19	<i>Plan Amendment, Curtailment or Settlement</i> ²
<i>Annual Improvements 2014-2016 Cycle</i>	Amendments to IFRS 1 and IAS 28 ¹
<i>Annual Improvements 2015-2017 Cycle</i>	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23 ²

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2019

³ Effective for annual periods beginning on or after 1 January 2021

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 ¹
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 ¹
國際財務報告準則第9號	金融工具 ¹
國際財務報告準則第9號的修訂	具有負補償的預付款特性 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	來自客戶合約的收益 ¹
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 ¹
國際財務報告準則第16號	租賃 ²
國際會計準則第40號的修訂	轉讓投資物業 ¹
國際財務報告詮釋委員會詮釋第22號	外幣交易及預付代價 ¹
國際財務報告詮釋委員會詮釋第23號	所得稅處理之不確定性 ²
國際會計準則第28號的修訂	於聯營公司及合營企業之長期權益 ²
國際財務報告準則第17號	保險合約 ³
國際會計準則第19號的修訂	計劃修訂、縮減或結算 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1號及國際會計準則第28號的修訂 ¹
二零一五年至二零一七年週期年度改進	國際財務報告準則第3號、國際財務報告準則第11號、國際會計準則第12號及國際會計準則第23號的修訂 ²

¹ 於二零一八年一月一日或之後開始的年度期間生效

² 於二零一九年一月一日或之後開始的年度期間生效

³ 於二零二一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 described below. The actual impacts upon adoption could be different to those below, depending on additional reasonable and supportable information being made available to the Group at the time of applying the standards.

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 an 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. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if they elect to adopt for all three amendments and other criteria are met. The Group will adopt the amendments from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

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。採納後的實際影響可能與下文所載者不同，取決於本集團應用該等準則時所得的額外合理及輔助資料。

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。採納該等修訂時，實體無須重列過往期間，惟選擇採用全部三項修訂並符合其他標準時，實體可採用追溯調整法。本集團將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。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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

In July 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. During 2017, the Group has performed a detailed assessment of the impact of the adoption of IFRS 9 (2014). The expected impact relates to the impairment requirement and is summarised as follows:

IFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under IFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group will apply the simplified approach and record lifetime expected losses that are estimated based on the present values of all cash shortfalls over the remaining life of all of its trade receivables. Furthermore, the Group will apply the general approach and record twelve-month expected credit losses that are estimated based on the possible default events on its other receivables within the next twelve months. The standard are not expected to have any significant impact on the Group’s financial statements.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

於二零一四年七月，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。於二零一七年，本集團已對採納國際財務報告準則第9號(二零一四年)的影響進行詳細評估。預期影響與減值規定有關並概述如下：

國際財務報告準則第9號規定以攤銷成本或公允值計入其他全面收益的債務工具、租賃應收款項、貸款承擔及根據國際財務報告準則第9號無須按公允值計入損益的財務擔保合約的減值，應基於十二個月或整個存續期基準按預期信貸虧損模式計入。本集團將運用簡化方法，並計入基於所有貿易應收款項於剩餘年期所有現金短缺的現值估計的整個存續期預期損失。此外，本集團將採用一般方法，並計入根據其他應收款項於未來十二個月內可能發生的違約事件估計的十二個月預期信貸虧損。該標準預期將不會對本集團的財務報表造成重大影響。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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 adoption now.

IFRS 15, issued in May 2014 and amended in April 2016, 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. Either a full retrospective application or a modified retrospective adoption is required on the initial application of the standard. 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 will adopt IFRS 15 from 1 January 2018. The Group plans to adopt the transitional provisions in IFRS 15 to recognize the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2018. In addition, the Group plans to apply the new requirements only to contracts that are not complete before 1 January 2018. The Group expects that the transitional adjustment to be made on 1 January 2018 upon initial adoption of IFRS 15 will not be material. During 2017, the Group has performed a detailed assessment on the impact of the adoption of IFRS 15.

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，而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。

於二零一四年五月頒佈並於二零一六年四月修訂的國際財務報告準則第15號建立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號提供更多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。在首次應用該準則時可選擇完全追溯調整法或經修訂的追溯調整法。於二零一六年四月，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。本集團將自二零一八年一月一日起採納國際財務報告準則第15號。本集團計劃採納國際財務報告準則第15號中將首次採納的累積影響作為調整於二零一八年一月一日的保留利潤期初結餘的過渡條款。此外，本集團計劃僅就於二零一八年一月一日前尚未完成的合同應用新規定。本集團預期由於首次採納國際財務報告準則第15號而將於二零一八年一月一日作出之前述過渡性調整不重大。於二零一七年，本集團已對採納國際財務報告準則第15號的影響進行詳細評估。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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

The Group's principal activity consists of the manufacture and sale of dairy products. The expected impacts arising from the adoption of IFRS 15 on the Group are summarised as follows:

(a) Variable consideration on the sale of dairy products

The Group provides a right of return and trade discounts for some of the sales contracts of dairy products with customers. Currently, the Group recognises revenue from the sale of goods measured at fair value of the consideration received or receivable, net of returns and allowances and trade discounts. If revenue cannot be reliably measured, revenue recognition is deferred until the uncertainty is resolved. Under IFRS 15, a transaction price is considered variable if a customer is provided with a right of return and trade discounts. The Group is required to estimate the amount of consideration to which it will be entitled in the sales of its dairy products and the estimated amount of variable consideration will be included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The amendments are not expected to have any significant impact on the Group's financial statements.

(b) Presentation and disclosure

The presentation and disclosure requirements in IFRS 15 are more detailed than those under the current IAS 18. The presentation requirements represent a significant change from current practice and will significantly increase the volume of disclosures required in the Group's financial statements. Many of the disclosure requirements in IFRS 15 are new and the Group has assessed that these requirements are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

本集團的主要業務包括製造及銷售乳製品。採納國際財務報告準則第15號對本集團產生的預期影響概述如下：

(a) 銷售乳製品的可變代價

本集團就部分與客戶簽訂之乳製品銷售合同提供退貨及交易折扣權利。目前，本集團確認以已收取或以應收代價的公允值計量的貨物銷售收入，扣除回報和津貼及交易折扣。倘收入無法可靠計量，收入確認將推遲至不確定性解決。根據國際財務報告準則第15號，倘客戶享有退貨權及交易折扣，則交易價格被視為可變。本集團須估計其在乳製品銷售中將享有的代價金額，而可變代價估計金額將僅在確認的累計收入金額很有可能因可變代價的相關不確定性隨後得以解決而不會發生重大逆轉的情況下，計入交易價格。該等修訂預期將不會對本集團的財務報表造成任何重大影響。

(b) 呈列及披露

國際財務報告準則第15號中的呈列及披露規定較現行國際會計準則第18號更為詳盡。呈列規定與現時慣例相比發生重大變化，並將大幅增加本集團財務報表所需的披露數量。國際財務報告準則第15號的多項披露規定為新訂，而本集團已作出評估，並預期該等規定將不會對本集團的財務報表造成任何重大影響。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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

IFRS 16, issued in January 2016, 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 elective 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, or relates to a class of property, plant and equipment to which the revaluation model is applied. 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. IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group expects to adopt IFRS 16 from 1 January 2019. The Group is currently assessing the impact of IFRS 16 upon adoption and is considering whether it will choose to take advantage of the practical expedients available and which transition approach and reliefs will be adopted. As disclosed in note 46(b) to the financial statements, at 31 December 2017, the Group had future minimum lease payments under non-cancellable operating leases in aggregate of approximately RMB572,206,000. Upon adoption of IFRS 16, certain amounts included therein may need to be recognised as new right-of-use assets and lease liabilities. Further analysis, however, will be needed to determine the amount of new rights of use assets and lease liabilities to be recognised, including, but not limited to, any amounts relating to leases of low-value assets and short-term leases, other practical expedients and reliefs chosen, and new leases entered into before the date of adoption.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

於二零一六年一月頒佈的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—獎勵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的資產及負債。該準則包括給予承租人兩項租賃確認豁免以供選擇：低價值資產租賃及短期租賃。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國際會計準則第40號中投資物業的定義，或與應用重估模式的物業、廠房及設備類別有關。租賃負債將於其後增加以反映租賃負債的利息並就租賃付款而減少。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開支。承租人亦將須於發生若干事件(即租期變動及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。承租人一般將確認重新計量的租賃負債金額，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。出租人將繼續使用與國際會計準則第17號相同的分類原則劃分所有租賃並區分經營租賃及融資租賃。國際財務報告準則第16號要求承租人與出租人根據國際會計準則第17號作出更廣泛的披露。承租人可選擇使用完全追溯調整法或經修訂的追溯調整法以應用該準則。本集團預期將自二零一九年一月一日起採納國際財務報告準則第16號。本集團目前正評估採納國際財務報告準則第16號後的影響，且正考慮會否將選擇利用現有可行權宜方式，以及將會採用的過渡方式及寬免。誠如財務報表附註46(b)所披露，於二零一七年十二月三十一日，本集團根據不可撤銷經營租賃應付的未來最低租賃付款總額約為人民幣572,206,000元。採用國際財務報告準則第16號後，當中所列部分金額或需確認為新使用權資產及租賃負債。然而，本集團將需作進一步分析，以釐定將予確認的新使用權資產及租賃負債金額，包括但不限於涉及低價值資產租賃及短期租賃的任何金額、所選擇的其他可行權宜方式及寬免以及採納該準則日期前訂立的新租賃。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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

Amendments to IAS 40, issued in December 2016, clarify when an entity should transfer property, including property under construction or development, into or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments should be applied prospectively to the changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at the date that it first applies the amendments and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application is only permitted if it is possible without the use of hindsight. The Group expects to adopt the amendments prospectively from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

IFRIC-Int 22, issued in December 2016, provides guidance on how to determine the date of the transaction when applying IAS 21 to the situation where an entity receives or pays advance consideration in a foreign currency and recognises a non-monetary asset or liability. The interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset (such as a prepayment) or non-monetary liability (such as deferred income) arising from the payment or receipt of the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity must determine the transaction date for each payment or receipt of the advance consideration. Entities may apply the interpretation on a full retrospective basis or on a prospective basis, either from the beginning of the reporting period in which the entity first applies the interpretation or the beginning of the prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation. The Group expects to adopt the interpretation prospectively from 1 January 2018. The interpretation are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

國際會計準則第40號的修訂於二零一六年十二月頒佈，以澄清實體應將物業(包括建設中或發展中物業)轉撥至或轉撥自投資物業的時間。該等修訂指明，物業用途發生變動需要其符合或不再符合投資物業的定義且有證據證明用途發生變動。單憑管理層對物業用途的意向產生變動不足以證明其用途有所變動。實體應就實體首次應用該等修訂的年度報告期初或其後發生的物業用途變動，以未來適用法應用該等修訂。實體應重新評估於其首次採用該等修訂當日所持有的物業分類，並(如適用)重新分類物業以反映當日的實際情況。無須採用事後確認者方可追溯應用。本集團預期自二零一八年一月一日起以未來適用法採納該等修訂。該等修訂預期將不會對本集團的財務報表造成重大影響。

國際財務報告詮釋委員會－詮釋第22號於二零一六年十二月頒佈，為應用國際會計準則第21號時在實體以外幣收取或支付預付代價及確認非貨幣性資產或負債的情況下如何釐定交易日期提供指引。該詮釋澄清，就釐定於初步確認有關資產、開支或收入(或其中部分)所用的匯率時，交易日期為實體初步確認因支付或收取預付代價而產生的非貨幣性資產(如預付款)或非貨幣性負債(如遞延收入)當日。倘確認有關項目時存在多筆預付款或預收款，實體須就每筆預付代價的付款或收款釐定交易日期。實體可按完全追溯法基準或未來適用法基準應用該詮釋，從實體首次應用該詮釋的報告期初起，或從實體首次應用該詮釋的報告期的財務報表中呈列為比較資料的上一報告期初起。本集團預期將於二零一八年一月一日起以未來適用法採納該詮釋。該詮釋預期將不會對本集團的財務報表造成重大影響。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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

IFRIC-Int 23, issued in June 2017, addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The interpretation are not expected to have any significant impact on the Group's financial statements.

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.

2.3 已頒佈但尚未生效的國際財務報告準則(續)

國際財務報告詮釋委員會－詮釋第23號於二零一七年六月頒佈，其於稅項(當期及遞延)處理涉及影響應用國際會計準則第12號的不確定性時(一般指「不確定稅務狀況」)，處理該情況下的所得稅會計。該詮釋並不適用於國際會計準則第12號範圍外的稅項或徵稅，尤其亦不包括有關不確定稅項處理的相關權益及處罰的規定。該詮釋具體處理以下事項：(i)實體是否考慮分開處理不確定稅項；(ii)實體對稅務機關的稅項處理審查所作的假設；(iii)實體如何釐定應課稅溢利或稅項虧損、稅基、未用稅項虧損、未用稅收抵免及稅率；及(iv)實體如何考慮事實及情況的變動。該詮釋將予追溯應用，不論是並未作出事後確認的完全追溯或按應用的累積影響追溯，以調整首次應用日期的期初權益而不重列比較資料。本集團預期將自二零一九年一月一日起採納該詮釋。該詮釋預期將不會對本集團的財務報表造成重大影響。

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。

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)

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

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 Operations*.

2.4 重大會計政策概要(續)**投資聯營公司及合營企業(續)**

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。

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。在所有其他情況下，失去聯營公司的重大影響力或失去合營企業的共同控制權後，本集團會按公允值計量及確認任何保留投資。失去重大影響力或共同控制權後，聯營公司或合營企業賬面值與保留投資的公允值及出售所得款項之間的差額於損益予以確認。

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。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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.

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.

2.4 重大會計政策概要(續)**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，計量被賦予的現時擁有人權利並將於清盤時有權按比例分佔實體資產淨值的被收購方非控股股東權益。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。

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，包括區分被收購方於主合約中的嵌入式衍生工具。

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，而因此產生的收益或虧損於綜合損益表予以確認。

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予重新計量，而其後結算將於權益內入賬。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Business combinations and goodwill** (continued)

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.

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.

2.4 重大會計政策概要(續)**業務合併及商譽(續)**

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資產淨值的公允值，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。

初步確認後，商譽按成本減任何累計減值損失計量。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。

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。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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)**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。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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，由對公允值計量整體具有重要意義的輸入資料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不可觀察的最低層次輸入資料的估值技術釐定 |

本集團於各報告期末重新評估財務報表中持續確認的資產及負債的分類(基於對公允值計量整體具有重要意義的輸入資料所屬的最低層次)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，並就個別資產釐定，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。僅若用以釐定商譽以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

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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實體的僱員；
 - (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其所屬集團的任何成員公司。

物業、廠房及設備及折舊

物業、廠房及設備(在建工程除外)乃按成本減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、廠房及設備項目的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，則超出的虧絀於綜合損益表扣除。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，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具有不同可使用年期，則有關項目的成本以合理基準分配至各部分，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)一次。

物業、廠房及設備項目(包括經初步確認的任何重要部件)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。於終止確認資產年度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，乃以成本減任何減值損失列賬。在建工程不計提折舊。成本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，在建工程將予重新分類歸入物業、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房屋權益。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餘額的較低者計量。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。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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，並於有跡象顯示該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期間及攤銷方法至少於各財政年度結算日審閱一次。

可使用年期無限的無形資產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。年期無限的無形資產須每年審閱其使用年期，以釐定無限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年至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年至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，及使用或出售該項資產的能力、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賃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，並按租期與資產的估計可使用年期中的較短者折舊。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。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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後按租賃期以直線法自綜合損益表扣除。

經營租賃項下的土地租賃預付款初步按成本列賬，其後按介乎30年至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房屋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房屋成本。

投資及其他金融資產**初步確認及計量**

本集團於成為工具合約條文的訂約方時，初步確認金融資產。

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。

金融資產於初步確認時分類為按攤銷成本計量的債務工具、以公允值計量且其變動計入損益的債務工具、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)。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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 a debt instrument 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。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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評估其程度。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轉讓資產。在此情況下，本集團亦將確認相應的負債。已轉讓資產及相關負債以反映本集團保留的權利與義務的基礎進行計量。

以經轉讓資產擔保的方式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，以及有顯著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。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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削減，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 and other borrowings, other loans, derivative financial instruments, long term 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.

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、計息銀行及其他借款、其他貸款、衍生金融工具、長期應付款項及其他金融負債。

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。該類別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，惟其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。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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，除非折現影響並不重大，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

僅倘目前有可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。

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)

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符合對沖有效性規定(包括其對對沖無效性來源的分析及其如何釐定對沖比率)。
- 對沖關係符合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主導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，對沖分類為：

- 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。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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 the 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表。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表的期間內, 於其他全面收益確認的金額則轉撥至綜合損益表。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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 the 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)，或當對沖不再符合對沖會計法基準時，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履行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。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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

若因過往事項而令現時存在法定或推定債務，而且可能需要有資源外流以償付這些債務，且惟須能對債務數額作出可靠估計，則確認撥備。

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。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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的數額計算，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將很可能不會撥回。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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.

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，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。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred income tax (continued)

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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)

所得稅(續)

遞延所得稅(續)

倘若(及只有在)本集團擁有法律上可強制執行的權利以抵銷即期稅項資產及即期稅項負債，且遞延稅項資產及遞延稅項負債與同一徵稅機關就同一應課稅實體或有意按淨額基準清償即期稅項負債及資產，或能在預期清償或收回大額遞延稅項負債或資產的每個未來期間內同時變現資產並清償負債的不同應課稅實體徵收之所得稅有關時，方能抵銷遞延稅項資產及遞延稅項負債。

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期內，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期內，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免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)。所授出免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期內，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

在利息產生時確認採用實際利率法計算的利息收入，所使用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。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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 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，在其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，於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的成本乃參考授出權利當日的公允值計算。公允值乃由外聘估值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成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期初及期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，除非同時存在其他服務及／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，則在該情況下，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，惟所有其他業績及／或服務條件必須獲達成。

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)**

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，倘符合報酬的原有條款，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. Proposed final dividends are disclosed in the notes to the financial statements.

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。擬派期末股息於財務報表附註中披露。

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實況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。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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(即已於其他全面收益或損益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 2017 in the foreseeable future, and accordingly no provision for withholding tax was made in 2017. 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，須作出影響收入、開支、資產及負債報告金額及其隨附披露事項，以及或然負債的披露的判斷、估計及假設。由於該等假設及估計具有不確定性，可能導致須於未來對受影響的資產或負債的賬面值作出重大調整。

判斷

在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派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將不大可能分派於二零零八年一月一日至二零一七年十二月三十一日所賺取的利潤，因此二零一七年並無計提額外預扣稅。倘該事件的最終結果有別於當初釐定的金額，差異將影響差異產生的期間所計提的遞延稅項。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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.

Non-consolidation of an entity in which the Group holds more than a 50% equity interest

The Group considers that it has no control over China Modern Dairy Holdings Ltd. (“China Modern Dairy”), even though it held a 60.77% equity interest as at 31 December 2017. This is because the Group owned less than 50% of the voting rights. Further details are contained in note 22 to the financial statements.

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) or the fair value of a trademark to which the goodwill and trademarks with indefinite useful lives are allocated. Estimating the value in use and fair value requires the Group to make an estimate of the expected future cash flows from the cash-generating unit (or group of cash-generating units) or a trademark 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。

未合併一間本集團持有超過50%股權的實體

儘管其於二零一七年十二月三十一日持有中國現代牧業控股有限公司(「中國現代牧業」)的60.77%股權，本集團認為其對該公司並無控制權。此乃由於本集團擁有少於50%的投票權。進一步詳情載於財務報表附註22。

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或商標的公允值。估計使用價值及公允值時，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或商標之日後現金流量，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。倘有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。管理層於釐定所收購資產、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作出估計。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。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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 products and trading business.

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

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

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

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

4. 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(其為對經調整稅前利潤／虧損的一種計量)予以評估。經調整稅前利潤／虧損與本集團的稅前利潤／虧損計量方式一致，惟利息收入、融資成本、應佔聯營公司虧損、所得稅支出及總部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 2017

4. 經營分部資料(續)

截至二零一七年十二月三十一日止年度

		Liquid milk products	Ice cream products	Milk powder products	Others	Total
		液態奶產品	冰淇淋產品	奶粉產品	其他	總計
		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
Segment revenue:	分部收入：					
Sales to external customers	銷售予外部客戶	53,014,983	2,513,086	4,042,063	585,490	60,155,622
Intersegment sales	分部間銷售	711,788	116,218	-	304,507	1,132,513
		53,726,771	2,629,304	4,042,063	889,997	61,288,135
<i>Reconciliation:</i>	<i>調整：</i>					
Elimination of intersegment sales	對銷分部間銷售					(1,132,513)
Revenue	收入					60,155,622
Segment results	分部業績	3,753,841	(210,645)	(262,572)	(93,885)	3,186,739
<i>Reconciliation:</i>	<i>調整：</i>					
Interest income	利息收入					584,011
Finance costs	融資成本					(399,872)
Share of losses of associates	應佔聯營公司虧損					(531,587)
Corporate and other unallocated expenses	公司及其他不分部支出					(214,330)
Profit before tax	稅前利潤					2,624,961
Income tax expense	所得稅支出					(594,283)
Profit for the year	本年利潤					2,030,678
Segment assets	分部資產	35,685,811	2,056,731	12,944,969	663,834	51,351,345
<i>Reconciliation:</i>	<i>調整：</i>					
Elimination of intersegment receivables	對銷分部間應收款項					(11,223,810)
Corporate and other unallocated assets	公司及其他不分部資產					17,813,280
Assets related to a disposal group	涉及處置組的資產					197,916
Total assets	總資產					58,138,731

NOTES TO FINANCIAL STATEMENTS 財務報表附註

4. OPERATING SEGMENT INFORMATION

(continued)

Year ended 31 December 2017

4. 經營分部資料(續)

截至二零一七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	17,946,490	2,206,829	3,206,490	1,031,113	24,390,922
<i>Reconciliation:</i>	<i>調整：</i>					
Elimination of intersegment payables	對銷分部間應付款項					(11,223,810)
Corporate and other unallocated liabilities	公司及其他不分部負債					17,861,632
Liabilities related to a disposal group	涉及處置組的負債					2,864
Total liabilities	總負債					31,031,608
Other segment information:	其他分部資料：					
Depreciation and amortisation	折舊及攤銷	1,206,571	141,799	236,196	38,474	1,623,040
Unallocated amounts	不分部款項					80,810
Total depreciation and amortisation	折舊及攤銷總額					1,703,850
Capital expenditure	資本開支	1,975,594	231,965	182,400	20,363	2,410,322
Unallocated amounts	不分部款項					4,240,527
Total capital expenditure*	資本開支總額*					6,650,849
Impairment losses recognised in the consolidated statement of profit or loss	於綜合損益表確認的減值虧損	68,616	4,299	104,719	1,808	179,442
Impairment losses reversed in the consolidated statement of profit or loss	於綜合損益表撥回的減值虧損	(1,364)	(888)	(807)	(20)	(3,079)
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	67,252	3,411	103,912	1,788	176,363
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					56,126
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					56,126

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	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	應佔聯營公司虧損					(225,477)
Corporate and other unallocated expenses	公司及其他不分部支出					(12,389)
Loss before tax	稅前虧損					(461,386)
Income tax expense	所得稅支出					(351,379)
Loss for the year	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 a disposal group	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 a disposal group	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不分部款項					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)

* 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 years ended 31 December 2017 and 2016.

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、生物資產以及子公司、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

截至二零一七年及二零一六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 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。

本集團的收入、其他收入及收益的分析如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Revenue:	收入：		
Sale of goods	商品銷售	60,155,622	53,779,339
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)	85,354	37,494
– Income and biological assets (note a)	– 與收入及生物資產有關 (附註a)	100,262	183,308
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
Promotion service income (note b)	宣傳服務收入(附註b)	17,000	134,090
Gross rental income	租金總收入	36,693	47,468
Foreign exchange gains, net	匯兌收益淨額	–	134,235
Net fair value gain on forward currency contracts (note 34(b))	遠期外幣合約公允值收益淨額(附註34(b))	1,483	–
Net fair value gain on exchangeable bonds (note 32(e))	可交換債券公允值收益淨額(附註32(e))	2,363	–
Net fair value gain on a convertible promissory note (note 25(c))	可換股承兌票據公允值收益淨額(附註25(c))	3,711	–
Others	其他	91,313	136,062
		338,179	701,784
		60,493,801	54,481,123

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) This represented promotion service income from Danone and Arla Foods Amba during the year.

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) 此處指本年內來自 Danone 及 Arla Foods Amba 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

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Donations	捐贈支出	20,555	13,209
Fair value change of biological assets (note 24)	生物資產公允值變動 (附註24)	63,099	25,696
Loss on disposal of items of property, plant and equipment	處置物業、廠房及 設備虧損	28,280	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)	256	1,712
Provision for property, plant and equipment (note 15)	物業、廠房及 設備撥備(附註15)	7,216	-
Write-down of inventories to net realisable value (note 26)	存貨撇減至可 變現淨值(附註26)	84,998	129,857
Provision for trade receivables and other receivables	應收賬款及其他應收 款項撥備	86,972	63,530
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	(3,079)	(20,740)
Educational surcharges, city construction tax and other taxes	教育費附加、城市維護 建設稅及其他稅項	439,472	235,761
Foreign exchange losses, net	匯兌虧損淨額	202,347	-
Net fair value loss on forward currency contracts (note 34(b))	遠期外幣合約公允值虧損 淨額(附註34(b))	-	2,371
Loss on disposal of a subsidiary	出售子公司虧損	11,698	-
Loss on disposal of partial interests in an associate (note 22)	出售一間聯營公司部分 權益虧損(附註22)	18,204	-
Loss on deemed disposal of partial interests in associates (note a)	視同出售聯營公司部分 權益虧損(附註a)	125,439	-
Others	其他	97,041	124,844
		1,182,498	2,850,668

NOTES TO FINANCIAL STATEMENTS 財務報表附註

6. OTHER EXPENSES (continued)

Note:

- (a) On 6 January 2017, due to the execution of the share award scheme of Inner Mongolia Fuyuan International Industrial Co., Ltd. ("Fuyuan"), the Group's shareholding in Fuyuan was diluted from 43.35% to 42.30%, resulting in a loss of RMB21,320,000 recognised in profit or loss.

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

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

6. 其他費用 (續)

附註：

- (a) 於二零一七年一月六日，由於內蒙古富源國際實業有限公司(「富源」)行使股票獎勵計劃，本集團於富源的股權由43.35%攤薄至42.30%，導致人民幣21,320,000元虧損於損益確認。

於二零一七年一月二十五日，本集團聯營公司中國現代牧業控股有限公司(「中國現代牧業」)，以中國現代牧業向賣家發行338,602,205股股份為代價收購一間子公司額外45%股權。該收購使本集團於中國現代牧業的股權由25.41%攤薄至23.88%，導致人民幣53,381,000元虧損於損益確認。

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

NOTES TO FINANCIAL STATEMENTS 財務報表附註

7. PROFIT/(LOSS) BEFORE TAX

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

7. 稅前利潤／(虧損)

本集團的稅前利潤／(虧損)乃經扣除／(計入)下列各項後計算所得：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cost of inventories sold	銷售存貨成本	38,950,047	36,157,504
Realised and unrealised fair value loss/(gains) of commodity futures contracts, net (note 34(c))	變現及未變現商品期貨合約公允值虧損／(收益)淨額(附註34(c))	22,880	(13,567)
Cost of sales	銷售成本	38,972,927	36,143,937
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, other allowances and performance related bonuses	– 工資、薪金、住房福利、其他津貼及與業績有關的獎金	4,662,362	4,051,872
– Retirement benefit contributions	– 退休福利供款	415,296	386,663
– Share option scheme expense (note 41)	– 購股權計劃開支(附註41)	12,582	–
– Share award scheme expense (note 42)	– 股票獎勵計劃開支(附註42)	43,544	40,939
		5,133,784	4,479,474
Depreciation of items of property, plant and equipment (note 15)	物業、廠房及設備折舊(附註15)	1,622,015	1,536,404
Depreciation of investment properties (note 17)	投資物業折舊(附註17)	2,447	2,457
Amortisation of land use rights (note 18)	土地使用權攤銷(附註18)	24,536	24,760
Amortisation of other intangible assets (note 20)	其他無形資產攤銷(附註20)	54,852	37,903
Research and development costs – current year expenditure	本年研究開發費用	133,379	108,141
Outsourcing expense (note a)	外包費用(附註a)	216,987	256,752
Minimum lease payments under operating leases	經營租賃最低租金	247,617	230,752
Display space leasing fees	陳列空間租賃費	1,486,753	949,638
Auditor's remuneration (note b)	核數師酬金(附註b)	9,400	7,695

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 the Stock Exchange of Hong Kong Limited, had an amount of RMB2,726,000 (2016: RMB3,190,000) paid/payable as auditors' remuneration during the year.

8. FINANCE COSTS

An analysis of finance costs 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，本公司於香港聯合交易所有限公司主板上市之子公司雅士利本年已付／應付核數師酬金人民幣2,726,000元(二零一六年：人民幣3,190,000元)。

8. 融資成本

融資成本的分析如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Interest on bank loans	銀行貸款利息	245,002	186,731
Interest on US\$500,000,000 3.50% bonds 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	126,146	125,914
Interest on long term payables	長期應付款項利息	3,994	6,744
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
Net fair value gain on interest rate forward contracts (note 34(b))	利率遠期合約的公允值收益淨額(附註34(b))	(907)	(26,238)
Bonds issuance cost and others	債券發行成本及其他	25,637	-
		399,872	293,700

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：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Fees	袍金	1,200	1,585
Other emoluments	其他酬金		
– Basic salaries, housing benefits, other allowances and benefits in kind (note (f))	– 基本薪金、住房福利、其他津貼及實物利益(附註(f))	12,193	8,846
– Performance related bonuses	– 與業績有關的獎金	6,498	1,149
– Retirement benefit contributions (note (f))	– 退休福利供款(附註(f))	369	280
		20,260	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)

		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	Performance related bonuses 與業績有關的獎金 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
2017	二零一七年						
Executive directors	執行董事						
- Mr. Jeffrey, Minfang Lu	- 盧敏放先生	(b)/(d)/(e)/(f)	30	7,032	5,211	92	12,365
- Mr. Bai Ying	- 白瑛先生	(a)/(e)	20	2,569	-	96	2,685
- Ms. Wu Wenting	- 吳文婷女士	(b)/(d)/(e)	30	1,917	1,287	114	3,348
Non-executive directors	非執行董事						
- Mr. Ma Jianping	- 馬建平先生	(b)	150	-	-	-	150
- Mr. Niu Gensheng	- 牛根生先生		150	675	-	67	892
- Mr. Tim Ørting Jørgensen	- Tim Ørting Jørgensen先生	(b)	150	-	-	-	150
- Mr. Filip Kegels	- Filip Kegels先生	(a)/(b)	146	-	-	-	146
- Mr. Pascal De Petrini	- Pascal De Petrini先生	(a)	4	-	-	-	4
Independent non-executive directors	獨立非執行董事						
- Mr. Jiao Shuge	- 焦樹閣先生	(c)	-	-	-	-	-
- Mr. Julian Juul Wolhardt	- Julian Juul Wolhardt先生	(c)	-	-	-	-	-
- Mr. Zhang Xiaoya	- 張曉亞先生		260	-	-	-	260
- Mr. Yau Ka Chi	- 邱家賜先生	(b)	260	-	-	-	260
			1,200	12,193	6,498	369	20,260

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	Performance related bonuses 與業績有關的獎金 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	(b)/(d)/(e)/(f)	9	1,242	827	18	2,096
- Ms. Sun Yiping	- 孫伊萍女士	(b)/(e)	21	2,380	-	75	2,476
- Mr. Bai Ying	- 白瑛先生	(e)	30	4,307	322	107	4,766
- Ms. Wu Wenting	- 吳文婷女士	(b)/(d)/(e)	9	557	-	18	584
Non-executive directors	非執行董事						
- Mr. Ning Gaoning	- 寧高寧先生	(b)	25	-	-	-	25
- Mr. Ma Jianping	- 馬建平先生	(b)	125	-	-	-	125
- Mr. Yu Xubo	- 于旭波先生	(b)	106	-	-	-	106
- Mr. Niu Gensheng	- 牛根生先生		150	360	-	62	572
- Ms. Liu Ding	- 柳丁女士	(b)	106	-	-	-	106
- Mr. Finn S. Hansen	- Finn S. Hansen先生	(b)	37	-	-	-	37
- Mr. Christine Neu	- Christine Neu先生	(b)	37	-	-	-	37
- Mr. Tim Ørting Jørgensen	- Tim Ørting Jørgensen先生	(b)	113	-	-	-	113
- Mr. Filip Kegels	- Filip Kegels先生	(b)	113	-	-	-	113
Independent non-executive directors	獨立非執行董事						
- Mr. Jiao Shuge	- 焦樹閣先生	(c)	-	-	-	-	-
- Mr. Julian Juul Wolhardt	- Julian Juul Wolhardt先生	(c)	-	-	-	-	-
- Mr. Zhang Xiaoya	- 張曉亞先生		260	-	-	-	260
- Mr. Wu Kwok Keung Andrew	- 胡國強先生	(b)	195	-	-	-	195
- Mr. Liao Jianwen	- 廖建文先生	(b)	184	-	-	-	184
- Mr. Yau Ka Chi	- 邱家賜先生	(b)	65	-	-	-	65
			1,585	8,846	1,149	280	11,860

NOTES TO FINANCIAL STATEMENTS 財務報表附註

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

Notes:

- a. Mr. Bai Ying resigned as a director on 31 August 2017. Mr. Filip Kegels resigned as a director on 20 December 2017. Mr. Pascal De Petrini was appointed as a director on 20 December 2017.
- b. 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.
- c. During 2017, the two directors agreed to waive their entitlements to directors' fees totalling RMB520,000 (2016: RMB520,000) 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.
- d. As of 31 December 2017, 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 the year, the share option benefits relating to the share options granted to Mr. Jeffrey, Minfang Lu and Ms. Wu Wenting were approximately RMB1,050,000 (2016: Nil) and RMB289,000 (2016: Nil).

9. 董事及主要行政人員薪酬(續)

附註：

- a. 白瑛先生於二零一七年八月三十一日辭任董事一職。Filip Kegels先生於二零一七年十二月二十日辭任董事一職。Pascal De Petrini先生於二零一七年十二月二十日獲委任為董事。
- b. 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。
- c. 二零一七年度，兩位董事同意放棄其董事袍金，金額合共人民幣520,000元(二零一六年：人民幣520,000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。
- d. 截至二零一七年十二月三十一日，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。年內，授予盧敏放先生及吳文婷女士的購股權涉及的購股權福利約為人民幣1,050,000元(二零一六年：零)及人民幣289,000元(二零一六年：零)。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

Notes: (continued)

- e. As of 31 December 2017, Mr. Jeffrey, Minfang Lu, Mr. Bai Ying and Ms. Wu Wenting 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, the share-based payments relating to the shares granted to Mr. Jeffrey, Minfang Lu and Ms. Wu Wenting were approximately RMB732,000 (2016: Nil) and RMB314,000 (2016:Nil). During the year, due to the unfulfilment of vesting conditions under share award scheme, there was a reversal of the share-based payment expenses relating to the shares granted to Mr. Bai Ying of RMB14,800,000 (2016: expense RMB4,480,000). During 2016, due to the unfulfilment of vesting conditions under the share award scheme, there was a reversal of the share-based payment expenses relating to the shares granted to Ms. Sun Yiping of RMB48,122,000.
- f. 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 2016.

10. FIVE HIGHEST PAID EMPLOYEES

One (2016: two) of the five highest paid employees were directors whose emoluments have been shown above. Details of emoluments paid to the remaining four (2016: three) non-director, highest paid employees, who are neither a director nor chief executive of the Company are as follows:

9. 董事及主要行政人員薪酬(續)

附註：(續)

- e. 截至二零一七年十二月三十一日，盧敏放先生、白瑛先生及吳文婷女士就其對本集團提供的服務獲本公司根據股票獎勵計劃授出股份，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，有關授予盧敏放先生及吳文婷女士的股份以股份為基礎的付款約為人民幣732,000元(二零一六年：零)及人民幣314,000元(二零一六年：零)。年內，由於股票獎勵計劃下的歸屬條件未能實現，有關授予白瑛先生的股份以股份為基礎的付款費用撥回人民幣14,800,000元(二零一六年：費用人民幣4,480,000元)。二零一六年度，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。
- f. 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二零一六年度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一位(二零一六年：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四位(二零一六年：三位)非董事、最高薪僱員(非本公司董事或總裁)的酬金如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 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	7,277	6,180
Performance related bonuses	與業績有關的獎金	30,378	4,759
Retirement scheme contributions	退休福利計劃供款	387	228
		38,042	11,167

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	
		2017 二零一七年	2016 二零一六年
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	–	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
HK\$5,000,001 to HK\$5,500,000	5,000,001港元至5,500,000港元	–	–
HK\$5,500,001 to HK\$6,000,000	5,500,001港元至6,000,000港元	–	–
HK\$6,000,001 to HK\$6,500,000	6,000,001港元至6,500,000港元	1	–
HK\$6,500,001 to HK\$7,000,000	6,500,001港元至7,000,000港元	–	–
HK\$7,000,001 to HK\$7,500,000	7,000,001港元至7,500,000港元	–	–
HK\$7,500,001 to HK\$8,000,000	7,500,001港元至8,000,000港元	–	–
HK\$8,000,001 to HK\$8,500,000	8,000,001港元至8,500,000港元	1	–
HK\$14,000,001 to HK\$14,500,000	14,000,001港元至14,500,000港元	1	–
HK\$14,500,001 to HK\$15,000,000	14,500,001港元至15,000,000港元	–	–
HK\$15,000,001 to HK\$15,500,000	15,000,001港元至15,500,000港元	–	–
HK\$15,500,001 to HK\$16,000,000	15,500,001港元至16,000,000港元	1	–
		4	3

During the year, share options were granted to four (2016: Nil) non-director, highest paid employee in respect of their services to the Group, further details of which are set out in note 41 to the financial statements. During the year, the share option benefits relating to the share options granted to the non-director, highest paid employees were approximately RMB1,182,000 (2016: Nil) in aggregate. The share option benefits relating to the share options granted to these non-director, highest paid employees are not included in the above analysis.

During the year, shares were granted to four (2016: 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 payment relating to the shares granted to non-director, highest paid employees were approximately RMB3,192,000 (2016: RMB3,720,000) 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，四名(二零一六年：零)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)。年內，有關向該等最高薪非董事僱員授出購股權的購股權福利合共約為人民幣1,182,000元(二零一六年：零)。上述分析並無包括有關向該等最高薪非董事僱員授出購股權的購股權福利。

年內，四名(二零一六年：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付款合共約人民幣3,192,000元(二零一六年：人民幣3,720,000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付款。

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% (2016: 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%(二零一六年：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。

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 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	713,385	515,010
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	10,993	28,200
Deferred income tax (note 23)	遞延所得稅(附註23)	(130,095)	(191,831)
		594,283	351,379

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：

		Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Profit/(loss) before tax	稅前利潤／(虧損)		2,624,961	(461,386)
At CIT rate of 25% (2016: 25%)	按25% (二零一六年：25%) 企業所得稅稅率計算		656,240	(115,347)
Non-deductible items and others, net	不可抵扣的項目及 其他(淨額)	(a)	5,774	553,309
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		10,993	28,200
Effect of lower tax rates	低稅率的影響	(b)	(271,164)	(132,385)
Effect of tax exemptions	稅務豁免的影響	(b)	(181,050)	(191,709)
Losses attributable to associates	聯營公司貢獻虧損		132,897	56,369
Tax losses utilised from previous periods	使用以往期間稅務虧損		(22,612)	(83,056)
Tax losses not recognised	未確認稅務虧損		263,205	235,998
At the effective income tax rate of 22.64% (2016: (76.16%))	按22.64% (二零一六年：(76.16%)) 實際所得稅稅率計算		594,283	351,379

NOTES TO FINANCIAL STATEMENTS 財務報表附註

11. INCOME TAX EXPENSE (continued)

Notes:

- (a) Included in the non-deductible items was an item relating to the impairment provision of goodwill related to the milk powder products CGU Group amounting to RMB563,449,000 in 2016.
- (b) Thirteen (2016: Thirteen) 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 (2016: twenty-eight) 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 RMB2,957,934,000 (2016: RMB1,635,273,000) in aggregate.
- (c) The share of tax attributable to associates amounting to approximately RMB12,475,000 (2016: RMB7,491,000) is included in the share of losses of associates on the face of the consolidated statement of profit or loss.

12. A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

As at 31 December 2015, Yashili planned to dispose, in the next 12 months, of Scient China, which no longer operated as at 31 December 2015. Scient China was principally engaged in the production and sale of paediatric milk formula products. 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 process. As such, the net assets of Scient China were classified as a disposal group held for sale as at 31 December 2016.

On 22 December 2017, Yashili entered into an agreement to disposal a piece of land, together with the property, plant and equipment on the land, with the local government authority. The disposal had not been completed until January 2018. As such, as at 31 December 2017, the related assets were still classified as a disposal group classified as held for sale while the other assets and liabilities of Scient China were ceased to be classified as a disposal group held for sale as at 31 December 2017.

11. 所得稅支出(續)

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。
- (b) 十三間(二零一六年：十三間)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(二零一六年：二十八間)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2,957,934,000元(二零一六年：人民幣1,635,273,000元)。
- (c) 聯營公司應佔稅項約人民幣12,475,000元(二零一六年：人民幣7,491,000元)，已計入綜合損益表的應佔聯營公司虧損內。

12. 分類為持有待售的處置組

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。施恩中國主要從事製造及銷售嬰幼兒配方奶粉。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。故此，施恩中國的淨資產於二零一六年十二月三十一日分類為持有待售的處置組。

於二零一七年十二月二十二日，雅士利與當地政府當局訂立協議，出售一幅土地(連同該土地上的物業、廠房及設備)。出售最終於二零一八年一月完成。因此，於二零一七年十二月三十一日，相關資產仍分類為持有待售的處置組而於二零一七年十二月三十一日，施恩中國的其他資產及負債不再分類為持有待售的處置組。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

12. A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (continued)

The major classes of assets and liabilities of a disposal group 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：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Assets	資產		
Property, plant and equipment	物業、廠房及設備	166,837	134,453
Investment properties	投資物業	-	44,774
Land use rights	土地使用權	31,079	31,079
Other intangible assets	其他無形資產	-	645
Trade and bills receivables	應收賬款及票據	-	39
Prepayments, deposits and other receivables	預付款、按金及其他應收款項	-	10,589
Cash and bank balances	現金及銀行結存	-	1,080
		197,916	222,659
Less: Intra-group receivables	減：集團內公司間應收款項	-	(7,521)
Assets classified as held for sale	分類為持有待售的資產	197,916	215,138
Liabilities	負債		
Trade and bills payables	應付賬款及票據	-	201
Other payables and accruals	其他應付款項及預提費用	-	6,440
Deferred tax liabilities	遞延稅項負債	2,864	2,864
		2,864	9,505
Less: Intra-group payables	減：集團內公司間應付款項	-	(1,653)
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	2,864	7,852
Net assets directly associated with a disposal group	與處置組直接相關的淨資產	195,052	207,286

NOTES TO FINANCIAL STATEMENTS 財務報表附註

13. DIVIDENDS

13. 股息

		Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<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		344,816	552,697
<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 – RMB0.12 (2016: RMB0.089) per ordinary share	普通股股息： 擬派末期股息－每股 普通股人民幣0.12元 (二零一六年： 人民幣0.089元)	(a)/(b)	471,283	349,327

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 for the year ended 31 December 2017 but will be reflected as an appropriation of share premium account for the year ending 31 December 2018.

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) 該股息並未於截至二零一七年十二月三十一日止年度的綜合財務報表確認為負債，但將反映為截至二零一八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：

		2017 二零一七年 Number of shares 股份數目 '000 千股	2016 二零一六年 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	3,925,027	3,923,977
Effect of shares repurchase and cancellation	股份購回及註銷的影響	-	(5,052)
Effect of share options exercised	已行使購股權的影響	1,033	2,550
Effect of shares purchased under share award scheme	根據股票獎勵計劃回購股份的影響	(30,994)	(35,300)
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	3,895,066	3,886,175

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.

For the year ended 31 December 2017, 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。

截至二零一七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：

		2017 二零一七年 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	3,895,066
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	297
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	3,895,363

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.

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。

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 2017	於二零一七年一月一日						
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
At 1 January 2017, net of accumulated depreciation and impairment	於二零一七年 一月一日， 扣減累計折舊及減值	54,513	4,866,683	7,168,549	565,683	42,946	12,698,374
Additions	添置	-	208,383	199,672	189,101	7,118	604,274
Transfers from construction in progress (note 16)	轉撥自在建工程 (附註16)	-	275,456	963,566	41,480	5,337	1,285,839
Transfers to construction in progress (note 16)	轉撥至在建工程 (附註16)	-	(25,671)	(51,786)	-	-	(77,457)
Transfers from investment properties (note 17)	轉撥自投資物業 (附註17)	-	50,480	-	-	-	50,480
Acquisition of subsidiaries	收購子公司	-	-	-	366	416	782
Impairment (note 6)	減值(附註6)	-	(3,077)	(3,956)	(29)	(154)	(7,216)
Disposals	出售	-	(60,652)	(48,751)	(1,356)	(2,110)	(112,869)
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	-	1,097	6,981	3,221	1,091	12,390
Transfers to assets of a disposal group classified as held for sale	轉撥至分類為持有待售的 處置組資產	-	(44,774)	-	-	-	(44,774)
Depreciation provided during the year (note 7)	年內折舊撥備 (附註7)	-	(335,790)	(1,083,596)	(186,121)	(16,508)	(1,622,015)
Disposal of a subsidiary	出售子公司	-	(16,393)	(8,028)	(841)	(27)	(25,289)
Exchange realignment	匯兌調整	(2,227)	(15,079)	(29,704)	(44)	(11)	(47,065)
At 31 December 2017, net of accumulated depreciation and impairment	於二零一七年 十二月三十一日， 扣減累計折舊及減值	52,286	4,900,663	7,112,947	611,460	38,098	12,715,454
At 31 December 2017	於二零一七年 十二月三十一日						
Cost	成本	52,286	6,962,988	15,465,453	1,173,131	152,884	23,806,742
Accumulated depreciation and impairment	累計折舊及減值	-	(2,062,325)	(8,352,506)	(561,671)	(114,786)	(11,091,288)
Net carrying amount	賬面淨值	52,286	4,900,663	7,112,947	611,460	38,098	12,715,454

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 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	-	197,781	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)

- (a) Certain property, plant and equipment of the Group with net book values of approximately RMB97,654,000 (2016: RMB184,937,000), RMB45,128,000 (2016: RMB117,245,000) and RMB215,736,000 (2016: RMB211,681,000) as at 31 December 2017 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 RMB29,018,000 (2016: RMB7,564,000) to independent third parties under operating lease arrangements, with lease terms ranging from five to eight years (note 46(a)).

16. CONSTRUCTION IN PROGRESS

Movements of construction in progress are as follows:

15. 物業、廠房及設備(續)

- (a) 本集團若干於二零一七年十二月三十一日賬面淨值約人民幣97,654,000元(二零一六年:人民幣184,937,000元)、人民幣45,128,000元(二零一六年:人民幣117,245,000元)及人民幣215,736,000元(二零一六年:人民幣211,681,000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29,018,000元(二零一六年:人民幣7,564,000元),租賃為期五年至八年(附註46(a))。

16. 在建工程

本集團的在建工程變動如下:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Carrying amount at beginning of year	年初賬面值	1,271,844	900,939
Acquisition of subsidiaries	收購子公司	-	130,627
Additions during the year	年內添置	1,455,679	1,976,081
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	-	41
Transfers from property, plant and equipment (note 15)	轉撥自物業、廠房及設備(附註15)	77,457	74,485
Transfers to property, plant and equipment (note 15)	轉撥至物業、廠房及設備(附註15)	(1,285,839)	(1,803,934)
Transfers to other intangible assets (note 20)	轉撥至其他無形資產(附註20)	(155,310)	(5,010)
Impairment (note 6)	減值(附註6)	(256)	(1,712)
Disposal of a subsidiary	出售子公司	(41)	-
Exchange realignment	匯兌調整	(135)	327
Carrying amount at end of year	年終賬面值	1,363,399	1,271,844

NOTES TO FINANCIAL STATEMENTS 財務報表附註

17. INVESTMENT PROPERTIES

17. 投資物業

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 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	67,486	20,078
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)	(50,480)	-
Disposals	出售	-	(1,306)
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	44,774	-
Depreciation provided during the year (note 7)	年內折舊撥備 (附註7)	(2,447)	(2,457)
At 31 December, net of accumulated depreciation	於十二月三十一日， 扣減累計折舊	59,333	67,486
At 31 December	於十二月三十一日		
Cost	成本	73,295	75,032
Accumulated depreciation	累計折舊	(13,962)	(7,546)
Net carrying amount	賬面淨值	59,333	67,486

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 RMB124,721,000 as at 31 December 2017 (2016: RMB94,566,000).

投資物業公允值於二零一七年十二月三十一日估計約為人民幣124,721,000元(二零一六年：人民幣94,566,000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 2017 using 於二零一七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	-	-	124,721	124,721

		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

During the year, there were no transfers into or out of Level 3 (2016: Nil).

年內，概無轉入第三級或自第三級轉出(二零一六年：無)。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

18. LAND USE RIGHTS

18. 土地使用權

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Carrying amount at beginning of year	年初賬面值	1,005,310	908,368
Additions during the year	年內添置	105,894	46,285
Acquisition of subsidiaries	收購子公司	-	76,555
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	-	2,578
Disposal	出售	(4,597)	(3,716)
Disposal of a subsidiary	出售子公司	(2,496)	-
Amortisation provided during the year (note 7)	年內計提攤銷(附註7)	(24,536)	(24,760)
Carrying amount at end of year	年終賬面值	1,079,575	1,005,310
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)	23,607	21,516
Non-current portion	非即期部分	1,055,968	983,794
		1,079,575	1,005,310

Certain land use rights of the Group with net book values of approximately RMB12,489,000 (2016: RMB21,867,000) and RMB91,194,000 (2016: RMB93,215,000) 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12,489,000元(二零一六年：人民幣21,867,000元)及人民幣91,194,000元(二零一六年：人民幣93,215,000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。

19. GOODWILL

19. 商譽

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日的賬面值	4,527,518	5,850,599
Acquisition of subsidiaries	收購子公司	5,381	930,713
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	4,532,899	4,527,518
At 31 December	於十二月三十一日		
Cost	成本	6,786,693	6,781,312
Accumulated impairment	累計減值	(2,253,794)	(2,253,794)
Carrying amount at 31 December	於十二月三十一日的賬面值	4,532,899	4,527,518

NOTES TO FINANCIAL STATEMENTS 財務報表附註

19. GOODWILL (continued)

During 2017, the Group acquired three 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 RMB8,363,000 paid at the acquisition date. These business acquisitions gave rise to goodwill of RMB5,381,000 in total.

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 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 the acquisition date. These business acquisitions gave rise to goodwill of RMB38,573,000 in total.

As at 31 December 2017 and 2016, the goodwill was tested for impairment (note 21).

19. 商譽(續)

二零一七年內，本集團向第三方收購三間子公司。該等子公司主要從事銷售乳製品。該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8,363,000元。該等業務收購合共產生商譽人民幣5,381,000元。

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。

於二零一七年及二零一六年十二月三十一日，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 2017, net of accumulated amortisation	於二零一七年一月一日，按成本值，扣減累計攤銷	1,159	1,841,854	157,160	86,074	2,086,247
Additions	添置	-	-	6,562	-	6,562
Transfer from construction in progress (note 16)	轉撥自在建工程 (附註16)	-	-	155,310	-	155,310
Amortisation provided during the year (note 7)	年內計提攤銷 (附註7)	(769)	(480)	(44,923)	(8,680)	(54,852)
Disposal of a subsidiary	出售子公司	-	-	(11)	-	(11)
Transfer 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	-	-	645	-	645
At 31 December 2017	於二零一七年十二月三十一日	390	1,841,374	274,743	77,394	2,193,901
At 31 December 2017	於二零一七年十二月三十一日					
Cost	成本	5,313	1,857,064	405,999	91,147	2,359,523
Accumulated amortisation	累計攤銷	(4,923)	(15,690)	(131,256)	(13,753)	(165,622)
Net carrying amount	賬面淨值	390	1,841,374	274,743	77,394	2,193,901
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	於二零一六年十二月三十一日					
Cost	成本	5,313	1,857,064	247,014	91,147	2,200,538
Accumulated amortisation	累計攤銷	(4,154)	(15,210)	(89,854)	(5,073)	(114,291)
Net carrying amount	賬面淨值	1,159	1,841,854	157,160	86,074	2,086,247

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, and 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 2017 and 2016, 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 in 2010 and 2016, 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;
- milk powder products CGU Group;
- low temperature products CGU Group; and
- Junlebao CGU Group.

20. 其他無形資產(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。於二零一七年及二零一六年十二月三十一日，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，於二零一零年及二零一六年以人民幣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。該等項目按成本減任何減值虧損列賬並就其介乎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；
- 奶粉產品現金產生單位組別；
- 低溫產品現金產生單位組別；及
- 君樂寶現金產生單位組別。

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 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		Yiqing [#]		Total	
		液態奶產品		冰淇淋產品		奶粉產品		低溫產品		君樂寶		壹清 [#]		總計	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年
		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
Goodwill	商譽	349,697	344,316	72,317	23,865	3,685,029	3,685,029	142,563	142,563	283,293	283,293	-	48,452	4,532,899	4,527,518
Trademarks	商標	-	-	18,108	-	1,649,047	1,649,047	-	-	174,219	174,219	-	18,108	1,841,374	1,841,374
		349,697	344,316	90,425	23,865	5,334,076	5,334,076	142,563	142,563	457,512	457,512	-	66,560	6,374,273	6,368,892

[#] The goodwill allocated to Yiqing CGU in 2016 was reallocated to the ice cream products CGU Group due to the Group's reorganisation.

The recoverable amount of each CGU or CGU Group has been determined based on value in use calculation using cash flow projections based on financial budgets or forecasts approved by senior management covering a five-year period, except that the recoverable amount of a trademark with an indefinite useful life allocated to the milk powder products CGU Group amounting to RMB173,057,000 has been determined based on a fair value calculation using the multi-period excess earnings method based on financial forecasts approved by senior management covering a ten-year period.

Assumptions were used in the value in use calculation of each CGU or CGU Group for 31 December 2017 and 2016. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

- a) 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.

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商譽及無限可使用年期商標的總額如下：

		Liquid milk products		Ice cream products		Milk powder products		Low temperature products		Junlebao		Yiqing [#]		Total	
		液態奶產品		冰淇淋產品		奶粉產品		低溫產品		君樂寶		壹清 [#]		總計	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年
		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
Goodwill	商譽	349,697	344,316	72,317	23,865	3,685,029	3,685,029	142,563	142,563	283,293	283,293	-	48,452	4,532,899	4,527,518
Trademarks	商標	-	-	18,108	-	1,649,047	1,649,047	-	-	174,219	174,219	-	18,108	1,841,374	1,841,374
		349,697	344,316	90,425	23,865	5,334,076	5,334,076	142,563	142,563	457,512	457,512	-	66,560	6,374,273	6,368,892

[#] 由於本集團的重組，於二零一六年分配至壹清現金產生單位的商譽重新分配至冰淇淋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已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，惟分配至奶粉產品現金產生單位組別的無限可使用年期商標的可收回金額人民幣173,057,000元，則以經高級管理人員批准的十年財政預測為基準，採用多期超額盈餘法計算所得的公允價值予以釐定。

計算二零一七年及二零一六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：

- a) 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成的平均毛利率，並因應預計效能提升及預期生產成本增加而予以調整。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

21. IMPAIRMENT TESTING OF GOODWILL AND TRADEMARKS WITH INDEFINITE LIVES (continued)

- b) Raw materials price fluctuation – Reference is made to the actual data of the past year of countries from where the raw materials are sourced.
- 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)

- b) 原材料價格變動－參考原料採購國家往年實際數據。
- 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	
		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年
Liquid milk products CGU Group	液態奶產品現金產生單位組別	12.61%	11.40%	4.0%	4.0%
Ice cream products CGU Group	冰淇淋產品現金產生單位組別	12.61%	11.27%	3.0%	3.0%
Milk powder products CGU Group	奶粉產品現金產生單位組別	12.30%	12.16%	3.0%	3.0%
Low temperature products CGU Group	低溫產品現金產生單位組別	16.36%	16.75%	3.0%	3.0%
Junlebao CGU Group	君樂寶現金產生單位組別	14.63%	14.71%	4.0%	4.0%
Yiqing CGU	壹清現金產生單位	n/a 不適用	13.63%	n/a 不適用	3.0%

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 products CGU Group, the directors have consequently determined to recognise an impairment loss of the goodwill directly related to the milk powder products CGU Group amounting to RMB2,253,794,000 (note 6).

The recoverable amount of the milk powder products CGU Group exceeded the carrying amount of RMB451,978,000 as at 31 December 2017. Consequently, any adverse change in key assumptions would, in isolation, cause an impairment loss to be recognised. The sensitivity analysis for the milk powder products CGU Group on the key assumptions used in the calculation of value in use, taken individually, gives the following results:

	Reasonably possible change	The amount of carrying amount over the recoverable amount
	合理可能變動	賬面值超逾可收回金額的金額 RMB'000 人民幣千元
Revenue growth rate 收入增長率	Decrease 2% 減少2%	174,051
Gross margin rate 毛利率	Decrease 1% 減少1%	285,019
Discount rate 折現率	Increase 1% 增加1%	529,042

Except for the milk powder products 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，由於奶粉產品現金產生單位組別表現倒退，董事其後決定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)。

於二零一七年十二月三十一日，奶粉產品現金產生單位組別的可收回金額超逾賬面值人民幣451,978,000元，因此，倘主要假設各自有任何不利變動，將需要確認減值虧損。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

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Share of net assets	應佔淨資產	5,155,577	3,042,538
Goodwill on acquisition	收購獲得的商譽	2,038,433	1,089,561
		7,194,010	4,132,099

The Group's trade receivable and payable balances with associates are disclosed in note 48 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48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 activity 主要業務
			2017 二零一七年	2016 二零一六年	
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	60.77%	25.41%	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 liquid milk products.

As at 31 December 2016, the Group held 1,347,903,000 shares of China Modern Dairy, representing approximately 25.41% of the issued share capital and accounted for China Modern Dairy as an associate using the equity method.

On 7 February 2017, the Group acquired additional 965,465,750 shares in China Modern Dairy at a cash consideration of HK\$1,873,003,555 (equivalent to RMB1,662,834,000), which is equivalent to HK\$1.94 per share. As such, up to 7 February 2017, the Group owned an aggregate of 2,313,368,750 shares of China Modern Dairy, representing approximately 37.73% of the issued share capital. Accordingly, pursuant to the Code on Takeovers and Mergers published by the Securities and Futures Commission of Hong Kong, the Group was required to make a conditional mandatory cash offer (i) for all the issued shares in China Modern Dairy (other than those already owned or agreed to be acquired by the Group) (the "Share Offer"), and (ii) for the cancellation of all outstanding share options of China Modern Dairy (the "Option Offer", together with the Share Offer referred to as the "Cash Offer") on 14 February 2017. On the final closing date of the Cash Offer on 21 March 2017, valid acceptances of the Share Offer have been received in respect of 1,442,400,662 shares and valid acceptances of the Option Offer have been received in respect of 264,320,873 options, with a total cash consideration of HK\$2,846,376,965 (equivalent to RMB2,526,985,000). As such, after the completion of the Cash Offer, the Group held an aggregate of 3,755,769,412 shares of China Modern Dairy, representing approximately 61.25% of the issued share capital. Upon completion of the Cash Offer, two additional directors representing the Company were appointed to the board of directors of China Modern Dairy. As a result, three out of a total of nine directors of China Modern Dairy represented the Company.

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和液態奶產品生產及經銷業務的策略伙伴。

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，佔已發行股本約25.41%，並已將中國現代牧業作為一家聯營公司以權益法入賬。

於二零一七年二月七日，本集團收購中國現代牧業額外965,465,750股股份，現金代價為1,873,003,555港元(相當於人民幣1,662,834,000元)，相當於每股股份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，佔已發行股本約37.73%。因此，根據香港證券及期貨事務監察委員會頒佈的《公司收購及合併守則》，本集團須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)(「股份要約」)，及(ii)註銷所有尚未行使的中國現代牧業購股權(「購股權要約」，連同股份要約合稱為「現金要約」)提出有條件強制性現金要約。於現金要約最後截止日期，即二零一七年三月二十一日，涉及1,442,400,662股股份之股份要約接獲有效接納，以及涉及264,320,873份購股權之購股權要約接獲有效接納，總現金代價為2,846,376,965港元(相當於人民幣2,526,985,000元)。因此，於現金要約完成後，本集團持有合共3,755,769,412股中國現代牧業股份，佔已發行股本約61.25%。於完成現金要約後，額外兩名代表本公司的董事獲委任加入中國現代牧業的董事會。因此，在合共九名中國現代牧業董事中的其中三名代表本公司。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

22. INVESTMENTS IN ASSOCIATES (continued)

On 6 June 2017, the Company issued US\$194,800,000 zero coupon exchangeable bonds due 2022 (the “Exchangeable Bonds”), which are exchangeable into 689,438,782 shares of China Modern Dairy at the notional exchange price of HK\$2.1995 per share, representing approximately 11.24% of the issued share capital, together with adjustment for all cash dividends or distribution paid by China Modern Dairy from 6 June 2017 to the exchange date. In connection with the issuance of the Exchangeable Bonds, the Company, as lender, lent to BOCI Financial Products Limited, as borrower, 689,438,782 shares of China Modern Dairy in aggregate (the “Loaned Securities”), which represented approximately 11.24% of the issued share capital, of China Modern Dairy in accordance with a securities lending agreement (the “Securities Lending Agreement”). Upon the effectiveness of the Securities Lending Agreement, voting rights in relation to the loaned securities shall pass from the lender to the borrower.

On 29 August 2017, the Group disposed of 30,000,000 shares of China Modern Dairy, representing approximately 0.49% of the issued share capital, for a cash consideration of HK\$41,400,000 (equivalent to RMB35,082,000), resulting in a loss of RMB18,204,000 recognised in profit or loss (note 6). As such, the Group held an aggregate of 3,725,769,412 shares of China Modern Dairy, representing approximately 60.77% of the issued share capital.

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

22. 於聯營公司的投資 (續)

於二零一七年六月六日，本公司發行194,800,000美元的於二零二二年到期的零息可交換債券(「可交換債券」)，其可按照名義交換價(每股股份2.1995港元)轉換為689,438,782股中國現代牧業股份(佔已發行股本約11.24%)，連同就由二零一七年六月六日至轉換日期間中國現代牧業的所有已付現金股息或分派作出調整。就發行可交換債券，根據一份借股協議(「借股協議」)，本公司(作為出借方)向中銀國際金融產品有限公司(作為借方)出借合共689,438,782股中國現代牧業股份(「借出證券」)，佔中國現代牧業已發行股本約11.24%。自借股協議生效起，借出證券的投票權應由出借方轉讓予借方。

於二零一七年八月二十九日，本集團出售30,000,000股中國現代牧業股份(佔已發行股本約0.49%)，現金代價為41,400,000港元(相當於人民幣35,082,000元)。導致人民幣18,204,000元虧損於損益確認(附註6)。因此，本集團持有合共3,725,769,412股中國現代牧業股份(佔已發行股本約60.77%)。

經計及本集團所持60.77%股權、可交換債券轉換後的11.24%股份的潛在投票權及尚未行使的已歸屬管理層購股權(倘獲行使按每股0.86港元的行使價應導致發行中國現代牧業50,930,832股普通股，佔經擴大已發行股本約0.82%)之影響，管理層判定本集團持有的中國現代牧業的實質性投票權少於50%。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

22. INVESTMENTS IN ASSOCIATES (continued)

When assessing whether the Group controls China Modern Dairy, management considered all facts and circumstances, including but not limited to the substantive voting rights over China Modern Dairy, the voting rights attached to the Loaned Securities and their inability to be exercised by the Group, and the Group's representation on the board of directors in China Modern Dairy. Taking into account these factors, management's judgement is that upon completion of the above mentioned series of linked transactions, the Group has no control over China Modern Dairy. Accordingly, China Modern Dairy continues to be accounted for as an associate using the equity method.

The following table illustrates the summarised financial information of China Modern Dairy extracted from its financial statements, adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements.

22. 於聯營公司的投資(續)

在評估本集團是否控制中國現代牧業時，管理層審議了所有事實及情況，包括但不限於於中國現代牧業的實質性投票權、借出證券所附有投票權及其將無法由本集團行使，及本集團於中國現代牧業董事會的代表。經考慮此等因素，管理層判定在上述一系列連鎖交易完成後，本集團對中國現代牧業並無控制權。因此，中國現代牧業繼續作為一家聯營公司以權益法入賬。

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，並按會計政策之任何差別作調整)及與綜合財務報表賬面值的對賬：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current assets	流動資產	2,704,500	3,552,655
Non-current assets	非流動資產	14,013,081	14,256,049
Current liabilities	流動負債	(5,886,417)	(7,825,119)
Non-current liabilities	非流動負債	(3,742,735)	(2,860,689)
Net assets	淨資產	7,088,429	7,122,896
Less: Non-controlling interests	減：非控股股東權益	(119,307)	(101,383)
Attributable to owners of China Modern Dairy	中國現代牧業 擁有人應佔	6,969,122	7,021,513

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：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Proportion of the Group's ownership	本集團擁有權所佔比例	60.77%	25.41%
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	4,235,135	1,784,166
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	118,234	90,507
Goodwill on acquisition	收購獲得的商譽	1,998,289	1,048,421
Effect of fair value adjustments at acquisition in 2013 and 2017, respectively	分別於二零一三年及二零一七年收購時的公允值調整影響	(17,436)	(58,014)
Exchange realignment	匯兌調整	(116,886)	301,224
Carrying amount of the investment	投資賬面值	6,217,336	3,166,304
Revenue	收入	4,783,801	4,862,311
Loss for the year	本年虧損	(994,847)	(785,495)
Total comprehensive loss for the year	年度全面虧損總額	(994,847)	(785,495)
Dividend received	已收股息	-	-

The Group noted a significant fall in the share price of China Modern Dairy compared to the average purchase price paid by the Group for its shareholding and the profit warning published on 30 January 2018 by China Modern Dairy had constituted an indication of impairment. Accordingly, the carrying amount of the investment in China Modern Dairy was subject to an impairment test based on estimated future cash flows.

The assumptions used for the discount rate and perpetual growth rate were 11.50% and 3.00%, respectively.

本集團注意到中國現代牧業的股價較本集團就其股權所支付的平均購買價顯著下跌，而中國現代牧業於二零一八年一月三十日刊發的盈利警告已構成減值跡象。因此，於中國現代牧業的投資賬面值根據估計未來現金流量進行減值測試。

折現率及永續增長率分別假設為11.50%及3.00%。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

22. INVESTMENTS IN ASSOCIATES (continued)

The following table illustrates the aggregate financial information of the Group's all other associates, extracted from their unaudited management accounts, that are not individually material:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 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	976,674	965,795
Share of the associates':	分佔聯營公司以下各項：		
Revenues	收入	1,497,216	1,001,752
Profit/(Loss) for the year	本年利潤／(虧損)	30,164	(10,093)
Other comprehensive income	其他全面收益	3,617	-
Total comprehensive income/(loss) for the year	年度全面收益／(虧損)總額	33,781	(10,093)

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 RMB24,494,000 (2016: RMB47,752,000) and RMB138,307,000 (2016: RMB117,447,000), respectively.

22. 於聯營公司的投資(續)

下表顯示本集團所有其他聯營公司(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)：

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該等聯營公司的權益。於年內，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24,494,000元(二零一六年：人民幣47,752,000元)及人民幣138,307,000元(二零一六年：人民幣117,447,000元)。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

23. DEFERRED TAX

The movements in the deferred tax assets during the year are as follows:

Deferred tax assets:

23. 遞延稅項

年內遞延稅項資產變動如下：

遞延稅項資產：

		Tax losses available for offsetting future taxable profits	Write-down of inventories to net realisable value	Provision for trade receivables and other receivables	Impairment of property, plant and equipment	Un-invoiced accruals	Deferred income	Share award scheme	Others	Total
		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 2017	於二零一七年一月一日	235,222	9,486	12,835	1,163	142,540	88,929	17,975	20,973	529,123
Credited/(charged) to profit or loss	損益內記賬/(支賬)	(10,864)	(2,382)	10,589	208	81,792	37,292	5,828	15,470	137,933
Exchange alignment	匯兌調整	(1,680)	(12)	-	-	-	-	-	-	(1,692)
At 31 December 2017	於二零一七年十二月三十一日	222,678	7,092	23,424	1,371	224,332	126,221	23,803	36,443	665,364

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 other receivables	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
Credited to profit or loss	損益內記賬	58,744	3,516	12,312	439	38,236	50,627	14,747	7,925	186,546
Exchange alignment	匯兌調整	1,720	-	-	-	-	-	-	-	1,720
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

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.

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。

23. 遞延稅項 (續)

年內遞延稅項資產變動如下：(續)

遞延稅項資產：(續)

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:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 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)	2,116,670	1,362,175
Deductible temporary differences	可扣減暫時性差異	220,889	223,678
		2,337,559	1,585,853

(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 公允值調整 RMB'000 人民幣千元	Fair value adjustments of financial instruments 金融工具的 公允值調整 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	54,676	7,514	62,190
Charged/(credited) to profit or loss	損益內支賬/(記賬)	(4,066)	11,904	7,838
At 31 December 2017	於二零一七年 十二月三十一日	50,610	19,418	70,028

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值調整	金融工具的公允值調整	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 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

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 2017, 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 RMB15,280,564,000 at 31 December 2017 (2016: RMB12,591,481,000).

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。

二零一七年十二月三十一日，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。二零一七年十二月三十一日，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15,280,564,000元(二零一六年：人民幣12,591,481,000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.

		2017 二零一七年 Head of dairy cows 乳牛(頭)	2016 二零一六年 Head of dairy cows 乳牛(頭)
Milkable cows	奶牛	14,307	10,172
Heifers and calves	小母牛及小牛	18,935	14,602
Total dairy cows	乳牛總數	33,242	24,774

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。

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14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價值轉撥至奶牛類別。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)

		2017 二零一七年 Tonne 噸	2016 二零一六年 Tonne 噸
Volume of sales of milk produced	所產奶銷量	115,517	59,808

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 are 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.

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) Value of dairy cows

The value of dairy cows at the end of the reporting period was:

(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 2017	於二零一七年一月一日	242,078	237,308	479,386
Increases due to purchase	因收購增加	58,207	-	58,207
Increase due to raising (Feeding cost and others)	因養殖(飼養成本及 其他)增加	190,987	-	190,987
Transfer	轉出	(150,199)	150,199	-
Decrease due to sales	因出售減少	(1,898)	(17,440)	(19,338)
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)	(42,645)	(20,454)	(63,099)
At 31 December 2017	於二零一七年 十二月三十一日	296,530	349,613	646,143

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 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

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 RMB52,748,000 (2016: RMB51,810,000) as at 31 December 2017 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。

於二零一七年十二月三十一日，本集團若干乳牛的公允價值減出售成本約人民幣52,748,000元(二零一六年：人民幣51,810,000元)已抵押作本集團長期銀行貸款的擔保。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 in accordance with IAS 41 *Agriculture*;
- Costs are average costs based on historical cost information; and
- The discount rate used was 13.34% as at 31 December 2017 (2016: 12.52%).

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或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
- 於二零一七年十二月三十一日所用折現率為13.34%(二零一六年：12.52%)。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

25. OTHER FINANCIAL ASSETS

25. 其他金融資產

		Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
At fair value through other comprehensive income:	以公允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)	43,202	78,592
Hong Kong listed equity investments in China Shengmu	投入中國聖牧的香港上市股本投資	(b)	284,233	519,003
			327,435	597,595
At fair value through profit or loss:	以公允值計量且其變動計入損益：			
Unlisted equity investments	非上市股本投資		31,599	38,529
Convertible promissory note	可換股承兌票據	(c)	186,670	–
Short term investment deposits	短期投資存款	(d)	9,392,108	4,139,490
			9,610,377	4,178,019
At amortised cost:	按攤銷成本：			
Short term entrusted loans	短期委託貸款	(e)	1,065,400	–
Long term entrusted loans	長期委託貸款	(e)	64,149	101,930
Long term entrusted loans due within one year	於一年內到期的長期委託貸款	(e)	46,361	56,247
Long term receivables	長期應收款項	(f)	122,496	123,689
Long term time deposits	長期定期存款	(g)/29	1,039,504	1,633,938
			2,337,910	1,915,804
Total other financial assets	其他金融資產總額		12,275,722	6,691,418
Current	流動		10,690,539	4,195,737
Non-current	非流動		1,585,183	2,495,681
			12,275,722	6,691,418

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 ("YuanShengTai"), 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 2017 and an accumulated decrease in fair value as of 31 December 2017 with amounts of RMB35,390,000 (2016: RMB10,892,000) and RMB326,194,000 (2016: RMB290,804,000), respectively, had been recognised in other comprehensive income. In January 2017, the Company's shareholding in YuanShengTai was diluted to 3.67% due to new share placement by YuanShengTai.
- (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 approximately a 4.25% equity interest in China Shengmu. The fair value of the listed equity securities was determined by reference to published quotations. A decrease in fair value for the year ended 31 December 2017 and an accumulated increase in fair value as of 31 December 2017 with amounts of RMB234,770,000 (2016: an increase of RMB105,263,000) and RMB185,702,000 (2016: RMB420,472,000), 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(「原生態」)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。截至二零一七年十二月三十一日止年度公允值減少人民幣35,390,000元(二零一六年：人民幣10,892,000元)及於二零一七年十二月三十一日公允值累計減少人民幣326,194,000元(二零一六年：人民幣290,804,000元)，已於其他全面收益確認。於二零一七年一月，由於原生態配售新股份，本公司於原生態的控股權被攤薄至3.67%。
- (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。截至二零一七年十二月三十一日止年度公允值減少人民幣234,770,000元(二零一六年：增加人民幣105,263,000元)，以及截至二零一七年十二月三十一日公允值累計增加人民幣185,702,000元(二零一六年：人民幣420,472,000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) On 7 September 2017, Golden Stage Holdings Limited (“Golden Stage”), a 100% directly owned subsidiary of the Company, entered into a convertible promissory note purchase agreement (the “Agreement”) with AICE Holdings Limited (“AICE”) to purchase the convertible promissory note in the original principal amount (“Principal Amount”) of US\$28,000,000, equivalent to RMB182,753,000. According to the Agreement, 50% of the Principal Amount shall be automatically converted into the ordinary shares of AICE on any day within ten months from the closing date, which shall be a date determined by the board of AICE, at US\$1.14 per ordinary share. Golden Stage has an option to convert part or all of the remaining 50% Principal Amount into the ordinary shares or preferred shares of AICE during the next round of financing notice or receive the Principal Amount that has not been converted into shares, together with all interests at the annual rate of 5%. The Group classified the convertible promissory note as a financial asset at fair value through profit or loss. During the year, a net fair value gain of RMB3,711,000 (2016: Nil) was recognised in other income and gains (note 5).

- (d) The Group from time to time purchases various investment deposits from commercial banks for treasury management purpose. As at 31 December 2017, the Group held investment deposits of RMB9,392,108,000 (31 December 2016: RMB3,839,490,000) with principal guaranteed. As at 31 December 2016, the Group held investment deposits of RMB300,000,000 with no principal guaranteed.

As at 31 December 2017, the investment deposits amounting to RMB199,105,000 was pledged to secure letters of credit and interest-bearing bank and other borrowings.

- (e) Entrusted loans mainly represent the Group’s loans to certain dairy farmers and China Modern Dairy via banks. The above entrusted loans are unsecured, with annual interest rates ranging from 4.00% to 8.96% (2016: 4.75% to 8.96%). As at 31 December 2017, 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 2017, those long term receivables were neither past due nor impaired.
- (g) The effective interest rates on long term time deposits as at 31 December 2017 varied from 3.58% to 5.23% (2016: 2.94% to 5.23%) per annum and would mature in two to five years.

25. 其他金融資產 (續)

附註：(續)

- (c) 於二零一七年九月七日，一間100%由本公司直接擁有的子公司Golden Stage Holdings Limited(「Golden Stage」)與AICE Holdings Limited(「AICE」)訂立可換股承兌票據購買協議(「該協議」)以於原本金(「本金」)購買28,000,000美元的可換股承兌票據(相等於人民幣182,753,000元)。根據該協議，於截止日期起計十個月內的任何一天(即AICE董事會釐定的日期)，本金的50%將按每股普通股1.14美元自動轉換為AICE的普通股。Golden Stage有權在下一輪融資通知期間將餘下的50%本金的部分或全部轉換為AICE的普通股或優先股，或收取尚未轉換為股份的本金以及所有年利率5%的利息。本集團將可換股承兌票據分類為以公允值計量且其變動計入損益的金融資產。於年內，公允值收益淨額人民幣3,711,000元(二零一六年：無)於其他收入及收益確認(附註5)。

- (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。於二零一七年十二月三十一日，本集團持有人民幣9,392,108,000元(二零一六年十二月三十一日：人民幣3,839,490,000元)設有本金保證的投資存款。於二零一六年十二月三十一日，本集團持有人民幣300,000,000元不設本金保證的投資存款。

於二零一七年十二月三十一日，投資存款金額人民幣199,105,000元抵押以獲得信用證和計息銀行及其他借貸。

- (e) 委託貸款指本集團通過銀行向若干奶農及中國現代牧業提供的貸款。以上委託貸款屬無抵押，年利率介乎4.00%至8.96%(二零一六年：4.75%至8.96%)。於二零一七年十二月三十一日，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。於二零一七年十二月三十一日，該等長期應收款項並無逾期亦無減值。
- (g) 於二零一七年十二月三十一日，長期定期存款的實際年利率介乎3.58%至5.23%(二零一六年：2.94%至5.23%)，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

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Raw materials	原材料	1,757,835	2,007,684
Finished goods	產成品	1,752,433	1,306,598
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	3,510,268	3,314,282

The amount of write-down of inventories recognised as an expense was RMB84,998,000 (2016: RMB129,857,000), which was recognised in other expenses (note 6).

確認為開支的存貨撇減金額為人民幣84,998,000元(二零一六年: 人民幣129,857,000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

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Bills receivable	應收票據	61,897	212,780
Trade receivables	應收賬款	2,705,969	2,198,968
Impairment	減值	(121,032)	(71,649)
		2,646,834	2,340,099

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:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 3 months	三個月內	2,439,605	2,041,533
4 to 6 months	四至六個月	125,377	224,670
7 to 12 months	七至十二個月	78,150	63,584
Over 1 year	逾一年	3,702	10,312
		2,646,834	2,340,099

The movements in the provision for impairment of trade receivables are as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
At 1 January	於一月一日	71,649	74,267
Impairment losses recognised	已確認減值虧損	61,715	51,292
Transform 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	877	-
Amount written off as uncollectible	列為不可收回而撇銷的金額	(11,211)	(33,253)
Impairment losses reversed	減值虧損撥回	(1,998)	(20,657)
At 31 December	於十二月三十一日	121,032	71,649

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 RMB104,398,000 (2016: RMB67,314,000) with an aggregate carrying amount before provision of RMB226,931,000 (2016: RMB215,617,000).

The individually impaired trade receivables relate to customers that were in financial difficulties or were in default principal payments 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:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Neither past due nor impaired	既未過期亦無減值	2,367,895	2,132,649
Past due but not impaired	已過期但無減值		
– Within three months	– 三個月內	2,644	23,365
– Over three months	– 三個月以上	9,822	5,453
		2,380,361	2,161,467

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 2017, none of bills receivable was endorsed by the Group (2016: 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104,398,000元(二零一六年：人民幣67,314,000元)，該項應收賬款未計撥備前的賬面總額為人民幣226,931,000元(二零一六年：人民幣215,617,000元)。

個別減值應收賬款與陷入財務困境或拖欠支付本金的客戶有關，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的往績記錄。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。

於二零一七年十二月三十一日，本集團概無背書任何應收票據(二零一六年：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

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Deposits	按金	15,778	47,601
Prepayments	預付款	1,303,923	1,257,546
Value-added tax recoverable	可抵扣增值稅	344,749	346,978
Other receivables	其他應收款項	819,047	919,953
Corporate income tax recoverable	可退企業所得稅	16,021	37,624
Land use rights – current portion (note 18)	土地使用權 – 即期部分 (附註18)	23,607	21,516
Long term prepayments (note a)	長期預付款(附註a)	73,067	88,959
Total prepayments, deposits and other receivables	預付款、按金及 其他應收款項總額	2,596,192	2,720,177
Less: Long term prepayments – non-current portion (note a)	減：長期預付款 – 非即期部分(附註a)	(54,769)	(15,566)
		2,541,423	2,704,611

Note:

- (a) The Group has 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) 本集團已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	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 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		3,129,444	3,355,537
Pledged deposits	保證金存款	(a)	466,265	960,863
Time deposits	定期存款		3,868,937	4,348,479
			7,464,646	8,664,879
Less: Short term pledged deposits for banking facilities	減：銀行融資的短期保證金存款	30/32	(466,265)	(960,863)
Less: Long term time deposits	減：長期定期存款	25	(1,039,504)	(1,633,938)
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		5,958,877	6,070,078

Notes:

- (a) As at 31 December 2017, the Group's pledged deposits were for the following bank facilities:

附註：

- (a) 於二零一七年十二月三十一日，本集團的已抵押存款就以下銀行融資作出：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 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)	201,612	137,136
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)	249,276	811,271
Pledged to secure letters of credit	抵押以獲得信用證	15,377	12,456
		466,265	960,863

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 RMB5,655,060,000 (2016: RMB5,196,478,000). 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 aging analysis of the trade and bills payables of the Group, based on the invoice date, is as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 3 months	三個月內	5,569,969	4,733,321
4 to 6 months	四至六個月	633,662	638,773
7 to 12 months	七至十二個月	116,853	23,768
Over 1 year	逾一年	21,789	9,758
		6,342,273	5,405,620

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，本集團以人民幣為單位的現金及銀行結存金額為約人民幣5,655,060,000元(二零一六年：人民幣5,196,478,000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 RMB397,660,000 (2016: RMB345,704,000) were secured by the pledge of certain of the Group's deposits amounting to approximately RMB201,612,000 (2016: RMB137,136,000) (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397,660,000元(二零一六年：人民幣345,704,000元)的應付票據以本集團若干存款為數約人民幣201,612,000元(二零一六年：人民幣137,136,000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**

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Advances from customers	來自客戶墊款	1,843,166	1,717,628
Salary and welfare payables	應付薪金及福利費	1,279,031	911,725
Other payables	其他應付款項	4,202,026	3,881,533
		7,324,223	6,510,886

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**

		2017 二零一七年			2016 二零一六年		
		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	2018 二零一八年	79,421	280,276	2017 二零一七年	135,000	768,091
Short term bank loans, unsecured	短期銀行貸款，無抵押	2018 二零一八年	1,255,929	2,789,500	2017 二零一七年	1,558,061	444,000
Current portion of long term bank loans – secured	長期銀行貸款即期部分 — 有抵押	2018 二零一八年	8,188	36,660	2017 二零一七年	7,566	32,400
Current portion of long term bank loans – unsecured	長期銀行貸款即期部分 — 無抵押	2018 二零一八年	156,230	69,100	2017 二零一七年	-	100,299
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	3,259,723	-	-	-	-

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)

		2017 二零一七年			2016 二零一六年		
		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	5,830	20,000	2019 二零一九年	14,018	40,000
Long term bank loans, secured	長期銀行貸款，有抵押	2020 二零二零年	-	13,340	-	-	-
Long term bank loans, secured	長期銀行貸款，有抵押	2021 二零二一年	-	205,200	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	62,770	-	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	-	157,550	2023 二零二三年	-	179,650
Long term bank loans, unsecured	長期銀行貸款，無抵押	2020 二零二零年	-	2,780,807	2020 二零二零年	-	130,000
Long term bank loans, unsecured	長期銀行貸款，無抵押	2019 二零一九年	99,000	1,400,025	2019 二零一九年	-	1,390,903
Long term bank loans, unsecured	長期銀行貸款，無抵押	2018 二零一八年	-	-	2018 二零一八年	150,000	-
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	-
US\$194,800,000 zero coupon exchangeable bonds issued in 2017 (note (e) and note 22)	於二零一七年發行的194,800,000美元零息可交換債券(附註(e)及附註22)	2022 二零二二年	1,270,575	-	-	-	-
			6,197,666	7,752,458		5,384,637	3,202,943

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：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 1 year	一年內	7,935,027	3,045,417
1 to 2 years	一至兩年	1,524,855	3,601,992
2 to 5 years	兩至五年	4,269,922	1,692,521
Over 5 years	五年以上	220,320	247,650
Total interest-bearing bank and other borrowings	計息銀行及其他借貸總額	13,950,124	8,587,580
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	(7,935,027)	(3,045,417)
		6,015,097	5,542,163

Notes:

- (a) As at 31 December 2017 and 2016, the Group's interest-bearing bank and other borrowings were secured as follows:

附註：

- (a) 於二零一七年及二零一六年十二月三十一日，本集團的計息銀行及其他借貸抵押情況如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Secured by pledged deposits	以保證金存款抵押	213,392	699,317
Secured by investment deposits	以投資存款抵押	49,421	-
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	319,219	415,358
Secured by all present after acquired property of Yashili New Zealand	以收購雅士利新西蘭後獲得之所有現有物業抵押	66,883	-
Unsecured	無抵押	13,301,209	7,472,905
		13,950,124	8,587,580

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:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Hong Kong dollars	港元	3,207,497	69,325
United States dollars	美元	5,941,819	5,605,820
New Zealand dollars	新西蘭元	74,426	-
Australian dollars	澳元	12,053	-
Euro	歐元	52,197	14,899
RMB	人民幣	4,662,132	2,897,536
		13,950,124	8,587,580

- (c) The floating annual interest rates of the short term bank loans and long term bank loans varied from 1.35% to 6.72% (2016: from 1.50% to 7.18%), 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 6.09% (2016: from 1.15% to 6.63%). The fixed annual interest rates of the long term bank loans varied from 1.20% to 7.93% (2016: from 1.20% to 7.93%).

- (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 bonds bear 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.

- (e) On 6 June 2017, the Company issued US\$194,800,000 zero coupon exchangeable bonds due 2022, which are exchangeable into 689,438,782 shares at the initial notional exchange price of HK\$2.1995 per share. The Group classified the Exchangeable Bonds as financial liabilities at fair value through profit or loss. During the year, a net fair value gain of RMB2,363,000 was recognised in other income and gains (note 5).

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：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Hong Kong dollars	港元	3,207,497	69,325
United States dollars	美元	5,941,819	5,605,820
New Zealand dollars	新西蘭元	74,426	-
Australian dollars	澳元	12,053	-
Euro	歐元	52,197	14,899
RMB	人民幣	4,662,132	2,897,536
		13,950,124	8,587,580

- (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1.35%至6.72% (二零一六年：1.50%至7.18%)。

短期銀行貸款的固定年利率介乎1.15%至6.09% (二零一六年：1.15%至6.63%)。長期銀行貸款的固定年利率介乎1.20%至7.93% (二零一六年：1.20%至7.93%)。

- (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，於每年五月二十七日及十一月二十七日每半年派息一次。

- (e) 於二零一七年六月六日，本公司發行194,800,000美元的於二零二二年到期的零息可交換債券，其可按照初步名義交換價(每股股份2.1995港元)轉換為689,438,782股股份。本集團分類可交換債券為以公允價值計量且其變動計入損益的金融負債。於年內，公允價值收益淨額人民幣2,363,000元於其他收入及收益中確認(附註5)。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

33. OTHER LOANS

33. 其他貸款

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Short term loans	短期貸款	22,912	52,559

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.

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	2017 二零一七年		2016 二零一六年	
			Assets 資產 RMB'000 人民幣千元	Liabilities 負債 RMB'000 人民幣千元	Assets 資產 RMB'000 人民幣千元	Liabilities 負債 RMB'000 人民幣千元
Interest rate swap	利率互換合約	(a)	30,617	-	-	-
Forward currency contracts	遠期外幣合約	(b)	4,301	178	2,640	-
Interest rate forward contracts	利率遠期合約	(b)	23,985	-	23,078	-
Commodity futures contracts	商品期貨合約	(c)	1,283	1,044	10,783	-
			60,186	1,222	36,501	-
Portion classified as non-current:	分類為非流動部分：					
Interest rate swap	利率互換合約		30,617	-	-	-
Interest rate forward contracts	利率遠期合約		23,985	-	-	-
			54,602	-	-	-
Current portion	流動部分		5,584	1,222	36,501	-

Notes:

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

Interest rate swap contracts – cash flow hedge:

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

Since the notional amount and the terms of the interest swap contracts match those of the bank loan agreements, the cash flow hedges were assessed to be effective and a fair value gain of RMB30,617,000 was included in the hedging reserve as other comprehensive income.

附註：

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

利率互換合約－現金流量對沖：

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

由於利率互換合約的名義金額及條款與銀行貸款協議的名義金額及條款互相匹配，現金流對沖被評定為有效且人民幣30,617,000元的公允價值收益已作為其他全面收益計入對沖儲備。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

34. DERIVATIVE FINANCIAL INSTRUMENTS

(continued)

Notes: (continued)

- (b) In addition to the above interest rate swap designated as hedging instruments, the Group has also 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. A net fair value gain on forward currency contracts of RMB1,483,000 (2016: net fair value loss RMB2,371,000) was recognised in other income and gains during the year (note 5). A net fair value gain on interest rate forward contracts of RMB907,000 (2016: RMB26,238,000) was recognised in finance costs during the year (note 8).
- (c) To manage its price exposure to future purchase of raw materials, such as white sugar, palm oil and raw milk powder, the Group has 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 loss of RMB22,880,000 (2016: net fair value gain RMB13,567,000) was debited to cost of sales (note 7).

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:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 1 year	一年內	27,345	57,111
1 to 2 years	一至兩年	10,894	25,773
2 to 5 years	兩至五年	-	11,141
Total long term payables	長期應付款項總額	38,239	94,025
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	(27,345)	(57,111)
		10,894	36,914

Long term payables are secured by the Group's property, plant and equipment (note 15(a)).

34. 衍生金融工具(續)

附註：(續)

- (b) 除以上指定為對沖工具的利率互換外，本集團亦訂立多項遠期外幣合約及利率遠期合約以管理其匯率及浮動利率風險。該等遠期合約並非指定作對沖用途，並按公允值計入損益計量。遠期外幣合約公允值收益淨額人民幣1,483,000元(二零一六年：公允值虧損淨額人民幣2,371,000元)於年內確認為其他收入及收益(附註5)。利率遠期合約公允值收益淨額人民幣907,000元(二零一六年：人民幣26,238,000元)於年內確認為融資成本(附註8)。
- (c) 為管理未來購置商品作為原材料(例如白糖、棕櫚油及原料奶粉)的價格風險，本集團已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，公允值虧損淨額人民幣22,880,000元(二零一六年：公允值收益淨額人民幣13,567,000元)已自銷售成本扣除(附註7)。

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現行市場利率。有關結餘的還款期如下：

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：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
At beginning of year	年初	668,478	348,768
Received during the year	年內收取	316,614	357,204
Amortisation during the year (note 5)	年內攤銷(附註5)	(85,354)	(37,494)
At end of year	年終	899,738	668,478
Current portion	即期部分	160,279	135,093
Non-current portion	非即期部分	739,459	533,385
		899,738	668,478

NOTES TO FINANCIAL STATEMENTS 財務報表附註

37. OTHER FINANCIAL LIABILITIES

37. 其他金融負債

		Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Present value of redemption amount for potential acquisition of puttable non-controlling interests	可能收購可沽售非控股股東權益的贖回金額現值	(a)/(b)	2,175,431	2,143,378
Portion classified as current financial liabilities	分類為即期金融負債的部分	(a)	(545,594)	—
Non-current portion	非即期部分		1,629,837	2,143,378

Notes:

- (a) 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 16.33% equity interest in Junlebao in each year ended 31 December 2016, 2017 and 2018 respectively, totalling 49% shareholding in Junlebao. During 2016 and 2017, the non-controlling shareholders of Junlebao did not exercise their right to sell 32.67% in total equity interest in Junlebao to the Group. At 31 December 2017, the Group derecognised the carrying amount of the non-controlling interests of RMB217,919,000 (2016: RMB186,425,000) and recognised the present value of the amount payable upon exercise of the option of RMB545,594,000 (2016: RMB312,705,000) as a financial liability and accounted for the difference in equity.
- (b) Under the equity joint venture contract entered into between Inner Mongolia Mengniu 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 equity interests in the equity joint venture 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 2017, the Group derecognised a non-controlling interest of RMB601,541,000 (2016: RMB581,912,000) and recognised a present value of the amount payable upon exercise of the option of RMB1,629,837,000 (2016: RMB1,830,673,000) as a financial liability and accounted for the difference in equity.

附註：

- (a) 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各年，非控股股東分別有權出售且本集團分別有責任購買君樂寶16.33%的股權，合共為君樂寶49%的股權。於二零一六年及二零一七年內，君樂寶的非控股股東尚未行使其向本集團出售君樂寶合共32.67%股權的權利。於二零一七年十二月三十一日，本集團終止確認非控股股東權益賬面值人民幣217,919,000元(二零一六年：人民幣186,425,000元)，並確認按行使認沽權時應付的金融負債現值人民幣545,594,000元(二零一六年：人民幣312,705,000元)，並將差額計入權益。
- (b) 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，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於合資公司的全部股權，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。於二零一七年十二月三十一日，本集團終止確認非控股股東權益人民幣601,541,000元(二零一六年：人民幣581,912,000元)，並確認按行使選擇權時應付的金融負債現值人民幣1,629,837,000元(二零一六年：人民幣1,830,673,000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

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Authorised: Ordinary shares of HK\$0.1 each	法定： 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
Issued and fully paid: At 1 January 2017	已發行及繳足： 於二零一七年一月一日	3,925,027	357,374
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	2,334	198
At 31 December 2017	於二零一七年 十二月三十一日	3,927,361	357,572
		Number of ordinary shares 普通股數目 '000 千股	RMB'000 人民幣千元
Issued and fully paid: At 1 January 2016	已發行及繳足： 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	7,166	635
Shares repurchased and cancelled	股份購回及註銷	(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

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 2016, 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.

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) 於二零一六年內，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。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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 114 to 115 of the financial statements.

- (a) On 25 January 2017, China Modern Dairy acquired an additional 45% equity interest in a subsidiary at a consideration of 338,602,205 shares issued to the sellers. The acquisition was accounted for as an equity transaction, and as a consequence RMB555,297,000, representing the difference of the fair value of the consideration shares over the amount by which the non-controlling interests were adjusted, was charged directly in the equity of China Modern Dairy. Accordingly, an amount of RMB132,631,000, representing the Group's share of the change of interest in the equity of China Modern Dairy, was accounted for directly in the Group's other reserves.
- (b) On 14 February 2017, the Group made a conditional mandatory Option Offer for the cancellation of all outstanding share options of China Modern Dairy (note 22). On the final closing date of the Option Offer on 21 March 2017, 264,320,873 options of China Modern Dairy were acquired and cancelled. The cancellation of share options of China Modern Dairy resulted in transferring an amount of RMB204,543,000 accumulated share option reserve in respect of these cancelled share options to retained earnings of China Modern Dairy. Accordingly, an amount of RMB125,283,000 was accounted for directly in the Group's other reserves.
- (c) 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 the 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

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114頁至第115頁的綜合權益變動表內。

- (a) 於二零一七年一月二十五日，中國現代牧業收購一家子公司額外45%股權，代價為向賣家發行338,602,205股股份。有關收購計為股權交易，故此，人民幣555,297,000元(為代價股份的公允值超出非控股股東權益經調整後的金額之差額)已直接從中國現代牧業之權益中扣除。因此，人民幣132,631,000元(為本集團應佔中國現代牧業股權之權益變動)已直接於本集團其他儲備中列賬。
- (b) 於二零一七年二月十四日，本集團提出有條件強制性購股權要約以註銷所有中國現代牧業未兌現購股權(附註22)。於購股權要約的最後截止日期二零一七年三月二十一日，264,320,873份中國現代牧業購股權獲收購並註銷。註銷中國現代牧業之購股權導致就該等已註銷購股權的累計購股權儲備人民幣204,543,000元轉讓予中國現代牧業的保留盈餘。因此，人民幣125,283,000元直接於本集團其他儲備中列賬。
- (c) 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)

(d) 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.

40. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS**(a) 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 and RMB29,338,000, respectively.

(b) Changes in liabilities arising from financing activities**39. 其他儲備(續)**

(d) 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）。

40. 綜合現金流量報表附註**(a) 重大非現金交易**

於二零一六年內，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元及人民幣29,338,000元的方式購買物業、廠房及設備。

(b) 來自融資活動的負債變動

		US\$194,800,000 zero coupon exchangeable bonds issued in 2017	US\$500,000,000 3.5% bonds issued in 2013	Long term payables	Other loans	
		於二零一七年 發行的 500,000,000美元 票息率 3.5%的債券	於二零一三年 發行的 500,000,000美元 票息率 3.5%的債券	於二零一七年 發行的 194,800,000美元 零息可交換債券		
		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 2017	於二零一七年 一月一日	5,135,588	3,451,992	-	94,025	52,559
Changes from financing cash flows	融資現金流變動	4,479,290	-	1,317,061	(59,780)	(18,323)
Interest expense	利息開支	-	8,330	-	3,994	-
Net fair value gain on zero coupon exchangeable bonds due 2022	二零二年到期的 零息可交換債券之 公允值收益淨額	-	-	(2,363)	-	-
Other changes	其他變動	-	-	-	-	(11,324)
Foreign exchange movement	匯兌變動	(195,052)	(200,599)	(44,123)	-	-
At 31 December 2017	於二零一七年十二月 三十一日	9,419,826	3,259,723	1,270,575	38,239	22,912

NOTES TO FINANCIAL STATEMENTS 財務報表附註

41. SHARE OPTION SCHEME

The Company operated two share option schemes (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 adopted by the Company on 28 June 2005 (the “Old Share Option Scheme”) had expired on 27 June 2015. On 3 June 2016, the Company adopted another share option scheme (the “New Share Option Scheme”), and the New Share Option Scheme will remain in force for a period of 10 years from the date of adoption.

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.

41. 購股權計劃

本公司設立的兩個購股權計劃(「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，並向彼等作出獎賞。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。本公司於二零零五年六月二十八日採用的購股權計劃(「舊購股權計劃」)已於二零一五年六月二十七日期滿。於二零一六年六月三日，本公司採用另一購股權計劃(「新購股權計劃」)，而新購股權計劃自該採用日期起十年內有效。

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，根據購股權可發行的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。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

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 under the Old Share Option Scheme 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.

The offer of a grant of share options under the New Share Option Scheme may be accepted 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 five years from the date of offer of the share options.

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。

承授人於舊購股權計劃下可於授出購股權建議日起20個營業日內以支付代價合共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於授出購股權建議日七年之日終止。

承授人於新購股權計劃下可於支付代價合共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於授出購股權建議日五年之日終止。

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 d) 每份購股權的 行使價(附註d)		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
10 October 2011 二零一一年十月十日	10 October 2015 to 9 October 2018 (note a) 二零一五年十月 十日至二零一八年 十月九日(附註a)	24.10	12.05	8.37	4.19
13 July 2017 二零一七年七月十三日	13 July 2018 to 12 July 2022 (note b) 二零一八年七月 十三日至 二零二二年 七月十二日(附註b)	14.812	n/a 不適用	3.99	n/a 不適用

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 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. The share options have a contractual life of seven years.
- (b) The share options will be vested in two equal batches with 50% of the share options granted vesting on the first and second anniversaries of the date of grant. In addition, the share options will only be vested if and when the pre-set performance targets of both the Group and the participants are achieved. Unless all of these targets are met, the share options will lapse. The share options have a contractual life of five years.
- (c) 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.
- (d) 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 for share option granted on 10 October 2011 was adjusted.

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) 購股權將分為二等份歸屬，50%已授出購股權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。購股權之契約期為期七年。
- (b) 購股權將分為二等份歸屬，50%已授出購股權於由授出日期起第一及二個週年歸屬。此外，倘若達到本集團及參與者的預定表現目標，則有關購股權方獲歸屬。倘未能達致上述全部目標，則有關購股權將失效。購股權之契約期為期五年。
- (c) 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。
- (d) 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，在二零一一年十月十日授出的購股權的行使價已作調整。

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 2017 於二零一七年 一月一日	Granted during the year 年內授出	Exercised during the year 年內行使	Forfeited/ Lapsed during the year 年內 沒收/失效	As at 31 December 2017 於二零一七年 十二月三十一日	Exercisable at 31 December 2017 於二零一七年 十二月三十一日 可行使
10 October 2011	二零一一年十月十日	2,333,946	-	(2,333,946)	-	-	-
13 July 2017	二零一七年七月十三日	-	10,930,005	-	(480,790)	10,449,215	-
Total	總計	2,333,946	10,930,005	(2,333,946)	(480,790)	10,449,215	-

Date of grant	授出日期	OAs 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 年內行使	Forfeited/ Lapsed during the year 年內 沒收/失效	As at 31 December 2016 於二零一六年 十二月 三十一日	Exercisable at 31 December 2016 於二零一六年 十二月 三十一日 可行使
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

NOTES TO FINANCIAL STATEMENTS 財務報表附註

41. SHARE OPTION SCHEME (continued)**Movements of outstanding share options** (continued)

Subsequent to the end of the reporting period, out of the total outstanding share options of 10,449,215 (2016: 2,333,946) as at 31 December 2017, 22,500 (2016: Nil) share options had lapsed due to the unfulfilment of vesting conditions.

The fair value of the share options granted during the year was estimated to be RMB43,621,000 (RMB3.46 each) at the grant date. The Group recognised an expense of RMB12,582,000 (note 7) relating to the fair value amortisation of share options during the year (2016: Nil).

The average fair value of equity-settled share options granted during the year was estimated to as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted.

The following table lists the significant inputs to the model used:

		2017 二零一七年
Dividend yield (%)	股息率(%)	0.65
Expected volatility (%)	預期波動率(%)	32.18
Historical volatility (%)	歷史波動率(%)	32.18
Risk-free interest rate (%)	無風險利率(%)	0.97
Option life (years)	購股權年期(年)	5
Spot price (HK\$ per share)	現貨價(港元/每股)	14.62
Exercise price (HK\$ per share)	行使價(港元/每股)	14.812

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. The spot price is the closing price of the Company's shares at the grant date. The exercise price is the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the grant date.

41. 購股權計劃(續)**尚未行使購股權變動**(續)

於二零一七年十二月三十一日尚未行使的購股權共10,449,215(二零一六年: 2,333,946)份購股權單位中, 22,500(二零一六年: 零)份因未達到歸屬條件而於報告期末後失效。

於年內授予購股權的公允值在授予日期估計為人民幣43,621,000元(每份人民幣3.46元)。本集團於年內確認有關購股權公允值攤銷的開支人民幣12,582,000元(二零一六年: 零)(附註7)。

於年內授出以股份支付的購股權之平均公允值乃於授出日期使用二項計價模式進行估計, 並已考慮有關購股權之授出條款及條件。

下表載列所用模型之重大輸入數據:

預期波動率反映歷史波動率可顯示未來趨勢的假設, 但不一定為實際結果。現貨價為本公司股份於授出日期的收市價。行使價為緊接授出日期前五個營業日聯交所每日報價表所列每股股份平均收市價。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

41. SHARE OPTION SCHEME (continued)**Movements of outstanding share options** (continued)

The 2,333,946 share options (2016: 7,165,736) exercised during the year resulted in the issue of 2,333,946 (2016: 7,165,736) ordinary shares of the Company and new share capital of RMB198,000 (2016: RMB635,000) and share premium of RMB23,683,000 (2016: RMB75,829,000), 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\$17.71 (2016: HK\$14.58).

At the end of the reporting period of 2017, the Company had no vested share options outstanding under the Share Option Scheme.

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 whom 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.

41. 購股權計劃(續)**尚未行使購股權變動**(續)

2,333,946份(二零一六年：7,165,736份)購股權於年內行使，因而已發行2,333,946股(二零一六年：7,165,736股)本公司普通股，產生新股本為人民幣198,000元(二零一六年：人民幣635,000元)，股份溢價人民幣23,683,000元(二零一六年：人民幣75,829,000元)，詳情載於財務報表附註38。此等購股權於行使日的加權平均股價為17.71港元(二零一六年：14.58港元)。

於二零一七年報告期末，本公司並無購股權計劃項下的已歸屬未行使購股權。

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，由合資格人士絕對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。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

42. SHARE AWARD SCHEME (continued)

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. On 13 July 2017, the directors of the Company approved to extend the validity period of the share award scheme for approximately another five years to 26 March 2023.

Particulars and movements of share award scheme**42. 股票獎勵計劃(續)**

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。於二零一七年七月十三日，本公司的董事同意延長股票獎勵計劃的有效期約五年至二零二三年三月二十六日。

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 2017	during the year	during the year	during the year	31 December 2017
		附註	(HK\$) (港元)	(HK\$) (港元)	於 二零一七年 一月一日	年內授出	年內歸屬	年內沒收	於 二零一七年 十二月 三十一日
2 April 2015	二零一五年四月二日	(b)	40.10	20.05	2,131,822	-	-	(2,131,822)	-
11 April 2016	二零一六年四月十一日	(c)	12.42	n/a	7,656,903	-	(6,379,066)	(1,277,837)	-
13 July 2017	二零一七年七月十三日	(e)	14.62	n/a	-	6,998,575	-	(228,560)	6,770,015
					9,788,725	6,998,575	(6,379,066)	(3,638,219)	6,770,015

NOTES TO FINANCIAL STATEMENTS 財務報表附註

42. SHARE AWARD SCHEME (continued)

Particulars and movements of share award scheme

(continued)

42. 股票獎勵計劃(續)

股票獎勵計劃詳情及變動(續)

Date of grant	授出日期	Notes	Fair value per share		As at	Granted	Vesting	Forfeited	As at
			(HK\$)	(HK\$)	1 January	during	during	during	31 December
		附註	每股公允值	每股公允值	於	年內授出	年內歸屬	年內沒收	於
			發行紅股前	發行紅股後	二零一六年				二零一六年
			Before	After	一月一日				十二月
			bonus	bonus					三十一日
			issue	issue					
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	(b)	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	(c)	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	(d)	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

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 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 2 April 2015, the Company 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 31 December 2015, 2016 and 2017, respectively. The other shares 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.

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) 二零一五年四月二日，本公司根據股票獎勵計劃向參與者授出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)，其他股份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。

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 11 April 2016, the Company 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 ended 31 December 2016 and 2017, respectively.
- (d) On 21 September 2016, the Company 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.
- (e) On 13 July 2017, the Company granted 6,998,575 shares under share award scheme to the Participants, representing approximately 0.2% of the issued share capital of the Company as at the adoption date. These granted shares would vest in two equal batches on the first and second anniversaries of the date of grant in accordance with certain vesting conditions.

42. 股票獎勵計劃(續)

股票獎勵計劃詳情及變動(續)

附註：(續)

- (c) 二零一六年四月十一日，本公司根據股票獎勵計劃向參與者授出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。
- (d) 二零一六年九月二十一日，本公司根據股票獎勵計劃向參與者授出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，惟須待本公司就截至二零一六年十二月三十一日止財政年度刊發全年業績後，方可歸屬。
- (e) 二零一七年七月十三日，本公司根據股票獎勵計劃向參與者授出6,998,575股股份，佔本公司於採納日期的已發行股本約0.2%。此等已授出的股份將分為二等份歸屬，根據若干歸屬條件由授出日期起第一及二個週年歸屬。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

42. SHARE AWARD SCHEME (continued)**Particulars and movements of share award scheme**

(continued)

During the year, 3,638,219 (2016: 23,337,061) shares lapsed due to the unfulfilment 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 13 July 2017 was HK\$14.62 per share (2016: HK\$12.42 per share and HK\$13.96 per share respectively). During 2017, there was an expense relating to the share award scheme of RMB75,584,000 (2016: RMB202,243,000), and a reversal of expense due to the unfulfilment of vesting condition under the share award scheme of RMB32,040,000 (2016: RMB161,304,000). The Group accordingly recognised a net expense relating to the share award scheme of approximately RMB43,544,000 (2016: RMB40,939,000) in the consolidated statement of profit or loss during the year (note 7).

During 2016, the Company acquired 2,094,000 of the Company's shares 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, equivalent to RMB16,916,000. No treasury shares were purchased by the Company in 2017.

During the year, 6,379,066 (2016: 5,104,602) shares with a total amount of RMB91,480,000 (2016: RMB78,269,000) were vested and exercised under the share award scheme, resulting in the transfer out of RMB66,216,000 (2016: RMB53,562,000) from the share award reserve, with the difference of RMB25,264,000 (2016: RMB24,707,000) debited to the share premium account. The weighted average share price at the date of exercise of these shares was HK\$16.92 (2016: HK\$17.14).

42. 股票獎勵計劃(續)**股票獎勵計劃詳情及變動**(續)

於年內，共3,638,219股(二零一六年：23,337,061股)股份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。二零一七年七月十三日授出的股份的公允值為每股14.62港元(二零一六年：分別為每股12.42港元及每股13.96港元)。二零一七年內，股票獎勵計劃支出為人民幣75,584,000元(二零一六年：人民幣202,243,000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32,040,000元(二零一六年：人民幣161,304,000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43,544,000元(二零一六年：人民幣40,939,000元)(附註7)。

二零一六年內，本公司根據股票獎勵計劃於市場購買本公司2,094,000股股份。年內購買該等股份的已支付金額總數為19,786,000港元，相當於人民幣16,916,000元。本公司並未於二零一七年購回任何庫存股份。

年內，總額為人民幣91,480,000元(二零一六年：人民幣78,269,000元)的6,379,066股(二零一六年：5,104,602股)股份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66,216,000元(二零一六年：人民幣53,562,000元)，差額人民幣25,264,000元(二零一六年：人民幣24,707,000元)已自股份溢價賬扣除。此等股份於行使日期的加權平均股價為16.92港元(二零一六年：17.14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：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 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%
Loss for the year allocated to non-controlling interests: Yashili	非控股股東權益分佔的本年虧損： 雅士利	(91,773)	(176,637)
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
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	3,768,460	3,874,555

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 2017 二零一七年 RMB'000 人民幣千元	Yashili 雅士利 2016 二零一六年 RMB'000 人民幣千元
Revenue	收入	2,254,716	2,203,315
Total expenses	開支總額	(2,434,527)	(2,523,533)
Loss for the year	本年虧損	(179,811)	(320,218)
Other comprehensive income/(loss) for the year	本年其他全面 收益/(虧損)	(33,250)	76,667
Total comprehensive loss for the year	年內全面虧損總額	(213,061)	(243,551)
Current assets	流動資產	4,025,850	4,099,891
Non-current assets	非流動資產	3,404,726	3,866,100
Current liabilities	流動負債	(1,917,986)	(2,253,535)
Non-current liabilities	非流動負債	(21,663)	(10,842)
Net cash flows used in operating activities	經營活動所用的 現金流量淨額	(254,858)	(477,239)
Net cash flows from/(used in) investing activities	投資活動產生/(所用)的 現金流量淨額	287,322	(366,891)
Net cash flows from financing activities	融資活動產生的 現金流量淨額	50,380	94,607
Effect of exchange rate changes on cash and cash equivalents	匯率對現金及 現金等價物的影響	4,627	23,458
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物 增加/(減少)淨額	87,471	(726,065)

NOTES TO FINANCIAL STATEMENTS 財務報表附註

44. BUSINESS COMBINATION**In 2017:**

During 2017, the Group acquired three subsidiaries from third parties. These three subsidiaries are mainly engaged in the sale of dairy products. These acquisition were made as part of the Group's strategy to expand its market share of liquid milk products in Mainland China. The total purchase considerations for these acquisition were in the form of cash of RMB8,363,000 paid at the acquisition date. These business acquisition gave rise to goodwill of RMB5,381,000 in total.

In 2016:**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.

44. 業務合併**於二零一七年：**

二零一七年內，本集團向第三方收購三間子公司。該三間子公司主要從事銷售乳製品。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8,363,000元。此等業務收購共產生商譽人民幣5,381,000元。

於二零一六年：**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。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

44. BUSINESS COMBINATION (continued)

In 2016: (continued)

Acquisition of Dumex China (continued)

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(續)

於二零一六年：(續)

收購多美滋中國(續)

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 RMB'000 人民幣千元
	Note 附註	
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

The fair values of the trade receivables and other receivables as at the date of acquisition were the same as the gross contractual amounts of trade receivables and other receivables, which amounted to RMB63,887,000 and RMB14,116,000, respectively.

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。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

44. BUSINESS COMBINATION (continued)

In 2016: (continued)

Acquisition of Dumex China (continued)

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 year ended 31 December 2016 was as follows:

		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價物流出淨額	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 2016, the revenue 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.

44. 業務合併(續)

於二零一六年：(續)

收購多美滋中國(續)

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。

收購多美滋中國於截至二零一六年十二月三十一日止年度的現金流量分析如下：

		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價物流出淨額	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

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。

倘有關合併於二零一六年年初進行，則截至二零一六年十二月三十一日止年度本集團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)

In 2016: (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)

於二零一六年：(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：

		Fair value recognised on acquisition 收購時確認 的公允值 RMB'000 人民幣千元
	Notes 附註	
Assets		
Property, plant and equipment		9,763
Other intangible assets		24,371
Deferred tax assets	23	7,614
Inventories		11,461
Trade and bills receivables		5,886
Prepayments, deposits and other receivables		8,391
Cash and bank balances		389
Total assets		67,875
Liabilities		
Trade and bills payables		(67,914)
Other payables and accruals		(40,413)
Total liabilities		(108,327)
Total identifiable net liabilities at fair value		(40,452)
Add: Goodwill arising on acquisition	19	48,452
Purchase consideration at fair value		8,000

NOTES TO FINANCIAL STATEMENTS 財務報表附註

44. BUSINESS COMBINATION (continued)

In 2016: (continued)

Acquisition of Inner Mongolia Yiqing (continued)

The fair values of the trade receivables and other receivables as at the date of acquisition were the 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 year ended 31 December 2016 was as follows:

		RMB'000 人民幣千元
Cash consideration	現金代價	8,000
Cash and cash equivalents acquired	收購所得現金及現金等價物	(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價物流出淨額	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 2016, the revenue 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)

於二零一六年：(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。

收購內蒙壹清於截至二零一六年十二月三十一日止年度的現金流量分析如下：

		RMB'000 人民幣千元
Cash consideration	現金代價	8,000
Cash and cash equivalents acquired	收購所得現金及現金等價物	(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價物流出淨額	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。

倘有關合併於二零一六年年初進行，則截至二零一六年十二月三十一日止年度本集團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。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

44. BUSINESS COMBINATION (continued)

In 2016: (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 of 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)

於二零一六年：(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)

In 2016: (continued)

Acquisition of Shanghai Mengniu (continued)

The fair values of the trade receivables and other receivables as at the date of acquisition were the 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.

A 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 year ended 31 December 2016 was as follows:

44. 業務合併(續)

於二零一六年：(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。

收購上海蒙牛於截至二零一六年十二月三十一日止年度現金流量分析如下：

		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價物流出淨額	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

NOTES TO FINANCIAL STATEMENTS 財務報表附註

44. BUSINESS COMBINATION (continued)**In 2016:** (continued)**Acquisition of Shanghai Mengniu** (continued)

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 2016, the revenue 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 subsidiaries from third parties. These subsidiaries are mainly engaged in the 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 in total. During 2016, these business acquisitions gave rise to gains on bargain purchase of RMB9,213,000 in total.

44. 業務合併(續)**於二零一六年：**(續)**收購上海蒙牛**(續)

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。

倘有關合併於二零一六年年初進行，則截至二零一六年十二月三十一日止年度本集團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十二間子公司。此等子公司主要從事銷售乳製品。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。二零一六年內，此等業務收購共產生議價購入收益人民幣9,213,000元。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

45. 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.

45. 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。

46. 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:

46. 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：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within one year	一年內	2,222	3,550
In the second to fifth years, inclusive	兩至五年(包括首尾兩年)	4,389	3,360
Over five years	五年以上	762	1,400
		7,373	8,310

(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:

(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：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within one year	一年內	213,907	178,989
In the second to fifth years, inclusive	兩至五年(包括首尾兩年)	314,247	324,605
Over five years	五年以上	44,052	59,115
		572,206	562,709

NOTES TO FINANCIAL STATEMENTS 財務報表附註

47. COMMITMENTS

In addition to the operating lease commitments detailed in note 46, 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:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Contracted, but not provided for	已訂約但未撥備	921,832	643,196

At the end of the reporting period, the Group did not have any significant commitments.

47. 承擔

除附註46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、廠房及設備的未償還資本承擔如下：

於報告期末，本集團並無任何重大承擔。

48. 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.

48. 關聯人士交易

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

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
(I) Sales of liquid milk products to associates	(I) 向聯營公司銷售液態奶產品	1,547,881	2,136,086
(II) Sales of ice cream products to associates	(II) 向聯營公司銷售冰淇淋產品	29,887	29,055
(III) Sales of other dairy products to associates	(III) 向聯營公司銷售其他乳類產品	233	837
(IV) Sales of products . affiliates of a major shareholder of the Company	(IV) 向本公司一名主要股東的聯屬公司出售產品	14,958	15,884
(V) Provision of outsourcing services to an associate	(V) 向一間聯營公司提供外包服務	-	8,970
(VI) Purchases of raw materials from affiliates of a major shareholder of the Company	(VI) 向本公司一名主要股東的聯屬公司購買原材料	798,045	405,348
(VII) Purchases of raw materials from associates	(VII) 向聯營公司購買原材料	4,415,213	3,273,880
(VIII) Purchases of liquid milk products from an associate	(VIII) 向一間聯營公司購買液態奶產品	236,635	-
(IX) Purchases of milk powder products from an associate	(IX) 向一間聯營公司購買奶粉產品	3,957	-
(X) Purchases of outsourcing services from an associate	(X) 向一間聯營公司購買外包服務	3,497	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。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

48. RELATED PARTY TRANSACTIONS (continued)**(b) Other transactions with associates**

- (i) During 2017, the Group acquired a 20% and 25% equity interest in Mengniu Meirixian Dairy (Hubei) Co., Ltd., which is a 55% indirectly owned subsidiary of the Group, from Fuyuan, an associate of the Group, and independent third parties, respectively. The purchase consideration for the acquisition was in the form of cash, with RMB2,000,000 and RMB3,300,000 paid at the acquisition date to the associate and independent third parties, respectively.
- (ii) During 2016, the Group acquired a 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.
- (iii) During 2016, Linxia Yiqing, a 70% indirectly owned subsidiary of the Company, acquired a 70% and 30% equity interest in Inner Mongolia Yiqing from Fuyuan, 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.

The related party transactions in respect of items (a) (IV) and (a) (VI) above also constitute continuing transactions as defined in Chapter 14A of the Listing Rules.

48. 關聯人士交易(續)**(b) 與聯營公司其他交易**

- (i) 二零一七年內，本集團分別向本集團聯營公司富源及獨立第三方收購本集團間接擁有55%股權的子公司蒙牛每日鮮乳業(湖北)有限責任公司的20%及25%股權。該收購的購買代價分別以現金人民幣2,000,000元及人民幣3,300,000元於收購日期向聯營公司及獨立第三方支付。
- (ii) 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的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。
- (iii) 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富源及獨立第三方收購內蒙壹清的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。

上述(a) (IV)及(a) (VI)項中的關聯方交易亦構成上市規則第14A章所界定的持續交易。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

48. RELATED PARTY TRANSACTIONS (continued)

(d) Year-end balances arising from related party transactions are as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Trade and bills receivables from: 應收賬款及票據：			
Associates	聯營公司	553,443	526,848
Affiliates of a major shareholder of the Group	本集團一名主要股東的 聯屬公司	2,721	3,491
		556,164	530,339
Prepayments, deposits and other receivables from: 預付款、按金及其他應收款項：			
Associates	聯營公司	235,110	199,240
Affiliates of a major shareholder of the Company	本集團一名主要股東的 聯屬公司	-	564
		235,110	199,804
Trade and bills payables to: 應付賬款及票據：			
Associates	聯營公司	259,097	163,011
Affiliates of a major shareholder of the Group	本集團一名主要股東的 聯屬公司	133,118	47,196
		392,215	210,207

48. 關聯人士交易(續)

(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

48. RELATED PARTY TRANSACTIONS (continued)**(d) Year-end balances arising from related party transactions are as follows:** (continued)

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Other payables and accruals to: 其他應付款項及預提費用：			
Associates	聯營公司	14,459	11,371
		14,459	11,371

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

(e) Other outstanding balances with associates

As at 31 December 2017, the Group had entrusted loans of RMB44,590,000 (31 December 2016: RMB33,086,000) due to certain associates included in "Interest-bearing bank and other borrowings". The Group obtained those loans from certain associates via banks. The balances are unsecured, with an annual interest rate of 1.15% (31 December 2016: 1.15%).

As at 31 December 2017, the Group had entrusted loans of RMB1,065,400,000 (31 December 2016: Nil) due from China Modern Dairy included in "Other financial assets". The Group loaned out the money via banks. The entrusted loans are unsecured, with annual interest rates ranging from 4.00% to 4.35% (31 December 2016: Nil).

48. 關聯人士交易(續)**(d) 關聯人士交易產生的年末結餘如下：**(續)

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Other payables and accruals to: 其他應付款項及預提費用：			
Associates	聯營公司	14,459	11,371
		14,459	11,371

除若干預付款項、按金及其他應收聯營公司款項約人民幣129,167,000元按2.5%的固定年利率計息外，上述結餘為無抵押、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

於二零一七年十二月三十一日，本集團擁有應付若干聯營公司委託貸款人民幣44,590,000元(二零一六年十二月三十一日：人民幣33,086,000元)，並已計入計息銀行及其他借貸。本集團透過銀行從若干聯營公司取得該等貸款。結餘為無抵押，年利率為1.15%(二零一六年十二月三十一日：1.15%)。

於二零一七年十二月三十一日，本集團擁有應收中國現代牧業委託貸款人民幣1,065,400,000元(二零一六年十二月三十一日：無)，並已計入其他金融資產。本集團透過銀行借出該款項。該委託貸款為無抵押，年利率介乎4.00%至4.35%(二零一六年十二月三十一日：無)。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

49. 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

		2017 二零一七年				2016 二零一六年			
		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	按公允價值計量且其變動計入損益	按公允價值計量且其變動計入其他全面收益	總計	攤銷成本	按公允價值計量且其變動計入損益	按公允價值計量且其變動計入其他全面收益	總計
		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
Trade and bills receivables	應收賬款及票據	2,646,834	-	-	2,646,834	2,340,099	-	-	2,340,099
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	785,845	-	-	785,845	859,682	-	-	859,682
Equity investments	股本投資	-	31,599	327,435	359,034	-	38,529	597,595	636,124
Convertible promissory note	可換股承兌票據	-	186,670	-	186,670	-	-	-	-
Entrusted loans	委託貸款	1,175,910	-	-	1,175,910	158,177	-	-	158,177
Derivative financial instruments	衍生金融工具	-	29,569	30,617	60,186	-	36,501	-	36,501
Investment deposits	投資存款	-	9,392,108	-	9,392,108	-	4,139,490	-	4,139,490
Pledged deposits	保證金存款	466,265	-	-	466,265	960,863	-	-	960,863
Long term receivables	長期應收款項	155,698	-	-	155,698	183,960	-	-	183,960
Cash and cash equivalents	現金及現金等價物	3,129,444	-	-	3,129,444	3,355,537	-	-	3,355,537
Time deposits	定期存款	3,868,937	-	-	3,868,937	4,348,479	-	-	4,348,479
		12,228,933	9,639,946	358,052	22,226,931	12,206,797	4,214,520	597,595	17,018,912

49. 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

49. FINANCIAL INSTRUMENTS BY CATEGORY (continued)
Financial liabilities

49. 按類別劃分的金融工具(續)

金融負債

		2017 二零一七年 Fair value through profit or loss 按公允價值 計量且其 變動計入 損益			2016 二零一六年 Fair value through profit or loss 按公允價值 計量且其 變動計入 損益		
		Amortised cost 攤銷成本 RMB'000 人民幣千元	profit or loss 損益 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	Amortised cost 攤銷成本 RMB'000 人民幣千元	profit or loss 損益 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade and bills payables	應付賬款及票據	6,342,273	-	6,342,273	5,405,620	-	5,405,620
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	4,174,681	-	4,174,681	3,824,422	-	3,824,422
Interest-bearing bank and other borrowings excluding zero coupon exchangeable bonds	計息銀行及其他借貸 (不包括零息 可交換債券)	12,679,549	-	12,679,549	8,587,580	-	8,587,580
Zero coupon exchangeable bonds	零息可交換債券	-	1,270,575	1,270,575	-	-	-
Other loans	其他貸款	22,912	-	22,912	52,559	-	52,559
Derivative financial instruments	衍生金融工具	-	1,222	1,222	-	-	-
Long term payables	長期應付款項	38,239	-	38,239	94,025	-	94,025
Other financial liabilities	其他金融負債	2,175,431	-	2,175,431	2,143,378	-	2,143,378
		25,433,085	1,271,797	26,704,882	20,107,584	-	20,107,584

NOTES TO FINANCIAL STATEMENTS 財務報表附註

50. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS**Fair value**

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

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

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

The fair values of the non-current portion of other financial assets, long term time deposits, long term 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 value of other borrowings are measured using valuation technical methods and by reference to quoted prices. The fair value of the convertible promissory note is measured using valuation technical methods.

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

50. 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其賬面值相若。

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。其他借貸的公允值乃使用估值技術方法及經參考報價計量。可換股承兌票據的公允值乃使用估值技術方法計量。

上市股本投資的公允值乃基於市場報價。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

50. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value (continued)

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

The following table shows the valuation technique used in the determination of fair values of 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	2.00% to 5.10% (2016: 0.13% to 4.00%) 2.00%至5.10% (二零一六年：0.13%至4.00%)	10% (2016: 10%) increase (decrease) in expected yield would result in increase (decrease) in fair value by RMB10,142,000 (2016: RMB2,807,000) 預期收益率增加(減少)10%(二零一六年：10%)將導致公允值增加(減少)人民幣10,142,000元(二零一六年：人民幣2,807,000元)
		Discount rate 折現率	2.00% to 5.10% (2016: 0.13% to 4.00%) 2.00%至5.10% (二零一六年：0.13%至4.00%)	10% (2016: 10%) increase (decrease) in discount rate would result in decrease (increase) in fair value by RMB10,124,000 (2016: RMB2,803,000) 折現率增加(減少)10%(二零一六年：10%)將導致公允值減少(增加)人民幣10,124,000元(二零一六年：人民幣2,803,000元)

50. 金融工具的公允值及公允值層級 (續)

公允值(續)

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

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

NOTES TO FINANCIAL STATEMENTS 財務報表附註

50. 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:

50. 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	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Financial assets	金融資產				
Long term entrusted loans	長期委託貸款	64,149	101,930	63,060	99,324
Long term receivables	長期應收款項	122,496	123,689	119,786	132,182
Long term time deposits	長期定期存款	1,039,504	1,633,938	1,037,814	1,630,006
		1,226,149	1,859,557	1,220,660	1,861,512
		Carrying amounts 賬面值		Fair values 公允值	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 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	1,629,837	2,143,378	1,629,837	2,143,378
Interest-bearing bank and other borrowings – non-current portion excluding zero coupon exchangeable bonds	計息銀行及其他借貸 – 非流動部分(不包括零息可交換債券)	4,744,522	5,542,163	4,673,111	5,751,298
Long term payables	長期應付款項	10,894	36,914	9,666	35,260
		6,385,253	7,722,455	6,312,614	7,929,936

NOTES TO FINANCIAL STATEMENTS 財務報表附註

50. 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:

50. 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：

		2017 二零一七年			
		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	327,435	-	-	327,435
Unlisted equity investments	非上市股本投資	-	-	31,599	31,599
Convertible promissory note	可換股承兌票據	-	-	186,670	186,670
Investment deposits	投資存款	-	-	9,392,108	9,392,108
Derivative financial instruments	衍生金融工具	1,283	58,903	-	60,186
		328,718	58,903	9,610,377	9,997,998

NOTES TO FINANCIAL STATEMENTS 財務報表附註

50. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)**Fair value hierarchy** (continued)

Assets measured at fair value: (continued)

		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
		608,378	25,718	4,178,019	4,812,115

Liabilities measured at fair value:

按公允值計量的負債：

		2017 二零一七年			
		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	1,044	178	-	1,222
Zero coupon exchangeable bonds	零息可交換債券	-	1,270,575	-	1,270,575
		1,044	1,270,753	-	1,271,797

50. 金融工具的公允值及公允值層級 (續)**公允值層級**(續)

按公允值計量的資產：(續)

NOTES TO FINANCIAL STATEMENTS 財務報表附註

50. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Assets for which fair values are disclosed:

50. 金融工具的公允值及公允值層級 (續)

公允值層級(續)

有披露公允值的資產：

		2017 二零一七年			
		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	-	63,060	-	63,060
Long term receivables	長期應收款項	-	119,786	-	119,786
Long term time deposits	長期定期存款	-	1,037,814	-	1,037,814
		-	1,220,660	-	1,220,660

		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

NOTES TO FINANCIAL STATEMENTS 財務報表附註

50. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)**Fair value hierarchy** (continued)

Liabilities for which fair values are disclosed:

50. 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：

		2017 二零一七年			
		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	-	1,629,837	-	1,629,837
Interest-bearing bank and other borrowings – non-current portion excluding zero coupon exchangeable bonds	計息銀行及其他借貸 – 非流動部分(不包括零息可交換債券)	-	4,673,111	-	4,673,111
Long term payables	長期應付款項	-	9,666	-	9,666
		-	6,312,614	-	6,312,614

		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

NOTES TO FINANCIAL STATEMENTS 財務報表附註

51. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**Financial risk management**

The Group's principal financial instruments, other than derivatives, comprise cash and cash equivalents, trade and bills receivables and payables, other receivables and payables, long term receivables balances with related parties, interest-bearing bank and other borrowings, 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, interest rate swap, 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. The Group enters into interest rate swaps, in which the Group agrees to exchange, at a specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. In the opinion of the directors, the Group has no significant interest rate risk.

51. 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、應收及應付賬款及票據、其他應收及應付款項、與關聯人士的長期應收結餘、計息銀行及其他借貸、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、利率互換合約、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、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。本集團訂立利率互換合約，據此，本集團同意於固定期間，按照協定名義本金金額計算的固定及浮動利率金額的差額進行兌換。董事認為，本集團並無重大利率風險。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

51. 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 稅前利潤/(虧損) 增加/(減少) RMB'000 人民幣千元
2017	RMB		
	RMB		
	Hong Kong dollars		
	Hong Kong dollars		
	United States dollars		
	United States dollars		
	Euro		
	Euro		
	New Zealand dollars		
	New Zealand dollars		
<hr/>			
2016	RMB		
	RMB		
	Hong Kong dollars		
	Hong Kong dollars		
	United States dollars		
	United States dollars		
	Euro		
	Euro		

51. 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稅前利潤/(虧損)(透過浮息借貸的影響)的影響：

NOTES TO FINANCIAL STATEMENTS 財務報表附註

51. 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 2017, substantially all of the Group's assets and liabilities were denominated in RMB except for the cash and bank balances of approximately RMB102,558,000 (2016: RMB204,524,000), RMB139,753,000 (2016: RMB611,330,000), RMB1,057,000 (2016: RMB33,649,000), RMB6,000 (2016: RMB8,083,000) and RMB60,443,000 (2016: RMB16,014,000) which were denominated in United States dollars, Hong Kong dollars, Euro, New Zealand dollars and Danish Krone, respectively, pledged deposits of approximately RMB14,545,000 (2016: RMB11,366,000) which was denominated in United States dollars, an investment deposit of approximately RMB51,412,000 (2016: Nil) which was denominated in United States dollars, and the interest-bearing bank and other borrowings of approximately RMB3,207,497,000 (2016: RMB69,325,000), RMB5,941,819,000 (2016: RMB5,605,820,000), RMB52,197,000 (2016: RMB14,899,000), RMB74,426,000 (2016: Nil) and RMB12,053,000 (2016: Nil) which were denominated in Hong Kong dollars, United States dollars, Euro, New Zealand dollars and Australian dollars, respectively. As at 31 December 2016, an investment deposit of approximately RMB4,473,000 was denominated in Hong Kong dollars. 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.

51. 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。於二零一七年十二月三十一日，本集團的資產及負債中，除了現金及銀行結存約人民幣102,558,000元(二零一六年：人民幣204,524,000元)、人民幣139,753,000元(二零一六年：人民幣611,330,000元)、人民幣1,057,000元(二零一六年：人民幣33,649,000元)、人民幣6,000元(二零一六年：人民幣8,083,000元)及人民幣60,443,000元(二零一六年：人民幣16,014,000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14,545,000元(二零一六年：人民幣11,366,000元)以美元計值，投資存款約人民幣51,412,000元(二零一六年：無)以美元計值，計息銀行及其他借貸約人民幣3,207,497,000元(二零一六年：人民幣69,325,000元)、人民幣5,941,819,000元(二零一六年：人民幣5,605,820,000元)、人民幣52,197,000元(二零一六年：人民幣14,899,000元)、人民幣74,426,000元(二零一六年：無)及人民幣12,053,000元(二零一六年：無)分別以港元、美元、歐元、新西蘭元及澳元計值之外，本集團絕大部分資產及負債均以人民幣為單位。於二零一六年十二月三十一日，投資存款約人民幣4,473,000元以港元計值。人民幣兌外幣的匯價若有波動，可能影響本集團的經營業績，但董事認為外幣風險在管理層的控制之中。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

51. 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
2017	二零一七年		5 (5)	209,128 (209,128)
				(161,130) 161,130
2016	二零一六年		5 (5)	150,872 (150,872)
				(122,773) 122,773

(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.

51. 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

51. 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 2017 based on contractual undiscounted payments.

51. 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。

下表載列於二零一七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。

		2017 二零一七年				
		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	-	8,143,598	5,957,416	269,928	14,370,942
Other loans	其他貸款	22,912	-	-	-	22,912
Trade and bills payables	應付賬款及票據	-	6,342,273	-	-	6,342,273
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	-	4,174,681	-	-	4,174,681
Long term payables	長期應付款項	-	28,797	11,244	-	40,041
Other financial liabilities	其他金融負債	-	586,355	1,926,896	-	2,513,251

NOTES TO FINANCIAL STATEMENTS 財務報表附註

51. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**Financial risk management** (continued)**(iv) Liquidity risk** (continued)**51. 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)

		2016 二零一六年				
		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	-	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

51. 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 2017.

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.

2017 二零一七年		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	327,435	16,372
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

51. 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。於二零一七年十二月三十一日，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

51. 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 2017 and 31 December 2016.

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 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:

51. 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。於截至二零一七年十二月三十一日及二零一六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

51. FINANCIAL RISK MANAGEMENT
OBJECTIVES AND POLICIES (continued)

Capital management (continued)

51. 財務風險管理目標及政策(續)

資本管理(續)

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Interest-bearing bank and other borrowings	計息銀行及其他借貸	13,950,124	8,587,580
Trade and bills payables	應付賬款及票據	6,342,273	5,405,620
Other payables and accruals	其他應付款項及預提費用	7,324,223	6,510,886
Other loans	其他貸款	22,912	52,559
Long term payables	長期應付款項	10,894	36,914
Other financial liabilities	其他金融負債	2,175,431	2,143,378
Less: Cash and bank balances	減：現金及銀行結存	(5,958,877)	(6,070,078)
Less: Long term time deposits	減：長期定期存款	(1,039,504)	(1,633,938)
Net debt	淨負債	22,827,476	15,032,921
Equity attributable to owners of the Company	本公司擁有人應佔權益	22,604,273	20,844,913
Adjusted capital	經調整資本	22,604,273	20,844,913
Capital and net debt	資本與淨負債	45,431,749	35,877,834
Gearing ratio	資本負債比率	50.25%	41.90%

NOTES TO FINANCIAL STATEMENTS 財務報表附註

52. EVENTS AFTER THE REPORTING PERIOD

On 22 December 2017, Scient China, Guangzhou Development District Land Development and Reserve Exchange (“GDD”) and its agents entered into an expropriation and compensation agreement pursuant to which certain properties of Scient China will be expropriated by GDD for a compensation amount of RMB253,000,000. The transaction was completed in January 2018.

On 22 January 2018, the Group and Modern Farming (Group) Co., Ltd. (“Modern Farming”), a non-wholly owned subsidiary of China Modern Dairy, entered into a share transfer agreement, pursuant to which the Group agreed to purchase 50% of the equity interests in Modern Dairy (Bengbu) Co., Ltd. and Modern Dairy (Feidong) Co., Ltd., two wholly-owned subsidiaries of Modern Farming, for an aggregate cash consideration of RMB56,040,000. Modern Dairy (Bengbu) Co., Ltd. and Modern Dairy (Feidong) Co., Ltd. are engaged in the production and distribution of milk products. Upon completion, the two companies will become subsidiaries of the Group. As at the reporting date, the purchase price allocation appraisal of this acquisition is not completed.

52. 報告期後事項

於二零一七年十二月二十二日，施恩（中國）、廣州開發區土地開發儲備交易中心（「廣州開發中心」）及其代理訂立一項徵收補償協議，據此廣州開發中心將自施恩（中國）徵收若干物業，補償金額為人民幣253,000,000元。該項交易已於二零一八年一月完成。

於二零一八年一月二十二日，本集團與中國現代牧業非全資子公司現代牧業（集團）有限公司（「現代牧業（集團）」）訂立股份轉讓協議，據此，本集團同意自兩間現代牧業（集團）全資子公司現代牧業（蚌埠）有限公司及現代牧業（肥東）有限公司購買50%股權，代價合計現金人民幣56,040,000元。現代牧業（蚌埠）有限公司及現代牧業（肥東）有限公司從事生產及分銷乳製品業務。完成後，兩間公司將成為本集團的子公司。於報告日期，此收購的購買價分配估值尚未完成。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

53. STATEMENT OF FINANCIAL POSITION OF THE COMPANY **53. 本公司財務狀況表**

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

報告期末有關本公司財務狀況表的資料如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 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	159	288
Loans to a subsidiary	應收一間子公司貸款	-	1,941,087
Investments in subsidiaries	於子公司的投資	12,555,023	13,410,180
Investment in an associate	於一間聯營公司的投資	2,732,636	2,980,538
Derivative financial instruments	衍生金融工具	54,602	-
Non-current financial assets	非流動金融資產	43,202	78,592
Total non-current assets	總非流動資產	15,385,622	18,410,685
CURRENT ASSETS	流動資產		
Derivative financial instruments	衍生金融工具	5,584	32,935
Prepayments, deposits and other receivables	預付款、按金及其他應收款項	473,829	3,909,106
Loans to subsidiaries	貸款予子公司	7,156,189	-
Pledged deposits	保證金存款	14,545	11,366
Cash and bank balances	現金及銀行結存	569,574	1,178,735
Total current assets	總流動資產	8,219,721	5,132,142
CURRENT LIABILITIES	流動負債		
Loans from subsidiaries	來自子公司的貸款	509,204	2,996,934
Other payables and accruals	其他應付款項及預提費用	265,436	265,624
Interest-bearing bank and other borrowings	計息銀行及其他借貸	3,760,684	-
Total current liabilities	總流動負債	4,535,324	3,262,558
NET CURRENT ASSETS	淨流動資產	3,684,397	1,869,584
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	19,070,019	20,280,269
NON-CURRENT LIABILITIES	非流動負債		
Loans from a subsidiary	來自一間子公司的貸款	2,181,484	2,272,856
Interest-bearing bank and other borrowings	計息銀行及其他借貸	5,148,407	4,827,997
Total non-current liabilities	總非流動負債	7,329,891	7,100,853
NET ASSETS	淨資產	11,740,128	13,179,416
EQUITY	權益		
Issued capital	股本	357,572	357,374
Treasury shares held under share award scheme	股票獎勵計劃下持有的庫存股份	(262,929)	(432,678)
Reserves	儲備	11,645,485	13,254,720
TOTAL EQUITY	總權益	11,740,128	13,179,416

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

53. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

53. 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
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	本年全面收益/(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)
Shares 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

53. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note: (continued)

A summary of the Company's reserves is as follows: (continued)

53. 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	Hedging reserve	Total
		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
			Note (a)	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	對沖儲備	總計
			附註(a)						
At 1 January 2017	於二零一七年一月一日	13,114,523	387,574	185,867	(290,804)	(175,099)	32,659	-	13,254,720
Loss for the year	本年虧損	-	-	-	-	(461,310)	-	-	(461,310)
Other comprehensive loss for the year:	本年其他全面虧損：								
Changes in fair value of an equity investment 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	-	-	-	(35,390)	-	-	-	(35,390)
Exchange differences between functional currency and presentation currency	功能貨幣及呈報貨幣的匯兌差額	-	-	(836,327)	-	-	-	-	(836,327)
Cash flow hedges, net of tax	現金流對沖，扣除稅項	-	-	-	-	-	-	30,617	30,617
Total comprehensive income/(loss) for the year	年度全面收益/(虧損)總額	-	-	(836,327)	(35,390)	(461,310)	-	30,617	(1,302,410)
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	23,683	-	-	-	-	-	-	23,683
Equity-settled share option arrangements	以股份支付的購股權安排	-	-	-	-	-	12,582	-	12,582
Transfer of share option reserve upon exercise of share options	行使購股權時轉出購股權儲備	7,895	-	-	-	-	(7,895)	-	-
Share award scheme	股票獎勵計劃	-	-	-	-	-	1,726	-	1,726
Dividends paid to owners of the Company	已向本公司擁有人派付股息	(344,816)	-	-	-	-	-	-	(344,816)
At 31 December 2017	於二零一七年十二月三十一日	12,801,285	387,574	(650,460)	(326,194)	(636,409)	39,072	30,617	11,645,485

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.

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。

NOTES TO FINANCIAL STATEMENTS 財務報表附註

54. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 27 March 2018.

54. 批准財務報表

董事會已於二零一八年三月二十七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				
		2017	2016	2015	2014	2013
		二零一七年	二零一六年	二零一五年	二零一四年	二零一三年
		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
Revenue	收入	60,155,622	53,779,339	49,026,516	50,049,243	43,356,908
Profit/(loss) before tax from continuing operations	來自持續經營業務的稅前利潤/(虧損)	2,624,961	(461,386)	3,030,170	3,150,008	2,204,503
Income tax expense	所得稅支出	(594,283)	(351,379)	(510,038)	(459,292)	(366,713)
Profit/(loss) for the year from continuing operations	來自持續經營業務的 本年利潤/(虧損)	2,030,678	(812,765)	2,520,132	2,690,716	1,837,790
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
Profit/(loss) for the year	本年利潤/(虧損)	2,030,678	(812,765)	2,520,254	2,690,653	1,861,988
Attributable to:	以下各方應佔：					
Owners of the Company	本公司擁有人	2,047,839	(751,155)	2,367,291	2,350,803	1,630,925
Non-controlling interests	非控股股東權益	(17,161)	(61,610)	152,963	339,850	231,063
Proposed dividend	擬派股息	471,283	349,327	549,357	548,406	367,053
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
For profit/(loss) for the year	本年利潤/(虧損)					
- Basic	- 基本	0.526	(0.193)	0.609	0.605	0.452
- Diluted	- 攤薄	0.526	(0.193)	0.607	0.602	0.448

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				
		2017 二零一七年 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	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
Total assets	總資產	58,138,731	49,124,427	50,652,541	47,080,792	40,339,396
Total liabilities	總負債	31,031,608	23,620,699	24,037,387	22,587,919	22,328,258
Equity attributable to owners of the Company	本公司擁有人應佔權益	22,604,273	20,844,913	22,136,239	21,489,400	15,360,918
Non-controlling interests	非控股股東權益	4,502,850	4,658,815	4,478,915	3,003,473	2,650,220

Note:

- (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.

附註：

- (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。



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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