



蒙牛®



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

守護每一個要強的你

每天一斤奶 營養你要強



守護國民健康 蒙牛倡議：天天飲奶 健康中國人

2019

ANNUAL REPORT

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 (collectively the “Group” or “Mengniu”) mainly 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, ice cream, milk formula and other products such as cheese. Mengniu made it on the “Global Dairy Top 20” list published by Rabobank, placing itself among the top 10 of dairy industry for the third consecutive year. By the end of December 2019, the Group’s annual production capacity of dairy products reached 9.50 million tons. In March 2014, Mengniu became a Hang Seng Index constituent, making it the first blue chip Chinese dairy product enterprise.

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」)主要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。蒙牛提供多元化的產品，包括液態奶、冰淇淋、奶粉及其他產品例如奶酪等。蒙牛已連續第三年於荷蘭合作銀行公佈的「全球乳業20強」佔據全球首十名。截至二零一九年十二月底，本集團乳製品的年生產能力達950萬噸。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

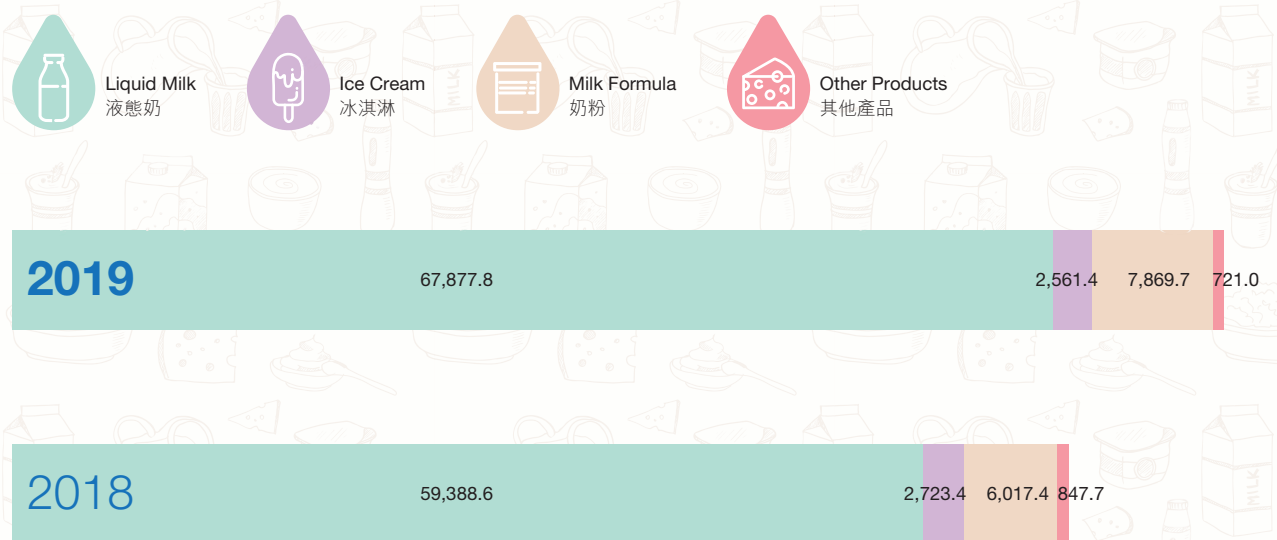
For the Year Ended 31 December	截至十二月三十一日止年度	2019 二零一九年 RMB Million 人民幣百萬元	2018 二零一八年 RMB Million 人民幣百萬元
Revenue	收入	79,030	68,977
Gross Profit	毛利	29,679	25,784
Profit Attributable to Owners of the Company	本公司擁有人應佔利潤	4,105	3,043
Net cash flows from operating activities	經營業務產生的淨現金流量	6,307	6,363
Earnings per Share (RMB)	每股盈利(人民幣元)		
– Basic	– 基本	1.049	0.779
– Diluted	– 攤薄	1.046	0.778

- For the year ended 31 December 2019, the Group made revenue of RMB79,029.9 million (2018: RMB68,977.1million), representing an increase of 14.6% year-on-year. Profit attributable to owners of the Company increased by 34.9% to RMB4,105.4 million (2018: RMB3,043.0 million). Basic earnings per share increased by 34.7% to RMB1.049 (2018: RMB0.779).
- During the year, the room temperature product business has maintained a strong trend of development in 2019 with double-digit growth in revenue, and the sales growth of high-end brands was particularly outstanding. Product structure was further enhanced. Sales of chilled yogurt maintained a high single-digit growth and remained the first in the industry for the 15th consecutive year despite the unfavourable market condition. Fresh milk, the youngest business segment of Mengniu, demonstrated “the speed of Mengniu”, with *Shiny Meadow* quickly becoming the no.1 brand in high-end fresh milk category soon after its launch.
- During the year, in order to further implement overseas strategic layout, realize long term development strategy and provide more quality dairy products to consumers in Asia Pacific region, Mengniu completed the acquisition of Bellamy’s Australia Limited (“Bellamy’s”), a world famous Australian organic infant formula and baby food provider, and announced to enter into an agreement to acquire 100% shares of Lion-Dairy & Drinks Pty Ltd (“LDD”), an Australia-based branded dairy and beverage company.
- During the year, Mengniu was named on the “Global Dairy Top 20” list published by Rabobank for the eleventh consecutive year and to be among the top 10 for the third consecutive year. Mengniu also ranked the 27th on BrandZ™’s list of “Most Valuable Chinese Brands”, honored the champion of “List of Brand Contribution”, and was awarded for the first time the “Most Trend-setting Brand of China”. Mengniu ranked the first runner-up of list of “Most Chosen Brands in China” by Kantar Worldpanel’s consumer research. In addition, Mengniu was named among the Brand Finance Global 500.
- Mengniu ranked first in the Corporate Social Responsibility Development Index for Dairy Enterprises (2019) by the Research Center of CSR China Academy of Social Sciences and received the “Evergreen Award in Sustainable Development” from *Caijing* magazine and China Alliance of Social Value Investment, “Asia Responsible Enterprise Awards 2019 – Social Empowerment Award” from Enterprise Asia and the “Climate Leader Plant Award” from the Energy Foundation and China Council for an Energy Efficient Economy.
- 截至二零一九年十二月三十一日止年度收入為人民幣790.299億元(二零一八年：人民幣689.771億元)，同比增長14.6%。本公司擁有人應佔利潤上升34.9%至人民幣41.054億元(二零一八年：人民幣30.430億元)。每股基本盈利上升34.7%至人民幣1.049元(二零一八年：人民幣0.779元)。
- 年內，常溫業務於二零一九年繼續保持強勁發展態勢，收入取得雙位數增長，高端品牌的銷售增長尤其突出，產品結構進一步提升。低溫酸奶的銷售逆市保持高單位數增長，連續15年穩居行業第一。鮮奶作為蒙牛最年輕的業務板塊跑出了「蒙牛速度」，每日鮮語在上市後迅速成為高端鮮奶第一品牌。
- 年內，蒙牛完成收購全球知名的澳洲有機嬰幼兒配方奶粉及嬰兒食品廠商Bellamy’s Australia Limited(簡稱「貝拉米」)，並宣佈簽約擬收購澳洲品牌乳品及飲料公司Lion-Dairy & Drinks Pty Ltd(簡稱「LDD」)的100%股份，以進一步落地海外戰略佈局，實施長期發展戰略，為亞太地區消費者提供更多優質乳製品。
- 年內，蒙牛連續第十一年入選荷蘭合作銀行公佈的「全球乳業二十強」榜單，並連續第三年佔據全球前十名。此外，蒙牛榮獲BrandZ™「最具價值中國品牌」第27位、「品牌貢獻榜」第一名，以及首次榮膺「最引領潮流中國品牌」獎項。在凱度消費者指數調研中，蒙牛勇奪「中國市場最受歡迎品牌」第二名。蒙牛亦榮獲Brand Finance全球品牌價值500強。
- 蒙牛榮獲社科院責任研究中心之社科院乳品企業社會責任發展指數(2019)第一名、《財經》雜誌及社會價值投資聯盟頒發「可持續發展長青獎」、亞洲企業商會頒發二零一九年度「亞洲企業社會責任獎 – 社會公益獎」，以及能源基金會與能效經濟委員會•中國頒發「氣候領袖企業獎」。

Revenue by Product Mix (For the year ended 31 December)

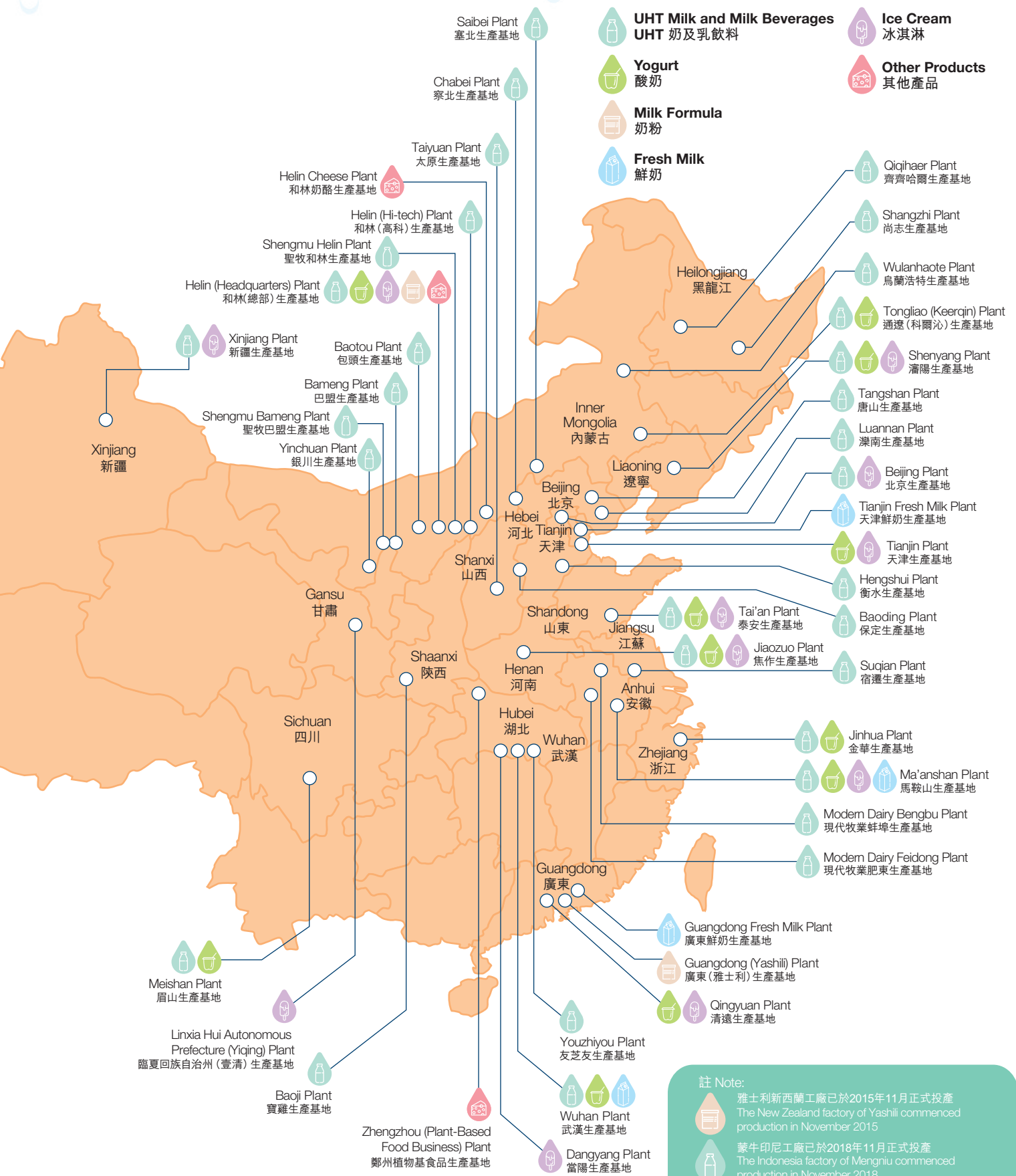
按產品劃分之收入 (截至十二月三十一日止年度)

RMB Million 人民幣百萬元



PLANT MAP

生產基地位置圖



註 Note:

- 雅士利新西蘭工廠已於2015年11月正式投產
The New Zealand factory of Yashili commenced production in November 2015
- 蒙牛印尼工廠已於2018年11月正式投產
The Indonesia factory of Mengniu commenced production in November 2018
- 2019年12月完成收購貝拉米後新增澳洲有機奶生產基地
An organic milk production base in Australia was added after completion of the acquisition of Bellamy's in December 2019

MAJOR AWARDS AND ACHIEVEMENTS

主要獎項及殊榮

The GROUP AND ITS MANAGEMENT

- Included in the “Global Dairy Top 20” list published by Rabobank for the eleventh consecutive year and ranked among the top 10 global dairy companies for the third consecutive year
- Awarded the title “Smart Manufacturing Benchmark Enterprise” (First batch) by the Ministry of Industry and Information Technology of the PRC
- Mengniu Financial Shared Service Center was presented with the “Asia-Pacific Intelligent Sharing Best Practice – Most Influential and Excellent Team Award” at the China Financial Sharing Service Center Summit in 2019
- Mr. Lu Minfang, Chief Executive Officer, became the first Chinese member to be elected to serve on the Board of International Dairy Federation. In addition, he was included on the “China New Growth Creative Person of 2019” list published by Harvard Business Review and bestowed the “China Dairy Industry Revitalization Leader” honored by China Dairy Industry Association. Besides, Mr. Lu was awarded the “2018–2019 Outstanding Food Safety Entrepreneur” by the organizing committee of China Food Safety Annual Conference and “Advanced Individual” by the Military Parade Service Security and Command Office of the Leading Group for Beijing City’s Celebration of the 70th Anniversary of the Founding of the People’s Republic of China

MENGNUI’S BRANDS

- Honored champion of the BrandZ™’s “List of Brand Contribution”, as well as “Most Trend-setting Brand of China” for the first time
- Ranked first runner-up of “Most Chosen Brands in China” by Kantar Worldpanel’s
- Ranked among Brand Finance Global 500 for the first time
- On the China Brand Power Index (C-BPI) list published by the Ministry of Industry and Information Technology of the PRC, Mengniu’s chilled yogurt held the championship in China’s yogurt industry brand power for the ninth consecutive year, while Yoyi C was honored as champion of brand power in the probiotics drinks industry for the third consecutive year

本集團及管理層

- 連續十一年入選荷蘭合作銀行的「全球乳業20強」榜單，並連續第三年位居全球前十
- 榮獲國家工信部評選的「智能製造標桿企業」(第一批)稱號
- 蒙牛財務共享服務中心在2019中國財務共享服務中心高峰會上榮獲「亞太智能財務共享最佳實踐最具影響力及優秀團隊獎」
- 總裁盧敏放先生當選國際乳品聯合會首位中國董事會成員，獲《哈佛商業評論》列入「2019中國新增長創新人物」榜單，並被中國乳製品工業協會授予「振興中國乳業領軍人物」稱號；此外，盧先生榮獲中國食品安全年會組委會頒發「2018–2019食品安全管理優秀企業家」及中華人民共和國成立70周年北京市慶祝活動領導小組的閱兵服務保障指揮部評為先進個人

蒙牛品牌

- 榮獲BrandZ™「品牌貢獻榜」第一名，並首次榮膺「最引領潮流中國品牌」獎項
- 名列凱度消費者指數發佈的「中國市場最受歡迎品牌」第二名
- 首次躋身Brand Finance全球品牌價值500強
- 在中國工業和信息化部的中國品牌力指數(C-BPI)中，蒙牛低溫酸奶連續九年蟬聯中國酸奶行業品牌力榜首，優益C連續三年榮獲中國乳酸菌飲料行業品牌力第一名

MENGNUI'S PRODUCTS

- At the 11th China (Beijing) Children and Women Industry Expo, *Milk Deluxe* Organic Milk, *Nordic Cheese* and *Modern Meadow* products were awarded the “Outstanding New Product Award” while *Shiny Meadow*, *Ningchun* and *Burnlooking Plus* products were awarded the “Product Innovation Award”
- *Milk Deluxe* won the gold product award conferred by BIOFACH China for the seventh consecutive year
- Breast milk probiotics Probio-M8 was added to *Champion Blue Cap Vigor* Bottle series. This type of bacteria is involved in the research and development project “Key Techniques in Precise Screening and Industrialization of Probiotics Based on the Effects of Intestinal Flora”. The project was subsequently awarded Top Prize for Outstanding Scientific Research Achievements (Technical Invention) in Higher Education 2019
- *Suibian* pistachio crunchy ice cream and *Quzai* bear foot shaped chocolate flavored ice cream were presented the “2018-2019 Award for Outstanding Innovative Products in National Cold Drink Industry” at the China Cold Drink Development Summit cum Industry Annual Meeting
- *Yashily*, *Reeborne* and *Dumex* infant milk formula products were honored the “2019 Quality Award — Gold Award” from China Dairy Industry Association

蒙牛產品

- 於第十一屆中國(北京)國際婦女兒童產業博覽會上，*特侖蘇*有機純牛奶、*北歐芝士*及*現代牧場*產品榮獲「優秀新產品獎」，*每日鮮語*、*凝純*及*慢燃Plus*產品榮獲「產品創新獎」。
- *特侖蘇*連續7年奪得BIOFACH國際有機產品博覽會產品金獎
- *冠益乳*小藍帽元氣瓶中添加了母乳源益生菌Probio-M8，該菌種涉及自主研發的「基於腸道菌群作用的益生乳酸菌精準篩選及產業化關鍵技術」項目，榮獲2019年度高等學校科學研究優秀成果獎技術發明一等獎
- *隨變*開心果脆皮雪糕和*趣仔*想掌大牛奶巧克力口味雪糕榮獲「中國冷凍飲品發展高峰論壇暨行業年會」頒發「2018-2019年度全國冷凍飲品行業優秀創新產品獎」
- *雅士利*、*瑞哺恩*及*多美滋*嬰幼兒配方乳粉均榮獲中國乳製品工業協會「2019年度質量金獎」

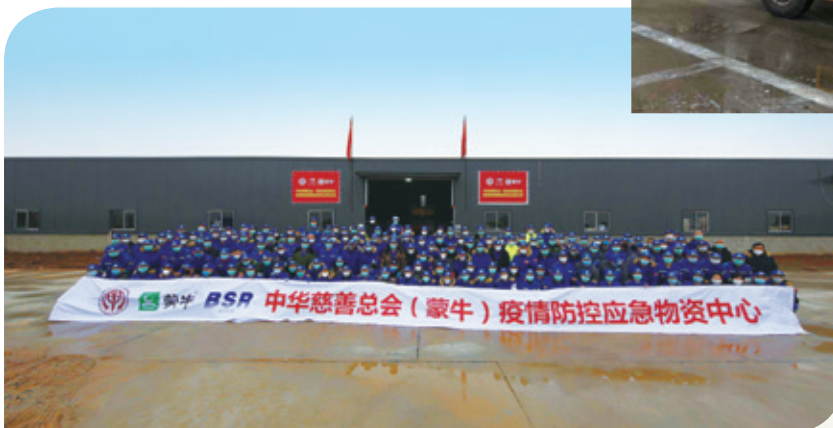


SOCIAL RESPONSIBILITY

- Honored with the “Asia Responsible Enterprise Awards – Social Empowerment Award” from Enterprise Asia for the third consecutive year
- Honored with the “Climate Leadership Plant Award”, jointly presented by Energy Foundation and China Council for an Energy Efficient Economy
- Honored with the “Award for Charitable Contributions for Chinese Students’ Nutrition and Health” from China Association of Student’s Nutrition and Health Promotion

社會責任

- 連續三年榮獲亞洲企業商會頒發「亞洲企業社會責任獎 – 社會公益發展獎」
- 榮獲能源基金會與能效經濟委員會•中國頒發「氣候領袖企業獎」
- 獲得由中國學生營養健康促進會頒發的「中國學生營養與健康公益事業貢獻獎」





蒙牛®

营养你

谷爱凌



的要强

梅西



CEO'S STATEMENT

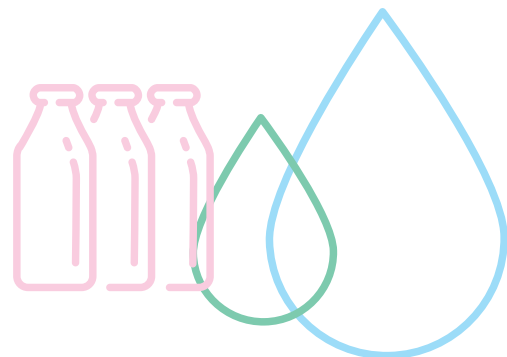
總裁致辭



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

In 2019, Mengniu maintained strong development momentum and continued to achieve magnificent performance, achieving new records in both revenue and profit. With its growth exceeding expectation, it achieved performance far outstripping the industry and significant growth in operating profit margin, which consolidated its position as one of the top ten global dairy enterprises. Mengniu also successfully reached the five “Winning” targets set at the beginning of the year: Winning in products, Winning in brands, Winning in channels, Winning in innovation, and Winning in culture. Our continuous pursuit of premium quality and high targets and the resultant successes are a perfect tribute to the Group’s 20th anniversary.

二零一九年，蒙牛保持了強勁發展勢頭，業績表現亮麗，收入及利潤繼續雙創新高，增長超預期，業績態勢大幅跑贏行業，經營利潤率更實現可觀的增長，並在全球乳業排名中穩居前十強。蒙牛亦成功實現了年初定下的五個「贏」的目標：贏在產品、贏在品牌、贏在渠道、贏在創新、贏在文化。憑藉對高品質和高目標的持續追求，為本集團成立20週年的里程碑獻上完美答卷。





During the year, Mengniu's room temperature product business and chilled product business continued to lead industry development. As for the room temperature product business, *Deluxe* successfully launched "DreamCap™" packaging products and enhanced its brand power significantly, expediting its growth in sales and reinforcing its leading edge. *Just Yoghurt* continued its effort to launch new products, while the new series of pure milk, milk beverages and flavored milk received good market feedback. The chilled yogurt business has been growing at a high single-digit rate despite the economic downturn and maintained the largest market share for the 15th consecutive year. Furthermore, the milk formula business continued to maintain steady development momentum. Fresh milk, Mengniu's youngest business segment, prided itself on achieving rapid "Mengniu speed" development during the nascent period of the Company. *Shiny Meadow* fresh milk became a leading brand in the high-end fresh milk market shortly after its launch. With the re-establishment of its cheese business platform, Mengniu achieved significant growth in terms of retail and catering channels as well.

年內，蒙牛的常溫業務和低溫業務繼續引領著行業增長。常溫業務方面，*特侖蘇*成功佈局「夢幻蓋」包裝產品，品牌力顯著提升，銷售額加速增長，進一步擴大領先優勢；*純甄*多款新品持續發力，純牛奶、乳飲料、花色奶等新產品亦獲得良好的市場反應。低溫酸奶業務在行業整體低迷的情況下，逆市保持了高單位數增長，連續15年蟬聯市場最大份額。奶粉業務繼續保持穩健發展的勢頭。鮮奶作為蒙牛最年輕的業務板塊跑出了公司創業時期的「蒙牛速度」，*每日鮮語*在上市後迅速成為高端鮮奶市場領導品牌。蒙牛重新搭建了奶酪業務平台，在零售和餐飲渠道實現了可觀增長。

In 2019, leveraging on its brand image built since the slogan “Born for Greatness” was adopted during the 2018 World Cup, Mengniu continued to develop the brand’s high-end international strategy by adopting “World-class Quality, Born for Greatness” as the brand slogan for promotions, driving sales by delivering messages of “bringing world-class quality products to consumers”. At the 70th anniversary of the founding of the People’s Republic of China, Mengniu launched “Born for Greatness, Nourish Better Achievement” as the theme for its National Day promotion to outline how Mengniu witnessed the glorious development of the country in the course of its growth. By associating the development of our brand with national development and building resonance among consumers, the media and society, we effectively enhanced our brand power.

In the aspect of sales channel development, Mengniu relied on the “Smart Network Action” and “Penetration into Towns and Villages” projects to step up Route to Market (RTM) reforms, leading to the optimization of the supply chain model, refinement of channel management and greater coverage of sales points. In addition to the steady development of traditional channels, Mengniu also improved its B2B new retail model by establishing in-depth strategic collaboration with Ist.1688.com of Alibaba and creating an intelligent “Fresh Express” retail platform by cooperating with Alibaba to reinforce online channel development and boost sales growth.

As for the development program of the raw milk business, Mengniu tackled the challenges in the competitive raw milk market head-on. With huge support from ranch partners, Mengniu was able to secure a stable milk source supply, which protected the stability of the Group’s growth this year and provided a concrete foundation for Mengniu’s development in 2020 as well as in the future.

二零一九年，蒙牛延續二零一八年世界盃期間積累的「天生要強」品牌形象，持續深化品牌高端化、國際化戰略，在市場中以「世界品質 天生要強」為品牌口號，通過傳遞「將世界級品質的好產品」帶給消費者的信息，驅動銷售。在中華人民共和國的七十週年華誕，蒙牛開展以「天生要強 成就更好」的國慶主題傳播，譜寫了蒙牛在成長過程中見證國家崛起的光輝歷程，將品牌發展與國家發展連接在一起，與消費者、媒體和全社會產生共情，有效提升品牌力。

銷售渠道建設方面，蒙牛依靠「智網行動」和「鎮村通」等項目，進一步深化通路精耕（Route to Market，簡稱「RTM」）改革，優化供應鏈模式，精耕渠道管理，提升銷售網點覆蓋。穩步拓展傳統渠道的同時，蒙牛亦深化B2B新零售模式，與阿里巴巴「零售通」建立深入的戰略合作，打造「天鮮配」智能零售平台，助力線上渠道發展，推動銷售增長。

原奶佈局方面，蒙牛在競爭激烈的原奶市場中迎難而上，在牧場合作夥伴的大力支持下，實現了穩定的奶源供應，為今年的業績增長提供穩定的保障，並為蒙牛在二零二零年及未來的發展奠定基礎。

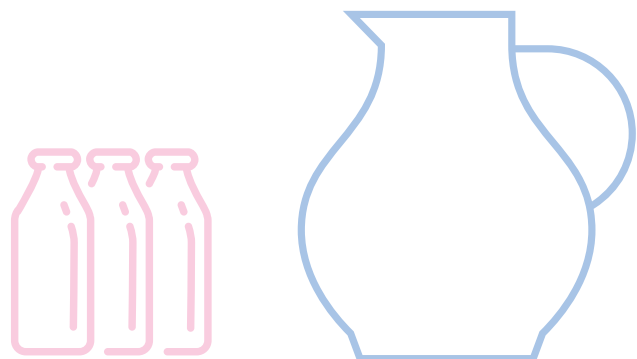


During the year, Mengniu integrated innovation into the entire industrial chain and enhanced the competitiveness of its dairy-related technologies while striving to lead the upgrade of the entire industry. Mengniu established the nutrition research institute to take R&D and innovation to a new level. In addition to introducing the active probiotics M8, for which we own the independent intellectual property rights, Mengniu won nine awards, including the “Technology Invention – Grand Award” at the Annual Meeting of China Dairy Industry Association and was listed in the first batch of China’s “Smart Manufacturing Benchmark Enterprises”. All of these achievements acknowledged Mengniu’s leading position in innovation within the industry. Furthermore, Mengniu continued to implement its corporate digitalization strategy with the digital transformation of the dairy production chain that expanded from the production process to both the upstream and downstream. We reinforced development of the digital factory project, smart network system, digital milk source project and the collaborative project with Alibaba for digital marketing, in order to empower our business with advanced technologies.

The business layout of Mengniu kept expanding during the year. Bellamy’s Australia Limited (“Bellamy’s”), a renowned Australian organic infant milk formula and baby food enterprise, has become a member of the Mengniu family while the acquisition of Lion-Dairy & Drinks Pty Ltd (“LDD”), a leading branded dairy products and beverage company, is expected to be completed in the first half of 2020. The Group has begun its efforts to consolidate synergies between business divisions, management and supply chains to fully unleash the power of integration and promote the further development of Mengniu’s domestic and overseas business, providing consumers in the Asia Pacific region with more premium dairy products.

年內，蒙牛並將創新力融入整個產業鏈，提升乳業科技競爭力，同時致力引領整個行業產業升級。蒙牛組建了營養研究院，推動研發創新進入新的發展階段，不單發布了擁有自主知識產權的活性益生菌M8，更在中國乳協年會勇奪「技術發明特等獎」等九項大獎，以及成功入選國家首批「智能製造標桿企業」名單，均反映本集團的創新力穩居行業領導地位。此外，蒙牛亦持續執行企業數字化戰略，將乳品產業鏈數字化轉型，從生產製造環節向上下游拓展，大力發展數字化工廠項目、智網系統、數字奶源項目及與阿里巴巴合作的數字化營銷項目，以先進科技賦能業務。

蒙牛業務版圖在年內也將不斷發展壯大，澳洲知名的有機嬰幼兒配方奶粉及食品企業Bellamy’s Australia Limited (簡稱「貝拉米」)已成為蒙牛大家庭的一員，而對領先品牌乳品及飲料集團Lion-Dairy & Drinks Pty Ltd (「LDD」)的收購預計也將在二零二零年上半年完成。本集團已經開始著手業務協同、管理協同、供應鏈協同等整合工作，以充分釋放整合效應，推動國內外業務的進一步發展，為亞太地區消費者提供更多優質乳製品。



During the year, Mengniu used the Sustainable Development Goals (SDGs) of the United Nations as a benchmark and elevated sustainable development as a Group-wide strategy for the first time. We have set “protecting the health of mankind and the Earth” as our major mission and vision, while establishing ten SDGs regarding economy, society and environment. Mengniu continued to carry out a number of corporate social responsibility activities such as the implementation of “Project 136” and launching five major initiatives for revitalizing the dairy industry, thereby forming a tight bond with partners in the community. Mengniu also upgraded the “Inclusive Nutrition Plan” comprehensively and organized the “Inclusive Nutrition Partnership” campaign in an attempt to bring happiness to more people and set an example as a sustainable enterprise.

In 2020, the sudden outbreak of the novel coronavirus pneumonia has affected the entire world, and had placed enormous pressure on the Group in areas such as manufacturing and operation, sales channels and the sourcing of milk sources. Amid this crisis, the Mengniu team has once again showed their strong execution capabilities, taking on its responsibilities as a leading Chinese enterprise. While ensuring the safety of our staff, Mengniu facilitated the resumption of work at 41 production bases across the country and provided the necessary support to our upstream and downstream partners to ensure stable supply for and operation of the dairy industry. At the same time, Mengniu donated cash and products and supplied major healthcare institutions in Wuhan and across the country with dairy products, as well as established the “China Charity Federation (Mengniu) Emergency Resources Center for Epidemic Prevention and Control” to help resolve challenges in logistics for emergency resources supply. Mengniu's contribution to fighting the epidemic was widely covered by domestic and overseas mainstream media, including CCTV, People's Daily, Associated Press and Reuters, which generated considerable social recognition for the Group. Based on market research on consumers impacted by the epidemic, which was conducted by Ipsos, an independent global market research firm, Mengniu ranked 5th in the “Top 11 in awareness of enterprises that organized charity or cash/supply donation activities” and was the only food/dairy enterprise to make the list.

年內，蒙牛全面對標聯合國可持續發展目標 (SDGs)，首次將「可持續發展」升級為集團級戰略，將「守護人類和地球共同健康」定為本集團重要的使命與願景，並建立關於經濟、社會和環境的十項可持續發展目標。蒙牛並持續推進了一系列企業社會責任活動，例如實施奶業振興「一三六工程」、發佈奶業振興五大倡議，與合作夥伴結成緊密的命運共同體，以及全面升級「營養普惠計劃」，發起「營養普惠合夥人」活動，為更多人創造點滴幸福，打造可持續發展企業典範。

進入二零二零年，影響全球的新型冠狀病毒肺炎疫情突然而至，對蒙牛的生產經營、銷售通路、奶源調配等方面帶來巨大壓力。危急時刻，蒙牛人再次展現了「要強」執行力和領軍民族企業的擔當，一方面在保障員工健康基礎上，推動全國41個生產基地積極復產復工，並為上下游合作夥伴提供必要支援，確保乳品市場供應和產業鏈穩定運作；一方面先後捐贈現金和物資，向武漢市和全國重要醫療機構提供乳品供應，捐建「中華慈善總會(蒙牛)疫情防控應急物資中心」，幫助解決武漢防疫物資物流難題。蒙牛積極抗擊疫情的系列行動得到包括中國中央電視台、人民日報、美聯社、路透社等國內外主流媒體的廣泛報道，為企業贏得巨大的社會讚譽。在獨立市場調研機構益普索(Ipsos)發佈的《疫情影響下的消費者系列調研》中，蒙牛位列「企業發起公益或捐助／物活動的認知度TOP11」第五名，是入榜唯一的食品／乳品企業。

We believe that the epidemic will have a temporary negative impact on Mengniu's business and will not affect the healthy development of China's dairy industry in the long run. As the public pays greater attention to health and nutrition because of the epidemic outbreak, it will bring new momentum and opportunities to the consumption upgrade of dairy products. Mengniu will adhere to its existing objectives and strategic perspectives and turn crisis into opportunities to expedite business upgrades and to promote innovation in terms of technological R&D, sales channel expansion, brand communication, and consumer education. We will continue to focus on advancing core dairy-related technologies and launch more nutritious and healthy products. By proactively expediting the digitalization of the industrial chain, we aim to lead China's dairy industry in its migration to the "5G era" while concurrently promote high-quality business growth.

The sense of mission, love of life and passion for business are heightened for the nearly 40,000 Mengniu staff around the world during the battle against this epidemic. In 2020, Mengniu will shout out the "Born for Greatness, Achieve TOP" slogan proudly as it continues to lead the China dairy industry through higher quality and pursuit of its vision and goal, and as it makes its journey towards globalization and entry into the next golden decade as a national dairy enterprise.

Jeffrey, Minfang LU
Chief Executive Officer

Hong Kong, 25 March 2020

我們相信，本次疫情對蒙牛業務帶來的負面影響是暫時性的，更不會改變中國乳業長期健康發展的局面。民眾在疫情中對健康營養的關注度進一步提高，將為乳製品消費升級提供新的動能和新的機遇。蒙牛將堅定執行現有目標與戰略方向，化危為機加速產業升級，推動技術研發、銷售渠道拓展、品牌傳播、消費者教育等各領域的創新。特別是在乳製品核心技術領域繼續發力，推出更多富營養、健康的產品，積極實施產業鏈數字化戰略，引領中國乳業邁入「5G時代」，持續推動業務高質量增長。

在與疫情的戰鬥中，全球接近四萬名蒙牛人的使命感、對生命的熱愛與對事業的激情被充分點燃。二零二零年，蒙牛將唱響「天生要強，成就TOP」的新奮鬥口號，以更好的品質、更遠的目光及更高的目標，繼續引領中國乳品走向世界，開啟民族乳企的下一個黃金十年。

盧敏放
總裁

香港，二零二零年三月二十五日



JUST YOGHURT

新升级

微米级·细腻工艺

酸奶纯甄顺滑



品牌代言人



/ 张艺兴



品牌代言人 / 赵丽颖

品牌代言人 / 杨紫

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

INDUSTRY REVIEW

In 2019, while the global economy and trade environment remained challenging, the overall economy of China still maintained a steady upwards trend and demonstrated resilient economic growth. The country's GDP for the year amounted to approximately RMB99.09 trillion, representing an increase of 6.1% year-on-year. Total Retail Sales of Consumer Goods were approximately RMB41.16 trillion, up by 8.0% year-on-year. In 2019, China's urbanization rate reached 60.6%, exceeding 60% for the first time.

With the continuous upgrade of domestic consumption, consumers are now mainly interested in high-end, diversified and premium products, and the added value of brand and product experience have also become important factors to attract consumers. Consumers are seeking healthy, excellent-quality and safe dairy products, among which high-end dairy products, such as chilled fresh milk, room temperature and chilled yogurt, cheese products, organic milk and goat milk, stand out as key drivers for the growth of the industry. Consumption of fresh milk with 3.6 grams of high-quality protein and A2 β -casein, low-sugar and low-fat dairy products also grew rapidly. The growth in retail sales of liquid milk and dairy products in third-tier and fourth-tier cities was more remarkable than that of first-tier and second-tier cities. In addition, due to the increasing reach of the Internet and the boom in social media and the courier industry, domestic online retail and new retail have experienced substantial growth – an area where third-tier and fourth-tier cities have also overtaken first-tier cities. Besides, the “Opinions of the General Office of the State Council on Accelerating the Development of Circulation Industry and Promoting Consumer Spending” was announced in 2019, whereby facilitating the development of circulation, new business types, new business models and user-friendly consumer facilities. Meanwhile, it also aimed to reduce costs for circulation and optimize the circulation environment, so as to facilitate the development of e-commerce and convenience store chains, thus providing a favorable business environment for China's fast-moving products industry, which included the dairy industry.

行業回顧

二零一九年，雖然全球經濟和貿易面對挑戰，中國經濟總體仍保持穩定增長勢頭，經濟發展的韌性持續顯現。年內，中國國內生產總值約為人民幣99.09萬億元，同比增長6.1%；中國社會消費品零售總額約為人民幣41.16萬億元，按年增長約8.0%。2019年中國城鎮化率達60.6%，首次超過60%。

隨著國內消費升級趨勢持續，高端化、多元化和精品化已成為現今消費者追求的大方向，品牌和產品體驗的附加價值亦成為吸引消費者的重要因素。消費者追求健康、優質、安全的乳製品，高端乳製品例如低溫鮮奶、常溫及低溫酸奶、奶酪產品、有機奶和羊奶粉等均成為行業增長的重要推動力，含3.6g優質乳蛋白鮮奶和A2 β -酪蛋白，以及低糖、低脂乳製品的消費亦增長迅速，三四線城市的液態奶和乳品零售的增速比一二線城市更為可觀。此外，隨著互聯網的普及，社交網絡、快遞業等發展蓬勃，國內的線上零售和新零售增長迅猛，三四線城市增長更比一線更為快速，加上國家在年內發佈《國務院辦公廳關於加快發展流通 促進商業消費的意見》，促進流通、新業態、新模式和便民消費設施的發展，同時降低流通成本和優化流通環境等，將有利電商和連鎖便利店的發展，為中國的快銷品行業包括奶業提供利好的營商環境。

China attaches great importance to the development of its dairy industry. Recently, a variety of policies and plans have been introduced to promote the revitalization of the dairy industry, such as “Several Opinions on Further Promoting the Revitalization of the Dairy Industry” jointly issued by nine governmental departments including the Ministry of Agriculture and Rural Affairs at the end of 2018; “The Action Plan for Promoting Dairy Brand” issued by the Ministry of Agriculture and Rural Affairs in March 2019; and “The Action Plan for Promoting Domestic Infant Formula Milk Powder” issued by the National Development and Reform Commission (NDRC) and various departments in May 2019. The aim of these policies and plans is to further optimize the structure, concentration level and technical capacity of the country’s dairy industry, enhance the quality and competitiveness of dairy products and promote domestic sales for Chinese dairy brands. During the year, the State Council also announced the “Healthy China Initiative (2019–2030)” to advocate public awareness of health and dietary nutrition issues and encourage enterprises to develop and produce products that are in line with health requirements, which will bring ample business opportunities to the dairy industry. Moreover, the central government has provided a range of financial supports to expand the implementation of a “grain-to-feed” program, large-scale rearing and breeding and to increase output per dairy cow, which has laid a solid foundation for the upgrade and development of the dairy industry in China.

In 2019, the global production volume of milk continued to experience slower growth and milk sources remained unevenly distributed. Milk supply in China and Asia was relatively tight compared with that of Europe and Oceania. Additionally, as China continues to support the cheese industry, the demand for raw milk will continue to increase and supply will remain tight. Therefore, it is crucial for enterprises to enhance their overall competitiveness by possessing segments ranging from milk source, dairy product processing, market sales, to international trade and internationalized production chain, which will allow them to cover each sector of the industry while forming a comprehensive and highly efficient industrial chain.

國家高度重視奶業發展，近來推出多個政策方案，進一步推動奶業振興，包括二零一八年底中國農業農村部等九部委聯合出台《關於進一步促進奶業振興的若干意見》、農業農村部於二零一九年三月頒布《奶業品牌提升實施方案》，以及中國發改委於五月連同多個部門發布《國產嬰幼兒配方乳粉提升行動方案》，均旨在進一步優化中國乳製品的產業結構、行業集中度及技術水平，提升產品品質和競爭力，推動中國品牌乳製品在國內市場的銷售。國務院亦在年內出台《健康中國行動(2019–2030年)》，推動國內民眾對健康和膳食營養知識的普及，鼓勵企業研發生產符合健康需求的產品，將為乳製品行業帶來龐大的商機。此外，中央在財政上安排多項資金，以支持擴大「糧改飼」計劃的實施、奶牛養殖規模化和提升奶牛單產水平，為中國奶業的升級發展提供堅實的基礎。

二零一九年，全球奶產量增幅持續放緩，而且奶源分佈持續不平均，中國和亞洲奶源供應相對歐洲及大洋洲緊張，加上近年國家繼續扶持奶酪產業，原料奶需求將持續增加，原料奶供需將持續呈緊張狀態，故此擁有從奶源、乳品加工、市場銷售、乃至國際貿易及國際化的產業鏈等以覆蓋產業各環節，形成完善、高效的產業鏈條，是提升企業整體競爭力的重要途徑。

As a leading domestic dairy enterprise, Mengniu has seized the opportunities offered by the stable development of the dairy industry during the year, and continue to undertake proactive brand building and strengthen implementation of its strategic omni-channel building initiatives in areas such as e-commerce and new retail. As a result, Mengniu led the speedy development of the dairy industry by achieving a 14.6% growth in revenue. The Company effectively offset the pressure of increased costs due to the higher price of raw milk during the year and further expanded its profit margin. In addition, Mengniu has also accelerated its pace of internationalization. During the year, Mengniu completed the acquisition of Bellamy's Australia Limited ("Bellamy's"), an Australian brand of high-end organic infant milk formula. The Company also entered into an agreement to acquire Lion-Dairy & Drinks Pty Ltd ("LDD"), a leading dairy enterprise in Australia. These steps allowed the Group to not only swiftly enhance its competitiveness and take control of high-quality milk sources, high-end organic infant formula and baby food brands, and long-established brands of high-end liquid milk, but also to further its business in the domestic and overseas markets, especially in Australia and the Southeast Asian region.

BUSINESS REVIEW

Business Division Performance

Room Temperature Product Business

The room temperature product business maintained strong growth in 2019, with a double-digit increase in revenue and high-end brands were top performers in terms of sales growth. The product structure has also been further enhanced. Mengniu continued to focus on star products, such as *Milk Deluxe*, *Just Yoghurt*, *Fruit Milk Drink*, and pure milk. The Group accelerated the innovation and upgrading of key products and further expanded its market share as well as brand influence. In addition, through continuous optimization of its RTM strategy, our room temperature product business accelerated its penetration in lower-tier markets via the "Penetration into Towns and Villages" project and continued to pursue the implementation of its digitalized B2B strategy, all of which contributed to the satisfactory performance of the business.

蒙牛作為國內乳品領軍企業，在年內抓緊奶業穩健發展的機遇，繼續積極投入品牌建設，加大實施全渠道的精耕，包括電商、新零售等，全年收入增長14.6%，引領行業增速，並有效消化了年內原奶價上漲的成本壓力，利潤率進一步提升。此外，蒙牛加速其國際化步伐，年內完成收購澳洲高端有機嬰幼兒奶粉品牌Bellamy's Australia Limited (簡稱「貝拉米」)，並簽約收購澳洲領先乳製品企業Lion-Dairy & Drinks Pty Ltd (簡稱「LDD」)，不僅令本集團快速提升競爭力，掌控優質奶源及高端有機嬰幼兒配方奶粉和嬰兒食品品牌、以及高端液態奶百年品牌，更進一步發展國內和海外市場、特別是澳洲及東南亞地區的業務。

業務回顧

事業部表現

常溫業務

常溫業務於二零一九年繼續保持強勁發展態勢，收入取得雙位數增長，高端品牌的銷售增長尤其突出，產品結構進一步提升。蒙牛繼續聚焦**特侖蘇**、**純甄**、**真果粒**等明星產品及純牛奶，不斷加快重點產品的創新升級，推動市場份額持續增長，品牌效應進一步擴張。此外，常溫業務透過持續完善RTM策略，促進渠道下沉，加速「鎮村通」工程，持續推動數字化B2B戰略等舉措，助力業績的理想表現。

During the year, the *Milk Deluxe* pure milk series strengthened its positioning as a high-end brand. Through improved taste and product quality and the launch of the new “DreamCap™” packaging, *Milk Deluxe* was able to significantly increase its brand strength and accelerate sales growth, which have enhanced its position as a market leader. By rejuvenating and upgrading its logo, brand ambassadors and taste, the *Just Yoghurt* brand successfully launched a number of products and maintained its strength. *Fruit Milk Drink* has also achieved notable growth by upgrading its brand image through the launch of new products, engaging new brand ambassadors as well as strengthening distribution channels in campuses, retail execution and market penetration. Furthermore, the *Mengniu* pure milk successfully improved its gross profit margin by adjusting its structure with the Prime and the Premium series.

Chilled Product Business

During the year, sales of Mengniu’s chilled products grew at a high single-digit rate, ranking first in the industry for the 15th consecutive year despite the unfavourable market condition. Mengniu has implemented the strategic objectives of focusing on product and marketing innovation, and vigorously developing important sales channels and enhancing channel management. In addition, Mengniu has taken innovation as its core competency, continuously enhancing product differentiation and premiumization, and continuing to promote the functional values of chilled yogurt and chilled probiotics drinks. Mengniu has also reinforced its RTM strategy and further expanded its market share of chilled products during the year.

In 2019, Mengniu continued to develop its star products, such as *Champion*, *Yoyi C* and *Mengniu* yogurt while launching a number of new products to create new momentum for the chilled products business. The new products, *Mengniu* Nordic cheese flavor yogurt and *Yoyi C* passion fruit flavor probiotics drink, performed strongly in terms of sales after their launch. Mengniu has also launched the first Chinese nourishing yogurt, *Mengniu* Chinese Nourishing Nuan Yan yogurt, a pioneer in the new nourishing yogurt category. The functional yogurt *Champion* has set new industry standards through the inclusion of groundbreaking breast milk probiotics, Probi-M8, into the new product Blue Cap Vigor Bottle series, which has been well received by consumers. The Danone *Bio* line has also launched Smoothie Français and the first Chinese “light meal bottled yogurt” product.

年內，*特倫蘇*純牛奶系列產品繼續強化其高端定位，全面提升產品口感及品質，並推出全新夢幻蓋包裝，品牌力明顯提升，銷售加速增長，進一步擴大領先優勢。*純甄*通過對品牌標識、代言人及產品口味進行產品年輕化升級，成功推出多款產品，持續發力。*真果粒*通過推出新品升級品牌形象，聘用新代言人並持續強化校園渠道、終端建設和滲透能力，亦獲得可觀增長。*蒙牛*純牛奶通過精選和臻享系列調整結構，成功提升毛利率。

低溫業務

年內，蒙牛低溫產品的銷售逆市保持高單位數增長，連續第15年穩居行業第一。蒙牛實施聚焦產品及營銷創新、大力發展重要銷售渠道佈局、以及致力提升渠道管理的戰略目標，把創新作為核心競爭力，不斷提升產品差異化和高端化，堅持低溫酸奶和低溫乳酸菌飲料的功能價值宣傳，並持續深化RTM策略，使低溫產品的市場份額於年內持續擴大。

二零一九年，蒙牛堅持全力發展*冠益乳*、*優益C*及蒙牛品牌酸奶等明星產品，並陸續推出多款新品，為低溫業務增長提供新動能。新產品蒙牛北歐芝士系列酸奶及*優益C*百香果乳酸菌飲料於上市後，銷售表現亮眼；蒙牛亦推出中國首款滋補養生酸奶——蒙牛中華滋養暖妍酸奶，開創滋補養生酸奶新品類；功能性酸奶*冠益乳*首次創新行業標桿，在新品小藍帽元氣瓶系列中添加突破性的母乳源益生菌Probi-M8，深受消費者好評；達能碧悠亦推出法式輕果昔，並推出中國首款「輕食瓶」。

Fresh Milk Business

In 2019, Mengniu's fresh milk business continued to focus on two brands: *Shiny Meadow* and *Modern Meadow*. *Shiny Meadow* has quickly become the no. 1 brand in the high-end fresh milk segment. *Modern Meadow*'s share of the medium-range market has also skyrocketed, thus fully demonstrating "the speed of Mengniu". Revenue from the fresh milk business achieved triple-digit growth. The sales volumes of Mengniu's fresh milk products in each retail store and the repurchase rate were remarkably enhanced by reinforcing the brand image and actively interacting with consumers.

In order to optimize the supply chain of the fresh milk business, Mengniu continued its long-term program of integrating production, supply and sales. Factories in Qingyuan and Tianjin started operation in the first half of 2019, which significantly enhanced the Group's production capacity and market responsiveness. As for the expansion of sales, the number of new customers for the year exceeded expectations and the number of sales points and penetration rate through major channels have significantly increased, which effectively boosted sales volume growth. As of the end of 2019, Mengniu's fresh milk products covered 24 provinces and 50 major cities in Eastern, Southern, Northern, Central and Northeast China.

Milk Formula Business

As for the milk formula business, Mengniu holds approximately 51% stake of Yashili International Holdings Limited ("Yashili", stock code: 1230), which has enhanced its development in two major businesses, namely infant milk formula and health and nutritional products. By the end of December 2019, Yashili had completed registration of 54 infant milk formulas in 18 product series under its own brands and *Arla*, the cooperative brand. During the year, Yashili executed the brand strategy of "Equal Emphasis on Cow Milk and Goat Milk", and fully covered all market tiers: mid-range, high-end and super high-end. As products with low output values and low gross profits have been phased out in order to align with the market trend, and the industry growth is slowing down, Yashili's milk formula products only achieved high single-digit growth during the year. There was a robust growth in the sales of adult milk powder due to the launching of new products catering the nutritional needs of middle-age and elderly.

鮮奶業務

二零一九年，蒙牛鮮奶業務持續聚焦每日鮮語及現代牧場兩大品牌，每日鮮語已迅速成為高端鮮奶第一品牌，定位中端市場的現代牧場的市場份額亦迅速提升，充分展現「蒙牛速度」，使鮮奶業務收入實現三位數的驕人增長。通過不斷完善品牌形象、積極與消費者互動，蒙牛鮮奶品類單店銷量及複購率明顯提升。

為優化鮮奶業務供應鏈，蒙牛進一步實現產供銷一體化的長期佈局，清遠和天津工廠於二零一九年上半年已成功投產，本集團產能及市場反應速度實現大幅提升。銷售拓展方面，全年新增客戶數量實現超預期增長，重點渠道網點數量和鋪市率明顯提升，有效助力銷量增長。截至二零一九年年底，蒙牛的鮮奶產品已覆蓋到華東、華南、華北、華中及東北等區域24個省份和50個重點城市。

奶粉業務

奶粉業務方面，蒙牛持有約51%股份的雅士利國際控股有限公司（「雅士利」；股份代號：1230），在嬰幼兒配方奶粉和健康營養品兩大業務方面縱深發展。截至二零一九年十二月底，雅士利已完成旗下產品連同合作品牌Arla在內的18個系列54個嬰幼兒配方奶粉的註冊。年內，雅士利已實現「牛羊並舉」的品牌戰略，並全面覆蓋中端、高端和超高端等層級市場。由於為迎合市場趨勢，逐步淘汰產值及毛利低的品類，以及行業增速放緩，使雅士利年內奶粉產品僅取得高單位數增長，其中因上市針對中老年群體細分營養需求的新品，成人奶粉的銷售取得強勁增長。

During the year, Yashili continued to enrich its product portfolio, adopt innovative brand strategy, increase R&D investment, enhance differentiated product layout and innovative marketing, and strengthen digitalized management. Yashili actively developed new products. For example, it launched *Reeborne* series of organic milk powder for children's growth, organic teenage milk powder, organic adult milk powder and organic maternal milk formula, and developed a series of adult milk powders catering different needs. In addition, Yashili comprehensively enhanced its brand image by appointing new brand ambassador and increasing investment in CCTV and other online and offline promotion channels. Yashili also adjusted its channel strategy, with infant milk formula business focused on the mother-and-baby store channels, while adult milk powder and nutritional product business focused on Key Account ("KA") modern trade channels, and rapidly developed e-Commerce and new retail channels. This has built a solid foundation for the sustainable development of the milk powder business. Looking forward, Yashili has, at the end of 2019, reformulated its medium- and long-term development strategy for the next five years to further enhance its business capability in light of market changes.

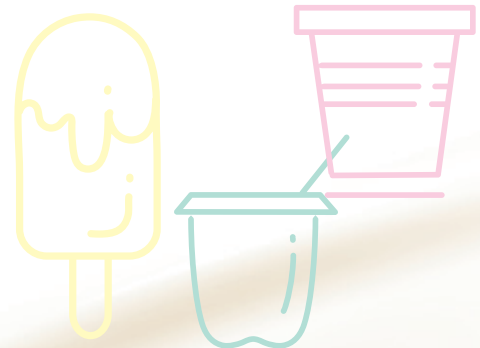
Ice Cream Business

In 2019, the ice cream business maintained stable development with a focus on enhancing brand value and sales. Aiming to be more focused on brand development, the ice cream business thoroughly re-arranged its brand structure, laying emphasis on developing the two star brands-*Suibian* and *Deluxe*. The brands were rejuvenated by a comprehensive upgrade of products, packaging, ambassadors and marketing activities with a view to effectively enhance brand power and market exposure. To lay a structural foundation for the synergistic development of multiple channels, the business consolidated its regional organizational structures, enhanced the authority and responsibility of regional management and improved its market responsiveness. In addition, the sales management department continued to implement the RTM strategy with a focus on key markets, vigorously developed markets in counties and increased both the number and scale of sales outlets to achieve the synergistic development of traditional, modern and special channels.

年內，雅士利持續豐富產品組合、創新品牌策略、加大研發投入、深化產品差異化佈局和創新營銷，並加強數字化管理。雅士利積極開發新產品，例如上市了*瑞哺恩*系列有機兒童成長奶粉、有機青少年奶粉、有機成人奶粉及有機孕產婦配方奶粉，並研發出一系列針對不同需求的成人奶粉。此外，雅士利全面升級品牌形象，啟用新的品牌代言人，加大在CCTV及其他線上線下宣傳渠道的投入。雅士利亦調整渠道戰略，嬰幼兒奶粉業務重點深耕母嬰渠道，成人奶粉和營養品業務則聚焦KA商超渠道，並快速發展電商及新零售渠道，為奶粉業務的持續發展打下堅實的基礎。展望未來，雅士利結合市場變化，已於二零一九年底重新製訂未來五年的中長期發展戰略，以進一步提升業務。

冰淇淋業務

二零一九年，冰淇淋業務穩健發展，著力品牌價值和銷售基礎的提升。為了更加聚焦品牌投入，冰淇淋業務深入梳理品牌架構，重點佈局隨變和蒂蘭聖雪兩大明星品牌，通過對產品、包裝、代言人及營銷活動進行全面升級，實現品牌年輕化，有效提升品牌力和市場曝光度。為佈局多渠道協同發展提供架構基礎，該業務對區域組織架構進行整合，加大區域管理權責，加快市場反應速度。此外，銷售管理部門通過持續推行RTM策略，聚焦重點市場，大力開發縣城市場，不斷提升網點數量及售點銷售規模，實現傳統、現代及特通渠道的協同發展。



Cheese business

To grasp the new momentum in cheese consumption in China and explore the immense potential of the domestic market, Mengniu and Arla Foods co-founded the cheese business Arla Dairy Products Import & Export Co., Ltd. to leverage the strength of both parties in terms of products and channels and jointly develop the cheese market in China. During the year, Mengniu's cheese business division was led by consumer demand, which led to the intensive development of kid-friendly cheeses, the exploration and expansion of catering channels and the improvement in production, supply and marketing efficiencies. Mengniu emphasized the development and innovation of new products and successfully launched the kids cheese cup, upgraded Mengniu's breakfast cheese and kids cheese sticks to constantly enhance product power. By creating products for both health and enjoyment, further increasing the flavors of kids cheese sticks, launching small-package mozzarella cheese and introducing *Lurpak* butter, Mengniu deepened the functionality of cheese products and expanded the possibilities for family consumption. During the year, the cheese business maintained steady growth in sales revenue.

Overseas Business

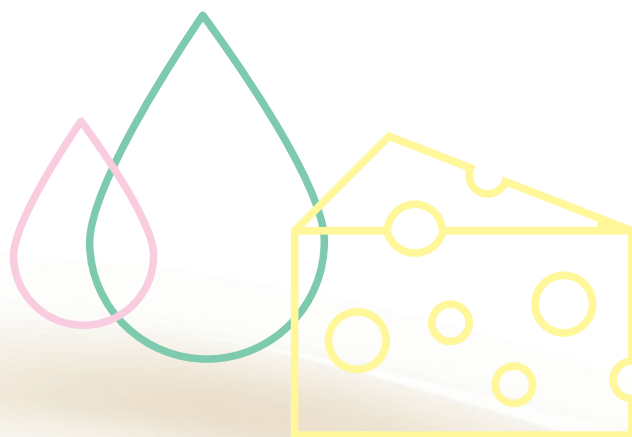
During the year, Mengniu further expanded its overseas business coverage to speed up the implementation of the international business plan. Based on consumer demand and the characteristics of various channels, Mengniu rapidly launched new products. As of the end of 2019, market deployment expanded gradually with various kinds of room-temperature and chilled probiotics drinks, chilled yogurt and ice cream products launched.

奶酪業務

為緊握中國奶酪消費新動能，發掘國內市場的巨大潛力，蒙牛與Arla Foods共同成立奶酪企業愛氏晨曦乳製品進出口有限公司，協同雙方產品及渠道的優勢，合力發展中國奶酪市場。年內，奶酪業務以消費者需求為主導，大力發展兒童乳酪、積極拓展餐飲渠道、並不斷提升產供銷效率。蒙牛聚焦新產品的研發創新，成功推出兒童奶酪杯，以及升級蒙牛早餐奶酪及兒童奶酪棒，不斷提升產品力；通過打造營養健康、休閒享受產品，以及持續延展兒童奶酪棒的風味，推出小包裝規格馬蘇里拉產品、引進樂派克黃油等舉措，不斷深化奶酪的產品功能性並拓展家庭消費場景。年內，乳酪業務實現銷售收入穩步提升。

海外業務

蒙牛在年內進一步拓展了海外業務版圖，以加快國際業務的佈局。蒙牛根據消費者需求和渠道特性，快速推動產品上市，截至二零一九年年底，已上市常溫及低溫乳酸菌飲料、低溫酸奶及冰淇淋等多款產品，逐步提升市場佈局。



Since its first overseas liquid milk factory in Indonesia commenced operation in November 2018, Mengniu has been actively developing the Southeast Asian markets, which have the highest potential. The penetration of *Yoyic* brand products has increased rapidly in a short period of time with *Yoyic* acting as the major brand to sell chilled yogurt and probiotics drink products. Through timely product replacement, precise digital marketing and in-depth cultural integration, the brand awareness of *Yoyic* in the Indonesian market has been significantly enhanced. In addition, Mengniu strived to develop overseas trade markets and expand overseas sales points, which currently cover various countries and regions including Hong Kong, Macau, Singapore, Malaysia, Indonesia, Myanmar, the Philippines and Cambodia. In the future, the overseas business division will focus on enhancing product competitiveness and the integrated marketing capabilities of the *Yoyic* brand while increasing sales volume at individual stores and strengthening deployment through traditional channels, as well as improving the quality of customer services and enhancing the efficiency of precision management.

Strategic Acquisition

In 2019, Mengniu conducted two strategic acquisitions to implement overseas strategic layout and realize long-term strategies. Mengniu entered into an agreement on 15 September 2019 to acquire all shares of Bellamy's, a world-famous Australian organic infant formula and baby food producer, for a scheme consideration of AUD1.46 billion (equivalent to approximately RMB6.93 billion) in total and AUD12.65 (equivalent to approximately RMB60.04) per share. The acquisition was completed in December 2019 and Bellamy's has become an indirect wholly-owned subsidiary of Mengniu.

Bellamy's offers Australian-made and certified organic products made with non-genetically modified ingredients, with essential vitamins and minerals that are tailored to the needs of babies and toddlers. Its businesses cover Australia, New Zealand, China and Southeast Asia. The acquisition is in line with Mengniu's strategies of achieving break-through growth in the premium infant milk formula segment and expanding into overseas markets with a focus on Southeast Asia and Australia. The acquisition is expected to mutually benefit Mengniu and Bellamy's operations, enabling Mengniu to capture the huge potential in the organic infant milk formula and baby food market in China and achieve business growth and margin expansion. At the same time, Mengniu will also leverage its own strengths to unlock Bellamy's brand potential so as to develop China and overseas markets, such as Southeast Asia.

蒙牛自從第一個海外液態奶工廠於二零一八年十一月在印尼正式投產以來，積極佈局最具潛力的東南亞市場，以 *Yoyic* 為主導品牌，佈局低溫酸奶和乳酸菌飲料品類產品，*Yoyic* 品牌產品鋪市率在短時期內急速提升。通過及時的產品更新、精準的數字化營銷及深入的跨文化融合，使 *Yoyic* 在印尼市場的品牌知名度明顯提升。此外，蒙牛大力發展海外貿易市場，海外銷售網點不斷擴張，目前已覆蓋至香港、澳門、新加坡、馬來西亞、印尼、緬甸、菲律賓、柬埔寨等多個國家及地區。未來，海外事業部將聚焦提升 *Yoyic* 品牌的產品力及整合營銷能力，同時不斷強化單店銷量和傳統渠道佈局，持續完善客戶服務質量，不斷提升精益管理效率。

策略性收購

二零一九年，蒙牛先後進行兩項策略性收購，以落地海外戰略佈局，實現長期戰略。於二零一九年九月十五日，蒙牛簽署協議，以14.6億澳元（約相等於人民幣69.3億元）總價、每股份12.65澳元（約相等於人民幣60.04元）的計劃對價收購全球知名的澳洲有機嬰幼兒配方奶粉及嬰兒食品廠商貝拉米所有股份；該項收購已於二零一九年十二月完成，貝拉米已成為蒙牛的間接全資子公司。

貝拉米提供澳洲製造的獲認證有機產品，採用非轉基因成分，加入適合嬰幼兒需要的維他命和礦物質，業務覆蓋至澳洲、紐西蘭、中國和東南亞。此項收購交易與蒙牛欲實現高端嬰幼兒配方奶粉板塊突破式增長、聚焦擴展東南亞及澳洲等海外市場之戰略一致；預計收購可令蒙牛與貝拉米實現業務互補，有助蒙牛掌握有機嬰幼兒配方奶粉和嬰兒食品在中國市場的巨大發展潛力，為蒙牛帶來業務增長和利潤率提升之良機；另一方面，蒙牛亦將憑藉其自身優勢，協助貝拉米進一步釋放品牌潛力，全面開拓中國和東南亞等海外市場。

In addition, Mengniu entered into an agreement on 24 November 2019 for the proposed acquisition of 100% shares of LDD, an Australia-based branded dairy and beverage company, at a consideration of AUD0.6 billion (equivalent to approximately RMB2.931 billion). Upon the fulfilment of all acquisition conditions and the completion of acquisition, LDD will become an indirect wholly-owned subsidiary of Mengniu. LDD is principally engaged in the production and sale of milk based beverages, yogurt, white milk, chilled juice and drinks, ambient juice and drinks, water ice, and culinary and plant-based products. It has a portfolio of iconic dairy brands that hold the No.1 market position in milk based beverages, yogurt, chilled juice and plant-based beverages in Australia. Its yogurt products also have a presence in international markets including South East Asia and China. LDD is a leading dairy enterprise in Australia that has access to a significant volume of the high quality Australian milk sources and owns 13 large-scale manufacturing facilities across Australia and an extensive cold chain distribution network that serves 35,000 customers.

Through the acquisition, Mengniu will obtain control of LDD's high-quality assets, which represents another important milestone for Mengniu in establishing itself as a complete regionally integrated player with a multi-category, multi-brand portfolio to serve consumers in the Asia Pacific region. Moreover, LDD's iconic brand portfolio with strong Australian heritage is highly attractive to consumers in the Belt and Road markets, and therefore provides significant market opportunities for Mengniu to unlock. The acquisition further opens up potential raw milk and other ingredient sourcing opportunities, which will help Mengniu to develop high-end UHT milk. From a supply chain perspective, the collaboration between LDD, Burra Foods Pty Ltd, an associate of Mengniu engaging in dairy ingredient processing in Australia, and Bellamy's will generate even greater synergies while providing better products to consumers across the Asia-Pacific region.

此外，蒙牛於二零一九年十一月二十四日簽署協議，擬以6億澳元（約相等於人民幣29.31億元）收購澳洲品牌乳品及飲料公司LDD的100%股份，待履行所有收購條件及收購完成後，LDD將成為蒙牛の間接全資子公司。LDD主要從事生產及銷售奶類飲品、酸奶、白奶、低溫果汁及飲料、常溫果汁及飲料、沙冰、烹調及植物基產品，擁有多個標誌性乳業品牌，該等品牌在乳飲料、酸奶、低溫果汁及植物飲料之市場地位於澳洲排名第一，其酸奶產品亦在東南亞及中國等國際市場佔有地位。LDD可取得大量高品質的澳洲奶源，擁有13個位於澳洲各地的大型製造設施以及服務35,000名客戶的龐大冷鏈分銷網絡，是澳洲領先的乳品公司。

通過該項收購，蒙牛將可獲得LDD優質資產的控制權，通過多品類、多品牌的組合，服務亞太地區消費者，成為把蒙牛打造為區域性市場整合者的又一重要里程碑；另一方面，LDD的品牌組合歷史悠久，於澳洲家喻戶曉，對一帶一路市場的消費者極具吸引力，能為蒙牛提供可觀的市場拓展機遇；該收購亦將進一步打開潛在原料奶及其他原料的採購機遇，有助蒙牛發展高端UHT奶，從供應鏈的角度，LDD、蒙牛的澳洲乳品原料加工聯營公司Burra Foods Pty Ltd及貝拉米之間的合作亦將帶來更大的協同效應，以為亞太地區的消費者提供更優質產品。

Quality Management

In 2019, Mengniu activated its 3.0 upgrade of quality and safety management system, leveraging the world-class quality management models of international benchmark enterprises. Based on national laws and regulations such as the “Food Safety Law” and seven international and national standards including ISO9001, FSSC22000 and HACCP, Mengniu has optimized and upgraded its quality, safety and risk management mechanisms along the industrial chain. The system specifies requirements for every key process from ranch management to the end market and addresses risk identification, risk assessment, risk alert and risk response to enhance quality control throughout the entire industrial chain.

As for the alert indicator system for raw milk quality, the milk source business division established an alarm mechanism that conducts point-to-point warning and prevention on three levels: daily, every 10 days and monthly. In addition, through analyzing data on milk source quality from the previous three to five years, Mengniu formulated a “risk alert map” to guide its milk source departments in carrying out regional quality control. Mengniu has also developed an alarm mechanism in its factories, which has effectively enhanced the passing rate of food safety inspections. During the year, Mengniu pride a 100% passing rate in random inspections conducted by governmental departments on the Group’s milk source bases.

The room temperature product business division continued to adhere to the management direction of “striving for excellent quality” and fully implemented all quality management measures, meeting all core quality performance criteria. In order to effectively control the quality of new products, upgrade the quality of pure milk products and enhance warehouse quality management, the business division has integrated quality control systems into different business activities to refine the lean management of the entire industrial chain. It has also carried out quality control evaluation at the retail end, and put in place enhancement measures to strengthen product competitiveness.

質量管理

二零一九年，蒙牛全面啟動質量安全管理體系3.0升級工程，透過國際先進標桿企業的質量管理模式，以《食品安全法》等國家法律法規，以及ISO9001、FSSC22000、HACCP等七項國際與國家體系標準，對公司產業鏈質量安全風險管理機制進行優化升級，實現從牧場管理至終端市場中各項關鍵過程的要求明細化，涵蓋了風險識別、評估、預警和處置等，完善全產業鏈質量控制。

奶源事業部在原奶質量指標預警方面，建立了日、旬、月預警機制，按三級分類進行點對點預警防控。此外，蒙牛透過分析近三至五年奶源質量數據，製作可指導各奶源部開展質量控制的區域「風險預警地圖」，並建立了工廠預警機制，有效提升食品安全合格率。年內，國家相關部門對本集團所轄各奶源基地進行抽檢，合格率達100%。

常溫事業部恪守「精益質量」的管理方向，全面落地各項質量管理舉措，保障質量核心業績指標全面達標。為有效管理新品質量、升級純牛奶產品品質及提升倉儲質量管理，該部門將質量體系融入各業務活動，持續完善全鏈條精益化管理，同時開展終端質量監控評價工作，落實改進措施，強化產品競爭力。

The chilled product business division continued implementing Danone Group's newly revised Food Safety Item ("FSI") standards and conducted quality controls for the entire industrial chain to constantly refine the design of the overall workflow from manufacturing to the retail end. By developing a quality control platform for raw and auxiliary materials, regularly training and supporting suppliers, rearranging resources among existing customers and strengthening the cold chain infrastructure, the chilled product business division has effectively reduced food safety risks and consumer complaints.

In response to the three-year quality assurance plan, the ice cream business division followed the newly revised "Frozen Drink Inspection Rules" and aligned itself with the FSI system to implement the business operation standard upgrade 2.0, which includes improving food safety inspection equipment to further increase inspection efficiency. Meanwhile, by enhancing OEM management capabilities and tightening controls on bacteria that have a significant effect on food safety, quality control efficiency was also significantly enhanced.

The fresh milk business division implemented strict supplier hiring standards, enhanced its cold chain infrastructure, introduced new methods of inspection for existing factories and developed new administrative regulations for new factories. During 2019, Mengniu also compiled a manual for quality management at the retail end to ensure the quality and safety of its fresh milk products.

The cheese business division complied with the new requirements for quality control systems and food safety management systems, improving its quality management and control measures during the production process. The division also expedited the customer complaint handling process to create a better customer experience.

Through Muslim production system upgrades, quality management system certifications and laboratory system certifications, the overseas business division continued to refine its quality management process. In addition, the quality management system at the factory in Indonesia obtained FSSC22000, ISO22000 and HACCP certifications in 2019.

低溫事業部持續實踐達能集團新版食品安全標準 (Food Safety Item, 簡稱「FSI」), 展開全鏈條質量管理工作, 不斷完善產品由工廠製造到終端銷售的整體流程設計。該部門亦通過搭建原輔料質量管理平台、定期進行供應商培訓及幫扶工作、梳理現有客戶資源配置和強化冷鏈基礎建設工作等, 有效降低食品安全風險和消費者投訴率。

冰淇淋事業部積極響應三年質量規劃, 對標最新版《冷凍飲品審核細則》及FSI體系, 實現業務操作標準2.0升級, 例如改善食品安全檢驗設備, 以進一步加快檢驗效率, 同時透過提升OEM管控能力及加強監控對食品安全有重要影響的菌種, 實現質量管理效率明顯提升。

鮮奶事業部實行嚴格的供應商準入標準、強化冷鏈基礎配置、為現有工廠引入新的檢驗方法, 並針對新建工廠建立新的管理規範。蒙牛亦在年內編寫了《終端質量管理手冊》, 保證鮮奶的質量安全。

奶酪事業部則對標質量管理體系和食品安全管理體系新版標準要求, 不斷改進生產過程中的質量管控措施, 並加快處理客戶投訴, 打造更好的消費者體驗。

海外事業部通過升級清真體系、質量管理體系認證及實驗室體系認證, 不斷完善質量管理流程。二零一九年, 印尼工廠質量管理體系獲得了FSSC22000、ISO22000及HACCP等審核認證。

Milk Source Management

Throughout 2019, in order to consistently implement national strategy on the revitalization of dairy industry, targeted towards poverty alleviation, industrial poverty alleviation and rural revitalization, Mengniu launched “Project 136” for dairy industry revitalization to consolidate and strengthen the mutually beneficial ties between processing enterprises and ranchers while facilitating supply-side structural reforms for milk sources. Mengniu also established comprehensive strategic partnerships with various famous dairy-farming companies in China that produce more than 100 tons of milk products per day, and have strategic deployment in places that are conducive to cattle breeding in China in an effort to achieve win-win development. Mengniu has also improved the efficiency of farm operations and achieved high-quality development of the dairy industry with the construction of three major service platforms, namely the “Aiyangniu” integrated procurement platform, the “Dairy Cattle Research Institute” and the “Intelligent Digital Milk Source Ranch”, as well as the use of technological and precise management.

Mengniu launched its “Aiyangniu” integrated procurement platform – the first B2B trading platform in the world for the dairy industrial chain, online in June 2019. The platform links members of the Group, including Modern Farming (Group) Co., Ltd., Inner Mongolia Shengmu High-tech Farming Co., Ltd. and Inner Mongolia Fuyuan International Industrial (Group) Co., Ltd., with small and medium-scale ranches to conduct centralized procurement. The aim of “Aiyangniu” is to lower costs and enhance efficiency by eliminating intermediate costs through end-to-end trading between ranches and manufacturers. The platform covers all the product categories of the ranches, helping Mengniu maintain steady growth.

奶源管理

二零一九年，蒙牛繼續貫徹國家奶業振興戰略、精準扶貧、產業脫貧和鄉村振興戰略部署，開展了奶業振興「136」工程，以鞏固及加強生產加工企業與農牧民的利益聯結，持續推動奶源供給側結構性改革。蒙牛亦與國內多家日產百噸級以上知名牧業公司結成全面戰略合作夥伴關係，在全國適合養牛的地方進行戰略佈局，實現共贏發展，並通過「愛養牛」集採平台、「奶牛研究院」、「數字奶源智慧牧場」三大服務平台建設，運用科技及精益管理，持續提升牧場運營效率，實現奶業高質量發展。

蒙牛「愛養牛」集採平台是全球首個乳品產業鏈的B2B交易平臺，已於二零一九年六月正式上線。該平台連接旗下成員公司包括現代牧業(集團)有限公司、內蒙古聖牧高科牧業有限公司、內蒙古富源國際實業(集團)有限公司以及中小牧場集中採購，透過由牧場與生產製造端對端交易去除中間成本以降本增效。該平台已覆蓋牧場全品類產品，助力蒙牛的持續穩健增長。



In May 2019, Mengniu set up the “Dairy Cattle Research Institute” in the Horinger county, Hohhot city, with the core expert team making up of 25 top local and overseas industry experts. The institute also established strategic cooperative partnerships with 50 top enterprises and academic institutes in the world. At present, the institute has established a China-Denmark Research and Development Demonstration Farm, the Practice Teaching Base of China Agricultural University and the National Key Laboratory Test Base of Inner Mongolia University. Moreover, it has established strategic cooperative ties in research and development with the Global Dairy Research Institute, DeLaval, Alltech and Zoetis. The “Dairy Cattle Research Institute” has launched five innovative research projects covering dairy cattle rearing and breeding management, research on rumen health and innovative raw milk development. Such projects have contributed to the sustainable revitalization of the dairy industry by laying the experimental foundation for the research and development of new technologies and enhancing the level of dairy cattle rearing and breeding.

Mengniu strives to lead ranches in China to compete in the global market by adopting the “dairy cattle + Internet” model to aid the entry of China’s dairy industry into the 4.0 era. During the year, Mengniu and Alibaba Cloud developed a management platform framework for the “Intelligent Digital Milk Source Ranch”. The platform uses Internet of Things (IoT) devices to offer a set of solutions for ranch operation and management that use information technologies including cloud computing, big data and artificial intelligence. The platform covers every aspect of ranch operation and management; facilitating data sharing, increased efficiency of ranch staff, reduction in operational costs, enhancement in risk management and improvement in industrial chain management.

Mengniu also launched international cooperation projects. With the support of the Chinese and Danish governments, Mengniu and Arla Foods from Denmark jointly established the China-Denmark Dairy Technical Cooperation Center. By inviting on-site foreign experts and introducing the authoritative Danish dairy farming book *Housing Design for Cattle* to the domestic market, the partnership has introduced the advanced management technology, knowledge and experience of foreign ranches to nearly 1,000 ranches in China, enhancing different aspects of China’s dairy industry including ranch design, dairy cattle welfare, ranch cost-cutting and efficiency.

蒙牛「奶牛研究院」於二零一九年五月在呼和浩特市和林格爾縣成立，核心專家團隊包括國內外25位專家，同時與全球50家頂尖企業及院校機構建立戰略合作夥伴關係。目前，奶牛研究院已成立中國丹麥研發示範牧場、中國農業大學實踐教學基地和內蒙古大學國家重點實驗室試驗基地，並與國際奶業戰略和技術研究中心、利拉伐、奧特奇和碩騰等建立研發戰略合作。「奶牛研究院」已展開五個創新研究項目，範疇圍繞奶牛養殖管理、瘤胃健康研究和創新原奶研發等多方面，為新技術的開發奠定試驗基礎，不斷提升奶牛養殖水平，助力奶業振興可持續發展。

蒙牛致力帶領中國的牧場參與全球化競爭，以「奶牛+互聯網」模式推動中國奶業奔向4.0時代。蒙牛聯合阿里雲開發的「數字奶源智慧牧場」管理平台框架已於年內完成搭建，該平台是一個運用物聯網設備、應用雲計算、大數據、人工智能等信息技術的牧場運營管理解決方案。透過此覆蓋牧場營運管理各環節的平台，能實現數據共享、提升牧場人員的工作效率、降低牧場運營成本、控制管理風險、提升產業鏈管理。

蒙牛並積極展開國際間的合作，在中國、丹麥兩國政府支持下，蒙牛與丹麥Arla Foods共同成立的中國—丹麥乳品技術合作中心，透過外國專家實地駐場，以及引入丹麥奶牛養殖權威書籍《奶牛幸福之源》，把外國牧場的先進管理技術、知識和實踐經驗帶進中國近千家牧場，從牧場設計、奶牛福利、牧場降本增效等多方面助力中國奶業整體水平提升。

Corporate Digital Strategy

In 2019, Mengniu cooperated with many leading local and overseas information technology enterprises to expand the digital transformation of the dairy industry chain from production and manufacturing to both up- and down-stream operations. The Group focused on the development of the digital factory project, the smart network system and digital milk source project, as well as digital marketing project in collaboration with Alibaba to provide safer, more nutritious and fresher dairy products to consumers.

During the year, Mengniu's digital factory project commenced full operation at Helin (High-tech) and Jinhua pilot plants. The operation of digitalized factories has facilitated real-time control of a range of information such as raw milk sourcing, operation status of equipment, data inspection, production processes and the completion rate of production during the manufacturing process. In October 2019, Mengniu's intelligent manufacturing project was awarded the title of "Intelligent Manufacturing Benchmark Enterprise" by the Ministry of Industry and Information Technology, which further enhanced Mengniu's brand influence.

As of the end of 2019, Mengniu had also fully launched the smart network system, covering all distributors of the room temperature product business division and certain distributors of the chilled product business division. The promotion of smart network system and comprehensive system synchronization allows sales personnel and distribution stations to complete the entire sales process in a more efficient, precise and convenient way. The system also enhances the operational efficiency of support staff and enables administrators to have a more comprehensive and precise understanding on sales, which provides reliable data to support decision-making.

企業數字化戰略

二零一九年，蒙牛和許多國內外領先的資訊科技企業合作，將乳品產業鏈數字化轉型從生產製造環節向上下游拓展，大力發展數字化工廠項目、智網系統、數字奶源項目及與阿里巴巴合作的數字化營銷項目，為消費者帶來更安全、更營養、更新鮮的乳製品。

年內，蒙牛的數字化工廠項目在和林（高科）和金華試點工廠開始全面應用。數字化工廠的運行，實現了對生產過程中對原奶採集、設備運行狀態、檢測數據、生產程序以及生產任務完成率等資訊的實時掌握。於二零一九年十月，蒙牛智能製造項目獲得了國家工信部評選為「智能製造標桿企業」，進一步提升了蒙牛的品牌影響力。

截至二零一九年底，蒙牛的智網系統亦已在全部常溫事業部經銷商及部分低溫事業部經銷商範圍內上線，通過智網系統的推廣及完善的系統對接，業務人員和配送站更高效、更精準、更便捷的完成整個銷售流程，提升後勤人員執行效率，管理者亦能對銷售情況有更全面和精準的瞭解，為決策提供可靠的數據支持。

In addition, Mengniu continued to work closely with Alibaba and launched a series of innovative data and technology-driven new retail projects with an aim to better understand new consumption patterns of young consumers. The digital exploration on the consumer end has boosted innovation in Mengniu's business model, research and development and production processes, creating a consumption cycle of positive interaction.

In January 2019, Mengniu's digital milk source project kicked off in the pilot ranch. The project conducted benchmarking analysis by combining lean management models and the digital platform to provide more comprehensive data support for the management of ranches. It is compatible with all mainstream hardware used in the industry to provide the simplest and easiest platform to manage the ranch on the basis of information and digital capabilities without the limitation of the hardware. The platform also allows up-stream farming experts to provide better online support, early risk warning, and industry-related and policy information to ranches.

In the future, Mengniu will continue to utilize digital technology to better understand consumer needs and further empower its business to achieve better development and serve consumers more efficiently.

Branding Strategy

In 2019, Mengniu preserved its brand effect from the World Cup themed marketing held in 2018, by continuing to promote its "World-class Quality, Born for Greatness" brand concept. The power of the Mengniu brand was enhanced by further organizing and optimizing the Group's branding structure, strengthening the synergies between the parent brand and sub-brands, persisting with the strategy of brand internationalization, and continuing the transformation from "Mengniu of China" to "Mengniu of the world".

此外，蒙牛持續與阿里巴巴保持緊密合作，開展一系列以數據及技術驅動的新零售創新項目，探索年輕消費者喜愛的新購買場景。這些消費端的數字化探索，推動了蒙牛在業務模式、研發和生產過程的不斷創新，形成了良性互動的消費循環。

二零一九年一月，蒙牛的數字奶源項目開始在試點牧場運行。該項目將精益管理模型結合數字化平台進行對標分析，為牧場管理提供更全面的數據支撐，並且對接行業所有主流硬件設備，為牧場信息化數字化管理提供最簡易的平台，不需硬件也能輕鬆管理牧場。該平台亦能讓上游牧業的專家更好的為牧場提供線上支援，及時預警危機和發放行業相關資訊及政策。

未來，蒙牛將繼續利用數字技術來更深入瞭解消費者的需求，讓數字化為業務進行更全面的賦能，幫助我們更好地發展，更有效率地為消費者服務。

品牌策略

二零一九年，蒙牛延續前年世界盃營銷帶來的品牌效應，於年內持續傳播「世界品質，天生要強」的品牌理念，通過進一步梳理和完善集團品牌架構，強化母子品牌協同，持續深化國際化品牌戰略，品牌影響力加速釋放，進一步實現從「中國牛」到「世界牛」之蛻變。



Regarding the marketing of its master brand, Mengniu held a series of marketing events that resonated with the public by tying the growth of China and the celebration of the nation's 70th anniversary with the development process of the Mengniu brand over the past twenty years. By working closely with China Central Television (CCTV), Mengniu was able to capture premium publicity resources and promote the brand during the live broadcast of the National Day military parade celebration on TV and online. More specifically, Mengniu successfully introduced the brand concept "Born for Greatness" in the program "Anchors on Joint News Broadcast" through various means, such as discussions on topics like "saying the word 'Niu' 26 times in one breath" and "the New China was founded in 1949, which was the year of the Ox". This led to extensive chats on Weibo. Through a series of online and offline marketing events in celebration of National Day that were bundled with the movie "My People, My Country", Mengniu also significantly boosted conversations surrounding the brand, accumulating 3 billion impressions, thus effectively enhanced the power of the brand and its bond with customers, and further strengthened Mengniu's image as a national brand.

During the year, each of Mengniu's business segments actively pursued a brand strategy that was in line with their own brand positioning and launched comprehensive plans for diverse and precise marketing. For the room temperature product business, *Milk Deluxe* was the title sponsor for popular variety programs produced by Hunan TV during the year, such as "Back to Field Season 3" and "Super Vocal", leveraging IP resources to promote the brand philosophy of "Becoming One's Better Self" and "Nutrition for Your Betterment". As a result, sales volume grew significantly. Meanwhile, *Just Yoghurt* was the title sponsor of "Produce Camp 2019" and "The Chinese Restaurant Season 3". Through product placement of *Just Yoghurt* in these programs, the Group successfully made use of different channels for online and offline marketing. *Fruit Milk Drink* was the title sponsor of "Idol Producer", an inspirational program produced by iQiyi that targets the young population. Combined with the innovative marketing method of using brand IP to boost sales, the strategy has raised the brand power of *Fruit Milk Drink* to a record high.

主品牌營銷方面，藉著中華人民共和國成立七十週年之際，蒙牛將國家逐步發展強大的過程與蒙牛品牌二十年以來的發展歷程相結合，以此與民眾產生共鳴的方式進行了一系列的營銷活動。蒙牛通過與中國中央電視台深度合作，全面佔據國慶頂級傳播資源，藉助電視及互聯網的閱兵直播進行宣傳。其中，蒙牛在《主播說聯播》節目成功植入「天生要強」的品牌主張，而「一口氣說26個牛」、「1949年成立的新中國也是屬牛的」等話題亦引起了微博熱議，蒙牛並通過一系列線上及線下的國慶營銷活動，捆綁電影《我和我的祖國》，使有關的網絡輿論熱度明顯提升，累計曝光次數達30億次，有效提升蒙牛品牌力和消費者好感度，進一步深化蒙牛的民族品牌形象。

年內，蒙牛各子業務板塊積極推進結合自身定位之品牌策略，全面部署多元化精準營銷。常溫業務方面，特侖蘇於年內先後冠名贊助湖南衛視《嚮往的生活3》及《聲入人心》等熱門綜藝節目，充分利用IP資源傳播「做更好的自己」及「營養每一個人的更好」等品牌理念，有效拉動銷量增長。純甄品牌先後冠名贊助《創造營2019》及《中餐廳3》，通過在節目中深度植入純甄品牌酸奶，成功聯動線上多渠道傳播與線下營銷。真果粒冠名贊助愛奇藝青春勵志綜藝節目《青春有你》，以年輕受眾為目標群體，結合創新性的品牌IP聯合營銷方式推動銷售，品牌力達到歷史新高。

As for the chilled product business, Mengniu focused on marketing innovation and conducted a series of brand upgrades and marketing activities surrounding key products. The *Yoyi C* brand demonstrated its emphasis on young consumers by inviting youth idol Jackson Yee to be its ambassador and engaging in crossover marketing activities with a tea-based beverage brand. *Yoyi C* also appeared on the variety program “Trump Card vs Trump Card” produced by Zhejiang TV, in WeChat and Weibo campaigns as well as on established popular science platforms to promote its specialized and healthy brand image. Through brand placement in the popular TV program “Sing! China” produced by Zhejiang TV, *Champion* reinforced its image as “the best functional yogurt brand” and further differentiated itself from other products, significantly increasing consumer preference for the brand and their willingness to purchase.

As for the milk formula business, Yashili completed its comprehensive brand upgrading during the year and conducted a press conference for the brand to launch the new television advertisement and to appoint Yao Chen, the famous celebrity for the promotion of the brand concept of “For Chinese Babies, the Best to Offer”. The press conference placed advertisement in video media such as iQiyi and TikTok, which reached over 0.18 billion advertisement exposures and attracted heated discussions on Weibo with more than 0.16 billion views. In addition, Yashili continued to strengthen its collaboration with CCTV and increased the investment in advertisement at CCTV in order to cover consumers comprehensively. Yashili also launched “A Journey Tracing the Sources Across Five Countries in Three Continents” integrated marketing event, by leading distributors and media to the milk sources of Yashili, as well as being the title sponsor of iQiyi’s top online travel IP program “Feel the World”, Yashili showed the public its four major milk sources and production bases overseas so as to enhance consumers’ confidence in the brand.

The Group adjusted the structure of the brands in the ice cream business division with a focus on star brands *Suibian* and *Deluxe* while further enhancing product innovation and the investment efficiency of the brands. The marketing target for *Suibian* was to reinforce its leading position as a chocolate ice cream brand and create a “hip and hot” brand image. The Group invited five celebrities to be the brand ambassadors, which improved brand exposure and sales volume.

低溫業務方面，蒙牛緊抓營銷創新，圍繞核心單品進行一系列品牌升級及營銷活動。優益C除聚焦年青消費者，啟用年青偶像易烊千璽作代言人及聯合茶飲消費品進行跨界合作推廣外，並與浙江衛視綜藝節目《王牌對王牌》開展合作，透過微信、微博及權威平台科普，傳播品牌專業健康形象。冠益乳綁定浙江衛視熱門節目《中國好聲音》進行品牌深度植入，強化其「功能酸奶第一品牌」的認知度，擴大品牌差異化優勢，使消費者對品牌的喜愛度及購買意願大幅提升。

奶粉業務方面，雅士利在年內完成品牌的全面升級和舉行品牌發佈會，發佈全新電視廣告，並聘用知名女星姚晨作品牌大使，宣傳「為中國寶寶，聚全球的好」的品牌主張。發佈會通過在愛奇藝、抖音等視頻媒體投放廣告，實現廣告曝光逾1.8億，成功引起微博話題熱議及逾1.6億閱讀量。此外，雅士利持續強化與CCTV合作，增加在CCTV的廣告投入，全面覆蓋消費人群，並啟動「三洲五國溯源之旅」整合營銷活動，帶領經銷商、媒體等前往雅士利的奶源地，以及冠名愛奇藝全網第一旅遊IP節目《慢遊全世界》，向大眾展示四大海外奶源地和生產基地，增強消費者對品牌的信心。

冰品業務重點梳理品牌架構，集中聚焦隨變和蒂蘭聖雪兩大品牌，進一步提升產品創新和品牌投入效率。其中隨變品牌以強化其巧克力冰淇淋定位、打造潮流冰淇淋品牌為營銷目標，邀請五位人氣偶像作為代言人，助推品牌聲量與銷量雙增長。

Regarding the fresh milk business, Mengniu's *Shiny Meadow* strengthened brand-building and was the sole title sponsor of the program "Our Song" by Dragon TV in the second half of 2019. The show had the highest ratings among variety shows of the same period, which significantly increased the brand exposure of *Shiny Meadow* and its market share.

As for overseas business, the *Yoyic* brand launched its first TV advertisement in Indonesia during the year. The advertisement, together with themed promotion and interaction with key opinion leaders (KOLs), generated wide exposure in the social media in South East Asia and placed *Yoyic* as the fastest-growing brand in terms of awareness in Indonesia, with close to 60 million consumers participating in the online campaigns.

During the year, Mengniu was frequently recognized by renowned industry organizations due to its ever-increasing brand influence and reputation among consumers. Mengniu was ranked 27th on the BrandZ™ list of most valuable Chinese brands, as well as first on the Brand Contribution list and was named Best Trend-setting Brand for the first time. Mengniu was second on the list of Kantar Worldpanel's "Most Chosen Brands in China" based on its consumer index research. It was also ranked among the 2019 Brand Finance Global 500. In the China Brand Power Index (C-BPI) list published by the Ministry of Industry and Information Technology of the PRC in 2019, Mengniu's chilled yogurt remained at the top of China's yogurt industry for the ninth consecutive year. *Yoyi C* also retained its title as the champion of China's probiotics drinks industry for the third consecutive year.

Sales Management

In 2019, Mengniu further strengthened its Route to Market (RTM) execution through initiatives such as the "Smart Network Action" and the "Penetration into Towns and Villages" Projects. The Group also optimized its supply chain mode, empowered its distributors, refined its management of channel penetration and enhanced its sales network coverage. While stably expanding in traditional channels, Mengniu also further pursued the B2B new retail mode. In addition to establishing strategic cooperative ties with "1st.1688.com", Mengniu joint efforts with Alibaba to build the "Fresh Express" platform to boost digital new retail growth.

鮮奶業務方面，二零一九年下半年，*每日鮮語*加大品牌建設，獨家冠名贊助東方衛視《我們的歌》，收視率位居同期綜藝節目榜首，節目播出後，*每日鮮語*品牌曝光度和市場份額均顯著提升。

海外業務方面，年內*Yoyic*品牌於印尼推出了第一個電視廣告，並透過主題推廣、KOL互動等內容營銷走紅東南亞社交網絡，近六千萬消費者參與線上互動，成為印尼當地知名度提升最快的品牌。

蒙牛憑藉不斷攀升的品牌影響力及消費者美譽度，頻頻獲得權威機構認證。年內，蒙牛榮獲BrandZ™「最具價值中國品牌」第27位、「品牌貢獻榜」第一名，並首次榮膺「最引領潮流中國品牌」獎項；在凱度消費者指數調研中，蒙牛勇奪「中國市場最受歡迎品牌」第二名；蒙牛亦榮獲Brand Finance二零一九年全球品牌價值500強；在中國工業和信息化部二零一九年中國品牌力指數(C-BPI)排名中，蒙牛低溫酸奶連續九年蟬聯C-BPI中國酸奶行業品牌力榜首，優益C連續三年榮獲中國乳酸菌飲料行業品牌力第一名。

銷售管理

2019年，蒙牛依靠「智網行動」和「鎮村通」等項目，進一步深化RTM執行，優化供應鏈模式，賦能經銷商，精耕渠道管理，提升銷售網點覆蓋。穩步拓展傳統渠道的同時，蒙牛亦深化B2B新零售模式，與「零售通」建立深入的戰略合作，並與阿里巴巴攜手建立「天鮮配」平台，推動數字化新零售模式發展。

The room temperature product business continued to reinforce product penetration into town and village markets by speeding up the “Penetration into Towns and Villages” project. This was achieved by implementing the RTM strategy, forming and optimizing the management and assessment system for distributors, and improving the allocation of distributors’ resources, quality of distributors’ retail-end services, as well as product penetration rate. During the year, the Smart Network of the business division had a 100% coverage rate of the domestic market where sales management and customer relationship management were digitalized to strengthen the control of channels and points of sales for highly efficient distribution.

During the year, Mengniu’s chilled product business was focused on the development of important sales channels and the thorough implementation of RTM strategies. For modern channels, Mengniu focused on brand-building of key products and strengthened the online and offline cooperation of the retail system, which further improved Mengniu’s brand power and market share. While exploring sales points for traditional channels, the Group also looked to special channels. Mengniu’s crossover collaboration with Haidilao officially began with the launch of *Hi* yogurt at the end of the year, which was well received by the market. In addition, the smart network system was introduced to some distributors for the chilled product business.

As for the milk formula business, during the year, Yashili developed its channels by focusing infant milk formula on the mother-and-baby store channels, focusing adult milk powder and nutritional instant mix products on KA modern trade channels, actively developing e-Commerce and new retail channels, and entered into a strategic cooperation with Alibaba in order to fully speed up the digitalized operation and implemented advertising and marketing with precise targeting to raise sales of e-Commerce.

The ice cream business focused on major markets and on the development of county and town markets. The Group reinforced the high-quality growth of sales points to effectively achieve refined channel management. As for traditional channels, Mengniu vigorously implemented the channel penetration strategy that aimed at speeding up the sales growth of county and town markets. As for modern channels, while Mengniu explored new retail sales points, convenience stores and vending machines, it also expanded its direct sales business to reinforce cooperation between the brand and retailers. For special sales channels, Mengniu entered the Fangte theme parks, which has become a new source of sales growth.

常溫業務持續進行渠道下沉，加速「鎮村通」工程，強化鎮村市場滲透。貫徹RTM策略，通過建立和完善經銷商管理和評估體系，持續完善經銷商資源配置，加強經銷商終端服務水準，提升產品鋪市率。年內，該事業部的智網系統亦已100%覆蓋全國市場，實現銷售管理及客戶關係管理數字化，加強對渠道和終端售點的掌控，達致高效分銷。

低溫業務在年內大力發展重要銷售渠道，深化RTM策略。現化渠道方面，蒙牛聚焦核心單品品牌建設，加強零售系統線上線下合作，進一步提升品牌力和市場份額；蒙牛除了加大力度開發傳統渠道網點，同時推動特殊渠道的開發，其與海底撈的跨界合作隨著年底推出*Hi*酸奶正式展開，市場反應理想。此外，智網系統亦已在部分低溫事業部經銷商範圍內上線。

奶粉業務方面，年內，雅士利在渠道發展上，嬰配奶粉聚焦母嬰渠道，成人奶粉及營養沖調產品聚焦KA商超渠道，並積極發展電商及新零售渠道，並與阿里巴巴簽署戰略合作，全面提速數字化運營，通過精準人群定向進行廣告營銷，助力電商銷售。

冰淇淋業務聚焦重點市場，大力開發縣城市場，強化網點高質量增長，有效實現渠道精細化渠理。傳統渠道方面，蒙牛大力實施渠道下沉策略，加快縣城市場銷售增速；現代渠道方面，蒙牛佈局新零售、便利店及自動售賣機，同時加大直營佈局，提升品牌與零售商的合作。特通渠道方面，蒙牛在年內進駐了方特樂園，成為新的銷量增長點。

The fresh milk business continued to adopt a sales mode that is based mainly on distributors and supplemented by direct sales to keep improving its sales channels. The Group covered the channels in supermarkets and convenience stores across 24 provinces and 50 key cities by focusing on the development of modern channels. Since the factories in Tianjin and Qingyuan started production in the first half of 2019, the number of sales points and penetration for key channels have been significantly increased, which in turn has boosted Mengniu's overall sales. Furthermore, Mengniu collaborated with Alibaba in building the "Fresh Express" platform during the year, and together developed the cold chain delivery model for chilled fresh milk that boosted its new retail sales.

The cheese business division carried out more in-depth segment management of channels, focused on breakthroughs in major markets and achieved significant improvement in customer coverage, number of sales points, and sales volume in major markets.

On the e-commerce front, Mengniu continued to organize key marketing events including multiple "Super Brand Days" on e-commerce platforms such as Tmall, JD.com and Suning. The Group integrated its resources from the sponsorship of several top variety shows, such as "Produce Camp 2019" for *Just Yoghurt*, "Idol Producer" for *Fruit Milk Drink*, "Back to Field" for *Milk Deluxe* and "Chinese Restaurant" for *Just Yoghurt*, as well as appointment of celebrities including Xiao Zhan, Yang Zi, Lay Zhang, Rocket Girls, Unine and Zhu Zheng-ting as brand ambassadors, to conduct fan base marketing and organize various marketing events. In addition, Mengniu participated in the A100 Strategic Partnership Program by Alibaba where the joint pilot program featuring Tmall Mart, Taoxianda and RT-Mart assisted Mengniu in achieving a seamless switch between online and offline sales; creating more room for the growth of e-commerce sales.

The number of online consumers, online flagship store memberships and online sales of Mengniu products this year reached a record high. On June 18, the total sales of Mengniu products on all e-commerce platforms more than doubled to over RMB100 million, ranking first in the dairy product industry. During the "Double 11" shopping festival, sales of Mengniu products on all e-commerce platforms aggregated to more than RMB200 million, representing a 40% growth and ranking first in the dairy product industry.

鮮奶業務持續以經銷商為主、直營為輔的銷售模式，完善銷售渠道佈局，通過重點佈局現代渠道，完成涉及24個省份和50個重點核心城市的大賣場及便利店的渠道覆蓋。天津及清遠工廠於2019年上半年成功投產後，重點渠道的網點數量和鋪市率更明顯提升，助力蒙牛銷量。此外，年內蒙牛與阿里巴巴攜手建立「天鮮配」平台，共同打造了全程冷鏈低溫鮮奶到戶配送模式，以推動鮮奶新零售的增長。

奶酪事業部對渠道進行更深入的細分管理，聚焦突破重點市場，實現客戶覆蓋率、網點數量和重點市場銷量明顯提升。

電商方面，蒙牛繼續在天貓、京東、蘇寧等電商平台開展核心行銷活動，推出多個「超級品牌日」，並深度整合*純甄*《創造營2019》、*真果粒*《青春有你》、*特侖蘇*《嚮往的生活》、*純甄*《中餐廳》等王牌綜藝資源及肖戰、楊紫、張藝興、火箭少女、Unine、朱正廷等頂級藝人，進行粉絲營銷，進行多場營銷活動。此外，蒙牛參與了阿里巴巴A100合作夥伴計劃，通過天貓超市、淘鮮達及大潤發三端聯動試點，實現線上線下銷售場景的無縫切換，以提升電商銷售的增量空間。

今年蒙牛產品的線上消費者數量、線上旗艦店會員數量以及產品銷售額均創新高。618當天蒙牛在各電商平台總計銷售額突破人民幣一億元，增長超過一倍，銷售額居乳製品行業第一。「雙十一」當天蒙牛在各電商平台總計銷售額更突破人民幣二億元，增長達四成，銷售額居乳製品行業第一。

保健食品
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冠益乳

富含活性益生菌

增强免疫力 认准冠益乳^{发酵乳}小蓝帽

保健食品



FINANCIAL REVIEW

Revenue

Benefiting from sales growth due to product innovation, proactive brand marketing and excellent sales execution, the revenue of the Group amounted to RMB79,029.9 million for the year ended 31 December 2019 (2018: RMB68,977.1 million), representing an increase of 14.6% year-on-year, of which the revenue from liquid milk recorded a year-on-year increase of 14.3% and the revenue of the milk formula business recorded an increase of 30.8% year-on-year, while the revenue from ice cream recorded a year-on-year decrease of 5.9%.

Gross Profit

Despite the increase in the price of raw milk as compared with last year, with satisfactory revenue growth and a notably optimized product mix, the Group's gross profit for the year increased to RMB29,678.6 million (2018: RMB25,783.6 million) and gross profit margin increased by 0.2 percentage point to 37.6% as compared with the same period last year (2018: 37.4%).

Operating Expenses

To enhance channel distribution and brand competitiveness, the Group embarked on active channel development and strengthened its brand promotion strategies during the year, while making provision for impairment of goodwill and intangible assets (both as non-cash charges) during the year. These led to an increase in operating expenses to RMB28,809.7 million (2018: RMB22,684.8 million), representing an increase to 36.5% when expressed as a percentage of the Group's revenue (2018: 32.9%).

Selling and distribution expenses for the year increased by 14.4% to RMB21,536.1 million (2018: RMB18,833.3 million), representing 27.3% when expressed as a percentage of the Group's revenue (2018: 27.3%).

Advertising and promotion expenses for the year increased by 21.3% to RMB8,499.9 million (2018: RMB7,005.8 million), while increasing to 10.8% when expressed as a percentage of the Group's revenue (2018: 10.2%).

財務回顧

收入

受益於產品創新、積極的品牌營銷、良好的銷售執行所帶來的銷量增長，截至二零一九年十二月三十一日止年度，本集團收入為人民幣790.299億元(二零一八年：人民幣689.771億元)，同比增長14.6%，其中液態奶收入同比增長14.3%，奶粉業務收入同比實現30.8%的增長，而冰淇淋收入則同比下降5.9%。

毛利

雖然原料鮮奶價格同比有所上升，由於良好的收入增長及產品結構顯著優化，本集團年內毛利上升至人民幣296.786億元(二零一八年：人民幣257.836億元)，毛利率較去年同期上升0.2個百分點至37.6%(二零一八年：37.4%)。

經營費用

為提升渠道分銷及品牌競爭力，本集團年內採取積極的渠道發展及加強品牌宣傳推廣策略，加上年內對商譽及無形資產進行減值撥備(皆為非現金費用)，使經營費用上升至人民幣288.097億元(二零一八年：人民幣226.848億元)，佔本集團收入比例上升至36.5%(二零一八年：32.9%)。

年內銷售及經銷費用上升14.4%至人民幣215.361億元(二零一八年：人民幣188.333億元)，佔本集團收入比例27.3%(二零一八年：27.3%)。

年內廣告及宣傳費用上升21.3%至人民幣84.999億元(二零一八年：人民幣70.058億元)，佔本集團收入比例上升至10.8%(二零一八年：10.2%)。

Due to Yashili's growth of sales and profit from operating activities changed in the second half of the year, and the growth was not as expected, the Group recognized the provision for impairment of goodwill of RMB2,299.1 million in relation to the milk formula business during the year and provided RMB173.1 million for the relevant intangible assets. Administrative and other operating expenses (excluding provision for impairment of goodwill and other intangible assets), including impairment losses on financial and contract asset and loss on disposal of financial assets measured at amortised cost, increased by 22.4% to RMB4,713.7 million (2018: RMB3,851.5 million), accounting for 6.0% (2018: 5.6%) of the Group's revenue.

Profit from Operating Activities and Net Profit

During the year, with the increase in revenue of the Group's overall business, the effect from product structure optimization, enhancement of operational efficiency as well as economies of scale, together with the gain arising from disposal of a subsidiary, Shijiazhuang Junlebao Dairy Co. Ltd. ("Junlebao"), the Group's EBITDA increased by 37.8% to RMB7,404.8 million (2018: RMB5,373.6 million) and EBITDA margin was 9.4% (2018: 7.8%). Excluding the effect of gain on disposal of subsidiaries, provision for goodwill impairment and other intangible assets, EBITDA margin was 8.3%.

Profit attributable to owners of the Company increased by 34.9% to RMB4,105.4 million (2018: RMB3,043.0 million). Excluding the one-off impact of the net gain from disposal of Junlebao, impairment of goodwill and other intangible assets, profit attributable to owners of the Company was RMB3,866.8 million. Basic earnings per share increased by 34.7% to RMB1.049 (2018: RMB0.779).

Income Tax Expenses

In 2019, income tax expense of the Group totaled RMB1,309.5 million (2018: RMB649.0 million), representing an increase of 101.8% year-on-year, primarily due to the income tax expenses of RMB533.3 million on gain arising from disposal of Junlebao. The effective income tax rate was 23.4% (2018: 16.9%), up by 6.5 percentage points year-on-year, mainly due to the impairment of goodwill and impairment of other intangible assets, which were non-deductible items.

由於雅士利的銷售、經營利潤的增長在下半年產生變化，以及增長不及預期，本集團於年內確認與相關奶粉產品業務的商譽減值撥備人民幣22.991億元，及對相關無形資產撥備人民幣1.731億元。扣除商譽減值及其他無形資產撥備，行政及其他經營費用，包括金融及合約資產減值損失及按攤銷成本計量金融資產的出售虧損，上升22.4%至人民幣47.137億元（二零一八年：人民幣38.515億元），佔本集團收入比例為6.0%（二零一八年：5.6%）。

經營業務利潤及淨利潤

年內，在本集團整體業務的收入增加，加上產品結構優化、提升營運效益及規模效益的成效下，以及處置子公司—石家莊君樂寶乳業有限公司（「君樂寶」）所獲得的收益下，本集團息稅折舊攤銷前利潤(EBITDA)上升37.8%至人民幣74.048億元（二零一八年：人民幣53.736億元），EBITDA利潤率為9.4%（二零一八年：7.8%）。扣除處置子公司的收益之影響，商譽減值及其他無形資產撥備，EBITDA利潤率為8.3%。

本公司擁有人應佔利潤上升34.9%至人民幣41.054億元（二零一八年：人民幣30.430億元）。扣除本年度出售君樂寶的淨收益、商譽及其他無形資產減值的一次性影響，本公司擁有人應佔利潤為人民幣38.668億元。每股基本盈利上升34.7%至人民幣1.049元（二零一八年：人民幣0.779元）。

所得稅支出

本集團於二零一九年所得稅支出為人民幣13.095億元（二零一八年：人民幣6.490億元），同比上升101.8%，主要由於處置子公司君樂寶產生的收益需繳納人民幣5.333億元所得稅項。所得稅有效稅率為23.4%（二零一八年：16.9%），同比上升6.5個百分點，主要由於商譽減值及其他無形資產減值為不可抵扣稅的項目。

Capital Expenditure

For the year ended 31 December 2019, capital expenditure of the Group was RMB11,532.3 million (2018: RMB3,772.3 million), representing an increase of 205.7% year-on-year. Of the total, RMB4,318.3 million was spent on building new production facilities and modifying existing ones and related investments, whereas RMB527.9 million was spent on purchasing biological assets, and RMB6,686.1 million was invested in equities.

Working Capital, Financial Resources and Capital Structure

For the year ended 31 December 2019, the Group recorded net cash inflow from operating activities of RMB6,307.2 million (2018: RMB6,363.5 million).

As of 31 December 2019, outstanding interest-bearing bank and other borrowings of the Group increased to RMB23,472.8 million (31 December 2018: RMB14,715.3 million), of which interest-bearing bank and other borrowings repayable within one year amounted to RMB13,838.2 million (31 December 2018: RMB6,522.9 million). More than 80% of the interest-bearing bank and other borrowings were bearing interest at fixed rates. The increase in interest-bearing bank and other borrowings was mainly due to the new borrowings for acquisition of Bellamy's 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 2019 were RMB16,996.6 million (31 December 2018: RMB7,417.3 million).

The Group's total equity as of 31 December 2019 amounted to RMB33,347.3 million (31 December 2018: RMB30,464.3 million). Its debt-to-equity ratio (total amount of interest-bearing bank and other borrowings over total equity) was 70.4% (31 December 2018: 48.3%).

Finance costs of the Group were RMB644.2 million (2018: RMB550.7 million), approximately 0.8% when expressed as a percentage of the revenue (2018: 0.9%).

資本支出

截至二零一九年十二月三十一日止年度，本集團資本支出為人民幣115.323億元（二零一八年：人民幣37.723億元），同比上升205.7%。資本支出用於新建和改建生產設備及相關投入，達人民幣43.183億元；購入生物資產達人民幣5.279億元以及股權投資達人民幣66.861億元。

營運資金、財務資源及資本架構

截至二零一九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為人民幣63.072億元（二零一八年：人民幣63.635億元）。

於二零一九年十二月三十一日，本集團之未償還計息銀行及其他借貸增加至人民幣234.728億元（二零一八年十二月三十一日：人民幣147.153億元），其中一年內償還的計息銀行及其他借貸為人民幣138.382億元（二零一八年十二月三十一日：人民幣65.229億元）。超過八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，主要由於年內新增借貸以支付收購貝拉米所致。

本集團於二零一九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169.966億元（二零一八年十二月三十一日：人民幣74.173億元）。

本集團於二零一九年十二月三十一日之總權益為人民幣333.473億元（二零一八年十二月三十一日：人民幣304.643億元）。債務權益比率（計息銀行及其他借貸總額除以總權益）為70.4%，（二零一八年十二月三十一日：48.3%）。

本集團的融資成本為人民幣6.442億元（二零一八年：人民幣5.507億元），佔收入比重約0.8%（二零一八年：0.9%）。

PRODUCTS

Leveraging its advantage in resources and globally advanced technologies, Mengniu's premium products continue to lead the dairy industry. Innovation remains a core competitive advantage of Mengniu. The Group has put great emphasis on product quality and has innovated new products with a focus on product differentiation and premiumization. Mengniu continues to develop functional and customized products to meet the customers' needs for personalization and to drive sales growth.

產品

蒙牛結合自身優勢資源以及國際領先技術，製造卓越的產品持續領跑乳製品行業。蒙牛堅持把創新作為核心競爭力，聚焦產品品質，圍繞產品差異化和高端化進行革新，不斷發展功能性和定制產品以滿足消費者個性化需求，持續推動銷量增長。



The principal businesses of the Group are liquid milk, ice cream, milk formula and other products with their performance during the year outlined as below:

本集團主要業務分為液態奶、冰淇淋、奶粉及其他產品，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 RMB67,877.8 million (2018: RMB59,388.6 million), accounting for 85.9% of Mengniu's total revenue (2018: 86.1%). 收入為人民幣678.778億元(二零一八年：人民幣593.886億元)，佔蒙牛總收入的85.9%(二零一八年：86.1%)。	

UHT Milk
UHT奶



- Following the launch of the “DreamCap™” organic milk in 2018, the newly upgraded *Milk Deluxe* pure milk in “DreamCap™” packaging was launched in July 2019. It adopts advanced membrane filtration technology to enhance the texture and quality of the product to improve the experience of customers. With the philosophy of “Nutrition for Your Betterment” in mind, the brand launched the *Milk Deluxe* 3.0 era.
- 特侖蘇繼於二零一八年推出「夢幻蓋」有機純牛奶後，再次於二零一九年七月推出全新升級包裝「夢幻蓋」純牛奶，採用先進膜過濾技術提升產品口感及品質，不斷提升民眾的消費體驗，以「營養每一個人的更好」為主張，開啟特侖蘇3.0時代。
- Mengniu’s comprehensive UHT milk line includes *Mengniu* pure milk, high-calcium milk, low-fat high-calcium milk and skimmed milk, providing more healthy options to consumers.
- 蒙牛UHT純牛奶包括蒙牛純牛奶、高鈣牛奶、低脂高鈣和脫脂純牛奶四款產品，為消費者提供了更多健康選擇。
- Mengniu’s *Future Star* A2β-casein pure milk, made with limited-supply premium milk from designated ranches, aims to raise the quality of children’s milk products.
- 蒙牛來自專屬牧場、奶源限量供應的未來星A2β-酪蛋白純牛奶，專注提升兒童牛奶產品品質。

Key Products:

- *Milk Deluxe*
- *Mengniu* pure milk
- *Student’s Milk*
- *Future Star*

重點產品：

- 特侖蘇
- 蒙牛純牛奶
- 學生奶
- 未來星

Product category

產品品類

Highlights

動向

Room Temperature Yogurt

常溫酸奶



- In 2018, the *Just Yoghurt* light flavor yogurt line launched Xiaomanyao, a new product with PET bottle packaging that makes the room temperature yogurt product easier to carry and consume. In September 2019, Mengniu introduced the mango cheese flavor Xiaomanyao product made from Alphonso mangoes and Danish rich cheese using world-class technology. The product has become popular among young consumers.
- 純甄輕乳酪風味酸奶於二零一八年推出PET瓶裝新品小蠻腰，提高了常溫酸奶的便攜性和實用性。今年九月小蠻腰系列以國際領先工藝推出芒果芝士口味，產品採用阿方索芒果和丹麥濃郁芝士製造，深受年輕消費者喜愛。
- The *Just Yoghurt* fruit pulp series welcomed the addition in January 2019 of yellow peach and oat flavor yogurt with smiley packaging, presenting consumers with an innovative product like no other. Its diamond shaped packaging yogurt series also introduced in May a salted caramel flavor and a chocolate flavor, which were followed by the red jujube and goji berry flavor in June.
- 純甄果粒風味酸奶於二零一九年一月推出笑臉包純甄黃桃燕麥風味酸奶，為消費者帶來創新差異化產品。純甄利樂鑽系列產品於今年五月推出海鹽焦糖及巧克力口味，並於六月推出紅棗枸杞風味酸奶。

Key Products:

- *Just Yoghurt* light flavor yogurt
- *Just Yoghurt* fruit pulp flavor yogurt

重點產品：

- 純甄輕乳酪風味酸奶
- 純甄果粒風味酸奶

Room Temperature Milk Beverage

常溫乳飲料



- The mango flavor *Fruit Milk Drink* was launched in March 2019. The *Fruit Milk Drink* colorful fruit pulp series, which targets the high-end milk beverage market, introduced the mango and passion fruit flavor in April.
- 真果粒牛奶飲品於今年三月推出芒果口味新品，並推出定位高端乳飲料市場的繽紛果粒系列，於四月上市芒果百香果口味。
- In addition, Mengniu introduced the *Mengniu GO Chang* probiotics beverage in April 2019. The product is made from imported probiotics and beneficial bacteria and has filled a gap in the room temperature probiotics beverage market.
- 此外，蒙牛於今年四月推出蒙牛GO暢乳酸菌飲品，選用進口乳酸菌發酵，特別添加益菌因子，填補了常溫乳酸菌飲品市場的空白。

Key Products:

- *Fruit Milk Drink* milk beverage
- *Fruit Milk Drink* high-end colorful fruit pulps series
- *Suan Suan Ru* nutritious milk drink

重點產品：

- 真果粒牛奶飲品
- 真果粒高端繽紛果粒系列
- 酸酸乳營養乳飲料

Product category

產品品類

Highlights

動向

Chilled Yogurt

低溫酸奶



- During the year, Mengniu stepped up promotion of the features of the BB-12 bacteria included in the *Champion* BB-12 series and launched new product packaging to strengthen the product's market position as a "professional and functional" yogurt. Mengniu introduced *Champion* Blue Cap Vigor Bottle Series in October 2019, transforming industry standards by adding the groundbreaking breast milk probiotic, Probi-M8, into the product along with a new and original package design. The flavor of the product was well received by consumers.
- 冠益乳BB-12在年內加強宣傳其擁有「BB-12」菌種的特色，並推出新包裝，鞏固其「專業功能性」酸奶定位。蒙牛於十月推出冠益乳小藍帽元氣瓶，首次創新行業標桿，添加突破母乳源益生菌Probi-M8，配合新穎包裝設計，口味大獲消費者好評。
- *Mengniu* Nordic Cheese Flavor Yogurt was launched in February 2019 and achieved excellent sales performance. In October, *Mengniu* launched Chinese Nourishing Nuan Yan Yogurt, the first Chinese nourishing yogurt which was widely welcomed by consumers.
- 蒙牛北歐芝士風味酸奶於二零一九年二月上市，銷售表現亮眼。十月，蒙牛創新推出中華滋養暖妍酸奶，是中國首款滋補養生酸奶，產品廣獲消費者喜愛。
- The *Bio* product series is positioned as a high-end yogurt, with a main feature of being a French-style meal replacement and fruit yogurt. In October, the Danone *Bio* Smoothie Francais, the first Chinese "light meal bottled yogurt", was launched. Aiming to fulfill demand for personalized diets with "controlled sweetness", the product contains less than 0.5% sucrose. The product facilitated the expansion of the high-end product range of *Bio* and optimized its product mix.
- 碧悠系列產品定位高端酸奶市場，主打法式代餐及果酪特色。十月推出了達能碧悠法式輕果昔，是碧悠推出的中國首款「輕食瓶」，以少於0.5%蔗糖滿足當下消費者「控甜」的個性化飲食需求，有效擴充了碧悠產品高端品類，完善產品結構。

Key Products:

- *Champion*
- *Mengniu* European Charcoal Yogurt
- *Mengniu* Nordic Cheese Flavor Yogurt
- *Mengniu* Chinese Nourishing Nuan Yan Yogurt
- *Milk Deluxe* Yogurt
- *Bio*

重點產品：

- 冠益乳
- 蒙牛歐式炭燒酸酸奶
- 蒙牛北歐芝士風味酸奶
- 蒙牛中華滋養暖妍酸奶
- 特侖蘇酸奶
- 碧悠

Product category

產品品類

Highlights

動向

Chilled Milk Beverage

低溫乳飲料



- Yoyi C's new passion fruit flavor was launched in January 2019 and achieved brilliant sales performance. In addition, the Yoyi C line adopted new packaging in March 2019 to highlight the product's core "live bacteria" selling point, aiming to strengthen its leading position among probiotics products.
- 優益C在二零一九年一月推出全新百香果口味，銷售表現亮眼。此外，同年三月優益C以全新包裝突出核心賣點「活菌」，鞏固在乳酸菌品類的領導地位。

Key Products:

- Yoyi C
- Yoyi C LC-37

重點產品：

- 優益C
- 優益C LC-37

Fresh Milk

鮮奶



- Mengniu's *Shiny Meadow* fresh milk targets the high-end market. It is produced using low-temperature membrane concentration technology and Swedish cream separation technology, enabling it to retain the highest proportion of natural nutrients in quality fresh milk. In the first half of 2019, the 720 ml medium size *Shiny Meadow* fresh milk and *Shiny Meadow* 0% fat fresh milk were launched. In September, Mengniu launched *Shiny Meadow* cold brew cafe latte, leveraging premium milk sources, the fashionable cold brew craft and its rich texture. The product opened a new era of cafe latte.

- 蒙牛佈局高端市場的每日鮮語鮮牛奶，採用低溫膜濃縮技術和瑞典乳脂分離技術生產，最大化保留優質鮮奶天然營養。每日鮮語在二零一九年上半年推出720ml中型包裝鮮牛奶及0脂肪鮮牛奶，並於九月推出每日鮮語冷萃咖啡拿鐵，從優質奶源、當下火熱的冷萃工藝和醇厚口感，開啟鮮奶咖啡的新時代。

- In the first half of 2019, the *Modern Meadow* fresh milk brand introduced a new cereal milk product category and swiftly grasped share in the mid-range to high-end fresh milk market.

- 現代牧場鮮牛奶在二零一九年上半年開拓了穀物牛奶新品類，快速搶佔了中高端鮮奶市場份額。

Key Products:

- *Shiny Meadow* fresh milk
- *Shiny Meadow* cold brew cafe latte
- *Shiny Meadow* 0% fat fresh milk
- *Modern Meadow* fresh milk

重點產品：

- 每日鮮語鮮牛奶
- 每日鮮語冷萃咖啡拿鐵
- 每日鮮語0脂肪鮮牛奶
- 現代牧場鮮牛奶



Product category 產品品類	Financial performance 財務表現	Highlights 動向
Ice Cream 冰淇淋	Revenue from the ice cream business amounted to RMB2,561.4 million (2018: RMB2,723.4 million), accounting for 3.2% of Mengniu's total revenue (2018: 4.0%). 收入為人民幣25.614億元(二零一八年: 人民幣27.234億元), 佔蒙牛總收入3.2%(二零一八年: 4.0%)。	



- *Suibian* ice cream continued to consolidate its position in the chocolate ice cream segment and upgraded its packaging design in 2019 by placing the images of brand ambassadors on the package and increasing brand exposure in an effort to create a trendy ice cream brand. New *Suibian* ice cream products were launched in January 2019, namely the avocado chocolate ice cream, pistachio crunchy ice cream, hazelnut crunchy ice cream, strawberry ice cream cone and milk tea ice cream cone.
- 隨變冰淇淋繼續強化巧克力冰淇淋地位，於二零一九年升級包裝設計，以代言人形像登上包裝，並強化品牌曝光，致力打造潮流冰淇淋品牌。二零一九年一月，隨變推出牛油果巧克力口味雪糕、開心果脆皮雪糕、榛子脆皮雪糕、草莓口味甜筒雪糕和奶茶甜筒口味雪糕新品。
- In January 2019, the high-end ice cream brand *Deluxe* welcomed a new strawberry flavor product, which contains fruit pulp and is made from pure milk and Australian cream. It was also well-received after its launch.
- 高端冰淇淋品牌蒂蘭聖雪於二零一九年一月推出添加果粒、搭配純正牛奶和澳洲稀奶油的草莓冰淇淋，上市表現亮眼。

Key Products:

- *Suibian*
- *Deluxe*
- *Mood for Green*
- *Mengniu Ice+*
- *Mengniu* Russian style ice cream brick

重點產品：

- 隨變
- 蒂蘭聖雪
- 綠色心情
- 蒙牛冰+
- 蒙牛俄式奶磚冰淇淋



Product category 產品品類	Financial performance 財務表現	Highlights 動向
Milk Formula 奶粉	Revenue from the milk formula business amounted to RMB7,869.7 million (2018: RMB6,017.4 million), accounting for 10.0% of Mengniu's total revenue (2018: 8.7%). The revenue of Milk Formula business mainly included the revenue from Yashili, and the revenue from related milk formula business of Junlebao which was disposed during the year. 收入為人民幣78.697億元(二零一八年：人民幣60.174億元)，佔蒙牛總收入10.0%(二零一八年：8.7%)。奶粉業務收入主要包括來自雅士利的收入及來自年內處置的君樂寶相關奶粉業務的收入。	



- *Reeborne* uses organic milk sources from the Alps mountains with more than 3 years of maintenance for the pristine land to ensure purity and cleanliness of the milk sources. The Simmental dairy cows, which produce high protein content milk, are selected. The cows are raised by free-range method so they can produce milk in a natural way. The passing of Wan Tai (WIT) organic product certification proves its strict compliance with the organic standard from milk sources, production to transportation, with each can of *Reeborne* safe and traceable.
- 瑞哺恩，來自阿爾卑斯高山有機奶源，三年以上淨土保養，確保奶源純淨無污染；甄選牛奶含高蛋白的西門塔爾奶牛，戶外草飼放養、自然產奶；通過萬泰(WIT)有機認證，從奶源、生產到運輸嚴格遵循有機標準，每一罐都安全可溯。
- *Arla*, as the world's largest organic dairy producer with over 100 years of brand history, was authorized as the dedicated brand for the Danish royal family. The organic milk formula of *Arla Baby & Me* has obtained three major organic certifications and contains high DHA and probiotics at the golden ratio; *Arla Baby & Me Lanxi* contains the unique NutriCollab formula with premium nutrients such as choline, taurine and nucleotide. The brand new upgraded formula of *Arla Millex* is a Pro Plus nutritious formula of OPO structured fat, BB-12 probiotics and probiotics at the golden ratio, thereby meeting the requirement of a natural product.
- *Arla*擁有百年品牌歷史，作為全球最大的有機乳品商，被授權為丹麥皇室御用品牌。*Arla寶貝與我*有機奶粉獲得3大有機認證，含高DHA，黃金比例益生元；*Arla寶貝與我藍曦*含有獨特的NutriCollab營養協同組合，添加膽鹼、牛磺酸、核苷酸等優質營養元素；*Arla美力滋*全新升級配方以OPO結構脂、BB-12益生菌、黃金比例益生元，組成Pro Plus營養方程式，貼合自然需求。
- Originated from Australia, *Doraler* goat milk formula contains 100% whole goat milk protein, which is natural, easy to be digested and absorbed by the digestive system. Doraler upholds the brand philosophy of "Freedom, Bravery and Exploration" and advocates "Grow in Freedom, Be Loved by Nature".
- 朵拉小羊奶粉來自澳大利亞，含有100%純羊乳蛋白，天然易消化、腸胃好吸收。朵拉小羊堅持「自由、勇敢、探索」的品牌理念，主張「自由成長，自然有愛」。

Product category

產品品類

Highlights

動向



- Yashili's products also include various milk formula products for adults, such as *Mengniu* brand adult milk formula, *Youyi* brand adult milk formula, and *Yourui* brand milk formula for the middle-aged and elderly. *Mengniu* brand adult milk formula is one of the top three domestic adult milk formula brands in China. *Yourui* is the high-end brand among the product range of Mengniu's adult milk formula, particularly customized to deal with common health problems related to bone, constipation, hyperglycemia, cerebrovascular and cardiovascular disease, immunity and muscle on the middle-aged and the elderly; *Yourui* Yitian series adopt the formula with scientific sugar balance which passed clinical experiments conducted by the Beijing Institute of Nutritional Resources, being the low-GI food with its GI reading of 23.1 and suitable for those who need to avoid the threat of higher blood glucose.
- 雅士利的產品亦包括多種成人奶粉如蒙牛品牌成人奶粉、優怡品牌成人奶粉及悠瑞品牌中老年奶粉。蒙牛品牌成人奶粉是國內三大成人奶粉品牌之一，悠瑞為蒙牛成人奶粉的高端品牌，針對中老年人骨骼、便秘、高血糖、心腦血管、免疫力、肌肉等常見的健康問題特別定製，其中悠瑞怡添系列採用科學衡糖組合配方，通過北京市營養源研究所臨床實驗，GI值為23.1，屬低GI的食物，適合要避免血糖升高的人群。
- In addition, the milk formula business also provides various instant mix products, including *Zhengwei* brand oatmeal and *Yashily* infant nutritional rice cereal; the *Yashily* infant nutritional rice cereal launched the organic rice cereal series during the year.
- 此外，奶粉業務亦提供多個系列沖調產品，包括正味品牌麥片和雅士利嬰幼兒營養米粉等；雅士利嬰幼兒營養米粉在年內推出了有機米粉系列。

Key products :

- *Yashily* Kieember and Kieevagour
- *Mengniu* Reeborne
- *Dumex* Diamor
- *Arla* Baby & Me
- *Doraler*

重點產品：

- 雅士利菁珀、菁躍
- 蒙牛瑞哺恩
- 多美滋致粹
- Arla寶貝與我
- 朵拉小羊



Product category 產品品類	Financial performance 財務表現	Highlights 動向
Other Products 其他產品	Revenue from other products amounted to RMB721.0 million (2018: RMB847.7 million), accounting for 0.9% of Mengniu's total revenue (2018: 1.2%). 收入為人民幣7.210億元(二零一八年：人民幣8.477億元)，佔蒙牛總收入0.9%(二零一八年：1.2%)。	

Cheese
奶酪



- During the year, Mengniu's cheese business division was focused on the development and innovation of new products. The Group introduced more than 10 new products and existing products of upgraded packaging. Among them, the taste of the leading product *Future Star* Golden Cheese Bar for Children's Growth was improved in response to consumer preferences. In addition, Mengniu launched new *Future Star* products including the vanilla ice cream flavor Golden Cheese Bar, Bangbang children's cheese bar and the double-layered Lao Ru Pian. The new products have all received positive feedback from consumers since their launch.
- 年內蒙牛奶酪事業部聚焦新產品研發創新，推出10多種新品及老品升級包裝。其中主打產品未來星兒童成長奶酪金裝棒完成了產品口感升級，順應了消費者對口感的需求；此外，未來星全新推出香草冰淇淋口味金裝棒、棒棒兒童奶酪棒及雙層酪乳片等，上市以來獲得很多消費者的好評。
- In the first half of 2019, Mengniu collaborated with Arla Foods to introduce two new products, namely *Arla* shredded mozzarella and UHT cream (frozen), under the professional catering brand *Arla Pro*. In July 2019, an upgraded mozzarella cheese was launched. Each unit of the product contains enough cheese for a 9-inch pizza and features outstanding stringiness and fluidity as well as rich flavor and texture.
- 蒙牛攜手Arla Foods引進的專業餐飲品牌*Arla Pro*於今年上半年引進愛氏晨曦馬蘇里拉絲和超高溫滅菌稀奶油(冷藏)兩種新品，並於二零一九年七月推出升級版馬蘇里拉奶酪，該產品含九寸披薩用量，拉絲性和流動性表現突出，奶香濃郁、口感獨特。

Key Products:

- *Future Star* Cheese for Children's Growth
- *Mengniu* Lao Qu Bei
- *Arla* shredded mozzarella

重點產品：

- 未來星兒童成長奶酪
- 蒙牛酪趣貝
- 愛氏晨曦馬蘇里拉乾酪絲





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“肠活动” “常年轻”

易烊千玺

优益C品牌代言人



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PRODUCTION

Mengniu deploys its production capacity according to the potential of relevant markets and its own product strategy. As at 31 December 2019, Mengniu had 41 production bases in China, one production base in Australia, New Zealand and Indonesia respectively. It had a total annual production capacity of 9.50 million tons (December 2018: 9.75 million tons).

SOCIAL RESPONSIBILITY

In 2019, Mengniu established its sustainable development management system, which was led by the Board, and officially approved the “Three-year Sustainable Development Plan of Mengniu Group”. A sustainable development execution committee with working groups for environment, economy and society was established to thoroughly execute the strategic sustainable development plan at the corporate level and implement multiple social supporting plans such as the “Inclusive Nutrition Plan” and the “Youth Teacher Empowerment Education Plan”. By launching the “136 Project” for the revitalization of the dairy industry, forming the “3+1” operation team and promoting projects such as the “University of Ranchers” and the “Golden Key of Milk Cow”, the Group is working to develop a sustainable ecosystem; and by committing to green operations, Mengniu is committed to building a healthy and green ecological environment.

In 2019, Mengniu continued to expand its “Inclusive Nutrition Plan” and donated milk to students in poorer regions of China for the entire school year in an effort to alleviate nutrition-based poverty and educate the public on issues of health. The donations reached 52,768 students from 186 schools in 122 counties of 88 cities across the country, including 39,652 financially disadvantaged students. In total, Mengniu donated about 200,000 boxes of milk worth RMB9 million. Mengniu also organized the “Inclusive Nutrition Partnership”, an online charity campaign with a theme of “Light a star for each cup of milk donated”, aiming to attract members of the public to be Mengniu’s charity partners by participating online. The Group would then donate milk to students in the poorer regions accordingly. Over 150,000 people became charity partners in a short period of time. In addition, Mengniu organized 37 on-campus lectures on health and nutrition that reached close to 20,000 students.

生產

蒙牛根據市場潛力及產品策略佈局產能，截至二零一九年十二月三十一日，蒙牛於全國共設有41個生產基地，並分別於澳洲、新西蘭及印尼設有1個生產基地，年產能合共為950萬噸（二零一八年十二月：975萬噸）。

社會責任

蒙牛於二零一九年成立由董事會領導的可持續發展管理體系，正式通過「蒙牛集團可持續發展三年規劃」，成立可持續發展執行委員會，下設環境、經濟、社會一個工作小組，將可持續發展工作放在企業戰略高度推進，以及實施多個社會幫扶計劃如「營養普惠計劃」、「青椒計劃」，透過發佈奶業振興「136工程」、組建「3+1」運營小組、推進「牧場主大學」、「奶牛金鑰匙」等發展可持續發展生態圈，並致力綠色營運，全力打造一個健康、綠色的生態環境。

二零一九年，蒙牛繼續擴展其「營養普惠計劃」，為貧困地區兒童捐贈全年學生奶，助力營養扶貧，培養國民對健康的重視及習慣，捐贈覆蓋全國88個市、122個區縣、186所學校共52,768名學生，其中包括39,652名貧困生，捐贈數量近20萬提，捐贈產品價值達人民幣900萬元。蒙牛並策劃「營養普惠合夥人」線上公益行動，以「點亮一顆星，捐出一杯奶」為主題，旨在通過線上參與活動，吸引公眾成為公益合夥人，蒙牛便會為貧困地區兒童配捐學生奶，短時間內招募超過15萬人成為公益合夥人。此外，蒙牛並在全國各地的校園內開展了37場營養健康知識講座，覆蓋學生近2萬人。

In an attempt to effectively improve teaching conditions in poor regions, Mengniu made donations to support the “Youth Teacher Empowerment Education Plan” that provided Internet training to more than 2,000 young teachers in the rural areas of over 20 counties and villages across the country to enhance the quality of teaching and combine poverty alleviation with intellectual growth.

In addition, in June 2019 Mengniu announced the “Project 136” for the revitalization of the dairy industry to achieve high-quality development through the three major services platforms “Aiyangniu”, “Dairy Cattle Research Institute” and “Intelligent Digital Milk Source Ranch”. Mengniu supported its partners along the supply chain to achieve mutual benefits and established a sustainable ecosystem for milk sources to revitalize the dairy industry by continuously incorporating interconnected systems and measures such as implementing revitalization policies, introducing lean management and fostering technical talents.

As for support in technical training, Mengniu’s milk source technicians formed the “3+1” operation team in 2019. Teams were stationed in ranches to provide suggestions for improvements, cost reductions and efficiency enhancements. At the same time, Mengniu continued to carry out projects such as the “University of Ranchers” and the “Golden Key of Milk Cow” technical demonstration events. More than 50,000 people participated in the 3,000 training events organized by the Group.

Mengniu also put great effort in implementing green operations to protect the ecological environment, including continuous upgrading, expanding and modifying wastewater treatment systems and strengthen pollutant monitoring systems; combing through the points of environmental risk management and formulating a visualized map to achieve hierarchic and categorized environmental management. Mengniu also continuously referred to the environmental standards of the Central Government and conducted self-audits and inspections for its internal operations to improve and optimize the existing system for environmental protection for more refined management and contribute to the sustainable green development of China.

為了更有效地提升貧困地區的教育條件，蒙牛亦捐贈支持鄉村青年教師互聯網培訓計劃「青椒計劃」，為全國20個區縣市超過2,000名鄉村青年教師提供互聯網培訓，提升其教育素質，實現扶貧、扶智相結合。

此外，於二零一九年六月，蒙牛發佈奶業振興「136工程」，通過「愛養牛」集採平台、「奶牛研究院」和「數字奶源智慧牧場」三大服務平台實現高質量發展，繼續推進振興政策落地、植入精益體系、培養技術工匠等多項利益聯結舉措，深度幫扶奶源供應鏈夥伴實現共生共贏，形成奶源可持續發展生態圈，全面推動奶業振興。

在技術幫扶方面，二零一九年年蒙牛奶源技術人員組建「3+1」運營小組進駐牧場，提出改善建議，幫助牧場降本增效。同時，蒙牛持續開展「牧場主大學」、「奶牛金鑰匙」技術示範專場等活動，已累計進行3,000餘場培訓，覆蓋範圍超過50,000人次。

蒙牛並致力推行綠色營運，保護生態環境，包括持續進行污水處理設備提標擴容改造，加強污染物監測體系建設；通過全面梳理生態環保管理風險點制定風險可視化地圖，實現環保分級分類管理；蒙牛亦持續參照中央環保標準，對內部營運進行自我督查改善、不斷完善現有生態環保標準制度，以推行精細化管理，助力國家綠色可持續發展戰略。

Mengniu has been fulfilling its corporate social responsibility by actively engaging in poverty alleviation and intellectual enhancement efforts in poor regions and contributing towards building a green ecological environment, which have been widely recognized by different parties in the community. During the year, Mengniu ranked first in the Corporate Social Responsibility Development Index for Dairy Enterprises (2019) by the Research Center of CSR China Academy of Social Sciences and received the “Evergreen Award in Sustainable Development” from Caijing magazine and China Alliance of Social Value Investment. The Group was also awarded the “Asia Responsible Enterprise Award 2019 – Social Empowerment Category” by Enterprise Asia, the “2019 Top 60 Brands for Chinese Corporate Citizens’ Responsibility” by the China Corporate Citizen Responsibility Brand Summit and the “Climate Leader Plant Award” by the Energy Foundation and the China Council for an Energy Efficient Economy.

HUMAN RESOURCES MANAGEMENT

As at 31 December 2019, the Group had a total of 37,894 employees in Mainland China, Hong Kong, Oceania, USA and Southeast Asia, including around 3,125 employees working for Yashili and Bellamy’s. During the year, the total cost of employees (including salaries of directors and senior management personnel) amounted to approximately RMB7,081.8 million (2018: RMB6,248.6 million).

In order to implement Mengniu’s divisional organization management strategy and provide more efficient and quality human resources services to the front offices, the Group continued to drive the transformation of the human resources services towards a three-pillar structure and the establishment of a sound Human Resources Shared Services Center (“HRSSC”). During the year, while maintaining normal business operations, the HRSSC underwent the second phase of its upgrade in areas such as staff experience, process optimization, system automation, terminals digitalization and management report building, so as to continuously improve its efficiency and the degree of satisfaction in business processing, enhancing the effectiveness of the Group’s operation and the managerial accuracy.

蒙牛一直實踐其企業社會責任，在貧困地區積極推行扶貧及扶智工作，並為建構綠色生態環境作出貢獻，得到社會各界的廣泛認可。蒙牛於年內榮獲社會科學院企業社會責任研究中心之乳品企業社會責任發展指數(2019)第一名、《財經》雜誌及社會價值投資聯盟頒發「可持續發展長青獎」。蒙牛並榮獲亞洲企業商會頒發二零一九年度「亞洲企業社會責任獎 – 社會公益獎」、中國企業公民責任品牌峰會頒發「2019中國企業公民責任品牌60強」，以及能源基金會與能效經濟委員會•中國評選為「氣候領袖企業獎」。

人力資源管理

於二零一九年十二月三十一日，本集團於中國大陸、香港、大洋洲、美國及東南亞合計共聘用僱員約37,894名，包括雅士利及貝拉米僱員約3,125名。年內僱員總成本(包括董事及高級管理人員薪金)約為人民幣70.818億元(二零一八年：人民幣62.486億元)。

為有力落實蒙牛事業部制的組織管理戰略，並為業務前台提供更加高效和高品質的人力資源服務，集團繼續推動人力資源三支柱組織轉型，建設強而有力的人力資源分享服務中心(Human Resources Shared Services Center，簡稱「HRSSC」)。年內，人力資源分享服務中心在保證業務正常運營的基礎上同步進行了二期的優化提升，從員工體驗、流程優化、系統自動化、數位化終端、管理報表建設等多個方面，持續改善業務處理效率和滿意度，有效提升了運營有效性與管理精準度。

Mengniu has also expanded its investments in talent development. It implemented the “Blue Ocean Plan” during the year and selected internal personnel equipped with both the right abilities and integrity on four management levels for the training. The goal of the systematic training program is to provide Mengniu with sufficient talent with knowledge in both operations and management for the speedy development of the Group. At the same time, Mengniu continued to improve the comprehensive personnel training system and created a course system for new recruits, on-the-job training, general capabilities training, core professional skills training and leadership skills training. By combining the online learning platform with offline key training programs, Mengniu is able to provide its employees with more accurate and specific training.

Following the issuance of the updated corporate culture handbook and the launch of a series of events on culture cognition in 2018, Mengniu focused on further promoting the embracement of the corporate culture in 2019 through events such as the “Executive Culture Lecture Theatre”, “Ranking of Expertise in Corporate Culture” and team building activities titled “Vowed to take action” that included all Mengniu employees in the discussion on corporate culture as well as the implementation of action plans. A survey on Mengniu’s organizational effectiveness was conducted in September and staff’s cognition and commitment to the corporate culture were shown to have improved substantially compared with 2017.

In 2019, Mengniu continued to optimize its incentive system and adhered to the Board’s guidelines on adopting a hierarchic incentive system guided by performance and driven by value creation. During the year, 8,201,104 shares were granted to employees participating in the share award scheme.

蒙牛亦持續擴大在人才梯隊建設上的投入，於年內實施了「藍海計劃」，在四個管理層級上甄選了一批德才兼備的內部優秀人才，通過系統的培養計劃，力爭為集團的快速發展輸送充足的懂經營、擅管理的儲備人才。同時，蒙牛持續精進全方位人才培養體系，全面形成了新員工、在職培訓、基礎通用力、核心專業力和領導力培訓課程體系，線上學習平台和線下重點訓練專案相結合，對員工培訓更精準及更具針對性。

蒙牛於二零一八年發佈了新版企業文化手冊並推動了一系列的文化認知活動後，集團於二零一九年進一步將企業文化的落地作為重點，以「高管文化講堂」、「文化牛人榜」、「誓在必行」等活動為載體，讓所有蒙牛員工都參與到了文化踐行研討和行動計劃實施中。在九月份的組織有效性調研中，員工對企業文化的認知和認同度，對比二零一七年有了大幅度的提升。

蒙牛於二零一九年繼續推動激勵體系優化，根據董事會的指引要求，堅持以績效為導向，以價值創造驅動的分層激勵體系改革。本集團在年內向參與股票獎勵計劃的員工授出股票8,201,104股。



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PROSPECTS

Since mid to late January 2020, the Group has been facing challenges in epidemic prevention and control, production and operation, sales channels and sourcing of raw milk as a result of the outbreak and spread of the Coronavirus Disease 2019 (“COVID-19”) pneumonia. During the key stage of epidemic control in China, Mengniu implemented measures for the prevention and control of COVID-19 in accordance with Chinese government guidelines. While ensuring the safety of its employees, Mengniu actively fulfilled its corporate social responsibility and continued to provide consumers across China with high-quality dairy products.

Mengniu swiftly activated the Level 1 response mechanism, formulated emergency plans and established an emergency working group on the epidemic to ensure various programs were carried out. Mengniu puts the highest priority on the safety and health of its employees. The Group quickly and continuously procures the necessary protective gear both domestically and from overseas to ensure that staff who have returned to work are protected. Random tests and verifications on epidemic prevention and control measures at factories are conducted every day to safeguard production standards and the safety of employees. Employees from functional departments who do not need to work on site have been asked to work online from home. Mengniu strengthened its collaboration with both upstream and downstream partners to go through this challenging time together to secure a healthy and sustainable industrial chain. In addition, during the prevalence of the epidemic, Mengniu actively donated cash and goods to support those on the frontline of epidemic prevention and provided milk supply to major healthcare institutions in Wuhan and nationwide, ranking it first among dairy enterprises. Furthermore, Mengniu collaborated with the China Charity Federation to establish the “China Charity Federation (Mengniu) Emergency Resources Center for Epidemic Prevention and Control” to ensure the smooth transport of donations, and that donated products quickly reach the frontlines, thus help address the issue of meeting nutrition-related supplies faced by hospitals across the country. Mengniu employees have demonstrated fierce determination in fighting the epidemic, including high efficiency in organization and execution.

展望

二零二零年一月中下旬以來，由於二零一九冠狀病毒肺炎爆發，全國疫情持續擴散，集團的疫情防控、生產經營、銷售通路、奶源調配方面面臨巨大壓力。在全國上下投身疫情防控戰的關鍵階段，蒙牛全面落實貫徹中國政府關於新型冠狀病毒疫情防控工作部署，全力保障員工安全的同時，積極承擔企業社會責任，為全國消費者持續提供高品質乳製品。

在此期間，蒙牛首先迅速啟動一級響應機制，制定應急預案，成立集團疫情應急工作小組，保障各項工作進行。蒙牛把員工安全和健康放在第一位，第一時間從國內外積極持續採購必要防護物資，保障復工人員安全防護。每日對工廠疫情防控工作進行抽查驗證，保證生產質量與員工安全。對於非必須現場辦公的職能部門人員，盡量採取互聯網在家辦公的形式。為維護產業鏈健康、可持續發展，蒙牛強化與上下游合作夥伴的業務協作，共渡難關。此外，疫情期間蒙牛積極捐獻款物支持防疫一線，先後捐贈現金和物資，並向武漢市和全國重要醫療機構提供乳品供應，位列乳企之首。蒙牛與中華慈善總會合作成立「中華慈善總會(蒙牛)疫情防控應急物資中心」，疏通捐贈物資運輸通路，火速將捐贈產品落地執行，切實解決了全國各大醫院一線抗疫營養物資供給問題，體現了蒙牛員工竭誠抗擊疫情的赤子之心，以及高效的組織力和執行力。

The management of Mengniu believes that the impact brought by the epidemic to the business of Mengniu is temporary. Despite the fact that the epidemic has created challenges for the dairy product industry, it brought new momentums and opportunities to consumption upgrades of dairy products. In the process of combating the epidemic, immunity enhancement have become the key words. The “Nutrition and dietary advice on preventing and recovering from novel coronavirus infected pneumonia” issued by the National Health Commission of the PRC clearly states that the intake of sufficient dairy products can help in preventing and recovering from the COVID-19 pneumonia. In particular, chilled yogurt and chilled probiotic drinks that are rich in active bacteria can promote a healthy bacterial population in the gut which, in turn, enhances the immunity of the human body. The continuing trend of consumption upgrades, paired with the public’s increasing attention on nutrition and health as a result of the epidemic, will keep boosting the demand for dairy products. In addition, the government’s continuous endeavor to promote the policy on revitalizing the dairy industry will be conducive to the long-term healthy development of China’s dairy industry. Mengniu will increase its efforts in promoting the benefits of dairy products on improving immunity in order to guide consumers towards a healthy lifestyle.

As for brand innovation, Mengniu promoted the “Born for Greatness” brand concept during the World Cup marketing campaign in 2018, which has resonated with consumers for the past two years. Mengniu will further integrate the core element of “nutrient” into its brand concept, and launch a new concept that is more closely relatable to consumers: “Nutrition for Greatness”. Mengniu strives to provide consumers and all Chinese people who want to be great with world-quality nutritious products and a strong physique to assist them in their pursuit of a happy life.

蒙牛管理層相信，本次疫情對蒙牛業務影響只是暫時性的，疫情雖然對乳製品行業帶來了挑戰，也為乳製品消費升級帶來了新動能和新機遇。在抗擊疫情過程中，提高免疫力成為重要關鍵詞。中國國家衛生健康委員會提出的《新型冠狀病毒感染的肺炎防治營養膳食指導》，明確提出飲用足量乳製品有助於新冠肺炎康復與預防，尤其是富含活性菌的低溫酸奶、低溫乳酸菌飲料能有效調節腸道菌群健康，提升人體免疫力。隨著消費升級趨勢持續，以及民眾在這次疫情後對營養健康的關注度進一步提高，乳製品需求將持續增長，加上國家在奶業振興政策方面持續發力，將驅動中國奶業的長期健康向好發展。蒙牛將持續加大乳製品對改善免疫力方面的宣傳，引導消費者科學飲奶。

品牌創新上，蒙牛在二零一八年透過世界盃營銷提出了「天生要強」這一品牌精神，兩年來得到了消費者的廣泛共鳴。蒙牛將進一步將「營養」這一核心元素融入其中，推出與消費者關聯性更強的全新品牌主張—「營養你的要強」，致力為消費者提供世界質量的營養產品，為每一位要強的中國人，塑造強健的體魄，助力他們為幸福生活而奮鬥。



As far as management innovation and upgrades are concerned, Mengniu will continue to adopt shrewd measures to drive the upgrade of the entire industrial chain, comprising dairy product research and development, raw material procurement, manufacturing, logistics and sales, in terms of intelligentization and networkization. In addition, as the overall supply of raw milk in the world is expected to remain tight, Mengniu will tackle the challenges proactively. The Group will further improve the industrial chain of dairy products and execute the technological strategies in milk source development in order to ensure a stable milk supply and lay a solid foundation for its business development. The Group has also officially launched the “Mengniu APP”, which allows for a comprehensive upgrade of Mengniu’s digital marketing capabilities and overall strengthening of the retail-end.

Mengniu will continue to set a clear strategic direction and promote the high-quality growth of its business. During 2020, the Group will seek to mitigate the short-term negative impact of the coronavirus epidemic on operations and sales, and actively adjust itself to tap the new market opportunities from the changes in consumer habits and consumption scenarios since the epidemic outbreak. The Group will enhance promotion and education on the nutritional value of dairy products, and accelerate the development of e-commerce and new home-delivery retail businesses. Innovation in various fields such as products, brands and management will also be pushed forward, with a focus on developing high-potential product categories such as high-end pure milk, chilled yogurt, fresh milk, milk powder and cheese to build leading brands in more sub-categories.

管理創新及升級方面，蒙牛將繼續採用智能化的手段，推動乳品研發、原料採購、製造、物流、銷售全鏈條從傳統模式向智能化、網絡化升級。此外，由於預計全球原奶供應總體仍偏緊，蒙牛將繼續迎難而上，進一步完善奶製品產業鏈，並在奶源建設上不斷進行科技深耕，保證穩定的奶源供應，為業務發展奠下堅實的基礎。本集團並已正式啟動「蒙牛APP」，全面提升本集團的數字營銷能力，加強終端零售綜合實力。

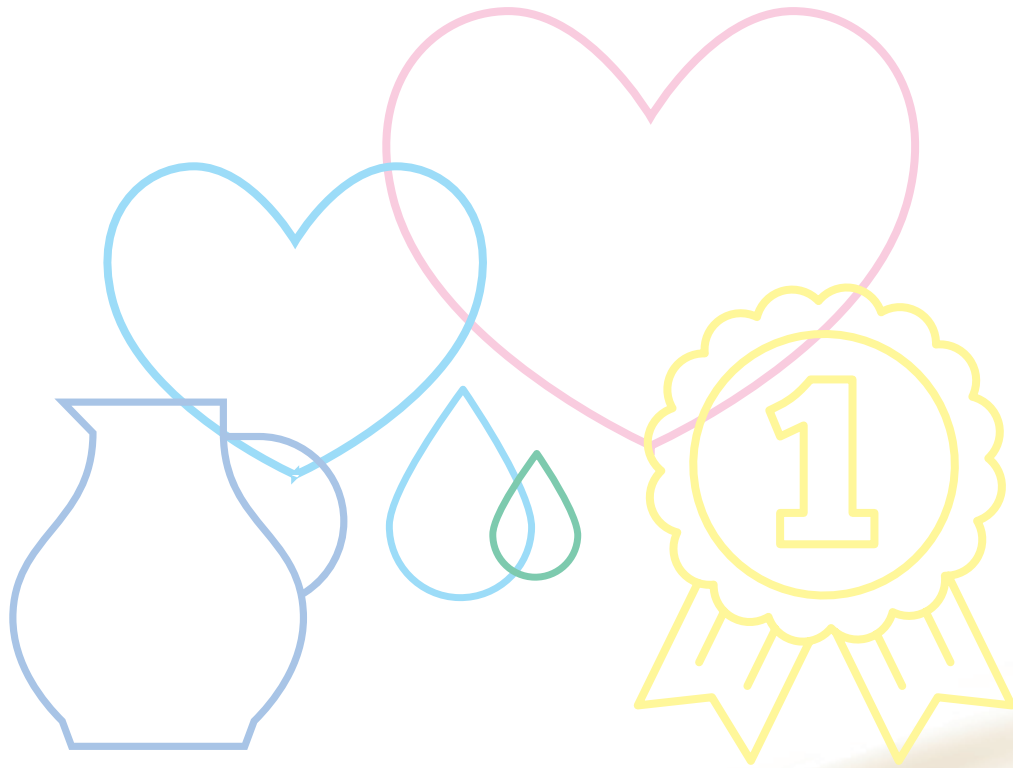
蒙牛將繼續鎖定明確的戰略方向，持續推動業務高質量發展。2020年，集團將努力控制疫情給經營和銷售帶來的短期負面影響，積極加速調整，擁抱疫情後消費者消費習慣、消費場景的變化，挖掘新的市場機會。我們將加大乳製品營養價值的宣傳和教育、加速電商和新零售到家業務的發展和佈局，推動產品、品牌、管理等各領域的創新，集中發展高增長潛力品類例如高端純牛奶、低溫酸奶、鮮奶、奶粉、奶酪等，專注於打造更多細分品類的領導者品牌。

Mengniu will keep expanding its business coverage during 2020. Already, the Australian organic infant milk formula and baby food brand Bellamy's have become members of the Mengniu family. The acquisition of Australian branded dairy and beverage company LDD is expected to be completed by the first half of 2020. Mengniu is in the process of achieving synergies in business, management and supply chain. The Group will fully utilize the integration effect and promote further development of its domestic and overseas business.

This year, the Mengniu team, with its love for life and passion for career, will remain committed to the mission of "A Hundred Years of Mengniu, Revitalizing the Dairy Industry" and "500g of Milk a Day Keeps Chinese People Strong" as it continues to forge ahead and bravely tackle the market challenges brought by the epidemic. Mengniu will continue to care for its employees, clients and consumers, and create maximum value for its shareholders. The Mengniu team will demonstrate the "Born for Greatness, Achieving the TOP" spirit and build a stronger foundation for the long-term prosperity of Mengniu.

蒙牛的業務版圖在二零二零年也將不斷發展壯大，澳洲有機嬰幼兒配方奶粉及食品品牌貝拉米已成為蒙牛大家庭的一員，而澳洲品牌乳品及飲料公司LDD的收購預計也將在二零二零年上半年完成。我們已經開始著手業務協同、管理協同、供應鏈協同等整合工作，以充分釋放整合效應，推動國內外業務的進一步發展。

今年，蒙牛人將憑著對生命的熱愛與對事業的激情，帶著「百年蒙牛、強乳興農」、「每天一斤奶、強壯中國人」的使命與初心前行，奮勇迎接疫情帶來的市場挑戰，關愛員工、客戶及消費者，為股東創造最大價值，實踐「天生要強，成就TOP」的精神，為共創蒙牛的百年基業奠下更深的基礎。





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DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

EXECUTIVE DIRECTOR

Mr. Lu Minfang, aged 51, was appointed as an executive director and 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 Holdings Limited (“China Modern Dairy”), an associate of the Company listed in Hong Kong. Mr. Lu is also a director of International Dairy Federation. 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 the 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 was 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 market knowledge, Mr. Lu had 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 in general manager or senior executive 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 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，51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控股有限公司（「中國現代牧業」）主席及非執行董事。盧先生亦為國際乳品聯合會董事。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。盧先生曾擔任達能早期生命營養品公司大中華區副總裁一職，曾服務達能集團及多美滋嬰兒食品有限公司超過10年。在其任職達能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，幫助達能集團在中國的嬰幼兒營養品業務取得巨大成功。加入達能集團前，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。

Mr. Meng Fanjie, aged 55, was appointed as an executive director of the Company in June 2019 and is a vice president of the Group. Mr. Meng previously worked as the General Manager of Shenyang Xiangxue Flour Co., Ltd., the Assistant to the General Manager and then as the Deputy General Manager of the Wheat Processing Department, the General Manager of COFCO's Project Management Department, the General Manager of COFCO Chengdu Industrial Park, the Deputy General Manager of China Grain & Logistics Corporation, the Deputy General Manager of COFCO Trading Corporation and the Deputy Director of COFCO Group's Party-mass Work Department (in charge of the daily work). Mr. Meng graduated from Tsinghua University with a Master's Degree in electronic magnetics and microwave technology.

NON-EXECUTIVE DIRECTOR

Mr. Chen Lang, aged 54, was appointed as a non-executive director and the chairman of the board of directors of the Company in April 2019. Mr. Chen joined COFCO Corporation in April 2019 and is currently an executive vice president of COFCO Corporation, the chairman of COFCO WOMAI.COM Investment Limited (中糧我買網投資有限公司), a non-executive director and the chairman of the board of directors of China Foods Limited (a company listed in Hong Kong) and a director and the chairman of the board of directors of each of COFCO Coca-Cola Beverages Limited and COFCO Coca-Cola Beverages (China) Investment Ltd., both of which are non-wholly owned subsidiaries of China Foods Limited. Currently, Mr. Chen is also a visiting professor of Anhui University, China. In the past, Mr. Chen had served as a director and the chairman of the board of directors of China Resources Enterprise, Limited, an executive vice president of China Resources (Holdings) Company Limited, a director of CRH (Beer) Limited, the chairman of China Resources Snow Breweries (China) Investment Co., Ltd., a director of China Resources Company Limited (formerly known as China Resources National Corporation), the chief executive officer of China Resources Vanguard Co., Ltd., the chairman of each of China Resources Ng Fung Limited and China Resources C'estbon Beverage (China) Investment Co., Ltd. and a vice chairman and the chief executive officer of China Resources Logic Limited (now renamed as China Resources Gas Group Limited). Mr. Chen was a vice chairman of the board of directors and a member of strategy committee of Shanxi Xinghuacun Fen Wine Factory Co., Limited (山西杏花村汾酒廠股份有限公司) (a company listed in Shanghai) until June 2019; and an executive director and the chairman of the board of directors of China Resources Beer (Holdings) Company Limited (a company listed in Hong Kong) until July 2019. Mr. Chen holds a Bachelor of Economics degree from Anhui University, China and a Master of Business Administration degree from the University of San Francisco, USA.

孟凡傑先生，55歲，於二零一九年六月獲委任為本公司執行董事，並為本集團副總裁。孟先生歷任瀋陽香雪麵粉股份有限公司總經理、小麥加工事業部總經理助理、副總經理、中國糧油項目管理部總經理、成都產業園總經理、華糧集團副總經理、中糧貿易副總經理、中糧集團黨群工作部副部長(主持工作)等職務。孟先生畢業於清華大學並持有電子磁場與微波技術專業碩士學位。

非執行董事

陳朗先生，54歲，於二零一九年四月獲委任為本公司非執行董事兼董事會主席。陳先生於二零一九年四月加入中糧集團有限公司，現為中糧集團有限公司副總裁、中糧我買網投資有限公司董事長、香港上市公司中國食品有限公司的非執行董事兼董事會主席，以及中國食品有限公司非全資附屬公司中糧可口可樂飲料有限公司及中糧可口可樂飲料(中國)投資有限公司的董事兼董事長。陳先生現亦為中國安徽大學的客座教授。過去，陳先生曾擔任華潤創業有限公司的董事兼董事會主席、華潤(集團)有限公司副總經理、華潤集團(啤酒)有限公司的董事、華潤雪花啤酒(中國)投資有限公司的董事長、中國華潤有限公司(前稱中國華潤總公司)的董事、華潤萬家有限公司的首席執行官、華潤五豐有限公司及華潤怡寶飲料(中國)投資有限公司的董事長，以及華潤勵致有限公司(現稱華潤燃氣控股有限公司)的副主席兼行政總裁。陳先生亦曾任上海上市公司山西杏花村汾酒廠股份有限公司董事會副董事長及戰略委員會委員直至二零一九年六月；以及香港上市公司華潤啤酒(控股)有限公司執行董事兼董事會主席直至二零一九年七月。陳先生持有中國安徽大學經濟學學士學位以及美國三藩市大學工商管理碩士學位。

Mr. Niu Gensheng, aged 62, is a non-executive director of the Company, a member of the founding team of Yili Group, the founder of Inner Mongolia Mengniu Dairy (Group) Company Limited and the founder of Laoniu Foundation. Mr. Niu graduated from the 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 extensive experience in and insights of China's dairy industry, Mr. Niu enjoys high reputation in the industry. In 2007, Mr. Niu was elected as one of "China's Most Influential Business Leaders" for the fifth 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 was presented the first and only "Lifetime Achievement in Philanthropy Award" by the "China Philanthropists List" in 2010.

Mr. Tim Ørting Jørgensen, aged 55, 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 the 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 in Arla's international business group, including working three years in the Middle East and three years 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, responsible 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 objective of establishing Arla as a leading dairy company in Germany through mergers and acquisitions. Throughout his 29 years in Arla, Mr. Jørgensen has acquired extensive management experience in 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，62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，55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29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顯著擴大業務。

Mr. Pascal De Petrini, aged 60, was appointed as a non-executive director of the Company in December 2017. He is currently Non-Executive Chairman of Indonesia and Senior Advisor Asia of Danone. He is also a director of Yakult Honsha Co., Ltd., a company listed on the Tokyo Stock Exchange. 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, the Middle East and Africa. In 2015, Mr. De Petrini returned to Danone as Executive Vice President of Strategic Resource Cycles till he took on his current role in 2017. 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，60歲，於二零一七年十二月獲委任為本公司非執行董事。彼目前於達能擔任印尼非執行主席及亞洲高級顧問。彼亦為Yakult Honsha Co., Ltd. (一家於東京證券交易所上市的公司)的董事。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就任目前職位為止。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。

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Jiao Shuge (alias Jiao Zhen), aged 54, 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 chief executive officer 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 the Ministry of Aeronautics and Astronautics. Currently, Mr. Jiao also serves as a non-executive director of WH Group Limited, an independent non-executive director of China Southern Airlines Company Limited and the chairman and non-executive director of Mabpharm Limited, all of which are companies listed in Hong Kong. In addition, Mr. Jiao serves as a director of Joyoung Company Limited, Henan Shuanghui Investment & Development Co., Ltd. and Hainan Poly Pharm Co. Ltd., all of which are companies listed in Shenzhen.

Mr. Julian Juul Wolhardt, aged 46, 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 with 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 is now also a director of Fujian Sunner Development Co., Ltd, a company listed in Shenzhen, and an independent director of Niu Technologies, a company listed on NASDAQ.

獨立非執行董事

焦樹閣(又名焦震)先生，54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入本集團，現為CDH China Management Company Limited的董事兼行政總裁。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、中國南方航空有限公司獨立非執行董事及邁博藥業有限公司主席及非執行董事，三家公司均於香港上市。此外，焦先生目前亦分別出任九陽股份有限公司、河南雙匯投資發展股份有限公司及海南普利制藥股份有限公司的董事，三家公司均於深圳上市。

Julian Juul Wolhardt先生，46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首席執行官，專注大中華地區私募股權交易。Wolhardt先生曾任職於KKR Asia Limited及摩根士丹利，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厄巴納－香檳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。彼現亦為深圳交易所上市公司福建聖農發展股份有限公司董事及納斯達克交易所上市公司牛電科技獨立董事。

Mr. Zhang Xiaoya, aged 57, 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 Xindajiading 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 62, 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 on 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，57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，62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。

SENIOR MANAGEMENT

Mr. Zhang Ping, aged 55, graduated from the Beijing Information Science and Technology University with a Master's Degree in Management Engineering. Mr. Zhang, who joined the Group in 2014, is currently a vice president and the chief financial officer of the Group. He has over 24 years of experience in the fast-moving consumer goods industry, specializing in management of operation, finance and audit, as well as risk control. Mr. Zhang worked in Swire Beverages group companies as manager responsible for internal audit and system development, finance director, general manager of bottler manufacturing company and 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. Gao Fei, aged 43, is a vice president and the head of room temperature product business unit 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 sales, marketing and promotion of dairy products. In 2016, he was appointed as vice president of the UHT business division. He is currently responsible for 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.

Mr. Wen Yongping, aged 45, joined the Group in 1999 and is currently a vice president and the head of chilled product business unit of the Group. Mr. Wen graduated from the Inner Mongolia Agricultural University and obtained a Master's Degree in 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 was a non-executive director of China Modern Dairy, a company listed in Hong Kong, until January 2019.

高級管理層

張平先生，55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，現任本集團副總裁及首席財務官。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。

高飛先生，43歲，為本集團副總裁、常溫事業部負責人。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。

溫永平先生，45歲，於一九九九年加入本集團工作，現任本集團副總裁、低溫事業部負責人。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。溫先生曾為香港上市公司中國現代牧業的非執行董事直至二零一九年一月。

Mr. Luo Yan, aged 58, joined the Group in November 2017 and is currently a vice president and the head of developing business unit of the Group. Mr. Luo graduated from the 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 of 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 sales in China Region, as well as the retail and food and beverage business department of Häagen-Dazs.

Mr. Zhao Jiejun, aged 43, joined the Group in 2000 and is currently a vice president and the head of milk sourcing and supply chain business unit of the Group. Mr. Zhao graduated from the Beijing University of Aeronautics and Astronautics with a postgraduate qualification. Mr. Zhao has served successively as greater regional sales manager, sales director, general manager of operation and general manager of planning and logistics of the Group. Mr. Zhao has over 18 years of experience in dairy industry, with extensive experiences in sales management of ice cream and liquid milk, as well as capabilities of total-chain conceptualization for supply chain management. He is visionary with keen market insight towards dairy industry in China. Mr. Zhao is also a non-executive director of China Modern Dairy, a company listed in Hong Kong.

羅彥先生，58歲，於二零一七年十一月加入本集團，現任本集團副總裁、發展業務負責人。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。

趙傑軍先生，43歲，於二零零零年加入本集團，現任本集團副總裁、奶源及供應鏈負責人。趙先生畢業於北京航空航天大學，獲得研究生學歷。趙先生歷任本集團銷售大區經理、銷售總監、運營總經理、規劃物流總經理等職務。趙先生在乳製品行業擁有逾18年經驗，具有豐富的冰淇淋、液奶銷售管理經驗和供應鏈管理的全鏈條思維能力。對中國乳製品行業具有良好的遠見性和敏銳的市場洞察力。趙先生亦為香港上市公司中國現代牧業的非執行董事。

Mr. Zhang Zhaoxu, aged 46, joined the Group in July 2017, and is currently a vice president and the head of human resources management of the Group. He graduated from the Southeast University and Tianjin University and obtained a Bachelor's Degree in Engineering and a Master's Degree in management respectively. Mr. Zhang had worked for various Fortune Global 500 enterprises between 1996 and 2012, holding management roles in human resources. In 2013, he joined China Fortune Land Development Co., Ltd as general manager of the 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 53, joined the Group in June 2017, and is currently a vice president and the head of R&D and innovation unit of the Group. 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 47, joined the Group in June 2017, and is currently a vice president and the head of safety and quality management unit of the Group. He graduated from the 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 the 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，46歲，於二零一七年七月加入本集團，現任本集團副總裁、集團人力資源負責人，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，53歲，於二零一七年六月加入本集團，現任本集團副總裁、集團研發創新部負責人，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；二零零九年加入賓堡，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，47歲，二零一七年六月加入本集團，現任本集團副總裁、集團安全質量部負責人，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。楊先生於一九九五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；二零零二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；二零一三年加入中糧集團，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。

Mr. Zhang Yong, aged 43, joined the Group in September 2017, and is currently a vice president and the head of strategy management of the Group. 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 its 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 of Greater China region; he joined McKinsey & Company as global vice managing partner in 2014; in 2015, he joined Sanpower Group as vice president.

Mr. Li Pengcheng, aged 49, joined the Group in September 2018 and is currently a vice president and the head of group affairs & group office of the Group. Mr. Li graduated from the department of information management in Peking University, majoring in Science and Technology Intelligence, and Tianjin University with a Master's Degree and a Doctoral Degree in Management. Mr. Li used to work in the Office of the Central Internet Security and Information Technology Commission, where he was the inspector of the network emergency management and network public opinion bureau, deputy director general and director of the China Internet Illegal and Objectionable Information Reporting Center (bureau level).

Mr. Kwok Wai Cheong, Chris, aged 47, 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 the Association of Chartered Certified Accountants.

張邕先生，43歲，於二零一七年九月加入本集團，現任本集團副總裁、集團戰略管理負責人，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。張先生於一九九六年加入寶潔公司，任市場部助理品牌經理；二零零零年加入利潔時(中國)有限公司，任市場營銷經理；二零零六年加入波士頓諮詢公司，任項目經理；二零一零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；二零一零年加入博斯諮詢公司，任大中華區總監；二零一四年加入麥肯錫公司，任全球副董事合夥人；二零一五年加入三胞集團，任副總裁。

李鵬程先生，49歲，於二零一八年九月加入本集團，現任本集團副總裁、集團事務負責人／集團辦公室主任。李先生先後畢業於北京大學信息管理系科技情報專業及天津大學，分別獲得碩士學位及管理學博士學位。李先生曾就職於中央網絡安全和信息化委員會辦公室工作，任網絡應急管理和網絡輿情局巡視員、副局長兼中國互聯網違法和不良信息舉報中心主任(正局級)。

郭偉昌先生，47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 2019, the Board comprised ten Directors, including two executive Directors, namely, Mr. Lu Minfang and Mr. Meng Fanjie, four non-executive Directors, namely, Mr. Chen Lang, 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. Chen Lang 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 Board is also responsible for preparing the financial statements of the Company. 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.

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

於二零一九年十二月三十一日，董事會由十名董事組成，包括兩名執行董事（盧敏放先生及孟凡傑先生）、四名非執行董事（陳朗先生、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陳朗先生，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。董事會亦負責編製本公司的財務報表。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。

Biographies of the Directors are set out on pages 66 to 71 of the annual report, which demonstrate a diversity of skills, expertise, experience and qualifications of the Directors. There is no other material financial, business, family or other material/relevant relationships among the Directors.

Independence of Independent Non-Executive Directors

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

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

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.

董事簡歷載於年報第66頁至第71頁，當中列出董事各方面的技能、專長、經驗和資格。董事之間概無其他重大財務、業務、親屬或其他重大／相關關係。

獨立非執行董事的獨立性

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

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

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。

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. During the year, a training was provided to all Board members for updates of the Listing Rules by professional advisor. 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。年內，本公司向全體董事會成員提供培訓，由專業顧問提供上市規則的更新資料。根據董事所提供的記錄，董事於年內所接受的培訓概述如下：

Directors	董事	Type of trainings 培訓類別
Executive Directors	執行董事	
Lu Minfang	盧敏放	A, B, C
Meng Fanjie (appointed on 14 June 2019)	孟凡傑 (於二零一九年六月十四日獲委任)	A, C
Wu Wenting (resigned on 14 June 2019)	吳文婷 (於二零一九年六月十四日辭任)	C
Non-executive Directors	非執行董事	
Chen Lang (appointed on 29 April 2019)	陳朗 (於二零一九年四月二十九日獲委任)	A, C
Yu Xubo (appointed on 7 January 2019 and resigned on 29 April 2019)	于旭波 (於二零一九年一月七日獲委任 並於二零一九年四月二十九日辭任)	A, C
Ma Jianping (resigned on 7 January 2019)	馬建平 (於二零一九年一月七日辭任)	A, C
Niu Gensheng	牛根生	A, C
Tim Ørting Jørgensen	Tim Ørting Jørgensen	A, B, C
Pascal De Petrini	Pascal De Petrini	A, B, 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, C
Julian Juul Wolhardt	Julian Juul Wolhardt	A, 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

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 nine meetings during the year ended 31 December 2019 and one further meeting since 1 January 2020 up to the date of this report. Details of the Directors' attendance at the Board and Board Committee meetings and the annual general meeting of the Company held in 2019 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。

董事會截至二零一九年十二月三十一日止年度舉行了九次會議，並於二零二零年一月一日至本報告日期期間舉行了一次會議。各董事出席於二零一九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的情況詳情載於下表。

Directors	董事	Board Meetings* 董事會會議*	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Strategy and Development Committee 戰略及發展委員會	Annual General Meeting 股東週年大會
Executive Directors	執行董事						
Lu Minfang	盧敏放	9/9				2/2	1/1
Meng Fanjie (appointed on 14 June 2019)	孟凡傑 (於二零一九年六月十四日獲委任)	5/5					0/0
Wu Wenting (resigned on 14 June 2019)	吳文婷 (於二零一九年六月十四日辭任)	4/4		1/1			0/1
Non-executive Directors	非執行董事						
Chen Lang (appointed on 29 April 2019)	陳朗 (於二零一九年四月二十九日獲委任)	8/8			1/1	1/1	1/1
Yu Xubo (appointed on 7 January 2019 and resigned on 29 April 2019)	于旭波 (於二零一九年一月七日獲委任並於二零一九年四月二十九日辭任)	1/1			1/1	1/1	0/0
Ma Jianping (resigned on 7 January 2019)	馬建平 (於二零一九年一月七日辭任)	0/0			0/0	0/0	0/0
Niu Gensheng	牛根生	2/9				0/2	0/1
Tim Ørting Jørgensen	Tim Ørting Jørgensen	8/9			2/2	2/2	1/1
Pascal De Petrini	Pascal De Petrini	7/9			1/2	1/2	1/1
Independent Non-executive Directors	獨立非執行董事						
Jiao Shuge (alias Jiao Zhen)	焦樹閣 (又名焦震)	8/9		1/1			0/1
Julian Juul Wolhardt	Julian Juul Wolhardt	9/9	3/3	1/1	2/2		1/1
Zhang Xiaoya	張曉亞	9/9	3/3	0/0			0/1
Yau Ka Chi	邱家賜	9/9	3/3				1/1

* During the year, the Board held four quarterly meetings and five 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.

* 董事會於年內舉行了四次季度會議及五次其他會議，以處理運作層面及投資等事宜。根據本公司組織章程細則，召開董事會會議的法定人數為二人。

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

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. As at 31 December 2019, the Chairman of the Board is Mr. Chen Lang, 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。於二零一九年十二月三十一日，本公司董事會主席為非執行董事陳朗先生，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，倘獲提名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。

BOARD COMMITTEES

To oversee particular aspects of the Company's affairs and to assist in the execution of its responsibilities, the Company has established five Board Committees under the Board, namely the Audit Committee, the Remuneration Committee, the Nomination Committee, the Strategy and Development Committee and the Sustainability 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 2019, the Remuneration Committee comprised three independent non-executive Directors (Mr. Julian Juul Wolhardt, Mr. Jiao Shuge (alias Jiao Zhen) and Mr. Zhang Xiaoya). 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，本公司董事會下設五個董事委員會，分別為審核委員會、薪酬委員會、提名委員會、戰略及發展委員會和可持續發展委員會。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

於二零一九年十二月三十一日，薪酬委員會有三名獨立非執行董事（Julian Juul Wolhardt先生，焦樹閣（又名焦震）先生及張曉亞先生）。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现，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。

The Remuneration Committee held one meeting during the year ended 31 December 2019. 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; and
- reviewed the proposal of granting shares according to the Company's share award scheme, and made recommendations to the Board.

薪酬委員會於截至二零一九年十二月三十一日止年度舉行了一次會議。本年度內，薪酬委員會完成了下列各項工作：

- 評估董事及高級管理層的表演；
- 檢討及批准董事及高級管理層的薪酬，包括委聘書的條款；
- 檢討薪酬政策並向董事會提出建議；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 2019 is set out below:

Remuneration bands (RMB) 薪酬組別 (人民幣元)	Number of persons 人數
1,000,001–2,000,000	1
2,000,001–3,000,000	1
3,000,001–4,000,000	5
4,000,001–5,000,000	3
9,000,001–10,000,000	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.

董事及高級管理層薪酬

截至二零一九年十二月三十一日止年度，高級管理層成員按組別劃分的薪酬載列如下：

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

NOMINATION COMMITTEE

As at 31 December 2019, 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. Chen Lang, Mr. Tim Ørting Jørgensen and Mr. Pascal De Petrini). The Nomination Committee was chaired by Mr. Chen Lang.

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. The Company deviates from this provision as less than half of the members of the Nomination Committee are independent non-executive Directors during the year of 2019. The Directors are of the view that each of Mr. Tim Ørting Jørgensen and Mr. Pascal De Petrini 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.

提名委員會

於二零一九年十二月三十一日，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（陳朗先生、Tim Ørting Jørgensen先生及Pascal De Petrini先生）。陳朗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。於二零一九年期間，本公司偏離此條文，原因為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先生及Pascal De Petrini先生均並非守則條文第A.5.1條規定的獨立非執行董事，但彼等均有能力履行其作為提名委員會成員的職責，並以股東的最佳利益行事。

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。

The Board has adopted a director nomination policy. The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out below to determine whether such candidate is qualified for directorship. The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable. In evaluating and selecting any candidate for directorship, the following criteria should be taken into account:

- Character and integrity.
 - Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the board diversity policy that are relevant to the Company's business and corporate strategy.
 - Any measurable objectives adopted for achieving diversity on the Board.
 - Requirement for the Board to have independent directors in accordance with the Hong Kong Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Hong Kong Listing Rules.
 - Any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity.
 - Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company.
 - Such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of directors and succession planning.
- 本公司董事會已採納董事提名政策。提名委員會及／或董事會應一經收到有關委任新董事的建議及人選的履歷(或相關詳情)後，根據下列標準評估該人選以決定該人選是否適合擔任董事職位。其後，提名委員會應向董事會推薦委任合適的人選擔任董事職務(如適用)。在評估及甄選董事職位人選時，應考慮以下標準：
- 性格及操守。
 - 資歷，包括與公司業務及企業戰略相關之專業資歷、技能、知識及經驗，及董事會多元化政策下的多元化考慮。
 - 為達致董事會多元化而採納的可計量目標。
 - 香港上市規則規定的委任獨立董事的要求及根據上市規則列明之有關獨立性之指引人選是否具有獨立性。
 - 人選可為董事會的資歷、技巧、經驗、獨立性及性別多元化等方面帶來的貢獻。
 - 履行董事會及／或董事委員會成員職責而投入足夠時間的意願及能力。
 - 董事會及提名委員會不時可就董事提名及繼任規劃而採納及／或修訂的其他符合公司業務及繼任規劃的考慮因素。

The Board has adopted the board diversity policy to set out the approach to achieve diversity on the Board. 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, industry or management 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. The Nomination Committee shall monitor the implementation of the board diversity policy on an on-going basis. The Nomination Committee shall assist the Company to ensure that recruitment and selection practices at all relevant levels (including the Board and core senior management, or as the Nomination Committee considers appropriate) are appropriately structured so that a diverse range of candidates are considered. The Nomination Committee shall also assist the Company in identifying and implementing programs that will assist in the development of a broader and more diverse pool of skilled and experienced core senior management team and that, in time, their skills are expected to prepare them for board positions.

The Nomination Committee held two meetings during the year ended 31 December 2019 to discuss about the change in directorship, 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 2019, 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.

董事會已採納董事會多元化政策，旨在制定實現董事會成員多元化的方針。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、行業或管理經驗、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。提名委員會會持續地監督董事會多元化政策的執行情況。提名委員會應協助本公司確保包括董事會、核心高級管理層和提名委員會認為合適的其他人員的招聘及甄選均按適當的架構程序進行，以便能招來多元背景的人選供本公司委聘。提名委員會亦應協助本公司識別並落實有關計劃，以便培養背景更廣更多元化而富工作經驗和技能的核心高級管理層，以期假以時日可讓他們升任董事職位。

提名委員會於截至二零一九年十二月三十一日止年度舉行了兩次會議，以討論董事職位的變動，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

於二零一九年十二月三十一日，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有效性和核數效率，藉此協助董事會履行其職責。

The Audit Committee held three meetings during the year ended 31 December 2019. 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;
- 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;
- reviewed the amendment of the terms of reference of the Audit Committee;
- 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.

審核委員會於截至二零一九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有效性；
- 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；
- 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；
- 審閱修訂審核委員會的職權範圍；
- 就審核、內部監控、風險管理和財務報告事項，於建議董事會予以批准前進行討論；及
- 檢討本公司設定的有關本公司僱員及其他與本公司有往來者可秘密就財務匯報、內部監控或其他方面可能發生的不正當行為提出關注的安排。

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

Other than the reporting responsibilities of the Company's auditors (please refer to the independent auditor's report set out on pages 117 to 125), 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 2019 and the consolidated financial performance and cash flows of the Group for the year then ended.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the overall responsibility for maintaining sound and effective risk management and internal control systems and for reviewing their effectiveness. The objectives of the risk management and internal control of the Group are: to rationally establish a comprehensive risk management and internal control system, which is risk-management-oriented and compliance-management-and-supervision-focused in a scientific manner, featuring stringency, regulation, comprehensiveness and effectiveness, 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.

The Group has been optimizing the comprehensive risk management and internal control system, strengthening the scientific and effective system for job division and solidify three lines of defense in risk management. The first line comprises each of the business units, being the respondent and person-in-charge of risk management; the second line comprises the Risk Management Committee, risk management department and each of the functional supervision departments, being the initiator and supervisor of risk management; the third line comprises internal audit and disciplinary review departments, being the internal assessor of risk management. Through the interaction among the three parties, the supervisory function is performed.

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

除本公司核數師肩負呈報責任(請參閱第117頁至第125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二零一九年十二月三十一日的綜合財務狀況及本集團截至該日止年度的綜合財務表現及現金流量。

風險管理及內部監控

董事會須全面負責維持完善有效的風險管理及內部監控系統並檢討其有效性。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了以風險管理為導向，合規管理監督為重點，嚴格、規範、全面、有效的全面風險管理和內部監控體系，將風險管理及內部監督的意識、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。

本集團不斷完善全面風險管理和內部監控體系，強化科學有效的職責分工，夯實風險管理三道防線。第一道防線由各業務單位組成，是風險管理的應對者和責任者；第二道防線由風險管理委員會、風險管理部門、各職能監督部門組成，是風險管理的策劃者和監督者；第三道防線由內部審計和紀檢監察部門組成，是風險管理的內部評價者，三方聯動發揮監督職能。

Risk Management

The Group has established a comprehensive framework for risk management, with a fundamental standard of risk management 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. The work on risk management follows the principle of “building the concepts of risk management, implementing the risk management policies, and focusing on significant risk management and control” and through organizing annual full-scale identification and analysis of each of the business and function units on the seven aspects of risks, namely, the Group’s strategies, market, finance, operation, law and compliance, quality and food safety as well as sustainable development, and it focuses on the control over the significant risks. With the management principles of hierarchical classification, as well as defining major responsible department and person-in-charge, and formulating appropriate risk response strategies to effectively reduce and avoid the adverse impact brought by those significant risks to the Group’s strategic objectives and sustainable development.

The Risk Management Committee is the highest deliberative body for risk management, in which the chief executive officer of the Group and the vice president of the Group who is in charge of risk control and auditing business serve as the chairman and the executive deputy chairman respectively while the committee members comprise the head of the major business divisions and functional departments. The Risk Management Committee is subordinated by an office which is the deliberative body for execution, while the risk management department is the body for daily affairs designated by the Risk Management Committee.

風險管理

本集團已建立了全面風險管理框架，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。風險管理工作遵循「樹立風險管理理念、落實風險管理政策、聚焦重要風險管控」的原則，每年度組織各業務及職能單位全面識別和分析集團戰略、市場、財務、營運、法律與合規、質量與食品安全、可持續發展七個領域的風險，聚焦重要風險進行重點管控。採取分層分級的管理原則，落實主體責任部門與責任人，制定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和可持續發展的不利影響。

風險管理委員會是風險管理的最高議事機構，由本集團總裁擔任主席，由分管風控與審計業務的集團副總裁任常務副主席，委員由主要事業部及職能部門第一負責人組成；風險管理委員會下設辦公室，是執行層面議事機構，風險管理部門是風險管理委員會專門設立的日常辦事機構。

Reporting on the management and control of significant risks and the effectiveness of risk management system will be regularly made by the Group to the Audit Committee and Risk Management Committee every year and the Committees will evaluate and supervise the works done. Ongoing optimization of risk management procedures and systems is carried out in compliance with risk management framework of COSO (Committee of Sponsoring Organisations of the Treadway Commission). Through co-operation with external consultancy institutions and internal business empowerment and training, the culture of risk management is gradually nurtured, the professionalism and the prevention and control standard of risk management personnel are enhanced, and the strategic objectives are reasonably secured to realize.

Internal Control

The Board is responsible for maintaining a stable and effective internal control system, to safeguard the assets of the Group and the interest of shareholders, and for reviewing its effectiveness regularly. The Group has established a series of working system in writing covering management of production, supply and sales, quality management, financial management, legal management and administration. A stringent system is in effect to examine the performance of staff, and the staff are provided with trainings, in order to control the Group's exposure to significant risks.

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.

本集團每年定期向審核委員會、風險管理委員會報告重要風險的管控情況及風險管理體系的有效性，接受委員會的工作評審和監督。通過遵守 COSO (Committee of Sponsoring Organisations of the Treadway Commission) 風險管理框架，不斷優化風險管理流程體系，通過與外部諮詢機構合作和內部業務賦能培訓，逐步培育風險管理文化，提高風險管理人員的專業素質和防控水平，合理保障戰略目標的實現。

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。本集團已建立了產供銷管理、質量管理、財務管理、法律管理及行政等方面的一系列書面工作制度，對員工的表現實施嚴格考核制度及為員工提供培訓，以確保本集團能夠控制面對的重大風險。

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，儘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。

Internal Audit

The Group has set up an independent internal audit department, and the person in charge of the internal audit body can freely liaise with the Audit Committee to directly report the progress of works. The internal audit body assumes the responsibilities of independent supervision, assessment and advisory, which include the implementation of independent and objective supervision, assessment and advisory on the economic activities, internal control and risk management for the Group and the units concerned, in order to promote the sound governance and target realization within units. The internal audit body is risk-oriented and issue-oriented, which reinforces the supervision and strengthens the functions of management through various works on audit, so as to promote the sound governance of the organization, bring additional values, as well as facilitating the realization of strategic objectives.

In 2019, the internal audit department has completed various audit plans approved by the Audit Committee of the Board and regularly reported to the management and the Audit Committee of the Company on the audit results, for which the working performance is unanimously recognized, such that the operation management of the Company is further improved in terms of compliance, internal control, risk response and management. Based on the development of business divisions of the Company, the internal audit body has completed the establishment of hierarchical audit body, including the headquarters' audit body, business divisions' audit body as well as audit professionals assigned by business divisions, in adaption to the requirements of supervision on the operational organization of the Company. The risk control department and audit department of the Group administered vertical management on audit bodies of various hierarchies, so as to secure the position of audit bodies of various hierarchies to be independently accountable for supervision. The structuring of culture on audit is strengthened by the internal audit department, which advocates the working philosophy of "competence to identify problems, determination to uncover problems, initiative to solve problems", in order to promote the code of practice of "independence, objectiveness and anti-corruption" among personnel of internal audit.

內部審計

本集團已設立具有獨立性的內部審計部門，內部審計機構負責人可不受限制地接觸審核委員會並直接彙報工作。內部審計機構履行獨立監督、評價和建議職責，包括對集團及所屬單位的經濟活動、內部控制、風險管理實施獨立、客觀的監督、評價和建議，以促進單位完善治理、實現目標的活動。內部審計機構以風險和問題為導向，通過開展各項審計工作，加強監管和提升管理效能，以促進組織完善治理，增加價值，為公司實現戰略目標保駕護航。

二零一九年，內部審計部門已全面完成了董事會審核委員會批准的各項審計工作計劃，並定期向公司管理層和審核委員會報告審計成果，工作成績得到一致認可，使公司的經營管理在合規、內控、風險應對和管理提升方面進一步改善。內部審計機構根據公司事業部的發展，完成了適應公司經營組織監督需要的包括總部審計機構、事業部審計機構、事業部派駐審計專員在內的分層審計機構設立，由集團風控審計部門對各層審計機構進行垂直管理，保障各層級審計機構的獨立履行監督職責的地位。內審部門加強審計文化建設，樹立「善於發現問題、敢於揭示問題、勇於解決問題」的工作理念，培養內部審計人員「獨立、客觀、廉潔」的職業操守。

The internal audit department attends the Audit Committee meeting and reports the work on internal audit at least twice a year. Significant audit findings can be reported directly and freely 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.

The Board has reviewed the risk management and internal control systems of the Group for the year ended 31 December 2019 and considered them to be effective and adequate.

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

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。

董事會已審閱本集團截至二零一九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。

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

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. Such measures include we published the channels and methods (including phone and email) of reporting on the Group's website; we added an anti-corruption module in the "Mengniu Voice" column of China Mengniu in WeChat, in which we announced the methods of reporting and acceptance scope; we sign the anti-business bribery contracts at the same time when we sign business contracts with suppliers and business partners, in which we set out the methods of reporting; we announce the methods of reporting at our annual meetings with customers and our annual employee meetings; we announce the methods of reporting during the internal anti-corruption trainings held in our daily operations; we issue two typical case reports of discipline inspection and supervision and the methods of reporting periodically every year; and we publish the methods of reporting before the opening of bidding meetings for bidding activities. At present, the methods of reporting are published through various channels. Employees, suppliers and business partners are familiar with our methods of reporting and the channels of reporting are operating smoothly. Such measures would have a deterrent and preventive effect on matters related to breach of disciplines or rules.

For the year ended 31 December 2019, 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.

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。這包括在本集團網頁上對外公示了舉報途徑和方式（包括電話和郵箱）；在微信企業號中國蒙牛「蒙牛之聲」一欄增設反腐倡廉模塊，公佈舉報方式和受理範圍；在公司與供貨商合作夥伴簽訂業務合同的同時簽訂反商業賄賂合同，公佈舉報方式；每年在客戶大會、員工年會等重大會議時下發通知公佈舉報方式；在日常開展內部廉潔宣講教育時公佈舉報方式；每年定期下發兩期紀檢監察典型案例通報，在通報中公佈舉報方式；在招投標活動中開標會前公佈舉報方式。目前通過多種渠道公佈舉報方式，員工、供貨商和業務合作方均熟知我們的舉報方式，舉報渠道非常暢通對各類違紀違規等行為起到了威懾和防範作用。

截至二零一九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有效性的評審，認為該等系統有效及足夠。概無發現重大事宜。

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 programs 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 2019 are as follows:

Services rendered	提供的服務	2019	2018
		二零一九年 RMB'000 人民幣千元	二零一八年 RMB'000 人民幣千元
Annual audit	年度審計	4,700	4,200
Interim review	中期審閱	850	800
Other audit services	其他審計服務	3,645	2,635
Non-audit service	非審計服務		
Review on continuing connected transactions	審閱持續關連交易	70	50
Other professional services*	其他專業服務*	7,790	1,245
		17,055	8,930

* Other professional services mainly include agreed-upon procedures services, financial and tax due diligence, comfort letter on circulars 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 RMB2,944,000 (2018: RMB2,983,000) 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。

截至二零一九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：

* 其他專業服務主要包括商定程序服務、財務及稅務盡調服務、通函安慰函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2,944,000元（二零一八年：人民幣2,983,000元）。

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

STRATEGY AND DEVELOPMENT COMMITTEE

The Company has established a Strategy and Development Committee. As at 31 December 2019, the Strategy and Development Committee comprised one executive Director, Mr. Lu Minfang, four non-executive Directors, Mr. Chen Lang, Mr. Niu Gensheng, Mr. Tim Ørting Jørgensen and Mr. Pascal De Petrini. The Strategy and Development Committee was chaired by Mr. Chen Lang during 2019.

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.

SUSTAINABILITY COMMITTEE

The Company has established a Sustainability Committee which comprised one executive Director, Mr. Lu Minfang, two non-executive Directors, Mr. Tim Ørting Jørgensen and Mr. Pascal De Petrini, and one independent non-executive Director, Mr. Yau Ka Chi. The Sustainability Committee was chaired by Mr. Tim Ørting Jørgensen.

The principal duties of the Sustainability Committee include overseeing sustainability, environmental, social and governance (“ESG”) issues and risks, identifying ESG matters that are relevant and material to the operations of the Company and its subsidiaries, assisting the Board in preparing and reviewing the annual ESG Report.

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 2019, 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.

戰略及發展委員會

本公司已成立戰略及發展委員會。於二零一九年十二月三十一日，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（陳朗先生、牛根生先生、Tim Ørting Jørgensen先生及 Pascal De Petrini先生）組成。在二零一九年陳朗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。

可持續發展委員會

本公司已成立可持續發展委員會，由一名執行董事（盧敏放先生）、兩名非執行董事（Tim Ørting Jørgensen先生及 Pascal De Petrini先生）以及一名獨立非執行董事（邱家賜先生）組成。可持續發展委員會由Tim Ørting Jørgensen先生擔任主席。

可持續發展委員會的主要職責包括監察可持續發展、環境、社會及管治（「ESG」）問題及風險、識別相關並對本公司及其附屬公司的業務屬重大的ESG事宜、協助董事會編製及審閱年度ESG報告。

公司秘書

公司秘書為本公司全職僱員，瞭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，其於截至二零一九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。

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted, in terms no less exacting than, the standards required by the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as the Company's code of conduct and rules governing dealings by all Directors in the securities of the Company. The Directors have confirmed, following the specific enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2019.

DIVIDEND POLICY

The Company has adopted a dividend policy to set out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its net profits as dividends to the Shareholders.

In recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value. The Board has the discretion to propose, declare and distribute dividends to the Shareholders, subject to the articles of association of the Company and all applicable laws and regulations and the factors set out below.

- financial results;
- cash flow situation;
- business conditions and strategies;
- future operations and earnings;
- capital requirements and expenditure plans;
- interests of Shareholders;
- any restrictions on payment of dividends; and
- any other factors that the Board may consider relevant.

董事的證券交易

本公司已採納條款不遜於上市規則附錄十所載之《上市發行人董事進行證券交易的標準守則》(「標準守則」)所規定的準則，作為全體董事買賣本公司證券之行為守則及規則。於本公司作出特定查詢後，董事確認，彼等於截至二零一九年十二月三十一日止整個年度內一直遵守標準守則所載之規定標準。

股息政策

本公司已採納股息政策，以訂出本公司擬應用作為向股東宣派、派付或分派其淨利潤的原則及指引。

在建議或宣派股息時，本公司應維持充足的現金量以滿足其日常營運資金及未來發展的要求，及其股東價值。在不違反本公司章程細則及一切適用法律與法規、並受限於以下列明的因素的前提下，董事會有酌情權以向股東提議、宣派及派發股息。

- 財務業績；
- 現金流情況；
- 業務情況及戰略；
- 未來營運及盈餘；
- 資本金要求及開支計劃；
- 股東利益；
- 支付股息的任何限制；及
- 其他董事會認為相關的因素。

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。

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。本公司將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 2019. The business review of the Group for the year ended 31 December 2019 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, ice cream, milk formula 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 2019 by business segments is set out in note 4 to the financial statements.

BUSINESS REVIEW

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

董事會提呈其報告，連同本公司及本集團截至二零一九年十二月三十一日止年度的經審核財務報表。本集團截至二零一九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、冰淇淋、奶粉及奶酪。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。本集團截至二零一九年十二月三十一日止年度按業務分部資料劃分的業績分析載於財務報表附註4。

業務回顧

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

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's main operations are carried out by the Company's subsidiaries in the PRC while the Company itself is listed on the Hong Kong Stock Exchange. The Group's operations are mainly regulated by Hong Kong and PRC laws. During the year ended 31 December 2019 and up to the date of this report, the Board was not aware of any non-compliance with the relevant laws and regulations that have a significant impact on the Company.

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

RESULTS AND DISTRIBUTION

The results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of profit or loss on page 126.

The Board has recommended the payment of a final dividend of RMB0.181 (2018: RMB0.181) per share, amounting to approximately RMB712,238,000 (2018: RMB710,915,000) in total, to Shareholders whose names appear on the register of members on Tuesday, 9 June 2020.

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 131 to 132 and note 55 to the financial statements. The Company's distributable reserves, calculated in accordance with statutory provisions applicable in the Company's place of incorporation, amounted to approximately RMB10,769,101,000 as at 31 December 2019 (2018: RMB11,346,550,000).

遵守法律及法規

本集團的主要業務營運由本公司在中國的子公司進行，而本公司本身在香港聯交所上市。本集團的營運主要受香港及中國法律規管。截至二零一九年十二月三十一日止年度及直至本報告日期，董事會並無得悉任何違反相關法律及法規而對本公司有重大影響的事件。

有關本集團遵守相關法律及法規的進一步詳情亦載於本報告及「企業管治報告」。

業績及分派

本集團截至二零一九年十二月三十一日止年度的業績載於第126頁綜合損益表。

董事會建議向二零二零年六月九日(星期二)名列股東名冊的股東派付期末股息每股人民幣0.181元(二零一八年：人民幣0.181元)，合共約人民幣712,238,000元(二零一八年：人民幣710,915,000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131頁至第132頁綜合權益變動表及財務報表附註55。本公司於二零一九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10,769,101,000元(二零一八年：人民幣11,346,550,000元)。

DONATIONS

Charitable and other donations made by the Group during the year amounted to approximately RMB20,286,000 (2018: RMB28,637,000).

SHARE CAPITAL AND SHARE OPTIONS

During the year, the Company issued 7,307,034 ordinary shares (2018: 346,922 ordinary shares), fully paid, for a total consideration of RMB124 million (2018: RMB4.5 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 39 and 42 to the financial statements.

DIRECTORS

The Directors during the year ended 31 December 2019 were:

Executive Directors

Lu Minfang
Meng Fanjie (appointed on 14 June 2019)
Wu Wenting (resigned on 14 June 2019)

Non-executive Directors

Chen Lang (appointed on 29 April 2019)
Yu Xubo (appointed on 7 January 2019 and resigned on 29 April 2019)
Ma Jianping (resigned on 7 January 2019)
Niu Gensheng
Tim Ørting Jørgensen
Pascal De Petrini

Independent Non-executive Directors

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

捐款

本集團於年內捐獻約人民幣20,286,000元(二零一八年：人民幣28,637,000元)作為慈善及其他捐款。

股本及購股權

年內，本公司已根據本公司購股權計劃行使購股權而發行7,307,034股繳足普通股(二零一八年：346,922股普通股)，總代價為人民幣1.24億元(二零一八年：人民幣4.5百萬元)。

本公司年內股本及購股權變動的詳情載於財務報表附註39及42。

董事

於截至二零一九年十二月三十一日止年度內，董事如下：

執行董事

盧敏放
孟凡傑(於二零一九年六月十四日獲委任)
吳文婷(於二零一九年六月十四日辭任)

非執行董事

陳朗(於二零一九年四月二十九日獲委任)
于旭波(於二零一九年一月七日獲委任並於二零一九年四月二十九日辭任)
馬建平(於二零一九年一月七日辭任)
牛根生
Tim Ørting Jørgensen
Pascal De Petrini

獨立非執行董事

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

In accordance with Article 112 of the Company's articles of association, Mr. Lu Minfang, Mr. Jiao Shuge (alias Jiao Zhen) and Mr. Julian Juul Wolhardt will retire by rotation and Mr. Meng Fanjie 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.

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 66 to 75.

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' REMUNERATION

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

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

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

PERMITTED INDEMNITY PROVISION

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

根據本公司組織章程細則第112條，盧敏放先生、焦樹閣（又名焦震）先生及Julian Juul Wolhardt先生將會輪值告退，而孟凡傑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，並已收到其各自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66頁至第75頁。

董事的服務合約

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

董事薪酬

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

董事的交易、安排或合約權益

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

獲準許的彌償條文

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作為董事或本公司其他高級職員在任何民事或刑事訴訟中提出答辯而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。

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

As at 31 December 2019, the interests and short positions of the Directors and chief executives of the Company 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 (including options granted under the Company's share option scheme):

董事於股份、相關股份及債權證的權益、好倉及淡倉

於二零一九年十二月三十一日，本公司董事及主要行政人員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」）另行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（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/ Underlying Share Held 持有普通股/ 相關股份總數	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	11,269,457 (L) ⁽¹⁾	0.29%

Notes:

- (1) It represents 402,048 shares granted to Mr. Lu Minfang in which 277,201 shares remain unvested under the restricted share award scheme of the Company and 10,867,409 underlying shares in respect of the share options granted under the Company's share option scheme.
- (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. 3,935,015,088 shares) as at 31 December 2019.
- (L) Indicates a long position.

Details of the Company's share option scheme and restricted share award scheme are set out in the sections headed "Share Option Scheme" and "Share Award Scheme", respectively below.

Save as disclosed above, as at 31 December 2019, none of the Directors and the chief executive of the Company 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的402,048股股份，當中277,201股股份並未歸屬，以及有關根據本公司購股權計劃授出的購股權的10,867,409股相關股份。
- (2) 按照股份數目佔本公司於二零一九年十二月三十一日已發行股份總數3,935,015,088股的百分比計算得出。
- (L) 表示好倉。

本公司的購股權計劃及限制性股票獎勵計劃之詳情分別載於下文「購股權計劃」及「股票獎勵計劃」各節。

除上文所披露者外，於二零一九年十二月三十一日，本公司各董事及主要行政人員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，或根據標準守則另行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而獲利的權利，且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，以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。

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 December 2019, 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

於二零一九年十二月三十一日，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 ⁽⁶⁾ 佔本公司已發行 股本百分比 ⁽⁶⁾
COFCO Corporation	中糧集團有限公司	1,233,700,758 (L) ⁽¹⁾	31.35%
COFCO (Hong Kong) Limited	中糧集團(香港)有限公司	1,233,700,758 (L) ⁽²⁾	31.35%
China Foods (Holdings) Limited	中國食品(控股)有限公司	1,233,700,758 (L) ⁽³⁾	31.35%
Farwill Limited	志遠有限公司	1,233,700,758 (L) ⁽²⁾	31.35%
Colour Spring Limited	彩泉有限公司	1,233,700,758 (L) ⁽²⁾	31.35%
COFCO Dairy Holdings Limited	中糧乳業控股有限公司	1,233,700,758 (L) ⁽²⁾⁽⁴⁾	31.35%
COFCO Dairy Investments Limited	中糧乳業投資有限公司	1,233,700,758 (L) ⁽²⁾⁽⁵⁾	31.35%
Prominent Achiever Limited	互達有限公司	1,233,700,758 (L) ⁽²⁾⁽⁵⁾	31.35%
Arla Foods amba	Arla Foods amba	1,233,700,758 (L) ⁽²⁾	31.35%
Danone SA	Danone SA	1,233,700,758 (L) ⁽⁶⁾	31.35%
Danone Asia Pte Ltd	Danone Asia Pte Ltd	1,233,700,758 (L) ⁽²⁾	31.35%
JP Morgan Chase & Co	JP Morgan Chase & Co	196,743,200 (L)	5.00%
		6,629,343 (S)	0.17%
		179,704,243 (P)	4.57%
FIL Limited	FIL Limited	269,496,000 (L) ⁽⁷⁾	6.85%
		1,415,437 (S) ⁽⁷⁾	0.04%
Pandanus Associates Inc.	Pandanus Associates Inc.	269,496,000 (L) ⁽⁷⁾	6.85%
		1,415,437 (S) ⁽⁷⁾	0.04%
Pandanus Partners L.P.	Pandanus Partners L.P.	269,496,000 (L) ⁽⁷⁾	6.85%
		1,415,437 (S) ⁽⁷⁾	0.04%
Citigroup Inc.	Citigroup Inc.	197,953,886 (L)	5.03%
		381,000 (S)	0.01%
		186,034,706 (P)	4.73%
Schroders Plc	Schroders Plc	277,368,052 (L)	7.05%
Mitsubishi UFJ Financial Group, Inc.	Mitsubishi UFJ Financial Group, Inc.	197,026,000 (L)	5.01%
Brown Brothers Harriman & Co.	Brown Brothers Harriman & Co.	199,857,023 (L)	5.08%
		199,857,023 (P)	5.08%

Notes:

- (1) COFCO Corporation is deemed interested in an aggregate of 1,233,700,758 shares in the Company through its wholly-owned subsidiary, COFCO (Hong Kong) 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.
- (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.
- (4) COFCO Dairy Holdings Limited is deemed interested in 1,233,700,758 shares in the Company through its subsidiary, COFCO Dairy Investments Limited.
- (5) COFCO Dairy Investments Limited is deemed interested in 296,028,044 shares in the Company through its wholly-owned subsidiary, Prominent Achiever Limited.
- (6) Danone SA is deemed interested in 1,233,700,758 shares in the Company through its subsidiary, Danone Asia Pte Ltd.
- (7) Based on the disclosure of interest filed by Pandanus Associates Inc., FIL Limited is a controlled corporation of Pandanus Partners L.P., which is in turn a controlled corporation of Pandanus Associates Inc.
- (8) The total issued shares of the Company as at 31 December 2019 was 3,935,015,088.
- (L) Indicates a long position.
- (S) Indicates a short position.
- (P) Indicates a lending pool.

Saved as disclosed above, as at 31 December 2019, 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.

附註：

- (1) 中糧集團有限公司被視為透過其全資子公司中糧集團(香港)有限公司於本公司合共1,233,700,758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。
- (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) 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) 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) 根據 Pandanus Associates Inc.提交的權益披露，FIL Limited為Pandanus Partners L.P.的受控法團，而後者為Pandanus Associates Inc.的受控法團。
- (8) 於二零一九年十二月三十一日，本公司已發行股份總數為3,935,015,088股。
- (L) 表示好倉。
- (S) 表示淡倉。
- (P) 表示可供借出的股份。

除上文所披露者外，於二零一九年十二月三十一日，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 share purchase agreement in relation to the disposal of shares in Yashili New Zealand Dairy Co., Limited (“Yashili New Zealand”)

Reference is made to the annual report of the Company for the year ended 31 December 2018 in relation to the share purchase agreement in relation to the disposal of shares in Yashili New Zealand, which constituted a connected transaction of the Company. As disclosed in the announcement of the Company dated 30 August 2019, Yashili (HK) and the Purchaser have agreed in writing to terminate the Share Purchase Agreement with effect from 30 August 2019. For further details, please refer to pages 93 to 94 of the Company’s 2018 annual report and the announcement of the Company dated 30 August 2019.

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. 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 ended 31 December 2018 and 2019 and ending 31 December 2020 respectively is expected not to exceed RMB1,500,000,000.

關連交易

有關出售Yashili New Zealand Dairy Co., Limited (「新西蘭乳業」) 股份之股份購買協議

茲提述本公司截至二零一八年十二月三十一日止年度的年報中就有關出售新西蘭乳業股份之股份購買協議，其構成一項本公司的關連交易。誠如本公司日期為二零一九年八月三十日的公告所披露，雅士利(香港)及買方已書面同意終止股份購買協議，由二零一九年八月三十日起生效。有關進一步詳情，請參閱本公司的二零一八年年報第93頁至94頁及本公司日期為二零一九年八月三十日之公告。

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、其子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。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」)，以行使其延長二零一四年總購銷協議的權利，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)。截至二零一八年及二零一九年十二月三十一日及二零二零年十二月三十一日止三年度各年，二零一四年總購銷協議項下之年度交易額預期均將不多於人民幣1,500,000,000元。

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) constitute 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.

For the year ended 31 December 2019, 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 RMB491,357,000, and the pricing policies set out in the announcements have been followed when determining the price and terms of the transactions conducted during the year.

China Modern Dairy Holdings Ltd. ("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 (the "CMD Transactions") commencing from 1 January 2018. The annual transaction amount under the CMD Transactions for each of the three years ended 31 December 2018 and 2019, and ending 31 December 2020 is expected not 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 ended 31 December 2018 and 2019 and ending 31 December 2020 respectively is expected not 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 ended 31 December 2018 and 2019 and ending 31 December 2020 respectively is 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.

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。

截至二零一九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491,357,000元，且於釐定年內所進行交易之價格及條款時已遵從公告內所載的定價政策。

中國現代牧業控股有限公司(「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(「現代牧業交易」)。截至二零一八年十二月三十一日、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均不超過人民幣500,000,000元。截至二零一八年及二零一九年十二月三十一日及二零二零年十二月三十一日止三個年度各年，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。截至二零一八年及二零一九年十二月三十一日及二零二零年十二月三十一日止三個年度各年，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率按年度基準分別高於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。

For the year ended 31 December 2019, 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 RMB351,460,000, and the pricing policies set out in the announcements have been followed when determining the price and terms of the transactions conducted during the year.

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.

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.

截至二零一九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351,460,000元，且於釐定年內所進行交易之價格及條款時已遵從公告內所載的定價政策。

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。

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。

The movement of the share options granted under the 2016 Share Option Scheme during the year is as follows.

於年內根據二零一六年購股權計劃授出的購股權變動如下。

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 2019 於二零一九年 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 2019 於 二零一九年 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				
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
	690,199	—	—	—	690,199	7.5.2018 二零一八年五月七日	7.5.2019 to 6.5.2023 二零一九年五月七日至 二零二三年五月六日	26.05
	9,312,210	—	—	—	9,312,210	24.12.2018 二零一八年十二月二十四日	1.4.2019 to 23.12.2023 二零一九年四月一日至 二零二三年十二月二十三日	23.93
Employees in Aggregate 僱員總計	8,371,545	—	(4,209,899)	(192,614)	3,969,032	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
	8,555,674	—	(1,130,135)	(731,544)	6,693,995	7.5.2018 二零一八年五月七日	7.5.2019 to 6.5.2023 二零一九年五月七日至 二零二三年五月六日	26.05
	27,936,670	—	(1,967,000)	(1,499,950)	24,469,720	24.12.2018 二零一八年十二月二十四日	1.4.2019 to 23.12.2023 二零一九年四月一日至 二零二三年十二月二十三日	23.93
	55,731,298	—	(7,307,034)	(2,424,108)	46,000,156			

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 five years from the date of grant of such options. Further details of the share option scheme are set out in note 42 to the financial statements.
- (2) The weighted average closing price of the shares of the Company immediately before the dates on which the options were exercised was HK\$30.07.

- (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42。
- (2) 本公司股份於緊接購股權行使日期前之加權平均收市價為30.07港元。

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.

除上文披露者外，本公司或其任何子公司於年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而獲取利益。

Save as disclosed above, none of the Directors or the chief executive during the year ended 31 December 2019, 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 42 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

Restricted Share Award Scheme

The Company operates a restricted share award scheme (the "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 2019, the number of shares of the Company granted to selected participants was 8,201,104, of which 233,130 shares were granted to the Directors, details of which are as follows:

Name of Director 董事姓名	As at 1 January 2019 於二零一九年 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 2019 於二零一九年 十二月三十一日
Lu Minfang 盧敏放	170,193	233,130	126,122	—	277,201

Further details of the Share Award Scheme are also set out in Note 43 to the financial statements.

除上文披露者外，截至二零一九年十二月三十一日止年度，概無任何董事或主要行政人員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42。

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

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（「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。

截至二零一九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8,201,104股，其中233,130股股份授予董事，詳情載列如下：

股票獎勵計劃的進一步詳情亦載於財務報表附註43。

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 2019.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme as set out on pages 110 to 112 and the share award scheme as set out on page 112, no equity-linked agreements were entered into by the Group, or existed during the year.

PUBLIC FLOAT

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

MANAGEMENT CONTRACTS

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

MAJOR CUSTOMERS AND SUPPLIERS

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

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

PLEDGE OF ASSETS

As at 31 December 2019, the Group has pledged certain investment deposits, pledged deposits, land use rights, property, plant and equipment and dairy cows aggregating to approximately RMB2,491,594,000 (2018: RMB3,503,178,000).

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

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

本公司或其任何子公司於截至二零一九年十二月三十一日止年度內概無購買、贖回或出售本公司任何上市證券。

股票掛鈎協議

除第110頁至第112頁所載的購股權計劃及第112頁所載的股票獎勵計劃外，本集團並無訂立或年內並無存在任何股票掛鈎協議。

公眾持股量

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

管理合約

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

主要客戶及供應商

本集團五大供應商合共應佔的採購百分比不足本集團總採購額的30%。

本集團五大客戶合共應佔的收入百分比不足本集團收入總額的30%。

資產抵押

於二零一九年十二月三十一日，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2,491,594,000元（二零一八年：人民幣3,503,178,000元）。

有關詳情載於財務報表相關附註。

COMMITMENTS AND CONTINGENT LIABILITIES

Details of commitments and contingent liabilities are set out in notes 48 and 49, respectively, to the financial statements.

FINANCIAL SUMMARY

A summary of the results for the year and of the assets and liabilities of the Group as at 31 December 2019 and for the previous four financial periods are set out on pages 359 to 360.

CORPORATE GOVERNANCE

The Company's corporate governance principles and practices are set out in the Corporate Governance Report on pages 78 to 99.

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, 25 March 2020

承諾及或然負債

有關承諾及或然負債的詳情分別載於財務報表附註48及49。

財務概要

本集團於二零一九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359頁至第360頁。

企業管治

本公司的企業管治原則及慣例載於第78頁至第99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，二零二零年三月二十五日

BOARD OF DIRECTORS

Executive Directors

Mr. LU Minfang
Mr. MENG Fanjie (appointed on 14 June 2019)
Ms. WU Wenting (resigned on 14 June 2019)

Non-executive Directors

Mr. CHEN Lang (*Chairman*)
(appointed on 29 April 2019)
Mr. YU Xubo (*Chairman*) (appointed on 7 January 2019 and
resigned on 29 April 2019)
Mr. MA Jianping (*Chairman*)
(resigned on 7 January 2019)
Mr. NIU Gensheng
Mr. Tim Ørting JØRGENSEN
Mr. Pascal DE PETRINI

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. GAO Fei
Mr. WEN Yongping
Mr. LUO Yan
Mr. ZHAO Jiejun
Mr. ZHANG Zhaoxu
Mr. YU Weizu
Mr. YANG Zhigang
Mr. ZHANG Yong
Mr. LI Pengcheng
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
孟凡傑先生(於二零一九年六月十四日獲委任)
吳文婷女士(於二零一九年六月十四日辭任)

非執行董事

陳朗先生(*主席*)
(於二零一九年四月二十九日獲委任)
于旭波先生(*主席*)(於二零一九年一月七日
獲委任並於二零一九年四月二十九日辭任)
馬建平先生(*主席*)
(於二零一九年一月七日辭任)
牛根生先生
Tim Ørting JØRGENSEN先生
Pascal DE PETRINI先生

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
高飛先生
溫永平先生
羅彥先生
趙傑軍先生
張朝旭先生
俞偉祖先生
楊志剛先生
張邕先生
李鵬程先生
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
香港
銅鑼灣
告士打道262號
中糧大廈32樓
電郵地址: ir@mengniu.cn
網址: www.mengniuir.com

PLACE OF BUSINESS IN HONG KONG

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

REGISTERED OFFICE

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

PRINCIPAL SHARE REGISTRAR

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



Independent auditor's report

To the shareholders of China Mengniu Dairy Company Limited

(Incorporated in the Cayman Islands with limited liability)

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 126 to 358, which comprise the consolidated statement of financial position as at 31 December 2019, 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 2019, 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.

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
中信大廈22樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

獨立核數師報告

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)

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126頁至第358頁的綜合財務報表，包括於二零一九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 貴集團在二零一九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。

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。

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
<p><i>Impairment testing of goodwill and trademarks with indefinite useful lives</i></p> <p>商譽及無限使用年期商標的減值測試</p> <p>Goodwill and trademarks with indefinite useful lives before impairment provision amounting to RMB14,319,745,000 represented 18% of the Group's total assets as at 31 December 2019. The impairment tests performed by management regarding various groups of cash-generating units ("CGU groups") involved significant judgement for the determination of the recoverable amounts of the CGU groups. In particular, as the performance of the milk powder products CGU group for the year ended 31 December 2019 did not meet management's expectation, management focused on the impairment assessment of the goodwill and trademarks with indefinite lives of the milk powder products CGU group with carrying amounts of RMB5,334,076,000 in total, which resulted in impairment provision of goodwill and trademarks with indefinite useful lives of RMB2,299,126,000 and RMB173,057,000, respectively, in the current year. This is a key audit matter due to the magnitude, the complexity, and the management's estimates involved in the impairment testing.</p> <p>二零一九年十二月三十一日，商譽及無限使用年期商標於減值撥備前達人民幣14,319,745,000元，佔貴集團總資產18%。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可收回金額的減值測試涉及重大判斷。尤其是，由於截至二零一九年十二月三十一日止年度奶粉產品現金產生單位組別業績未能達到管理層的期望，管理層針對奶粉產品現金產生單位組別的商譽及無限使用年期商標的賬面值合共人民幣5,334,076,000元執行減值評估，並導致本年商譽及無限使用年期商標減值撥備分別為人民幣2,299,126,000元及人民幣173,057,000元。由於減值測試涉及管理層估計的規模及複雜程度，故此乃關鍵審計事項。</p> <p>The accounting policies and related disclosures are included in notes 2.4 "Business combinations and goodwill" and "Intangible assets (other than goodwill)", note 3 "Impairment of goodwill and trademarks with indefinite useful lives" and note 21 "Impairment testing of goodwill and trademarks with indefinite useful lives", to the financial statements.</p> <p>會計政策及相關的披露已列入財務報表附註2.4「業務合併及商譽」及「無形資產（商譽除外）」、附註3「商譽減值及無限使用年期商標」及附註21「無限使用年期商譽及商標減值測試」。</p>	<p>We assessed the objectivity, independence and competence of the external valuer who assisted management to perform the impairment testing of goodwill and trademarks with indefinite lives of the milk powder products CGU group. We also assessed the 2020 budget and the financial projection for the following years used to determine the recoverable amounts of various CGU groups, including a comparison of key assumptions with historical or external data, and a reconciliation of the inputs. Furthermore, we involved internal valuation specialists to assist us in evaluating the model and the inputs used including the weighted average costs of capital and expected perpetual rates. We also focused on the adequacy of the disclosures concerning those key assumptions included in note 21 "Impairment testing of goodwill and trademarks with indefinite useful lives" to the consolidated financial statements.</p> <p>吾等評估協助管理層進行奶粉產品現金產生單位組別商譽及無限使用年期商標進行減值測試的外部估值師客觀程度、獨立性及能力。吾等亦評估二零二零年後年度之釐定不同現金產生單位組別的可收回金額所用的預算及財務預測，包括對主要假設中的歷史及外部數據進行比較以及評估所用數據的對帳。此外，吾等由內部估值專家協助評估已用模式及數據，包括加權平均資本成本、預期長遠增長率。吾等亦著重就綜合財務報表附註21「無限使用年期商譽及商標減值測試」所載主要假設所作披露是否充足。</p>

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
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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 RMB6,329,374,000 represented 8% of the Group's total assets as at 31 December 2019. 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.

二零一九年十二月三十一日，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6,329,374,000元，佔貴集團總資產8%。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。

The accounting policies and related disclosures are included in note 2.4 "Investments in associates and joint ventures", note 2.4 "Impairment of non-financial assets", note 3 "Impairment of non-financial assets (other than goodwill and trademarks with indefinite useful lives)" and note 23 "Investments in associates" to the financial statements.

會計政策及相關的披露已列入財務報表附註2.4「投資聯營公司及合營企業」、附註2.4「非金融資產減值」、附註3「非金融資產（無限使用年期商譽及商標除外）減值」及附註23「投資於聯營公司」。

We assessed the objectivity, independence and competence of the external valuer. We also assessed the 2020 budget and the five-year projection of China Modern Dairy and a reconciliation of the inputs used to evaluate the value in use calculations. Furthermore, we involved internal valuation specialist to assist us in evaluating the models and the inputs used, including the weighted average costs of capital and the expected perpetual rates. We also focused on the adequacy of the disclosures concerning those key assumptions included in note 23 "Investments in associates" to the consolidated financial statements.

吾等審計程序包括評估外部估值師的客觀程度、獨立性及能力。吾等已評估中國現代牧業二零二零年預算及五年預測，以及評估計算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模式及數據，包括加權平均資本成本及預期長遠增長率。吾等亦著重貴公司就綜合財務報表附註23「於聯營公司投資」所載主要假設所作披露是否充足。

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
<p><i>Acquisition of Bellamy's Australia Limited ("Bellamy")</i></p>	
<p><i>收購Bellamy's Australia Limited (「貝拉米」)</i></p>	
<p>During the year of 2019, the Group acquired a 100% equity interest in Bellamy's Australia Limited ("Bellamy") at a cash consideration of RMB6,934,372,000. Management engaged an external valuer to evaluate the fair value of the identifiable assets and liabilities of Bellamy. This is a key audit matter due to the significant management estimates and judgment involved in the determination of the fair values of the identifiable assets and liabilities and related purchase price allocation.</p>	<p>We evaluated the competency and objectivity of the external valuer. We also involved our internal valuation specialists in evaluating the valuation methodologies adopted and the assumptions used in the valuation of the identifiable assets and liabilities of Bellamy. We also focused on the adequacy of the disclosures included in note 45 "Business combination" to the consolidated financial statements.</p>
<p>於二零一九年，貴集團以現金代價人民幣6,934,372,000元收購Bellamy's Australia Limited(「貝拉米」)100%的股權。管理層聘請外部估值師評估貝拉米可識別資產及負債的公允值。由於釐定可識別資產及負債公允值以及相關購買格之分配的會計處理涉及重大管理層估計及判斷，故其為關鍵審計事項。</p>	<p>吾等已評估外部估值師的能力及客觀性。吾等亦有內部估值專家以評估於進行貝拉米可識別資產及負債估值所採納的評估方法及所用的假設。我們亦著重具有足夠載入綜合財務報表中附註45「業務合併」的披露事項。</p>
<p>The accounting policies and related disclosures are included in note 2.4 "Business combinations and goodwill", note 3 "Business combinations and goodwill" and note 45 "Business combination" to the financial statements.</p>	
<p>會計政策及相關披露載入財務報表中附註2.4「業務合併及商譽」、附註3「業務合併及商譽」以及附註45「業務合併」。</p>	

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。

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

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

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

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

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

核數師就審計綜合財務報表須承擔的責任

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

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

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

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

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

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

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

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

核數師就審計綜合財務報表須承擔的責任 (續)

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

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

吾等亦向審核委員會提交聲明，說明吾等已遵守有關獨立性的相關道德要求，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。

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.

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。

Ernst & Young

Certified Public Accountants

Hong Kong

25 March 2020

安永會計師事務所

執業會計師

香港

二零二零年三月二十五日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

Year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
REVENUE	收入	5	79,029,856	68,977,066
Cost of sales	銷售成本		(49,351,242)	(43,193,440)
GROSS PROFIT	毛利		29,678,614	25,783,626
Other income and gains	其他收入及收益	5	4,100,888	736,255
Selling and distribution expenses	銷售及經銷費用		(21,536,054)	(18,833,306)
Administrative expenses	行政費用		(3,319,414)	(2,915,035)
Impairment losses on financial and contract assets, net	金融及合約資產減值虧損淨額		(248,355)	(85,262)
Loss on disposal of financial assets measured at amortised cost	按攤銷成本計量的金融資產出售虧損		(14,008)	—
Other expenses	其他費用	6	(3,691,877)	(851,216)
Interest income	利息收入		1,104,791	868,257
Finance costs	融資成本	8	(644,202)	(550,662)
Share of profits and losses of:	以下各方應佔損益：			
A joint venture	合營企業	22	(9,160)	—
Associates	聯營公司	23	184,224	(299,935)
PROFIT BEFORE TAX	稅前利潤	7	5,605,447	3,852,722
Income tax expense	所得稅支出	11	(1,309,532)	(649,001)
PROFIT FOR THE YEAR	本年利潤		4,295,915	3,203,721
Attributable to:	以下各方應佔：			
Owners of the Company	本公司擁有人		4,105,437	3,043,030
Non-controlling interests	非控股股東權益		190,478	160,691
			4,295,915	3,203,721
EARNINGS 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 (以每股人民幣元計)	14		
Basic	基本			
— For profit for the year	— 本年利潤		1.049	0.779
Diluted	攤薄			
— For profit for the year	— 本年利潤		1.046	0.778

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

Year ended 31 December 2019 截至二零一九年十二月三十一日止年度

	Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
PROFIT FOR THE YEAR	本年利潤	4,295,915	3,203,721
OTHER COMPREHENSIVE INCOME/(LOSS)	其他全面收益/(虧損)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:	其後期間可能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	184,390	(206,615)
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	(18,423)	(4,196)
Share of other comprehensive income/(loss) of associates	分佔聯營公司其他全面收益/(虧損)	4,832	(21,181)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	其後期間可能重新分類至損益的其他全面收益/(虧損)淨額	170,799	(231,992)
Other comprehensive income/(loss) that will not 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	(3,191)	(218,287)
Net other comprehensive income/(loss) that will not 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	(3,191)	(218,287)
OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX	其他全面收益/(虧損), 扣除稅項	167,608	(450,279)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年度全面收益總額	4,463,523	2,753,442
Attributable to:	以下各方應佔:		
Owners of the Company	本公司擁有人	4,251,525	2,589,152
Non-controlling interests	非控股股東權益	211,998	164,290
		4,463,523	2,753,442

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2019 於二零一九年十二月三十一日

		Notes	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
		附註		
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	11,102,702	14,733,924
Construction in progress	在建工程	16	2,231,333	2,203,125
Investment properties	投資物業	17	73,548	73,785
Right-of-use assets	使用權資產	18	1,697,808	—
Land use rights	土地使用權	18	—	1,120,666
Goodwill	商譽	19	4,718,657	4,681,492
Other intangible assets	其他無形資產	20	7,583,415	2,298,075
Investments in a joint venture	於合營企業的投資	22	140,840	—
Investments in associates	於聯營公司的投資	23	7,351,265	7,202,363
Deferred tax assets	遞延稅項資產	24	1,056,099	1,041,626
Biological assets	生物資產	25	—	1,136,600
Derivative financial instruments	衍生金融工具	35	34,009	28,598
Other financial assets	其他金融資產	26	4,845,997	2,131,485
Long term prepayments	長期預付款	29	215,966	64,140
Total non-current assets	總非流動資產		41,051,639	36,715,879
CURRENT ASSETS	流動資產			
Other financial assets	其他金融資產	26	19,220,584	11,819,198
Derivative financial instruments	衍生金融工具	35	10,814	49,212
Inventories	存貨	27	5,089,944	4,281,919
Trade and bills receivables	應收賬款及票據	28	3,586,866	2,891,973
Prepayments, other receivables and other assets	預付款、其他應收款項及其他資產	29	3,027,185	2,777,593
Pledged deposits	保證金存款	30	74,186	623,495
Cash and bank balances	現金及銀行結存	30	6,476,187	7,297,988
Total current assets	總流動資產		37,485,766	29,741,378

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

31 December 2019 於二零一九年十二月三十一日

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
CURRENT LIABILITIES	流動負債			
Trade and bills payables	應付賬款及票據	31	6,738,626	7,021,542
Other payables and accruals	其他應付款項及 預提費用	32	10,807,574	10,889,417
Interest-bearing bank and other borrowings	計息銀行及其他借貸	33	13,838,201	6,522,915
Other loans	其他貸款	34	—	22,912
Derivative financial instruments	衍生金融工具	35	4,346	9,705
Deferred income	遞延收入	37	50,493	170,261
Income tax payable	應付所得稅		294,617	472,366
Total current liabilities	總流動負債		31,733,857	25,109,118
NET CURRENT ASSETS	淨流動資產		5,751,909	4,632,260
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		46,803,548	41,348,139
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank and other borrowings	計息銀行及其他借貸	33	9,634,609	8,192,400
Long term payables	長期應付款項	36	—	814
Deferred income	遞延收入	37	279,494	856,120
Deferred tax liabilities	遞延稅項負債	24	1,941,902	206,122
Derivative financial instruments	衍生金融工具	35	—	17,457
Other financial liabilities	其他金融負債	38	1,600,206	1,610,947
Total non-current liabilities	總非流動負債		13,456,211	10,883,860
NET ASSETS	淨資產		33,347,337	30,464,279

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

31 December 2019 於二零一九年十二月三十一日

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 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	39	358,257	357,602
Treasury shares held under share award scheme	股票獎勵計劃下持有的庫存股份	43	(133,671)	(218,717)
Other reserves	其他儲備	40	12,442,343	12,450,930
Retained earnings	保留利潤		16,465,355	12,622,549
			29,132,284	25,212,364
Non-controlling interests	非控股股東權益		4,215,053	5,251,915
TOTAL EQUITY	總權益		33,347,337	30,464,279

Chen Lang

陳朗

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 2019 截至二零一九年十二月三十一日止年度

	Attributable to owners of the Company 本公司應佔人應佔										Total equity 總權益				
	Share capital 股本	Treasury shares held under share award scheme 計劃下持有的庫存股份	Share premium 股份溢價	Contributed surplus 實收溢利	Statutory reserves 法定儲備	Foreign currency translation reserve 貨幣兌換儲備	Other comprehensive income 除公積金以外之其他全面收益	Share option reserves 購股權儲備/股份獎勵儲備	Hedging reserve 對沖儲備	Equity transaction reserve 權益交易儲備		Puttable non-controlling interest reserve 可沽證券控股股東權益儲備	State charges in equity of associates 聯營公司之其他權益變動	Retained earnings 保留利潤	Non-controlling interest 非控股股東權益
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 31 December 2017 Effect of adoption of IFRS 9	357,572	(282,029)	10,256,624	204,677	3,166,856	(6,427,57)	(140,482)	71,530	30,617	1,023,688	(1,269,281)	9,793,487	4,502,860	27,107,123	
於二零一七年十二月三十一日 採納國際財務報告準則之影響															
At 1 January 2018 (restated) Profit for the year Other comprehensive income/(loss) for the year	357,572	(282,029)	10,256,624	204,677	3,166,856	(6,427,57)	(140,482)	71,530	30,617	1,023,688	(1,269,281)	9,793,487	4,502,860	27,107,123	
於二零一八年一月一日(重列) 本年利潤 本年其他全面收益/(虧損)															
Exchange differences on translation of foreign operations Changes in fair value of equity investments at fair value through other comprehensive income, net of tax Cash flow hedges, net of tax Share of other comprehensive income of associates	-	-	-	-	-	(2,102,14)	-	-	-	-	-	-	3,989	(206,616)	
換算海外業務的匯兌差額 按公允價值計量且其變動計入其他綜合收益之權益投資之公允價值損益 展期、利率掉期 現金流量對沖、空頭保單 分拆聯營公司其他全面收益															
Total comprehensive income/(loss) for the year Shares issued under equity-settled share option arrangements Transfer of share option reserve upon exercise of share options Share award scheme Shares vested under share award scheme Acquisition of non-controlling interests Disposal of subsidiaries Acquisition of subsidiaries Capital injection from non-controlling interests Disposal of equity interests in subsidiaries without loss of control Derecognition of puttable non-controlling interests Dividends paid to owners of the Company Dividends payable to non-controlling interests Transfer to statutory reserves	-	-	4,472	-	-	(2,102,14)	(2,18,287)	-	(4,199)	-	-	(2,118)	-	2,733,442	
年度全面收益/(虧損)總額 根據以股份支付為基礎的股權支付股份 以股份支付之購股權安排 行使購股權時出認股權儲備 股票獎勵計劃 根據股票獎勵計劃歸屬股份 收購非控股股東權益 出售子公司 收購子公司 非控股股東注資 出售子公司的股權(並未失去控制權) 終止確認可沽非控股股東權益 已向本公司應佔人派付股息 已向非控股股東派付/應付股息 轉撥法定儲備															
At 31 December 2018	357,582	(281,717)	9,775,224	204,677	3,388,457	(654,458)	(688,779)	182,126	26,421	1,018,571	(911,186)	12,522,549	5,251,915	30,646,279	
於二零一八年十二月三十一日															

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

Year ended 31 December 2019 截至二零一九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										Total equity 總權益		
	Treasury shares held under share award scheme 股份獎勵計劃下之庫藏股票	Share premium 股份溢價	Contributed surplus 實收溢利	Statutory reserves 法定儲備	Foreign currency translation reserve 外幣兌換儲備	Reserve through comprehensive income 透過全面收益之儲備	Share option reserve 股份獎勵儲備	Hedging reserve 對沖儲備	Equity transaction reserve 權益交易儲備	Puttable non-controlling interest reserve 可回售非控股股東權益儲備		Share of other changes in equity of associates 應佔聯營公司之其他權益變動	Related earnings 保留溢利
Share capital 股本	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2019 於二零一九年一月一日	357,602	(28,717)	9,775,224	3,393,457	654,689	(889,797)	182,126	26,421	1,018,371	(911,667)	(24,921)	12,822,549	5,251,915
Profit for the year 本年利潤	-	-	-	-	-	-	-	-	-	-	-	4,105,437	190,478
Other comprehensive income/(loss) for the year 本年其他全面收益/(虧損)	-	-	-	-	-	-	-	-	-	-	-	4,105,437	190,478
Exchange differences on translation of foreign operations 換算外幣財務報表之匯差	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in fair value of equity investments at fair value through other comprehensive income, net of tax 按公允價值計量且其變動計入其他全面收益之股本證券公允價值變動，扣除稅項	-	-	-	-	-	(8,191)	-	-	-	-	-	-	(8,191)
Cost from hedging, net of tax 現金流對沖淨額，扣除稅項	-	-	-	-	639	-	-	(18,423)	-	-	-	-	(17,784)
Share of other comprehensive income of associates 應佔聯營公司其他全面收益	-	-	-	-	-	-	-	-	-	-	4,832	-	4,832
Total comprehensive income/(loss) for the year 年度全面收益/(虧損)	-	-	-	-	632,870	(8,191)	-	(18,423)	-	-	4,832	4,105,437	211,988
Shares issued under equity-settled share option arrangements 根據以股份支付之權益結算股份發行股份	655	-	124,700	-	-	-	130,739	-	-	-	-	-	-
Transfer of share option reserve upon exercise of share options 行使購股權時由購股權儲備	-	-	33,883	-	-	-	(33,883)	-	-	-	-	-	-
Share award scheme 股票獎勵計劃	-	-	-	-	-	-	129,532	-	-	-	-	-	-
Shares vested under share award scheme 根據股票獎勵計劃歸屬股份	-	-	16,004	-	-	-	(161,650)	-	-	-	-	-	-
Acquisition of non-controlling interests 收購非控股股東權益	-	-	-	-	-	-	-	-	(4,272)	-	-	-	-
Disposal of subsidiaries 出售子公司	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of subsidiaries 收購子公司	-	-	56,320	65,420	-	-	-	-	-	-	-	-	-
Business combination under the common control 同一控制下之業務合併	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital injection from non-controlling interests 非控股股東權益注資	-	-	-	-	-	-	-	-	16,105	-	-	-	(11,551)
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	-	-	-	-	-	-	-	-	-	-	-	-	-
Recognition of puttable non-controlling interests 按上轉回可回售非控股股東權益	-	-	-	-	-	-	-	-	-	(9,226)	-	-	19,937
Dividends paid to owners of the Company 已向本公司擁有人支付股息	-	-	(704,948)	-	-	-	-	-	-	-	-	-	(708,969)
Dividends payable to non-controlling interests 向非控股股東支付/應付股息	-	-	-	-	-	-	-	-	-	-	-	-	(663,801)
Transfer to statutory reserves 轉撥法定儲備	-	-	-	282,881	-	-	-	-	-	-	-	(282,881)	-
At 31 December 2019 於二零一九年十二月三十一日	358,257	(103,671)	9,295,345	3,393,708	651,619	(661,970)	33,444	7,986	992,204	(920,382)	(20,080)	16,465,555	4,215,653

* These reserve accounts comprise the consolidated other reserves of RMB12,442,343,000 (2018: RMB12,450,930,000) 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12,442,343,000元(二零一八年：人民幣12,450,930,000元)。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2019 截至二零一九年十二月三十一日止年度

	Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cash flows from operating activities			
Profit/(loss) before tax:			
Adjustments for:			
Interest income			
Finance costs	8		
Depreciation of items of property, plant and equipment	7		
Depreciation of investment properties	7		
Depreciation of right-of-use assets	7		
Amortisation of land use rights	7		
Amortisation of other intangible assets	7		
Loss on disposal of items of property, plant and equipment	6		
Gain on disposal of a disposal group classified as held for sale	5		
Impairment of financial and contract asset, net	7		
Write-down of inventories to net realisable value	6		
Impairment of construction in progress	6		
Impairment of property, plant and equipment	6		
Impairment of other intangible assets	6		
Impairment of goodwill	7/19		
Amortisation of deferred income for assets other than biological assets			
Share of losses/(profits) of associates			
Share of loss of a joint venture	22		
Losses/(gains) on disposal or cancellation of subsidiaries	5/6		
Fair value gain arising from re-measuring the initial equity interest in an associate upon business combination	5/45		
Fair value loss/(gain) on zero coupon exchangeable bonds due 2022	5/6		
Fair value change of biological assets	6/25		
Foreign exchange gains, net	5		
Net fair value loss on warrants and subscription right of warrants	6/26		
Net fair value gain on investments on unlisted companies			
Net fair value gain on forward currency contracts	5		
Net fair value gain on a convertible promissory note			
Equity-settled share option arrangements	7/42		
Share award scheme	7/43		
		7,213,525	5,842,983
Decrease in other financial assets — entrusted loans to certain dairy farmers		31,165	122,511
Increase in inventories		(1,808,622)	(719,916)
Increase in trade and bills receivables		(1,180,364)	(95,700)
Decrease/(Increase) in pledged deposits and other financial assets		116,719	(138,210)
Increase in prepayments, other receivables and other assets		(1,033,602)	(53,258)
Increase in trade and bills payables		1,240,131	111,130
Increase in other payables and accruals		3,234,686	2,410,421

CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

Year ended 31 December 2019 截至二零一九年十二月三十一日止年度

	Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cash generated from operations	經營業務產生的現金	7,813,638	7,479,961
Interest paid	支付利息	(516,634)	(454,023)
Income taxes paid	支付所得稅	(989,845)	(662,484)
Net cash flows from operating activities	經營業務產生的淨現金流量	6,307,159	6,363,454
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	70,499	181,185
Proceeds from disposal of land use rights	處置土地使用權所得款項	—	3,708
Proceeds from disposal of biological assets	處置生物資產所得款項	163,935	86,746
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	—	252,822
Purchase of items of property, plant and equipment	購置物業、廠房及設備	(1,111,527)	(704,626)
Purchase of construction in progress	購置在建工程	(2,968,177)	(2,392,160)
Purchase of land use rights included in right-of-use assets	購置土地使用權(包括使用權資產)	(179,158)	(20,665)
Purchase of other intangible assets	購置其他無形資產	(59,449)	(31,897)
Acquisition of business	收購業務	—	(54,476)
Purchase of biological assets	購置生物資產	(527,917)	(313,680)
Increase in investments in associates	於聯營公司的投資增加	(6,390)	(17,820)
Dividends received from associates	收取聯營公司股息	3,349	1,598
Capital injection to a jointly controlled entity	於一間共同控制實體注資	(100,000)	—
Acquisition of subsidiaries	收購子公司	(6,579,672)	(236,944)
Disposal of subsidiaries	出售子公司	2,884,820	—
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	105,714	227,239
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	(2,398,930)	(979,975)
Purchase of investment deposits	購置投資存款	(16,654,445)	(9,188,603)
Withdrawal of investment deposits	收回投資存款	9,281,963	9,392,108
Increase in other financial assets	其他金融資產增加	(3,205,172)	(2,861,000)
Withdrawal of other financial assets	收回其他金融資產	2,571,000	1,561,000
Interest received	收取利息	1,179,824	863,778

CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

Year ended 31 December 2019 截至二零一九年十二月三十一日止年度

	Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Net cash flows used in investing activities		(17,529,733)	(4,231,662)
Cash flows from financing activities			
Proceeds from interest-bearing bank loans		14,031,107	5,977,327
Repayment of interest-bearing bank loans		(7,667,240)	(6,277,553)
Proceeds from issue of bonds		6,427,433	3,390,840
Repayment of bonds		(1,000,000)	(3,473,150)
Decrease/(increase) in pledged deposits for bank loans		314,870	(112,380)
Repayment of long term payables		(70,179)	(28,442)
Shares issued under equity-settled share option arrangements	42	124,435	4,502
Acquisition of non-controlling interests		(16,914)	(189)
Principle portion of lease payments	41(b)	(263,627)	—
Capital injection from non-controlling interests		105,045	143,880
Disposal of equity interests in subsidiaries without loss of control		3,554	1,089
Dividends paid to owners of the Company	13	(708,968)	(482,827)
Dividends paid to non-controlling interests		(665,224)	(43,397)
Net cash flows from/(used in) financing activities		10,614,292	(900,300)
Net increase/(decrease) in cash and cash equivalents		(608,282)	1,231,492
Cash and cash equivalents at beginning of year	30	4,370,494	3,129,444
Effect of foreign exchange rate changes, net		35,906	9,558
Cash and cash equivalents at end of year	30	3,798,118	4,370,494
Analysis of balances of cash and cash equivalents			
Cash and bank balances as stated in the consolidated statement of financial position	30	6,476,187	7,297,988
Time deposits with original maturity more than three months	30	(2,678,069)	(2,927,494)
Cash and cash equivalents as stated in the consolidated statement of cash flows	30	3,798,118	4,370,494

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2019 於二零一九年十二月三十一日

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.

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		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 毛里裘斯	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
Vision Clear Limited (i)	Hong Kong 香港	HK\$1 1港元	100%	—	Investment holding 投資控股
Bright Rainbow Limited (i)	Singapore 新加坡	US\$1 1美元	—	100%	Investment holding 投資控股
Bright Treasure Pty Ltd. (i)	Australia 澳大利亞	AU\$1 1澳元	—	100%	Investment holding 投資控股

31 December 2019 於二零一九年十二月三十一日

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		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Wise Journey Pty Ltd. (i)	Australia 澳大利亞	AU\$1 1澳元	—	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
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 (Ma'anshan) 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(「內蒙古蒙牛」)) (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

31 December 2019 於二零一九年十二月三十一日

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		Principal activities 主要業務
			Direct 直接	Indirect 間接	
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 Tai'an 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
Mengniu Dairy Jiaozuo Co., Ltd. (i)(ii) (蒙牛乳業焦作有限責任公司) (i)(ii)	PRC 中國	RMB450,000,000 人民幣450,000,000元	—	100%	Manufacture and sale of dairy products 生產及出售乳製品
Mengniu Dairy (Ma'anshan) 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) (內蒙古蒙牛高科技乳業有限公司) (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 (Qiqiha'er) 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

31 December 2019 於二零一九年十二月三十一日

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		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Mengniu Dairy (Hengshui) Co., Ltd. (i)(ii) (蒙牛乳業(衡水)有限公司)(i)(ii))	PRC 中國	RMB150,000,000 人民幣150,000,000元	26%	74%	Manufacture and sale of dairy products 生產及出售乳製品
Baoding Mengniu Beverage Co., Ltd. (i)(iii) (保定蒙牛飲料有限公司)(i)(iii))	PRC 中國	RMB142,000,000 人民幣142,000,000元	14.65%	85.35%	Manufacture and sale of dairy products 生產及出售乳製品
Shijiazhuang Junlebao Dairy Co., Ltd. ("Junlebao") (ii)(v) (石家莊君樂寶乳業有限公司 (「君樂寶」))(ii)(v))	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
Inner Mongolia Mengniu Shengmu High-tech Dairy Co., Ltd. (i)(ii) (內蒙古蒙牛聖牧高科奶業有限公司)(i)(ii))	PRC 中國	RMB2,490,000,000 人民幣2,490,000,000元	—	51%	Manufacture and sale of dairy products 生產及出售乳製品
Yashili International Holdings Ltd. ("Yashili") (雅士利國際控股有限公司(「雅士利」))	Cayman Islands 開曼群島	HK\$474,556,000 474,556,000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 (「新西蘭雅士利」))	New Zealand 新西蘭	NZ\$287,032,059 287,032,059新西蘭元	—	51.01%	Production and sale of dairy products 生產及出售乳製品
Yashili International Baby Nourishment Co., Ltd. (i)(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

31 December 2019 於二零一九年十二月三十一日

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		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Dumex Baby Food Co., Ltd. ("Dumex China") (ii) (多美滋嬰幼兒食品有限公司)(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) (植朴磨坊(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
Bellamy's Australia Limited ("Bellamy") (vi)	Australia 澳大利亞	AU\$156,651,385.27 156,651,385.27澳元	—	100%	Production and sale of organic food and formula products for babies and toddlers 生產及出售有機食品 及嬰幼兒配方奶粉
(i) Not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.			(i)		未經香港安永會計師事務所或安永全球網絡其他成員公司審計。
(ii) The subsidiaries are registered as companies with limited liability under PRC law.			(ii)		該等子公司均根據中國法律註冊為有限責任公司。
(iii) The subsidiaries are registered as Sino-foreign equity joint ventures under PRC law.			(iii)		該等子公司均根據中國法律註冊為中外合資公司。
(iv) The subsidiaries are wholly-foreign-owned enterprises established in the PRC.			(iv)		該等子公司均為於中國註冊的全資外資企業。
(v) The subsidiary had been disposed of on 19 November 2019 (note 46).			(v)		該等子公司已於二零一九年十一月十九日出售(附註46)。
(vi) On 5 December 2019, the Group acquired a 100% equity interest in Bellamy. Further details of this acquisition are included in note 45 to the financial statements.			(vi)		於二零一九年十二月五日,本集團收購貝拉米100%的股權。收購的進一步詳情載列於財務報表附註45。

31 December 2019 於二零一九年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(continued)

Information about subsidiaries (continued)

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.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretation) 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, and biological assets and agricultural produce upon harvest which have been 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 2019. 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).

1. 公司及集團資料 (續)

有關子公司的資料 (續)

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。

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」)(其包括所有國際財務報告準則、國際會計準則(「國際會計準則」)及詮釋)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及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」)截至二零一九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。

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2.1 BASIS OF PREPARATION (continued)**Basis of consolidation** (continued)

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.

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.

2.1 編製基準 (續)**綜合基準** (續)

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。

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。子公司的所有權權益變動（並無失去控制權）按權益交易入賬。

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2.1 BASIS OF PREPARATION (continued)**Basis of consolidation** (continued)

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.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to IFRS 9	<i>Prepayment Features with Negative Compensation</i>
IFRS 16	<i>Leases</i>
Amendments to IAS 19	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to IAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
IFRIC Interpretation 23	<i>Uncertainty over Income Tax Treatment</i>
<i>Annual Improvements 2015–2017 Cycle</i>	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23

2.1 編製基準 (續)**綜合基準** (續)

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。

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。

國際財務報告準則第9號修訂本	<i>具有負補償之提前還款特性</i>
國際財務報告準則第16號	<i>租賃</i>
國際會計準則第19號修訂本	<i>計畫修正、縮減或清償</i>
國際會計準則第28號修訂本	<i>對關聯企業及合資之長期權益</i>
國際財務報告詮釋委員會第23號	<i>所得稅之不確定性之處理</i>
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號修訂本

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Except for the amendments to IFRS 9 and IAS 19, and *Annual Improvements to IFRSs 2015–2017 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the new and revised IFRSs are described below:

- (a) IFRS 16 replaces IAS 17 *Leases*, IFRIC 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 account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors continue to classify leases as either operating or finance leases using similar principles as in IAS 17.

IFRS 16 did not have any significant impact on leases where the Group is the lessor.

The Group has adopted IFRS 16 using the modified retrospective method with the date of initial application of 1 January 2019. Under this method, the standard has been applied retrospectively with the cumulative effect of initial adoption recognised as an adjustment to the opening balance of retained profits at 1 January 2019, and the comparative information for 2018 was not restated and continued to be reported under IAS 17 and related interpretations.

2.2 會計政策變動及披露 (續)

除國際財務報告準則第9號的修訂及國際會計準則第19號以及國際財務報告準則二零一五年至二零一七年週期年度改進與編製本集團財務報表無關外，新訂及經修訂國際財務報告準則的性質及影響如下：

- (a) 國際財務報告準則第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第4號釐定安排是否包括租賃、準則詮釋委員會第15號經營租賃－優惠及準則詮釋委員會第27號評估涉及租賃法律形式交易的內容。該準則載列確認、計量、呈列及披露租賃的原則，並要求承租人在單一資產負債表內模型中計算所有租賃以確認及計量使用權資產及租賃負債（若干確認豁免除外）。國際財務報告準則第16號號項下規定的承租人會計與國際會計準則第17號項下規定的並無實質性改變。承租人將繼續按照與國際會計準則第17號相類似的分類原則對經營租賃或融資租賃作出區分。

國際財務報告準則第16號對本集團為出租人的租賃並無任何重大影響。

本集團透過經修訂追溯法採納國際財務報告準則第16號，並於二零一九年一月一日初始應用。根據該方法，已追溯應用該準則，而首次應用該準則的累計影響確認為對二零一九年一月一日保留利潤期初結餘的調整，而二零一八年的可資比較資料並未重列，且繼續根據國際會計準則第17號及相關詮釋予以呈報。

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

New definition of a lease

Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee – Leases previously classified as operating leases

Nature of the effect of adoption of IFRS 16

The Group has lease contracts for various items of property, machinery, motor vehicles and other equipment. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under IFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease-by-lease basis) and leases with a lease term of 12 months or less (“short-term leases”) (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 January 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

2.2 會計政策變動及披露 (續)

(a) (續)

租賃的新定義

根據國際財務報告準則第16號，倘合約為換取代價而授予在一段時間內可識別資產的使用權，則該合約為租賃或包含租賃。倘客戶有權從使用可識別資產中獲取絕大部分經濟利益及有權直接使用可識別資產，則表示擁有控制權。本集團選擇使用過渡可行權宜法，僅在初始應用日期對先前應用國際會計準則第17號及國際財務報告詮釋委員會第4號識別為租賃的合約應用該準則。根據國際會計準則第17號及國際財務報告詮釋委員會第4號未有識別為租賃的合約並未予以重新評估。因此，國際財務報告準則第16號的租賃定義僅應用於在二零一九年一月一日或之後訂立或變更的合約。

作為承租人 – 先前分類為經營租賃的租賃

採納國際財務報告準則第16號的影響性質

本集團擁有多項物業、機器、運輸設備及其他設備的租賃合約。作為承租人，本集團先前根據該租賃是否已將其資產所有權的絕大部分回報及風險轉予本集團的評估，將租賃分類為融資租賃或經營租賃。根據國際財務報告準則第16號，本集團就所有租賃應用單一的方法確認及計量使用權資產及租賃負債，除低價值資產租賃（按個別租賃基準選擇）及十二個月或更短的短期租賃（「短期租賃」）（按相關資產類別選擇）的兩項選擇性豁免除外。本集團確認使用權資產折舊（及減值，如有）及未償還租賃負債累計利息（作為融資成本），而並非在二零一九年一月一日開始的租賃期內以直線法確認經營租賃項下的租金費用。

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

As a lessee – Leases previously classified as operating leases (continued)

Impact on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019 and included in interest-bearing bank and other borrowings. The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019.

The Group has used the following elective practical expedients when applying IFRS 16 at 1 January 2019:

- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application
- Using hindsight in determining the lease term where the contract contains options to extend/terminate the lease
- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics, and excluding initial direct costs from the measurement of the right-of-use asset at the date of initial application

2.2 會計政策變動及披露 (續)

(a) (續)

作為承租人 – 先前分類為經營租賃的租賃 (續)

過渡的影響

於二零一九年一月一日之租賃負債按剩餘租賃付款的現值，並使用二零一九年一月一日的增量借款利率貼現後予以確認，並計入計息銀行及其他借貸。使用權資產按就緊接二零一九年一月一日前財務狀況表內已確認租賃相關的任何預付或應計租賃付款金額作出調整後的租賃負債金額計量。

本集團於二零一九年一月一日應用國際財務報告準則第16號使用以下選擇性可行權宜法：

- 將租賃期於初始應用日期後12個月內屆滿的租賃應用短期租賃豁免
- 倘合約包含延長／終止租賃的選擇權，則於事後釐定租賃期限
- 將單一貼現率應用於具合理相類似特徵的租賃組合，並不包括於初始應用日期計量使用權資產的初始直接成本

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

Financial impact at 1 January 2019

The impact arising from the adoption of IFRS 16 at 1 January 2019 was as follows:

2.2 會計政策變動及披露 (續)

(a) (續)

於二零一九年一月一日之財務影響

於二零一九年一月一日採納國際財務報告準則第16號所產生的影響如下：

		Increase/ (decrease) 增加/(減少) RMB'000 人民幣千元
Assets		
Increase in right-of-use assets	使用權資產增加	1,684,269
Decrease in land use right	土地使用權減少	(1,120,666)
Decrease in prepayments, other receivables and other assets	預付款、其他應收款項及其他資產減少	(145,397)
Decrease in long term prepayments	長期預付款減少	(29,681)
Increase in total assets	總資產增加	388,525
Liabilities		
Increase in interest-bearing bank and other borrowings	計息銀行及其他借貸增加	388,525
Increase in total liabilities	總負債增加	388,525

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

Financial impact at 1 January 2019 (continued)

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 are as follows:

2.2 會計政策變動及披露 (續)

(a) (續)

於二零一九年一月一日之財務影響 (續)

二零一九年一月一日的租賃負債與於二零一八年十二月三十一日經營租賃承擔的對賬如下：

		RMB'000 人民幣千元
Operating lease commitments as at 31 December 2018	於二零一八年十二月三十一日 經營租賃承擔	615,360
Weighted average incremental borrowing rate as at 1 January 2019	於二零一九年一月一日的 加權平均增量借貸利率	4.68%
Discounted operating lease commitments as at 1 January 2019	於二零一九年一月一日貼現的 經營租賃承擔	546,069
Less: Commitments relating to short-term leases and those leases with a remaining lease term ended on or before 31 December 2019	減：有關短期租賃及該等剩餘 租賃期於二零一九年 十二月三十一日或之前 屆滿的租賃承擔	(136,115)
Commitments relating to leases of low-value assets	有關低價值資產的 租賃承擔	(21,429)
Lease liabilities as at 1 January 2019	於二零一九年一月一日的 租賃負債	388,525

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) Amendments to IAS 28 clarify that the scope exclusion of IFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies IFRS 9, rather than IAS 28, including the impairment requirements under IFRS 9, in accounting for such long-term interests. IAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group assessed its business model for its long-term interests in associates upon adoption of the amendments on 1 January 2019 and concluded that the long-term interests in associates continued to be measured at amortised cost in accordance with IFRS 9. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

2.2 會計政策變動及披露 (續)

(b) 國際會計準則第28號的修訂澄清國際財務報告準則第9號的範圍豁免僅包括應用權益法的聯營公司或合營企業之權益，且不包括實質上構成聯營公司或合營企業投資淨額一部分的長期權益（其中尚未應用權益法）。因此，實體計算此類長期利益需應用國際財務報告準則第9號（包括國際財務報告準則第9號下的減值要求）而非國際會計準則第28號。僅於確認聯營公司或合營企業的虧損及聯營公司或合營企業淨投資減值的情況下，國際會計準則第28號才應用於淨投資（包括長期權益）。本集團於二零一九一月一日採納有關修訂後已就其於聯營公司的長期利益評估其業務模式，並總結認為於聯營公司的長期利益繼續根據國際財務報告準則第9號按攤銷成本計量。因此，該等修訂不會對本集團的財務狀況或業績產生任何影響。

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(c) IFRIC 23 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. Upon adoption of the interpretation, the Group considered whether it has any uncertain tax positions arising from the transfer pricing on its intergroup sales. Based on the Group’s tax compliance and transfer pricing study, the Group determined that it is probable that its transfer pricing policy will be accepted by the tax authorities. Accordingly, the interpretation did not have any impact on the financial position or performance of the Group.

2.2 會計政策變動及披露 (續)

(c) 國際財務報告詮釋委員會第23號於稅項處理涉及影響國際會計準則第12號應用的不確定性時(通常稱為「不確定稅務情況」),處理該情況下所得稅(即期及遞延)的會計處理。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,具體亦不包括不確定稅項處理相關的權益及處罰相關規定。該詮釋特別處理(i)實體是否分開考慮不確定稅項;(ii)實體對稅務機關的稅項處理檢查所作的假設;(iii)實體如何釐定應課稅溢利或稅項虧損、稅基、未動用稅項虧損、未動用稅收抵免及稅率;及(iv)實體如何考慮事實及情況變動。於採納該詮釋時,本集團考慮於其集團內銷售的轉移定價是否會產生任何不確定稅務情況。根據本集團的稅務合規及轉移定價研究,本集團認為稅務機關將很可能接受其轉移定價政策。因此,該詮釋不會對本集團的財務狀況或業績產生任何重大影響。

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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 3	<i>Definition of a Business</i> ¹
Amendments to IFRS 9, IAS 39 and IFRS 7	<i>Interest Rate Benchmark Reform</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
IFRS 17	<i>Insurance Contracts</i> ²
Amendments to IAS 1 and IAS 8	<i>Definition of Material</i> ¹
Amendments to IAS 1	<i>Classification of liabilities as Current or Non-current</i> ⁴

¹ Effective for annual periods beginning on or after 1 January 2020

² Effective for annual periods beginning on or after 1 January 2021

³ No mandatory effective date yet determined but available for adoption

⁴ Effective for annual periods beginning on or after 1 January 2022

Further information about those IFRSs that are expected to be applicable to the Group is described below.

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3號的修訂	業務的定義 ¹
國際財務報告準則第9號、國際會計準則第39號及國際財務報告準則第7號的修訂	利率基準改革 ¹
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 ³
國際財務報告準則第17號	保險合約 ²
國際會計準則第1號及國際會計準則第8號的修訂	重大的定義 ¹
國際會計準則第1號的修訂	分類為流動或非流動負債 ⁴

¹ 於二零二零年一月一日或之後開始的年度期間生效

² 於二零二一年一月一日或之後開始的年度期間生效

³ 尚未確定強制生效日期但可供採納

⁴ 於二零二二年一月一日或之後開始的年度期間生效

本集團預期應用的國際財務報告準則進一步資料如下。

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

Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to IFRS 9, IAS 39 and IFRS 7 address the effects of interbank offered rate reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments are effective for annual periods beginning on or after 1 January 2020. Early application is permitted. 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)

國際財務報告準則第3號修訂本明確並提供有關業務定義的進一步指引。修訂本澄清，對於一系列被視為業務的綜合活動及資產，其必須至少包括一項投入及有助於創造產出的能力的實質性過程。一項業務可以不包括創建輸出所需的所有輸入及所需程序。修訂本取消了對市場參與者是否有能力獲得業務並繼續產生產出的評估。相反，重點為獲得的投入及獲得的實質性過程是否共同明顯有助於對創造產出的能力。修訂本亦收窄產出的定義，重點關注向客戶提供的貨品或服務，投資收入或普通活動的其他收入。此外，修訂本提供了指導以評估所收購的流程是否具有實質性，並引入可選的公允價值集中測試，以便簡化評估所獲得的一系列活動及資產是否並非業務。本集團預期將於二零二零年一月一日採納該修訂本。由於該等修訂本適用於發生在首次應用日期日或之後的交易或其他事項，因此集團在過渡日期將不會受該等修訂影響。

國際財務報告準則第9號、國際會計準則第39號及國際財務報告準則第7號之修訂旨在解決銀行同業拆息改革對財務報告之影響。該等修訂提供可在替換現有利率基準前之不確定期限內繼續進行對沖會計處理之暫時性補救措施。此外，該等修訂規訂公司須向投資者提供有關直接受該等不確定因素影響之對沖關係之額外資料。該修訂於二零二零年一月一日或之後開始的年度期間生效。允許提早應用。預期該等修訂對本集團財務報表不會產生任何重大影響。

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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 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.

Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

The amendments to IAS 1 clarify the meaning of a right to defer settlement and that a right to defer must exist at the end of the reporting period. The amendments also clarify that the classification is unaffected by the likelihood that an entity will exercise its deferral right and only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification. The amendments to IAS 1 are required to be applied for annual periods beginning on or after 1 January 2022 and must be applied retrospectively. 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)

國際財務報告準則第10號及國際會計準則第28號的修訂針對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的不一致性。該等修訂規定，當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，須確認全數收益或虧損。當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。該等修訂即將應用。國際會計準則理事會已於二零一五年十二月取消國際財務報告準則第10號及國際會計準則第28號的修訂之前的強制生效日期，並將於完成有關聯營及合營企業會計處理的更廣泛檢討後決定新的強制生效日期。然而，該等修訂現已可供採納。

國際會計準則第1號及國際會計準則第8號的修訂對重大制定了新定義。新定義指出，倘遺漏、錯誤陳述或掩蓋資料可合理地預期會對一般用途財務報表的主要使用者基於該等財務報表作出的決策造成影響，則有關資料屬於重大。該等修訂澄清，重大程度視乎資料的性質或數量而定。倘錯誤陳述資料可合理地預期會對主要使用者作出的決策造成影響，則有關資料屬於重大。本集團預期即將自二零二零年一月一日起採納該等修訂。預計該等修訂對本集團財務報表不會產生任何重大影響。

國際會計準則第1號修訂本澄清延遲結算權利的涵義及延遲權利須於報告期末發生。該等修訂本亦澄清實體將行使其延遲權利的可能性不會影響分類，且僅當可轉換負債之嵌入式衍生工具其本身為股本工具時，負債之條款方才不會影響其分類。國際會計準則第1號修訂本須於二零二二年一月一日或之後開始的年度期間應用並須追溯應用。預期該等修訂本將不會對本集團的財務報表造成任何重大影響。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates and joint ventures

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

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

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

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

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated 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.

2.4 重大會計政策概要

投資聯營公司及合營企業

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

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

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

任何可能存在的相異會計政策已相應作出調整，以使之貫徹一致。

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綜合損益表及綜合全面收益表。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。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates and joint ventures

(continued)

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*.

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 proportionate 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.

2.4 重大會計政策概要 (續)

投資聯營公司及合營企業 (續)

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。

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。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

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 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 profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

2.4 重大會計政策概要 (續)

業務合併及商譽 (續)

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。

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。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its share options, certain financial assets, derivative financial instruments and certain other borrowings 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.

2.4 重大會計政策概要 (續)

業務合併及商譽 (續)

減值按與商譽有關的現金產生單位或現金產生單位組別可收回金額評估釐定。倘現金產生單位或現金產生單位組別的可收回金額低於賬面值，則確認減值損失。已確認的商譽減值損失不會在以後期間撥回。

倘商譽獲分配至現金產生單位或現金產生單位組別，並出售該單位中一部分業務，則於釐定出售收益或虧損時，與該已出售業務相關的商譽計入該業務的賬面值。在此情況下出售的商譽根據所出售業務的相關價值及所保留現金產生單位的部分計量。

公允值計量

於各報告期末，本集團按公允值計量其購股權、若干金融資產及衍生金融工具。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。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

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.

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.

2.4 重大會計政策概要 (續)

公允值計量 (續)

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。

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。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, financial assets, investment properties 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.

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.

2.4 重大會計政策概要 (續)

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、合約資產、遞延所得稅資產、金融資產、投資物業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。

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。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

- (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.

2.4 重大會計政策概要 (續)

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

- (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會營企業（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。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

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%

2.4 重大會計政策概要 (續)

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。

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。

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%
運輸設備	10%至32%

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

(continued)

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)

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。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties

Investment properties are interests in land and buildings which would otherwise meet the definition of an investment property) 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 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 are 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土地及房屋（其將以其他方式符合投資物業的定義）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。估計可使用年期為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。

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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 2 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2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。有關成本按電估計可使用年期3年至10年以直線法攤銷。

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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 (applicable from 1 January 2019)

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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(自二零一九年一月一日起適用)

本集團於合約開始時評估合約是否或是否包含租賃。倘合約為換取代價而授予在一段時間內可識別資產的使用權，則該合約為租賃或包含租賃。

本集團作為承租人

除短期租賃及低價值資產租賃外，本集團應用單一確認及計量方式於所有租賃。本集團確認租賃負債表示支付租賃費用的義務，以及確認使用權資產表示對相關資產所擁有的使用權。

31 December 2019 於二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (applicable from 1 January 2019) (continued)

Group as a lessee (continued)

(a) *Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings and structures	1 to 30 years
Plant and machinery	1 to 6 years
Office equipment	1 to 6 years
Motor vehicles	2 to 4 years
Land use rights	2 to 50 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2.4 重大會計政策概要 (續)

租賃 (自二零一九年一月一日起適用)

(續)

本集團作為承租人 (續)

(a) *使用權資產*

使用權資產於租賃開始日期(即相關資產可供使用日期)時確認。使用權資產按成本減任何累計折舊及減值虧損計量,並就任何租賃負債重新計量作出調整。使用權資產成本包括已確認租賃負債金額、已產生初始直接成本及於開始日期或之前作出的租賃付款減任何已收取租賃優惠。使用權資產亦包括拆除及移除相關資產及還原相關資產或其所在地的估計成本(倘適用)。使用權資產按估計可使用年限和租賃期較短者以直線法折舊如下:

房屋及建築物	1至30年
廠房及機器	1至6年
辦公室設備	1至6年
運輸設備	2至4年
土地使用權	2至50年

倘租賃資產的擁有權於租賃期末轉讓予本集團或成本反映行使購買權,折舊則使用資產的估計使用年期計算。

31 December 2019 於二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (applicable from 1 January 2019) (continued)

Group as a lessee (continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in interest-bearing bank and other borrowings.

2.4 重大會計政策概要 (續)

租賃 (自二零一九年一月一日起適用)

(續)

本集團作為承租人 (續)

(b) 租賃負債

租賃負債於租賃開始日期按租賃期內作出的租賃付款現值確認。租賃付款包括固定付款額(含實質定額款項)減任何租賃優惠應收款項、取決於指數或利率的可變租賃款項以及預期根據剩餘價值擔保支付的金額。若租賃期反映出本集團將行使終止租賃選擇權，租賃付款額亦包括本集團合理確定將行使的購買選擇權的行使價格及支付終止租賃的罰款。不取決於指數或利率的可變租賃付款在出現觸發付款的事件或條件的期間內確認為開支。

於計算租賃付款的現值時，由於租賃內含利率不易釐定，故本集團於租賃開始日期使用增量借款利率計算。於租賃開始日期後，租賃負債金額的增加反映了利息的增長，且減少為所支付的租賃款。此外，倘存在租期的修改及變動、租賃付款的變動(例如：由指數或利率變動導致未來租賃付款變動)或評購買相關資產的選擇權變動，則重新計量租賃負債的賬面值。

本集團的租賃負債包括於計息銀行借貸及其他借貸。

31 December 2019 於二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (applicable from 1 January 2019) (continued)

Group as a lessee (continued)

(c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of plant and machinery and office equipment that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, are accounted for as finance leases.

2.4 重大會計政策概要 (續)

租賃 (自二零一九年一月一日起適用)

(續)

本集團作為承租人 (續)

(c) *短期租賃及低價值資產租賃*

本集團就機器及設備的短期租賃(該等租賃由開始日期起計的租賃期為12個月或更短,且並不包含購買選擇權)應用短期租賃確認豁免。其亦就被視為低價值的廠房及機器以及辦公室設備租賃的應用租賃低價值資產確認豁免。

短期租賃付款及低價值資產租賃按租賃期以直線法確認為支出。

本集團作為出租人

當本集團為出租人,其於租賃開始時(或租賃修改時)將各項租賃分類為經營租賃或融資租賃。

所有本集團並未轉讓資產所有權所附帶的絕大部分風險及回報的租賃歸類為經營租賃。當租賃包含租賃或非租賃部分,本集團將合約代價按單獨售價之基準分配至各部份。由於其經營性質,故租金收入於租期內按直線法列賬並計入損益之收入。於磋商及安排經營租賃時產生的初始直接成本乃計入租賃資產的賬面值,並於租期內按相同方法確認為租金收入。或然租金乃於所賺取的期間內確認為收益。

轉讓所有相關資產擁有權所附帶的絕大部分風險及回報予承租人的租賃則以融資租賃入賬。

31 December 2019 於二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (applicable from 1 January 2019) (continued)

Group as a lessor (continued)

At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Leases (applicable before 1 January 2019)

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.

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.

2.4 重大會計政策概要 (續)

租賃 (自二零一九年一月一日起適用)

(續)

本集團作為出租人 (續)

於開始日期，租賃資產成本按租賃付款及相關付款現值(包括初始直接成本)撥充資本，且以相等於租賃投資淨額的應收款項呈列。該租賃的財務成本乃於損益中扣除，以反映租期內的固定週期支出比率。

租賃 (適用於二零一九年一月一日前)

轉讓所有資產擁有權的絕大部分回報及風險予本集團(不包括法定所有權)的租賃以融資租賃入賬。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。

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。

31 December 2019 於二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (applicable before 1 January 2019) (continued)

Prepaid land lease payments under operating leases 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

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially 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. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

2.4 重大會計政策概要 (續)

租賃 (適用於二零一九年一月一日前)

(續)

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

金融資產於初步確認時分類為其後按攤銷成本計量、以公允值計量且其變動計入全面收益，以及以公允值計量且其變動計入損益。

初始確認金融資產分類取決於金融資產的合約現金流特徵，以及本集團管理金融資產的業務模式。除並未包含重大融資組成部分的應收賬款或本集團已實行權宜措施不作調整重大融資組成部分影響的應收賬款外，本集團最初按其公允值計量金融資產，加上金融資產不以公允價值計量且其變動計入損益的交易費用。並未包含重大融資組成部分的應收賬款或本集團已實行權宜措施的應收賬款按照下文「收入確認」所載政策根據國際財務報告準則第15號釐定的交易價計量。

金融資產需要滿足現金流量僅為償還本金及未償還本金利息，方可分類為按攤銷成本計量或按公允值計入其他全面收益的金融資產。不論業務模式，現金流量非僅為償還本金及利息的金融資產則分類及按公允值計入損益。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

2.4 重大會計政策概要 (續)

投資及其他金融資產 (續)

初步確認及計量 (續)

本集團管理金融資產的業務模式指本集團如何管理其金融資產以產生現金流量。業務模式釐定現金流量是否因收取合約現金流量、出售金融資產或因前述兩者而引起。已分類及按攤銷成本計量的金融資產為以持有金融資產以收回合約現金流量為目的之業務模式內持有，而已分類及按公允值計量計入其他全面收益的金融資產為以持作收回合約現金流量及出售為目的之業務模式內持有。並非以上述業務模式內持有之金融資產則分類及按公允值計量計入損益。

所有以常規方式購買及出售的金融資產於交易日(即本集團承諾購買或出售該資產當日)確認。以常規方式購買或出售指需要於一般按規例或市場慣例設定的期限內交付資金的金融資產購買或出售。

後續計量

金融資產的後續計量取決於其分類如下：

按攤銷成本計量的金融資產(債務工具)

按攤銷成本計量的金融資產其後使用實際利率法計量，並可予減值。倘資產終止確認、修訂或減值，則收益及虧損會於損益表確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2.4 重大會計政策概要 (續)

投資及其他金融資產 (續)

後續計量 (續)

按公允價值計入其他全面收益的金融資產 (債務工具)

就按公允價值計入其他全面收益的債務工具而言，利息收入、外匯重估及減值虧損或撥回於損益表內確認，計算方式與計算按攤銷成本計量的金融資產者相同。餘下公允價值變動於其他全面收益確認。於終止確認後，於其他全面收益確認的累計公允價值變動回流至損益表。

按公允價值計入其他全面收益的金融資產 (股權投資)

於初始確認後，倘股權投資符合國際會計準則第32號金融工具：呈列項下的股權定義，且並非持作買賣，本集團可選擇不可撤回地將該股權投資分類為指定按公允價值計入其他全面收益的股權投資。分類按個別工具基準而定。

該等金融資產的收益及虧損永不回流至損益表。倘股息付款權已確立，而股息相關經濟利益很可能流向本集團，且股息金額能可靠計量，則股息會於損益表確認為其他收入，惟倘本集團受惠於該等所得款項作為收回部分金融資產成本則作別論，在此情況下，有關收益會入賬為其他全面收益。指定按公允價值計入其他全面收益的股權投資無須進行減值評估。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

2.4 重大會計政策概要 (續)

投資及其他金融資產 (續)

後續計量 (續)

按公允值計入損益的金融資產

按公允值計入損益的金融資產乃於財務狀況表按公允值列賬，而公允值變動淨額則於損益表確認。

該類別包括本集團並無不可撤回地選擇分類為按公允值計入其他全面收益的衍生工具及股權投資。分類為按公允值計入損益的股權投資股息亦於付款權確立時在損益表內確認為其他收入。有關股息的經濟利益可能會流向本集團，而股息的金額則可可靠計量。

當嵌入混合合約(包含金融負債及非金融主體)的衍生工具具備與主體不緊密相關的經濟利特徵及風險；具備與嵌入式衍生工具與相同條款的單獨工具符合衍生工具的定義；且混合合約並非按公允值計入損益計量，則該衍生工具與主體分開並作為單獨衍生工具列賬。嵌入式衍生工具按公允值計量，且其變動計於損益表內確認。

僅當合約條款出現變動，以致大幅改變其他情況下所需現金流量時或當原分類至按公允值計入損益的金融資產獲重新分類時，方進行重新評估。

嵌入混合合約(包含金融資產主體)的衍生工具不得單獨列賬。金融資產主體連同嵌入式衍生工具須整體分類為按公允值計入損益的金融資產。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

2.4 重大會計政策概要 (續)

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。

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。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

2.4 重大會計政策概要 (續)

金融資產減值

本集團就所有並非按公允值計入損益持有的債務工具確認預期信貸虧損（「預期信貸虧損」）。預期信貸虧損乃以根據合約應付的合約現金流量與本集團預期收取的所有現金流量之間的差額為基準，按原有實際利率相近的差額貼現。預期現金流量將包括來自銷售所持有抵押品或其他信用增級的現金流量，此乃合約條不可或缺的部分。

一般方法

預期信貸虧損於兩個階段進行確認。對於自初始確認後並無顯著增加的信貸風險，預期信貸虧損就可能於未來12個月內出現的違約事件計提撥備（12個月預期信貸虧損）。對於自初始確認後有顯著增加的信貸風險，須在信貸虧損預期的剩餘年期計提虧損撥備，不論違約事件於何時發生（存續期預期信貸虧損）。

於各報告日期，本集團評估自初始確認後金融工具的信貸風險是否顯著增加。本集團作出評估時會對於報告日期金融工具發生的違約風險及於初始確認日期起金融工具發生的違約風險進行比較，並考慮無需付出不必要成本或努力而可得到的合理及可支持資料，包括歷史及前瞻性資料。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

General approach (continued)

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.4 重大會計政策概要 (續)

金融資產減值 (續)

一般方法 (續)

以公允值計入其他全面收益的債務投資及按攤銷成本計量的金融資產，在一般方法下可能會發生減值，並且在以下階段分類用於預期信貸虧損計量，惟採用下文詳述的簡化方法的應收賬款及合約資產除外。

- 第一階段 — 金融工具自初始確認以來並無顯著增加信貸風險，且其虧損撥備按相等於12個月預期信貸虧損的金額計量。
- 第二階段 — 金融工具自初始確認以來顯著增加信貸風險，但並不屬信貸減值金融資產，且其虧損撥備按相等於存續期預期信貸虧損的金額計量。
- 第三階段 — 於報告日期信貸減值的金融資產（但不是購買或原始信貸減值），其虧損撥備按相等於存續期預期信貸虧損的金額計量。

簡化方法

對於應收賬款及不包括重大融資成分的合約資產，或本集團採用實際權宜措施不就重大融資成分的影響作出調整時，本集團採用簡化方法進行預期信貸虧損計量。根據簡化方法，本集團不會追蹤信貸風險的變化，而是於各報告日期根據存續期預期信貸虧損確認虧損撥備。本集團已根據其歷史信貸虧損經驗建立撥備矩陣，並根據債務人及經濟環境的前瞻性因素作出調整。

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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, payables, 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 and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, derivative financial instruments and interest-bearing bank and other borrowings.

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 incurred for the purpose of repurchasing in the near term. This category also 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 statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

2.4 重大會計政策概要 (續)

金融負債

初始確認及其後計量

金融負債於初始確認時分類為以公允價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價值確認，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其他款項、衍生金融工具及計息銀行及其他借貸。

後續計量

金融負債的後續計量取決於其分類如下：

按公允價值計入損益的金融負債

按公允價值計入損益的金融負債包括持作交易用途的金融負債及於初始確認時指定為按公允價值入損益的金融負債。

倘產生金融負債的目的為於近期購回，則該金融負債應分類為持作交易用途。此分類包括本集團根據國際會計準則第9號界定的對沖關係不被指定為對沖工具的衍生金融工具。獨立嵌入式衍生工具亦分類為持作交易用途，除非其被指定為有效的對沖工具則另作別論，持作交易用途的負債損益於損益表內確認。於損益表確認的公允價值收益或虧損淨額並不包括任何向該等金融負債所扣除的任何利息。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

Subsequent measurement (continued)

Financial liabilities at fair value through profit or loss (continued)

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (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 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 statement of profit or loss.

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.

2.4 重大會計政策概要 (續)

金融負債 (續)

後續計量 (續)

按公允值計入損益的金融負債 (續)

於初始確認後指定按公允值計入損益的金融負債，僅會於符合國際財務報告準則第9號的標準時於初始確認日期指定。指定按公允值計入損益的金融負債收益或虧損於損益表內確認，惟本集團擁有於其他全面收入內呈報且其後不會重新分類至損益表的信貸風險所產生的收益及虧損除外。於損益表內確認的公允值收益或虧損淨額並不包括該等金融負債收取的任何利息。

按攤銷成本計量的金融負債 (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損益表的融資成本中。

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。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 and hedge accounting

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.

The fair value of commodity purchase contracts that meet the definition of a derivative as defined by IFRS 9 is recognised in the statement of profit or loss as cost of sales. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the 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)

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。

衍生金融工具及對沖會計處理

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。

商品購買合約凡符合國際財務報告準則第9號界定的衍生工具定義，其公允值會於損益表內確認為銷售成本。根據本集團預期採購、銷售或使用規定就收取或交付非金融項目而訂立及繼續持有的商品合約按成本值持有。

衍生工具公允值變動所產生的任何收益或虧損，直接列入損益表內，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。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments and hedge accounting (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.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following 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.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

2.4 重大會計政策概要 (續)

衍生金融工具及對沖會計處理 (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。

對沖關係開始時，本集團正式指定及以文件記錄本集團有意採用對沖會計處理的對沖關係、風險管理目標及其進行對沖的策略。

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對沖比率如何釐定）。對沖關係於達成以下全部有效性規定時，方可合資格採用對沖會計處理：

- 對沖項目與對沖工具之間有「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」。
- 對沖關係的對沖比率與本集團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。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments and hedge accounting (continued)

Hedges which meet all the qualifying criteria for hedge accounting are accounted for as follows:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in other comprehensive income for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment to which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to the statement of profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the statement of profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the statement of profit or loss as a reclassification adjustment. After the discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated other comprehensive income is accounted for depending on the nature of the underlying transaction as described above.

2.4 重大會計政策概要 (續)

衍生金融工具及對沖會計處理 (續)

符合所有對沖會計處理標準的對沖如下：

現金流量對沖

對沖工具收益或虧損的有效部份在其他全面收益的現金流量對沖儲備內直接確認，而任何非有效部份即時在損益表內確認。現金流量對沖儲備調整至對沖工具累計收益或虧損與對沖項目公允值累計變動之間的較低者。

在其他全面收益內累積的金額視乎相關對沖交易的性質入賬。倘對沖交易其後導致確認非金融項目，於股權累積的金額則自股權的獨立構成部分移除，並計入對沖資產或負債的初始成本或其他賬面值。這並非為重新分類作出的調整，且不會於期內的其他全面收入內確認。倘一項非金融資產或非金融負債的對沖預測交易其後變成採用公允值對沖會計處理的堅定承諾，則亦可應用此做法。

任何其他現金流量對沖在其他全面收益累積的金額於對沖現金流量影響損益的同一期間或多個期間內重新分類至損益表為重新分類調整。

終止現金流量對沖會計處理時，倘預期仍會出現對沖未來現金流量，則在其他全面收益內累積的金額必須保留在累積其他全面收益內。否則，有關金額會即時在損益表內重新分類為重新分類調整。終止會計處理後，倘出現對沖現金流旺，任何保留在累積其他全面收益的金額會視乎上述相關交易性質入賬。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments and hedge accounting (continued)

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit or loss as other expenses. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying amount of the hedged item and is also recognised in the statement of profit or loss as other expenses.

For fair value hedges relating to items carried at amortised cost, the adjustment to carrying value is amortised through the 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 statement of profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the statement of profit or loss. The changes in the fair value of the hedging instrument are also recognised in the statement of profit or loss.

Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a similar way to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss.

2.4 重大會計政策概要 (續)

衍生金融工具及對沖會計處理 (續)

公允值對沖

對沖工具的公允值變動於損益表內確認為其他費用。與對沖風險相關的對沖項目公允值變動記錄為對沖項目的部分賬面值，並於損益表內確認為其他費用。

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損益表確認。

當未確認的堅定承諾被指定為對沖項目時，其後將與對沖風險相關的堅定承諾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表內確認。對沖工具的公允值變動亦於損益表內確認。

對沖投資淨額

對沖對海外業務的投資淨額(包括入賬為投資淨額部分的貨幣項目)按類似現金流量對沖的方式入賬。有關對沖有效部分的對沖工具收益或虧損於其他全面收益內確認，而任何有關無效部分的收益或虧損則於損益表內確認。出售海外業務時，任何於股權內記錄的該等收益或虧損累計值轉撥至損益表。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments and hedge accounting (continued)

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)

衍生金融工具及對沖會計處理 (續)

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。

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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

Raw milk

Agricultural produce represents raw milk. Raw milk is recognised at the point of harvest at its fair value less costs to sell. The fair value of raw 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 overheads based on the normal operating capacity on a weighted average basis. |

Net realisable value is based on 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以所產生的折舊開支、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

原奶

農產品指原奶。原奶於出產時按公允值減銷售成本確認。原奶的公允值按當地市價釐定。

存貨

存貨以其成本值與可變現淨值兩者中的較低數額列賬。

將各產品運至現址並達致現狀產生的成本的會計處理方法如下：

- | | | |
|-----|---|---|
| 原材料 | — | 成本(按加權平均法計算)； |
| 成品 | — | 直接材料及直接人工成本，以及根據正常運作量比例計算的生產經常費用(按加權平均法計算)。 |

可變現淨值按估計售價減去完工及銷售所需的任何估計成本釐定。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the consolidated statement of profit or loss.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognised in accordance with the general policy for provisions above; and (ii) the amount initially recognised less, when appropriate, the amount of income recognised in accordance with the policy for revenue recognition.

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.

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政策確認的金額；及(ii)初始確認金額扣減按照收入確認政策確認的收入金額（如適用）中較高者計量。

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。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

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.

Deferred tax assets are recognised for all deductible temporary differences, and 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:

2.4 重大會計政策概要 (續)

所得稅 (續)

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。

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：

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred income tax (continued)

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if 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.

2.4 重大會計政策概要 (續)

所得稅 (續)

遞延所得稅 (續)

- 倘若有關可扣減暫時性差異的遞延稅項資產的起因，是產生於非業務合併交易中資產或負債的初始確認，而且在交易時，對會計利潤或應課稅利潤或虧損均無影響；及
- 對於涉及子公司、聯營公司及合營企業的投資的可扣減暫時性差異，只有在暫時性差異有可能在可預見將來撥回，而且日後有可能出現應課稅利潤，可用以抵扣該等暫時性差異時，方會確認遞延稅項資產。

遞延稅項資產的賬面值，在各自報告期末予以審閱。若不再可能有足夠應課稅利潤用以抵扣遞延稅項資產的全部或部分金額，則扣減遞延稅項資產賬面值。並無確認的遞延稅項資產，在各自報告期末重新評估，若可能有足夠應課稅利潤可供收回全部或部分遞延稅項資產，則予確認。

變現資產或清償負債的期間預期適用的稅率，會用作計量遞延稅項資產及負債，並以報告期末已經頒佈或實質上已經頒佈的稅率（及稅法）為基準。

倘若（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。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government grants

Grants relating to biological assets

An unconditional government grant related to a biological asset measured at its fair value less costs to sell is recognised in the consolidated statement of profit or loss when, and only when, the government grant becomes receivable. If a government grant related to a biological asset measured at its fair value less costs to sell is conditional, the Group recognises the government grant in the consolidated statement of profit or loss when, and only when, the conditions attaching to the government grant are met.

Other grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the consolidated statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the consolidated statement of profit or loss by way of a reduced depreciation charge.

Where the Group receives grants of non-monetary assets, the grants are recorded at the fair value of the non-monetary assets and released to the consolidated statement of profit or loss over the expected useful lives of the relevant assets by equal annual instalments.

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.

2.4 重大會計政策概要 (續)

政府補助金

與生物資產有關的補助金

與按公允值減銷售成本計量的生物資產有關的無條件政府補助金於(及只會於)預期可收到時在綜合損益表確認。倘與按公允值減銷售成本計量的生物資產有關的政府補助金為有條件，本集團則於(及只會於)符合該政府補助金的附帶條件時在綜合損益表確認該政府補助金。

其他補助金

倘有相當把握將會收到補助金及將符合所有附帶條件時，政府補助金即按公允值確認入賬。若補助金與支出項目有關，即於所擬補償的成本的支銷期間內有系統地確認為收入。

倘補助金與資產有關，即將其公允值計入遞延收益賬戶，並於有關資產的預計可使用年期內，以等額年金調撥往綜合損益表或從資產賬面值中扣減並已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。

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。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

2.4 重大會計政策概要 (續)

收入確認

來自客戶合約的收入

來自客戶合約的收入於商品或服務的控制權轉讓予客戶時確認，該金額能反映本集團預期就交換該等商品或服務有權獲得的代價。

當合約中的代價包含可變金額時，代價金額於本集團向客戶轉讓商品或服務而有權進行交換時估計。可變代價於合約開始時估計並受到約束，直至與可變代價相關的不確定因素其後得到解決時，確認的累積收入金額極有可能不會發生重大收入撥回。

當合約中包含融資成分，該融資成分為客戶提供超過一年的商品或服務轉讓融資的重大利益時，收入按應收款項的現值計量，並使用貼現率折現，而該貼現率將反映在本集團與客戶在合約開始時的單獨交易中。當合約中包含融資部分，該融資部分為在本集團提供了一年以上的重大財務利益時，合約項下確認的收入包括按實際利息法在合約負債上加算的利息開支。就客戶付款至轉讓承諾商品或者服務的期限為一年或者更短的合約而言，交易價格採用國際財務報告準則第15號中實際權宜措施，不會對重大融資部分的影響作出調整。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

- *Sale of goods*
Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

Some contracts for the sale of products provide customers with rights of return. The rights of return give rise to variable consideration.

- *Rights of return*
For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.
- *Consigned processing services*
Revenue from the consigned processing service is recognised when products is delivered.

2.4 重大會計政策概要 (續)

收入確認 (續)

來自客戶合約的收入 (續)

- *銷售商品*
銷售商品的收入於資產控制權轉讓至客戶的時間點確認，一般為交付產品時。

個別銷售產品的合約訂明客戶有權退貨，退貨權利產生可變代價。

- *退貨權利*
就訂明客戶有權於指定期間內退貨的合約，使用預期價值法估計不會被退回的商品，原因是此方法最能預計本集團有權收取的可變代價金額。國際財務報告準則第15號有關限制可變代價估計的規定已應用於釐定計入交易成本內的可變代價金額。預期會被退回的商品會確認有關退款負債，而非收入。退貨權資產（及對銷售成本作出的相應調整）亦就向客戶收回產品的權利予以確認。
- *委託加工服務*
委託加工服務收入於交付產品時確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the 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.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Right-of-return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the goods to be returned, less any expected costs to recover the goods and any potential decreases in the value of the returned goods. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned goods.

2.4 重大會計政策概要 (續)

收入確認 (續)

來自其他來源的收入

租金收入按租期時間比例確認。並非依賴一項指數或比率的可變租賃付款於產生的會計期間確認為收益。

其他收入

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。

股息收入於股東收取付款的權利確立，與股息相關的經濟利益很可能會流向本集團，以及股息金額可可靠地計量時確認。

合約負債

合約負債於本集團轉讓相關貨品或服務前收取或付款予客戶到期時(以較早者為準)確認為合約負債。合約負債於本集團履行合約時(即轉讓相關貨品及服務予客戶)確認為收益。

退貨權資產

退貨權資產確認為有權收回客戶退回的貨品。資產按退回商品的前賬面值計量，減去任何收回商品的預期成本及退回商品的潛在價值減幅。本集團就其預期退貨水平的任何修改及退貨價值額外減幅更新所記錄資產的計量。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

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.

2.4 重大會計政策概要 (續)

退款負債

退款負債確認為向客戶退回部分或全部已收(或應收)代價的責任，按本集團最終預期須向客戶退款的金額計量。本集團於各報告期末更新有關退款負債(及交易價格相應變動)的估計。

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。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

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").

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 42 and 43 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.

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

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」）。

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。公允值乃由外部估值師採用二項計價模式釐定，進一步詳情已於財務報表附註42及43載列。

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。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

Share-based payments (continued)

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.

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.

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)

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。

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導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。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

2.4 重大會計政策概要 (續)

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。

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。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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).

2.4 重大會計政策概要 (續)

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。

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）。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

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 year.

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.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

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)

於終止確認涉及預付代價的非貨幣資產或非貨幣負債時，為了確定相關資產、開支或收入於初始確認時的匯率，初始交易日期為本集團初始確因預付代價產生的非貨幣性資產或非貨幣性負債的日期。倘支付或收受多項預付代價，則本集團就支付或收受每項預付代價確定交易日期。

本集團旗下若干實體的功能貨幣為人民幣以外的貨幣。於本年度，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。

任何由收購海外業務所產生的商譽及任何由收購所產生對資產及負債的賬面值進行公允值調值乃作為海外業務資產及負責處理及按收市匯率進行匯兌。

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。

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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:

Determining the method to estimate variable consideration and assessing the constraint for the sale of dairy products when recognising revenue from contracts with customers

Certain contracts for the sale of goods include a right of return that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

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：

於確認來自客戶合約收入時，釐定估計可變代價的方法及評估出售乳製品的限制

若干出售商品的合約包括退貨權利引發可變代價。於估計可變代價時，本集團須根據何種方法可更好地預測其有權收取的代價金額來使用預期價值法或最可能金額法。

本集團確認，鑑於有大量特徵類似的客戶合約，預期價值法為估計出售有退貨權商品的可變代價時使用的適當方法。

於任何可變代價金額計入交易價格前，本集團會考慮可變代價金額是否受到限制。本集團根據其過經濟、業務預測及當前經濟狀況釐定可變代價的估計是否受到限制。此外，可變代價的不確定因素將於短時間內解決。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Judgements (continued)

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 whose equity interests are directly held by overseas parent companies according to the relevant tax jurisdictions is subject to judgement on the timing of the payment of the dividends or on whether those overseas parent companies will be determined to be Chinese resident enterprises by the PRC governing tax authorities in the future. Except for certain subsidiaries with equity interest directly held by overseas third party shareholders, which distributed dividends during 2019, management considered that it is not probable that those PRC subsidiaries will distribute profits earned from 1 January 2008 to 31 December 2019 in the foreseeable future. For those subsidiaries with equity interest directly held by overseas third party shareholders, withholding tax amounting to RMB6,421,000 was provided based on the expected dividend distribution from retained profit in the foreseeable future. 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.

Property lease classification – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all the fair value of the commercial property, that it retains substantially all the significant risks and rewards incidental to ownership of these properties which are leased out and accounts for the contracts as operating leases.

3. 重大會計判斷及估計 (續)

判斷 (續)

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(其股權由海外母公司直接持有)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該等海外母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。除若干由海外第三方股東直接持有股權的子公司於二零一九年分派股息外，管理層認為在可預見的未來，其他中國子公司將不大可能分派於二零零八年一月一日至二零一九年十二月三十一日所賺取的利潤。就該等由海外第三方股東直接持有股權的子公司而言，將根據預期從保留利潤中分派的股息在可預見的未來計提人民幣6,421,000元的額外預扣稅。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。

經營租賃承擔 – 本集團作為出租人

本集團已就投資物業租合訂立商業物業租賃。根據安排條款及條件進行評估，例如不構成商業物業經濟年期的主要部份及最低租賃付款現值幾乎不等於所有商業物業的公允值，本集團決定其保留該等物業擁有權所附帶的大部份風險及回報，其將租出及將合約歸類為經營租賃。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Judgements (continued)

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 58.15% (2018: 60.77%) equity interest as at 31 December 2019. This is because the Group held less than 50% of the voting rights. Further details are contained in note 23 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.

3. 重大會計判斷及估計 (續)

判斷 (續)

未合併一間本集團持有超過50%股權的實體

儘管其於二零一九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58.15%(二零一八年: 60.77%)股權, 本集團認為其對該公司並無控制權。此乃由於本集團持有少於50%的投票權。進一步詳情載於財務報表附註23。

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。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Variable consideration for sales returns

The Group estimates variable consideration to be included in the transaction price for the sale of goods with rights of return.

The Group developed a statistical model for forecasting sales returns. The model used the historical return data of each product to come up with expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group.

The Group updates its assessment of expected returns semiannually and the refund liabilities are adjusted accordingly. Estimates of expected returns are sensitive to changes in circumstances and the Group's past experience regarding returns entitlements may not be representative of customers' actual returns entitlements in the future. As at 31 December 2019, the amount recognised as refund liabilities was RMB40,246,000 (2018: RMB29,365,000) for the expected returns.

Impairment of goodwill and trademarks with indefinite useful lives

The Group determines whether goodwill and trademarks with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating unit (or group of cash-generating units) to which the goodwill and trademarks with indefinite useful lives are allocated or the fair value of a trademark. 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 Impairment testing 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)

估計的不確定性 (續)

銷售退貨的可變代價

本集團就出售有退貨權商品計入交易價的可變代價作出估計。

本集團為預測銷售退貨製訂統計模式。該模式利用每項產品過往的退貨數據得出預期退貨百分比，再應用有關百分比於釐定可變代價的預期價值。經驗與過往退貨模式之間如有重大變動，均會對本集團估計的預期退貨百分比構成影響。

本集團每半年更新一次有關預期退貨的評估，並據此調整退款負債。預期退貨的估計數字對環境變化相當敏感，本集團過去有關退貨權利的經驗或不能代表客戶未來的實際退貨權利。於二零一九年十二月三十一日，就預期退貨確認為退款負債的金額為人民幣40,246,000元(二零一八年：人民幣29,365,000元)。

商譽及無限使用年期商標減值

本集團每年最少一次釐定商譽及無限使用年期商標是否減值。釐定商譽及無限使用年期商標是否減值須估計獲分派商譽及無限使用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。商譽及無限使用年期商標減值測試詳情請參閱財務報表附註21。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the industry, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 28 to the financial statements.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

3. 重大會計判斷及估計 (續)

估計的不確定性 (續)

應收賬款預期信貸虧損的撥備

本集團採用撥備矩陣計算應收賬款的預期信貸虧損。撥備矩陣最初根據本集團過往觀察所得的欠款比率。本集團按前瞻性資料校正有關矩陣，以調整過往的信貸虧損經驗。例如，倘預期經濟環境預測（即國民生產總值）於下一年度轉差，以致行業的欠款數目增加，便會對過往的欠款比率作出調整。於各報告期末，過往觀察所得的欠款比率均會更新，並分析前瞻性估計的變動。

過往觀察所得的欠款比率、經濟環境預測與預期信貸虧損之間的相互關係評估是一項重要估計。預期信貸虧損的金額對環境變化及經濟環境預測相當敏感。本集團過去的信貸虧損經驗及經濟環境預測或不能代表客戶未來的實際欠款情況。有關本集團應收賬款預期信貸虧損的資料披露於財務報表附註28。

租賃 – 估計增量借貸利率

本集團無法輕易釐定租賃內所隱含的利率，因此，使用增量借貸利率（「增量借貸利率」）計量租賃負債。增量借貸利率為本集團於類似經濟環境中為取得與使用權資產價值相近之資產，而於類似期間以類似抵押品借入所需資金應支付之利率。因此，增量借貸利率反映了本集團「應支付」利率，當無可觀察利率時（如就並無訂立融資交易之子公司而言），或當須對利率進行調整以反映租賃之條款及條件時（如當租賃並非以子公司之功能貨幣訂立時），則須作出利率估計。當可觀察輸入數據可用時，本集團使用可觀察輸入數據（如市場利率）估算增量借款利率並須作出若干實體特定的估計（例如子公司獨立的信貸評級）。

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 (including the right-of-use 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 (商譽及無限使用年期商標除外) 減值

於每個報告期末，本集團評估所有非金融資產 (包括使用權資產) 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。

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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 24 to the financial statements.

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 42 and 43 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 25.

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24。

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42及43。

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25。

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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, non-lease-related finance costs, share of profits/losses of associates and a joint venture, gain on disposal of subsidiaries, 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、應佔聯營公司及一間合營企業利潤／虧損、出售子公司收益、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。

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4. OPERATING SEGMENT INFORMATION

(continued)

Year ended 31 December 2019

4. 經營分部資料 (續)

截至二零一九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 (note 5)	分部收入 (附註5)					
Sales to external customers	銷售予外部客戶分部間銷售	67,877,807	2,561,406	7,869,685	720,958	79,029,856
Intersegment sales	分部收益	740,894	87,256	—	291,836	1,119,986
		68,618,701	2,648,662	7,869,685	1,012,794	80,149,842
<i>Reconciliation:</i>	<i>調整:</i>					
Elimination of intersegment sales	對銷分部間銷售					(1,119,986)
Revenue	收入					79,029,856
Segment results	分部業績	3,854,437	(245,748)	(1,875,528)	(154,128)	1,579,033
<i>Reconciliation:</i>	<i>調整:</i>					
Interest income	利息收入					1,104,791
Finance costs (other than interest on lease liabilities)	融資成本 (除租賃負債利息外)					(625,049)
Share of loss of a joint venture	應佔一間合營企業虧損					(9,160)
Share of profits of associates	應佔聯營公司利潤					184,224
Gains on disposal of subsidiaries	出售或注銷子公司收益					3,418,082
Corporate and other unallocated expenses	公司及其他不分部支出					(46,474)
Profit before tax	稅前利潤					5,605,447
Income tax expense	所得稅支出					(1,309,532)
Profit for the year	本期利潤					4,295,915
Segment assets	分部資產	48,535,451	2,130,507	18,482,392	996,003	70,144,353
<i>Reconciliation:</i>	<i>調整:</i>					
Elimination of intersegment receivables	對銷分部間應收款項					(21,812,835)
Corporate and other unallocated assets	公司及其他不分部的資產					30,205,887
Total assets	總資產					78,537,405
Segment liabilities	分部負債	26,976,478	2,815,865	10,915,889	1,366,737	42,074,969
<i>Reconciliation:</i>	<i>調整:</i>					
Elimination of intersegment payables	對銷分部間應付款項					(21,812,835)
Corporate and other unallocated liabilities	公司及其他不分部的負債					24,927,934
Total liabilities	總負債					45,190,068

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4. OPERATING SEGMENT INFORMATION

(continued)

Year ended 31 December 2019

4. 經營分部資料 (續)

截至二零一九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
Other segment information:	其他分部資料：					
Depreciation and amortisation	折舊及攤銷	1,788,137	72,645	131,415	31,943	2,024,140
Unallocated amounts	不分部金額					235,767
Total depreciation and amortisation	總折舊及攤銷					2,259,907
Capital expenditure	資本支出	2,191,159	40,906	9,021,047	11,481	11,264,593
Unallocated amounts	不分部金額					267,697
Total capital expenditure*	總資本支出*					11,532,290
Impairment losses recognised in the consolidated statement of profit or loss	於綜合損益表確認的減值虧損	341,662	19,230	2,589,741	—	2,950,633
Impairment losses reversed in the consolidated statement of profit or loss	於綜合損益表撥回的減值虧損	(24,141)	(12)	(292)	—	(24,445)
Impairment losses recognised in the consolidated statement of profit or loss, net	於綜合損益表確認的減值虧損淨額	317,521	19,218	2,589,449	—	2,926,188
Expense relating to share option scheme and share award scheme	涉及購股權計劃及股票獎勵計劃的開支	49,965	870	18,307	1,947	71,089
Unallocated amounts	不分配金額					225,144
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					296,233

31 December 2019 於二零一九年十二月三十一日

4. OPERATING SEGMENT INFORMATION

(continued)

Year ended 31 December 2018

4. 經營分部資料 (續)

截至二零一八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 (note 5)	分部收入 (附註5)					
Sales to external customers	銷售予外部客戶分部間銷售	59,388,601	2,723,407	6,017,417	847,641	68,977,066
Intersegment sales	分部收益	624,098	112,660	—	404,774	1,141,532
		60,012,699	2,836,067	6,017,417	1,252,415	70,118,598
<i>Reconciliation:</i>	<i>調整:</i>					
Elimination of intersegment sales	對銷分部間銷售					(1,141,532)
Revenue	收入					68,977,066
Segment results	分部業績	3,531,601	(73,881)	207,991	(30,665)	3,635,046
<i>Reconciliation:</i>	<i>調整:</i>					
Interest income	利息收入					868,257
Finance costs	融資成本					(550,662)
Share of losses of associates	應佔聯營公司虧損					(299,935)
Corporate and other unallocated expenses	公司及其他不分部支出					200,016
Profit before tax	稅前利潤					3,852,722
Income tax expense	所得稅支出					(649,001)
Profit for the year	本期利潤					3,203,721
Segment assets	分部資產	41,610,178	1,976,935	15,468,072	670,430	59,725,615
<i>Reconciliation:</i>	<i>調整:</i>					
Elimination of intersegment receivables	對銷分部間應收款項					(13,248,319)
Corporate and other unallocated assets	公司及其他不分部的資產					19,979,961
Total assets	總資產					66,457,257
Segment liabilities	分部負債	20,424,553	2,382,259	5,118,045	1,119,178	29,044,035
<i>Reconciliation:</i>	<i>調整:</i>					
Elimination of intersegment payables	對銷分部間應付款項					(13,248,319)
Corporate and other unallocated liabilities	公司及其他不分部的負債					20,197,262
Total liabilities	總負債					35,992,978

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4. OPERATING SEGMENT INFORMATION

(continued)

Year ended 31 December 2018

4. 經營分部資料 (續)

截至二零一八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
Other segment information:	其他分部資料：					
Depreciation and amortisation	折舊及攤銷	1,179,948	124,191	211,744	36,343	1,552,226
Unallocated amounts	不分部金額					286,225
Total depreciation and amortisation	總折舊及攤銷					1,838,451
Capital expenditure	資本支出	2,826,508	241,828	408,972	10,823	3,488,131
Unallocated amounts	不分部金額					284,137
Total capital expenditure*	總資本支出*					3,772,268
Impairment losses recognised in the consolidated statement of profit or loss	於綜合損益表確認的減值虧損	96,430	1,755	47,699	64	145,948
Impairment losses reversed in the consolidated statement of profit or loss	於綜合損益表撥回的減值虧損	(2,657)	—	(17,908)	(44)	(20,609)
Impairment losses recognised in the consolidated statement of profit or loss	於綜合損益表確認的減值虧損	93,773	1,755	29,791	20	125,339
Expense relating to share option scheme and share award scheme	涉及購股權計劃及股票獎勵計劃的開支	82,718	10,184	7,272	1,300	101,474
Unallocated amounts	不分配金額					54,915
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					156,389

* 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.

* 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。

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4. OPERATING SEGMENT INFORMATION

(continued)

Geographical information**a. Revenue from external customers**

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Mainland China	中國大陸	78,318,808	68,553,816
Overseas	海外地區	711,048	423,250
		79,029,856	68,977,066

The revenue information above is based on the locations of the customers.

b. Non-current assets

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Mainland China	中國大陸	27,430,485	32,269,672
Overseas	海外地區	7,685,049	1,244,498
		35,115,534	33,514,170

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

There was no sales to a single customer which accounted for 10% or more of the Group's revenue for the years ended 31 December 2019 and 2018.

4. 經營分部資料 (續)**地區資料****a. 來自外部客戶的收入**

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Mainland China	中國大陸	78,318,808	68,553,816
Overseas	海外地區	711,048	423,250
		79,029,856	68,977,066

以上的收入資料乃根據客戶的地點劃分。

b. 非流動資產

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Mainland China	中國大陸	27,430,485	32,269,672
Overseas	海外地區	7,685,049	1,244,498
		35,115,534	33,514,170

以上非流動資產的資料乃根據資產的地點劃分，不包括金融工具及遞延稅項資產。

主要客戶資料

截至二零一九年及二零一八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。

31 December 2019 於二零一九年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS 5. 收入、其他收入及收益

An analysis of the revenue is as follows:

收入的分析如下：

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Revenue from contracts with customers: 來自客戶合約的收入：		
Sale of goods 銷售貨物	78,980,627	68,895,850
Consigned processing services 委託加工服務	49,229	81,216
	79,029,856	68,977,066

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2019

來自客戶合約的收入

(i) 分類收入信息

截至二零一九年十二月三十一日止年度

Segments	分部	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
Type of goods or services:	商品或服務種類：					
Sales of goods	銷售貨物	67,848,806	2,561,406	7,849,457	720,958	78,980,627
Consigned processing service	委託加工服務	29,001	-	20,228	-	49,229
Total revenue from contracts with customers	來自客戶合約的總收入	67,877,807	2,561,406	7,869,685	720,958	79,029,856
Geographical markets:	地區市場：					
Mainland China	中國大陸	67,838,380	2,561,406	7,198,064	720,958	78,318,808
Overseas	海外地區	39,427	-	671,621	-	711,048
Total revenue from contracts with customers	來自客戶合約的總收入	67,877,807	2,561,406	7,869,685	720,958	79,029,856
Timing of revenue recognition:	確認收入的時間：					
Goods transferred at a point in time	於某一時間點轉讓的商品	67,848,806	2,561,406	7,849,457	720,958	78,980,627
Services transferred at a point in time	於某一時間點轉讓的服務	29,001	-	20,228	-	49,229
Total revenue from contracts with customers	來自客戶合約的總收入	67,877,807	2,561,406	7,869,685	720,958	79,029,856

31 December 2019 於二零一九年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS

(continued)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

For the year ended 31 December 2018

Segments	分部	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
Type of goods or services:	商品或服務種類：					
Sales of goods	銷售貨物	59,388,601	2,723,407	5,936,201	847,641	68,895,850
Consigned processing service	委託加工服務	—	—	81,216	—	81,216
Total revenue from contracts with customers	來自客戶合約的總收入	59,388,601	2,723,407	6,017,417	847,641	68,977,066
Geographical markets:	地區市場：					
Mainland China	中國大陸	59,387,638	2,723,407	5,595,130	847,641	68,553,816
Overseas	海外地區	963	—	422,287	—	423,250
Total revenue from contracts with customers	來自客戶合約的總收入	59,388,601	2,723,407	6,017,417	847,641	68,977,066
Timing of revenue recognition:	確認收入的時間：					
Goods transferred at a point in time	於某一時間點轉讓的商品	59,388,601	2,723,407	5,936,201	847,641	68,895,850
Services transferred at a point in time	於某一時間點轉讓的服務	—	—	81,216	—	81,216
Total revenue from contracts with customers	來自客戶合約的總收入	59,388,601	2,723,407	6,017,417	847,641	68,977,066

5. 收入、其他收入及收益 (續)

來自客戶合約的收入 (續)

(i) 分類收入信息 (續)

截至二零一八年十二月三十一日止年度

31 December 2019 於二零一九年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS

(continued)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

For the year ended 31 December 2019

Segments	分部	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
Revenue from contracts with customers	來自客戶合約的收入					
<i>External customers</i>	外部客戶	67,877,807	2,561,406	7,869,685	720,958	79,029,856
Intersegment sales	分部間銷售	740,894	87,256	—	291,836	1,119,986
Intersegment adjustments and eliminations	分部間調整及對銷	68,618,701 (740,894)	2,648,662 (87,256)	7,869,685 —	1,012,794 (291,836)	80,149,842 (1,119,986)
Total revenue from contracts with customers	來自客戶合約的總收入	67,877,807	2,561,406	7,869,685	720,958	79,029,856

截至二零一九年十二月三十一日止年度

For the year ended 31 December 2018

Segments	分部	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
Revenue from contracts with customers	來自客戶合約的收入					
<i>External customers</i>	外部客戶	59,388,601	2,723,407	6,017,417	847,641	68,977,066
Intersegment sales	分部間銷售	624,098	112,660	—	404,774	1,141,532
Intersegment adjustments and eliminations	分部間調整及對銷	60,012,699 (624,098)	2,836,067 (112,660)	6,017,417 —	1,252,415 (404,774)	70,118,598 (1,141,532)
Total revenue from contracts with customers	來自客戶合約的總收入	59,388,601	2,723,407	6,017,417	847,641	68,977,066

截至二零一八年十二月三十一日止年度

31 December 2019 於二零一九年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS*(continued)***Revenue from contracts with customers** *(continued)***(i) Disaggregated revenue information** *(continued)*

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	於報告期初計入合約負債之收入確認：		
Sale of goods	銷售商品	3,332,929	1,843,166
Revenue recognised from performance obligation satisfied in previous periods:	於過往期間達成的履約責任之收入確認：		
Sale of goods not previously recognised due to constraints on variable consideration	由於代價限制過往尚未確認之商品銷售	29,365	36,894

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sales of goods

The performance obligation is satisfied upon delivery of the goods and payment is paid in advance or due within a credit limits which is adjustable in certain circumstances. Some contracts provide customers with a right of return which give rise to variable consideration subject to constraint.

5. 收入、其他收入及收益 *(續)***來自客戶合約的收入** *(續)***(i) 分類收入信息** *(續)*

下表顯示於本報告期間收入確認之金額，其於報告期初計入合約負債及於過往期間達成的履約責任確認：

(ii) 履行責任

有關本集團履行責任的資料概述如下：

銷售貨物

履行責任於交付貨品及於可予調整的信貸期限內預先或到期支付款項時達成。個別合約訂明客戶有權退貨，產生須受限制的可變代價。

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5. REVENUE, OTHER INCOME AND GAINS

(continued)

Revenue from contracts with customers (continued)**(ii) Performance obligations** (continued)*Consigned processing service*

The performance obligation is satisfied upon completion of the consigned processing service and delivery of the processed products and payment is generally due within 90 days from delivery.

Other income and gains**5. 收入、其他收入及收益** (續)

來自客戶合約的收入 (續)

(ii) 履行責任 (續)*委託加工服務*

履行責任於完成委託加工服務完成及交付加工產品後達成，款項一般於送貨後90日內到期。

其他收入及收益

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
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 37)	— 與確認遞延收入有關 (附註37)	174,895	115,945
— Biological assets and income (note a)	— 與生物資產及收入有關 (註a)	265,618	203,667
Gain on disposal of a disposal group classified as held for sale (note 12)	出售分類為持有待售的處置組收益 (附註12)	—	44,147
Gains on disposal of subsidiaries (note 46)	出售或註銷子公司收益 (附註46)	3,418,082	—
Gross rental income (note 18)	租金總收入 (附註18)	43,666	49,280
Foreign exchange gains, net	匯兌收益淨額	42,575	14,384
Net fair value gain on forward currency contracts (note 35(b))	遠期外幣合約公允值收益淨額 (附註35(b))	23,308	2,232
Net fair value gain on exchangeable bonds (note 33(d))	可交換債券公允值收益淨額 (附註33(d))	—	58,009
Net fair value gain on a convertible promissory note (note 26(c))	可換股承兌票據之公允值收益淨額 (附註26(c))	—	61
Net fair value gain on unlisted equity investment	非上市股本投資之公允值收益淨額	42,479	—
Net fair value gain on subscription right of warrants (note 26(e))	認股權證之認購權之公允值收益淨額 (附註26(e))	—	5,593
Gain on re-measurement of an equity interest in an associate upon business acquisition (note b)	於業務收購後重新計量聯營公司股權的收益 (註b)	—	101,038
Others	其他	90,265	141,899
		4,100,888	736,255

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5. REVENUE, OTHER INCOME AND GAINS

(continued)

Other income and gains (continued)

Notes:

- (a) The government grants in the form of cash donations have been received for the Group's contribution to the development of the local dairy industry. There are no unfulfilled conditions or contingencies attaching to these grants.
- (b) During 2018, Junlebao acquired an additional 43.41% equity interest in Banner Baby Dairy Co., Ltd. ("Banner Dairy") from third parties, increasing Junlebao's interest in Banner Dairy to 65.16%. After the acquisition, the Group controlled Banner Dairy and accordingly consolidated Banner Dairy. On the acquisition date, the Group re-measured its previously held equity interest in Banner Dairy at fair value and recognised a gain of RMB101,038,000 in the consolidated statement of profit or loss. Further details of the acquisition are included in note 45 to the financial statements.

5. 收入、其他收入及收益 (續)

其他收入及收益 (續)

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) 於二零一八年，君樂寶向第三方收購旗幟嬰兒乳品股份有限公司（「旗幟乳品」）額外43.41%權益，令君樂寶於旗幟乳品的權益增加至65.16%。於收購後，本集團控制旗幟乳品並因此合併旗幟乳品。於收購日，本集團公允值重新計量過往於旗幟乳品持有的股權，於綜合損益表確認人民幣101,038,000元的收益。進一步收購詳情已納入財務報表附註45。

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6. OTHER EXPENSES

6. 其他費用

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Donations	捐贈支出	20,286	28,637
Fair value change of biological assets (note 25)	生物資產公允值變動 (附註25)	171,902	152,777
Loss on disposal of items of property, plant and equipment	處置物業、廠房及設備虧損	78,618	29,981
Impairment of goodwill (notes 19 & 21)	商譽減值(附註19及21)	2,363,909	—
Impairment of other intangible assets (note 20)	其他無形資產減值 (附註20)	196,035	4,761
Impairment of construction in progress (note 16)	在建工程減值(附註16)	1,653	—
Impairment of property, plant and equipment (note 15)	物業、廠房及設備減值 (附註15)	41,754	—
Write-down of inventories to net realisable value (note 27)	存貨撇減至可變現淨值 (附註27)	74,482	35,316
Educational surcharges, city construction tax, and other taxes	教育附加費、城市維護建設稅及其他稅項	477,679	490,977
Loss on disposal of a subsidiary	出售或註銷子公司虧損	—	15,054
Net fair value loss on a convertible promissory note (note 26(c))	可換股承兌票據之公允值虧損淨額(附註26(c))	1,409	—
Net fair value loss on exchangeable bonds (note 33(d))	可交換債券公允值虧損淨額(附註33(d))	77,988	—
Net fair value loss on warrants and subscription rights of warrants (note 26(e))	認股權證及認股權證認購權之公允值虧損淨額(附註26(e))	61,500	—
Others	其他	124,662	93,713
		3,691,877	851,216

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7. PROFIT BEFORE TAX

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

7. 稅前利潤

本集團的稅前利潤乃經扣除/(計入)下列各項後計算所得：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cost of inventories sold	銷售存貨成本	49,310,312	43,139,041
Realised and unrealised fair value gains of commodity futures contracts, net (note 35(c))	變現及未變現商品期貨合約公允值收益淨額(附註35(c))	—	(6,394)
Cost of consigned processing services	委託加工服務成本	40,930	60,793
Cost of sales	銷售成本	49,351,242	43,193,440
Employee benefit expense (including directors' and chief executive's remuneration as disclosed in note 9)	僱員福利費用(包括附註9披露的董事及主要行政人員薪酬)		
— Wages, salaries, housing benefits and other allowances	— 工資、薪金、住房福利及其他津貼	6,254,984	5,616,109
— Retirement benefit contributions	— 退休福利供款	530,600	476,061
— Share option scheme expense (note 42)	— 購股權計劃開支(附註42)	166,651	51,199
— Share award scheme expense (note 43)	— 股票獎勵計劃開支(附註43)	129,582	105,190
		7,081,817	6,248,559
Impairment of financial and contract asset, net:	金融及合約資產減值淨額：		
Impairment of trade receivables, net (note 28)	貿易應收款項減值淨額(附註28)	233,856	83,900
Impairment of financial assets included in prepayments, other receivables and other assets, net	計入預付款項、其他應收款項及其他資產的金融資產減值淨額	1,524	1,362
Impairment of financial assets included in other financial assets, net (note 26(g))	計入其他金融資產的金融資產減值淨額(附註26(g))	12,975	—
		248,355	85,262

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7. PROFIT BEFORE TAX (continued)

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

7. 稅前利潤 (續)

本集團的稅前利潤乃經扣除/(計入)下列
各項後計算所得:(續)

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Impairment of goodwill (notes 19 & 21)	商譽減值(附註19及21)	2,363,909	—
Impairment of other intangible assets (note 20)	其他無形資產減值 (附註20)	196,035	4,761
Impairment of construction in progress (note 16)	在建工程減值(附註16)	1,653	—
Impairment of property, plant and equipment (note 15)	物業、廠房及設備減值 (附註15)	41,754	—
Depreciation of items of property, plant and equipment (note 15)	物業、廠房及設備折舊 (附註15)	1,945,804	1,738,806
Depreciation of right-of-use assets (note 18)	使用權資產折舊(附註18)	220,068	—
Depreciation of investment properties (note 17)	投資物業折舊(附註17)	4,037	3,937
Amortisation of land use rights (note 18)	土地使用權攤銷(附註18)	—	28,843
Amortisation of other intangible assets (note 20)	其他無形資產攤銷 (附註20)	89,998	66,865
Research and development costs — current year expenditure	本年研究開發費用	205,041	159,035
Outsourcing expense (note a)	外包費用(註a)	181,993	185,884
Lease payments not included in the measurement of lease liabilities (note b)	不計入租賃負債計量的 租賃付款(註b)	264,333	—
Minimum lease payments under operating leases	經營租賃最低租金	—	278,395
Auditor's remuneration (note c)	核數師酬金(註c)	17,055	8,930

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7. PROFIT 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) The Group recognised rental expenses from short-term leases of RMB201,200,000, leases of low-value assets of RMB25,002,000 and variable lease payments not based on index or rate of RMB38,131,000 for the year ended 31 December 2019. Further details of which are given in note 18(d) to the financial statements.
- (c) 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 RMB2,944,000 (2018: RMB2,983,000) paid/payable as auditor's remuneration during the year.

8. FINANCE COSTS

An analysis of finance costs is as follows:

7. 稅前利潤 (續)

註：

- (a) 為了促進營運效率，本集團外包若干產品的生產。該金額指本集團就購買該等外包服務支付的總額。
- (b) 本集團截至二零一九年十二月三十一日止年度確認人民幣201,200,000元的短期租賃支出、人民幣25,002,000元的低價值資產租賃支出及人民幣38,131,000元並非根據某一指數或比率的可變租賃付款支出。有關進一步詳情載於財務報表附註18(d)。
- (c) 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的子公司雅士利本年已付／應付核數師酬金人民幣2,944,000元（二零一八年：人民幣2,983,000元）。

8. 融資成本

融資成本的分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Interest on bank loans	銀行貸款利息	370,238	376,147
Interest on other borrowings (excluding lease liabilities)	其他借貸利息（不包括租賃負債）	238,716	164,767
Interest on lease liabilities (note 18)	租賃負債利息（附註18）	19,153	—
Interest on long term payables	長期應付款項利息	400	1,458
Net fair value loss on interest rate forward contracts (note 35 (b))	利率遠期合約的公允值虧損淨額（附註35 (b)）	15,695	8,290
		644,202	550,662

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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：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Fees	袍金	976	1,126
Other emoluments	其他酬金		
— 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	8,614	8,968
— Performance related bonuses	— 與業績有關的獎金	4,368	7,148
— Retirement benefit contributions	— 退休福利供款	192	231
		14,150	17,473

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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
2019	二零一九年						
Executive directors	執行董事						
– Mr. Jeffrey, Minfang Lu	– 盧敏放先生	(b)/(c)/(d)	–	7,038	4,368	105	11,511
– Mr. Meng Fanjie	– 孟凡傑先生	(a)/(b)	–	776	–	72	848
– Ms. Wu Wenting	– 吳文婷女士	(a)/(b)	–	800	–	15	815
Non-executive directors	非執行董事						
– Mr. Chen Lang	– 陳朗先生	(a)/(b)	–	–	–	–	–
– Mr. Yu Xubo	– 于旭波先生	(a)/(b)	–	–	–	–	–
– Mr. Ma Jianping	– 馬建平先生	(a)/(b)	–	–	–	–	–
– Mr. Niu Gensheng	– 牛根生先生		150	–	–	–	150
– Mr. Tim Ørting Jørgensen	– Tim Ørting Jørgensen先生		150	–	–	–	150
– Mr. Pascal De Petrini	– Pascal De Petrini先生		150	–	–	–	150
Independent non-executive directors	獨立非執行董事						
– Mr. Jiao Shuge	– 焦樹閣先生	(b)	–	–	–	–	–
– Mr. Julian Juul Wolhardt	– Julian Juul Wolhardt先生	(b)	–	–	–	–	–
– Mr. Zhang Xiaoya	– 張曉亞先生		263	–	–	–	263
– Mr. Yau Ka Chi	– 邱家賜先生		263	–	–	–	263
			976	8,614	4,368	192	14,150

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

9. 董事及主要行政人員薪酬 (續)

			Basic salaries, housing benefits, other allowances and benefits in kind 袍金 實物利益 其他津貼及 基本薪金、 住房福利、 其他津貼及 袍金 RMB'000 人民幣千元	Fees Fees 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	
Notes 附註								
2018		二零一八年						
Executive directors		執行董事						
— Mr. Jeffrey, Minfang Lu		— 盧敏放先生	(b)/(c)/(d)	—	7,023	5,498	100	12,621
— Ms. Wu Wenting		— 吳文婷女士	(a)/(b)	—	1,922	1,650	125	3,697
Non-executive directors		非執行董事						
— Mr. Ma Jianping		— 馬建平先生	(a)	150	—	—	—	150
— Mr. Niu Gensheng		— 牛根生先生		150	23	—	6	179
— Mr. Tim Ørting Jørgensen		— Tim Ørting Jørgensen先生		150	—	—	—	150
— Mr. Pascal De Petrini		— Pascal De Petrini先生		150	—	—	—	150
Independent non-executive directors		獨立非執行董事						
— Mr. Jiao Shuge		— 焦樹閣先生	(b)	—	—	—	—	—
— Mr. Julian Juul Wolhardt		— Julian Juul Wolhardt先生	(b)	—	—	—	—	—
— Mr. Zhang Xiaoya		— 張曉亞先生		263	—	—	—	263
— Mr. Yau Ka Chi		— 邱家賜先生		263	—	—	—	263
				1,126	8,968	7,148	231	17,473

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

Notes:

- a. Mr. Ma Jianping resigned as a director on 7 January 2019. Mr. Yu Xubo appointed as a director on 7 January 2019 and resigned as a director on 29 April 2019. Mr. Chen Lang was appointed as a director on 29 April 2019. Ms. Wu Wenting resigned as a director on 14 June 2019. Mr. Meng Fanjie was appointed as a director on 14 June 2019.
- b. During 2019, the eight (2018: four) directors agreed to waive their entitlements to directors' fees totaling RMB736,000 (2018: RMB580,000) for the year. Other than the aforementioned, there was no arrangement under which a director waived or agreed to waive any remuneration during the year.
- c. As of 31 December 2019, 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 42 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 were approximately RMB39,126,000 (2018: RMB3,620,000). During 2019, due to the unfulfilment of vesting conditions under share option scheme, the reversed share option benefits relating to the share options granted to Ms. Wu Wenting was approximately RMB378,000. The share option benefits relating to the share options granted to these directors are not included in the above remuneration analysis.
- d. As of 31 December 2019, Mr. Jeffrey, Minfang Lu was granted shares in respect of his services to the Group under the share award scheme of the Company, further details of which are set out in note 43 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 fair value recognised in the consolidated statement of profit or loss relating to the shares granted to Mr. Jeffrey, Minfang Lu was approximately RMB3,593,000 (2018: RMB2,162,000). During 2019, due to the unfulfilment of vesting conditions under share award scheme, there was a reversal of RMB371,000 of the sharebased payment expenses relating to the shares granted to Ms. Wu Wenting. The share award benefits relating to the share award granted to these directors are not included in the above remuneration analysis.

9. 董事及主要行政人員薪酬 (續)

附註：

- a. 馬建平先生於二零一九年一月七日辭任董事一職。于旭波先生二零一九年一月七日獲委任為董事並於二零一九年四月二十九日辭任董事一職。陳朗先生於二零一九年四月二十九日獲委任為董事。吳文婷女士於二零一九年六月十四日辭任董事一職。孟凡傑先生於二零一九年六月十四日獲委任為董事。
- b. 二零一九年內，八位(二零一八年：四位)董事同意放棄其董事袍金，金額合共人民幣736,000元(二零一八年：人民幣580,000元)。除前述者外，本年度並無任何有關董事放棄或同意放棄任何酬金的安排。
- c. 截至二零一九年十二月三十一日，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42。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，授予盧敏放先生的購股權涉及的購股權福利約為人民幣39,126,000元(二零一八年：人民幣3,620,000元)。二零一九年度，由於購股權計劃項下的歸屬條件未獲達成，有關向吳文婷女士授出的購股權涉及的撥回購股權福利約人民幣378,000元。有關授予該等董事購股權的購股權福利並無計入以上薪酬分析。
- d. 截至二零一九年十二月三十一日，盧敏放先生就其對本集團提供的服務獲本公司根據股票獎勵計劃授出股份，詳情載於財務報表附註43。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的股份於綜合損益表確認之公允值約為人民幣3,593,000元(二零一八年：人民幣2,162,000元)。二零一九年度，由於股票獎勵計劃下的歸屬條件未能實現，有關向吳文婷女士授出股份的以股份為基礎的付款費用撥回金額為人民幣371,000元。有關授予的該等董事股票獎勵之股票獎勵福利並無計入以上薪酬分析。

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10. FIVE HIGHEST PAID EMPLOYEES

One (2018: One) of the five highest paid employees was a director whose emoluments have been shown above. Details of emoluments paid to the remaining four (2018: four) non-director, highest paid employees, who are neither a director nor chief executive of the Company are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 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	11,009	11,804
Performance related bonuses	與業績有關的獎金	11,369	11,596
Retirement scheme contributions	退休福利計劃供款	506	501
		22,884	23,901

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

		Number of employees 僱員數目	
		2019 二零一九年	2018 二零一八年
HK\$4,500,001 to HK\$5,000,000	4,500,001港元至5,000,000港元	1	1
HK\$5,000,001 to HK\$5,500,000	5,000,001港元至5,500,000港元	2	1
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	—	—
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	—	1
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	—	—
HK\$8,500,001 to HK\$9,000,000	8,500,001港元至9,000,000港元	—	—
HK\$9,000,001 to HK\$9,500,000	9,000,001港元至9,500,000港元	—	—
HK\$9,500,001 to HK\$10,000,000	9,500,001港元至10,000,000港元	—	—
HK\$10,000,001 to HK\$10,500,000	10,000,001港元至10,500,000港元	—	—
HK\$10,500,001 to HK\$11,000,000	10,500,001港元至11,000,000港元	1	—
HK\$11,000,001 to HK\$11,500,000	11,000,001港元至11,500,000港元	—	1
		4	4

10. 五位最高薪僱員

五位最高薪僱員包括一位(二零一八年：一位)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(二零一八年：四位)非董事、最高薪僱員(非本公司董事或總裁)的酬金如下：

酬金列入以下組別的最高薪非董事僱員的數目如下：

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10. FIVE HIGHEST PAID EMPLOYEES (continued)

During the year, share options were granted to four (2018: four) non-director, highest paid employees in respect of their services to the Group, further details of which are set out in note 42 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 RMB30,005,000 (2018: RMB4,457,000) 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 (2018: four) 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 43 to the financial statements. During the year, the share-based payment expenses relating to the shares granted to non-director, highest paid employees were approximately RMB6,301,000 (2018: a reversal of RMB4,609,000) 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.

10. 五位最高薪僱員 (續)

年內，四名(二零一八年：四名)最高薪非董事僱員就其對本集團的服務獲授購股權(有關詳情在財務報表附註42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30,005,000元(二零一八年：人民幣4,457,000元)。上述分析並無包括有關向該等最高薪非董事僱員授出購股權的購股權福利。

年內，四名(二零一八年：四名)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43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費用共計約人民幣6,301,000元(二零一八年：撥回人民幣4,609,000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。

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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% (2018: 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%(二零一八年：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。

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Current income tax	即期所得稅		
Current charge for the year	即期所得稅支出	1,486,936	895,334
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	14,924	7,617
Deferred income tax (note 24)	遞延所得稅(附註24)	(192,328)	(253,950)
		1,309,532	649,001

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11. INCOME TAX EXPENSE (continued)

A reconciliation of the income tax expense applicable to profit 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	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Profit before tax	稅前利潤		5,605,447	3,852,722
At CIT rate of 25% (2018: 25%)	按25% (二零一八年：25%) 企業所得稅稅率計算		1,401,362	963,181
Non-deductible items and others, net	不可抵扣的項目及其他 (淨額)		213,660	23,793
Impairment of goodwill and trademarks with indefinite useful lives	商譽及無限使用年期商標		638,769	—
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		14,924	7,617
Effect of lower tax rates	低稅率的影響	(a)	(742,602)	(301,467)
Effect of tax exemptions	稅務豁免的影響	(a)	(394,255)	(199,138)
Losses/(gains) attributable to a joint venture and associates	一間合營企業及聯營公司應佔虧損/(收益)		(43,766)	74,984
Tax losses utilised from previous periods	使用以往期間稅務虧損		(107,686)	(79,219)
Tax losses not recognised	未確認稅務虧損		329,126	159,250
At the effective income tax rate of 23.36% (2018: 16.85%)	按23.36% (二零一八年：16.85%) 實際所得稅稅率計算		1,309,532	649,001

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11. INCOME TAX EXPENSE (continued)

Notes:

- (a) Fifteen (2018: 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.”

Thirty (2018: Thirty) 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 RMB6,684,910,000 (2018: RMB3,392,397,000) in aggregate.

- (b) The share of tax attributable to a joint venture and associates amounting to approximately RMB4,568,000 (2018: RMB6,949,000) is included in “Share of profits and losses of joint ventures and associates” in the consolidated statement of profit or loss.

12. A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 22 December 2017, Yashili entered into an agreement to dispose of a piece of land, together with the property, plant and equipment on the land of Scient (China) Baby Nourishment Co., Ltd. (“Scient China”). As such, as at 31 December 2017, the related assets and liabilities were classified as a disposal group held for sale. As at 31 December 2018, the transaction had been completed with a disposal gain of RMB44,147,000 recognised in other income and gains (note 5) of the Group.

11. 所得稅支出 (續)

附註：

- (a) 十五間(二零一八年：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。

三十間(二零一八年：三十間)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6,684,910,000元(二零一八年：人民幣3,392,397,000元)。

- (b) 一間合營企業及聯營公司應佔稅項約人民幣4,568,000元(二零一八年：人民幣6,949,000元)，已計入綜合損益表的應佔合營企業及聯營公司收益及虧損內。

12. 分類為持有待售的處置組

於二零一七年十二月二十二日，雅士利訂立協議，出售施恩(中國)嬰幼兒營養品有限公司(「施恩中國」)的一幅土地(連同該土地上的物業、廠房及設備)。因此，於二零一七年十二月三十一日，相關資產及負債分類為持有待售的處置組。於二零一八年十二月三十一日，交易已完成而出售收益人民幣44,147,000元已於本集團其他收入及收益(附註5)確認。

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13. DIVIDENDS

13. 股息

	Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Declared and paid during the year	本年度宣派及支付		
Equity dividends on ordinary shares	普通股股息	708,968	482,827
Proposed for approval at the AGM	提呈於股東週年大會 批准		
Equity dividends on ordinary shares: Proposed final — RMB0.181 (2018: RMB0.181) per ordinary share	普通股股息： 擬派末期股息 — 每股普通股 人民幣0.181元 (二零一八年： 人民幣0.181元)	(a)/(b) 712,238	710,915

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 2019 but will be reflected as an appropriation of share premium account for the year ending 31 December 2020.

附註：

- (a) 擬派年度末期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) 該股息並未於截至二零一九年十二月三十一日止年度的綜合財務報表確認為負債，但將反映為截至二零二零年十二月三十一日止年度的股份溢價分配。

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14. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

(a) Basic earnings per share

The basic earnings per share for the year is calculated by dividing the profit 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 per share amount is as follows:

14. 本公司普通股擁有人應佔每股盈利

(a) 每股基本盈利

本年度每股基本盈利乃根據年內本公司普通股擁有人應佔利潤除以年內已發行普通股的加權平均數計算。

計算每股基本盈利時所用加權平均股份數目調節如下：

		2019 二零一九年 Number of shares 股份數目 '000 千股	2018 二零一八年 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	3,927,708	3,927,361
Effect of share options exercised	已行使購股權的影響	3,496	80
Effect of shares purchased under share award scheme	根據股票獎勵計劃回購股份的影響	(18,053)	(23,131)
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	3,913,151	3,904,310

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14. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (continued)

(b) Diluted earnings per share

The diluted earnings per share is calculated by dividing the profit 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 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.

A 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 (續)

(b) 每股攤薄盈利

每股攤薄盈利乃根據年內本公司普通股擁有人應佔利潤除以用作計算每股基本盈利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。

計算每股攤薄盈利時所用加權平均股份數目調節如下：

		2019 二零一九年 Number of shares 股份數目 '000 千股	2018 二零一八年 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	3,913,151	3,904,310
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	8,125	3,691
Adjustments for share award scheme	就股票獎勵計劃作出的調整	2,605	1,665
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	3,923,881	3,909,666

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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Buildings					Total
		Freehold land structures	Plant and machinery	Office equipment	Motor vehicles		
		永久業權土地	房屋及建築物	廠房及機器	辦公設備	運輸設備	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於二零一九年一月一日						
Cost	成本	51,871	8,538,763	16,957,138	1,438,503	154,467	27,140,742
Accumulated depreciation and impairment	累計折舊及減值	—	(2,434,394)	(9,134,906)	(722,679)	(114,839)	(12,406,818)
Net carrying amount	賬面淨值	51,871	6,104,369	7,822,232	715,824	39,628	14,733,924
At 1 January 2019, net of accumulated depreciation and impairment	於二零一九年一月一日，扣減累計折舊及減值	51,871	6,104,369	7,822,232	715,824	39,628	14,733,924
Additions	添置	—	153,393	246,155	214,123	2,706	616,377
Transfers from construction in progress (note 16)	轉撥自在建工程(附註16)	—	260,841	1,565,299	56,423	2,998	1,885,561
Transfers to construction in progress (note 16)	轉撥至在建工程(附註16)	—	(2,691)	(27,117)	—	—	(29,808)
Transfers from investment properties (note 17)	轉撥自投資物業(附註17)	—	38,670	—	—	—	38,670
Transfers to investment properties (note 17)	轉撥至投資物業(附註17)	—	(42,470)	—	—	—	(42,470)
Acquisition of subsidiaries (note 45)	收購子公司(附註45)	—	222,677	413,662	11,160	489	647,988
Disposal of subsidiaries (note 46)	出售子公司(附註46)	—	(2,589,814)	(1,956,542)	(109,922)	(16,998)	(4,673,276)
Disposals	出售	—	(40,169)	(62,570)	(9,266)	(1,062)	(113,067)
Impairment (note 6)	減值(附註6)	—	(3,779)	(37,435)	(540)	—	(41,754)
Depreciation provided during the year (note 7)	年內折舊撥備(附註7)	—	(438,774)	(1,260,071)	(235,518)	(11,441)	(1,945,804)
Exchange realignment	匯兌調整	1,150	7,117	17,985	109	—	26,361
At 31 December 2019, net of accumulated depreciation and impairment	於二零一九年十二月三十一日，扣減累計折舊及減值	53,021	3,669,370	6,721,598	642,393	16,320	11,102,702
At 31 December 2019	於二零一九年十二月三十一日						
Cost	成本	53,021	6,077,187	15,981,711	1,412,369	92,593	23,616,881
Accumulated depreciation and impairment	累計折舊及減值	—	(2,407,817)	(9,260,113)	(769,976)	(76,273)	(12,514,179)
Net carrying amount	賬面淨值	53,021	3,669,370	6,721,598	642,393	16,320	11,102,702

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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 運輸設備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日						
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
At 1 January 2018, net of accumulated depreciation and impairment	於二零一八年一月一日， 扣減累計折舊及減值	52,286	4,900,663	7,112,947	611,460	38,098	12,715,454
Additions	添置	—	191,416	447,238	254,993	10,120	903,767
Transfers from construction in progress (note 16)	轉撥自在建工程(附註16)	—	484,052	1,042,581	47,345	4,478	1,578,456
Transfers to construction in progress (note 16)	轉撥至在建工程(附註16)	—	(6,687)	(69,191)	(16)	—	(75,894)
Transfers to investment properties (note 17)	轉撥至投資物業(附註17)	—	(18,389)	—	—	—	(18,389)
Acquisition of subsidiaries	收購子公司	—	958,141	508,710	23,915	1,296	1,492,062
Disposals	出售	—	(15,358)	(85,413)	(11,975)	(988)	(113,734)
Depreciation provided during the year (note 7)	年內折舊撥備(附註7)	—	(386,647)	(1,128,909)	(209,877)	(13,373)	(1,738,806)
Exchange realignment	匯兌調整	(415)	(2,822)	(5,731)	(21)	(3)	(8,992)
At 31 December 2018, net of accumulated depreciation and impairment	於二零一八年 十二月三十一日， 扣減累計折舊及減值	51,871	6,104,369	7,822,232	715,824	39,628	14,733,924
At 31 December 2018	於二零一八年 十二月三十一日						
Cost	成本	51,871	8,538,763	16,957,138	1,438,503	154,467	27,140,742
Accumulated depreciation and impairment	累計折舊及減值	—	(2,434,394)	(9,134,906)	(722,679)	(114,839)	(12,406,818)
Net carrying amount	賬面淨值	51,871	6,104,369	7,822,232	715,824	39,628	14,733,924

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15. PROPERTY, PLANT AND EQUIPMENT

(continued)

- (a) Certain property, plant and equipment of the Group with net book values of approximately RMB75,957,000 (2018: Nil) as at 31 December 2019 have been pledged to secure the short term bank loans (note 33). Certain property, plant and equipment of the Group with net book values of approximately RMB37,029,000 as at 31 December 2018 have been pledged to secure the long term payables (note 36).

Certain property, plant and equipment of the Group with net book values of approximately RMB734,297,000 as at 31 December 2018 have been pledged to secure the long term bank loans (note 33).

- (b) The Group leases its ranch facilities included in property, plant and equipment with a net book value of approximately RMB19,299,000 (2018: RMB37,700,000) to independent third parties under operating lease arrangements, with lease terms ranging from one to three years (2018: five to eight years) (note 18).

15. 物業、廠房及設備 (續)

- (a) 本集團若干於二零一九年十二月三十一日賬面淨值約人民幣75,957,000元(二零一八年：無)的物業、廠房及設備已經用作短期銀行貸款(附註33)的抵押品。本集團若干於二零一八年十二月三十一日賬面淨值約人民幣37,029,000元的物業、廠房及設備已經用作本集團獲得長期應付款項(附註36)的抵押品。

本集團若干於二零一八年十二月三十一日賬面淨值約人民幣734,297,000元的物業、廠房及設備則用作長期銀行貸款(附註33)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19,299,000元(二零一八年：人民幣37,700,000元)，租賃為期一年至三年(二零一八年：五年至八年)(附註18)。

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16. CONSTRUCTION IN PROGRESS

Movements of construction in progress are as follows:

16. 在建工程

本集團的在建工程變動如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Carrying amount at beginning of year	年初賬面值	2,203,125	1,363,399
Additions during the year	年內添置	2,889,639	2,392,160
Transfers from property, plant and equipment (note 15)	轉撥自物業、廠房及設備 (附註15)	29,808	75,894
Transfers to property, plant and equipment (note 15)	轉撥至物業、廠房及設備 (附註15)	(1,885,561)	(1,578,456)
Transfers to other intangible assets (note 20)	轉撥至其他無形資產 (附註20)	(98,311)	(85,691)
Impairment (note 6)	減值(附註6)	(1,653)	—
Acquisition of subsidiaries (note 45)	收購子公司(附註45)	21,822	35,850
Disposal of subsidiaries (note 46)	出售子公司(附註46)	(927,720)	—
Exchange realignment	匯兌調整	184	(31)
Carrying amount at end of year	年終賬面值	2,231,333	2,203,125

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17. INVESTMENT PROPERTIES

17. 投資物業

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 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	73,785	59,333
Transfers from property, plant and equipment (note 15)	轉撥自物業、廠房及設備(附註15)	42,470	18,389
Transfers to property, plant and equipment (note 15)	轉撥至物業、廠房及設備(附註15)	(38,670)	—
Depreciation provided during the year (note 7)	年內折舊撥備(附註7)	(4,037)	(3,937)
At 31 December, net of accumulated depreciation	於十二月三十一日，扣減累計折舊	73,548	73,785
At 31 December Cost	於十二月三十一日 成本	95,337	93,344
Accumulated depreciation	減累計折舊	(21,789)	(19,559)
Net carrying amount	賬面淨值	73,548	73,785

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 RMB167,074,000 as at 31 December 2019 (2018: RMB156,275,000).

投資物業公允值於二零一九年十二月三十一日估計約為人民幣167,074,000元(二零一八年：人民幣156,275,000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。

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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)

公允值層級

下表載列有關本集團投資物業的公允值計量等級：

		Fair value measurements as at 31 December 2019 using 於二零一九年十二月三十一日使用的公允值計量			
		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:	就下列各項的公允值計量：				
Commercial properties	商用物業	—	—	167,074	167,074
		Fair value measurements as at 31 December 2018 using 於二零一八年十二月三十一日使用的公允值計量			
		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:	就下列各項的公允值計量：				
Commercial properties	商用物業	—	—	156,275	156,275

During the year, there were no transfers into or out of Level 3 (2018: Nil).

年內，概無轉入第三級或自第三級轉出（二零一八年：無）。

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18. LEASES**The Group as a lessee**

The Group has lease contracts for various items of building and structures, plant and machinery, motor vehicles, office equipment and land use rights used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of approximately 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of building and structures generally have lease terms between 1 and 30 years, plant and machinery and office equipment generally have lease terms between 1 and 6 years, while motor vehicles generally have lease terms between 2 and 4 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Land use rights (before 1 January 2019)

		2018 二零一八年 RMB'000 人民幣千元
Carrying amount at beginning of year	年初賬面值	1,079,575
Additions during the year	於年內添置	20,665
Acquisition of subsidiaries (note 45)	收購子公司(附註45)	78,293
Disposal	出售	(3,708)
Amortisation provided during the year (note 7)	於年內計提的攤銷(附註7)	(28,843)
Carrying amount at end of year	年末賬面值	1,145,982
Current portion included in prepayments, other receivables and other assets under current assets (note 29)	計入預付款項、其他應收款項及其他流動資產項下資產的即期部分(附註29)	25,316
Non-current portion	非即期部分	1,120,666
		1,145,982

18. 租賃**本集團作為承租人**

本集團擁有用於營運的房屋及建築物、廠房及機器、運輸設備、辦公設備及土地使用權中多個項目的租賃合約。已預先作出一次性付款以向業主收購租賃土地，租期為約50年，且根據該等土地租賃的條款，將不會繼續支付任何款項。房屋及建築物的租期一般介乎一至三十年，廠房及機器及辦公設備的租期一般介乎一至六年，而運輸設備的租期一般介乎二至四年。其他設備的租賃期限通常為12個月或以下及/或個別為低價值。一般而言，本集團不可向本集團以外人士轉讓及分租租賃資產。

(a) 土地使用權(於二零一九年一月一日之前)

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18. LEASES (continued)**The Group as a lessee** (continued)**(b) Right-of-use assets**

The carrying amount of right-of-use assets of the Group and the movements during the year are as follows:

		Right-of-use assets 使用權資產					
		Building and structures 房屋及 建築物	Plant and machinery 廠房及機器	Office equipment 辦公設備	Motor vehicles 運輸設備	Land use rights 土地使用權	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
As at 1 January 2019 (note 2.2)	於二零一九年一月一日 (附註2.2)	59,319	273,032	15,771	462	1,335,685	1,684,269
Additions	添置	116,940	246,992	809	1,224	263,462	629,427
Acquisition of subsidiaries (note 45)	收購子公司(附註45)	14,567	—	—	106	67,036	81,709
Depreciation charge (note 7)	折舊開支(附註7)	(52,616)	(119,272)	(7,955)	(348)	(39,877)	(220,068)
Disposal of subsidiaries (note 46)	出售子公司(附註46)	—	(628)	(8,189)	—	(468,799)	(477,616)
Exchange difference	匯兌差額	34	43	—	10	—	87
As at 31 December 2019	於二零一九年 十二月三十一日	138,244	400,167	436	1,454	1,157,507	1,697,808

18. 租賃 (續)**本集團作為承租人** (續)**(b) 使用權資產**

本集團年內使用權資產的賬面值及變動如下：

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18. LEASES (continued)**The Group as a lessee** (continued)**(c) Lease liabilities**

The carrying amount of lease liabilities (included under interest-bearing bank and other borrowings) of the Group and the movements during the year are as follows:

18. 租賃 (續)**本集團作為承租人** (續)**(c) 租賃負債**

本集團年內租賃負債(計入計息銀行及其他借貸)的賬面值及變動如下:

		2019 二零一九年 Lease Liabilities 租賃負債 RMB'000 人民幣千元
Carrying amount at 1 January (note 2.2)	於一月一日的賬面值(附註2.2)	388,525
New leases	新租賃	416,967
Additions as a result of acquisition of a subsidiary	收購一間子公司導致的增加	15,117
Accretion of interest recognised during the year (note 8)	期內已確認利息增幅(附註8)	19,153
Reductions as a result of disposal of subsidiaries	出售子公司導致的減少	(76,733)
Payments	付款	(263,627)
Carrying amount at 31 December (note 33)	於十二月三十一日的賬面值(附註33)	499,402
Analysed into:	分析為:	
Current portion	流動部分	174,942
Non-current portion	非流動部分	324,460

The maturity analysis of lease liabilities is disclosed in note 33 to the financial statements.

租賃負債的到期分析於財務報表附註33披露。

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18. LEASES (continued)**The Group as a lessee** (continued)

(d) The amounts recognised in profit or loss in relation to leases are as follows:

		2019 二零一九年 RMB'000 人民幣千元
Interest on lease liabilities (note 8)	租賃負債利息(附註8)	19,153
Depreciation charge of right-of-use assets (note 7)	使用權資產折舊開支(附註7)	220,068
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2019 (note 7(b))	與短期租賃及餘下租期於二零一九十二月三十一日或之前屆滿的其他租賃有關的開支(附註7(b))	201,200
Expense relating to leases of low-value assets (note 7(b))	與低價值資產的租賃有關的開支(附註7(b))	25,002
Variable lease payments not included in the measurement of lease liabilities (note 7(b))	未計入租賃負債計量的可變租賃款項(附註7(b))	38,131
Total amount recognised in profit or loss	於損益確認的款項總額	503,554

(e) Variable lease payments

The Group leased a number of the warehouses which contain variable lease payment terms that are based on the Group's actual usage area in the warehouses. There are also minimum annual base rental arrangements for these leases. The Group has recognised certain right-of-use assets for the fixed lease payments. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

(f) The total cash outflow for leases and future cash outflows relating to leases that have not yet commenced are disclosed in note 48 to the financial statements.

18. 租賃 (續)**本集團作為承租人** (續)

(d) 於損益中確認的租賃相關款項如下：

(e) 可變租賃款項

本集團租賃多個倉庫，該等租賃包含以本集團於該等倉庫的實際使用面積為基礎的可變租賃款項條款。該等租賃亦設有最低年度基本租金安排。本集團已就固定租賃款項確認若干使用權資產。並不依賴指數或利率的可變租賃款項將於導致付款的事件或條件發生的期間確認為支出。

(f) 與尚未開始的租賃有關的租賃現金流出總額及未來現金流出於財務報表附註48披露。

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18. LEASES (continued)**The Group as a lessee** (continued)

(a) Certain land use rights in right-of-use assets of the Group with net book values of approximately RMB9,439,000 (2018: RMB12,225,000) as at 31 December 2019 have been pledged to secure short term bank loans (note 33). Certain land use right of the Group with net book values of approximately RMB103,481,000 as at 31 December 2018 have been pledged to secure long term bank loans (note 33).

The Group as a lessor

The Group leases its property, plant and equipment and investment properties under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB43,666,000 (2018: RMB49,280,000), details of which are included in note 5 to the financial statements.

At 31 December 2019, the undiscounted lease payments receivables by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within one year	一年內	22,675	2,473
In the second to fifth years, inclusive	兩至五年(包括首尾兩年)	36,003	7,293
Over five years	五年以上	3,810	2,000
		62,488	11,766

18. 租賃 (續)**本集團作為承租人** (續)

(a) 本集團若干於二零一九年十二月三十一日賬面淨值約人民幣9,439,000元(二零一八年: 人民幣12,225,000元)的使用權資產中的土地使用權已經用作短期銀行貸款(附註33)的抵押品。本集團若干於二零一八年十二月三十一日賬面淨值約人民幣103,481,000元的土地使用權已經用作獲得長期銀行貸款(附註33)的抵押品。

本集團作為出租人

本集團根據經營租賃安排出租其物業、廠房及機器及投資物業。該等租賃的條款一般要求租戶支付擔保按金並根據現行市況進行定期租金調整。年內本集團確認的租金收入為人民幣43,666,000元(二零一八年: 人民幣49,280,000元)，有關詳情載於財務報表附註5。

於二零一九年十二月三十一日，根據不可撤銷經營租賃，本集團日後應收其租戶的未貼現租賃款項如下：

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19. GOODWILL

19. 商譽

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日的賬面值	4,681,492	4,532,899
Acquisition of subsidiaries (note 45)	收購子公司(附註45)	2,688,283	161,691
Disposal of subsidiaries (note 46)	出售子公司(附註46)	(356,349)	(13,098)
Impairment during the year (notes 6 & 21)	年內減值(附註6及21)	(2,363,909)	—
Exchange realignment	匯兌調整	69,140	—
Carrying amount at 31 December	於十二月三十一日的 賬面值	4,718,657	4,681,492
At 31 December Cost	於十二月三十一日 成本	9,336,360	6,935,286
Accumulated impairment	累計減值	(4,617,703)	(2,253,794)
Carrying amount at 31 December	於十二月三十一日的 賬面值	4,718,657	4,681,492

During 2019, the Group acquired a 100% equity interest in Bellamy at cash consideration of RMB6,934,372,000. The business acquisition gave rise to goodwill of RMB2,615,250,000. The Group also acquired seven other companies engaging in the sale of dairy products activities during 2019. The total purchase consideration for these acquisitions was in the form of cash of RMB27,837,000 paid at the acquisition date. These business acquisitions gave rise to goodwill of RMB73,033,000 in total. Further details of the acquisition are included in note 45 to the financial statements.

During 2019, the Group disposed of Junlebao for an aggregate cash consideration of approximately RMB4,011,319,000 (note 46).

於二零一九年，本集團以人民幣6,934,372,000元的現金代價收購貝拉米的全部股權。該業務收購產生商譽人民幣2,615,250,000元。本集團亦於二零一九年收購其他七家公司，主要從事銷售乳產品。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27,837,000元。該等業務收購合共產生商譽人民幣73,033,000元。有關收購的進一步詳情載於財務報表附註45。

於二零一九年，本集團以現金代價總額約人民幣4,011,319,000元出售君樂寶(附註46)。

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19. GOODWILL (continued)

On 10 April 2018, the Group acquired 50% equity interests in Modern Dairy (Bengbu) Co., Ltd. (“Modern Dairy (Bengbu)”) and Modern Dairy (Feidong) Co., Ltd. (“Modern Dairy (Feidong)”). Since the Group held more than 50% of the voting right in the shareholder meeting of Modern Dairy (Bengbu) and Modern Dairy (Feidong), the Group controlled Modern Dairy (Bengbu) and Modern Dairy (Feidong) after the acquisition. The business combination gave rise to goodwill of RMB346,000. Further details of the acquisition are included in note 45 to the financial statements.

During 2018, Junlebao, a 51% indirectly owned subsidiary of the Group, acquired an additional 43.41% equity interest in Banner Dairy from third parties, increasing Junlebao’s equity interest in Banner Dairy to 65.16%. The business acquisition gave rise to goodwill of RMB72,566,000. Further details of the acquisition are included in note 45 to the financial statements.

During 2018, Inner Mongolia Mengniu Founding Industry Management Co., Ltd. (“Founding”), a 100% indirectly owned subsidiary of the Group, acquired an additional 41% equity interest in Chongqing Mengniu Dairy Sales Co., Ltd. (“Chongqing Mengniu”) from third party, increasing Founding’s equity interest in Chongqing Mengniu to 90%. The business acquisition gave rise to goodwill of RMB72,959,000. Further details of the acquisition are included in note 45 to the financial statements.

During 2018, the Group acquired five subsidiaries and a sales operation of a sales company of the Group from third parties. These subsidiaries are mainly engaged in the sale of dairy products. The total purchase consideration for these acquisitions was in the form of cash of RMB63,860,000 paid at the acquisition date. These business acquisitions gave rise to goodwill of RMB15,820,000 in total.

As at 31 December 2019 and 2018, the goodwill was tested for impairment (note 21).

19. 商譽 (續)

於二零一八年四月十日，本集團收購現代牧業(蚌埠)有限公司(「現代牧業(蚌埠)」)及現代牧業(肥東)有限公司(「現代牧業(肥東)」)的50%股權。由於本集團持有現代牧業(蚌埠)及現代牧業(肥東)於股東大會的投票權超過50%，因此本集團於收購後取得對現代牧業(蚌埠)及現代牧業(肥東)的控制權。該業務合併產生商譽人民幣346,000元。有關收購的進一步詳情載於財務報表附註45。

二零一八年內，本集團間接擁有51%權益的子公司君樂寶向第三方收購旗幟乳品額外43.41%權益，令君樂寶於旗幟乳品的權益增加至65.16%。該業務收購產生商譽人民幣72,566,000元。有關收購的進一步詳情載於財務報表附註45。

二零一八年內，本集團間接擁有100%股權的子公司內蒙古蒙牛方鼎產業管理有限責任公司(「方鼎」)向第三方增購重慶市蒙牛乳業銷售有限公司(「重慶蒙牛」)的41%股權，使得方鼎於重慶蒙牛的股權增至90%。此項業務收購產生商譽人民幣72,959,000元。此項收購的進一步詳情載於財務報表附註45。

二零一八年內，本集團自第三方收購五家子公司以及本集團的一家銷售機構的銷售業務。該等子公司主要從事銷售乳產品。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63,860,000元。該等業務收購合共產生商譽人民幣15,820,000元。

於二零一九年及二零一八年十二月三十一日，商譽已進行減值測試(附註21)。

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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	Distribution channels and customer relationships 分銷渠道及 客戶關係 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 2019, net of accumulated amortisation	於二零一九年一月一日， 按成本值，扣減累計 攤銷	111	1,841,374	333,854	122,736	2,298,075
Acquisition of subsidiaries (note 45)	收購子公司(附註45)	—	5,427,781	13,393	26,172	5,467,346
Additions	添置	—	—	68,172	—	68,172
Transfer from construction in progress (note 16)	轉撥自在建工程(附註16)	—	—	98,311	—	98,311
Amortisation provided during the year (note 7)	年內計提攤銷(附註7)	(111)	—	(75,760)	(14,127)	(89,998)
Disposal of subsidiaries (note 46)	出售子公司(附註46)	—	(174,219)	(31,492)	—	(205,711)
Impairment during the year (note 6)	年內減值(附註6)	—	(191,165)	(4,870)	—	(196,035)
Exchange realignment	匯兌調整	—	142,243	320	692	143,255
At 31 December 2019	於二零一九年 十二月三十一日	—	7,046,014	401,928	135,473	7,583,415
At 31 December 2019	於二零一九年 十二月三十一日					
Cost	成本	5,480	7,252,869	622,837	172,487	8,053,673
Accumulated amortisation and impairment	累計攤銷及減值	(5,480)	(206,855)	(220,909)	(37,014)	(470,258)
Net carrying amount	賬面淨值	—	7,046,014	401,928	135,473	7,583,415
Cost at 1 January 2018, net of accumulated amortisation	於二零一八年一月一日， 按成本值，扣減累計 攤銷	390	1,841,374	274,743	77,394	2,193,901
Acquisition of subsidiaries	收購子公司	—	—	3,736	54,476	58,212
Additions	添置	167	—	31,730	—	31,897
Transfer from construction in progress (note 16)	轉撥自在建工程(附註16)	—	—	85,691	—	85,691
Amortisation provided during the year (note 7)	年內計提攤銷(附註7)	(446)	—	(57,285)	(9,134)	(66,865)
Impairment during the year (note 6)	年內減值(附註6)	—	—	(4,761)	—	(4,761)
At 31 December 2018	於二零一八年 十二月三十一日	111	1,841,374	333,854	122,736	2,298,075
At 31 December 2018	於二零一八年 十二月三十一日					
Cost	成本	5,480	1,857,064	519,512	145,623	2,527,679
Accumulated amortisation	累計攤銷	(5,369)	(15,690)	(185,658)	(22,887)	(229,604)
Net carrying amount	賬面淨值	111	1,841,374	333,854	122,736	2,298,075

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20. OTHER INTANGIBLE ASSETS (continued)

Notes:

- (a) As at 31 December 2019, there were six trademarks: one trademarks 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; five trademarks acquired as part of business combination in 2013 at RMB1,366,000,000, in 2016 at RMB283,047,000 and RMB18,108,000 respectively, and in 2019 at RMB5,529,028,000 and RMB40,996,000 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 2019, the five (2018: four) trademarks with indefinite useful lives were tested for impairment (note 21).
- (b) The exclusive right of distribution channels and customer relationships acquired in business combination were stated at cost less any impairment losses and were amortised on the straight-line basis over their estimated useful lives ranging from 5 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;
- ice cream products CGU Group;
- milk powder products CGU Group;
- low temperature products CGU Group;
- Junlebao CGU Group; and
- Bellamy CGU Group.

20. 其他無形資產 (續)

附註：

- (a) 截至二零一九年十二月三十一日，商標共有六個：一個分別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；另外五個則為業務合併一部分，分別於二零一三年以人民幣1,366,000,000元、於二零一六年分別以人民幣283,047,000元及人民幣18,108,000元及於二零一九年分別以人民幣5,529,028,000元及人民幣40,996,000元收購，並因商標產品預期可以無限期產生淨現金流入而被視為擁有無限可使用年期。於二零一九年十二月三十一日，該五個(二零一八年：四個)無限使用年期的商標已進行減值測試(附註21)。
- (b) 業務合併取得的分銷渠道專營權及客戶關係按成本減任何減值虧損列賬並就其介乎5至15年的估計可使用年期按直線基準攤銷。

21. 商譽及無限使用年期商標的減值測試

透過業務合併取得的商譽及無限使用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；
- 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；
- 君樂寶現金產生單位組別；及
- 貝拉米現金產生單位組別。

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

Goodwill and trademarks with indefinite useful lives included in other intangible assets allocated to each of the CGUs or CGU Groups are as follows:

		Liquid milk products 液態奶產品		Ice cream products 冰淇淋產品		Milk powder products 奶粉產品		Low temperature products 低溫產品		Junlebao 君樂寶		Bellamy 貝拉米		Others 其他		Total 總計	
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Goodwill	商譽	349,890	342,130	72,317	72,317	3,685,029	3,685,029	226,157	226,157	-	355,859	2,684,390	-	64,783	-	7,082,566	4,681,492
Impairment	減值	-	-	-	-	(2,299,126)	-	-	-	-	-	-	-	(64,783)	-	(2,363,909)	-
		349,890	342,130	72,317	72,317	1,385,903	3,685,029	226,157	226,157	-	355,859	2,684,390	-	-	-	4,718,657	4,681,492
Trademarks	商標	40,996	-	18,108	18,108	1,649,047	1,649,047	-	-	-	174,219	5,529,028	-	-	-	7,237,179	1,841,374
Impairment	減值	-	-	(18,108)	-	(173,057)	-	-	-	-	-	-	-	-	-	(191,165)	-
		40,996	-	-	18,108	1,475,990	1,649,047	-	-	-	174,219	5,529,028	-	-	-	7,046,014	1,841,374
		390,886	342,130	72,317	90,425	2,861,893	5,334,076	226,157	226,157	-	530,078	8,213,418	-	-	-	11,764,671	6,522,866

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.

Assumptions were used in the value in use calculation of each CGU or CGU Group for 31 December 2019 and 2018. The following describes each key assumption on which management has based its cash flow projections to undertake the impairment testing:

- (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.
- (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.

21. 商譽及無限使用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並計入商譽及其他無形資產的無限可使用年期商標的總額如下：

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。

計算二零一九年及二零一八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致的平均毛利率，並因應預計效能提升及預期生產成本增加而予以調整。
- (b) 原材料價格變動 — 參考原料採購國家往年實際數據。

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

- (c) Discount rates — The discount rates used are before tax and reflect specific risks relating to the relevant CGUs or CGU Groups.
- (d) Growth rates — The growth rates used to extrapolate the cash flows beyond the five-year period are based on the estimated growth rate of each unit taking into account the industry growth rate, past experience and the medium or long term growth target of each CGU or CGU Group.

The discount rates applied to cash flow projections and the growth rates used to extrapolate cash flows beyond the five-year period are as follows:

		Discount rate 折現率		Growth rate 增長率	
		2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年
Liquid milk products CGU Group	液態奶產品現金產生單位組別	13.72%	14.90%	4.0%	4.0%
Ice cream products CGU Group	冰淇淋產品現金產生單位組別	13.69%	14.88%	3.0%	3.0%
Milk powder products CGU Group	奶粉產品現金產生單位組別	13.45%	12.62%	3.0%	3.0%
Low temperature products CGU Group	低溫產品現金產生單位組別	13.33%	17.84%	3.0%	3.0%
Junlebao CGU Group	君樂寶現金產生單位組別	n/a 不適用	13.93%	n/a 不適用	4.0%
Bellamy CGU Group	貝拉米現金產生單位組別	12.20%	n/a 不適用	2%	n/a 不適用

The values assigned to key assumptions are consistent with external information sources.

During 2019, the Group resolved to discontinue the production and sale of a branded product of ice cream products CGU Group and milk powder products CGU Group, respectively in the foreseeable future. Therefore the related trademarks amounting to RMB18,108,000 and RMB173,057,000, respectively had been fully impaired.

21. 商譽及無限使用年期商標的減值測試 (續)

- (c) 折現率 — 所用折現率乃稅前並反映有關現金產生單位或現金產生單位組別的特定風險。
- (d) 增長率 — 用於推算五年期以後現金流量的增長率，乃以各單位的估計增長率為基準，並考慮行業增長率、過往經驗及各現金產生單位或現金產生單位組別的中長期增長目標計算所得。

用於現金流量預測的折現率及用於五年期以後現金流量推斷的增長率如下：

主要假設的價值與外部數據來源一致。

二零一九年內，本集團決定在可預見未來分別終止生產及銷售冰淇淋產品現金產生單位組別及奶粉產品現金產生單位組別的品牌產品。因此，相關商標人民幣18,108,000元及人民幣173,057,000元已分別悉數減值。

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

During 2019, as the performance of the milk powder products CGU Group did not meet the expectation, the Group recognised an impairment loss of the goodwill directly related to the milk powder products CGU Group amounting to RMB2,299,126,000. The recoverable amount of the milk powder products CGU Group amounted to RMB7,403,579,000 as at 31 December 2019.

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:

21. 商譽及無限使用年期商標的減值測試 (續)

二零一九年內，由於奶粉產品現金產生單位組別業績未能達到預期，本集團確認金額為人民幣2,299,126,000元與奶粉產品現金產生單位組別直接有關的商譽減值虧損。於二零一九年十二月三十一日，奶粉產品現金產生單位的可收回金額為人民幣7,403,579,000元。

對計算奶粉產品現金產生單位組別的使用價值時所採用的多項主要假設分別進行的敏感度分析結果如下：

		Reasonably possible change 可能發生的合理變動	Additional impairment 額外減值 RMB'000 人民幣千元
Revenue growth rate	收入增長率	Decrease 2% 下降2%	(408,976)
Gross margin rate	毛利率	Decrease 1% 下降1%	(479,033)
Discount rate	折現率	Increase 1% 上升1%	(481,333)

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.

本公司董事認為，除奶粉產品現金產生單位組別外，可收回金額所基於的主要假設的任何可能發生的合理變動均不會導致現金產生單位或現金產生單位組別的賬面值超出其可收回金額。

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22. INVESTMENTS IN A JOINT VENTURE**22. 於一家合營企業的投資**

		2019 二零一九年 RMB'000 人民幣千元
Share of net assets	應佔淨資產	97,478
Goodwill on acquisition	收購獲得的商譽	43,362
		140,840

The Group's trade receivable and payable balances with the joint venture are disclosed in note 50 to the financial statements.

本集團與合營企業之間的應收賬款及應付賬款結餘於財務報表附註50中披露。

The following table illustrates the financial information of the joint venture, extracted from the unaudited management account, which is not individually material:

下表列示合營企業(個別而言並不重大)的財務資料(摘錄自未經審核管理賬目):

		2019 二零一九年 RMB'000 人民幣千元
The carrying amount of the Group's investments in the joint venture	本集團於合營企業投資的賬面值	140,840
Share of the joint venture's revenue and loss:	分佔合營企業收入及利潤:	
Revenue	收入	861
Loss for the year	本年虧損	(9,160)
Total comprehensive loss for the year	年度全面虧損總額	(9,160)

The above joint venture has been accounted for using the equity method in these financial statements.

上述所有合營企業已採用權益法於財務報表內處理。

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23. INVESTMENTS IN ASSOCIATES

23. 於聯營公司的投資

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Share of net assets	應佔淨資產	5,398,985	5,163,930
Goodwill on acquisition	收購獲得的商譽	1,952,280	2,038,433
		7,351,265	7,202,363

The Group's trade receivable and payable balances with associates are disclosed in note 50 to the financial statements.

本集團與聯營公司之間的應收賬款及應付賬款結餘於財務報表附註50中披露。

Particulars of the material associate are as follows:

重要聯營公司的詳情如下：

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
			2019 二零一九年	2018 二零一八年	
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	58.15%	60.77%	Production and sale of milk 生產及銷售牛奶

(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。

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23. 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). Accordingly, 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.

23. 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夥伴。

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。

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23. 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 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. Consequently, the Group held an aggregate of 3,725,769,412 shares of China Modern Dairy, representing approximately 60.77% of the issued share capital.

On 20 September 2019, China Modern Dairy entered into a subscription agreement to conditionally allot and issue for 276,228,409 subscription shares to a third party. Upon completion of the relevant agreement, the Group held approximately 58.15% of the issued share capital of China Modern Dairy.

23. 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。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%）。

於二零一九年九月二十日，中國現代牧業與第三方訂立認購協議，並有條件同意配發及發行276,228,409股認購股份。於相關協議完成後，本集團持有約58.15%中國現代牧業已發行股本。

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23. INVESTMENTS IN ASSOCIATES (continued)

Aggregating the effect of the Group's shareholdings of 58.15% (2018: 60.77%), the potential voting rights of 10.76% (2018: 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 0.79% (2018: 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.

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.

23. 於聯營公司的投資 (續)

經計及本集團所持58.15%股權(二零一八年: 60.77%)、可交換債券轉換後的10.76%股份的潛在投票權(二零一八年: 11.24%)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0.79%(二零一八年: 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%。

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。

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Current assets	流動資產	2,898,988	2,608,501
Non-current assets	非流動資產	12,825,205	13,337,028
Current liabilities	流動負債	(6,436,874)	(6,492,314)
Non-current liabilities	非流動負債	(2,079,618)	(2,899,082)
Net assets	淨資產	7,207,701	6,554,133
Less: Non-controlling interests	減: 非控股股東權益	(126,184)	(108,838)
Attributable to owners of China Modern Dairy	中國現代牧業擁有人應佔	7,081,517	6,445,295

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23. INVESTMENTS IN ASSOCIATES (continued)

23. 於聯營公司的投資(續)

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Reconciliation to the Group's interest in the associate:	本集團於聯營公司的權益調整如下：		
Proportion of the Group's ownership	本集團擁有權所佔比例	58.15%	60.77%
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	4,077,631	3,916,806
Group's share of net assets of an unlisted subsidiary of the associate, excluding goodwill	本集團分佔聯營公司一間非上市子公司的資產淨值，不包括商譽	112,684	97,200
Goodwill on acquisition	收購獲得的商譽	1,912,136	1,998,289
Effect of fair value adjustments at acquisition	收購時的公允值調整影響	(24,354)	(29,579)
Exchange realignment	匯兌調整	224,053	193,320
Less: Equity-settled share-based payment transactions not shared by the Group	減：本集團未分佔的以權益結算的股份支付交易	27,224	34,804
Carrying amount of the investment	投資賬面值	6,329,374	6,210,840
Revenue	收入	5,514,210	4,956,811
Profit/(loss) for the year	本年收益/(虧損)	349,857	(506,173)
Other comprehensive income/(loss) for the year	年度其他全面收益/(虧損)總額	1,451	(11,526)
Total comprehensive income/(loss) for the year	年度全面收益/(虧損)總額	351,308	(517,699)
Dividend received	已收股息	—	—

A significant shortfall in the share price of China Modern Dairy compared to the average purchase price paid by the Group for its shareholding 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.

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。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。

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23. INVESTMENTS IN ASSOCIATES (continued)

The assumptions used for the discount rate and perpetual growth rate were 11.50% (2018: 11.50%) and 3.00% (2018: 3.00%), respectively. In the opinion of the Company's directors, any reasonably possible change in the key assumptions on which the value in use is based would not cause the impairment of Group's investment in China Modern Dairy.

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:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 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	1,021,891	991,523
Share of the associates' revenues and profits:	分佔聯營公司收入及利潤：		
Revenues	收入	1,666,303	1,497,841
Profit for the year	本年利潤	61,481	22,741
Other comprehensive income/(loss) for the year	本年其他全面收益／(虧損)	4,003	(14,304)
Total comprehensive income for the year	年度全面收益總額	65,484	8,437

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 RMB468,096,000 (2018: RMB27,092,000) and RMB550,840,000 (2018: RMB115,147,000), respectively.

23. 於聯營公司的投資 (續)

折現率及永續增長率分別假設為11.50% (二零一八年：11.50%) 及3.00% (二零一八年：3.00%)。本公司董事認為，根據所使用數值的主要假設中出現任何合理可能變動將不會造成本集團於中國現代牧業的投資減值。

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)：

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468,096,000元(二零一八年：人民幣27,092,000元)及人民幣550,840,000元(二零一八年：人民幣115,147,000元)。

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24. DEFERRED TAX

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

Deferred tax assets:

Deferred tax arising from:		Tax losses available for offsetting future taxable profits	Write-down of inventories to net realisable value	Provision for trade receivables and 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 2019	於二零一九年一月一日	342,297	13,689	21,741	942	458,786	151,730	22,826	29,615	1,041,626
Acquisition of subsidiaries (note 45)	收購子公司(附註45)	1,680	11,661	1,566	351	12,879	—	45,620	29,983	103,740
Credited/(charged) to profit or loss	損益內記賬/(支賬)	(4,157)	1,526	(3,042)	—	295,426	33,178	8,787	(8,295)	323,423
Disposal of subsidiaries (note 46)	出售子公司(附註46)	(29,754)	—	(407)	—	(260,355)	(125,987)	—	—	(416,503)
Exchange alignment	匯兌調整	1,114	308	41	9	341	—	1,206	794	3,813
At 31 December 2019	於二零一九年十二月三十一日	311,180	27,184	19,899	1,302	507,077	58,921	78,439	52,097	1,056,099
At 1 January 2018	於二零一八年一月一日	222,678	7,092	23,424	1,371	224,332	126,221	23,803	36,443	665,364
Credited/(charged) to profit or loss	損益內記賬/(支賬)	119,971	6,597	(1,683)	(429)	234,454	25,509	(977)	(6,828)	376,614
Exchange alignment	匯兌調整	(352)	—	—	—	—	—	—	—	(352)
At 31 December 2018	於二零一八年十二月三十一日	342,297	13,689	21,741	942	458,786	151,730	22,826	29,615	1,041,626

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.

24. 遞延稅項

年內遞延稅項資產變動如下：

遞延稅項資產：

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。

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24. DEFERRED TAX (continued)

Deferred tax assets have not been recognised in respect of the following items:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 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)	2,990,013	2,924,721
Deductible temporary differences	可扣減暫時性差異	625,522	513,797
		3,615,535	3,438,518

(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 of the Group.

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

24. 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	Fair value adjustments of financial instruments	Withholding tax	Accelerated depreciation for tax purpose	Total
遞延稅項來自：		收購子公司 產生的 公允值調整 RMB'000 人民幣千元	金融工具的 公允值調整 RMB'000 人民幣千元	預扣稅 RMB'000 人民幣千元	按稅法調整之加 速折舊差異 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	74,247	9,994	—	121,881	206,122
Acquisition of subsidiaries (note 45)	收購子公司(附註45)	1,627,132	—	—	—	1,627,132
Charged/(credited) to profit or loss	損益內記賬/(支賬)	(7,018)	(1,736)	6,421	133,428	131,095
Disposal of subsidiaries (note 46)	出售子公司(附註46)	(26,138)	—	—	(39,325)	(65,463)
Exchange alignment	匯兌調整	43,016	—	—	—	43,016
At 31 December 2019	於二零一九年十二月三十一日	1,711,239	8,258	6,421	215,984	1,941,902

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24. DEFERRED TAX (continued)

24. 遞延稅項 (續)

		Fair value adjustments arising from acquisition of subsidiaries	Fair value adjustments of financial instruments	Accelerated depreciation for tax purpose	Total
遞延稅項來自：		收購子公司產生的公允值調整	金融工具的公允值調整	按稅法調整之加速折舊差異	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
Deferred liabilities arising from:					
At 1 January 2018	於二零一八年一月一日	50,610	19,418	—	70,028
Acquisition of a subsidiary (note 45)	收購子公司(附註45)	13,430	—	—	13,430
Charged/(credited) to profit or loss	損益內記賬/(支賬)	10,207	(9,424)	121,881	122,664
At 31 December 2018	於二零一八年十二月三十一日	74,247	9,994	121,881	206,122

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 whose equity interests are directly held by overseas parent companies in respect of earnings generated from 1 January 2008.

At 31 December 2019, except for deferred tax liabilities of RMB6,421,000 relating to the earnings earned after 31 December 2007 by certain subsidiaries with equity interests directly held by overseas non-controlling shareholders, no deferred tax liabilities relating to the earnings earned after 31 December 2007 have been recognised for withholding taxes that would be payable. 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 RMB25,295,849,000 at 31 December 2019 (2018: RMB19,001,255,000).

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(由海外母公司直接持有其股權)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。

二零一九年十二月三十一日，除有關於二零零七年十二月三十一日後由海外非控股股東持有股權的若干子公司所賺取的盈利人民幣6,421,000元的遞延稅項負債，並未就應付預扣稅而確認於二零零七年十二月三十一日後子公司賺取的盈利有關的遞延稅項負債。董事認為，該等子公司於可見將來分派盈利的可能性很低。二零一九年十二月三十一日，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25,295,849,000元(二零一八年：人民幣19,001,255,000元)。

概無因本公司向其股東支付股息而附帶的所得稅後果。

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25. BIOLOGICAL ASSETS**(A) Nature of activities**

Certain subsidiaries of Junlebao, of which the Group disposed on 19 November 2019, are principally engaged in the business of raising of dairy cows and producing raw milk. The Group's dairy cows comprise milkable cows held for raw milk production and heifers and calves that have not reached the age that can produce raw 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.

		2019 二零一九年 Head of dairy cows 乳牛(頭)	2018 二零一八年 Head of dairy cows 乳牛(頭)
Milkable cows	奶牛	—	31,716
Heifers and calves	小母牛及小牛	—	30,182
Total dairy cows	乳牛總數	—	61,898

In general, the heifers are inseminated with semen when they 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.

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值轉撥至奶牛類別。

		2019 二零一九年 Tonne 噸	2018 二零一八年 Tonne 噸
Volume of sales of milk produced	所產奶銷量	295,062	210,506

25. 生物資產**(A) 業務性質**

本集團於二零一九年十一月十九日出售君樂寶的若干子公司主要從事飼養乳牛業務及生產原奶。本集團乳牛包括用作生產原奶的奶牛及未到生產原奶年齡的小母牛及小牛。本集團於報告期末及年內擁有的乳牛數量及原奶產量如下。

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25. BIOLOGICAL ASSETS (continued)**(A) Nature of activities** (continued)

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.

(B) Value of dairy cows

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

25. 生物資產 (續)**(A) 業務性質** (續)

本集團承受乳製品價格變動所產生的公允值風險。本集團預計於可見將來乳製品價格不會大幅下跌。本公司董事認為，並無可用的衍生工具或本集團可以訂立的其他合約可用以控制乳製品價格下跌的風險。

(B) 乳牛價值

於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 2019	於二零一九年一月一日	405,410	731,190	1,136,600
Increases due to purchase	因購買增加	126,342	—	126,342
Increase due to raising (Feeding cost and others)	因養殖(飼養成本及其他) 增加	466,528	—	466,528
Transfer	轉出	(259,355)	259,355	—
Decrease due to sales	因出售減少	(29,018)	(145,550)	(174,568)
Loss arising from changes in fair value less costs to sell of dairy cows (note 6)	乳牛公允值減銷售成本 的變動產生的虧損 (附註6)	(115,241)	(56,661)	(171,902)
Disposal of subsidiaries (note 46)	出售子公司(附註46)	(594,666)	(788,334)	(1,383,000)
At 31 December 2019	於二零一九年 十二月三十一日	—	—	—

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25. BIOLOGICAL ASSETS (continued)**(B) Value of dairy cows** (continued)

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

		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 2018	於二零一八年一月一日	296,530	349,613	646,143
Increases due to acquisition of a subsidiary (note 45)	因收購子公司增加 (附註45)	173,700	242,600	416,300
Increase due to raising (Feeding cost and others)	因養殖(飼養成本及其他) 增加	313,680	—	313,680
Transfer	轉出	(279,623)	279,623	—
Decrease due to sales	因出售減少	(10,647)	(76,099)	(86,746)
Loss arising from changes in fair value less costs to sell of dairy cows (note 6)	乳牛公允值減銷售成本 的變動產生的虧損 (附註6)	(88,230)	(64,547)	(152,777)
At 31 December 2018	於二零一八年 十二月三十一日	405,410	731,190	1,136,600

The Group's dairy cows 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. The fair values of milkable cows are determined by using the multi-period excess earnings method, which is a method of estimating the net present value of milkable cows over multiple time periods by discounting future cash flows to be generated by dairy cows.

本集團的乳牛由獨立合資格專業估值師估值。小母牛及小牛的公允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。奶牛的公允值按多期超額收益法釐定，其為透過終止由乳牛產生的未來現金流量估計於多個時期淨現值方法。

25. 生物資產 (續)**(B) 乳牛價值** (續)

於報告期末的乳牛價值：(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
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At 1 January 2018	於二零一八年一月一日	296,530	349,613	646,143
Increases due to acquisition of a subsidiary (note 45)	因收購子公司增加 (附註45)	173,700	242,600	416,300
Increase due to raising (Feeding cost and others)	因養殖(飼養成本及其他) 增加	313,680	—	313,680
Transfer	轉出	(279,623)	279,623	—
Decrease due to sales	因出售減少	(10,647)	(76,099)	(86,746)
Loss arising from changes in fair value less costs to sell of dairy cows (note 6)	乳牛公允值減銷售成本 的變動產生的虧損 (附註6)	(88,230)	(64,547)	(152,777)
At 31 December 2018	於二零一八年 十二月三十一日	405,410	731,190	1,136,600

The Group's dairy cows 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. The fair values of milkable cows are determined by using the multi-period excess earnings method, which is a method of estimating the net present value of milkable cows over multiple time periods by discounting future cash flows to be generated by dairy cows.

本集團的乳牛由獨立合資格專業估值師估值。小母牛及小牛的公允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。奶牛的公允值按多期超額收益法釐定，其為透過終止由乳牛產生的未來現金流量估計於多個時期淨現值方法。

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25. BIOLOGICAL ASSETS (continued)**(B) Value of dairy cows** (continued)

The principal valuation assumptions adopted in applying the net present value approach are as follows:

- a) 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;
- b) The culling rates adopted are based on the current available breeding data of the Group and future operating plans;
- c) The quantities of cows will increase as calves are born;
- d) 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;
- e) The cash flows for financing the assets and taxation are not included in accordance with IAS 41 *Agriculture*;
- f) Costs are average costs based on historical cost information; and
- g) The discount rate used was 13.60% as at 19 November 2019, the disposal date of these subsidiaries (31 December 2018: 12.43%).

Certain dairy cows of the Group with fair values less cost to sell of approximately RMB52,412,000 as at 31 December 2018 have been pledged to secure the long term bank loans of the Group, details of which are set out in note 33 to the financial statements.

25. 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：

- a) 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；
- b) 所採納的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；
- c) 小牛出生將增加牛隻數量；
- d) 經計及每個預測年度若干增長百分比、於中國的未來需求及通脹，估計牛奶於六個哺乳期預測期間的預期平均價格後；
- e) 根據國際會計準則第41號農業的規定，並未計入為資產及稅項提供資金的現金流量；
- f) 成本指以歷史成本資料為基礎的平均成本；及
- g) 截至二零一九年十一月十九日（該等子公司的出售日期）所使用的折現率為13.60%（二零一八年十二月三十一日：12.43%）。

於二零一八年十二月三十一日，本集團若干乳牛的公允值減出售成本約人民幣52,412,000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33。

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26. OTHER FINANCIAL ASSETS

26. 其他金融資產

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 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)	45,524	25,208
Hong Kong listed equity investments in China Shengmu	投入中國聖牧的香港上市股本投資	(b)	60,433	83,940
			105,957	109,148
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		166,408	31,599
Convertible promissory note	可換股承兌票據	(c)	102,550	196,130
Short term investment deposits	短期投資存款	(d)	16,160,803	9,281,963
Long term investment deposits	長期投資存款	(d)	53,642	—
Warrants and subscription right of warrants	認股權證及認股權證認購權	(e)	11,187	72,687
			16,494,590	9,582,379
At amortised cost:	按攤銷成本：			
Short term entrusted loans	短期委託貸款	(e)/(f)	2,880,772	2,234,809
Long term entrusted loans	長期委託貸款	(f)	1,063	12,295
Long term entrusted loans due within one year	於一年內到期的長期委託貸款	(f)	1,884	33,609
Long term receivables	長期應收款項	(g)	12,542	57,025
Long term time deposits	長期定期存款	(h)/30	4,569,773	1,921,418
			7,466,034	4,259,156
Total other financial assets	其他金融資產總額		24,066,581	13,950,683
Current	流動		19,220,584	11,819,198
Non-current	非流動		4,845,997	2,131,485
			24,066,581	13,950,683

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26. 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. In January 2017, the Company’s shareholding in YuanShengTai was diluted to 3.67% due to new share placement by YuanShengTai. 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. An increase in fair value for the year ended 31 December 2019 and an accumulated decrease in fair value as of 31 December 2019 with amounts of RMB20,316,000 (2018: decrease of RMB17,994,000) and RMB323,872,000 (2018: RMB344,188,000), respectively, had been recognised in other comprehensive income.
- (b) On 25 May 2011, the Company acquired a 5.81% equity interest in an unlisted dairy company with approximately HK\$125,322,000, equivalent to RMB98,531,000. Management designated the equity investment as a financial asset at fair value through other comprehensive income upon initial application of IFRS 9 (2009) on 1 January 2014, as management considered it a strategic investment for the purpose of securing high quality raw milk in the long run. The equity investment was subsequently converted into 269,865,600 shares in China Shengmu Organic Milk Limited (“China Shengmu”) upon China Shengmu’s initial public offering on the Main Board of The Stock Exchange of Hong Kong Limited on 15 July 2014, representing 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 2019 and an accumulated decrease in fair value as of 31 December 2019 with amounts of RMB23,507,000 (2018: RMB200,293,000) and RMB38,098,000 (2018: RMB14,591,000), respectively, had been recognised in other comprehensive income.

26. 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%。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價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價值乃經參考所公佈報價釐定。截至二零一九年十二月三十一日止年度公允價值增加人民幣 20,316,000 元（二零一八年：減少人民幣 17,994,000 元）及於二零一九年十二月三十一日公允價值累計減少人民幣 323,872,000 元（二零一八年：人民幣 344,188,000 元），已於其他全面收益確認。
- (b) 二零一一年五月二十五日，本集團以約 125,322,000 港元（相等於人民幣 98,531,000 元）收購一間非上市乳業公司 5.81% 股權。於二零一四年一月一日首次應用國際財務報告準則第 9 號（二零零九年）時，管理層將該項股本投資指定為以公允價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價值乃經參考所公佈報價而釐定。截至二零一九年十二月三十一日止年度公允價值減少人民幣 23,507,000 元（二零一八年：人民幣 200,293,000 元），以及截至二零一九年十二月三十一日公允價值累計減少人民幣 38,098,000 元（二零一八年：人民幣 14,591,000 元），已於其他全面收益確認。

31 December 2019 於二零一九年十二月三十一日

26. OTHER FINANCIAL ASSETS (continued)

Notes: (continued)

- (c) On 7 September 2017, 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 has been automatically converted into the ordinary shares of AICE on 7 July 2019 at US\$1.14 per ordinary share. Upon completion of the relevant conversion, the Group held approximately 9.99% equity interest of AICE. In addition, 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 to receive the Principal Amount that has not been converted into shares, together with all interests at the annual rate of 5%. The Group classified both the unlisted equity investments and convertible promissory note as financial assets at fair value through profit or loss.

As at 31 December 2019, the convertible promissory note were fair valued resulting in a fair value loss of RMB1,409,000 (2018: a fair value gain of RMB61,000) recognised in other expenses (note 6).

- (d) The Group from time to time purchases various investment deposits from commercial banks for treasury management purpose. As at 31 December 2019, the Group held investment deposits of RMB16,214,445,000 (31 December 2018: RMB9,281,963,000) with principal guaranteed.

As at 31 December 2019, the investment deposits amounting to RMB26,722,000 (2018: RMB537,607,000) was pledged to interest-bearing bank and other borrowings.

26. 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，於二零一九年七月七日，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。於完成有關轉換，本集團持有約AICE 9.99%的股權。此外，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。本集團將非上市股本投資及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。

截至二零一九年十二月三十一日，可換股承兌票據之公允值導致人民幣1,409,000元的公允值虧損(二零一八年：人民幣61,000元公允值收益)於其他費用中確認(附註6)。

- (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。於二零一九年十二月三十一日，本集團持有人民幣16,214,445,000元(二零一八年十二月三十一日：人民幣9,281,963,000元)設有本金保證的投資存款。

於二零一九年十二月三十一日，投資存款金額人民幣26,722,000元(二零一八年：人民幣537,607,000元)抵押以計息銀行及其他借貸。

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26. OTHER FINANCIAL ASSETS (continued)

Notes: (continued)

- (e) On 23 December 2018, Inner Mongolia Mengniu, a subsidiary of the Company, and Inner Mongolia Shengmu High-tech Farming Co., Ltd. (“Shengmu High-tech”), a subsidiary of China Shengmu, entered into two entrusted loan agreements, where RMB300,000,000 of 6 months term loan and RMB1,000,000,000 of 1 year term loan were respectively granted by Inner Mongolia Mengniu to Shengmu High-tech (the “Loan Facilities”), with contract interest rates of 6.09% and 6.09% respectively. The Loan Facilities were initially recognised at present value of RMB291,248,000 and RMB941,658,000 on 23 December 2018 in the consolidated financial statements, with effective interest rate of 12.66% and 12.97%, respectively. The Loan Facilities were secured by certain equity interest of subsidiaries and dairy cows of China Shengmu and guaranteed by China Shengmu. Upon the maturity of the Loan Facilities in 2019, the Group extended the term of the entrusted loans of RMB1,000,000,000 to 23 December 2020, with contract interest rate of 6.09%.

As 31 December 2019, entrusted loans of RMB1,370,000,000 were secured by dairy cows and equity interests with certain subsidiaries of China Shengmu with contract interest rate of 6.09%.

In consideration of Inner Mongolia Mengniu granting the above favourable Loan Facilities to Shengmu High-tech in 2018, China Shengmu has agreed to conditionally issue to Start Great Holdings Limited, a subsidiary of the Company, a total of 1,197,327,890 warrants (“Warrants”) subject to the terms and conditions set out in the warrant subscription agreement dated 23 December 2018. Upon exercise, each warrant entitles the warrant holder to subscribe for one new share of China Shengmu at HK\$0.33, subject to adjustment. During the year of 2019, the Group had been granted 1,080,248,000 warrants exercised at the discretion of the Group at any time during the eighteen-month period commencing from the date of issuance of warrants and 117,079,890 subscription rights of warrants are still subjected to be granted upon conditions of warrant subscription agreement. As at 31 December 2019, the warrants and the subscription rights of warrants were fair valued at RMB11,187,000 (31 December 2018: RMB72,687,000), resulting in a fair value loss of RMB61,500,000 (2018: a fair value gain of RMB5,593,000) recognised in other expenses (note 6).

26. 其他金融資產 (續)

附註：(續)

- (e) 於二零一八年十二月二十三日，本公司的子公司內蒙古蒙牛及中國聖牧的子公司內蒙古聖牧高科牧業有限公司（「聖牧高科」）訂立兩項委託貸款協議，為期六個月人民幣300,000,000元貸款及一年期人民幣1,000,000,000元貸分別由內蒙古蒙牛授予聖牧高科（「貸款融資」），合約利率分別為6.09%及6.09%。貸款融資於二零一八年十二月二十三日初始按現值人民幣291,248,000元及人民幣941,658,000元確認於綜合財務報表，而實際利率分別為12.66%及12.97%。貸款融資以中國聖牧子公司若干股權及乳牛抵押，並由中國聖牧擔保。二零一九年貸款融資到期後，本集團以合約利率6.09%延長人民幣1,000,000,000元委託貸款至二零二零年十二月二十三日。

於二零一九年十二月三十一日，人民幣1,370,000,000元委託貸款按合約利率6.09%以乳牛及中國聖牧若干子公司的股權抵押。

由於內蒙古蒙牛向聖牧高科於二零一八年授予優惠貸款融資，故中國聖牧同意有條件向本公司子公司 Start Great Holdings Limited發行合共1,197,327,890股認股權證（「認股權證」），受限於訂立日期為二零一八年十二月二十三日認股權證認購協議的條款及條件。待行使後，每股認股權證持有者有權以0.33港元（可予調整）認購中國聖牧一股新股份。於二零一九年內，本集團已授出1,080,248,000股認股權證（其由本集團自發行認股權證日期開始後十八個月期間內，酌情於任何時間行使），並且仍需根據認股權證協議的條件授出117,079,890股的認股權證。截至二零一九年十二月三十一日，認股權證及認股權證認購權之公允值為人民幣11,187,000元（二零一八年十二月三十一日：人民幣72,687,000元），導致人民幣61,500,000元公允值虧損（二零一八年：人民幣5,593,000元公允值收益）於其他開支確認（附註6）。

31 December 2019 於二零一九年十二月三十一日

26. OTHER FINANCIAL ASSETS (continued)

Notes: (continued)

- (e) (continued)
In connection with the above Loan Facilities and Warrants agreements, on 23 December 2018, the Group and China Shengmu also entered into a share purchase agreement, pursuant to which the Group agreed to purchase 51% of the equity interests in Inner Mongolia Mengniu Shengmu High-tech Dairy Co., Ltd. ("Shengmu High-tech Dairy"), being the liquid milk processing business segment of China Shengmu. The Group acquired Shengmu High-tech Dairy in April 2019. Further details of the acquisition are included in note 45 to the financial statements.
- (f) Except for the entrusted loans to Shengmu High-tech as disclosed in (e) above, annual interest rates of the entrusted loans ranged from 4.79% to 8.96% (2018: 4.00% to 8.96%) as at 31 December 2019. These entrusted loans were neither past due nor impaired and had no history of default. As at 31 December 2019, except for the entrusted loans to Shengmu High-tech, entrusted loans of RMB512,889,000 were secured by dairy cows of the borrowers.
- (g) Long term receivables represent the receivables arising from disposal of certain property, plant and equipment to independent third parties. As at 31 December, except for certain long term receivables amounting RMB12,975,000 were impaired (note 7), these long term receivables were not past due.
- (h) The effective interest rates on long term time deposits as at 31 December 2019 varied from 4.13% to 4.18% (2018: 4.13% to 4.18%) per annum and would mature in two to three years. As at 31 December 2019, the long term deposits amounting to RMB90,000,000 was pledged to secure letters of credit (2018: RMB20,000,000).

26. 其他金融資產 (續)

附註：(續)

- (e) (續)
根據上述貸款融資及認股權證協議，於二零一八年十二月二十三日，本集團與中國聖牧訂立股份購買協議，據此，本集團同意購買中國聖牧的液態奶加工業務板塊內蒙古蒙牛聖牧高科乳業有限公司(「聖牧高科乳業」)51%股權。本集團已於二零一九年四月收購聖牧高科乳業。進一步收購詳情載於財務報表附註45。
- (f) 除於以上(e)所披露聖牧高科乳業的委託貸款外，委託貸款於二零一九年十二月三十一日的年利率介乎4.79%至8.96%(二零一八年：4.00%至8.96%)。該等委託貸款概無逾期或減值以及拖欠記錄。於二零一九年十二月三十一日，除聖牧高科乳業的委託貸款外，人民幣512,889,000元委託貸款以乳牛作為抵押。
- (g) 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。於二零一九年十二月三十一日，除若干長期應收款項人民幣12,975,000元已減值(附註7)外，該等長期應收款項並無逾期。
- (h) 於二零一九年十二月三十一日，長期定期存款的實際年利率介乎4.13%至4.18%(二零一八年：4.13%至4.18%)，並將於兩至三年內到期。於二零一九年十二月三十一日，人民幣90,000,000元(二零一八年：人民幣20,000,000元)長期存款已抵押以獲取信用證。

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27. INVENTORIES**27. 存貨**

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Raw materials	原材料	2,499,232	2,480,194
Finished goods	產成品	2,590,712	1,801,725
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	5,089,944	4,281,919

The amount of write-down of inventories recognised as an expense was RMB74,482,000 (2018: RMB35,316,000), which was recognised in other expenses (note 6).

確認為開支的存貨撇減金額為人民幣74,482,000元(二零一八年:人民幣35,316,000元),並於其他費用(附註6)中確認。

28. TRADE AND BILLS RECEIVABLES**28. 應收賬款及票據**

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Bills receivable	應收票據	109,968	85,447
Trade receivables	應收賬款	3,587,559	2,955,818
Impairment	減值	(110,661)	(149,292)
		3,586,866	2,891,973

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.

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。

Based on the Group's accounting policy of financial assets, the Group measured bills receivable at fair value through other comprehensive income as at 31 December 2019.

根據本集團的金融資產會計政策,於二零一九年十二月三十一日按公允值計入其他全面收益計量應收票據。

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28. TRADE AND BILLS RECEIVABLES (continued)

Certain trade and bills receivables of the Group with net book values of approximately RMB12,313,000 (2018: Nil) as at 31 December 2019 have been pledged to secure the short term bank loans (note 33).

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

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 3 months	三個月內	2,990,016	2,524,831
4 to 6 months	四至六個月	484,937	308,887
7 to 12 months	七至十二個月	95,371	38,067
Over 1 year	逾一年	16,542	20,188
		3,586,866	2,891,973

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

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At beginning of year	年初	149,292	127,629
Impairment losses recognised (note 7)	已確認減值虧損(附註7)	258,301	104,509
Amount written off as uncollectible	列為不可收回而撇銷的金額	(272,487)	(62,237)
Impairment losses reversed (note 7)	減值虧損撥回(附註7)	(24,445)	(20,609)
At end of year	於年末	110,661	149,292

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

28. 應收賬款及票據 (續)

本集團若干應收賬款及票據連同賬面淨值於二零一九年十二月三十一日約人民幣12,313,000元(二零一八年：零)已抵押至短期銀行貸款擔保(附註33)。

於報告期末，經扣除虧損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：

於各報告日期，減值分析採用撥備矩陣進行，以計量預期信貸虧損。撥備比率根據本集團過往的信貸虧損經驗得出，經債務人特定的前瞻性因素及經濟環境校正。

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28. TRADE AND BILLS RECEIVABLES (continued)

Set out below is the information about the credit risk exposure on the Group's trade and bills receivables using the provision matrix:

As at 31 December 2019

		Less than 1 year 少於一年	1 to 2 years 一至兩年	2 to 3 years 兩至三年	Over 3 years 三年以上	Total 總計
Expect credit loss rate	預期信貸虧損率	1.00%	55.02%	93.64%	100%	2.99%
Gross carrying amount (RMB'000)	賬面總值 (人民幣千元)	3,606,552	35,562	8,605	46,808	3,697,527
Expected credit losses (RMB'000)	預期信貸虧損 (人民幣千元)	(36,228)	(19,567)	(8,058)	(46,808)	(110,661)

28. 應收賬款及票據 (續)

下列是採用撥備矩陣計量本集團應收賬款及票據的信貸風險資料：

於二零一九年十二月三十一日

As at 31 December 2018

於二零一八年十二月三十一日

		Less than 1 year 少於一年	1 to 2 years 一至兩年	2 to 3 years 兩至三年	Over 3 years 三年以上	Total 總計
Expect credit loss rate	預期信貸虧損率	1.10%	79.43%	93.11%	100%	4.91%
Gross carrying amount (RMB'000)	賬面總值 (人民幣千元)	2,903,720	83,441	43,907	10,197	3,041,265
Expected credit losses (RMB'000)	預期信貸虧損 (人民幣千元)	(31,935)	(66,277)	(40,883)	(10,197)	(149,292)

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29. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

29. 預付款、其他應收款項及其他資產

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Deposits	按金	13,684	89,883
Prepayments	預付款	1,521,282	1,368,581
Other receivables	其他應收款項	752,150	587,450
Value-added tax recoverable	可抵扣增值稅	425,085	680,980
Corporate income tax recoverable	可退企業所得稅	33,087	35,481
Land use rights — current portion	土地使用權 — 即期部分	—	25,316
Long term prepayments (note a)	長期預付款 (註a)	499,271	66,293
Right of return assets	退貨權資產	23,511	18,268
Total prepayments, other receivables and other assets		3,268,070	2,872,252
Less: Long term prepayments — non-current portion (note a)		(215,966)	(64,140)
Impairment allowance		3,052,104 (24,919)	2,808,112 (30,519)
		3,027,185	2,777,593

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.

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。

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30. CASH AND BANK BALANCES AND OTHER DEPOSITS**30. 現金及銀行結存及其他存款**

			2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
		Notes 附註		
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		3,798,118	4,370,494
Pledged deposits	保證金存款	(a)	74,186	623,495
Time deposits	定期存款		7,247,842	4,848,912
			11,120,146	9,842,901
Less: Pledged deposits for banking facilities	減：銀行融資的保證金存款	31/33	(74,186)	(623,495)
Less: Long term time deposits	減：長期定期存款	26	(4,569,773)	(1,921,418)
Cash and bank balances as stated in the consolidated statement of financial position	列於綜合財務狀況表的現金及銀行結存		6,476,187	7,297,988

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30. CASH AND BANK BALANCES AND OTHER DEPOSITS (continued)

Note:

- (a) As at 31 December 2019, the Group's pledged deposits were for the following bank facilities:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Pledged to secure bills payable (note 31)	抵押以獲得應付票據 (附註31)	5,861	254,977
Pledged to secure interest-bearing bank and other borrowings	抵押以獲得計息銀行及其他借貸	46,787	361,656
Pledged to secure letters of credit	抵押以獲得信用證	21,538	6,862
		74,186	623,495

At the end of the reporting period, cash and bank balances of the Group denominated in RMB amounted to approximately RMB4,305,894,000 (2018: RMB7,069,907,000). 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. 現金及銀行結存及其他存款 (續)

註：

- (a) 於二零一九年十二月三十一日，本集團的保證金存款就以下銀行融資作出：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Pledged to secure bills payable (note 31)	抵押以獲得應付票據 (附註31)	5,861	254,977
Pledged to secure interest-bearing bank and other borrowings	抵押以獲得計息銀行及其他借貸	46,787	361,656
Pledged to secure letters of credit	抵押以獲得信用證	21,538	6,862
		74,186	623,495

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4,305,894,000元(二零一八年：人民幣7,069,907,000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。

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31. TRADE AND BILLS PAYABLES

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

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 3 months	三個月內	5,510,608	5,988,352
4 to 6 months	四至六個月	870,994	809,406
7 to 12 months	七至十二個月	333,937	193,712
Over 1 year	逾一年	23,087	30,072
		6,738,626	7,021,542

The Group's trade payables are unsecured, non-interest-bearing and payable on demand.

Included in the above balances, bills payable with an aggregate balance of approximately RMB22,000,000 (2018: RMB606,299,000) were secured by the pledge of certain of the Group's deposits amounting to approximately RMB5,861,000 (2018: RMB254,977,000) (note 30). Except for the above, bills payable were unsecured, non-interest-bearing and payable when due ranging from 3 to 6 months.

31. 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：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 3 months	三個月內	5,510,608	5,988,352
4 to 6 months	四至六個月	870,994	809,406
7 to 12 months	七至十二個月	333,937	193,712
Over 1 year	逾一年	23,087	30,072
		6,738,626	7,021,542

本集團的應付賬款為無抵押及免息及須應要求隨時償還。

在上述金額中，結餘總額約人民幣22,000,000元(二零一八年：人民幣606,299,000元)的應付票據以本集團若干存款為數約人民幣5,861,000元(二零一八年：人民幣254,977,000元)(附註30)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。

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32. OTHER PAYABLES AND ACCRUALS

32. 其他應付款項及預提費用

		Notes	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
		附註		
Contract liabilities	合約負債	(a)	3,299,226	3,332,929
Refund liabilities	退款負債		40,246	29,365
Salary and welfare payables	應付薪金及福利費		1,512,926	1,660,319
Other payables	其他應付款項	(b)	5,955,176	5,866,804
			10,807,574	10,889,417

Notes:

註：

(a) Details of contract liabilities are as follows:

(a) 合約負債詳情如下：

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	1 January 2018 二零一八年 一月一日 RMB'000 人民幣千元
Short-term advances received from customers	自客戶收取的短期墊款			
Sale of goods	商品銷售	3,299,226	3,332,929	1,843,166

Contract liabilities are short-term advances received to deliver dairy products.

合約負債為就運送奶製品收取的短期墊款。

(b) Other payables are non-interest-bearing and payable on demand.

(b) 其他應付款項為免息及須應要求隨時償還。

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33. INTEREST-BEARING BANK AND OTHER BORROWINGS

33. 計息銀行及其他借貸

		2019 二零一九年			2018 二零一八年		
		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	流動						
Short term bank loans, secured	短期銀行貸款，有抵押	2020	230,680	—	2019	748,844	136,984
Short term bank loans, unsecured	短期銀行貸款，無抵押	2020	9,295,529	360,070	2019	3,721,347	156,500
Current portion of long term bank loans — secured	長期銀行貸款即期部分 — 有抵押	2020	—	—	2019	6,004	26,660
Current portion of long term bank loans — unsecured	長期銀行貸款即期部分 — 無抵押	2020	—	2,776,980	2019	176,230	1,550,346
Super short-term commercial papers	超短期融資券	2020	1,000,000	—	—	—	—
Lease liabilities (note 18(c))	租賃負債(附註18(c))	2020	174,942	—	—	—	—
			10,701,151	3,137,050		4,652,425	1,870,490
Non-current	非流動						
Long term bank loans, secured	長期銀行貸款，有抵押	—	—	—	2020-2021	—	178,080
Long term bank loans, unsecured	長期銀行貸款，無抵押	—	—	—	2020-2030	248,190	3,080,620
US\$194,800,000 zero coupon exchangeable bonds issued in 2017 (note (d))	於二零一七年發行的 194,800,000美元零息 可交換債券(註(d))	2022	1,374,780	—	2022	1,275,183	—
US\$500,000,000 4.25% bonds issued in 2018 (note (e))	於二零一八年發行的 500,000,000美元票息率 4.25%的債券(註(e))	2023	3,469,677	—	2023	3,410,327	—
US\$500,000,000 3.00% bond issued in 2019 (note (e))	於二零一九年發行的 500,000,000美元票息率 3.00%的債券(註(e))	2024	3,465,692	—	—	—	—
Medium-term notes	中期票據	2022	1,000,000	—	—	—	—
Lease liabilities (note 18(c))	租賃負債(附註18(c))	2021-2052	324,460	—	—	—	—
			9,634,609	—		4,933,700	3,258,700
			20,335,760	3,137,050		9,586,125	5,129,190

31 December 2019 於二零一九年十二月三十一日

33. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

The repayment schedule of the interest-bearing bank and other borrowings is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 1 year	一年內	13,838,201	6,522,915
1 to 2 years	一至兩年	137,421	3,043,300
2 to 5 years	兩至五年	9,475,564	5,091,560
Over 5 years	五年以上	21,624	57,540
Total interest-bearing bank and other borrowings		23,472,810	14,715,315
Less: Amount due within one year included in current liabilities		(13,838,201)	(6,522,915)
		9,634,609	8,192,400

Notes:

- (a) As at 31 December 2019 and 2018, the Group's interest-bearing bank and other borrowings were secured as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Secured by pledged deposits	以保證金存款抵押	—	286,984
Secured by investment deposits	以投資存款抵押	26,831	407,724
Secured by property, plant, equipment and right-of-use assets	以物業、廠房、設備及使用權資產抵押	602,275	367,944
Secured by trade and bills receivables	以應收賬款及票據抵押	4,000	—
Secured by all assets of certain subsidiaries (note (f))	以子公司全部資產抵押 (附註(f))	96,976	33,920
Unsecured	無抵押	22,742,728	13,618,743
		23,472,810	14,715,315

33. 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：

附註：

- (a) 於二零一九年及二零一八年十二月三十一日，本集團的計息銀行及其他借貸抵押情況如下：

31 December 2019 於二零一九年十二月三十一日

33. 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:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Hong Kong dollars	港元	2,776,980	3,376,261
United States dollars	美元	15,387,609	6,153,396
New Zealand dollars	新西蘭元	—	12,793
Australian dollars	澳元	96,976	—
Indonesia Rupiah	印尼盾	106,928	—
RMB	人民幣	5,104,317	5,172,865
		23,472,810	14,715,315

- (c) The floating annual interest rates of the short term bank loans and long term bank loans varied from 4.35% to 6.09% (2018: from 1.65% to 6.09%), 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 12.00% (2018: from 1.15% to 10.00%). The fixed annual interest rates of the long term bank loans varied from 1.20% to 7.93% in 2018.

- (d) 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 of China Modern Dairy 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 loss of RMB77,988,000 (2018: a net fair value gain of RMB58,009,000) was recognised in other expenses (note 6).

33. 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：

- (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4.35%至6.09% (二零一八年：1.65%至6.09%)。

短期銀行貸款的固定年利率介乎1.15%至12.00% (二零一八年：1.15%至10.00%)。長期銀行貸款的固定年利率於二零一八年介乎1.20%至7.93%。

- (d) 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)轉換為中國現代奶業689,438,782股股份。本集團分類可交換債券為以公允值計量且其變動計入損益的金融負債。於年內，公允值虧損淨額人民幣77,988,000元(二零一八年：公允值收益淨額人民幣58,009,000元)於其他開支中確認(附註6)。

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33. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

Notes: (continued)

- (e) On 7 August 2018, the Company issued five-year bonds due 2023 with an aggregate principal amount of USD500,000,000 at 99.653% of the face value. The bonds bear interest from and including 7 August 2018 at the rate of 4.250% per annum, payable semi-annually in arrears on 7 February and 7 August each year.

On 18 July 2019, the Company issued five-year bonds due 2024 with an aggregate principal amount of US\$500,000,000 at 99.572% of the face value to refinance the Company's existing loans. The bonds bear interest at the rate of 3.000% per annum, payable semi-annually in arrears.

- (f) As at 31 December 2019, the interest-bearing bank and other borrowings of RMB96,976,000 (2018: RMB33,920,000) were secured by the all assets of certain subsidiaries of the Group with carrying amount of approximately RMB883,039,000 (2018: RMB1,375,768,000) in total.

As at 31 December 2019, all assets of a subsidiary of the Group with carrying amount of approximately RMB1,319,937,000 (2018: Nil) were secured for a credit line.

34. OTHER LOANS

Short term loans	短期貸款	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
		—	22,912

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.

33. 計息銀行及其他借貸 (續)

附註：(續)

- (e) 於二零一八年八月七日，本公司發行二零二三年到期的五年債券，本金總額為99.653%面值的500,000,000美元。債券將由二零一八年八月七日(包括當日)起按年利率4.250%計息，於每年二月七日及八月七日每半年派息一次。

於二零一九年七月十八日，本公司發行二零二四年到期的五年債券，本金總額為99.572%面值的500,000,000美元，以對本公司現有貸款重新融資。債券按年利率3.000%計息，按半年度支付拖欠。

- (f) 於二零一九年十二月三十一日，計息銀行及其他借款人民幣96,976,000元(二零一八年：人民幣33,920,000元)以本集團若干子公司全部資產賬面總值約人民幣883,039,000元(二零一八年：人民幣1,375,768,000元)之物業作抵押。

於二零一九年十二月三十一日，本集團一間子公司以其全部資產賬面總值約人民幣1,319,937,000元(二零一八年：無)之物業作抵押獲取信用額度。

34. 其他貸款

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。

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35. DERIVATIVE FINANCIAL INSTRUMENTS 35. 衍生金融工具

		Notes 附註	2019 二零一九年		2018 二零一八年	
			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)	10,814	—	28,598	—
Foreign currency forward contracts	遠期外幣合約	(b)	34,009	4,346	33,517	27,162
Interest rate forward contracts	利率遠期合約	(b)	—	—	15,695	—
			44,823	4,346	77,810	27,162
Portion classified as non-current:	分類為非流動部分：					
Interest rate swap	利率互換合約		—	—	28,598	—
Foreign currency forward contracts	外幣遠期合約		34,009	—	—	17,457
			34,009	—	28,598	17,457
Current portion	流動部分		10,814	4,346	49,212	9,705

Notes:

- (a) Interest rate swaps — cash flow hedge:
As at 31 December 2019 and 31 December 2018, the Group has interest rate swaps with financial institutions with an aggregate notional amount of HKD3,100,000,000 whereby it receives a floating rate of interest on the notional amount at the Hong Kong Interbank Offered Rate (“Hibor”) monthly and pays a fixed rate of interest on the notional amount. The interest rate swaps are being used to hedge the interest rate risk in relation to a HKD denominated floating rate bank borrowing with a principal of HKD3,100,000,000.

註：

- (a) 利率互換合約 — 現金流量對沖：
於二零一九年十二月三十一日及二零一八年十二月三十一日，本集團於金融機構擁有利率互換合約，總名義金額為3,100,000,000港元，據此，其每月按香港銀行同業拆息（「Hibor」）收取名義金額的浮動利率利息，並按固定利率支付名義金額的利息。利率互換合約用於對沖有關本金額為3,100,000,000港元以港元計值的浮動利率銀行借款的利率風險。

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35. DERIVATIVE FINANCIAL INSTRUMENTS

(continued)

Notes: (continued)

- (a) Interest rate swaps — cash flow hedge: (continued)
- There is an economic relationship between the hedged items and the hedging instruments as the terms of the interest rate swaps match the interest payments and the principal payments of the bank loan agreements. The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risks of the interest rate swaps are identical to the hedged risk components. To measure the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Hedge ineffectiveness can arise from:

- Different interest rate curves applied to discount the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amounts of cash flows of hedged items and hedging instruments

35. 衍生金融工具 (續)

註：(續)

- (a) 利率互換合約 — 現金流量對沖：(續)
- 已對沖項目及對沖工具存在經濟關係，原因為利率互換合約的條款與利息付款及銀行貸款協議的本金付款相匹配。本集團為對沖關係設定1：1的對沖比率，原因為利率互換合約的相關風險與已對沖風險成分相同。為計量對沖無效，本集團採用假設衍生工具法，並將已對沖風險產生的對沖工具公允值變動與已對沖項目公允值變動進行比較。

對沖無效可由下列各項產生：

- 應用於貼現已對沖項目的不同利率曲線及對沖工具
- 交易對手的信貸風險對對沖工具及已對沖項目的公允值變動構成不同影響
- 已對沖項目及對沖工具的預測現金流量變動

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35. DERIVATIVE FINANCIAL INSTRUMENTS

(continued)

Notes: (continued)

- (a) Interest rate swaps — cash flow hedge: (continued)
The impacts of the hedging instruments on the statement of financial position are as follow:

		Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring hedge ineffectiveness for the year
		名義值 HKD'000 港幣千元	賬面值 RMB'000 人民幣千元	財務狀況表項目	年內用於計量對沖無效的公允值變動 RMB'000 人民幣千元
As at 31 December 2019	於二零一九年十二月三十一日				
Interest rate swaps	利率互換合約	3,100,000	10,814	Derivative financial instruments (assets) 衍生金融工具(資產)	(18,423)
As at 31 December 2018	於二零一八年十二月三十一日				
Interest rate swaps	利率互換合約	3,100,000	28,598	Derivative financial instruments (assets) 衍生金融工具(資產)	(4,196)

The impacts of the hedged items on the statement of financial position are as follows:

已對沖項目對財務狀況表的影響如下：

		Change in fair value used for measuring hedge ineffectiveness for the year	Cash flow hedge reserve
		年內用於計量對沖無效的公允值變動 RMB'000 人民幣千元	現金流量對沖儲備 RMB'000 人民幣千元
As at 31 December 2019	於二零一九年十二月三十一日		
Interest rate swaps	利率互換合約	(18,423)	7,998
As at 31 December 2018	於二零一八年十二月三十一日		
Interest rate swaps	利率互換合約	(4,196)	26,421

35. 衍生金融工具 (續)

註：(續)

- (a) 利率互換合約 — 現金流量對沖：(續)
對沖工具對財務狀況表的影響如下：

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35. DERIVATIVE FINANCIAL INSTRUMENTS

(continued)

Notes: (continued)

- (a) Interest rate swaps — cash flow hedge: (continued)
The effect of the cash flow hedge on the statement of profit and loss and the statement of comprehensive income are as follows:

		Total hedging gain/(loss) recognised in other comprehensive income 於其他全面收益確認的對沖收益/(虧損)總額			Hedge ineffectiveness recognised in profit or loss 於損益確認的對沖無效 RMB'000 人民幣千元	Line item in the statement of profit or loss 損益表項目	Amount reclassified from other comprehensive income to profit or loss 自其他全面收益重新分類至損益的金額			Line item (gross amount) in the statement of profit or loss 損益表項目 (總額) RMB'000 人民幣千元
		Gross amount 總額 RMB'000 人民幣千元	Tax effect 稅務影響 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元			Gross amount 總額 RMB'000 人民幣千元	Tax effect 稅務影響 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	
Year ended 31 December 2019	截至二零一九年十二月三十一日止年度					N/A 不適用				N/A 不適用
Interest rate swaps	利率互換合約	(17,784)	—	(17,784)	—		—	—	—	
Year ended 31 December 2018	截至二零一八年十二月三十一日止年度					N/A 不適用				N/A 不適用
Interest rate swaps	利率互換合約	(4,196)	—	(4,196)	—		—	—	—	

- (b) In addition to the above interest rate swap designated as hedging instruments, the Group has also entered into various foreign currency forward 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 foreign currency forward contracts of RMB23,308,000 (2018: RMB2,232,000) was recognised in other income and gains during the year (note 5). A net fair value loss on interest rate forward contracts of RMB15,695,000 (2018: RMB8,290,000) was recognised in finance costs during 2019 (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 2018, a net fair value gain of RMB6,394,000 was credited to cost of sales (note 7).

35. 衍生金融工具 (續)

註：(續)

- (a) 利率互換合約 — 現金流量對沖：(續)
現金流量對沖對損益表及全面收益表的影響如下：

- (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23,308,000元(二零一八年：人民幣2,232,000元)於年內確認為其他收入及收益(附註5)。利息遠期合約公允值虧損淨額人民幣15,695,000元(二零一八年：人民幣8,290,000元)於二零一九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。於二零一八年內，公允值收益淨額人民幣6,394,000元已自銷售成本扣除(附註7)。

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36. 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:

36. 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：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 1 year	一年內	947	11,802
1 to 2 years	一至兩年	—	814
Total long term payables	長期應付款項總額	947	12,616
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	(947)	(11,802)
		—	814

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

長期應付款項以本集團的物業、廠房及設備作抵押(附註15(a))。

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37. 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 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:

37. 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：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At beginning of year	年初	1,026,381	899,738
Received during the year	年內收取	167,283	242,588
Amortisation during the year (note 5)	年內攤銷(附註5)	(174,895)	(115,945)
Disposal of subsidiaries (note 46)	出售子公司(附註46)	(688,782)	—
At end of year	年終	329,987	1,026,381
Current portion	即期部分	50,493	170,261
Non-current portion	非即期部分	279,494	856,120
		329,987	1,026,381

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38. OTHER FINANCIAL LIABILITIES

38. 其他金融負債

	Note 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Present value of redemption amount for potential acquisition of puttable non-controlling interests	(a)	1,600,206	1,610,947

Note:

(a) 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 2019, the Group derecognised a non-controlling interest of RMB592,124,000 (2018: RMB612,091,000) and recognised a present value of the amount payable upon exercise of the option of RMB1,600,206,000 (2018: RMB1,610,947,000) as a financial liability and accounted for the difference in equity.

附註：

(a) 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約，Danone Asia Pte 獲授一項購股權，可自經修訂及重訂的框架協議相關屆滿日期滿七(7)週年，每兩(2)年期間開始後15天內終止合資經營合約，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。於二零一九年十二月三十一日，本集團終止確認人民幣592,124,000元(二零一八年：人民幣612,091,000元)的非控股股東權益，並確認按行使購股權時應付的金融負債現值人民幣1,600,206,000元(二零一八年：人民幣1,610,947,000元)，並將差額計入權益。

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39. SHARE CAPITAL

39. 股本

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Authorised:	法定：		
Ordinary shares of HK\$0.1 each	每股面值0.1港元的普通股	565,022	565,022
		Number of ordinary shares 普通股數目 '000 千股	RMB'000 人民幣千元
Issued and fully paid:	已發行及繳足：		
At 1 January 2019	於二零一九年一月一日	3,927,708	357,602
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	7,307	655
At 31 December 2019	於二零一九年十二月三十一日	3,935,015	358,257
		Number of ordinary shares 普通股數目 '000 千股	RMB'000 人民幣千元
Issued and fully paid:	已發行及繳足：		
At 1 January 2018	於二零一八年一月一日	3,927,361	357,572
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	347	30
At 31 December 2018	於二零一八年十二月三十一日	3,927,708	357,602

Note:

- (a) Details of the Company's share option scheme and the share options issued under the scheme are included in note 42 to the financial statements.

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42。

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40. 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 131 to 132 of the financial statements.

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.

41. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB416,967,000 and RMB416,967,000, respectively, in respect of lease arrangements for plant and equipment (2018: Nil).

40. 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131頁至第132頁的綜合權益變動表內。

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）。

41. 綜合現金流量報表附註

(a) 主要非現金交易

於年內，本集團就廠房及設備之租賃安排所添置任何非現金使用權資產及租賃負債分別為人民幣416,967,000元及人民幣416,967,000元（二零一八年：無）。

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41. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Changes in liabilities arising from financing activities

41. 綜合現金流量報表附註(續)

(b) 來自融資活動的負債變動

		2019 二零一九年						
		US\$500,000,000	US\$500,000,000	US\$194,800,000	Super			
		Bank	exchangeable	zero coupon	short-term	Medium-term	Lease	
		loans	bonds	bonds	commercial	term notes	liabilities	
		issued in 2018	issued in 2019	bonds issued	papers			
		於二零一八年	於二零一九年	in 2017				
		發行的	發行的	於二零一七年				
		500,000,000美元	500,000,000美元	發行的				
		票息率4.25%	票息率3%	194,800,000美元	超短期	中期票據	租賃負債	
		的債券	的債券	零息可交換債券	融資券			
		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 31 December 2018	於二零一八年 十二月三十一日	10,029,805	3,410,327	—	1,275,183	—	—	—
Effect of adoption of IFRS 16	採納國際財務報告準則第16號之影響	—	—	—	—	—	—	388,525
At 1 January 2019	於二零一九年一月一日	10,029,805	3,410,327	—	1,275,183	—	—	388,525
Changes from financing cash flows	融資現金流變動	6,363,867	—	3,427,433	—	1,000,000	1,000,000	(263,627)
New Leases	新增租賃	—	—	—	—	—	—	416,967
Interest expense	利息開支	—	4,770	1,976	—	—	—	19,153
Increase arising from acquisition of subsidiaries	收購子公司之增加	214,716	—	—	—	—	—	15,117
Decrease due to disposal of subsidiaries	由於出售子公司減少	(4,014,590)	—	—	—	—	—	(76,733)
Net 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價值收益淨額	—	—	—	77,988	—	—	—
Foreign exchange movement	匯兌變動	69,461	54,580	36,283	21,609	—	—	—
At 31 December 2019	於二零一九年 十二月三十一日	12,663,259	3,469,677	3,465,692	1,374,780	1,000,000	1,000,000	499,402

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41. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Changes in liabilities arising from financing activities (continued)

41. 綜合現金流量報表附註 (續)

(b) 來自融資活動的負債變動 (續)

		2018 二零一八年		
		US\$500,000,000	US\$500,000,000	US\$194,800,000 zero coupon exchangeable bonds issued in 2017
		Bank loans 於二零一三年 發行的 500,000,000美元 票息率3.5% 的債券	3.5% bonds issued in 2013 於二零一八年 發行的 500,000,000美元 票息率4.25% 的債券	4.25% bonds issued in 2018 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
At 1 January 2018	於二零一八年一月一日	9,419,826	3,259,723	1,270,575
Changes from financing cash flows	融資現金流變動	(300,226)	(3,473,150)	—
Interest expense	利息開支	—	7,608	1,515
Increase arising from acquisition of subsidiaries	收購子公司之增加	726,139	—	—
Net 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價值收益淨額	—	—	(58,009)
Foreign exchange movement	匯兌變動	184,066	205,819	17,972
At 31 December 2018	於二零一八年十二月三十一日	10,029,805	—	3,410,327
				1,275,183

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41. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)**(c) Total cash outflow for leases**

The total cash outflow for leases included in the statement of cash flows is as follows:

		2019 二零一九年 RMB'000 人民幣千元
Within operating activities	於經營業務內	(232,767)
Within investing activities	於投資業務內	—
Within financing activities	於融資業務內	(263,627)
		(496,394)

42. 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.

41. 綜合現金流量報表附註 (續)**(c) 租賃現金流出總額**

載列於現金流動報表的租賃現金流出總額如下：

42. 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到期。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。

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42. SHARE OPTION SCHEME (continued)

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.

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.

42. 購股權計劃 (續)

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，根據購股權可發行予購股權計劃內每位合資格參與者的股份數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。

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。

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42. SHARE OPTION SCHEME (continued)

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.

Particulars of outstanding share options

Date of grant	Exercise period of share options (both dates inclusive)	Exercise price per share option (note d)	Weighted average fair value per share option
授出日期	購股權的行使期間 (包括首尾兩日)	每份購股權的行使價 (附註 d)	每份購股權的加權平均公允值
		(HK\$)	(HK\$)
		(港元)	(港元)
13 July 2017	13 July 2018 to 12 July 2022 (note a)	14.812	3.99
二零一七年七月十三日	二零一八年七月十三日至 二零二二年七月十二日 (附註a)		
7 May 2018	7 May 2019 to 6 May 2023 (note b)	26.05	7.98
二零一八年五月七日	二零一九年五月七日至 二零二三年五月六日 (附註b)		
24 December 2018	1 April 2019 to 23 December 2023 (note c)	23.93	7.16
二零一八年十二月二十四日	二零一九年四月一日至 二零二三年十二月二十三日 (附註 c)		

42. 購股權計劃 (續)

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。

尚未行使購股權詳情

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42. 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 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.
- (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 share options will be vested in four batches with 70% of the share options granted vesting in three equal batches on 1 April 2019, 2020 and 2021, and the remaining 30% of the share options granted vesting in their entirety on 1 April 2021. 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.
- (d) The exercise price per share option was the average closing share price for the five business days immediately preceding the grant date or the closing price of the shares on the grant date.

All the above options granted have no cash alternatives.

42. 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。
- (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) 購股權將分為四份歸屬，70%已授出購股權於二零一九年、二零二零年及二零二一年四月一日分三等份歸屬，其餘30%已授出購股權於二零二一年四月一日全部歸屬。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。
- (d) 每份購股權的行使價乃緊接授出日期前五個營業日的平均股份收市價或授出日期的股份收市價。

上述所有授出的購股權均並無現金替代品。

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42. SHARE OPTION SCHEME (continued)

Movements of outstanding share options

42. 購股權計劃 (續)

尚未行使購股權變動

Date of grant		As at	Exercised	Lapsed/	As at	Exercisable at
		1 January	during	forfeited	31 December	31 December
授出日期		2019	the year	during	2019	2019
		於二零一九年	年內行使	年內沒收/	於二零一九年	於二零一九年
		一月一日		失效	十二月三十一日	十二月三十一日
						可行使
13 July 2017	二零一七年七月十三日	9,236,545	(4,209,899)	(192,614)	4,834,032	4,834,032
7 May 2018	二零一八年五月七日	9,245,873	(1,130,135)	(731,544)	7,384,194	3,132,357
24 December 2018	二零一八年十二月二十四日	37,248,880	(1,967,000)	(1,499,950)	33,781,930	6,404,290
Total	總計	55,731,298	(7,307,034)	(2,424,108)	46,000,156	14,370,679

Date of grant		As at	Granted	Exercised	Lapsed/	As at	Exercisable at
		1 January	during	during	during	31 December	31 December
授出日期		2018	the year	the year	the year	2018	2018
		於二零一八年	年內授出	年內行使	年內	於二零一八年	於二零一八年
		一月一日			沒收/失效	十二月三十一日	十二月三十一日
							可行使
13 July 2017	二零一七年七月十三日	10,449,215	—	(346,922)	(865,748)	9,236,545	4,537,373
7 May 2018	二零一八年五月七日	—	9,593,689	—	(347,816)	9,245,873	—
24 December 2018	二零一八年十二月二十四日	—	37,248,880	—	—	37,248,880	—
Total	總計	10,449,215	46,842,569	(346,922)	(1,213,564)	55,731,298	4,537,373

Subsequent to the end of the reporting period, out of the total outstanding share options of 46,000,156 (2018: 55,731,298) as at 31 December 2019, 50,949 (2018: 19,291) share options had lapsed due to the unfulfilment of vesting conditions.

The Group recognised an expense of RMB166,651,000 (2018: RMB51,199,000) relating to the fair value amortisation of share options during the year (note 7).

於二零一九年十二月三十一日尚未行使的購股權共46,000,156份(二零一八年: 55,731,298份), 購股權單位中, 50,949份(二零一八年: 19,291份)因未達到歸屬條件而於報告期末後失效。

本集團於年內確認有關購股權公允值攤銷的開支人民幣166,651,000元(二零一八年: 人民幣51,199,000元)(附註7)。

31 December 2019 於二零一九年十二月三十一日

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

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:

		2018	
		二零一八年	
		7 May	24 December
		五月七日	十二月二十四日
Dividend yield (%)	股息率(%)	0.64	0.57
Expected volatility (%)	預期波動率(%)	34.00	34.00
Historical volatility (%)	歷史波動率(%)	33.90	34.12
Risk-free interest rate (%)	無風險利率(%)	2.14	1.96
Option life (years)	購股權年期(年)	5	5
Spot price (HK\$ per share)	現貨價(港元/每股)	26.05	23.80
Exercise price (HK\$ per share)	行使價(港元/每股)	26.05	23.93

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.

The 7,307,034 share options (2018: 346,922) exercised during the year resulted in the issue of 7,307,034 (2018: 346,922) ordinary shares of the Company and new share capital of RMB655,000 (2018: RMB30,000) and share premium of RMB123,780,000 (2018: RMB4,472,000), as further detailed in note 39 to the financial statements. The weighted average share price at the date of exercise of these options was HK\$30.52 (2018: HK\$25.04).

42. 購股權計劃 (續)**尚未行使購股權變動** (續)

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。行使價為聯交所每日報價表所示緊接授出日期前五個營業日的每股股份平均收市價。

7,307,034份(二零一八年：346,922份)購股權於年內行使，因而已發行7,307,034股(二零一八年：346,922股)本公司普通股，產生新股本為人民幣655,000元(二零一八年：人民幣30,000元)，股份溢價人民幣123,780,000元(二零一八年：人民幣4,472,000元)，詳情載於財務報表附註39。此等購股權於行使日的加權平均股價為30.52港元(二零一八年：25.04港元)。

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

At the end of the reporting period, the Company had 14,370,679 (2018: 4,537,373) vested share options outstanding under the Share Option Scheme. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 14,370,679 (2018: 4,537,373) additional ordinary shares of the Company and additional share capital of RMB1,287,000 (2018: RMB398,000) and share premium of RMB273,228,000 (2018: RMB58,490,000) (before issue expenses).

43. 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.

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.

42. 購股權計劃 (續)**尚未行使購股權變動** (續)

於報告期末，本公司在購股權計劃項下有14,370,679份(二零一八年：4,537,373份)已歸屬未行使購股權。在本公司現時的資本結構下，全面行使餘下的購股權將導致本公司發行額外14,370,679股(二零一八年：4,537,373股)普通股、額外人民幣1,287,000元(二零一八年：人民幣398,000元)股本及人民幣273,228,000元(二零一八年：人民幣58,490,000元)股份溢價(扣除發行開支前)。

43. 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為止。已授出及由受託人持有直至歸屬的本公司股份稱為庫存股份，而各庫存股份應指本公司一股普通股。

概無股份根據本股票獎勵計劃獲購買，亦無向受託人支付任何款項以作出有關購買，倘因有關購買，致使本股票獎勵計劃管理的股份數目超過本公司已發行股本5%，於任何時間可能授予單一參與者的股票數目上限或總數不得超過採納日期本公司已發行股本0.5%。

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43. SHARE AWARD SCHEME (continued)

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

Date of grant		Notes	Fair value per share	As at 1 January 2019	Granted during the year	Vesting during the year	Lapsed/ forfeited during the year	As at 31 December 2019
授出日期		附註	每股公允值 (HK\$) (港元)	於二零一九年一月一日	年內授出	年內歸屬	年內沒收	於二零一九年十二月三十一日
13 July 2017	二零一七年七月十三日	(a)	14.62	3,050,246	—	(2,965,186)	(85,060)	—
7 May 2018	二零一八年五月七日	(b)	26.05	6,453,689	—	(3,004,911)	(587,091)	2,861,687
5 June 2019	二零一九年六月五日	(c)	28.80	—	8,201,104	—	(1,579,046)	6,622,058
				9,503,935	8,201,104	(5,970,097)	(2,251,197)	9,483,745

Date of grant		Notes	Fair value per share	As at 1 January 2018	Granted during the year	Vesting during the year	Lapsed/ forfeited during the year	As at 31 December 2018
授出日期		附註	每股公允值 (HK\$) (港元)	於二零一八年一月一日	年內授出	年內歸屬	年內沒收	於二零一八年十二月三十一日
13 July 2017	二零一七年七月十三日	(a)	14.62	6,770,015	—	(3,148,667)	(571,102)	3,050,246
7 May 2018	二零一八年五月七日	(b)	26.05	—	6,693,084	—	(239,395)	6,453,689
				6,770,015	6,693,084	(3,148,667)	(810,497)	9,503,935

43. 股票獎勵計劃 (續)

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

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43. SHARE AWARD SCHEME (continued)

Particulars and movements of share award scheme (continued)

Notes:

- (a) 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.
- (b) On 7 May 2018, the Company granted 6,693,084 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.
- (c) On 5 June 2019, the Company granted 8,201,104 shares under share award scheme to the participants, representing approximately 0.23% 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.

During the year, 2,251,197 (2018: 810,497) 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 5 June 2019 was HK\$28.80 per share (2018: HK\$26.05 per share). During 2019, the Group recognised a net expense relating to the share award scheme of approximately RMB129,582,000 (2018: RMB105,190,000) in the consolidated statement of profit or loss during the year (note 7).

During the year, 5,970,097 (2018: 3,148,667) shares with a total amount of RMB85,046,000 (2018: RMB44,212,000) were vested and exercised under the share award scheme, resulting in the transfer out of RMB101,050,000 (2018: RMB39,967,000) from the share award reserve, with the difference of RMB16,004,000 (2018: RMB4,245,000) debited to the share premium account. The weighted average share price at the date of exercise of these shares was HK\$15.81 (2018: HK\$16.03).

43. 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。
- (b) 二零一八年五月七日，本公司根據股票獎勵計劃向參與者授出6,693,084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。
- (c) 二零一九年六月五日，本公司根據股票獎勵計劃向參與者授出8,201,104股股份，佔本公司於採納日期的已發行股本約0.23%。此等已授出的股份將分為二份歸屬，根據若干歸屬條件由授出日期起第一及二個週年歸屬。

於年內，共2,251,197股(二零一八年：810,497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。二零一九年六月五日授出的股份的公允值為每股28.80港元(二零一八年：每股26.05港元)。二零一九年內，本集團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129,582,000元(二零一八年：人民幣105,190,000元)(附註7)。

年內，總額為人民幣85,046,000元(二零一八年：人民幣44,212,000元)的5,970,097股(二零一八年：3,148,667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101,050,000元(二零一八年：人民幣39,967,000元)，差額人民幣16,004,000元(二零一八年：人民幣4,245,000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15.81港元(二零一八年：16.03港元)。

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44. 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:

44. 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：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Percentage of equity interest held by non-controlling interests: Yashili	非控股股東權益持有的股權百分比： 雅士利	48.96%	48.96%
Profit/(Loss) for the year allocated to non-controlling interests: Yashili	非控股股東權益分佔的本年收益/(虧損)： 雅士利	51,372	18,029
Dividends paid to non-controlling interests: Yashili	向非控股股東權益派付的股息： 雅士利	22,833	—
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	3,851,100	3,793,648

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44. 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:

44. 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 2019 二零一九年 RMB'000 人民幣千元	Yashili 雅士利 2018 二零一八年 RMB'000 人民幣千元
Revenue	收入	3,411,962	3,011,200
Total expenses	開支總額	(3,299,596)	(2,958,925)
Profit for the year	本年盈利	112,366	52,275
Other comprehensive income for the year	本年其他全面收益	43,954	7,351
Total comprehensive income for the year	年內全面收益總額	156,320	59,626
Current assets	流動資產	3,439,743	4,166,605
Non-current assets	非流動資產	4,072,758	3,555,612
Current liabilities	流動負債	(1,799,336)	(2,150,033)
Non-current liabilities	非流動負債	(31,444)	(14,359)
Net cash flows from operating activities	經營活動產生的現金流量淨額	177,227	264,123
Net cash flows from/(used in) investing activities	投資活動產生/(所用)的現金流量淨額	(695,068)	508,091
Net cash flows used in financing activities	融資活動所用的現金流量淨額	(64,223)	(283,161)
Effect of exchange rate changes on cash and cash equivalents	匯率對現金及現金等價物的影響	(145)	358
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	(582,209)	489,411

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45. BUSINESS COMBINATION

In 2019:

Acquisition of Bellamy

On 5 December 2019, the Group acquired a total equity interests of 100% in Bellamy and obtained control over Bellamy, an organic infant formula and baby food provider listed on the Australian Securities Exchange. The acquisition was made as part of the Group's strategy to expand its market share of organic infant milk powder products and baby food products market.

The purchase consideration for the acquisition was in the form of cash of RMB6,934,372,000.

45. 業務合併

於二零一九年：

收購貝拉米

於二零一九年十二月五日，本集團收購貝拉米（為於澳洲證券交易所上市的全國認可澳洲有機嬰兒配方及嬰兒食品供應商）合共100%的股權，並取得貝拉米的控制權。已作出的收購為本集團擴大有機嬰兒奶粉產品及嬰兒食品產品市場的市場份額的策略之一。

該等收購的購買代價人民幣6,934,372,000元現金。

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45. BUSINESS COMBINATION (continued)

In 2019: (continued)

Acquisition of Bellamy (continued)

The fair values of the identifiable assets and liabilities of Bellamy as at the date of acquisition were as follows:

45. 業務合併 (續)

於二零一九年：(續)

收購貝拉米 (續)

於收購日期，貝拉米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	資產		
Property, plant and equipment	物業、廠房及設備	15	22,008
Construction in progress	在建工程	16	7,111
Right-of-use assets	使用權資產	18(b)	14,567
Other intangible assets	其他無形資產	20	5,417,659
Deferred tax assets	遞延稅項資產	24	103,740
Inventories	存貨		410,097
Trade and bills receivables	應收賬款及票據		148,061
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產		58,831
Cash and bank balances	現金及銀行結存		481,398
Total assets	總資產		6,663,472
Liabilities	負債		
Trade and bills payables	應付賬款及票據		(132,110)
Other payables and accruals	其他應付款項及預提費用		(569,962)
Interest-bearing bank and other borrowings	計息銀行及其他借貸		(15,146)
Deferred tax liabilities	遞延稅項負債	24	(1,627,132)
Total liabilities	總負債		(2,344,350)
Total identifiable net assets at fair value	按公允值計算的可識別淨負債總額		4,319,122
Add: Goodwill arising on acquisition	加：收購產生的商譽	19	2,615,250
Purchase consideration at fair value	按公允值計算的收購代價		6,934,372

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 RMB148,061,000 and RMB28,575,000, respectively.

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148,061,000元及人民幣28,575,000元，與應收賬款及其他應收款項的合約總額相同。

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45. BUSINESS COMBINATION (continued)

In 2019: (continued)

Acquisition of Bellamy (continued)

The Group incurred transaction costs of RMB11,227,000 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 Bellamy for the year ended 31 December 2019 was as follows:

45. 業務合併 (續)

於二零一九年：(續)

收購貝拉米 (續)

本集團就是項收購產生交易成本人民幣11,227,000元。有關交易成本已於綜合損益表支銷並計入行政費用。

截至二零一九年十二月三十一日止年度就收購貝拉米的現金流動分析如下：

		RMB'000 人民幣千元
Cash consideration	現金代價	(6,934,372)
Cash and cash equivalents acquired	購買現金及現金等價物	481,398
Net outflow of cash and cash equivalents included in cash flows from investing activities	自投資業務計入現金流動的現金及現金等價物流出淨額	(6,452,974)
Transaction costs of the acquisition included in cash flows from operating activities	自經營業務計入現金流動的購買交易成本	(11,227)
		(6,464,201)

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45. BUSINESS COMBINATION (continued)

In 2019: (continued)

Acquisition of Bellamy (continued)

Since the acquisition, Bellamy contributed RMB88,168,000 to the Group's revenue and RMB16,076,000 to the consolidated profit of the Group for the year ended 31 December 2019.

Had the combination taken place at the beginning of 2019, the revenue of the Group and the profit of the Group for the year ended 31 December 2019 would have been RMB80,192,260,000 and RMB4,197,178,000, respectively.

Acquisition of Shengmu High-tech Dairy

On 23 April 2019, the Group acquired a total equity interests of 51% in Shengmu High-tech Dairy from Shengmu High-tech Farming and Inner Mongolia Shengmu Holding Co., Ltd. ("Shengmu Holding") and obtained control over Shengmu High-tech Dairy. Shengmu High-tech Dairy is mainly engaged in the production and distribution of organic liquid milk products. The acquisition was made as part of the Group's strategy to expand its market share of organic liquid milk products in Mainland China.

The purchase consideration for the acquisition was in the form of cash with RMB105,461,000 paid on 19 July 2019, and the remaining RMB30,000,000 payable within five business days from the first anniversary date of 19 July 2019.

45. 業務合併 (續)

於二零一九年：(續)

收購貝拉米 (續)

自收購以來，貝拉米為本集團截至二零一九年十二月三十一日止年度的收入貢獻人民幣88,168,000元，並為本集團綜合收益貢獻人民幣16,076,000元。

倘有關合併於二零一九年年初進行，則截至二零一九年十二月三十一日止年度本集團的收入及本集團淨收益將分別為人民幣80,192,260,000元及人民幣4,197,178,000元。

收購聖牧高科乳業

於二零一九年四月二十三日，本集團向聖牧高科牧業及內蒙古聖牧控股有限公司（「聖牧控股」）收購聖牧高科乳業合共51%股權及取得聖牧高科乳業的控制權。聖牧高科牧業主要從事生產及分銷有機液態牛奶產品。已作出之收購為本集團策略的一部分，以擴大其有機液態牛奶產品於中國內地的市場份額。

收購的購買代價以現金方式人民幣105,461,000元於二零一九年七月十九日支付及餘下人民幣30,000,000元須於二零一九年七月十九日起計首個年度日期的五個營業日內支付。

31 December 2019 於二零一九年十二月三十一日

45. BUSINESS COMBINATION (continued)

In 2019: (continued)

Acquisition of Shengmu High-tech Dairy (continued)

The Group has elected to measure the non-controlling interests in Shengmu High-tech Dairy at the non-controlling interest's proportionate share of identifiable net assets.

The fair values of the identifiable assets and liabilities of Shengmu High-tech Dairy as at the date of acquisition were as follows:

45. 業務合併 (續)

於二零一九年：(續)

收購聖牧高科乳業 (續)

本集團選擇按可識別資產淨值之非控股權益比例計量於聖牧高科乳業的非控股權益。

於收購日期，聖牧高科乳業的可識別資產及負債公允值如下：

		Notes 附註	Fair value recognised on acquisition 於收購獲確認 的公允值 RMB'000 人民幣千元
Assets	資產		
Property, plant and equipment	物業、廠房及設備	15	580,800
Construction in progress	在建工程	16	14,711
Right-of-use assets	使用權資產	18(b)	24,003
Other intangible assets	其他無形資產	20	45,655
Inventories	存貨		24,517
Trade and bills receivables	應收賬款及票據		37,161
Prepayments, other receivables and other assets	預付款、其他應收款項及其他資產		332,817
Pledged deposits	保證金存款		108,555
Cash and bank balances	現金及銀行結存		520
Total assets	總資產		1,168,739
Liabilities	負債		
Trade and bills payables	應付賬款及票據		(519,419)
Other payables and accruals	其他應付款項及預提費用		(238,710)
Interest-bearing bank and other borrowings	計息銀行及其他借貸		(145,000)
Total liabilities	總負債		(903,129)
Total identifiable net assets at fair value	按公允值計算的可識別淨負債總額		265,610
Less: Non-controlling interests	減：非控股股東權益		(130,149)
Purchase consideration at fair value	按公允值計算的收購代價		135,461

31 December 2019 於二零一九年十二月三十一日

45. BUSINESS COMBINATION (continued)

In 2019: (continued)

Acquisition of Shengmu High-tech Dairy (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 RMB37,161,000 and RMB268,104,000, respectively.

The Group incurred transaction costs of RMB870,000 for this acquisition. These transaction costs have been expensed and are included in administrative expenses in the consolidated statement of profit and loss.

An analysis of the cash flows in respect of the acquisition of Shengmu High-tech Dairy for the year ended 31 December 2019 was as follows:

		RMB'000 人民幣千元
Cash consideration	現金代價	(105,461)
Cash and cash equivalents acquired	購買現金及現金等價物	520
Net outflow of cash and cash equivalents included in cash flows from investing activities	自投資業務計入現金流動的現金及現金等價物淨流出	(104,941)
Transaction costs of the acquisition included in cash flows from operating activities	自經營業務計入現金流動的購買交易成本	(870)
		(105,811)

Since the acquisition, Shengmu High-tech Dairy contributed RMB492,972,000 to the Group's revenue and caused a net loss of RMB105,131,000 to the consolidated profit of the Group for the year ended 31 December 2019.

Had the combination taken place at the beginning of 2019, the revenue of the Group and the profit of the Group for the year ended 31 December 2019 would have been RMB79,287,531,000 and RMB4,156,579,000, respectively.

45. 業務合併 (續)

於二零一九年：(續)

收購聖牧高科乳業 (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37,161,000元及人民幣268,104,000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870,000元，有關交易成本已於綜合損益表支銷，並計入行政費用。

截至二零一九年十二月三十一年度就收購聖牧高科乳業的現金流動分析如下：

自收購以來，聖牧高科乳業為本集團截至二零一九年十二月三十一日止年度的收入貢獻人民幣492,972,000元，並為本集團綜合收入帶來淨虧損人民幣105,131,000元。

倘有關合併於二零一九年年初進行，則截至二零一九年十二月三十一日止年度本集團的收入及本集團淨收益將分別為人民幣79,287,531,000元及人民幣4,156,579,000元。

31 December 2019 於二零一九年十二月三十一日

45. BUSINESS COMBINATION (continued)

In 2019: (continued)

Acquisition of other subsidiaries

During 2019, the Group acquired seven other subsidiaries from third parties. These subsidiaries are mainly engaged in the sale of dairy products. The total purchase consideration for these acquisitions was in the form of cash of RMB27,837,000 paid at the respective acquisition dates. These business acquisitions gave rise to goodwill of RMB73,033,000 in total.

The Group has elected to measure the non-controlling interests in seven other subsidiaries at the non-controlling interests' proportionate share of identifiable net assets.

45. 業務合併 (續)

於二零一九年：(續)

收購其他子公司

於二零一九年，本集團向第三方收購其他七家子公司。該等子公司主要從事銷售乳製品產品。該等收購的總購買代價為人民幣27,837,000元，並於相關收購日期以現金形式支付。該等業務收購併產生商譽合共人民幣73,033,000元。

本集團選擇按可識別資產淨值之非控股權益比例計量於其他七家子公司的非控股權益。

31 December 2019 於二零一九年十二月三十一日

45. BUSINESS COMBINATION (continued)

In 2019: (continued)

Acquisition of other subsidiaries (continued)

The aggregate fair values of the identifiable assets and liabilities of the seven other subsidiaries as at the date of acquisition were as follows:

45. 業務合併 (續)

於二零一九年：(續)

收購其他子公司 (續)

其他七家子公司於收購日期可識別資產及負債的總公允值如下：

		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	資產		
Property, plant and equipment	物業、廠房及設備	15	45,180
Right-of-use assets	使用權資產	18(b)	43,139
Other intangible assets	其他無形資產	20	4,032
Inventories	存貨		12,866
Trade and bills receivables	應收賬款及票據		49,064
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產		4,262
Cash and bank balances	現金及銀行結存		6,080
Total assets	總資產		164,623
Liabilities	負債		
Trade and bills payables	應付賬款及票據		(130,972)
Other payables and accruals	其他應付款項及預提費用		(27,131)
Interest-bearing bank and other borrowings	計息銀行及其他借貸		(54,570)
Total liabilities	總負債		(212,673)
Total identifiable net assets at fair value	按公允值計算的可識別淨負債總額		(48,050)
Less: Non-controlling interests	減：非控股權益		2,854
Less: Trade receivables and other receivables due from seven other subsidiaries	減：來自其他七家子公司的應收賬款及其他應收款		(137,653)
Add: Goodwill arising on acquisition	加：收購產生的商譽	19	73,033
Add: Effective settlement of trade receivables and other receivables due from seven other subsidiaries	加：來自其他七家子公司的應收賬款及其他應收款的有效結算		137,653
Purchase consideration at fair value	按公允值計算的收購代價		27,837

31 December 2019 於二零一九年十二月三十一日

45. BUSINESS COMBINATION (continued)

In 2019: (continued)

Acquisition of other subsidiaries (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 RMB49,064,000 and RMB1,819,000, respectively.

An analysis of the cash flows in respect of the acquisition of the seven other subsidiaries for the year ended 31 December 2019 was as follows:

		RMB'000 人民幣千元
Cash consideration	現金代價	(27,837)
Cash and cash equivalents acquired	購買現金及現金等價物	6,080
Net outflow of cash and cash equivalents included in cash flows from investing activities	自投資業務計入現金流動的現金及現金等價物流出淨額	(21,757)

Since the acquisition, seven other subsidiaries contributed RMB404,756,000 to the Group's revenue and RMB65,093,000 to the consolidated profit of the Group for the year ended 31 December 2019.

Had the combination taken place at the beginning of 2019, the revenue of the Group and the profit of the Group for the year ended 31 December 2019 would have been RMB79,320,355,000 and RMB4,221,153,000, respectively.

45. 業務合併 (續)

於二零一九年：(續)

收購其他子公司 (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49,064,000元及人民幣1,819,000元，與應收賬款及其他應收款項的合約總額相同。

截至二零一九年十二月三十一日止年度就收購其他七家子公司的現金流動分析如下：

自收購以來，其他七家子公司為本集團截至二零一九年十二月三十一日止年度的收入貢獻人民幣404,756,000元，並為本集團綜合收益貢獻人民幣65,093,000元。

倘有關合併於二零一九年年初進行，則截至二零一九年十二月三十一日止年度本集團的收入及本集團淨收益將分別為人民幣79,320,355,000元及人民幣4,221,153,000元。

31 December 2019 於二零一九年十二月三十一日

45. BUSINESS COMBINATION (continued)

In 2018:

Acquisition of Modern Dairy (Bengbu) and Modern Dairy (Feidong)

On 10 April 2018, Inner Mongolia Mengniu acquired 50% equity interests in Modern Dairy (Bengbu) and Modern Dairy (Feidong) from Modern Farming (Group) Co., Ltd. (“Modern Farming”), a subsidiary of China Modern Dairy. Modern Dairy (Bengbu) and Modern Dairy (Feidong) are mainly engaged in the production and distribution of liquid milk products. Since the date of acquisition, the Group obtained control over Modern Dairy (Bengbu) and Modern Dairy (Feidong). This is because the Group owned more than 50% of the voting rights in the shareholders’ meetings of both Modern Dairy (Bengbu) and Modern Dairy (Feidong). The acquisition was made as part of the Group’s strategy to expand its market share of liquid milk products in Mainland China. The purchase consideration for the acquisition was in the form of cash, with RMB56,040,000 paid at the acquisition date to China Modern Dairy.

The Group has elected to measure the non-controlling interests in Modern Dairy (Bengbu) and Modern Dairy (Feidong) at the non-controlling interests’ proportionate share of identifiable net assets.

45. 業務合併 (續)

於二零一八年：

收購現代牧業(蚌埠)及現代牧業(肥東)

於二零一八年四月十日，內蒙古蒙牛自中國現代牧業子公司現代牧業(集團)有限公司(「現代牧業(集團)」)分別收購現代牧業(蚌埠)及現代牧業(肥東)的50%股權。現代牧業(蚌埠)及現代牧業(肥東)主要從事生產及分銷液體奶產品。自收購日期起，本集團取得現代牧業(蚌埠)及現代牧業(肥東)的控制權。此乃由於本集團擁有逾於現代牧業(蚌埠)及現代牧業(肥東)股東大會50%的投票權。該項收購為本集團擴大其中國大陸的液體奶產品的市場份額的策略之一。該等收購代價以現金形式支付，於收購日期向中國現代牧業支付人民幣56,040,000元。

本集團選擇按可識別資產淨值之非控股權益比例計量於現代牧業(蚌埠)及現代牧業(肥東)的非控股權益。

31 December 2019 於二零一九年十二月三十一日

45. BUSINESS COMBINATION (continued)

In 2018: (continued)

Acquisition of Modern Dairy (Bengbu) and Modern Dairy (Feidong) (continued)

The fair values of the identifiable assets and liabilities of Modern Dairy (Bengbu) and Modern Dairy (Feidong) as at the date of acquisition were as follows:

45. 業務合併 (續)

於二零一八年：(續)

收購現代牧業(蚌埠)及現代牧業(肥東)(續)

於收購日期，現代牧業(蚌埠)及現代牧業(肥東)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	資產		
Property, plant and equipment	物業、廠房及設備		405,299
Construction in progress	在建工程	16	31,232
Land use rights	土地使用權	18(a)	5,980
Other intangible assets	其他無形資產		613
Inventories	存貨		17,915
Trade and bills receivables	應收賬款及票據		34,688
Prepayments, other receivables and other assets	預付款、其他應收款項及其他資產		122,225
Cash and bank balances	現金及銀行結存		147,600
Total assets	總資產		765,552
Liabilities	負債		
Trade payables	應付賬款		(132,891)
Other payables and accruals	其他應付款項及預提費用		(27,836)
Interest-bearing bank and other borrowings	計息銀行及其他借貸		(487,739)
Income tax payable	應付所得稅		(5,697)
Total liabilities	總負債		(654,163)
Total identifiable net assets at fair value	按公允值計算的可識別淨負債總額		111,389
Less: Non-controlling interests	減：非控股股東權益		(55,695)
Less: Entrusted loans due from Modern Dairy (Feidong)	減：應收現代牧業(肥東)的委託貸款		(65,400)
Add: Goodwill arising on acquisition	加：收購產生的商譽	19	346
Add: Effective settlement of entrusted loans due from Modern Dairy (Feidong)	加：應收現代牧業(肥東)的委託貸款有效結算		65,400
Purchase consideration at fair value	按公允值計算的收購代價		56,040

31 December 2019 於二零一九年十二月三十一日

45. BUSINESS COMBINATION (continued)

In 2018: (continued)

Acquisition of Modern Dairy (Bengbu) and Modern Dairy (Feidong) (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 RMB34,688,000 and RMB78,304,000, respectively.

The Group incurred transaction costs of RMB100,000 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 Modern Dairy (Bengbu) and Modern Dairy (Feidong) for year ended 31 December 2018 was as follows:

		RMB'000 人民幣千元
Cash consideration	現金代價	(56,040)
Cash and cash equivalents acquired	收購所得現金及現金等價物	147,600
Net inflow 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	91,560
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	(100)
		91,460

Since the acquisition, Modern Dairy (Bengbu) and Modern Dairy (Feidong) contributed RMB456,450,000 to the Group's revenue and RMB52,258,000 to the consolidated profit of the Group for the year ended 31 December 2018.

Had the combination taken place at the beginning of 2018, the revenue of the Group and the profit of the Group for the year ended 31 December 2018 would have been RMB69,218,742,000 and RMB3,213,375,000 respectively.

45. 業務合併 (續)

於二零一八年：(續)

收購現代牧業(蚌埠)及現代牧業(肥東) (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34,688,000元及人民幣78,304,000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100,000元。有關交易成本已於綜合損益表支銷，並計入行政費用。

收購現代牧業(蚌埠)及現代牧業(肥東)於截至二零一八年十二月三十一日止年度的現金流量分析如下：

自收購以來，現代牧業(蚌埠)及現代牧業(肥東)為本集團截至二零一八年十二月三十一日止年度的收入貢獻人民幣456,450,000元，並為本集團綜合收益人民幣52,258,000元。

倘有關合併於二零一八年年初進行，則截至二零一八年十二月三十一日止年本集團的收入及本集團淨收益分別為人民幣69,218,742,000元及人民幣3,213,375,000元。

31 December 2019 於二零一九年十二月三十一日

45. BUSINESS COMBINATION (continued)

In 2018: (continued)

Acquisition of Banner Dairy

On 3 July 2018, Junlebao acquired an additional 43.41% equity interest in Banner Dairy, a previous associate of the Group. After the acquisition, Junlebao held a 65.16% equity interest in Banner Dairy and obtained control over Banner Dairy. Banner Dairy is mainly engaged in the manufacture and sale of infant milk formula products of Banner 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 RMB357,481,000 paid at the acquisition date to third parties.

The Group has elected to measure the non-controlling interest in Banner Dairy at the non-controlling interest's proportionate share of identifiable net assets.

45. 業務合併 (續)

於二零一八年：(續)

收購旗幟乳品

二零一八年七月三日，君樂寶收購旗幟乳品(之前為本集團聯營公司)額外43.41%權益。於收購後，君樂寶持有旗幟乳品65.16%的股權，並取得旗幟乳品控制權。旗幟乳品主要從事生產及出售旗幟品牌的嬰幼兒配方奶粉。該項收購為本集團擴大其中國大陸的嬰幼兒配方奶粉市場份額的策略之一。此項收購的收購代價以現金形式支付，於收購日期向第三方支付人民幣357,481,000元。

本集團選擇按可識別資產淨值之非控股權益比例計量於旗幟乳品的非控股權益。

31 December 2019 於二零一九年十二月三十一日

45. BUSINESS COMBINATION (continued)

In 2018: (continued)

Acquisition of Banner Dairy (continued)

The fair values of the identifiable assets and liabilities of Banner Dairy as at the date of acquisition were as follows:

45. 業務合併 (續)

於二零一八年：(續)

收購旗幟乳品 (續)

於收購日期，旗幟乳品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	資產		
Property, plant and equipment	物業、廠房及設備		1,083,498
Construction in progress	在建工程	16	4,618
Land use rights	土地使用權	18(a)	72,313
Other intangible assets	其他無形資產		3,031
Investments in associates	於聯營公司的投資		9,212
Biological assets	生物資產	25	416,300
Inventories	存貨		49,422
Trade and bills receivables	應收賬款及票據		33,468
Prepayments, other receivables and other assets	預付款、其他應收款項及其他資產		90,077
Cash and bank balances	現金及銀行結存		26,475
Total assets	總資產		1,788,414
Liabilities	負債		
Trade payables	應付賬款		(123,146)
Other payables and accruals	其他應付款項及預提費用		(741,300)
Interest-bearing bank and other borrowings	計息銀行及其他借貸		(238,400)
Income tax payable	應付所得稅		(18,434)
Deferred tax liabilities	遞延稅項負債	24	(13,430)
Total liabilities	總負債		(1,134,710)
Total identifiable net assets at fair value	按公允值計算的可識別淨資產總額		653,704
Less: Non-controlling interests	減：非控股股東權益		(227,743)
Less: Prepayment due from Banner Dairy	減：應收旗幟乳品的預付款		(300,429)
Less: Acquisition-date fair value of the Group's initial equity in Banner Dairy	減：本集團最初持有旗幟乳品股權於收購日期的公允值		(141,046)
Add: Goodwill arising on acquisition	加：收購產生的商譽	19	72,566
Add: Effective settlement of prepayment due from Banner Dairy	加：應收旗幟乳品預付款有效結算		300,429
Purchase consideration at fair value	按公允值計算的收購代價		357,481

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45. BUSINESS COMBINATION (continued)

In 2018: (continued)

Acquisition of Banner Dairy (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 RMB33,468,000 and RMB56,725,000, respectively.

The Group incurred transaction costs of RMB400,000 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 RMB101,038,000 arising from re-measuring the Group's initial equity interest in Banner Dairy at acquisition date was recognised in other income and gains (note 5).

An analysis of the cash flows in respect of the acquisition of Banner Dairy for year ended 31 December 2018 was as follows:

		RMB'000 人民幣千元
Cash consideration	現金代價	(357,481)
Cash and cash equivalents acquired	收購所得現金及現金等價物	26,475
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	(331,006)
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	(400)
		(331,406)

Since the acquisition, Banner Dairy contributed RMB466,996,000 to the Group's revenue and net loss of RMB24,613,000 to the consolidated profit for the year ended 31 December 2018.

Had the combination taken place at the beginning of 2018, the revenue of the Group and net profit of the Group for the year ended 31 December 2018 would have been RMB69,227,722,000 and RMB3,124,536,000 respectively.

45. 業務合併 (續)

於二零一八年：(續)

收購旗幟乳品 (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33,468,000元及人民幣56,725,000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400,000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旗幟乳品股權產生的人民幣101,038,000元公允值收益，已於其他收入及收益中確認(註5)。

收購旗幟乳品於截至二零一八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	(357,481)
Cash and cash equivalents acquired	收購所得現金及現金等價物	26,475
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	(331,006)
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	(400)
		(331,406)

自收購以來，旗幟乳品為本集團截至二零一八年十二月三十一日止年度的收入貢獻人民幣466,996,000元，並為綜合收入帶來淨虧損人民幣24,613,000元。

倘有關合併於二零一八年年初進行，則截至二零一八年十二月三十一日止年度本集團的收入及本集團淨收益將分別為人民幣69,227,722,000元及人民幣3,124,536,000元。

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45. BUSINESS COMBINATION (continued)

In 2018: (continued)

Acquisition of Chongqing Mengniu

On 20 July 2018, Founding, a 100% indirectly owned subsidiary of the Company, acquired an additional 41% equity interest in Chongqing Mengniu, a previous associate of the Group. After the acquisition, Founding held a 90% equity interest in Chongqing Mengniu and obtained control over Chongqing Mengniu. Chongqing Mengniu is mainly engaged in the sale of dairy products. The acquisition was made as part of the Group's strategy to expand its market share of liquid milk products in Mainland China. The purchase consideration for the acquisition was in the form of cash, with RMB205,000 paid at the acquisition date to third party.

The Group has elected to measure the non-controlling interest in Chongqing Mengniu at the non-controlling interest's proportionate share of identifiable net assets.

45. 業務合併 (續)

於二零一八年：(續)

收購重慶蒙牛

二零一八年七月二十日，本公司間接擁有100%股權的子公司方鼎增購本集團前聯營公司重慶蒙牛的41%股權。收購後，方鼎持有重慶蒙牛90%的股權，並取得重慶蒙牛的控制權。重慶蒙牛主要從事銷售乳製品。是項收購為本集團擴大其中國大陸的液體奶產品的市場份額的策略之一環。是項收購的代價以現金形式支付，於收購日期向第三方支付人民幣205,000元。

本集團選擇按可識別資產淨值之非控股權益比例計量於重慶蒙牛的非控股權益。

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45. BUSINESS COMBINATION (continued)

In 2018: (continued)

Acquisition of Chongqing Mengniu (continued)

The fair values of the identifiable assets and liabilities of Chongqing Mengniu as at the date of acquisition were as follows:

45. 業務合併 (續)

於二零一八年：(續)

收購重慶蒙牛 (續)

於收購日期，重慶蒙牛的可識別資產及負債公允值如下：

		Fair value recognised on acquisition 收購確認的公允值
	Note 附註	RMB'000 人民幣千元
Assets	資產	
Property, plant and equipment	物業、廠房及設備	273
Other intangible assets	其他無形資產	7
Inventories	存貨	6,946
Trade and bills receivables	應收賬款及票據	43,118
Prepayments, other receivables and other assets	預付款、其他應收款項及其他資產	5,885
Total assets	總資產	56,229
Liabilities	負債	
Trade payables	應付賬款	(125,469)
Other payables and accruals	其他應付款項及預提費用	(11,326)
Total liabilities	總負債	(136,795)
Total identifiable net assets at fair value	按公允值計算的可識別淨資產總額	(80,566)
Less: Non-controlling interests	減：非控股股東權益	8,057
Less: Trade receivables due from Chongqing Mengniu	減：來自重慶蒙牛的應收賬款	(125,469)
Less: Acquisition-date fair value of the Group's initial equity in Chongqing Mengniu	減：本集團於重慶蒙牛的初始股本的收購日期公允值	(245)
Add: Goodwill arising on acquisition	加：收購產生的商譽	72,959
Add: Effective settlement of trade receivables due from Chongqing Mengniu	加：來自重慶蒙牛的應收賬款有效結算	125,469
Purchase consideration at fair value	按公允值計算的收購代價	205

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45. BUSINESS COMBINATION (continued)

In 2018: (continued)

Acquisition of Chongqing 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 RMB43,118,000 and RMB4,640,000, respectively.

The Group incurred transaction costs of RMB100,000 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 Chongqing Mengniu for year ended 31 December 2018 was as follows:

		RMB'000 人民幣千元
Cash consideration	現金代價	(205)
Cash and cash equivalents acquired	收購所得現金及現金等價物	—
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	(205)
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	(100)
		(305)

Since the acquisition, Chongqing Mengniu contributed RMB230,336,000 to the Group's revenue and net profit of RMB17,594,000 to the consolidated profit for the year ended 31 December 2018.

Had the combination taken place at the beginning of 2018, the revenue of the Group and net profit of the Group for the year ended 31 December 2018 would have been RMB69,219,921,000 and RMB3,197,303,000 respectively.

45. 業務合併 (續)

於二零一八年：(續)

收購重慶蒙牛 (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43,118,000元及人民幣4,640,000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100,000元。有關交易成本已於綜合損益表支銷，並計入行政費用。

收購重慶蒙牛於截至二零一八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	(205)
Cash and cash equivalents acquired	收購所得現金及現金等價物	—
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	(205)
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	(100)
		(305)

自收購以來，重慶蒙牛為本集團截至二零一八年十二月三十一日止年度的收入貢獻人民幣230,336,000元，並為本集團綜合利潤帶來純利人民幣17,594,000元。

倘有關合併於二零一八年年初進行，則截至二零一八年十二月三十一日止年度本集團的收入及本集團純利將分別為人民幣69,219,921,000元及人民幣3,197,303,000元。

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45. BUSINESS COMBINATION (continued)

In 2018: (continued)

Acquisition of other businesses

During 2018, the Group acquired five subsidiaries and sales operation of a sales company of the Group. These businesses 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 considerations for these acquisitions were in the form of cash of RMB63,860,000 paid at the acquisition date. These business acquisition gave rise to goodwill of RMB15,820,000 in total.

46. DISPOSAL OF SUBSIDIARIES

On 19 November 2019, Inner Mongolia Mengniu, a subsidiary of the Company, disposed of 51% of the equity interests in Junlebao for a cash consideration of approximately RMB4,011,319,000.

On 28 November 2019, Inner Mongolia Mengniu and a third party injected additional capital of RMB100,000,000 and RMB150,000,000, respectively, into Tianxianpei (Shanghai) Technology Co., Ltd. ("Tianxianpei"), a previously 100% owned subsidiary of Inner Mongolia Mengniu. Upon completion of the transaction, Inner Mongolia Mengniu held 50% equity interest in Tianxianpei and lost control of Tianxianpei. Since then, Inner Mongolia Mengniu has accounted for Tianxianpei as a joint venture using the equity method.

During the year, Inner Mongolia Mengniu dissolved two sales companies, 100% and 70% owned subsidiaries respectively.

45. 業務合併 (續)

於二零一八年：(續)

收購其他業務

二零一八年內，本集團收購五家公司以及本集團的一家銷售機構的銷售業務。該等業務主要從事出售乳製品。此等收購為本集團擴大其中國大陸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63,860,000元。此等業務收購共產生商譽人民幣15,820,000元。

46. 出售子公司

於二零一九年十一月十九日，本公司的子公司內蒙古蒙牛以總現金代價約人民幣4,011,319,000元出售君樂寶51%股權。

於二零一九年十一月二十八日，內蒙古蒙牛及一名第三方向先前由內蒙古蒙牛100%擁有的一間子公司天鮮配(上海)科技有限公司(「天鮮配」)分別注資人民幣100,000,000元及人民幣150,000,000元的額外資本。待完成交易後，內蒙古蒙牛持有天鮮配的50%股權，並失去天鮮配的控制權。內蒙古蒙牛將天鮮配作為合營企業以權益法入賬。

於年內，內蒙古蒙牛終止分別擁有100%及70%權益的兩家銷售子公司。

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46. DISPOSAL OF SUBSIDIARIES (continued)

The assets and liabilities of the subsidiaries from the perspective of the Group's consolidated financial statements as at disposal date are as follows:

46. 出售子公司 (續)

於出售日期子公司自本集團的綜合財務報表的資產及負債如下：

	Notes 附註	2019 二零一九年 RMB'000 人民幣千元
Assets		
Property, plant and equipment	15	4,673,276
Right-of-use assets	18(b)	477,616
Construction in progress	16	927,720
Investments in associates		38,344
Other intangible assets	20	205,711
Biological assets	25	1,383,000
Other financial assets		440,000
Goodwill	19	103,389
Deferred tax assets	24	416,503
Long term prepayments		113,287
Inventories		1,190,854
Trade and bills receivables		489,079
Prepayments, other receivables and other assets		776,154
Pledged deposits		226,275
Cash and bank balances		593,162
Total assets		12,054,370
Liabilities		
Trade and bills payables		2,258,229
Other payables and accruals		3,534,941
Interest-bearing bank and other borrowings		4,091,323
Other loans		22,912
Deferred income	37	688,782
Income tax payable		157,326
Deferred tax liabilities	24	65,463
Long term payables		6,940
Total Liabilities		10,825,916
Less: Non-controlling interests		1,228,454
Attributable goodwill and trademarks with indefinite useful lives		888,177
Gain on disposal of subsidiaries	19	252,960
	5	3,418,082
Satisfied by cash consideration		4,011,319

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46. DISPOSAL OF SUBSIDIARIES (continued)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

		RMB'000 人民幣千元
Cash consideration	現金代價	4,011,319
Cash and cash equivalents disposed of	處置現金及現金等價物	(593,162)
Income tax paid	支付所得稅	(533,337)
Net inflow of cash and cash equivalents included in cash flows from disposal of subsidiaries	自出售子公司計入現金流動的現金及現金等價物流入淨額	2,884,820

47. PLEDGE OF ASSETS

Details of the Group's bills payable and bank loans, which are secured by the assets of the Group, are included in notes 31 and 33, respectively, to the financial statements.

48. COMMITMENTS

(a) 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:

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Contracted, but not provided for 已訂約但未撥備	788,680	1,047,984

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

46. 出售子公司 (續)

就出售子公司的現金及現金等價物的淨流入分析如下：

47. 資產抵押

有關獲本集團的資產作抵押的本集團應付票據及銀行貸款詳情，分別載於財務報表附註31及33。

48. 承擔

(a) 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。

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48. COMMITMENTS (continued)

- (b) Operating lease commitments as at 31 December 2018

The Group leased certain of its building and structures, plant and machinery, office equipment, motor vehicles and land use rights under operating lease arrangements. Leases for building and structures were negotiated for terms ranging from 1 to 10 years, plant and machinery and office equipment were negotiated for terms ranging from 1 to 5 years, motor vehicles were negotiated for terms ranging from 1 to 4 years and land use rights were negotiated for terms ranging from 1 to 50 years.

At 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases in respect of buildings and certain production equipment as follows:

		2018 二零一八年 RMB'000 人民幣千元
Within one year	一年內	241,792
In the second to fifth years, inclusive	兩至五年(包括首尾兩年)	320,035
Over five years	五年以上	53,533
		615,360

- (c) The Group has various lease contracts that have not yet commenced as at 31 December 2019. The future lease payments for these non-cancellable lease contracts are RMB4,339,000 due within one year, and RMB2,135,000 due in the second to fifth years.

49. CONTINGENT LIABILITIES

During the year, a non-controlling shareholder of an associate of the Group alleged that the Group has breached the investment deed associated with the associate, thereby entitling it to exercise the put option right to sell its equity interests in the associate to the Group. The directors, based on the advice from the Group's legal counsel, believe that the Group has not breached the investment deed and accordingly, has not provided for any claim in these financial statements.

48. 承擔 (續)

- (b) 於二零一八年十二月三十一日的經營租賃承擔

本集團根據經營租賃安排租賃其若干樓房及結構、廠房及機器、辦公室設備、運輸設備及土地使用權。租賃樓房及結構的商議期介乎一至十年、廠房及機器及辦公室設備的商議期介乎一至五年，運輸設備的商議期介乎一至四年及土地使用權的商議期介乎一至五十年。

於二零一八年十二月三十一日，本集團就樓房及若干生產設備根據不可註銷經營租賃，日後應付其租戶的最低租金總額如下：

- (c) 本集團於二零一九年十二月三十一日具有各種尚未開始之租賃合約。就該等不可註銷租賃合約的未來租賃付款為人民幣4,339,000元(於一年內到期)及人民幣2,135,000元(於第二至第五年到期)。

49. 或然負債

於年內，本集團一間聯營公司的一名非控股股東稱本集團違反有關聯營公司的投資契約，因此賦予其行使認沽期權以向本集團出售其於聯營公司的股權。董事基於本集團法律顧問的建議，相信本集團並無違反投資契約及因此並未提供該等財務報表的任何聲明。

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50. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions and balances which are disclosed elsewhere in these financial statements, the Group had the following significant transactions with its associates and other related parties.

50. 關聯人士交易

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

		Note 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 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	(i)	647,624	1,246,732
(II) Sales of ice cream products to associates	(II) 向聯營公司銷售冰淇淋產品	(i)	23,849	34,153
(III) Sales of products to affiliates of a major shareholder of the Company	(III) 向本公司一名主要股東的聯屬公司出售產品	(i)	7,243	9,853
(IV) Sales of products to a joint venture	(IV) 向合營企業銷售產品	(i)	655	—
(V) Purchases of raw materials from affiliates of a major shareholder of the Company	(V) 向本公司一名主要股東的聯屬公司購買原材料	(i)	491,357	782,996
(VI) Purchases of raw materials from associates	(VI) 向聯營公司購買原材料	(i)	6,064,223	5,468,052
(VII) Purchases of liquid milk products from an associate	(VII) 向聯營公司購買液態奶產品	(i)	—	239,995
(VIII) Purchases of milk powder products from an associate	(VIII) 向聯營公司購買奶粉產品	(i)	—	324
(IX) Purchases of outsourcing services from an associate	(IX) 向聯營公司購買外包服務	(i)	1,096	13,368
(X) Purchase of equipment from an associate	(X) 向聯營公司購買設備	(i)	5,403	1,681

Note:

- (i) The considerations were determined with reference to the prevailing market prices/rates and the prices charged to third parties.

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。

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

During 2018, the Group acquired 50% equity interests in Modern Dairy (Bengbu) and Modern Dairy (Feidong) from Modern Farming, a subsidiary of China Modern Dairy. Further details of the acquisition are included in note 45 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)(III) and (a)(V) above also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

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

Trade and bills receivables from:

50. 關聯人士交易 (續)**(b) 與聯營公司其他交易**

二零一八年內，本集團自中國現代牧業子公司現代牧業(集團)收購現代牧業(蚌埠)及現代牧業(肥東)的50%股權。收購進一步詳情載於財務報表附註45。

(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)(III)及(a)(V)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。

(d) 關聯人士交易產生的年末結餘如下：

應收賬款及票據：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Associates	聯營公司	218,730	304,639
A joint venture	合營企業	601	—
Affiliates of a major shareholder of the Group	本集團一名主要股東的 聯屬公司	2,200	580
		221,531	305,219

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

Prepayments, other receivables and other assets from:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Associates	聯營公司	8,333	18,000
A joint venture	合營企業	201	—
Affiliates of a major shareholder of the Group	本集團一名主要股東的 聯屬公司	6,083	—
		14,617	18,000

Trade and bills payables to:

應付賬款及票據：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Associates	聯營公司	529,209	468,613
Affiliates of a major shareholder of the Group	本集團一名主要股東的 聯屬公司	137,718	68,868
		666,927	537,481

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

預付款、其他應收款項及其他資產：

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

Other payables and accruals to:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Associates	聯營公司	4,184	5,131
A joint venture	合營企業	88	—
Affiliates of a major shareholder of the Group	本集團一名主要股東的聯屬公司	60	—
		4,332	5,131

Except for certain prepayments, other receivables and other assets from associates of approximately RMB8,333,000 (31 December 2018: Nil) with a fixed interest rate of 4.8% 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 2019, the Group had entrusted loans of RMB35,560,000 (31 December 2018: RMB27,197,000) 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 and interest-free (31 December 2018: with an annual interest rate of 1.15%).

As at 31 December 2019, the Group had entrusted loans of RMB1,000,000,000 (2018: RMB1,000,000,000) and RMB500,000,000 (2018: Nil) due from China Modern Dairy and Inner Mongolia Fuyuan International Industrial Co., Ltd. respectively, included in "Other financial assets". The Group loaned out the money via banks. The entrusted loans are unsecured and secured by dairy cows, respectively, with annual interest rates of 4.79% (2018: 4.00%) and 6.09% (2018: Nil), respectively.

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

其他應付款項及預提費用:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Associates	聯營公司	4,184	5,131
A joint venture	合營企業	88	—
Affiliates of a major shareholder of the Group	本集團一名主要股東的聯屬公司	60	—
		4,332	5,131

除若干預付款項、按金及其他應收聯營公司款項約人民幣8,333,000元(二零一八年十二月三十一日:零元)按4.8%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

於二零一九年十二月三十一日,本集團擁有應付若干聯營公司委託貸款人民幣35,560,000元(二零一八年十二月三十一日:人民幣27,197,000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,且無利息(二零一八年十二月三十一日:年利率為1.15%)。

於二零一九年十二月三十一日,本集團分別擁有應收中國現代牧業及內蒙古富源國際實業有限公司委託貸款人民幣1,000,000,000元(二零一八年:人民幣1,000,000,000元)及人民幣500,000,000元(二零一八年:零元),並已計入「其他金融資產」。本集團透過銀行借出該款項。該委託貸款分別為無抵押及以乳牛抵押,年利率為4.79%(二零一八年:4.00%)及6.09%(二零一八年:零)。

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51. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

51. 按類別劃分的金融工具

於報告期末，各分類的金融工具的賬面值如下：

金融資產

		2019 二零一九年				2018 二零一八年			
		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	3,476,898	—	109,968	3,586,866	2,891,973	—	—	2,891,973
Financial assets included in prepayments, other receivables and other assets	計入預付款、其他應收款項及其他資產的金融資產	658,852	—	—	658,852	488,002	—	—	488,002
Equity investments	股本投資	—	166,408	105,957	272,365	—	31,599	109,148	140,747
Convertible promissory note	可換股承兌票據	—	102,550	—	102,550	—	196,130	—	196,130
Warrants	認股權證	—	11,187	—	11,187	—	72,687	—	72,687
Entrusted loans	委託貸款	2,883,719	—	—	2,883,719	2,280,712	—	—	2,280,712
Derivative financial instruments	衍生金融工具	—	34,009	10,814	44,823	—	49,212	28,598	77,810
Investment deposits	投資存款	—	16,214,445	—	16,214,445	—	9,281,963	—	9,281,963
Pledged deposits	保證金存款	74,186	—	—	74,186	623,495	—	—	623,495
Long term receivables	長期應收款項	81,143	—	—	81,143	128,586	—	—	128,586
Cash and cash equivalents	現金及現金等價物	3,798,118	—	—	3,798,118	4,370,494	—	—	4,370,494
Time deposits	定期存款	7,247,842	—	—	7,247,842	4,848,912	—	—	4,848,912
		18,220,758	16,528,599	226,739	34,976,096	15,632,174	9,631,591	137,746	25,401,511

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51. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

Financial liabilities

51. 按類別劃分的金融工具 (續)

金融負債

		2019 二零一九年			2018 二零一八年		
		Amortised cost	Fair value through profit or loss	Total	Amortised cost	Fair value through profit or loss	Total
		攤銷成本	計入損益	總計	攤銷成本	計入損益	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade and bills payables	應付賬款及票據	6,738,626	—	6,738,626	7,021,542	—	7,021,542
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	5,954,229	—	5,954,229	5,851,674	—	5,851,674
Interest-bearing bank and other borrowings excluding zero coupon exchangeable bonds and lease liabilities	計息銀行及其他借貸(不包括零息可交換債券及租賃負債)	21,598,628	—	21,598,628	13,440,132	—	13,440,132
Zero coupon exchangeable bonds	零息可交換債券	—	1,374,780	1,374,780	—	1,275,183	1,275,183
Other loans	其他貸款	—	—	—	22,912	—	22,912
Derivative financial instruments	衍生金融工具	—	4,346	4,346	—	27,162	27,162
Long term payables	長期應付款項	947	—	947	12,616	—	12,616
Other financial liabilities	其他金融負債	1,600,206	—	1,600,206	1,610,947	—	1,610,947
		35,892,636	1,379,126	37,271,762	27,959,823	1,302,345	29,262,168

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52. 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, other receivables and other assets, 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 exchangeable bonds 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.

52. 金融工具的公允值及公允值層級

公允值

金融資產及負債的公允值為市場參與者於現時進行的交易(強迫或清算銷售除外)中可出售資產及轉讓負債的金額。

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、其他應收款項及其他資產的金融資產、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。可交換債券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。

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52. 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 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 Range 重大不可觀察輸入數據 範圍		Sensitivity of fair value to the input 輸入數據對公允值的影響
		Expected yield 預期收益率	1.30% to 6.10% (2018: 2.40% to 5.01%) 1.30%至6.10% (二零一八年：2.40%至5.01%)	
Investment deposits 投資存款	Discounted cash flow method 折現現金流量法	Expected yield 預期收益率	1.30% to 6.10% (2018: 2.40% to 5.01%) 1.30%至6.10% (二零一八年：2.40%至5.01%)	10% (2018: 10%) increase (decrease) in expected yield would result in increase (decrease) in fair value by RMB27,499,000 (2018: RMB12,392,000) 預期收益率增加(減少)10% (二零一八年：10%) 將導致公允值增加(減少) 人民幣27,499,000元 (二零一八年：人民幣12,392,000元)
		Discount rate 折現率	1.30% to 6.10% (2018: 2.40% to 5.01%) 1.30%至6.10% (二零一八年：2.40%至5.01%)	10% (2018: 10%) increase (decrease) in discount rate would result in decrease (increase) in fair value by RMB27,434,000 (2018: RMB12,360,000) 折現率增加(減少)10% (二零一八年：10%) 將導致公允值減少(增加) 人民幣27,434,000元 (二零一八年：人民幣12,360,000元)

52. 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。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。

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

Fair value (continued)

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

52. 金融工具的公允值及公允值層級 (續)

公允值 (續)

本集團金融工具(除賬面值與公允值合理地相若的金融工具外)的賬面值及公允值如下:

		Carrying amounts 賬面值		Fair values 公允值	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Financial assets	金融資產				
Long term entrusted loans	長期委託貸款	1,063	12,295	1,060	12,241
Long term receivables	長期應收款項	12,542	57,025	11,395	54,983
Long term time deposits	長期定期存款	4,569,773	1,921,418	4,471,835	1,918,627
		4,583,378	1,990,738	4,484,290	1,985,851

		Carrying amounts 賬面值		Fair values 公允值	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元	2018 2018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	1,600,206	1,610,947	1,600,206	1,610,947
Interest-bearing bank and other borrowings	計息銀行及其他借貸				
— non-current portion excluding zero coupon exchangeable bonds and lease liabilities	— 非流動部分(不包括零息可交換債券及租賃負債)	7,935,369	6,917,217	7,591,958	6,799,598
Long term payables	長期應付款項	—	814	—	792
		9,535,575	8,528,978	9,192,164	8,411,337

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

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

- Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

52. 金融工具的公允值及公允值層級 (續)

公允值層級

本集團採用以下層級釐定及披露金融工具的公允值：

- 第一級：根據相同資產或負債於活躍市場的報價(未經調整)計量公允值
- 第二級：公允值基於估值技術計量，且全部對所記錄的公允值有重大影響的輸入數據是可直接或間接觀察得到
- 第三級：公允值基於估值技術計量，且任何對所記錄的公允值有重大影響的輸入數據是並非基於可觀察的市場數據(非可觀察輸入數據)

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

Fair value hierarchy (continued)

Assets measured at fair value:

52. 金融工具的公允值及公允值層級 (續)

公允值層級 (續)

按公允值計量的資產：

		2019 二零一九年			
		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	105,957	—	—	105,957
Unlisted equity investments	非上市股本投資	—	—	166,408	166,408
Convertible promissory note	可換股承兌票據	—	—	102,550	102,550
Warrants and subscription rights of warrants	認股權證及認股權證之認購權	—	11,187	—	11,187
Investment deposits	投資存款	—	—	16,214,445	16,214,445
Derivative financial instruments	衍生金融工具	—	44,823	—	44,823
Bills receivable	應收票據	—	—	109,968	109,968
		105,957	56,010	16,593,371	16,755,338

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

Fair value hierarchy (continued)

Assets measured at fair value: (continued)

52. 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)

		2018 二零一八年			
		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	109,148	—	—	109,148
Unlisted equity investments	非上市股本投資	—	—	31,599	31,599
Convertible promissory note	可換股承兌票據	—	—	196,130	196,130
Subscription rights of warrants	認股權證之認購權	—	72,687	—	72,687
Investment deposits	投資存款	—	—	9,281,963	9,281,963
Derivative financial instruments	衍生金融工具	—	77,810	—	77,810
		109,148	150,497	9,509,692	9,769,337

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

Fair value hierarchy (continued)

Liabilities measured at fair value:
52. 金融工具的公允值及公允值層級 (續)

公允值層級 (續)

按公允值計量的負債：

		2019 二零一九年			
		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	—	4,346	—	4,346
Zero coupon exchangeable bonds	零息可交換債券	—	1,374,780	—	1,374,780
		—	1,379,126	—	1,379,126
		2018 二零一八年			
		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	—	27,162	—	27,162
Zero coupon exchangeable bonds	零息可交換債券	—	1,275,183	—	1,275,183
		—	1,302,345	—	1,302,345

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

Fair value hierarchy (continued)

Assets for which fair values are disclosed:

52. 金融工具的公允值及公允值層級 (續)

公允值層級 (續)

有披露公允值的資產：

		2019 二零一九年			
		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	—	1,060	—	1,060
Long term receivables	長期應收款項	—	11,395	—	11,395
Long term time deposits	長期定期存款	—	4,471,835	—	4,471,835
		—	4,484,290	—	4,484,290
		2018 二零一八年			
		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	—	12,241	—	12,241
Long term receivables	長期應收款項	—	54,983	—	54,983
Long term time deposits	長期定期存款	—	1,918,627	—	1,918,627
		—	1,985,851	—	1,985,851

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

Fair value hierarchy (continued)

Liabilities for which fair values are disclosed:**52. 金融工具的公允值及公允值層級** (續)

公允值層級 (續)

有披露公允值的負債：

		2019 二零一九年			
		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	—	1,600,206	—	1,600,206
Interest-bearing bank and other borrowings	計息銀行及其他借貸				
— non-current portion excluding zero coupon exchangeable bonds and lease liabilities	— 非流動部分(不包括零息可交換債券及租賃負債)	—	7,591,958	—	7,591,958
		—	9,192,164	—	9,192,164

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

Fair value hierarchy (continued)

Liabilities for which fair values are disclosed: (continued)

		2018 二零一八年			
		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	—	1,610,947	—	1,610,947
Interest-bearing bank and other borrowings	計息銀行及其他借貸				
— non-current portion excluding zero coupon exchangeable bonds	— 非流動部分(不包括零息可交換債券)	—	6,799,598	—	6,799,598
Long term payables	長期應付款項	—	792	—	792
		—	8,411,337	—	8,411,337

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk management

The Group's principal financial instruments, other than derivatives, comprise cash and cash equivalents, trade 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.

52. 金融工具的公允值及公允值層級 (續)

公允值層級 (續)

有披露公允值的負債： (續)

		2018 二零一八年			
		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	—	1,610,947	—	1,610,947
Interest-bearing bank and other borrowings	計息銀行及其他借貸				
— non-current portion excluding zero coupon exchangeable bonds	— 非流動部分(不包括零息可交換債券)	—	6,799,598	—	6,799,598
Long term payables	長期應付款項	—	792	—	792
		—	8,411,337	—	8,411,337

53. 財務風險管理目標及政策

財務風險管理

本集團的主要金融工具(衍生工具除外)包括現金及現金等價物、應收及應付賬款及票據、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。

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53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Financial risk management (continued)

The Group also entered into derivative transactions, mainly interest rate swap, forward currency contracts and interest rate forward contracts. The purpose is to manage 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 33 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.

53. 財務風險管理目標及政策 (續)

財務風險管理 (續)

本集團亦訂立衍生交易，主要為利率互換合約、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33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。

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53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Financial risk management (continued)

(i) Interest rate risk (continued)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings):

		Increase/ (decrease) in basis points 基點增加/ (減少) RMB'000 人民幣千元	Increase/ (decrease) in profit before tax 稅前利潤 增加/(減少)
2019	二零一九年		
RMB	人民幣	50	(8,836)
RMB	人民幣	(50)	8,836
Hong Kong dollars	港元	50	(10,962)
Hong Kong dollars	港元	(50)	10,962
United States dollars	美元	50	(2,064)
United States dollars	美元	(50)	2,064
New Zealand dollars	新西蘭元	50	(3)
New Zealand dollars	新西蘭元	(50)	3
2018	二零一八年		
RMB	人民幣	50	(14,205)
RMB	人民幣	(50)	14,205
Hong Kong dollars	港元	50	(13,299)
Hong Kong dollars	港元	(50)	13,299
United States dollars	美元	50	(8,370)
United States dollars	美元	(50)	8,370
Euro	歐元	50	—
Euro	歐元	(50)	—
New Zealand dollars	新西蘭元	50	(302)
New Zealand dollars	新西蘭元	(50)	302

53. 財務風險管理目標及政策 (續)

財務風險管理 (續)

(i) 利率風險 (續)

下表列示在所有其他變數維持不變的情況下，利率可能出現合理可能變動對本集團稅前利潤(透過浮息借貸的影響)的影響：

		Increase/ (decrease) in basis points 基點增加/ (減少) RMB'000 人民幣千元	Increase/ (decrease) in profit before tax 稅前利潤 增加/(減少)
2019	二零一九年		
RMB	人民幣	50	(8,836)
RMB	人民幣	(50)	8,836
Hong Kong dollars	港元	50	(10,962)
Hong Kong dollars	港元	(50)	10,962
United States dollars	美元	50	(2,064)
United States dollars	美元	(50)	2,064
New Zealand dollars	新西蘭元	50	(3)
New Zealand dollars	新西蘭元	(50)	3
2018	二零一八年		
RMB	人民幣	50	(14,205)
RMB	人民幣	(50)	14,205
Hong Kong dollars	港元	50	(13,299)
Hong Kong dollars	港元	(50)	13,299
United States dollars	美元	50	(8,370)
United States dollars	美元	(50)	8,370
Euro	歐元	50	—
Euro	歐元	(50)	—
New Zealand dollars	新西蘭元	50	(302)
New Zealand dollars	新西蘭元	(50)	302

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53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Financial risk management (continued)

(ii) Foreign currency risk

The Group's businesses are principally located in Mainland China and substantially all transactions are conducted in RMB, except for the purchases of imported machinery and equipment and sales of dairy products to Hong Kong and Macau. As at 31 December 2019, substantially all of the Group's assets and liabilities were denominated in RMB except for the cash and bank balances of approximately RMB1,922,970,000 (2018: RMB182,118,000), RMB121,798,000 (2018: RMB20,006,000), RMB5,491,000 (2018: RMB10,991,000), RMB15,614,000 (2018: RMB5,146,000) and RMB104,420,000 (2018: Nil) which were denominated in United States dollars, Hong Kong dollars, Danish Krone, Indonesian Rupiah and Australian dollars, respectively, pledged deposits of approximately RMB47,833,000 (2018: RMB22,238,000), RMB4,431,000 (2018: RMB6,825,000) and RMB15,000 (2018: RMB1,000) which were denominated in United States dollars, New Zealand dollars and Euro, respectively, and the interest-bearing bank and other borrowings of approximately RMB2,776,980,000 (2018: RMB3,376,261,000), RMB15,387,609,000 (2018: RMB6,153,396,000), RMB106,928,000 (2018: Nil) and RMB96,976,000 (2018: Nil) which were denominated in Hong Kong dollars, United States dollars, Indonesian Rupiah and Australian dollars, respectively. As at 31 December 2018, substantially all of the Group's assets and liabilities were denominated in RMB except for the cash and bank balances of approximately RMB1,769,000 and RMB8,051,000 which were denominated in Euro and New Zealand dollars, and the interest-bearing bank and other borrowings of approximately 12,793,000 which were denominated in New Zealand 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.

53. 財務風險管理目標及政策 (續)

財務風險管理 (續)

(ii) 外幣風險

本集團的業務主要位於中國大陸，除購置進口機器及設備及向港澳出售乳製品外，絕大部分交易均以人民幣為本位貨幣。於二零一九年十二月三十一日，本集團的資產及負債中，除了現金及銀行結存約人民幣1,922,970,000元(二零一八年：人民幣182,118,000元)、人民幣121,798,000元(二零一八年：人民幣20,006,000元)人民幣5,491,000元(二零一八年：人民幣10,991,000元)、人民幣15,614,000元(二零一八年：人民幣5,146,000元)及人民幣104,420,000元(二零一八年：零)分別以美元、港元、丹麥克朗、印尼盾及澳元計值，保證金存款約人民幣47,833,000元(二零一八年：人民幣22,238,000元)、人民幣4,431,000元(二零一八年：人民幣6,825,000元)及人民幣15,000元(二零一八年：人民幣1,000元)分別以美元、新西蘭元及歐元計值，計息銀行及其他借貸約人民幣2,776,980,000元(二零一八年：人民幣3,376,261,000元)、人民幣15,387,609,000元(二零一八年：人民幣6,153,396,000元)、人民幣106,928,000元(二零一八年：零)及人民幣96,976,000元(二零一八年：零)分別以港元、美元、印尼盾及澳元計值之外，本集團絕大部分資產及負債均以人民幣為單位。於二零一八年十二月三十一日，本集團絕大部份的資產及負債以人民幣計值，除約人民幣1,769,000元及人民幣8,051,000元現金及銀行結餘以歐元及新西元計值以及約12,793,000元計息銀行及其他借貸以新西蘭元計值。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。

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53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Financial risk management (continued)

(ii) Foreign currency risk (continued)

The following table demonstrates the sensitivity to a reasonably possible change in the RMB exchange rates as compared to United States dollars, Hong Kong dollars, Euro, New Zealand dollars, Australian dollars, Indonesian Rupiah and Danish Krone, with all other variables held constant, of the Group's profit 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 before tax 稅前利潤 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
2019	二零一九年	5 (5)	112,245 (112,245)	427,706 (427,706)
2018	二零一八年	5 (5)	14,416 (14,416)	218,069 (218,069)

53. 財務風險管理目標及政策 (續)

財務風險管理 (續)

(ii) 外幣風險 (續)

下表列示在所有其他變數維持不變的情況下，人民幣與美元、港元、歐元、新西蘭元、澳元、印尼盾及丹麥克朗比較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)對本集團稅前利潤及權益的影響：

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53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Financial risk management (continued)

(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.

Maximum exposure and year-end staging as at 31 December 2019

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2019. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

53. 財務風險管理目標及政策 (續)

財務風險管理 (續)

(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賒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。

於二零一九年十二月三十一日的最大風險範圍及年末階段分類

下表載列二零一九年十二月三十一日本集團基於信貸政策的信貸品質及最大信貸風險範圍(除非無須不必要成本或努力即可取得其他資料，否則主要根據過往的數據)及年末階段分類。呈列的金額為金融資產的總賬面值及金融擔保合約的信貸風險範圍。

31 December 2019 於二零一九年十二月三十一日

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**Financial risk management** (continued)**(iii) Credit risk** (continued)

Maximum exposure and year-end staging as at 31 December 2019 (continued)

As at 31 December 2019

53. 財務風險管理目標及政策 (續)**財務風險管理** (續)**(iii) 信貸風險** (續)

於二零一九年十二月三十一日的最大風險範圍及年末階段分類(續)

於二零一九年十二月三十一日

		12-month ECLs 12個月預期 信貸虧損		Lifetime ECLs 存續預期信貸虧損		
		Stage 1 第一階段	Stage 2 第二階段	Stage 3 第三階段	Simplified approach 簡化方法	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Trade and bills receivables (note a)	應收賬款及票據 (註a)	—	—	—	3,586,866	3,586,866
Financial assets included in prepayments, other receivables and other assets (note b)	計入預付款、其他應收款項及其他資產的金融資產 (註b)	658,852	—	—	—	658,852
— Normal	— 正常	—	—	—	—	—
— doubtful	— 可疑	—	—	—	—	—
Entrusted loans	委託貸款	2,883,719	—	—	—	2,883,719
Pledged deposits	保證金存款	—	—	—	—	—
— Not yet past due	— 尚未逾期	74,186	—	—	—	74,186
Long term receivable	長期應收款項	81,143	—	—	—	81,143
Cash and cash equivalents	現金及現金等價物	—	—	—	—	—
— Not yet past due	— 尚未逾期	3,798,118	—	—	—	3,798,118
Time deposits	定期存款	7,247,842	—	—	—	7,247,842
		14,743,860	—	—	3,586,866	18,330,726

31 December 2019 於二零一九年十二月三十一日

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Financial risk management (continued)

(iii) Credit risk (continued)

Maximum exposure and year-end staging as at 31

December 2019 (continued)

As at 31 December 2018

		12-month ECLs		Lifetime ECLs		
		12個月預期 信貸虧損	Stage 1 第一階段 RMB'000 人民幣千元	Stage 2 第二階段 RMB'000 人民幣千元	Stage 3 第三階段 RMB'000 人民幣千元	Simplified approach 簡化方法 RMB'000 人民幣千元
Trade and bills receivables (note a)	應收賬款及票據 (註a)	—	—	—	2,891,973	2,891,973
Financial assets included in prepayments, other receivables and other assets (note b)	計入預付款、其他應收款項及其他資產的金融資產 (註b)					
— Normal	— 正常	488,002	—	—	—	488,002
— Doubtful	— 可疑	—	—	—	—	—
Entrusted loans	委託貸款	2,280,712	—	—	—	2,280,712
Pledged deposits	保證金存款					
— Not yet past due	— 尚未逾期	623,495	—	—	—	623,495
Long term receivable	長期應收款項	128,586	—	—	—	128,586
Cash and cash equivalents	現金及現金等價物					
— Not yet past due	— 尚未逾期	4,370,494	—	—	—	4,370,494
Time deposits	定期存款	4,848,912	—	—	—	4,848,912
		12,740,201	—	—	2,891,973	15,632,174

53. 財務風險管理目標及政策 (續)

財務風險管理 (續)

(iii) 信貸風險 (續)

於二零一九年十二月三十一日的最大

風險範圍及年末階段分類 (續)

於二零一八年十二月三十一日

31 December 2019 於二零一九年十二月三十一日

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Financial risk management (continued)

(iii) Credit risk (continued)

- (a) For trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 28 to the financial statements.
- (b) The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Maximum exposure as at 31 December 2019

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 28 to the financial statements.

53. 財務風險管理目標及政策 (續)

財務風險管理 (續)

(iii) 信貸風險 (續)

- (a) 就本集團採用簡化方法計算減值的應收賬款及票據，根據撥備矩陣的資料披露於附註28。
- (b) 當計入預付款、其他應收款項及其他資產的金融資產尚未逾期，且沒有資料顯示該等金融資產的信貸風險自初始確認後大幅上升，則其信貸品質會被視為「正常」。否則，該等金融資產的信貸品質會被視為「可疑」。

於二零一九年十二月三十一日的最大風險範圍

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，因而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28。

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53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Financial risk management (continued)

(iv) Liquidity risk

The Group closely monitors its liquidity risk by performing periodic reviews and evaluations of its liquidity with regard to the industry characteristics, market conditions, business strategies and changes in the Group's state of affairs and adjusting the current and non-current portions of the Group's debt portfolio on a proper and timely basis. In addition, the Group aims to ensure a continuity of funds and flexibility through the use of various means of financing and by keeping committed credit lines available.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2019 based on contractual undiscounted payments.

53. 財務風險管理目標及政策 (續)

財務風險管理 (續)

(iv) 流動性風險

本集團定期會根據行業特點、市場環境、業務戰略及本集團財務狀況的變化，對集團的流動性進行檢討及審視，適當並及時調整本集團負債結構的即期及非即期部分，以監控流動性風險。此外，本集團亦透過利用不同的融資方式及保持一定的承諾信貸額度以確保資金的連續性及靈活性。

下表載列於二零一九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。

		2019 二零一九年			
		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
Lease liabilities	租賃負債	193,391	325,674	26,278	545,343
Interest-bearing bank and other borrowings (excluding lease liabilities)	計息銀行及其他 借貸(除租賃 負債)	13,802,750	10,424,037	—	24,226,787
Trade and bills payables	應付賬款及票據	6,738,626	—	—	6,738,626
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	5,954,229	—	—	5,954,229
Long term payables	長期應付款項	947	—	—	947
Other financial liabilities	其他金融負債	—	—	1,719,250	1,719,250

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53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Financial risk management (continued)

(iv) Liquidity risk (continued)

		2018 二零一八年				
		On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
		按要求	一年以內	一至五年	五年以上	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
Interest-bearing bank and other borrowings	計息銀行及其他借貸	—	6,636,692	8,278,723	65,135	14,980,550
Other loans	其他貸款	22,912	—	—	—	22,912
Trade and bills payables	應付賬款及票據	—	7,021,542	—	—	7,021,542
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	—	5,855,002	—	—	5,855,002
Long term payables	長期應付款項	—	12,152	882	—	13,034
Other financial liabilities	其他金融負債	—	—	—	1,815,599	1,815,599

(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 at fair value through other comprehensive income (note 26) as at 31 December 2019.

53. 財務風險管理目標及政策 (續)

財務風險管理 (續)

(iv) 流動性風險 (續)**(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。於二零一九年十二月三十一日，本集團面對的股本價格風險來自分類為以公允值計量且其變動計入其他全面收益的股本投資(附註26)的個別股本投資。

31 December 2019 於二零一九年十二月三十一日

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**Financial risk management** (continued)**(v) Equity price risk** (continued)

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.

		Carrying amount of equity investments	Change in equity
		股本投資的賬面值	股本變動
		RMB'000	RMB'000
		人民幣千元	人民幣千元
2019			
二零一九年			
Hong Kong listed equity investments	香港上市股本投資	105,957	5,298
2018			
二零一八年			
Hong Kong listed equity investments	香港上市股本投資	109,148	5,457

53. 財務風險管理目標及政策 (續)**財務風險管理** (續)**(v) 股本價格風險** (續)

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。

31 December 2019 於二零一九年十二月三十一日

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2019 and 31 December 2018.

53. 財務風險管理目標及政策 (續)

資本管理

本集團資本管理的基本目標乃維持本集團持續經營的能力及保持穩健的資本比率，以支持其業務及提高股東價值。

本集團管理其資本架構，並因應經濟環境的變化及相關資產的風險特徵作出調整。為維持或調整資本架構，本集團可能會調整派付予股東的股息、股東的資本回報或發行新股。於截至二零一九年十二月三十一日及二零一八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。

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53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

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:

53. 財務風險管理目標及政策 (續)

資本管理 (續)

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：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Interest-bearing bank and other borrowings	計息銀行及其他借貸	23,472,810	14,715,315
Trade and bills payables	應付賬款及票據	6,738,626	7,021,542
Other payables and accruals	其他應付款項及預提費用	10,807,574	10,889,417
Other loans	其他貸款	—	22,912
Long term payables	長期應付款項	—	814
Other financial liabilities	其他金融負債	1,600,206	1,610,947
Less: Cash and bank balances	減：現金及銀行結存	(6,476,187)	(7,297,988)
Less: Long term time deposits	減：長期定期存款	(4,569,773)	(1,921,418)
Net debt	淨負債	31,573,256	25,041,541
Equity attributable to owners of the Company	本公司擁有人應佔權益	29,132,284	25,212,364
Adjusted capital	經調整資本	29,132,284	25,212,364
Capital and net debt	資本與淨負債	60,705,540	50,253,905
Gearing ratio	資本負債比率	52.01%	49.83%

54. EVENTS AFTER THE REPORTING PERIOD

On 24 November 2019, the Company entered into a share sale and purchase agreement with third parties, pursuant to which the Company has conditionally agreed to purchase the 100% equity interest of Lion-Dairy & Drinks Pty Ltd. ("Lion Dairy Drinks") with an aggregate cash consideration of AUD600,000,000 (approximately RMB2,930,680,000). Lion Dairy Drinks is an Australia-based branded dairy and beverage company. This transaction is expected to be completed in the first half of 2020, upon which Lion Dairy Drinks will become a wholly-owned subsidiary of the Group.

After the outbreak of Coronavirus disease (COVID-19) in early 2020, a series of emergency public health measures, including but not limited to, travel and other work-related restrictions, have been implemented by the governmental authorities across the PRC, other countries and regions. It has, to some extent, caused challenges and even interruptions to the various phases of the operations of the Group ranging from upstream and downstream supply chains, production to distribution networks. Accordingly, additional resources and expenditures were inevitably incurred, among others, to intensify marketing activities at sales outlets, to gradually resume production capacity and to adjust production plans to cope with the circumstances. The Group has also made cash and supply donations to hospitals and other epidemic prevention and control institutions in China. The overall financial effect of the COVID-19 outbreak on the Group cannot be reliably estimated as of the date of these financial statements. The Group, however, will continue to closely monitor the development of the outbreak and to evaluate its impact on the financial position and operating results of the Group.

54. 報告期後事件

於二零一九年十一月二十四日，根據本公司已有條件同意以總現金代價600,000,000澳元（約人民幣2,930,680,000元）購買Lion-Dairy & Drinks Pty Ltd.（「Lion Dairy Drinks」）的全部股權，本公司與第三方簽訂股份銷售及購買協議。Lion Dairy Drinks為一家以澳洲為主的品牌牛奶及飲料公司。該交易預期將於二零二零年上半年完成，其後，Lion Dairy Drinks將成為本集團的全資子公司。

新型冠狀病毒（COVID-19）於二零二零年初暴發後，中國各地、其他國家及地區政府機關已實施一連串緊急公共健康措施，包括但不限於旅遊及其他工作相關限制。其已在若干程度上為本集團不同層面的業務（由上游及下游供應鏈、生產以至分銷網絡）造成挑戰甚至干擾。因此，在無可避免的情況下產生額外資源及開支，以用作（其中包括）加強於售點之營銷活動、逐步將產能恢復以及在不同情況下調整生產計劃。本集團亦已向國內醫院及其他抗擊疫情相關機構捐贈款物。COVID-19暴發對本集團截至該等財務報表日期的整體財務影響並無法作可靠估計。然而，本集團將繼續密切監察疾病暴發的事態發展，並評估其對本集團財務狀況及經營業績之影響。

31 December 2019 於二零一九年十二月三十一日

55. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

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

55. 本公司財務狀況表

報告期末有關本公司財務狀況表的資料如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 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	65	108
Investments in subsidiaries	於子公司的投資	13,637,745	13,210,242
Investment in an associate	於一間聯營公司的投資	2,928,354	2,864,346
Derivative financial instruments	衍生金融工具	34,009	28,598
Non-current financial assets	非流動金融資產	45,525	25,208
Loans to subsidiaries	貸款予子公司	8,087,928	—
Total non-current assets	總非流動資產	24,733,626	16,128,502
CURRENT ASSETS	流動資產		
Derivative financial instruments	衍生金融工具	10,813	48,866
Prepayments, other receivables and other assets	預付款、其他應收款項及其他資產	258,406	83,652
Loans to subsidiaries	貸款予子公司	4,507,596	7,572,719
Pledged deposits	保證金存款	46,787	22,203
Cash and bank balances	現金及銀行結存	1,884,119	284,155
Total current assets	總流動資產	6,707,721	8,011,595
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及預提費用	157,790	486,981
Interest-bearing bank and other borrowings	計息銀行及其他借貸	10,750,596	525,107
Derivative financial instruments	衍生金融工具	3,955	6,891
Total current liabilities	總流動負債	10,912,341	1,018,979
NET CURRENT ASSETS/(LIABILITIES)	流動資產/(負債)淨額	(4,204,620)	6,992,616
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	20,529,006	23,121,118
NON-CURRENT LIABILITIES	非流動負債		
Loans from a subsidiary	來自一間子公司的貸款	—	2,738,436
Interest-bearing bank and other borrowings	計息銀行及其他借貸	9,310,149	8,763,177
Deferred tax liability	遞延稅項負債	6,422	—
Derivative financial instruments	衍生金融工具	—	17,457
Total non-current liabilities	總非流動負債	9,316,571	11,519,070
NET ASSETS	淨資產	11,212,435	11,602,048
EQUITY	權益		
Issued capital	已發行股本	358,257	357,602
Treasury shares held under share award scheme	股票獎勵計劃下持有的庫存股份	(132,735)	(218,717)
Reserves	儲備	10,986,913	11,463,163
TOTAL EQUITY	總權益	11,212,435	11,602,048

Chen Lang
陳朗
Director
董事

Jeffrey, Minfang Lu
盧敏放
Director
董事

31 December 2019 於二零一九年十二月三十一日

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

Note:

A summary of the Company's reserves is as follows:

55. 本公司財務狀況表 (續)

註：

本公司儲備概述如下：

		Share premium	Contributed surplus	Foreign currency translation differences	Fair value reserve of financial assets at fair value through other comprehensive income 按公允值計入其他全面收益的 金融資產	Retained earnings	Share option reserve/share award reserve	Hedging reserve	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
			Note (a) 附註 (a)						
At 1 January 2019	於二零一九年一月一日	12,324,120	387,574	(117,189)	(344,188)	(903,767)	90,192	26,421	11,463,163
Loss for the year	本年虧損	-	-	-	-	(285,804)	-	-	(285,804)
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	-	-	-	20,316	-	-	-	20,316
Exchange differences between functional currency and presentation currency	功能貨幣及呈報貨幣的匯兌差額	-	-	238,605	-	-	-	-	238,605
Cash flow hedges, net of tax	現金流量對沖，扣除稅項	-	-	639	-	-	-	(18,423)	(17,784)
Total comprehensive income/(loss) for the year	年度全面收益/(虧損)總額	-	-	239,244	20,316	(285,804)	-	(18,423)	(44,667)
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	123,780	-	-	-	-	152,773	-	276,553
Equity-settled share option arrangements	以股份支付的購股權安排	-	-	-	-	-	80	-	80
Transfer of share option reserve upon exercise of share options	行使購股權時轉出購股權儲備	33,983	-	-	-	-	(33,983)	-	-
Share award scheme	股票獎勵計劃	-	-	-	-	-	752	-	752
Dividends paid to owners of the Company	已向本公司擁有人派付股息	(708,968)	-	-	-	-	-	-	(708,968)
At 31 December 2019	於二零一九年十二月三十一日	11,772,915	387,574	122,055	(323,872)	(1,189,571)	209,814	7,998	10,986,913

31 December 2019 於二零一九年十二月三十一日

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

Note: (continued)

A summary of the Company's reserves is as follows: (continued)

		Share premium	Contributed surplus	Foreign currency translation differences	Fair value reserve of financial assets at fair value through other comprehensive income	Retained earnings	Share option reserve/ share award reserve	Hedging reserve	Total
		股份溢價	實繳盈餘	貨幣換算儲備	按公允值計入其他全面收益的金融資產公允值儲備	保留利潤	股權儲備/股份獎勵儲備	對沖儲備	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
			Note (a)						
			附註 (a)						
At 1 January 2018	於二零一八年一月一日	12,801,285	387,574	(650,460)	(326,194)	(636,409)	39,072	30,617	11,645,485
Loss for the year	本年虧損	—	—	—	—	(267,358)	—	—	(267,358)
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	—	—	—	(17,994)	—	—	—	(17,994)
Exchange differences between functional currency and presentation currency	功能貨幣及呈報貨幣的匯兌差額	—	—	533,271	—	—	—	—	533,271
Cash flow hedges, net of tax	現金流量對沖，扣除稅項	—	—	—	—	—	—	(4,196)	(4,196)
Total comprehensive income/(loss) for the year	年度全面收益/(虧損)總額	—	—	533,271	(17,994)	(267,358)	—	(4,196)	243,723
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	4,472	—	—	—	—	48,851	—	53,323
Equity-settled share option arrangements	以股份支付的購股權安排	—	—	—	—	—	594	—	594
Transfer of share option reserve upon exercise of share options	行使購股權時轉出購股權儲備	1,190	—	—	—	—	(1,190)	—	—
Share award scheme	股票獎勵計劃	—	—	—	—	—	2,865	—	2,865
Dividends paid to owners of the Company	已向本公司擁有人派付股息	(482,827)	—	—	—	—	—	—	(482,827)
At 31 December 2018	於二零一八年十二月三十一日	12,324,120	387,574	(117,189)	(344,188)	(903,767)	90,192	26,421	11,463,163

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.

註：(續)

本公司儲備概述如下：(續)

		Share premium	Contributed surplus	Foreign currency translation differences	Fair value reserve of financial assets at fair value through other comprehensive income	Retained earnings	Share option reserve/ share award reserve	Hedging reserve	Total
		股份溢價	實繳盈餘	貨幣換算儲備	按公允值計入其他全面收益的金融資產公允值儲備	保留利潤	股權儲備/股份獎勵儲備	對沖儲備	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
			Note (a)						
			附註 (a)						
At 1 January 2018	於二零一八年一月一日	12,801,285	387,574	(650,460)	(326,194)	(636,409)	39,072	30,617	11,645,485
Loss for the year	本年虧損	—	—	—	—	(267,358)	—	—	(267,358)
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	—	—	—	(17,994)	—	—	—	(17,994)
Exchange differences between functional currency and presentation currency	功能貨幣及呈報貨幣的匯兌差額	—	—	533,271	—	—	—	—	533,271
Cash flow hedges, net of tax	現金流量對沖，扣除稅項	—	—	—	—	—	—	(4,196)	(4,196)
Total comprehensive income/(loss) for the year	年度全面收益/(虧損)總額	—	—	533,271	(17,994)	(267,358)	—	(4,196)	243,723
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	4,472	—	—	—	—	48,851	—	53,323
Equity-settled share option arrangements	以股份支付的購股權安排	—	—	—	—	—	594	—	594
Transfer of share option reserve upon exercise of share options	行使購股權時轉出購股權儲備	1,190	—	—	—	—	(1,190)	—	—
Share award scheme	股票獎勵計劃	—	—	—	—	—	2,865	—	2,865
Dividends paid to owners of the Company	已向本公司擁有人派付股息	(482,827)	—	—	—	—	—	—	(482,827)
At 31 December 2018	於二零一八年十二月三十一日	12,324,120	387,574	(117,189)	(344,188)	(903,767)	90,192	26,421	11,463,163

附註：

(a) 本公司的實繳盈餘指根據集團重組所收購子公司的當時合併資產淨值與本公司為換取上述合併資產淨值所發行股份的面值間的差額。

56. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 25 March 2020.

56. 批准財務報表

董事會已於二零二零年三月二十五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				
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 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	2015 二零一五年 RMB'000 人民幣千元
Revenue	收入	79,029,856	68,977,066	60,155,622	53,779,339	49,026,516
Profit/(loss) before tax from continuing operations	來自持續經營業務的稅前利潤/(虧損)	5,605,447	3,852,722	2,624,961	(461,386)	3,030,170
Income tax expense	所得稅支出	(1,309,532)	(649,001)	(594,283)	(351,379)	(510,038)
Profit/(loss) for the year from continuing operations	來自持續經營業務的 本年利潤/(虧損)	4,295,915	3,203,721	2,030,678	(812,765)	2,520,132
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
Profit/(loss) for the year	本年利潤/(虧損)	4,295,915	3,203,721	2,030,678	(812,765)	2,520,254
Attributable to:	以下各方應佔:					
Owners of the Company	本公司擁有人	4,105,437	3,043,030	2,047,839	(751,155)	2,367,291
Non-controlling interests	非控股股東權益	190,478	160,691	(17,161)	(61,610)	152,963
Proposed dividend	擬派股息	712,238	710,915	471,283	349,327	549,357
Earnings 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(人民幣)(附註(i))					
For profit for the year	本年利潤					
— Basic	— 基本	1.049	0.779	0.526	(0.193)	0.609
— Diluted	— 攤薄	1.046	0.778	0.526	(0.193)	0.607

ASSETS, LIABILITIES AND EQUITY

資產、負債及權益

		At 31 December 於十二月三十一日				
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 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	2015 二零一五年 RMB'000 人民幣千元
Total assets	總資產	78,537,405	66,457,257	58,138,731	49,124,427	50,652,541
Total liabilities	總負債	45,190,068	35,992,978	31,031,608	23,620,699	24,037,387
Equity attributable to owners of the Company	本公司擁有人 應佔權益	29,132,284	25,212,364	22,604,273	20,844,913	22,136,239
Non-controlling interests	非控股股東權益	4,215,053	5,251,915	4,502,850	4,658,815	4,478,915

Note:

附註：

- (i) The calculation basis for the earnings per share attributable to ordinary equity holders of the Company is set out in note 14 to the consolidated financial statements.
- (i) 本公司普通股擁有人應佔每股盈利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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