



China Modern Dairy Holdings Ltd.

中國現代牧業控股有限公司

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

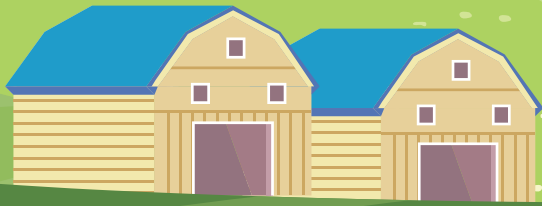
Stock Code 股份代號: 1117

ANNUAL REPORT
年報 2021



连续八年荣获世界食品品质评鉴大会

— 金奖 —





CORPORATE PROFILE

公司簡介

China Modern Dairy Holdings Limited (the “**Company**” or “**Modern Dairy**” together with its subsidiaries, the “**Group**”) is the leading dairy farming operator and fresh raw milk producer in the People’s Republic of China (the “**PRC**”). Modern Dairy operates 33 dairy farming companies in the PRC with dairy cows over 350,000 heads and annualised milk yield of over 2 million tons. The Group is a global leading dairy farming operator and raw milk producer in terms of herd size. The Company initiated the production model of “Zero distance Integration of Forage Grass Planting, Cows Breeding and Milk Processing within Two Hours”, which is the first in the PRC that applies integrated production model with SGS certification. Modern Dairy’s products have been awarded the Gold Prize of Monde Selection which is generally regarded as the “Nobel Prize” in the food industry, for the past eight consecutive years.

中國現代牧業控股有限公司(「**本公司**」或「**現代牧業**」)連同其附屬公司「**本集團**」，為中華人民共和國(「**中國**」)乳牛畜牧營運商及原料奶生產商的翹楚。現代牧業於中國經營33家乳牛牧場公司，擁有逾35萬頭乳牛，年化產奶量達200萬噸以上。本公司首創「種養加一體化、零距離2小時」的生產模式，是中國首家一體化生產模式並通過SGS認證的企業。現代牧業的產品於過去八年連續在素有食品業「諾貝爾獎」之稱的世界食品品質評鑒大會中獲得金獎。

*“Farming diligently for the purity,
genuineness, freshness and vitality of fresh milk”*

「為牛乳的純、真、鮮、活，而默默耕耘」

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摘要

YEAR ENDED 31 DECEMBER

截至12月31日止年度

		2021 2021年	2020 2020年	Change 變動
(All amounts in Renminbi ("RMB") (除特別列明外，所有金額以 millions unless otherwise stated) 人民幣(「人民幣」)百萬元列示)				
FINANCIAL DATA	財務數據			
Revenue	收入	7,078	6,020	+17.6%
Gross profit	毛利	2,549	2,458	+3.7%
Earnings before tax	除稅前盈利	1,035	784	+32.0%
Cash EBITDA ^(Note)	現金EBITDA ^(附註)	2,434	2,265	+7.5%
Cash EBITDA Margin (%)	現金EBITDA利潤率(%)	34.4%	37.6%	-3.2ppt
Profit attributable to owners of the Company	本公司擁有人應佔溢利	1,019	770	+32.3%
KEY PERFORMANCE DATA	主要業績資料			
Basic earnings per share (RMB cents)	基本每股盈利(人民幣分)	14.43	12.07	+19.6%
Annualised milk yield in total (ten thousand tons)	年總產奶量(萬噸)	161	149	8.1%
Herd size (heads)	畜群規模(頭)	353,793	247,371	+43.0%

Note: Cash EBITDA is defined as earnings before finance costs and tax having added back: i) depreciation for property, plant and equipment and right-of-use assets charged to profit or loss; ii) other gains and losses, net; iii) impairment losses under expected credit loss model, net of reversal; and iv) loss arising from changes in fair value less costs to sell of dairy cows.

附註：現金EBITDA定義為在加回以下項目後的除融資成本及稅項前盈利：i)物業、廠房及設備以及使用權資產折舊致使的損益；ii)其他收益及虧損淨額；iii)預期信貸虧損模型下減值虧損，扣除撥回；及iv)乳牛公平值變動減乳牛銷售成本產生的虧損。

DIVIDEND

The Board recommended the payment of final dividend of RMB0.026 per ordinary share (2020: RMB0.02).

股息

董事會建議派發期末股息每股普通股人民幣0.026元(2020年：人民幣0.02元)。

HIGHLIGHTS:

Robust Growth in Results: During the year, the total revenue of the Group reached RMB7,078 million, representing a year-on-year ("yoy") increase of 17.6%. Cash EBITDA recorded RMB2,434 million, representing a yoy increase of 7.5%. The profit attributable to owners of the Company reached RMB1,019 million, representing a yoy increase of 32.3%;

亮點摘要：

業績強勁增長：年內，本集團的總收入達人民幣70.78億元，同比增長17.6%。現金EBITDA錄得人民幣24.34億元，同比增長7.5%。本公司擁有人應佔溢利錄得人民幣10.19億元，同比提升32.3%；

Smooth Completion of Acquisition: During the year, the Group has successfully completed several acquisitions, including Zhongyuan Muye and Fuyuan International, both of which have become subsidiaries of the Company, and their financial results were also consolidated into the financial statements of the Group. Zhongyuan Muye and Fuyuan International have contributed approximately 80,000 heads of dairy cows in total to the Group along with the completion of acquisition, further strengthening the leading position of Modern Dairy in the dairy farming industry in the PRC, and at the same time improving the Group's competitiveness in raw milk quality and pricing;

Significant Increase in Herd Size: As of 31 December 2021, the Group had invested and established 33 dairy farming companies in the PRC, and the number of dairy cows reached 354,000 heads, representing an increase of 106,000 heads over the corresponding period and a significant yoy increase of 43.0%;

Debut Issuance Pioneer Amongst Peers: During the year, the Company was assigned the "BBB" investment grade rating by Standard & Poor's, becoming the first dairy farming company in the world having been assigned such a credit rating of investment grade. Subsequently, the Company successfully issued bonds of US\$500 million (coupon of 2.125%, due in 2026) for the first time, which has caught the attention of the capital market. This fully affirms the recognition received by the Company for China's large-scale farming model from international credit rating agencies. Such issuance and grading established a positive image for the industry in the international capital market, enlightening peers in the industry to the further development of financing channels in the international capital market;

Won Gold Awards for Eight Consecutive Years: During the year, the Group's pure milk was awarded the Gold Prize of Monde Selection for the eighth consecutive year, symbolizing that our high quality raw milk and business philosophy have been widely recognized and favored by the industry and consumers; and

The First be Certified Worldwide: In 2021, the Group launched the "Quality Milk Project" and published the evaluation results, becoming the first dairy farming operator in the world that has obtained the "Quality Milk Project" certification.

併購順利完成：年內，本集團順利完成數項併購，其中包括對中元牧業及富源國際的併購，中元牧業及富源國際年內雙雙成為本公司的附屬公司，其財務業績亦已併入本集團財務報表內。成功收購中元牧業及富源國際為本集團帶來合共約8萬頭奶牛的貢獻，不但進一步強化現代牧業在中國奶牛養殖行業的領頭地位，而且同時提高了本集團在原奶質量及定價方面的競爭力；

畜群大幅增加：截止2021年12月31日，本集團在國內共投資設立33個牧場公司，奶牛存欄量達35.4萬頭，較同期增加10.6萬頭，同比大幅增加43.0%；

行業首發突破：年內，本公司獲標準普爾給予「BBB」的投資級信用評級，成為全球首家榮獲該投資級信用評級的奶牛養殖企業。緊接其後，本公司成功首次發行5億美元債券(票息為2.125%，2026年到期)，獲資本市場熱捧。充分印證了國際信用評級機構對本公司乃至中國規模化養殖模式的肯定，為業界在國際資本市場樹立了良好形象，啓迪乳業同行在國際資本市場進一步開拓融資渠道；

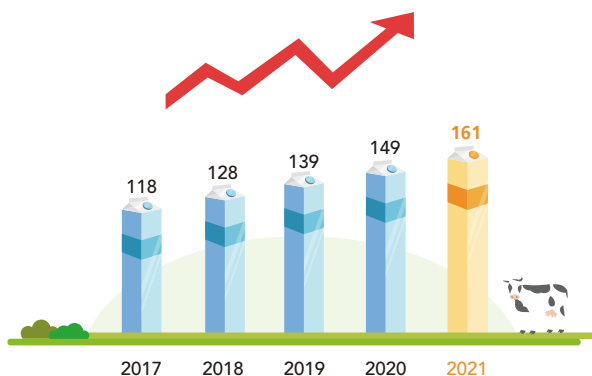
金獎八度蟬聯：年內，本集團純牛奶連續八年榮獲世界食品質量評鑒大會金獎，標誌著我們的優質原奶及經營理念獲得業界消費者的肯定及青睞；及

全球首家認證：2021年，本集團啟動優質乳工程及發佈了有關評價成果，成為全球首家榮獲優質乳工程認證的牧業集團。

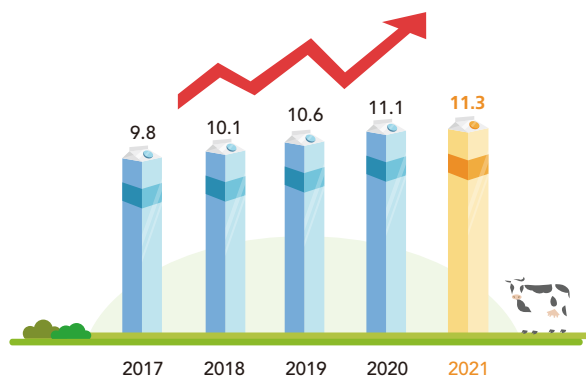
HIGHLIGHTS

摘要

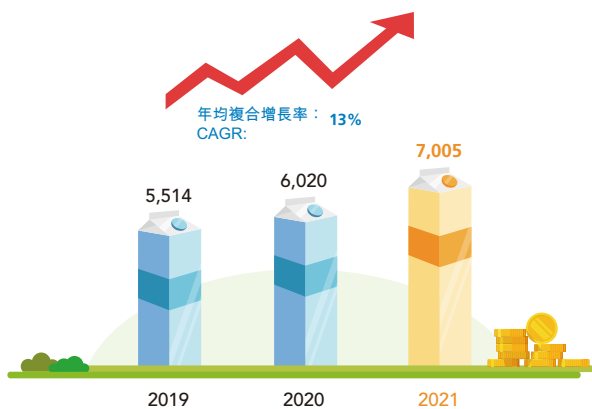
Production Volume ('0,000 tons)
原奶產量(萬噸)



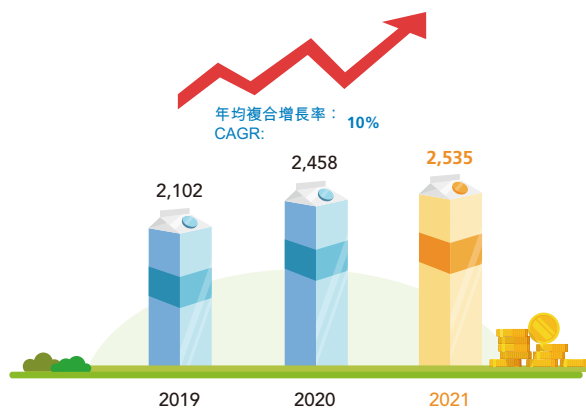
Unit Yield per Milkable (tons/head/year)
成乳牛單產(噸/頭/年)



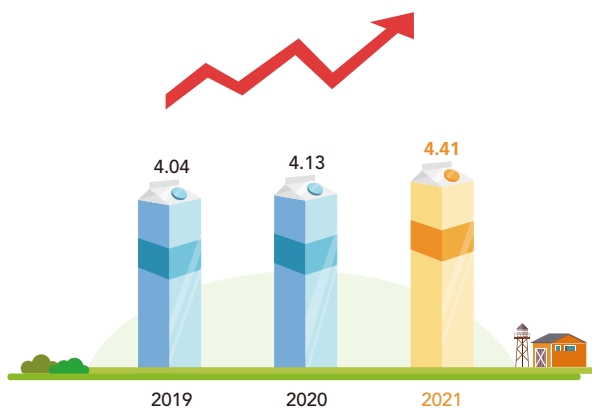
Raw Milk Sales (million)
原奶銷售額(百萬元)



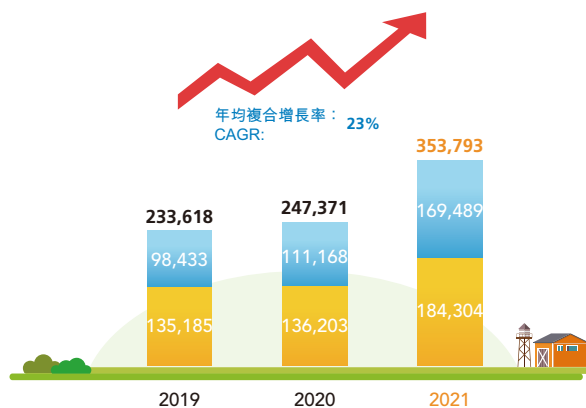
Gross Profit of Raw Milk Sales (million)
原奶銷售毛利額(百萬元)



Raw Milk Average Selling Price (RMB/kg)
原奶銷售單價(人民幣/公斤)



Herd size (head)
牛群規模(頭)



■ 青年牛和犏牛 Heifers & Calves
■ 成乳牛 Milkable cows

FARM MAP

牧場位置圖

西北大區 Northwest Region

寶雞牧場 (x2)
Baoji Farm (x2)
吳忠牧場
Wuzhong Farm
阜民豐牧場
Fuminfeng Farm

內蒙大區 Inner Mongolia Region

磴口牧場
Dengkou Farm
賽罕牧場
Saihan Farm
託縣牧場
Tuoxian Farm
和林一牧
Helin Farm I
和林二牧
Hein Farm II

塞北大區 Saibei Region

塞北一牧 Saibei Farm I	塞北四牧 Saibei Farm IV
塞北二牧 Saibei Farm II	塞北五牧 Saibei Farm V
塞北三牧 Saibei Farm III	通遼牧場 Tongliao Farm

東北大區 Northeast Region

烏蘭牧場
Wulan Farm
雙城牧場 (x2)
Shuangcheng Farm (x2)
尚志牧場
Shangzhi Farm

察北大區 Chabei Region

察北牧場 (x2)
Chabei Farm (x2)
恆盛牧場
Hengsheng Farm

華北大區 Northern China Region

新樂牧場 (x2)
Xinle Farm (x2)
衡水一牧
Hengshui Farm I
衡水二牧
Hengshui Farm II
宿遷牧場
Suqian Farm

華中大區 Central China Region

商河牧場 (x2)
Shanghe Farm (x2)
臨沂牧場
Linyi Farm
汶上牧場
Wenshang Farm

華東大區 Eastern China Region

蚌埠牧場 (x4)
Bengbu Farm (x4)
馬鞍山牧場
Maanshan Farm
合肥牧場 (x2)
Hefei Farm (x2)

蒙雲川大區 Mengyunchuan Region

和林牧場
Helin Farm
眉山牧場
Meishan Farm
洪雅牧場
Hongya Farm
雲南牧場
Yunnan Farm

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

PRODUCTS OF THE GROUP AND ASSOCIATES

集團及聯營公司產品



HOLSTEIN THREE ZERO SKIMMED MILK

荷斯坦系列二零脱脂牛奶

Zero fat, light with nutrient value. Zero lactose, easy to absorb. Getting nutrition, being healthy, feeling the sweetness, and stay fresh.

零脂肪，輕享好營養；零乳糖，營養好吸收。在獲取營養健康的同時，感受清甜美味，輕盈體驗。



HOLSTEIN 30-MINUTE-BEFORE-SLEEP MILK

荷斯坦系列睡前30分牛奶

To have a glass of milk before going to bed and to fall asleep easily. Helpful to calm down, relieve stress and improve sleep quality by adding GABA nutrition which is needed by human body.

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



HOLSTEIN DNA MILK

荷斯坦系列DNA牛奶

A2 genotype dairy cows, screened by DNA detection, contains rare A2β casein which is naturally compatible with the human body and facilitates nutrient absorption. The supply is limited due to its scarcity.

DNA檢測層層篩選A2基因型奶牛，含有珍稀A2β酪蛋白，自然親和人體，有助於營養吸收，數量稀少，限量供應。



HOLSTEIN PURE MILK

荷斯坦系列純牛奶

Selecting good quality Holstein cows and containing 3.2 g of high-quality milk protein per 100 ml for everyday nutrition with a rich and favorable taste.

甄選優質荷斯坦奶源，每100毫升含3.2克優質乳蛋白，補充營養每一天，味道香醇，口感濃厚。

WELL-PACKAGED PREMIUM PURE MILK

精裝純牛奶

The pure milk is awarded the Gold Award at Monde Selection for eight consecutive years, produced by self-owned farms with high-quality milk sources.

自家牧場，優質奶源，連續八年榮獲世界食品品質評鑒大會金獎的純牛奶。

PRODUCTS OF THE GROUP AND ASSOCIATES

集團及聯營公司產品



HIGH CALCIUM MILK

高鈣牛奶

High in calcium from good dairy farms. Modern Dairy High Calcium Milk contains 125 mg of calcium per 100 ml. Vitamin D is added to facilitate calcium absorption. The milk is nutritious, pure and rich in taste. It has won the Gold Award of Monde Selection for two consecutive years. 高鈣源自好牧場，現代牧業高鈣奶每100毫升含鈣125毫克，特別加入維生素D，促進鈣的吸收，營養豐富，純正香濃，連續兩年榮獲世界食品品質評鑒大會金獎。



GOLD PURE MILK

金獎純牛奶

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

自家牧場，優質奶源，連續三年榮獲世界食品品質評鑒大會金獎，中國航天事業合作夥伴，航天品質，金獎之選。



REFRIGERATED PURE MILK

冰箱裝純牛奶

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



HOLSTEIN HIGH CALCIUM MILK

荷斯坦系列高鈣牛奶

Selecting good quality Holstein cows and containing 125 mg of calcium per 100 ml. Vitamin D is added to facilitate calcium absorption. The milk is nutritious, pure and rich in taste.

甄選優質荷斯坦奶源，每100毫升含125毫克高鈣，含維生素D促進鈣吸收，營養豐富，純正香濃。



MAJOR AWARDS AND ACHIEVEMENTS

獎項及殊榮

Modern Dairy Brand

- At the 2021 Net Ease • New Energy Dairy Industry Summit, Modern Farming (Group) Co., Ltd. won the “Most Growing New Brand of the Year” for consecutive years, and Mr. Sun Yugang, the Acting Chief Executive Officer, won the “Best Trader”;

現代牧業品牌

- 2021年網易•新能量乳製品行業峰會，現代牧業(集團)有限公司蟬聯「年度最具成長力新銳品牌」，執行總裁孫玉剛先生榮獲「最佳操盤手」；

Premium Products

- Modern Dairy released the evaluation results of the “Quality Milk Project”, becoming the first company in China that passed the “Quality Milk Project” for both its pasteurized milk and UHT milk.

優質產品

- 現代牧業發佈優質乳工程評價成果，成為國內首家巴氏殺菌奶和UHT滅菌奶同時通過國家「優質乳工程」驗收的企業。



MAJOR AWARDS AND ACHIEVEMENTS

獎項及殊榮

- The “Premium Pure Milk” product of Modern Dairy won the Gold Award at the Monde Selection for eight consecutive years, and its product quality has been recognized internationally again.
- 現代牧業尊貴純牛奶連續八年榮膺世界食品品質評鑒大會金獎，產品品質再獲國際認可。



Quality Financing

- Modern Dairy was assigned the “BBB” investment grade rating by Standard & Poor’s, becoming the first dairy farming company in the world to be assigned an international credit rating of “investment grade”.

優質融資

- 現代牧業獲標普BBB投資級評級，成為全球首家獲得國際信用評級為投資級的乳牛養殖企業。

ACTING CEO'S STATEMENT

執行總裁報告書



SUN Yugang,
孫玉剛
Acting Chief Executive Officer
執行總裁

Dear Shareholders,

On behalf of the board of directors of China Modern Dairy Holdings Ltd. and its subsidiaries, I am pleased to present the annual results of Modern Dairy for the year ended 31 December 2021 to the shareholders.

MEMORIAL AND GRATITUDE

The year 2021 was a landmark year.

For our country, the year 2021 was of great significance. We experienced the historical intersection of the “Two Centenary Goals” and witnessed the good start of China’s “14th Five-Year Plan”.

Looking back at 2021, it was of great significance to our industry. We started a new journey for the development of the dairy industry in the “14th Five-Year Plan” and clarified the new directions to modernization for the domestic dairy farming industry.

尊敬的各位股東：

本人僅代表中國現代牧業控股有限公司與其附屬公司董事會，欣然向各位股東呈報現代牧業截至二零二一年十二月三十一日止年度的全年業績。

銘記昨天•感恩同行

剛剛過去的2021年，是具有里程碑意義的一年。

回首2021年，於國家而言，意義非凡。我們共同經歷了「兩個一百年」奮鬥目標歷史交匯，見證了國家「十四五」的良好開局。

回望這一歲，於行業而言，意義深刻。我們一起開啓了「十四五」奶業發展的新征程，明確了中國奶業開往現代化奶業的新座標。

ACTING CEO'S STATEMENT

執行總裁報告書

Looking back at 2021, it had far-reaching significance for dairy farming. We officially launched the Group's "Five-Year Lead Plan" and drew a brand-new development blueprint.

THE EXCELLENT PERFORMANCE FACILITATED THE NEW DEVELOPMENT MOMENTUM

During the year, we recorded a substantial increase in operating results. The Group is a global leading dairy farming operator and raw milk producer in terms of herd size. Confronted with the normalization of global COVID-19 pandemic (the "Pandemic Outbreak") and pressures of cost surge, Modern Dairy withstood the test, performed well, and achieved an all-round and high-quality leap forward in performance.

Our core business continued to grow stronger. Modern Dairy has successively completed the acquisition of Zhongyuan Muye Company Limited ("Zhongyuan Muye") and Inner Mongolia Fuyuan International Industrial (Group) Co. Ltd. ("Fuyuan International"), launched the Horinger Ranch of China Dairy Industrial Park strategic cooperation project in an innovative financial leasing way and successfully deployed its first large-scale ranch in Xinjiang. Leveraging on the world's first model of "integration of forage planting, cow breeding and milk processing", the Group has developed into a global leading dairy farming enterprise, high-quality raw milk supplier and milk processing manufacturer. During the Reporting Year, the Group's total sales volume of raw milk achieved a historic breakthrough and reached 1.59 million tons, taking a solid and powerful first step to realize the strategic goal of "doubling herd size and milk production" and winning praise for the high-quality development of China's dairy industry.

Our performance in the capital market was resilient. We were assigned the "BBB" investment grade rating by Standard & Poor's, becoming the first dairy farming company in the world to be assigned an international credit rating of "investment grade", and successfully issued corporate bonds of US\$500 million and reduced the finance costs effectively.

回顧2021年，於牧業而言，意義深遠。我們攜手正式啟動了集團「五年領跑計劃」，擘畫了全新的發展藍圖。

以靚麗業績凝聚發展新動力

這一年，我們經營業績大幅增長。按畜群大小計算，本集團是全球領先的乳牛畜牧公司及原料奶生產商。在全球新冠疫情爆發（「疫情爆發」）常態化、成本壓力激增的巨大挑戰下，現代牧業依然經受住了考驗，交出一份優異成績單，實現了業績全方位、高品質的飛躍！

我們核心業務持續走強：現代牧業先後完成收購中元牧業有限公司（「中元牧業」）、內蒙古富源國際實業（集團）有限公司（「富源國際」），創新以租代建運營模式啟動中國乳業產業園和林格爾萬頭牧場戰略合作項目，並在新疆成功佈局現代牧業首座規模化牧場。依托全球首創的「牧草種植、奶牛養殖、牛奶加工一體化」模式，本集團已發展為全球領先的奶牛養殖企業、高品質原奶供應商及優質乳加工製造者。本匯報年度本集團原料奶總銷量實現歷史性的突破達159萬噸，為全面實現「牛翻番、奶翻倍」的戰略目標邁出了堅實有力的第一步，更為中國奶業高品質發展贏得了榮耀。

我們資本市場韌性十足，我們獲得標普BBB投資級評級，成為全球首家獲得國際信用評級為投資級的奶牛養殖企業並成功發行5億美元公司債券，有效地降低了融資成本。

ENHANCING CORE COMPETITIVENESS WITH GREEN AND LOW-CARBON DEVELOPMENT

In 2021, Modern Dairy not only focused on strengthening its core business, but were more attentive to quality and safety, green development and environmental protection, striving to establish a model and benchmark for China's dairy industry and achieve all-round development.

Over the past 16 years, Modern Dairy has been focusing on product quality and adhering to the quality concept of "quality is the lifeblood of corporate development", which is our very beginning aspiration that will remain unchanged for the next 5, 50, or even 100 years.

Our raw milk indicators remained at a high level and were much stricter than EU standards. Our "Premium Pure Milk" product won the Gold Award for the eighth time, becoming the first Chinese company to win the Gold Award at the Monde Selection for eight consecutive years. We successfully released the evaluation results of the "Quality Milk Project" this year and became the first farming group in the world that has been certified by the "Quality Milk Project". We took care of every detail with ingenuity and ensured the quality of every drop of milk from the source, so as to facilitate the high-quality development of China's dairy industry and promote health among people around the world.

We officially launched the dual-carbon (carbon peak and carbon neutrality) project, which fully opened up the Group's pathway to carbon reduction and green development. This is a manifestation of Modern Dairy's courage to take on the responsibilities as a leading enterprise, and it also demonstrates its determination and responsibility to solve the three major crises, namely quality safety, environmental safety and epidemic prevention safety. We stuck to the green concept and practiced low-carbon environmental protection with all our hearts to foster a splendid farming industry.

以綠色低碳增強核心競爭力

2021年，現代牧業不僅專注於做強核心業務，更重視品質安全、綠色環保，致力於樹立中國奶業的示範與標桿，實現全方位發展。

十六年來，現代牧業一直聚焦產品品質，堅持品質是企業發展的命脈的品質理念。這也將是我們未來5年，50年，甚至百年都不變的初心。

我們的原奶指標依然保持高水準，指標遠超歐盟標準；這一年，我們的尊貴純牛奶第八次奪金，成為第一個連續八年獲得世界食品品質評鑒大會金獎的中國企業；這一年，我們成功發佈了優質乳工程評價成果，成為全球首家獲優質乳工程認證的牧業集團！我們以匠心精耕每一處細節，從源頭恒久守護每一滴好奶，助力中國奶業高質發展，提升全人類健康水平。

我們正式啓動雙碳項目，全面開啓了集團減碳綠色發展之路，這是現代牧業勇擔龍頭企業責任的體現，更彰顯了我們解決「品質安全、環境安全和防疫安全」三大危機的決心和擔當！我們用心堅守綠色理念，盡心踐行低碳環保，全心打造璀璨牧業。

ACTING CEO'S STATEMENT

執行總裁報告書

ACTIVATING ENDOGENOUS DRIVING FORCES WITH DIGITAL AND INTELLIGENT INNOVATIONS

In 2021, we were more attentive to the well-being of dairy cows and focused on digital, intelligent and science-based cow raising. According to the principle of "cow-oriented", we refined professional management systems and standardized operation procedures for every procedure and detail of dairy farming to ensure the standardization, scientization and refinement of feeding as well as the healthy growth of each dairy cow. In 2021, we fully launched the Skylark laboratory information management system, relying on information-based and smart systems to ensure quality in all aspects of production. We vigorously promoted benchmarking to effectively reduce costs and improve efficiency. We built smart farms with digital and smart innovations, strived to be the industry pioneer with a forward-looking vision and enhanced our core competitiveness by keeping pace with the times.

STIMULATING VITALITY OF EMPLOYEES WITH HAPPINESS PROGRAM

In 2021, we officially launched the "Happiness Program" and introduced a number of measures related to our employees' interests, so that our employees could feel happier and truly become the beneficiaries of corporate profits.

以數智創新啟動內生驅動力

2021年，我們更加關注奶牛福利，專注數字養牛、智慧養牛、科學養牛。我們「以牛為本」，針對奶牛養殖的每一道程式、每一個細節，我們都細化了專業的管理制度和規範的操作流程，確保飼養的標準化、科學化和精細化，保證每一頭奶牛的健康成長。2021年，我們全面上線了雲雀實驗室資訊管理系統，依靠資訊化、智慧化系統，為生產各環節品質保駕護航；我們大力推行對標改善，有效降低成本、提升效益。我們以數智化、智慧化創新打造智慧牧場，用前瞻視野成就產業先鋒，與時俱進中提升核心競爭力。

以幸福計劃綻放牛人生命力

2021年，我們正式啟動幸福計劃，落地實施了多項與員工利益相關的舉措，讓員工更有幸福感，真正成為企業利益的受益者。



The payroll of our employees increased. We have established a comprehensive remuneration incentive policy and started annual salary adjustment. Our employees enjoyed an average salary rise of up to 10%, which was much higher than the average level in the market. We have comprehensively deepened and reformed the compensation and performance incentive system to make it competitive, sustainable, fair and flexible enough to reward competent employees and realize their potential.

The benefits of our employees expanded. We have fully implemented the happiness and care programs for employees and established a multi-dimensional, multi-channel, inclusive and moderately differentiated welfare and care system with the characteristics of the dairy farming industry. The number of vacation types available to our employees increased to 20 and they were also entitled to 25 welfare programs in four categories, which further improved our employees' sense of happiness and belonging.

The development prospects of our employees became brighter. We implemented the organizational hierarchy and position-ranking system, introduced the LOVE+ talent evaluation model and created a fair and just selection mechanism, so that our employees could have more and more room for career improvement with bright prospects.

SETTING SAIL FOR NEW EXPEDITION AND CREATING BETTER FUTURE

The dairy farming industry should take advantage of the current favorable situation to achieve rapid growth. The year 2022 will be a critical year for Modern Dairy to steadily advance the "Five-Year Lead Plan". Our strategy will be more specific with a more solid foundation, more rounded management measures and richer corporate culture. We will witness the rapid growth of the Group and share the joy of success.

With the strong strategic supply support of Mengniu Group and New Hope, the correct leadership of the board of directors, we will build a "dual strategy" model in 2022:

我們員工的錢包鼓起來了：我們建立了全方位的薪酬激勵體系，啟動年度調薪，整體員工調薪幅度達10%，遠超市場水準；我們全面深化改革薪酬績效激勵體系，建立有競爭力、持續性、公平性、靈活性的激勵體系，讓有能力的人掙錢，保障牛人綻放。

我們員工的福利多起來了：我們全面落地了員工幸福關愛計劃，建立了具有牧業特色的、多維度、多通道、普惠性與適度差異性相結合的福利關愛體系，員工可享受假期種類增至20種，福利項目也囊括了4大類25個項目，進一步提高了員工幸福感與歸屬感。

員工的發展亮起來了：我們實施組織層級和職位職級體系，引入LOVE+人才評價模型，營造公平公正的選拔機制，讓員工的職業空間、提升空間越來越寬廣，前途一片光明！

新征起航•共犇未來

乘勢而上千帆競，牧業發展正當時。剛剛到來的2022年將是現代牧業穩步推進「五年領跑計劃」關鍵一年，我們的戰略更加明確，基礎更加紮實，管理更加完善，企業文化更加豐富，我們將一起見證集團的飛速推進、一起分享收穫的成功喜悅！

在蒙牛集團及新希望戰略供應協同關係保障下，在董事會的正確領導下，2022年我們將全面打造「雙戰略」模式：

ACTING CEO'S STATEMENT

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From the perspective of the industrial chain, by relying on dairy farming and on the basis of strengthening its core business, Modern Dairy will enter the feed sector, develop the beef cattle business, establish a trading platform, cultivate breeding business and integrate land, forage and resources, so that it can further improve the layout of the whole industry chain and enhance its comprehensive business capabilities, developing itself into an integrated dairy farming group operating through the entire industry chain and striving towards the goal of "becoming the largest dairy farming group in the world with the most complete industry chain and the strongest business capability".

From an industry perspective, we will take "building a first-class elite team", "setting up a first-class safety and quality system", "building a first-class whole-industry-chain model" and "achieving first-class operations" as the starting point to comprehensively enhance our profitability and build Modern Dairy into a first-class dairy farming group. Meanwhile, we will fully implement the cost-oriented strategy, striving to reduce our costs to the lowest level in the industry within three years.

We must be brave enough to shoulder the responsibility and devote unremitting efforts to make progress. I believe that, under the new development paradigm with "domestic circulation as the mainstay and domestic and international circulations reinforcing each other", by virtue of the concerted efforts and hard work of all the employees of the Company, Modern Dairy will surely become a global industry-leading dairy farming group led by digital and intelligent innovations, covering the whole ecological industry chain in the next five years with healthy, safe and high-quality dairy cows and milk as well as strong cultural genes. We will continue to take advantage of market cycles, enhance the efficiency of internal growth and create another peak in production, so as to create greater value for our employees, shareholders and the industry with better performance.

Sun Yugang

Acting Chief Executive Officer

從產業鏈角度佈局，現代牧業將依托奶牛養殖，在做強核心業務的基礎上、進軍飼料板塊、發展肉牛產業、打通交易平臺、培育育種業務、整合地草資源為抓手，進一步完善全產業鏈佈局，提高公司綜合業務能力，將現代牧業建設成為全產業鏈運營的一體化牧業集團公司，朝著「做全球規模最大、產業鏈最全、業務能力最強的牧業集團」的目標而奮鬥！

從行業角度定位，我們將以「打造一流的精英團隊」、「健全一流的安全品質體系」、「建設一流全產業鏈模式」、「實現一流運營水準」為抓手，全面提升公司綜合盈利能力，將現代牧業打造成「四個一流」的牧業集團公司，同時全面落地成本領先戰略，要用3年的時間做到成本行業最低！

踔厲奮發勇擔當，篤行不怠譜新篇。我相信，在「以國內大循環為主體、國內國際雙循環相互促進」的新發展格局下，在現代牧業全員的凝心聚力、拼搏奮鬥下，未來五年的現代牧業，必將是牛健康奶安全優品質、生態全產業鏈發展、文化基因強大、以數智創新引領全球牧業的集團公司。我們將繼續把握週期，提升內增效益，再創產量高峰，用更加靚麗的業績為員工、為股東、為行業創造更大價值！

執行總裁

孫玉剛

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Board of Directors (the “**Board**”) of China Modern Dairy Holdings Limited (“**Modern Dairy**” or the “**Company**”) is pleased to present the audited annual results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2021 (the “**Reporting Year**”).

INDUSTRY OVERVIEW

In 2021, China’s economy continued to recover steadily in the face of complex and volatile domestic and foreign environments. Production demand continued to pick up along with the generally stable employment rate and price level, and the domestic economy was generally expected to be stable and improving. In 2021, China’s GDP reached approximately RMB114.4 trillion, representing a yoy increase of 8.1%, and its economic growth is top-ranked among the top among the world’s major economies. China’s per capita GDP exceeded RMB80,000, outperforming the world’s per capita GDP.

China’s dairy farming industry continued to develop healthily. The level of quality and safety of raw milk kept on rising, and the operators of dairy industry saw a larger scale of development. China’s dairy industry has made a good start in the first year of the “14th Five-Year Plan”. China’s dairy industry sustained a rapid growth, with milk production reaching 36.83 million tons in 2021, representing a yoy increase of 7.1%. In 2021, China’s dairy imports reached 3.947 million tons, representing a yoy increase of 18.5%. In 2021, the average market price of raw fresh milk was approximately RMB4.29/kg, representing a yoy increase of 13.4%.

In terms of the international environment, due to the increase in operating costs and the impact of climate change, the milk production in New Zealand and the European Union exhibited a decreasing trend. The auction price of foreign whole milk powder continued to rise. In 2021, the price of whole milk powder increased by 29.2% yoy. China’s imported milk powder reached 12.75 million tons in 2021, representing a yoy increase of 30.2% yoy.

The development of the dairy industry was promising despite facing a complex and severe situation. Opportunities and challenges coexisted. A series of policies issued by the state did support and scale up the development of the dairy industry as a whole and the enterprises involved, thereby creating more and greater development opportunities and room for dairy enterprises. At the beginning of the year, “Continuing to implement the Dairy Industry Revitalization Action” was mentioned in Central Document No. 1 as the main content of accelerating agricultural modernization. Milk sources and the construction of large-scale farms were still the focus of the industry, and many companies have launched a number of mergers and acquisitions to compete for high-quality milk sources.

中國現代牧業控股有限公司(「**現代牧業**」或「**本公司**」)之董事會(「**董事會**」)欣然提呈本公司及其附屬公司(「**本集團**」)截至2021年12月31日止年度(「**本匯報年度**」)之經審核年度業績。

行業概覽

2021年，面對複雜多變的國內外環境，我國經濟持續穩定恢復，生產需求持續回升，就業率及物價水平總體穩定，市場普遍預期國內經濟穩中向好。2021年國內生產總值約人民幣114.4萬億元，同比增長8.1%，經濟增速在全球主要經濟體中名列前茅。我國人均國內生產總值超過8萬元人民幣，已經超過了世界人均GDP水平。

中國奶牛養殖業持續健康發展，原奶質量及安全水平仍不斷提升，奶業營運商發展更具規模，中國奶業在「十四五」開端之年取得了良好開局。我國奶業保持較快增長態勢，2021年牛奶產量達3,683萬噸，同比增長7.1%。2021年中國乳品進口量達394.7萬噸，同比增長18.5%。2021年市場平均生鮮乳價格約為人民幣4.29元/公斤，同比增長13.4%。

國際方面，由於運營成本增加及受到氣候影響，新西蘭及歐盟牛奶呈現減產趨勢，國外全脂大包粉拍賣價格持續上漲，2021年全脂大包粉價格同比上漲29.2%，2021年我國大包粉進口量達1,275萬噸，同比增加30.2%。

奶業發展前景看好和復雜嚴峻的形勢並存，機遇和挑戰同在。國家出台的一系列政策支持奶業和規模化奶製品企業的發展，為乳企創造更多更大的發展機會和空間。年初，「繼續實施奶業振興行動」作為加快推進農業現代化的主要內容在中央一號文件被提及。奶源及規模化牧場的建設仍然是行業焦點，多家企業為爭奪優質奶源發起多起併購。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

To further improve the quality of supply, the kick-off meeting for the modernization evaluation of dairy enterprises and the promotion meeting for the grading and evaluation of modern dairy farms were held in Hebei Province, PRC. The modernization level of dairy enterprises can be divided into three grades, namely 3A, 2A and A. The modernization evaluation of dairy enterprises has a direct and important impact on the dairy market, and is of great significance in promoting the modernization of China's dairy industry.

BUSINESS REVIEW

During the Reporting Year, the Group was mainly engaged in the dairy farming (producing and selling quality raw milk to dairy operators). It also commenced the business of sales of feeds along with the acquisition of Fuyuan International and developed its self-branded liquid milk products through associates jointly established with China Mengniu Dairy Company Limited ("**Mengniu**", together with its subsidiaries, refer to as "**Mengniu Group**"). The Group is committed to pooling resources and focusing on the upstream dairy farming business, and in response to customers' demand for high-quality raw milk, providing raw milk for diversified and high-end high-quality products.

As at 31 December 2021, the Group operated 33 dairy farming companies in the PRC with dairy cows of 353,793 heads and annualised milk yield of over 2 million tons. The Group is a global leading dairy farming operator and raw milk producer in terms of herd size. The Group's pure milk was awarded the Gold Prize of Monde Selection for the eighth consecutive year, symbolizing that our premium quality branded milk was widely recognized by all sectors of the society.

In terms of mergers and acquisitions, during the Reporting Year, the Company has completed several acquisitions including the one of Zhongyuan Muye and Fuyuan International, launched the Horinger Ranch of China Dairy Industrial Park strategic cooperation project in an innovative financial leasing way and successfully deployed its first large-scale ranch in Xinjiang, which opened a new chapter for the Group's business.

為進一步改善供給質量，乳品企業現代化評價工作啟動會暨現代奶牛場定級與評價推進會在河北省召開，乳品企業現代化水平依次劃分為3A級、2A級和A級3個等級。乳品企業現代化評價工作對乳製品市場產生直接且重要的影響，對於推進我國奶業現代化進程具有重要意義。

業務回顧

於本匯報年度，本集團主要從事奶牛養殖業務（為奶業運營商生產和銷售優質原料奶）、在完成收購富源國際後開始涉足飼料銷售業務，及通過與中國蒙牛乳業有限公司（「**蒙牛**」）連同其附屬公司，統稱「**蒙牛集團**」）建的聯營公司發展自有品牌液態奶產品。本集團致力集中資源專注上游奶牛養殖業務，針對客戶對優質原奶的需求，向多元化及高端優質產品提供原奶。

本集團截止2021年12月31日於中國經營33家乳牛牧場公司，擁有353,793頭乳牛，年化產奶量達200萬噸以上。按畜群大小計算，本集團是全球領先的乳牛畜牧公司及原料奶生產商。本集團純牛奶連續八年獲世界食品質量評鑒大會金獎，標誌著我們高質量的品牌奶廣泛獲得社會各界的肯定。

企業併購方面，於本匯報年度本公司完成數項收購當中包括中元牧業、富源國際，以租代建等創新運營模式啟動中國乳業產業園和林格爾萬頭牧場戰略合作項目，在新疆成功佈局現代牧業首座規模化牧場，為本集團的業務翻開新篇章。

OPERATIONAL PERFORMANCE

Year 2021 is the debut of the Group's "Five-Year Lead Plan". With effective cost control and sound management, coupled with dynamic and appropriate herd expansion strategies, the Group has achieved a significant increase in major operating indicators during the Reporting Year. The average selling price ("ASP") of raw milk stood at RMB4.41/kg (2020: RMB4.13/kg), representing a yoy growth of 6.8%. The annual milk yield ("AMY") per milkable cow amounted to 11.3 tons (2020: 11.1 tons), representing a yoy growth of 1.8%. The total milk production for the Reporting Year hit 1.61 million tons (2020: 1.49 million tons), representing a yoy growth of 8.1%.

The Group continued to moderate the impact arising from the increase in feed costs through measures such as improving the health of dairy cows, optimizing the structure of feed formula, enhancing the absorbance and conversion rate of dairy cows, and leveraging on a consolidated procurement platform. During the Reporting Year, unit cost (excluding depreciation of property, plant and equipment) of milk ("UCM") of the Group was RMB2.67/kg (2020: RMB2.29/kg), representing a yoy increase of RMB0.38/kg, mainly due to the increase of feed costs. The direct feed cost per kilogram of milk was RMB2.11/kg (2020: RMB1.77/kg), representing a yoy increase of RMB0.34/kg.

The Group has been dedicated to the fulfillment of the objectives of "increase output, reduce cost and upgrade quality", and implemented various measures to enhance and streamline the procurement process so as to reduce purchasing costs.

經營表現

2021年是本集團實施「五年領跑計劃」的開局之年。憑藉持續推進降本增效並適度適時擴群策略，於本匯報年度，本集團主要營運指標均錄得明顯提升。原料奶平均銷售單價為人民幣4.41元/公斤(2020年：人民幣4.13元/公斤)，同比增長6.8%。每頭成乳牛年產量11.3噸(2020年：11.1噸)，同比增長1.8%。本匯報年度總產奶量達161萬噸(2020年：149萬噸)，同比增長8.1%。

本集團持續通過提升牛隻健康、優化飼料配方結構、提高奶牛吸收轉化率及借助統一採購平台等措施適度平抑了因部分飼料成本上漲所帶的影響。本匯報年度，本集團公斤奶成本(不包括物業、廠房及設備折舊)為人民幣2.67元/公斤(2020年：人民幣2.29元/公斤)，同比增加人民幣0.38元/公斤，主要是飼料成本上漲所致。公斤奶直接飼料成本為人民幣2.11元/公斤(2020年：人民幣1.77元/公斤)，同比增加人民幣0.34元/公斤。

本集團持續以「增產、降本、提質」為目標，多措并举，加強和簡化採購流程，以降低採購成本。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

DAIRY FARMS

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

The Group continues to renovate the cowshed equipment and improve the ventilation system; adjust the feed formula and increase the frequency of feeding; enhance the dryness level of the bedding materials and improve the bedding comfortability by applying drying technologies; and increase the frequency of sink cleaning to ensure healthy drinking water. By doing so, the Group could continuously improve and enhance comfortability for milkable cows so as to raise milk production.

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

牧場概況

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

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

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

蚌埠牧場
▼ Bengbu Farm



牛舍內部 ►
Barn



Smart & Efficient Dairy Farm

The Company is committed to building efficient and smart dairy farms and strengthening the core competitiveness of the dairy industry in the new era. By strengthening the smart management technology, we improve the farm production management system, integrate technology into the efficient management of the farm, empower the new ecosystem of the dairy industry with efficient digital operation, thereby realizing the intelligent transformation of the farm. During the year, we have comprehensively unified the ranch management platform: "YIMU Cloud". As the "smart brain" of the ranch, "YIMU Cloud" integrates the daily management of cows, technical system monitoring and other management functions, comprehensively simplifying the process of data analysis and traceability, realizing the integration, analysis and prediction of ranch data and instilling solutions into the first-line production process, and assists the first-line implementation, improves the working efficiency of the ranch, and realizes the highly information-based collaborative operation of the ranch.

Xinjiang Changji Project

On 15 September 2021, Changji Municipal People's Government, Inner Mongolia Mengniu Dairy (Group) Co., Ltd., Modern Farming (Group) Co., Ltd. (a subsidiary of the Company) and Changji Agricultural Investment Development and Operation Co., Ltd. entered into a strategic cooperation agreement to officially launch Modern Dairy Strategic Cooperation Project of the standardized demonstration dairy farm of 5,000 dairy cows in Changji, Xinjiang, marking the successful deployment of the first large-scale breeding dairy farm in Xinjiang by Modern Dairy. Modern Dairy has accelerated the implementation of such project with its innovative leasing operation model, mature and advanced experience in the farm operation and management accumulated over the years as well as standardized construction, automated production and digitalized and intelligent management.

智慧高效牧場

本公司致力於打造高效智慧牧場，加強乳業新時代的核心競爭力。通過強化智慧管理技術完善牧場生產管理系統，將科技融入牧場高效管理工作中，以高效的數智化運營賦能乳業新生態，實現牧場智慧轉型。年內，全面統一牧場管理平台：「一牧雲YIMUCloud」。作為牧場的「智慧大腦」，「一牧雲」集牛群日常管理、技術系統監控等管理功能於一身，全面簡化資料分析與溯源過程，實現牧場資料整合、分析和預測，並將解決方案植入一線生產流程，輔助一線實施，提高牧場工作效率，實現牧場高度資訊化協同運作。

新疆昌吉項目

2021年9月15日，昌吉市人民政府、內蒙古蒙牛乳業(集團)股份有限公司、現代牧業(集團)有限公司(本公司附屬公司)與昌吉市農業投資開發經營有限責任公司簽訂戰略合作協議，正式啟動現代牧業新疆昌吉5000頭奶牛標準化示範養殖場戰略合作項目，標誌着現代牧業在新疆成功佈局首座規模化養殖牧場。現代牧業創新以租賃運營模式，輸出多年積累的成熟、先進的牧場運營管理經驗，用標準化建設、自動化生產、數智化管理，加速推進項目落地實施。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Herd Size

As at 31 December 2021, the Group operated 33 farm companies with 353,793 dairy cows (2020: 247,371 heads), representing an increase of 43.0% yoy in mainland China. The increase in herd size is in line with the Group's overall herd expansion strategies. The proportion of milkable cows to the total number of dairy cows decreased by 3.0 ppt to 52.1% in 2021 (2020: 55.1%) yoy, mainly due to the increase in the number of the Group's heifers and calves, resulting in the decrease of the proportion of milkable cows.

畜群規模

於2021年12月31日，本集團在中國內地投資設立33個牧場公司，飼養共353,793頭乳牛(2020年：247,371頭)，同比增長43.0%。牛群增加符合本集團的整體擴群策略。2021年，成乳牛佔乳牛總數比例為52.1%(2020年：55.1%)，同比減少3.0個百分點，主要是本集團後備牛群規模增長，使得成乳牛佔比下降。



小牛
Calves



犢牛島
Heifer island

Milk Yield

During the Reporting Year, the Group recorded AMY of 11.3 tons per milkable cow (2020: 11.1 tons), representing a yoy increase of 1.8%. The total annual milk production of the Group grew 8.1% yoy to 1.61 million tons (2020: 1.49 million tons). The increase in milk yield was attributable to effective herd management, genetic improvement over generations, and an increase in the number of cows reaching peak stage of lactation. Milk yield is affected by a number of factors, including the frequency of lactation, breed, comfort level, genetics and feed mix. The Company has continuously been conducting research on each factor, inviting foreign and domestic cow experts to regularly station and give guidance at the farms, and, through interactive sharing amongst industry experts and staff training, improving milk yield and cow health.

產奶量

於本匯報年度，本集團錄得每頭成乳牛年產奶量為11.3噸(2020年：11.1噸)，同比增加1.8%。本集團年總產奶量達161萬噸(2020年：149萬噸)，同比增加8.1%。產奶量的提升受益於有效的畜群管理、一代代改善乳牛基因以及更多奶牛達泌乳高峰期。產奶量亦受多項因素所影響，其中包括奶牛的泌乳次數、品種、生活舒適程度、基因及飼料結構等。本公司對每項因素亦不斷進行研究，邀請國內外牛隻專家定期駐牧場指導，透過行業內專家相互交流，培訓人才等方式，提升產奶量及牛隻健康。

Quality of Raw Milk

Modern Dairy ensured the quality management and control were scientifically controllable and adhered to the principle of high starting point, high positioning and high standard, keeping consumers to be informed with quantitative data of milk. We produced our own dairy products using our own raw milk. Every procedure in the production of raw milk, ranging from milking, refrigeration to transportation, was completed with monitoring measures, the quality of raw milk was therefore guaranteed in accordance to the most stringent standard in the world.

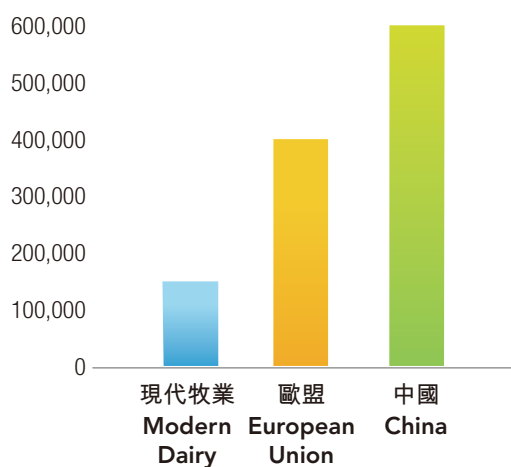
原奶質量

現代牧業確保質量管理科學可控，堅持高起點、高定位、高標準，讓牛奶品質以量化的數據與消費者溝通。我們完全利用自產原奶生產自有品牌牛奶產品，所有原奶從擠奶、製冷及運輸、生產過程各個環節都在監控措施下完成，並以全球最嚴格的標準確保原奶質量。

體細胞存量標準

Standard of the Number of Somatic Cell

No. of soma/1 ml
體細胞數量/1毫升



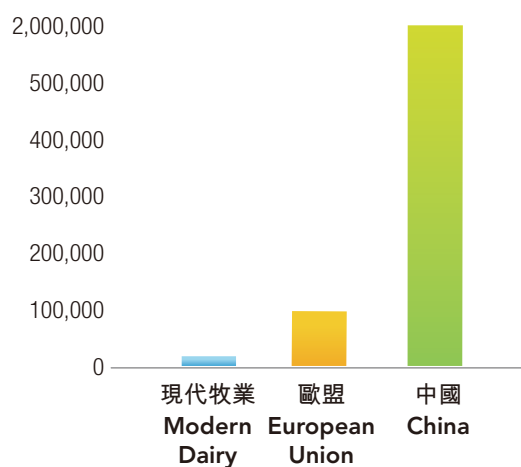
The standard of the number of somatic cell per 1 milliliter (ml) of raw milk is no more than 600 thousand cells according to the PRC relevant guidelines, 400 thousand cells per 1 ml in the European Union, and less than 150 thousand cells per 1 ml in Modern Dairy. The standard of Modern Dairy is stringent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

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

微生物存量標準

Standard of the Number of Microorganism

cfu/1 ml
菌落形成單位/1毫升



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

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATION STRATEGIES

Raise Unit Output and Raw Milk Quality by Scientific Breeding and Feeding Techniques Improvement

We keep improving our operation efficiency and average AMY. At present, our average AMY per milkable cow is among the highest of all dairy companies in the mainland China. We believe that both the unit production and quality of raw milk of our milkable cows will continue to rise as we keep improving the genetic mix of herd across generations, and increase the proportion of milkable cows to total herd size. In addition, we are committed to continuous research so as to alleviate the heat damage to UHT milk, and further reduce the content of furosine in milk, subject to the qualification attainment on various indicators such as micro-organisms in the products.

Enhance Feed Nutrients and Optimize the Feed Mix

We will continue to collaborate with local farmers and agricultural research institutions in pursuing research and planting high quality feed suitable for our dairy cows. Moreover, according to the locations of our farms, we collaborate with local farmers of particular regions to jointly build customized and efficient feed supply chains with the objective to reduce transportation cost of feed and to ensure the quality, nutrition content and a stable supply of feed.

Dual Prevention Measures to Alleviate Cold/Heat Stress

In the past few years, the Group has continuously increased its investment in heat stress alleviation facilities, from the initial addition of high-power fans and sprinkler facilities in the southern ranches to the current addition of fans and the addition of sprinkler facilities in key areas in the northern ranches, greatly improving the health of the cattle and brought a continuous increase in yields.

With the accumulation of experience and data analysis, we found that the extremely cold climate also has obvious stress on dairy cows. Especially in recent years, the frequent occurrence of blizzards and extremely cold weather in the north has had a great impact on the health and yield of dairy cows. In 2021, the Group increased the management and control of cold stress measures and related investment. The northern ranches have realized the coverage of heating water tanks for the entire herd, and increased investment in facilities such as windproof and thermal insulation, which further ensures the health of cattle and the stability of milk production.

營運策略

科學繁育和飼養技術提高奶牛單產和原料奶品質

我們不斷改善經營成效，提高乳牛平均年產量。目前，我們每頭奶牛平均年產奶量在中國內地屬較高水準。我們相信，通過改良一代接一代的奶牛基因組合、進一步提升成母牛在全牛群的比例，我們的奶牛單產和原料奶品質還將持續提升。此外，在確保產品的微生物等各項指標合格的前提下，我們研發降低常溫奶的熱傷害程度，使牛奶中糠氨酸含量指標進一步降低。

改善奶牛的飼料營養及優化飼料組合

我們繼續與當地農戶和農業研究機構合作研究，種植適合我們乳牛的優質飼料。此外，根據我們的牧場位置，我們與特定地區的當地農戶合作建立高效的飼料供應鏈，旨在降低飼料運輸成本及保證飼料品質、營養成份和穩定的供應。

緩解冷／熱應激雙防措施

過去幾年本集團不斷增加對熱應激改善設施的投入，從最初的南方牧場增加大功率風機、噴淋設施，到目前北方牧場增加風機及重點區域增加噴淋設施等，極大的改善了牛隻的健康並帶來了單產的持續提升。

隨著經驗積累及數據分析，我們發現極寒氣候對奶牛的應激也較為明顯，特別在近幾年北方暴雪、極寒天氣頻發，對奶牛的健康與產量造成較大影響，2021年本集團加大了對冷應激管控及相關投入，北方牧場實現加熱水槽全群覆蓋，增加防風保溫等設施投入，進一步保障了牛隻健康與產量的穩定。

Quality Management

The overall execution of the quality management of Modern Dairy is based on the principle of “Four Don’ts”: don’t cooperate with unqualified client, don’t stock unqualified raw feed materials, don’t feed with unqualified inventory of raw feed materials, and don’t release raw milk from farms that fail inspection.

For the quality control of raw feed materials, the Group ensures the source control by inspecting suppliers on-site and establishing a database of suppliers; ensures feed arrival control by having a stricter standard of testing than that of the national standard; ensures the process control by sampling the inventory of raw feed materials and controlling indicators on daily basis; ensures that the feed in cows’ mouth are of the right mix consistent with the relevant formula by conducting real-time sampling during the production process with reference to formula data at close to infrared calibration. For the process control, Modern Dairy establishes a process-oriented quality management system, establishes CCP point on key production stages, and sets process food safety indicators for monitoring, and timely rectifies and tracks the potential risks discovered. For the delivery quality control, there are various quality inspections to comprehensively control the quality of raw milk. For the whole chain quality tracking system, the quality information platform is traced by quick response code, to achieve the traceability of whole chain quality information from the raw feed materials arrival and delivery for feeding, milking on the milking parlor to raw milk delivery.

The safe and high-quality milk of Modern Dairy is ensured by source control, process monitoring and terminal control.

質量管理

現代牧業質量控制整體執行「四不」原則：不合格的客戶不合作、到場不合格的原料不入場、庫存不合格的原飼料不投餵、檢測不合格的原奶不出場。

在原飼料質量控制方面，通過供應商現場審核、建立供應商名單庫確保源頭控制；通過到場原料檢測標準嚴於國標確保到場控制；通過每日對庫存原料抽檢、指標監控確保過程控制；通過使用近紅外精準提供配方參考數據、生產過程中實時抽檢，確保牛口中的飼料與配方一致。在過程質量控制方面，現代牧業建立以過程為導向的質量管理體系，在關鍵生產環節建立CCP點，並設置過程食品安全指標進行監控，針對發現的潛在風險及時整改、跟蹤。在出場質量控制方面，設有諸多檢測監控，全面控制原奶質量。在全鏈條質量追溯系統方面，質量信息化平台通過二維碼識別，實現飼料到場入庫、出庫飼餵、奶牛上廳擠奶、原奶出場的全鏈條質量信息可追溯。

以源頭控制、過程監控、終端把控，保障現代牧業安全放心高質好奶。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Herd Management

Modern Dairy adopts the means of lean management in managing herd, values scientific breeding and precise formula. With the innovation of a comprehensive herd management system, the Group overcomes the “information isolation” of farms, establishes an efficient information collection system and improves the system integration of cows from individual, breeding, feeding, health to milk-producing module. All barns of farms are covered by wireless communication system through which the information of herd can be inquired and updated anytime and anywhere through the handset equipment and APP; by using the low frequency scanners which show timely and accurate reminders of cow breeding process to raise the conception rate of cows, simplify and improve cow breeding process; with pedometers and yield sensors (ie. low frequency ear tags), which record and analyze milk yield of cows automatically, to identify and alert diseases among cows in advance. The comprehensive utilization of advanced data analysis systems enables us to achieve scientific decision-making, improve the level of production management, and achieve sustainable consolidated profitability. Adhering to the principle of “high standard, high positioning and high starting point”, the Group achieves the objective of “increase unit production output, reduce operation cost, optimize herd structure” in herd breeding.

Environmental Protection and Epidemic Prevention

Committed to the mission of “creating the world’s most advanced farms, producing the highest quality milk, and achieving harmonious development of people and nature”, the Group actively fulfills its social responsibilities. The Group continuously improves in various aspects such as product quality, dairy cow disease control and environmentally friendly production to maximize social benefits.

The Company’s various milk quality indicators are better than the EU standards. Food safety indicators are set in the raw milk production process, and the whole process is strictly monitored to ensure that the raw milk quality meets the standards. Since Mengniu increased its stake in the Company, the Group and Mengniu have enhanced cooperation in product testing, unified inspection standards and processes, improved testing efficiency and product quality. The Group strictly complies with relevant laws and regulations for epidemic prevention management, conducts health rating management for dairy cows, cautiously controls the environment of farms, refines the management of farms, provides epidemic prevention and protection for dairy cows, and establishes quarantine and health check plans for cows, to ensure the health of cows.

牛群管理

現代牧業在牛群管理上通過精益管理手段，注重科學飼養、精準配方。通過創新的全面牛群管理系統，打破牧場「信息孤島」，建立高效的信息採集體系，完善牛隻從個體、繁殖、飼餵、健康到產奶模塊的系統性集成。牧場實現所有牛舍無線覆蓋，通過手持設備和APP隨時隨地查詢並更新牛群信息；利用低頻掃描棒及時準確提示牛隻繁育進程，提高牛隻受胎率，簡化和提升繁育工作；通過計步器和低頻耳標的測產設備，自動記錄並分析牛隻的產奶情況，提前識別和預警牛隻疾病。綜合運用先進的數據分析系統，實現科學決策，提升生產管理水平，實現可持續綜合盈利能力。以「高標準、高定位、高起點」為原則，達到「提單產、降成本、優結構」的牛群飼養目標。

環境保護與疫控

本集團素以「創建世界最先進的牧場，生產世界最優質的牛奶，實現人與自然的和諧發展」為使命，積極履行社會責任。在產品質量、乳牛疾病管控、環保生產等方面不斷改善以達致最大社會效益。

本公司的各項牛奶品質指標均優於歐盟標準，在原奶生產過程中設置食品安全指標，全程進行監控，確保原奶優質達標。自蒙牛增持本公司後，本集團與蒙牛加強在產品檢測的協同，統一檢驗標準和流程，提高檢測效率，繼續提高產品質量。本集團嚴格遵守相關法律法規的要求進行防疫管理，對奶牛進行健康評級管理，嚴控牧場環境，細化牧場出入管理、生產區防疫防護管理，為奶牛制定檢疫和健康檢查計劃，保障奶牛的健康。

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

During the Reporting Year, the Company’s management adjusted operation strategies in time and allocated resources flexibly when facing external uncertainties. Through increasing AMY, reducing operating costs, improving efficiency and conducting appropriate herd expansion, we were able to enhance the quality of our raw milk. The Group will continue to adhere to the fundamental principles of safe and quality production, provide each of its dairy cows with the best living environment, utilize the most natural scientific breeding methods and feeding techniques to allow our dairy cows to produce the highest quality pasture milk, and give back to consumers.

Carbon Dioxide Peaking & Neutrality Project

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

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

於本匯報年度內，本公司管理層在面對外圍不確定因素適時調整營運策略，靈活調配資源，通過提升單產、降本增效，並適度擴群，提高原奶品質。本集團將一如既往貫徹恪守安全品質生產的大原則，為每頭乳牛提供最好的生活環境，以最天然的科學養殖方法及餵飼工藝，讓乳牛生產最優質的牧場奶，回饋消費者。

雙碳項目

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

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ASSOCIATE FACTORIES

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

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 20 January 2021, the Company and the placing managers entered into the placing agreement, in relation to the placing of 650,000,000 new ordinary shares to be issued by the Company.

The placing was completed on 27 January 2021, that the Company issued an aggregate of 650,000,000 new shares under general mandate to certain independent third parties at the placing price of HK\$2.40 per share and the net proceeds from the placing amounted to approximately HK\$1,552 million (equivalent to approximately RMB1,295 million). The Company intends to apply the net proceeds from the placing on infrastructure development and herd expansion, potential mergers and acquisitions and general working capital. As of 31 December 2021, approximately RMB1,100 million has been used for infrastructure and herd expansion, approximately RMB195 million has been used for general working capital. As of 31 December 2021, all of the net proceeds from the placing were fully utilized.

The closing price is HK\$2.73 per Share as quoted on the Stock Exchange on the last trading day prior to the signing of the placing agreement. The net price per placing share was HK\$2.39. The Directors consider that the placing was an opportunity to raise capital for the business development of the Group and to expand the Shareholder's base.

For details for the placing, please refer to the Company's announcements dated 20 January 2021 and 27 January 2021.

聯營工廠

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

根據一般授權配售新股份

於2021年1月20日，本公司與配售經理就配售本公司擬發行的650,000,000股新普通股訂立配售協議。

配售事項於2021年1月27日完成，為此本公司根據一般授權向若干獨立第三方發行合共650,000,000股新股份，配售價為每股2.40港元，配售事項所得款項淨額約為1,552百萬港元（相等於約人民幣1,295百萬元）。本公司計劃將配售事項所得款項淨額用於基礎建設開發及擴展畜群規模、潛在併購及一般營運資金。截至2021年12月31日，約人民幣1,100百萬元已用於基礎設施和畜群擴張，約人民幣195百萬元用於一般營運資金。於2021年12月31日，配售事項所得款項淨額已全部使用完畢。

股份於簽署配售協議前的最後交易日在聯交所所報收市價為每股2.73港元。每股配售股份的淨價為2.39港元。董事認為配售事項為本集團業務發展抓住市場黃金窗口配發融資並擴大股東基礎的契機。

有關配售的詳情請參閱本公司於2021年1月20日及2021年1月27日的公告。

ISSUANCE OF BONDS DUE 2026

The Company has successfully issued US\$500 million, 2.125% bonds due 2026 (the “**Bonds**”) with a credit rating of “BBB”, being an investment grade assigned by Standard & Poor’s, by way of debt issues to professional investors. The listing of, and dealing in, the Bonds were effective from 15 July 2021.

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

Acquisition of Zhongyuan Muye

As disclosed in the announcement of the Company dated 8 April 2021, on 8 April 2021, Modern Farming (Group), a non-wholly owned subsidiary of the Company (as purchaser) entered into a sale and purchase agreement (“**Zhongyuan Acquisition Agreement**”) with Asia Dairy Fab Ltd. (中博農畜牧科技股份有限公司) (as seller) to acquire the entire equity interests in Zhongyuan Muye. Pursuant to the Zhongyuan Acquisition Agreement, the seller has conditionally agreed to sell and the purchaser has conditionally agreed to acquire 100% equity interests in Zhongyuan Muye at a consideration of no more than RMB815.2 million. Pursuant to a supplemental agreement entered into between the parties on 20 July 2021, the consideration was adjusted downwards to no more than RMB723.0 million after taking into account the amount of certain unsettled liabilities of Zhongyuan Muye incurred prior to 31 December 2020. The acquisition of Zhongyuan Muye was completed in July 2021, and Zhongyuan Muye has become a non-wholly owned subsidiary of the Company and its financial results has been consolidated into the financial statements of the Group for the Reporting Year.

The business activities of Zhongyuan Muye, being cow breeding, farms operation and milk production, are in line with the Group’s overall strategy. The acquisition will create substantive synergies for the Group in terms of farm operation, management and financial strength. Following the acquisition of Zhongyuan Muye, the Group’s herd size will be increased, which could further enhance the Group’s competitiveness in terms of quality and pricing of raw milk. In the long run, the Group is committed to building a smart, eco-friendly, finely-branded and all-rounded ecological farm.

發行2026年到期債券

本公司已通過向專業投資者發行債券的方式成功發行了5億美元、票息為2.125%、於2026年到期的債券(「**債券**」)。本期債券的上市和交易已於2021年7月15日起生效。本期債券獲標準普爾信用評級為「BBB」投資級別。

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

收購中元牧業

誠如本公司日期為2021年4月8日的公告所披露，2021年4月8日，本公司的非全資附屬公司現代牧業(集團)(買方)與中博農畜牧科技股份有限公司(賣方)訂立買賣協定(「**中元收購協定**」)收購中元牧業的全部股權。根據中元收購協定，賣方有條件同意出售，買方有條件同意以不超過人民幣815.2百萬元的代價收購中元牧業100%股權。根據訂約方於2021年7月20日訂立的補充協議，經計及中元牧業於2020年12月31日前產生的若干未清償負債金額後，代價已下調至不超過人民幣723.0百萬元。中元牧業收購已於2021年7月完成，中元牧業正式成為本公司的非全資附屬公司，其財務業績已於本匯報年度併入本集團財務報表。

中元牧業所從事的奶牛養殖、牧場營運及乳製品業務符合本集團整體業務策略，收購事項將在牧場運營、管理和財務實力等方面於本集團產生實質協同效益。於收購中元牧業事項完成後，本集團的牛群規模將擴大，這將進一步提高本集團在原料奶質量及定價方面的競爭力。從長遠來看，本集團致力於建構一個智慧、綠色、品牌佳的綜合型生態農場。

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Acquisition of Fuyuan International

As disclosed in the announcement of the Company dated 22 March 2021 and the circular of the Company dated 14 May 2021 (the “Fuyuan Acquisition Circular”), on 22 March 2021, the Company (as purchaser) entered into a sale and purchase agreement (the “Fuyuan Acquisition Agreement”) with, among others, certain sellers (the “Sellers”) and Fuyuan International to acquire the entire equity interests in Fuyuan International at a consideration of RMB3.48 billion. All conditions precedent as set out in the Fuyuan Acquisition Agreement have been fulfilled and the completion of the acquisition took place on 29 November 2021. Approximately 56.65% of the consideration has been settled in cash, and the remaining 43.35% of which has been settled by the allotment and issue of 807,096,101 shares of the Company at the issue price of HK\$2.24 per share to a holding company controlled by Mengniu. Fuyuan International has become a non-wholly-owned subsidiary of the Company and its financial results has been consolidated into the financial statements of the Group for the Reporting Year.

Following the acquisition of Fuyuan International, the Group’s herd size has increased significantly, which could further strengthen the Group’s position in the dairy farming industry in China and enhance the Group’s competitiveness in terms of quality and pricing of the raw milk.

FINANCIAL OVERVIEW

Revenue

Business Analysis

The following table sets forth the details of the consolidated revenue for the years:

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Raw milk	原料奶	7,005,012	6,020,247
Feeds	飼料	73,458	–
Consolidated revenue	合併收入	7,078,470	6,020,247

收購富源國際

誠如本公司日期為2021年3月22日的公告及日期為2021年5月14日的通函(「富源收購通函」)所披露，2021年3月22日，本公司作為買方與(其中包括)若干賣方(「賣方」)及富源國際訂立買賣協議(「富源收購協議」)，以代價人民幣34.8億元收購富源國際的全部股權，富源國際收購協議所載的所有先決條件均已達成，收購事項於二零二一年十一月二十九日完成。其中約56.65%的代價已以現金支付，另外43.35%的代價本公司已以每股2.24港元的發行價配發和發行本公司807,096,101股股份轉讓給蒙牛控股的控股公司。富源國際已成為本公司的非全資附屬公司，其財務業績已於本匯報年度併入本集團財務報表。

於富源國際收購事項完成後，本集團的牛群規模大幅提升，進一步鞏固本集團其在中國奶牛養殖行業的地位，並提高本集團在原奶質量及定價方面的競爭力。

財務概況

收入

業務分析

下表載列截至該日期止年度合併收入明細：

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During the Report Year, the Group's revenue increased by 17.6% yoy to RMB7,078.5 million (2020: RMB6,020.3 million). The increase was mainly due to the increase in sales volume of raw milk and increase in ASP of raw milk, as well as the revenue generated from sales of feeds along with the acquisition of Fuyuan International.

於本匯報年度，本集團的收入錄得人民幣7,078.5百萬元(2020年：人民幣6,020.3百萬元)，同比增長17.6%。收入增長主要由於原奶銷量增加及原料奶平均售價上漲，同時收購富源國際後飼料業務收入增加。

The following table sets forth the details of sales revenue, sales volume and ASP of raw milk for the years indicated:

下表載列所示年度的原料奶的銷售收入、銷售量及平均售價詳情：

		2021 2021年			2020 2020年		
		Sales revenue 銷售收入 RMB'000 人民幣千元	Sales volume 銷售量 tons 噸	ASP 平均售價 RMB/ton 人民幣元/噸	Sales revenue 銷售收入 RMB'000 人民幣千元	Sales volume 銷售量 tons 噸	ASP 平均售價 RMB/ton 人民幣元/噸
Raw milk	原料奶	7,005,012	1,586,857	4,414	6,020,247	1,456,962	4,132

The Group's total revenue of the sales of raw milk increased by 16.4% yoy to RMB7,005.0 million during the Reporting Year (2020: RMB6,020.2 million). The increase was mainly due to the increase in ASP of raw milk and increase in sales volume of raw milk.

於本匯報年度，原料奶銷售總收入為人民幣7,005.0百萬元(2020年：人民幣6,020.2百萬元)，同比增長16.4%，主要受益於原料奶平均售價上漲及原料奶銷量增加。

ASP of raw milk grew by 6.8% yoy to RMB4.41/kg during the Reporting Year (2020: RMB4.13/kg).

於本匯報年度，原料奶平均售價為人民幣4.41元/公斤(2020年：人民幣4.13元/公斤)，同比增長6.8%。

Total sales volume of raw milk increased by 8.9% yoy to approximately 1.59 million tons during the Reporting Year (2020: 1.46 million tons), mainly due to the rise in AMY per milkable cow and the contribution of sales volume of raw milk from newly acquired farms.

於本匯報年度，原料奶總銷量約為159萬噸(2020年：146萬噸)，同比增加8.9%。主要是由於每頭奶牛的年產奶量上升以及已完成併購牧場的原奶銷量貢獻。

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管理層討論及分析

COST OF SALES

The Group's cost of sales primarily consisted of cost of dairy farming and feeds sales. The following table sets forth the breakdown of the cost of sales of our products for the years indicated:

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Dairy farming business	乳牛養殖業務	4,470,101	3,561,559
Feeds sales business	飼料銷售業務	58,894	-
Total cost of sales	合計銷售成本	4,528,995	3,561,559

銷售成本

本集團銷售成本主要包括乳牛養殖成本和飼料銷售成本。下表載列本集團產品於所示年度的銷售成本明細：

Dairy Farming Business

The following table sets forth the breakdown of the cost of sales of the dairy farming business for the years indicated:

乳牛養殖業務

下表載列本集團乳牛養殖成本明細：

		2021 2021年		2020 2020年	
		RMB'000 人民幣千元	% 百分比	RMB'000 人民幣千元	% 百分比
Dairy Farming Business	乳牛養殖業務				
Direct materials	直接材料	3,453,182	77.2%	2,664,608	74.8%
Labor cost	勞工成本	304,030	6.8%	266,325	7.5%
Utilities	公用事業費用	123,525	2.8%	111,689	3.1%
Depreciation of property, plant and equipment	物業、廠房及設備折舊	231,078	5.2%	227,366	6.4%
Other costs of farms	畜牧場其他開支	358,286	8.0%	291,571	8.2%
Total	合計	4,470,101	100.0%	3,561,559	100.0%

During the Reporting Year, direct materials (mainly forage) cost of the dairy farming business amounted to RMB3,453.2 million (2020: RMB2,664.6 million), representing a yoy growth of 29.6%, mainly due to the increase of feed prices and the increase in the number of lactating cows.

The feed prices had significantly increased, globally and domestically as a result of the Pandemic Outbreak and the recovery of the domestic farming industry, etc. The Group implemented various measures to enhance and streamline the procurement process so as to reduce purchasing costs. The Company has lowered operating costs through improving the formula, adjusting the feed mix, enhancing the health of cows, raising unit production, broadening sources of income and reducing expenditure. During the Reporting Year, the Group successfully kept UCM at RMB2.67/kg (2020: RMB2.29/kg), representing a yoy increase of RMB0.38/kg. Out of which, the feed cost per kg of raw milk amounted to RMB2.11/kg (2020: RMB1.77/kg), representing a yoy increase of RMB0.34/kg.

Gross Profit and Profitability

The following table sets forth the breakdown of gross profit and gross profit margin of our business for the years indicated:

		2021 2021年		2020 2020年	
		Gross profit 毛利	Gross profit margin 毛利率	Gross profit 毛利	Gross profit margin 毛利率
		RMB'000 人民幣千元		RMB'000 人民幣千元	
Dairy farming business	乳牛養殖業務	2,534,911	36.2%	2,458,688	40.8%
Feeds sales business	飼料銷售業務	14,564	19.8%	-	-
Total	合計	2,549,475	36.0%	2,458,688	40.8%

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

於本匯報年度，乳牛養殖業務的直接材料(主要為飼草料)成本為人民幣3,453.2百萬元(2020年：人民幣2,664.6百萬元)，同比增長29.6%，主要是由於飼料價格的上漲以及泌乳牛規模增長。

由於疫情爆發及國內養殖行業復甦等影響，國內外飼料價格大幅上升。本集團多措並舉，加強和簡化採購流程，以降低採購成本；通過優化飼餵配方、調整飼料結構、持續提升牛隻健康和單產水平，開源節流降低運營成本。於本匯報年度，本集團原料奶的單位成本人民幣2.67元/公斤(2020年：人民幣2.29元/公斤)，同比增加人民幣0.38元/公斤。其中公斤原料奶飼料成本為人民幣2.11元/公斤(2020年：人民幣1.77元/公斤)，同比增加人民幣0.34元/公斤。

毛利及盈利能力

下表載列本集團業務於所示年度的毛利及毛利率明細：

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

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During the Reporting Year, gross profit of the Group's dairy farming business amounted to RMB2,534.9 million (2020: RMB2,458.7 million), representing an increase of 3.1% yoy, which was mainly due to the increase in price and sales volume of raw milk. Gross profit margin of the Group's dairy farming business stood at 36.2% (2020: 40.8%), representing a drop of 4.6 ppt yoy.

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

As at 31 December 2021, the biological assets of the Group were valued at RMB9,404.9 million (31 December 2020: RMB7,101.2 million) by an independent qualified professional valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited, representing an increase of 32.4% yoy, mainly due to the increase of herd size.

Losses arising from changes in the fair value of dairy cows less costs to sell dairy cows were RMB956.0 million as at 31 December 2021 (31 December 2020: RMB1,031.3 million), representing a decrease of 7.3% yoy, mainly due to the increase in number of reserved heifers, and the increase in the market price of beef and calves.

Gains Arising on Initial Recognition of Raw Milk at Fair Value Less Costs to Sell at the Point of Harvest

During the Reporting Year, the gains arising on initial recognition of raw milk at fair value less costs to sell at the point of harvest amounted to RMB2,378.4 million (2020: RMB2,277.4 million), representing an increase of 4.4% yoy, mainly due to the increase in sales volume of raw milk and its market price.

International Financial Reporting Standards ("IFRS") required that raw milk harvested was initially measured at fair value less costs to sell, and the difference between the fair value less costs to sell and the actual costs incurred was charged to profit or loss.

Other Income

During the Reporting Year, other income amounted to RMB123.8 million (2020: RMB86.7 million) which mainly consisted of government grants and interest income, of which interest income accounted for RMB46.1 million (2020: RMB18.3 million), while the government grants amounted to RMB64.1 million (2020: RMB60.0 million). Government grants mainly consisted of subsidies for agricultural projects such as "Grain to Fodder".

本匯報年度，本集團乳牛養殖業務的毛利為人民幣2,534.9百萬元(2020年：人民幣2,458.7百萬元)，同比增幅為3.1%，主要是由於原料奶奶價及銷售數量增加所致。本集團乳牛養殖業務的毛利率為36.2%(2020年：40.8%)，同比減少4.6個百分點。

乳牛公平值變動減乳牛出售成本產生的虧損

於2021年12月31日，本集團的生物資產獲獨立合資格專業估值師仲量聯行企業評估及諮詢有限公司評估為人民幣9,404.9百萬元(2020年12月31日：人民幣7,101.2百萬元)，同比增長32.4%，主要是由於牛群規模的增長。

於2021年12月31日，乳牛公平值變動減乳牛出售成本所產生的虧損為人民幣956.0百萬元(2020年12月31日：人民幣1,031.3百萬元)，同比減少7.3%，主要由於後備牛數量的增長、牛肉及公犢牛市場價格的提高所致。

於原料奶收穫時按公平值減銷售成本初始確認產生的收益

於本匯報年度，於原料奶收穫時按公平值減銷售成本初始確認產生的收益為人民幣2,378.4百萬元(2020年：人民幣2,277.4百萬元)，同比增長4.4%，主要是由於原料奶銷售數量及市場價增加所致。

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

其他收入

於本匯報年度，其他收入為人民幣123.8百萬元(2020年：人民幣86.7百萬元)，主要包括政府補貼、利息收入等，其中利息收入為人民幣46.1百萬元(2020年：人民幣18.3百萬元)，政府補貼為人民幣64.1百萬元(2020年：人民幣60.0百萬元)。政府補貼主要包括「糧改飼」等對農業項目的補貼。

Operating Expenses

經營開支

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Selling and distribution costs	銷售及分銷成本	183,732	194,440
Administrative expenses	行政開支	379,065	374,155
Total operating expenses	經營開支總額	562,797	568,595

The total operating expenses was RMB562.8 million during the Reporting Year (2020: RMB568.6 million), approximately the same as the last year.

於本匯報年度，經營開支總額為人民幣562.8百萬元(2020：人民幣568.6百萬元)，同比相若。

• Selling and distribution costs

• 銷售及分銷成本

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Transportation costs and others	運輸費及其他	179,090	191,112
Business tax and surcharge	營業稅金及附加	4,642	3,328
Total selling and distribution costs	銷售及分銷成本總額	183,732	194,440

Selling and distribution costs mainly consisted of transportation costs for sales of raw milk and feeds. During the Reporting Year, selling and distribution costs stood as RMB183.7 million (2020: RMB194.4 million), representing a decrease of 5.5% yoy, mainly due to the decrease in transportation costs.

銷售及分銷成本主要包括原料奶銷售及飼料銷售的運輸費用。於本匯報年度，銷售及分銷成本為人民幣183.7百萬元(2020年：人民幣194.4百萬元)，同比減少5.5%，主要由於運輸費用的下降。

• Administrative expenses

Administrative expenses mainly included remuneration of management staff (including equity-based share award expenses) and depreciation charges of office building, staff quarters and facilities. During the Reporting Year, administrative expenses amounted to RMB379.1 million (2020: RMB374.2 million), approximately the same as the last year.

• 行政開支

行政開支主要包括管理人員薪酬(含以股權結算的股份獎勵開支)及辦公樓、職工宿舍與設施折舊費用等。於本匯報年度，行政開支為人民幣379.1百萬元(2020年：人民幣374.2百萬元)，同比相若。

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Other Gains and Losses, Net

During the Reporting Year, net gains arising from other gains and losses amounted to RMB51.1 million (2020: net losses of RMB142.5 million) mainly consisting of net amount of foreign exchange (gains)/losses, impairment provision for fixed assets and impairment loss on goodwill. The breakdown of other gains and losses is as follows:

其他收益及虧損淨額

於本匯報年度，其他收益及虧損所產生的收益淨額為人民幣51.1百萬元(2020年：虧損淨額人民幣142.5百萬元)，主要包括外匯(收益)/虧損淨額、固定資產減值準備、商譽減值虧損等。其他收益及虧損明細如下：

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Other gains and losses:	其他收益及虧損：		
Net foreign exchange (gains)/loss	外匯(收益)/虧損淨額	(84,287)	(158,173)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	9,659	13,110
Gains on disposal of subsidiaries	出售附屬公司的收益	-	(72,280)
Impairment loss on goodwill	商譽減值虧損	-	48,809
Fair value gain on other financial assets	其他金融資產公允價值收益	(1,821)	(1,012)
Fair value (gain)/loss on derivative financial instruments	衍生金融工具的公平值(收益)/虧損		
Foreign currency forward contracts	外匯遠期合約	1,999	(26,381)
Foreign currency option contracts	外匯期權合約	90,884	53,413
Capped and floored cross currency swap	封頂封底交叉貨幣掉期	(67,537)	-
		25,346	27,032
		(51,103)	(142,514)

Other Expenses

During the Reporting Year, other expenses amounted to RMB8.7 million (2020: RMB16.5 million), representing a decrease of 47.3% yoy mainly due to the impact of one-off significant donation expenses during the Pandemic Outbreak in 2020.

其他開支

於本匯報年度，其他開支為人民幣8.7百萬元(2020年：人民幣16.5百萬元)，同比減少47.3%，主要是由於2020年本集團在疫情爆發期間一次性大額公益捐贈支出的影響。

Finance Costs

During the Reporting Year, finance costs amounted to RMB198.1 million (2020: RMB318.6 million), representing a decrease of 37.8% yoy. Among the finance costs, borrowing costs amounted to RMB247.0 million (2020: RMB277.2 million), representing a decrease of 10.9% yoy mainly due to the decrease of the financing interest rate and effective control of borrowings scale.

財務開支

於本匯報年度，財務開支為人民幣198.1百萬元(2020年：人民幣318.6百萬元)，同比減少37.8%。其中借款成本人民幣247.0百萬元(2020年：人民幣277.2百萬元)，同比減少10.9%，主要是由於融資利率水平下降和融資規模的有效管控。

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The Group's cash EBITDA amounted to RMB2,434.3 million during the Reporting Year (2020: RMB2,264.9 million), representing a yoy growth of 7.5%. The cash EBITDA margin was 34.4% (2020: 37.6%), with a decrease by 3.2 ppt.

Taking into account the above factors, profit attributable to owners of the Company amounted to RMB1,018.8 million during the Reporting Year (2020: RMB770.0 million), grew by 32.3% yoy.

During the Reporting Year, basic earnings per Share of the Company (the "Share") was RMB14.43 cents (2020: RMB12.07 cents per Share). Diluted earnings per Share was RMB14.39 cents (2020: RMB12.04 cents per Share).

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 31 December 2021, the net gearing ratio, which was calculated on the basis of the amount of total interest-bearing borrowings less cash and deposit assets as a percentage of the total equity, was 56.1% (31 December 2020: 53.4%) with a yoy increase of 2.7 ppt.

As at 31 December 2021, the Group's available and unutilized credit facilities were approximately RMB5,618.0 million (31 December 2020: RMB4,597.9 million). Having considered (i) forecast cash flow from operating activities of continuing operation; (ii) existing financial resources and gearing level of the Group, the Directors believe that the Group's financial resources are sufficient to meet its debt repayment, day-to-day operations, contracted capital expenditures as at 31 December 2021.

本公司擁有人應佔溢利

於本匯報年度，本集團的現金EBITDA為人民幣2,434.3百萬元(2020年：人民幣2,264.9百萬元)，同比增長7.5%。現金EBITDA利潤率34.4%(2020年：37.6%)，同比減少3.2個百分點。

經計及上述因素後，於本匯報年度，本公司擁有人應佔溢利為人民幣1,018.8百萬元(2020年：人民幣770.0百萬元)，同比增長32.3%。

於本匯報年度，每股本公司股份(「股份」)基本盈利為人民幣14.43分(2020年：每股人民幣12.07分)。每股攤薄盈利為人民幣14.39分(2020年：每股人民幣12.04分)。

流動資金、財務資源及槓桿比率

於2021年12月31日，淨槓桿比率(按有息借款總額減現金及存款類資產佔總權益百分比基準計算)為56.1%(2020年12月31日：53.4%)，同比增加2.7個百分點。

於2021年12月31日，本集團的可動用及未動用信貸融資額度約人民幣5,618.0百萬元(2020年12月31日：人民幣4,597.9百萬元)。經考慮(i)持續經營業務的經營活動預測現金流量；(ii)本集團的現有財務資源及槓桿水平，董事相信，本集團有充足財務資源清還債務，為其日常業務營運及於2021年12月31日的已訂約資本開支提供資金。

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INTEREST-BEARING BORROWINGS

As at 31 December 2021, the total interest-bearing borrowings of the Group was RMB8,494.7 million (2020: RMB5,642.3 million), representing a yoy increase of 50.6%.

Details are set out as below:

有息借款

於2021年12月31日，本集團的有息借款總額為人民幣8,494.7百萬元（2020年：人民幣5,642.3百萬元），同比增加50.6%。

各項借款分析如下：

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Borrowings:	借款：		
Bank borrowings	銀行借款	4,666,016	5,642,326
Other borrowings	其他借款	637,004	-
Long term bonds	長期債券	3,191,719	-
		8,494,739	5,642,326
Carrying value repayable:	應償還賬面值：		
Within one year	一年以內	2,846,348	3,471,314
Between one to two years	一至二年內	1,252,000	703,519
Between two to five years	二至五年內	4,326,143	1,467,493
Over five years	五年以上	70,248	-
		8,494,739	5,642,326

The following is an analysis of the respective borrowings:

- Bank borrowings**

During the Reporting Year, the annual interest rate of bank borrowings varied from 1.21% to 7.26% (2020: from 0.66% to 5.17%).

The table below sets forth the short-term and long-term bank borrowings as at 31 December 2021:

各項借款分析如下：

- 銀行借款**

於本匯報年度內，銀行借款的年利率變幅為1.21%至7.26%(2020年：0.66%至5.17%)。

下表列載於2021年12月31日的短期及長期銀行借款：

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Bank borrowings:	銀行借款：		
Unsecured borrowings	無抵押借款	4,064,347	5,281,002
Secured borrowings	有抵押借款	601,669	361,324
		4,666,016	5,642,326
Carrying amounts repayable:	應償還賬面值：		
Within one year	一年以內	2,380,683	3,471,314
Between one to two years	一年至兩年內	1,234,489	703,519
Between two to five years	兩年至五年內	980,596	1,467,493
Over five years	五年以上	70,248	-
		4,666,016	5,642,326

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- **Other borrowings**

During the Reporting Year, the annual interest rate of other borrowings varied from 3.85% to 12.00%.

The table below sets forth the short-term and long-term other borrowings as at 31 December 2021:

- **其他借款**

於本匯報年度內，其他借款的年利率變幅為3.85%至12.00%。

下表列載於2021年12月31日的短期及長期其他借款：

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Other borrowings:	其他借款：		
Unsecured borrowings	無抵押借款	557,217	-
Secured borrowings	有抵押借款	79,787	-
		637,004	-
Carrying amounts repayable:	應償還賬面值：		
Within one year	一年以內	433,676	-
Between one to two years	一年至兩年內	17,511	-
Between two to five years	兩年至五年內	185,817	-
		637,004	-

• Long term bonds

• 長期債券

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Carrying amounts repayable:	應償還賬面值：		
Within one year	一年以內	31,989	-
Between two to five years	兩年至五年內	3,159,730	-
		3,191,719	-

The Company has successfully issued US\$500 million, 2.125% bonds due 2026 (the "Bonds") with a credit rating of "BBB", being an investment grade assigned by Standard & Poor's, by way of debt issues to professional investors. The listing of, and dealing in, the Bonds were effective from 15 July 2021.

本公司已通過向專業投資者發行債券的方式成功發行了5億美元、票息為2.125%、於2026年到期的債券(「債券」)。本期債券的上市和交易已於2021年7月15日起生效。本期債券獲標準普爾信用評級為「BBB」投資級別。

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

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

The carrying amounts repayable within one year are interests payable.

一年以內的應償還賬面值為應付利息。

GROUP STRUCTURE

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

本集團架構

除本報告披露者外，於本匯報年度，本集團架構並無發生任何重大變動。

CAPITAL STRUCTURE

On 27 January 2021, the Company has completed a placement of an aggregate of 650,000,000 new shares under general mandate to certain independent third parties at the placing price of HK\$2.40 per share.

資本架構

本公司於2021年1月27日完成根據一般授權以每股2.40港元的配售價向若干獨立第三方發行合共650,000,000股新股份。

On 29 November 2021, pursuant to the sale and purchase agreement for the acquisition of Fuyuan International, the Company has issued and allotted 807,096,101 shares of the Company at the issue price of HK\$2.24 per share to Mengniu as part of the consideration for the acquisition.

於2021年11月29日，根據收購富源國際的買賣協議，本公司已按發行價每股2.24港元發行及配發807,096,101股本公司股份，作為向蒙牛收購對價的一部分。

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As at 31 December 2021, the total number of ordinary shares in issue of the Company was 7,915,662,048 shares (31 December 2020: 6,458,565,947 shares).

As at 31 December 2021, the net assets attributable to owners of the Company amounted to approximately RMB10,864.9 million (31 December 2020: approximately RMB7,896.9 million), the net borrowings of the Group (total interest-bearing borrowings less cash and deposit assets) amounted to approximately RMB6,236.4 million (31 December 2020: approximately RMB4,290.8 million).

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

As at 31 December 2021, no buildings and equipment of the Company (31 December 2020: nil) were pledged as security for the Group's borrowings.

As at 31 December 2021, biological assets with carrying value of RMB770.4 million (31 December 2020: RMB754.0 million), time deposits of RMB127.0 million (31 December 2020: RMB122.7 million), trade receivables of RMB7.25 million (31 December 2020: nil) and properties of RMB112.1 million (31 December 2020: nil) were pledged as security for the Group's borrowings.

The Group did not have any significant contingent liabilities as at 31 December 2021 and 2020.

CAPITAL COMMITMENTS

As at 31 December 2021, the Group's capital commitments in relation to the acquisition of property, plant and equipment amounted to RMB244.5 million (31 December 2020: RMB20.2 million) with a significant increase of RMB224.3 million yoy, mainly due to the increase of newly built dairy farms.

FINANCIAL MANAGEMENT POLICIES

The Group continued to closely manage financial risks to safeguard the interest of the shareholders of the Company. The Group applied its cash flows generated from operations, bank loans and proceeds from the issuance of bonds and ordinary shares of the Company to satisfy its operational and investment needs.

於2021年12月31日，本公司已發行普通股股份總數為7,915,662,048股(2020年12月31日：6,458,565,947股)。

於2021年12月31日，本公司擁有人應佔淨資產約為人民幣10,864.9百萬元(2020年12月31日：約人民幣7,896.9百萬元)，本集團淨借款(有息借款總額減現金及存款類資產)約為人民幣6,236.4百萬元(2020年12月31日：約人民幣4,290.8百萬元)。

或然負債及資產抵押

於2021年12月31日，本公司無樓宇及設備(於2020年12月31日：無)被抵押作本集團借款的擔保。

於2021年12月31日，生物資產的賬面值為人民幣770.4百萬元(2020年12月31日：人民幣754.0百萬元)、定期存款人民幣127.0百萬元(2020年12月31日：人民幣122.7百萬元)、應收賬款人民幣7.25百萬元(2020年12月31日：無)以及不動產人民幣112.1百萬元(2020年12月31日：無)已抵押作本集團借款的擔保。

於2021年及2020年12月31日，本集團並無任何重大或然負債。

資本承擔

於2021年12月31日，本集團有關收購物業、廠房及設備的資本承擔為人民幣244.5百萬元(2020年12月31日：人民幣20.2百萬元)，同比大幅增加人民幣224.3百萬元，主要是由於本集團新建牧場資本承擔增加。

財務管理政策

本集團持續嚴密控制財務風險以保障本公司股東權益。本集團利用經營所得現金流量、銀行貸款、發行債券及本公司普通股股份所得款項以應付其經營及投資需要。



SOCIAL RESPONSIBILITY

Upholding the principle of "safety and quality come first", the Group is proactive when it comes to fulfilling its social responsibility. The Group proactively develops and implements modern and scientific breeding and feeding know-how. The Group devotes great effort to strike a balance between business growth and social responsibility, so as to convey the Group's care and blessing to all stakeholders. The Group is committed to improving the quality of its products by providing consumers with a commitment to provide healthy, safe, nutritious and high-quality dairy products. Meanwhile, it adheres to the production principle of energy conservation and environmental protection. The Group actively promotes the economic development of the surrounding areas where the farms are located and increases the income of local residents. The Group actively implements the precise poverty alleviation policy, responds to the call of poverty alleviation, and is devoted to poverty alleviation within the industry and society. Firstly, the contracts of silage planting were signed with local farmers in the farming areas to reduce the impact of natural disasters on crop harvest and simultaneously solve the local employment problem. The Group's farms provide multiple jobs throughout the country, effectively alleviating the pressure of surplus rural labor force and increasing the income of local farmers. The Group also undertakes social responsibility and promotes local economic development through measures such as making direct donation of materials, money and paying visits to nursing homes. The road of the Group's social responsibility passes through from dairy cow breeding, accountable quality, green development to employee development and social care. The Group has always adhered to the concept of "people-oriented", and taken the responsibility of promoting sustainable development of the dairy industry and giving back to the nature and serving the society.

To better illustrate the Group's social responsibilities, environmental protection and social and corporate governance, a report on the environment, social and governance will be separately released in due course.

社會責任

本集團積極履行社會責任，秉持安全質量為先的原則，積極開發及實施現代化的科學養殖及餵飼技術。努力在發展業務與社會責任之間取得平衡，讓廣大持份者感受到本集團傳遞的關愛和幸福。本集團踐行為消費者提供健康安全、營養豐富、品質優異乳品的承諾，致力提升產品質量，同時秉承實現節能環保的生產原則。本集團積極帶動牧場所在週邊經濟發展，增加當地居民收入。本集團積極落實精準扶貧政策，響應扶貧號召，做好行業扶貧，社會扶貧。首先，主動與牧場所在地農戶簽訂青貯種植合同，減少自然災害對百姓農作物收穫的影響。同時解決當地人員就業問題，本集團的牧場在全國各地提供多個崗位，有效緩解農村剩餘勞動力壓力，增加當地農民收入。本集團也以直接捐贈物資、捐贈金錢、探訪養老院等多種方式，承擔社會責任，促進當地經濟發展。本集團的社會責任之路，從乳牛培育、責任品質、綠色發展再到員工成長及至社會關懷，本集團一貫秉承「以人為本」的理念，擔當起推動奶業可持續發展、回饋自然、服務社會的責任。

為更能說明本集團的社會責任、環境保護以及社會及企業管治，環境、社會及管治報告將於適當時候單獨刊發。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

HUMAN RESOURCES AND REMUNERATION OF EMPLOYEES

As at 31 December 2021, the Group had approximately 6,772 employees (31 December 2020: 4,455 employees) in mainland China and Hong Kong, including 2,157 employees added as a result of mergers and acquisitions that took place during the Reporting Year. Total staff costs during the Reporting Year (excluding equity-settled share award expense) were approximately RMB639.3 million (2020: RMB585.6 million), including staff cost of approximately RMB35.2 million resulting from mergers and acquisitions that took place during the Reporting Year.

In 2021, the Group implemented comprehensive organizational reforms to enhance organizational capabilities, and established a sound human resources system according to the Company's strategy and organizational needs. The Group has upgraded its organizational configuration, introduced senior management talents, comprehensively improved and upgraded the salary and performance management system, implemented the happiness and welfare scheme for employees and established the talent career development system, aiming to continuously optimize employees' income and career development, provide employees with competitive salaries, a career development platform with continuous promotion and offer a variety of capability enhancement training. In this way, we can build an excellent team that is caring, promising and resilient with high professional ability and strong comprehensive capability, providing human resources support for the rapid development of the Group.

人力資源及僱員薪酬

於2021年12月31日，本集團於中國內地及香港擁有約6,772名僱員(2020年12月31日：4,455名)，其中包括2,157名於本匯報期內併購所增加的員工。於本匯報年度本集團總員工成本(不含以股權結算的股份獎勵開支)約為人民幣639.3百萬元(2020年：人民幣585.6百萬元)，其中包括於本匯報期內因併購而新增的員工成本約人民幣35.2百萬元。

本集團於2021年全面實施組織變革，提升組織能力，並根據公司戰略及組織需求建立健全人力資源體系，升級組織配置、引進高級管理人才、全面改善升級薪酬績效管理體系、實施員工幸福關愛計劃、搭建人才職業發展體系等各方面持續優化員工收入和職業發展，為員工提供有競爭力的薪酬、有持續晉升的職業發展平台、提供多樣化的能力提升培訓等只為建立一支有溫度、有潛力、善打仗的專業素質高、綜合能力強的優秀團隊，為本集團快速發展提供了人才支撐。



PROSPECTS

Modern Dairy will continue to implement the “Five-Year Lead Plan”, with the business guidelines of “widening horizontally and deepening vertically” to strengthen the core dairy business. We expect the dairy herd of the Group could reach more than 500,000 heads by 2025, with an annual output of 3.6 million tons of fresh milk. To explore new business opportunities and increase new profit growth engines, Modern Dairy is planning to enter the feed sector, develop the beef cattle business and the trading platform business, cultivate breeding business and integrate land, forage and resources, so that we can further improve the layout of the whole industry chain and enhance the Group’s overall competitive advantages.

In February 2022, the Ministry of Agriculture and Rural Affairs issued a notice on the “14th Five-Year Plan for Improving the Competitiveness of Dairy Industry”, stating that “by 2025, the national milk production should reach approximately 41 million tons, and the proportion of farms with a herd size of more than one hundred cows should reach approximately 75%”. This provides specific action indicators for the future development of the upstream dairy industry. As a leading enterprise in the dairy industry, Modern Dairy is duty-bound to contribute to the development, improvement and expansion of the dairy industry. In the future, we will continue to adhere to the concept of high-quality development, the path of large-scale development and the development strategy of integrating forage grass planting, cows breeding and milk processing, so as to seize the opportunities in the industry, improve the efficiency of internal growth and create another peak in production. We will strive to develop ourselves into a global industry-leading dairy farming group led by digital and intelligent innovations, covering the whole ecological industry chain with healthy, safe and high-quality dairy cows and milk as well as strong cultural genes by 2025.

展望

現代牧業將繼續實施「五年領跑計劃」中，以「橫向做寬，縱向做深」為業務指導方針，做好核心奶業。我們預期至2025年本集團奶牛存欄可達至50萬頭以上，爭取年產鮮奶達360萬噸的目標。開拓新的業務領域，增加新的利潤增長點，計劃進軍飼料板塊、發展肉牛產業、開展交易平臺業務、培育育種業務、整合地•草•資源為抓手，進一步完善全產業鏈佈局，提高本集團綜合競爭優勢。

2022年2月，農業農村部關於印發《「十四五」奶業競爭力提升行動方案》的通知指出「到2025年，全國奶類產量達到4100萬噸左右，百頭以上規模養殖比重達到75%左右」，為未來的上游奶業發展給出具體的行動指標。做大做優做強奶業，現代牧業作為奶業的龍頭企業責無旁貸。未來繼續堅持高質量發展理念，堅持走規模化發展道路，堅持種養加一體化發展戰略，把握行業機遇、提升內增效益、再創產量高峰。力爭到2025年，將企業打造成牛健康奶安全優品質、生態全產業鏈發展、文化基因強大、以數智創新引領全球牧業的集團公司。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

EXECUTIVE DIRECTORS

Mr. SUN Yugang, aged 41, is an executive Director of the Company and acting chief executive officer of the Group. Mr. Sun was a manager of the finance and investment department of Inner Mongolia Mengniu Dairy (Group) Co., Ltd. between May 2002 and March 2007. Mr. Sun was the chief financial officer, executive director and vice president of the Company from March 2007 to September 2016 and the non-executive director of the Company from October 2016 to March 2017. Concurrently, Mr. Sun worked for Hebei Yinong Network Technology Co., Ltd.* (河北宜農網絡科技有限公司) as a director, vice president and chief financial officer from October 2016 to August 2018 and for Jiangsu Yuguan Modern Agricultural Technology Co., Ltd.* (江蘇裕灌現代農業科技有限公司) as a vice president and chief financial officer from August 2018 to October 2019. Mr. Sun re-joined the Group in November 2019 as an executive Director of the Group. Mr. Sun graduated from Inner Mongolia Finance and Economics College, majoring in accounting. Mr. Sun has extensive experience in financial management and corporate development.

Mr. ZHU Xiaohui, aged 51, has been appointed as a non-executive Director of the Company and the vice president of the Group on 1 July 2021, and has been re-designated as an executive Director of the Company and the chief financial officer of the Group on 30 November 2021. Mr. Zhu joined Fuyuan International, a subsidiary of the Company in August 2014 and served as the vice president of Fuyuan International from August 2014 to December 2018, the senior vice president of Fuyuan International from December 2018 to June 2019 and the vice president and the secretary of the board of directors of Fuyuan International since March 2020. Prior to joining Fuyuan International, Mr. Zhu had spent approximately 18 years with COFCO Group and approximately 4 years with Dalian Wanda Group Inc., Ltd. Mr. Zhu has over 29 years of experience in corporate management, in particular the management of large-scale enterprises, and also has extensive management experience in the dairy farming industry. Mr. Zhu graduated from Guangdong University of Foreign Studies with a bachelor's degree in international business administration and the University of International Business and Economics with a master's degree in business administration.

執行董事

孫玉剛先生，41歲，為本公司執行董事兼本集團的執行總裁。孫先生於2002年5月至2007年3月期間為內蒙古蒙牛乳業(集團)股份有限公司財務及投資部經理。孫先生於2007年3月至2016年9月期間為本公司首席財務官、執行董事及副總裁，於2016年10月至2017年3月期間為本公司非執行董事。孫先生於2016年10月至2018年8月期間同時為河北宜農網絡科技有限公司董事、副總裁及財務總監，並於2018年8月至2019年10月期間為江蘇裕灌現代農業科技有限公司副總裁及財務總監。孫先生於2019年11月重新加入本集團擔任本集團執行董事。孫先生畢業於內蒙古財經學院，主修會計。孫先生擁有豐富的財務管理及企業發展經驗。

朱曉輝先生，51歲，於2021年7月1日獲委任為本公司非執行董事兼本集團副總裁，並於同年11月30日調任為本公司執行董事兼本集團首席財務官。朱先生於2014年8月加入本公司附屬公司富源國際，自2014年8月至2018年12月任富源國際副總裁，自2018年12月至2019年6月任富源國際高級副總裁，自2020年3月起任富源國際副總裁兼董事會秘書。加入富源國際前，朱先生曾於中糧集團任職約18年，於大連萬達集團股份有限公司任職約4年。朱先生於企業管理尤其是大型企業管理方面有逾29年經驗，亦於牧業擁有豐富的管理經驗。朱先生畢業於廣東外語外貿大學及對外經濟貿易大學，分別獲授國際企業管理學士學位及工商管理碩士學位。

* For identification purposes only

NON-EXECUTIVE DIRECTORS

Mr. LU Minfang, aged 53, was appointed as a non-executive Director and chairman of the board of Directors of the Company in March 2017. Mr. Lu is currently the executive director and chief executive officer of China Mengniu Dairy Company Limited (“**Mengniu**”) (stock code: 2319). Mengniu is the controlling shareholder of the Company. Mr. Lu is the chairman and a non-executive director of Yashili International Holdings Ltd (“**Yashili**”) (stock code: 1230), a subsidiary of Mengniu. Mr. Lu is also the chairman and a non-executive director of China Shengmu Organic Milk Limited (stock code: 1432, an associate of Mengniu), and a non-independent director and the chairman of the board of directors of Shanghai Milkground Food Tech Co., Ltd., which is an associate of Mengniu listed on the Shanghai Stock Exchange. 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 Mengya International Group Limited (formerly known as Scient International Group Limited). Mr. Lu was the vice president (Greater China) of Danone Early Life Nutrition Greater China and had been with Danone S.A. and its subsidiaries (the “**Danone Group**”) and Dumex Baby Food Co. Ltd. for over 10 years. During his tenure at the Danone Group, he demonstrated strong strategic business and market planning capabilities. With strong leadership, management skills and in-depth knowledge of markets, Mr. Lu had contributed significantly to the success of the Danone Group’s baby nutrition business in China. Prior to joining the Danone Group, Mr. Lu spent 9 years with Johnson & Johnson (China) Company Limited and approximately 4 years with General Electric Company (China). Prior to joining Mengniu Group, Mr. Lu has over 18 years of experience in sales and marketing and has been serving in general manager or executive level roles for over 7 years. Mr. Lu has extensive experience in the management of fast-moving consumer goods 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.

非執行董事

盧敏放先生，53歲，於2017年3月獲委任為本公司的非執行董事及董事會主席。盧先生現時為中國蒙牛乳業有限公司(「**蒙牛**」)(股份代號：2319)執行董事兼總裁，蒙牛為本公司控股股東。盧先生為中國蒙牛的附屬公司雅士利國際控股有限公司(「**雅士利**」)(股份代號：1230)主席兼非執行董事。盧先生同時是中國聖牧有機奶業有限公司(股份代號：1432，蒙牛聯營公司)的主席及非執行董事，以及於上海證券交易所上市的蒙牛聯營公司上海妙可藍多食品科技股份有限公司之獨立董事及董事會主席。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附屬公司的董事：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蒙雅國際集團有限公司(前稱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SA及其附屬公司(「**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。盧先生憑藉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)服務約4年。加入中國蒙牛集團前，盧先生在銷售與市場營銷領域擁有逾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。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Mr. ZHAO Jiejun, aged 45, joined the Group as a non-executive Director of the Company in January 2019 and was appointed as the vice chairman of the board of director of the Company in July 2021, Mr. Zhao also currently serves as the non-executive director of China Shengmu Organic Milk Limited (stock code: 1432). Mr. Zhao is the vice president and the head of milk sourcing and supply chain business unit of Mengniu. Mr. Zhao has served successively as regional manager, sales director, general manager of operation and general manager of planning and logistics. Mr. Zhao graduated from Beijing University of Aeronautics and Astronautics with a master degree in information engineering and management. Mr. Zhao has almost 20 years of experience in the dairy industry and specializes in both sales management and supply chain management. Mr. Zhao has in-depth knowledge of PRC dairy market and great foresight in the PRC dairy industry.

Mr. ZHANG Ping, aged 57, joined the Group as a non-executive Director of the Company in March 2016. Mr. Zhang Ping is currently an executive director, a vice president and the chief financial officer of China Mengniu Dairy Company Limited (stock code: 2319). Mr. Zhang Ping is also a non-executive director of Yashili International Holdings Ltd (stock code: 1230) and China Shengmu Organic Milk Limited (stock code: 1432), and a non-independent director of Shanghai Milkground Food Tech Company Limited which is listed on the Shanghai Stock Exchange. Mr. Zhang Ping is also a director of a number of Mengniu's subsidiaries, including its major subsidiaries Inner Mongolia Mengniu Dairy (Group) Company Limited and Inner Mongolia Mengniu Danone Dairy Co., Ltd. He has over 31 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 Ping 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 Ping graduated from the Beijing Information Science and Technology University with a Master's Degree in Management Engineering.

趙傑軍先生，45歲，於2019年1月加入本集團出任本公司的非執行董事並於2021年7月獲委任為本公司副主席。趙先生目前擔任中國聖牧有機奶業有限公司(股票代碼：1432)的非執行董事。趙先生亦為蒙牛副總裁、奶源及供應鏈負責人。趙先生歷任區域經理、銷售總監、營運總經理及規劃及物流總經理。趙先生畢業於北京航空航天大學，取得信息工程與管理碩士學位。趙先生在乳製品行業擁有近20年經驗，精通銷售管理及供應鏈管理。趙先生對中國的乳製品市場有深入瞭解，並對中國乳製品行業有敏銳的洞察力。

張平先生，57歲，於2016年3月加入本集團出任本公司的非執行董事。張平先生現為中國蒙牛乳業有限公司(股份代號：2319)的執行董事、副總裁兼首席財務官。張平先生亦為雅士利國際控股有限公司(股份代號：1230)以及中國聖牧有機奶業有限公司(股份代號：1432)的非執行董事，及在上海證券交易所上市的上海妙可藍多食品科技股份有限公司之非獨立董事。張平先生亦是蒙牛多家附屬公司，包括主要附屬公司內蒙古蒙牛乳業(集團)股份有限公司及內蒙古蒙牛達能乳製品有限公司的董事。彼於快速消費品行業累積超過31年經驗，專責營運、財務及審計之管理以及風險監控。張平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。張平先生於北京資訊科技大學管理工程學專業畢業，取得研究生學歷。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Ms. GAN Lu, aged 39, joined the Group as a non-executive Director of the Company in April 2020. Ms. Gan is the executive director of Beijing Hosen Capital Management, LLP (“**Hosen Capital**”), one of the first private equity management institutions registered with the China National Development and Reform Commission pursuant to the new equity investment regulations. Ms. Gan is also the person-in-charge of the office of Hosen Capital in Hong Kong. Ms. Gan joined Hosen Capital in 2018. Ms Gan has over twelve years experience in the financial and investment sectors. Before joining Hosen Capital, Ms. Gan worked for the Hong Kong office of New Hope Group Co., Ltd, for four years as head of its Hong Kong office and chief investment officer of its financial division. Ms. Gan also worked for China International Capital Corporation Limited (CICC) in Beijing and Hong Kong for six years as the head of the Hong Kong operations support coordination department. Ms. Gan graduated from The University of Hong Kong with a master’s degree in business administration.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LEE Kong Wai Conway, aged 67, is an independent non-executive Director of the Company. Mr. Lee is currently an independent non-executive director of West China Cement Limited (stock code: 2233), Chaowei Power Holdings Limited (stock code: 951), GOME Retail Holdings Limited (stock code: 493), NVC International Holdings Limited (stock code: 2222), Yashili International Holdings Limited (stock code: 1230), GCL New Energy Holdings Limited (stock code: 451), WH Group Limited (stock code: 288), and Guotai Junan Securities Limited Co., Ltd (stock code: 2611), a company listed on the Hong Kong Stock Exchange and Shanghai Stock Exchange. Mr. Lee was the independent non-executive director of Tibet Water Resources Ltd. (stock code: 1115) until February 2020. In addition, he was an independent non-executive director of China Rundong Auto Group Limited (stock code: 1365) until December 2020. Mr. Lee is a member of the Institute of Chartered Accountants in England and Wales, The Chartered Accountants, Australia and New Zealand, the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Macau Society of Certified Practising Accountants. Mr. Lee was a member of Chinese People’s Political Consultative Conference of Hunan Province from 2008 to 31 December 2017. Mr. Lee has over 30 years of experience in public accounting and auditing, corporate finance, merger and acquisition and initial public offerings. From September 1980 to September 2009, Mr. Lee served as a partner of Ernst & Young and held key leadership positions in his development of the firm in China.

甘璐女士，39歲，於2020年4月加入本集團出任本公司的非執行董事。甘女士為北京厚生投資管理中心（「**厚生投資**」）（根據新股權投資法規向中國國家發展改革委委員會登記的首批私募股權管理機構之一）的執行董事。甘女士亦是厚生投資香港辦公室的負責人。甘女士於2018年加入厚生投資。甘女士在金融投資領域擁有逾十二年經驗。加入厚生投資前，甘女士曾在新希望集團有限公司香港辦公室任其香港辦公室負責人兼金融事業部投資總監工作四年。甘女士亦曾在中國國際金融股份有限公司北京和香港分部工作六年，擔任香港營運支持協調部負責人。甘女士畢業於香港大學，獲工商管理碩士學位。

獨立非執行董事

李港衛先生，67歲，為本公司的獨立非執行董事。李先生現時為中國西部水泥有限公司（股份代號2233）、超威動力控股有限公司（股份代號：951）、國美零售控股有限公司（股份代號：493）、雷士國際控股有限公司（股份代號：2222）、雅士利國際控股有限公司（股份代號：1230）、協鑫新能源控股有限公司（股份代號：451）、萬洲國際有限公司（股份代號：288）、國泰君安證券股份有限公司（股份代號：2611）（在香港聯交所及上海證券交易所上市）的獨立非執行董事。直至2020年2月彼為西藏水資源有限公司（股份代號：1115）的獨立非執行董事，另外，直至2020年12月彼為中國潤東汽車集團有限公司（股份代號：1365）的獨立非執行董事。李先生為特許會計師公會 – 英格蘭及威爾斯會員、澳大利亞及新西蘭特許會計師公會會員、英國特許會計師公會會員、香港會計師公會會員及澳門註冊會計師公會會員。從2008年至2017年12月31日止，李先生為中國人民政治協商會議湖南省委員。李先生於執業會計及審核、公司財務、合併及收購以及首次公開發售方面積逾30年經驗。於1980年9月至2009年9月，李先生曾任安永合夥人，並於其會計師行在中國的發展擔任重要的領導職位。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Mr. Li Shengli, aged 56, is an independent non-executive Director of the Company. Mr. Li graduated from Shihezi Agricultural College with a bachelor's degree in animal husbandry and veterinary science in July 1987. He then obtained his doctorate degree in animal nutrition science from China Agricultural University in July 1996. Since 2003, Mr. Li has been with China Agricultural University, working as an assistant professor and professor in multiple times. Mr. Li is currently the vice-director (Animal Nutrition) of the State Key Laboratories, director of the Sino-US Dairy Research Center of China Agricultural University, director of the Sino-Dutch Dairy Development Center, chief scientist in national dairy products industry technology system, a specialist to the China School Milk Programme and a specialist in the Cattle and Poultry Research Centre of Beijing Sanyuan Breeding Technology Co., Ltd. Mr. Li is a specialist to the Working Committee of National Dairy Herd Improvement Programme (DHI) of the Dairy Association of China and the chairman of China Institute of Animal Husbandry and Veterinary Cattle Chapter. Up to 17 June 2021, Mr. Li was an independent non-executive director of China Zhongdi Dairy Holdings Company Limited (delisted, prior stock code: 1492). In 2007, Mr. Li obtained a patent on Rubeili (乳倍利), a type of high-energy and high-protein supplementary feed for dairy cows. Mr. Li was awarded the second prize and a prize of the Beijing Science and Technology Award in 2000 and 2007, respectively, and was recognized by the Beijing Municipal Government as "Top 10 Scientists with Contribution to the Economic Development in Rural Villages of Beijing" in 2009. He also received the first prize for advancement in science and technology awarded by the Education Department in 2012, the first prize for Chinese Agricultural Science awarded by the Ministry of Agriculture in 2013 and the second prize of National Scientific and Technological Progress Award in 2014.

李勝利先生，56歲，為本公司的獨立非執行董事。李先生於1987年7月在石河子農學院畢業，持有畜牧獸醫科學的學士學位。彼繼而於1996年7月獲頒發中國農業大學的動物營養學博士學位。自2003年以來，李先生一直在中國農業大學多次擔任副教授及教授。李先生現為國家重點實驗室(動物營養學)副主任、中國農業大學中美乳品研究中心主任、中荷奶業發展中心主任、國家奶牛產業技術體系首席科學家、國家學生飲用奶計劃專家及北京三元種業科技股份有限公司畜牧研究院專家。李先生為中國奶業協會全國奶牛生產性能測定工作委員會專家及中國畜牧獸醫學會養牛分會理事長。截止2021年6月17日李先生曾擔任中國中地乳業控股有限公司(已除牌，前股份代號：1492)的獨立非執行董事。於2007年，李先生獲得乳倍利專利，而乳倍利為餵飼乳牛所用的一種高能量及高蛋白補充劑。李先生於2000年及2007年分別獲頒發北京市科學技術獎的二等獎及獎項，於2009年獲北京市政府評選為「對北京農村經濟發展作出貢獻的「十佳」科學家」，並於2012年獲得教育部科技進步一等獎，2013年獲得農業部中華農業科技獎一等獎及2014年獲得國家科技進步二等獎。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Mr. CHOW Ming Sang, aged 49, has been appointed as an independent non-executive Director of the Company on 1 July 2021. Mr. Chow was appointed as the independent non-executive director of Redco Healthy Living Company Limited (stock code: 2370) on 14 March 2022. Mr. Chow was the general manager of the Risk and Control Department of the Tahoe Group (the shares of which are listed on the Shenzhen Stock Exchange with stock code 000732) from October 2018 to June 2019, overseeing the company's risk management and corporate governance of all business sectors like residential, commercial, hotel, education, insurance, medical, estate management and ageing care. Mr. Chow is currently the managing director of Beijing Xinshi Anye Management Consulting Co., Ltd., an independent non-executive director of Teamway International Group Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange with stock code 01239), and an independent non-executive director of China Rundong Auto Group Limited (the shares of which are listed on the Main Board of the Stock Exchange with stock code 01365).

Mr. Chow obtained his bachelor degree in Business Administration (Accounting) from Hong Kong University of Science and Technology in 1995. Mr. Chow is a fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants and a Certified Internal Auditor. Mr. Chow has over 26 years working experience in various industries in auditing, corporate governance and risk management advisory where he was the advisory partner of Ernst & Young (China) Advisory Limited since 2007 and was responsible for managing the Risk Advisory sub-service line's strategic growth and development in various regions of Mainland China since 2011. From 2014 to 2016, Mr. Chow became the Committee member of The Internal Controls General Standards Committee of The Ministry of Finance (PRC) (中國財政部內部控制標準委員會委員), the only Hong Kong resident and Big Four partner being appointed as a committee member. Mr. Chow is also involved in promoting innovation where he acts as start-up coach of over 20 incubators and accelerators in China and Hong Kong to assist young entrepreneurs in enhancing their business from financial and strategic development perspectives.

周明笙先生，49歲，於2021年7月1日被委任為本公司獨立非執行董事。周先生於2022年3月14日獲委任為力高健康生活有限公司(股份代號：2370)的獨立非執行董事。周先生於2018年10月至2019年6月擔任泰禾集團(其股份於深圳證券交易所上市，股份代號：000732)的風險控制部總經理，監督該公司在住宅、商業、酒店、教育、保險、醫療、物業管理及養老等所有業務領域的風險管理和企業管治。周先生現時擔任北京信實安業管理諮詢有限公司董事總經理、Teamway International Group Holdings Limited(其股份於聯交所主板上市，股份代號：01239)獨立非執行董事以及中國潤東汽車集團有限公司(其股份於聯交所主板上市，股份代號：01365)獨立非執行董事。

周先生於1995年獲得香港科技大學工商管理(會計)學士學位。周先生為香港會計師公會資深會員、英國特許公認會計師公會資深會員及註冊內部審計師。周先生於審計、企業管治及風險管理諮詢等多個行業擁有逾26年工作經驗，其自2007年起擔任安永(中國)企業諮詢有限公司的諮詢合夥人，自2011年起負責管理中國大陸多個地區風險諮詢分部的戰略增長及發展。自2014年至2016年，周先生擔任中國財政部內部控制標準委員會委員，為唯一獲委任為該委員會委員的香港人士及四大會計師事務所合夥人。周先生亦參與推動創新，在中國及香港擔任20多家創業孵化基地的創業導師，協助年輕創業者從財務和戰略發展角度提升業務。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

SENIOR MANAGEMENT

Mr. GUO Wenju, aged 51, is the secretary of the Party Committee of the Group. Mr. Guo joined the Group in July 2021. He served as the deputy secretary of the Party Committee in Mengniu Group from March 2010 to June 2017, and served as the deputy secretary of the Party Committee and secretary of the disciplinary committee in Mengniu Group from July 2017 to December 2020. In 2017, he obtained a master's degree from the graduate school of the Central Party School.

Mr. HAN Chunlin, aged 49, is the vice president and general manager of the second operation center of the Group. Mr. Han is also a director of Modern Farming (Group) Co., Ltd. and Helinger Modern Farming Co., Ltd., both of which are subsidiaries of the Company. Mr. Han joined the Group in September 2008 and was appointed as executive director of the Company on 14 November 2008 until 1 April 2020. From February 2006 to July 2008, Mr. Han served as the deputy general manager of marketing in Crayon Xiaoxin (Fujian) Food Co., Ltd. From January 1999 to September 2004, Mr. Han worked as a marketing manager in the liquid milk department of Mengniu, Inner Mongolia. Before that, Mr. Han worked as the branch manager of the milk powder department of Inner Mongolia Yili Industrial Group Co., Ltd. from July 1994 to January 1999. Mr. Han has over 15 years of experience in the Chinese catering industry and has extensive experience in marketing and ranching operations. Mr. Han obtained a bachelor's degree in biology from Inner Mongolia University, China in July 1994, and a master's degree in agricultural promotion from China Agricultural University in 2015.

Mr. ZHANG Xue, aged 54, is the vice president of the Group, the chief engineer of the technical department of the Group, and is also the person-in-charge of the third operation center of the Group. Before joining the Group in 2021, Mr. Zhang has been working in ranch technical positions and ranch management for more than 20 years. From November 2014 to November 2016, Mr. Zhang served as the chief livestock pastor and assistant vice president of Fuyuan International; from December 2016 to November 2019, he served as the vice president of Fuyuan International, and from November 2019 to August 2021, he worked for Fuyuan International as the chief operating officer, responsible for the overall technical and operational work of Fuyuan International. He obtained a doctorate degree in animal nutrition from the Bingen Institute, Germany in 2001.

高級管理層

郭文舉先生，51歲，為本集團黨委書記，郭先生於2021年7月加入本集團。2010年3月至2017年6月在蒙牛集團擔任黨委副書記，2017年7月至2020年12月蒙牛集團擔任黨委副書記、紀委書記。2017年獲中央黨校研究生院碩士學位。

韓春林先生，49歲，為本集團副總兼運營二中心總經理。韓先生亦為本公司附屬公司現代牧業(集團)有限公司及和林格爾現代牧業有限公司的董事，韓先生於2008年9月加盟本集團並於同年11月14日獲委任為本公司執行董事直至2020年4月1日止。韓先生於2006年2月至2008年7月期間在蠟筆小新(福建)食品有限公司出任營銷副總經理。於1999年1月至2004年9月，韓先生於內蒙古蒙牛的液態奶部門出任營銷經理。在此之前，韓先生於1994年7月至1999年1月在內蒙古伊利實業集團股份有限公司的奶粉部門出任分廠經理。韓先生於中國飲食業積逾15年經驗，有豐富營銷及牧場營運經驗。韓先生於1994年7月獲中國內蒙古大學頒發生物學士學位，韓先生於2015年獲中國農業大學頒發農業推廣碩士學位。

張學先生，54歲，為本集團副總裁、集團技術部總工程師，同時兼任集團運營三中心負責人。張先生於2021年加入本集團，在此之前一直從事牧場技術崗位和牧場管理工作20餘年。2014年11月至2016年11月擔任富源國際總畜牧師、助理副總裁；2016年12月至2019年11月任富源國際副總裁，2019年11月至2021年8月任富源國際首席運營官，負責富源富源國際技術和運營全面工作。2001年獲得德國賓根學院動物營養專業博士學位

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Mr. SONG Weizheng, aged 41, is the vice president of the Group and the person in charge of purchasing and sales. Mr. Song joined the Group in January 2020 and was in-charge-of the procurement center of the Group, and in August 2021, he was in charge of procurement and sales. Before joining the Group, Mr. Song worked in Mengniu Group from December 2001 to December 2019 as the head of the quality inspection department, the head of the production department, the manager of the milk source department, the general manager of the milk source region, and the general manager of the big dairy unified procurement. Mr. Song has extensive experience in procurement and sales. Mr. Song obtained a master's degree in bioengineering from Inner Mongolia University in July 2010.

Ms. YUAN Li, aged 46, is the vice president and head of human resources & administration of the Group. Ms. Yuan joined the Group in July 2021. Before joining the Group, she served as manager, deputy director, director of operation management department, project director of sharing center, and general compensation and benefit manager of human resources center of milk source business department of Mengniu Group Headquarters Human Resources Center. She has participated in and successfully led important projects such as organizational reform at all levels, human resources system construction, mechanism innovation, and process optimization of Mengniu Group for many times. She has rich theoretical and practical experience in the field of human resources management. Ms. Yuan obtained a master's degree from Inner Mongolia University of Technology in 2014.

宋維政先生，41歲，為本集團副總裁，採銷負責人。宋先生於2020年1月加入本集團，分管集團採購中心工作，2021年8月分管採購和銷售工作。加入本集團前宋先生於2001年12月至2019年12月於蒙牛集團任職質檢處長，生產處長，奶源部經理，奶源大區總經理，大牧業統採總經理等職務，對採銷有豐富經驗。宋先生於2010年7月獲得內蒙古大學生物工程碩士學位。

袁麗女士，46歲，為本集團副總裁、人力及行政負責人。袁女士於2021年7月加入本集團。加入本集團前歷任蒙牛集團總部人力資源中心人事薪酬部經理、副總監、運營管理部總監、共享中心項目總監、奶源事業部人力資源中心總經理等職務。曾多次參與並成功主導過蒙牛集團各級組織變革、人力資源體系構建及機制革新、流程優化等重要項目，在人力資源管理領域具有豐富的理論和實踐經驗。袁女士2014年獲內蒙古工業大學碩士學位。

CORPORATE GOVERNANCE REPORT

企業管治報告

The board (the “**Board**”) of directors (the “**Director(s)**”) of China Modern Dairy Holdings Ltd. (the “**Company**”) and the management of the Company and its subsidiaries (collectively, the “**Group**”) are committed to upholding a high standard of corporate governance to safeguard the interests of the shareholders of the Company (the “**Shareholder(s)**”) and the Company as a whole.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code and Corporate Governance Report (“**CG Code**”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The Company has, throughout the year ended 31 December 2021 (the “**Reporting Year**”) and up to the date of this annual report, complied with the code provisions set out in the CG Code except for the deviation from code provisions A.6.7.

Code provision A.6.7 of the CG Code provides that non-executive Directors should attend general meetings and develop a balanced understanding of the views of the shareholders of the Company. One non-executive Director was not able to attend the annual general meeting and the extraordinary general meeting of the Company both of which were held on 2 June 2021 due to other business engagements.

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

On January 1, 2022, the amendments to the Corporate Governance Code (the “**New CG Code**”) came into effect and the requirements under the New CG code will apply to corporate governance reports for financial year commencing on or after January 1, 2022. The Board will periodically review and enhance its corporate governance practices to ensure that the Company continues to meet the requirements of the New CG Code.

THE BOARD

Role of Directors

The Company is headed by the Board which assumes the responsibility for leadership and control and be collectively responsible for promoting the success of the Company by directing and supervising the Company’s affairs. The Board is accountable to the Shareholders for managing the Company in a responsible and effective manner. Every Director is committed to act in the best interest of the Company and to contribute their expertise and knowledge to the Company. The Board decides on overall strategies and monitors the Group’s performance on behalf of the Shareholders.

中國現代牧業控股有限公司(「本公司」)董事(「董事」)會(「董事會」)及本公司及其附屬公司(統稱「本集團」)管理層致力於維持高標準之企業管治，以維護本公司股東(「股東」)及本公司之整體利益為目標。

企業管治常規

本公司已採納載於香港聯合交易所有限公司證券上市規則(「上市規則」)附錄14的企業管治守則及企業管治報告(「企業管治守則」)中的守則條文。截至2021年12月31日止整個年度(「本匯報年度」)及直至本年報日期，本公司已遵守載於企業管治守則的守則條文，惟守則條文第A.6.7條的偏離除外。

企業管治守則的守則條文第A.6.7條規定，非執行董事應出席股東大會，對本公司股東的意見有公正的了解。一名非執行董事由於其他公務而無法出席本公司於2021年6月2日舉行的股東週年大會及同日股東特別大會。

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

於2022年1月1日，企業管治守則的修訂生效(「新企業管治守則」)，新企業管治守則的要求將適用於2022年1月1日或之後開始的財政年度的企業管治報告。董事會將定期檢討及提升其企業管治常規，以確保本公司繼續符合新企業管治守則的規定。

董事會

董事之角色

本公司以負責領導及監控的董事會為首，並共同負責指導並監督本公司事務以促使本公司成功發展。董事會向股東負責，以負責任及有效之方式管理本公司。每名董事均致力為本公司之最佳利益行事並以其專業技能及知識為本公司作出貢獻。董事會決定及實施整體策略，並代表股東監察本集團之表現。

The Board determines the objectives, strategies and policies of the Group. In addition, the Board monitors and controls operating and financial performance in pursuit of the Group's strategic objectives. The day-to-day management of the Group's business is delegated to the chief executive officer and the management of the Group under the supervision of the executive Directors of the Company. In addition, the Board has also delegated various responsibilities to the board committees of the Company (the "Board Committees"). Matters reserved for the Board and Board Committees are those affecting the Group's overall strategic policies, financial objectives, dividend policy, changes in accounting policies, material acquisition and disposal of assets, investments and other significant matters.

As at 31 December 2021, the Board comprised nine Directors, including two executive Directors, namely Mr. Sun Yugang, Mr. Zhu Xiaohui, four non-executive Directors, namely, Mr. Lu Minfang, Mr. Zhao Jiejun, Mr. Zhang Ping and Ms. Gan Lu, and three independent non-executive Directors, namely, Mr. Li Shengli, Mr. Lee Kong Wai, Conway, and Mr. Chow Ming Sang.

The biographical details of the Board members are set out in the "Biographies of Directors and Senior Management" on pages 46 to 53 of this annual report.

All Directors are aware of their collective and individual responsibilities to the Shareholders and have exercised their duties of care, skill and diligence. Comprehensive directors and officers liability insurance coverage is in place to provide protection to the Company, the Directors and senior management.

Non-executive Directors

The non-executive Directors and the independent non-executive Directors give the Board the benefit of their skills, expertise, varied background and experiences. Through active participation in Board meetings and serving on various Board Committees, the non-executive Directors and the independent non-executive Directors bring in independent judgment and make valuable contributions to the effective direction and strategic decision making of the Group.

Each of the non-executive Directors is appointed for a specific term of 3 years, subject to retirement by rotation under the articles of association of the Company ("Articles of Association").

董事會決定本集團的目標、策略及政策。此外，董事會監察及控制本集團在實踐策略性目標時的經營及財務表現。本集團的總裁及管理層獲授權在本公司執行董事監督下負責本集團業務的日常管理。此外，董事會亦授權本公司董事委員會（「董事委員會」）履行不同職責。保留予董事會及董事委員會的事項包括影響本集團整體策略性政策、財務目標、股息政策、會計政策的變動、重大資產收購及出售、投資及其他重大事項。

於2021年12月31日，董事會由九名董事組成：兩名執行董事（孫玉剛先生及朱曉輝先生）、四名非執行董事（盧敏放先生、趙傑軍先生、張平先生及甘璐女士）及三名獨立非執行董事（李勝利先生、李港衛先生及周明笙先生）。

董事會成員之履歷詳情載於本年報第46至53頁「董事及高級管理層履歷」。

全體董事均知悉彼等對股東所須承擔之共同及個別責任，彼等均以謹慎、專業及盡責之態度履行其董事職責。本公司已購買全面董事及管理人員責任保險，為本公司、董事及高級管理人員提供保障。

非執行董事

非執行董事及獨立非執行董事之技能、專業知識、不同的背景及經驗為董事會帶來裨益。透過積極參與董事會會議及為董事會轄下各委員會服務，非執行董事及獨立非執行董事均對本集團之業務方向及策略性決策帶來獨立判斷及作出寶貴貢獻。

各非執行董事有指定任期為期三年，須根據本公司組織章程細則（「組織章程細則」）輪值退任。

Independence of Independent Non-executive Directors

Each of the independent non-executive Directors is appointed for a specific term of 3 years, subject to retirement by rotation under the Articles of Association. Mr. Lee Kong Wai, Conway and Mr. Chow Ming Sang, two of the independent non-executive Directors, have the appropriate accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules. The Board has received from each independent non-executive Director a written annual confirmation of their independence and is satisfied with their independence in accordance with the Listing Rules. The Company considers that all independent non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules. The number of independent non-executive Directors of the Company is three and represents at least one-third of the Board as required under Rules 3.10(1) and 3.10A of the Listing Rules. Mr. Lee Kong Wai, Conway holds eight listed issuer directorships. As advised by Mr. Lee that he is a full time professional director and has high attendance for all kind of board meetings, such that the Company believes Mr. Lee can devote sufficient time to the Board and each of Board Committee he engaged with listed issuers and in compliance with Appendix 14 A.5.5 to the Listing Rules. Furthermore, although Mr. Li Shengli and Mr. Lee Kong Wai, Conway have served as independent non-executive Directors for more than 9 years. As independent non-executive Directors with in-depth understanding of the Company's operations and business, Mr. Li Shengli and Mr. Lee Kong Wai have expressed objective views and given independent guidance to the Company over the years, and they continue demonstrating a firm commitment to their roles. The Board considers that the long service of Mr. Li Shengli and Mr. Lee Kong Wai, Conway would not affect their exercise of independent judgement and is satisfied that Mr. Li Shengli and Mr. Lee Kong Wai, Conway have the required character, integrity and experience to continue fulfilling the role of independent non-executive Directors.

COMPANY SECRETARY

The Company Secretary is responsible for facilitating the Board process, as well as communication among Board members, with Shareholders and management. All Directors have access to the advice and service of the Company Secretary to ensure that the Board procedures, all applicable rules and regulations are followed. The Company Secretary complied with the professional training requirement with Rule 3.29 of the Listing Rules during the Reporting Year.

獨立非執行董事之獨立性

各獨立非執行董事有指定任期為期三年，須根據組織章程細則輪值退任。兩名獨立非執行董事李港衛先生及周明笙先生擁有上市規則第3.10(2)條規定之適當會計或相關財務管理專業技能。董事會已接獲各獨立非執行董事就彼等之獨立性所作之書面年度確認，並根據上市規則信納彼等之獨立性。本公司認為全體獨立非執行董事均符合上市規則第3.13條所載之獨立指引。本公司之獨立非執行董事之人數為三名和至少為董事會之三分之一，均符合上市規則第3.10(1)及3.10A條規定。李港衛先生出任八個上市發行人董事職位。誠如李先生告知彼為全職專業董事並於各種董事會會議具高出席率，因此本公司相信李先生可將足夠的時間投入到上市發行人的董事會及各個董事委員會中，並遵守上市規則附錄14第A.5.5條。此外，儘管李勝利先生及李港衛先生已擔任獨立非執行董事超過9年。多年來，李勝利先生和李港衛先生作為獨立非執行董事對公司業務和業務有深入了解，對本公司表達了客觀的看法，給予了獨立的指導並繼續表現對本公司的堅定支持。董事會認為李勝利先生及李港衛先生的長期服務不會影響其作出獨立判斷，並信納李勝利先生及李港衛先生具有要求的品格，正直並具有繼續履行獨立非執行董事職責的經驗。

公司秘書

公司秘書負責促進董事會程序以及董事會成員之間、與股東及管理層的溝通。全體董事均可獲得公司秘書的建議與服務，以確保遵守董事會程序、所有適用規則與法規。於本匯報年度，公司秘書已遵守上市規則第3.29條下的專業培訓規定。

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 Company's policies and practices on compliance with legal and regulatory requirements;
- (c) to review and monitor the training and continuous professional development of Directors and senior management;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors;
- (e) to review existing employee incentive schemes of the Company; and
- (f) to review the Company's compliance with Appendix 14 to the Listing Rules.

During the Reporting Year, the Board has fulfilled the corporate governance functions by reviewing the Company's corporate governance practices.

Chairman and Acting Chief Executive Officer ("Acting CEO")

The Chairman is responsible for ensuring that the Board is functioning properly, with good corporate governance practices and procedures. He also steers the Board and the Company towards its corporate goals. The Acting CEO is responsible for the effective implementation of the overall strategies and initiatives adopted by the Board as well as the daily operation of the Group. For the Reporting Year, the Chairman of the Board is Mr. Lu Minfang. The Acting CEO of the Company is Mr. Sun Yugang and the Vice Chairman of the Board is Mr. Zhao Jiejun.

With the support of the Acting CEO and the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues brought up at Board meetings and that they receive adequate and reliable information in relation to matters discussed at Board meetings and also other affairs of the Group on a monthly basis in order to enable the Directors to assess the Group's performance, position and prospects in sufficient details.

企業管治職能

董事會負責釐定本公司之企業管治政策及履行企業管治職責，其中包括：

- (a) 制定及檢討本公司之企業管治政策及常規；
- (b) 檢討及監察本公司遵守法律及監管規定的政策及常規；
- (c) 檢討及監察董事及高級管理層的培訓及持續專業發展；
- (d) 制定、檢討及監察適用於僱員及董事的操守守則及合規手冊(如有)；
- (e) 檢討本公司現有僱員激勵計劃；及
- (f) 檢討本公司是否符合上市規則附錄14。

於本匯報年度，董事會已通過檢討本公司的企業管治常規履行企業管治職能。

主席及執行總裁(「執行總裁」)

主席負責確保董事會按良好之企業管治常規及措施正常運作。彼亦引領董事會及本公司向企業目標邁進。執行總裁負責有效實施董事會採納之整體策略及創新措施以及本集團之日常營運。於本匯報年度，董事會主席為盧敏放先生。本公司執行總裁為孫玉剛先生，董事會副主席為趙傑軍先生。

在執行總裁及公司秘書之支持下，主席尋求確保全體董事正確了解關於在董事會會議上提出之事宜，並每月獲得有關於董事會會議上討論之事宜及本集團其他事務之充足和可靠之資料，以使董事能詳細評估本集團的表現、狀況及前景。

BOARD PROCEDURES

During the year ended 31 December 2021, the Board has held five meetings to discuss the overall strategy as well as the operations and financial performance of the Group. The Directors participated in person or through electronic means of communication. Details of the Directors' attendance at the Board and Board Committee meetings and the annual general meeting and extraordinary general meeting of the Company held on 2 June 2021 are set out as follows:

董事會程序

截至2021年12月31日止年度，董事會舉行五次會議，討論整體策略以及本集團之業務及財務表現。董事可親身或透過電子通訊方式與會。董事出席董事會、董事委員會會議及本公司於2021年6月2日舉行的股東週年大會及股東特別大會情況的詳情載列如下：

Name of Director	董事姓名	Number of Board meetings, Board Committee meetings and general meetings attended/held				
		General Meeting 股東大會	Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Executive Directors		執行董事				
Ms. Gao Lina (Vice Chairman and CEO, resigned on 1 July 2021)	高麗娜女士(副主席兼總裁，於2021年7月1日辭任)	2/2	3/3	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Sun Yugang (Acting Chief Executive Officer) ^{Note 1}	孫玉剛先生(執行總裁) ^{附註1}	2/2	5/5	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Zhu Xiaohui (Chief Financial Officer, appointed on 1 July 2021) ^{Note 2}	朱曉輝先生(首席財務官，於2021年7月1日獲委任) ^{附註2}	N/A 不適用	2/2	N/A 不適用	N/A 不適用	N/A 不適用
Non-executive Directors		非執行董事				
Mr. Lu Minfang (Chairman of the Board)	盧敏放先生(董事會主席)	2/2	5/5	N/A 不適用	N/A 不適用	3/3
Mr. Zhang Ping	張平先生	2/2	5/5	2/2	3/3	N/A 不適用
Mr. Zhao Jiejun (Vice Chairman of the Board)	趙傑軍先生(董事會副主席)	1/2	5/5	N/A 不適用	N/A 不適用	N/A 不適用
Ms. Gan Lu	甘璐女士	2/2	5/5	N/A 不適用	N/A 不適用	N/A 不適用
Independent Non-executive Directors		獨立非執行董事				
Mr. Li Shengli	李勝利先生	2/2	5/5	N/A 不適用	3/3	N/A 不適用
Mr. Lee Kong Wai, Conway	李港衛先生	2/2	2/2	2/2	N/A 不適用	3/3
Mr. Chow Ming Sang	周明笙先生	N/A 不適用	2/2	1/1	2/2	1/1
Mr. Wolhardt Julian Juul ^{Note 3}	Wolhardt Julian Juul先生 ^{附註3}	2/2	3/3	1/1	1/1	2/2

Note:

- Mr. Sun Yugang was appointed as acting chief executive officer of the Group on 1 July 2021.
- Mr. Zhu Xiaohui was appointed as a non-executive Director on 1 July 2021 and was subsequently re-designated as an executive Director on 29 November 2021 and was appointed as chief financial officer of the Group.
- Mr. Wolhardt Julian Juul resigned as Independent Non-executive Director on 1 July 2021.

附註：

- 孫玉剛先生於2021年7月1日獲委任為本集團執行總裁。
- 朱曉輝先生於2021年7月1日獲委任為非執行董事，其後於2021年11月29日調任為執行董事及獲委任為本集團首席財務官。
- Wolhardt Julian Juul先生於2021年7月1日辭任獨立非執行董事。

The Board and each Director have separate and independent access to the Company's senior management for information and may make inquiries if necessary. Directors of the Company who considers it necessary to seek independent professional advice in order to perform his/her duties as a Director of the Company may convene, or request the Company Secretary to convene, a meeting of the Board to approve the consultation of independent legal or other professional advisor for advice at Company's expenses. For regular Board meetings, an agenda and accompanying board papers of the meeting are sent to all Directors before the proposed date of a meeting. Additional Board meetings, if necessary, are arranged and held as and when required. During the Reporting Year, the Chairman met with the non-executive Directors and the independent non-executive Directors without the presence of other executive Directors to exchange views on matters concerning the business development, management and corporate governance of the Group.

Every Director is entitled to access the advice and services of the Company Secretary with a view to ensure that the Board procedures, and all applicable rules and regulations, are complied with. All minutes are kept by the Company Secretary and are open for inspection by any Director during normal office hours with reasonable advance notice.

Appointment, Re-election of Directors and Removal

In accordance with the CG Code and the Articles of Association, all Directors (including independent non-executive Directors) are subject to retirement by rotation once every three years. Each Director 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 17.18 of the 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 following annual general meeting or the following general meeting of the Company 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 annual general meeting.

董事會及各董事可個別及獨立地向本公司高級管理層索取資料並可必要時作出查詢。本公司董事在履行其作為本公司董事之職責而認為需尋求獨立專業建議時可召開或要求公司秘書召開董事會會議，以批准向獨立法律或其他專業顧問徵求意見，費用由本公司承擔。就例行董事會會議而言，會議之議事日程及隨附之董事會文件將於會議預定日期前送呈全體董事。於需要時會安排及舉行附加董事會會議(如需要)。於本匯報年度，主席在其他執行董事未出席的情況下與非執行董事及獨立非執行董事會面，就本集團的業務發展、管理及企業管治等事宜交換意見。

各董事均有權為確保遵守董事會程序以及所有適用規則及規例而獲得公司秘書之建議及服務。所有會議記錄均由公司秘書保存，並可於提供合理之事先通知後在任何正常辦公時間內供任何董事查閱。

董事之委任、重選及罷免

根據企業管治守則及組織章程細則，全體董事(包括獨立非執行董事)均須每三年輪值退任一次。各董事已與本公司訂立為期三年的委任函。根據組織章程細則第17.18條，董事須於本公司各屆股東週年大會輪值退任及重選。獲委任為董事會新增成員或填補董事會臨時空缺的董事，將須於獲委任後的本公司下屆股東週年大會或下屆股東大會上由股東重選。另外，倘提名重選的獨立非執行董事在本公司任職超過九年，其重選將須於股東週年大會上通過獨立決議案批准後方可作實。

THE BOARD'S DIVERSITY POLICY

The Board has adopted diversity policy, which sets out the approach to diversity of Board members. In determining the Board's composition, the Company considers a range of diversity elements, including but not limited to gender, age, cultural and education background, professional experience, skills and knowledge. All appointments of the Board will be made based on merit and objective criteria while taking into full account of the interest of Board's diversity.

As at date of this report, the Board comprises nine Directors with both gender, of which 11.1% of them are female and 88.9% of them are male and three of which are independent non-executive Directors, thereby promoting critical review and control of the management process. The Board is also characterised by significant diversity, whether considered in terms of gender, professional background and skills. Having reviewed the board diversity policy and the Board's composition, the Nomination Committee considered that the requirements of the board diversity policy had been met and no measurable objective had been set to implement the board diversity policy.

The gender ratio in the workforce of the Group (including senior management) is 2 male to 1 female.

CONTINUOUS PROFESSIONAL DEVELOPMENT

According to the code provision C.1.4 of the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the board remains informed and relevant. The Company shall be responsible for arranging suitable training for all Directors at the Company's expense. The Group continuously updates the Directors on the latest development regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices. For newly appointed Director, an induction package will be given to ensure that he has a proper understanding of the operations, business and governance policies of the Group.

董事會多元化政策

董事會已採納多元化政策，其中載有董事會成員多元化之方針。本公司在釐定董事會成員組合時，會從多方面考慮董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及知識。董事會所有委任均以用人唯才為原則，並以客觀準則考慮人選，充分顧及董事會多元化的裨益。

於本報告日期，董事會由九名男女董事組成，11.1%為女性，88.9%為男性和有其中三名為獨立非執行董事，藉此促進管理過程的批判性檢討及監控。董事會亦以相當多元化為特色，不論性別、專業背景及技能。經檢討董事會多元化政策及董事會組成後，提名委員會認為董事會多元化政策的要求已達到，並無設定可衡量的目標以執行董事會多元化政策。

集團全體員工(包括高級管理人員)的性別比例為2男性比1女性。

持續專業發展

根據企業管治守則之守則條文第C.1.4條規定，全體董事應參與持續專業發展，發展及更新其知識及技能，以確保彼等向董事會作出知情及恰當之貢獻。本公司應負責為全體董事安排適當之培訓，費用由本公司承擔。本集團持續向董事提供上市規則及其他適用監管規定的最新發展的更新資料，以確保合規和增強董事對良好企業管治常規的意識。對於新委任董事，本集團將提供入職培訓，以確保其適當了解本集團之經營、業務及管治政策。

A summary of training received by the Directors during the year ended 31 December 2021 according to the records provided by the Directors is as follows:

根據董事所提供的記錄，董事於截至2021年12月31日止年度所接受的培訓概述如下：

Directors	董事	Type of trainings 培訓類別
Executive Directors		
Ms. Gao Lina (resigned on 1 July 2021)	高麗娜女士(於2021年7月1日辭任)	A, B, C
Mr. Sun Yugang (<i>Acting Chief Executive Officer</i>)	孫玉剛先生(執行總裁)	A, B, C
Mr. Zhu Xiaohui (<i>Chief Financial Officer, appointed on 1 July 2021</i>)	朱曉輝先生(首席財務官,於2021年7月1日獲委任)	A, B, C
Non-executive Directors		
Mr. Lu Minfang (<i>Chairman of the Board</i>)	盧敏放先生(董事會主席)	A, B, C
Mr. Zhang Ping	張平先生	A, B, C
Mr. Zhao Jiejun (<i>Vice Chairman of the Board</i>)	趙傑軍先生(董事會副主席)	
Ms. Gan Lu	甘璐女士	A, B
Independent Non-executive Directors		
Mr. Li Shengli	李勝利先生	A, B, C
Mr. Lee Kong Wai, Conway	李港衛先生	A, B, C
Mr. Chow Ming Sang (appointed on 1 July 2021)	周明笙先生(於2021年7月1日獲委任)	A, B, C
Mr. Wolhardt Julian Juul (resigned on 1 July 2021)	Wolhardt Julian Juul先生 (於2021年7月1日辭任)	A, B, C
A: Reading materials, journals and updates relating to the business and industry development	A: 閱覽有關業務及行業發展的讀物、刊物及最新資料	
B: Reading materials relevant to the latest development of the Listing Rules and other applicable regulatory requirement	B: 閱覽有關上市規則及其他適用監管規定最新發展的讀物	
C: Attending or delivering seminars and/or conferences and/or forums	C: 出席或主持研討會及/或會議及/或論壇	

BOARD COMMITTEES

In order to oversee particular aspects of the Group, the Board had established a Remuneration Committee, an Audit Committee a Nomination Committee and a Strategy and Development Committee with the defined terms of reference in line with the CG Code. The terms of reference are published on the respective websites of the Hong Kong Stock Exchange and the Company. The Board Committees are provided with sufficient resources to discharge their duties and are able to seek independent professional advice in appropriate circumstances upon request. Details of these Board committees including their composition, major responsibilities and functions and work performed are as follows:

Remuneration Committee

The chairman of the Remuneration Committee is Mr. Li Shengli and other members are Mr. Zhang Ping and Mr. Chow Ming Sang. The Remuneration Committee is chaired by an independent non-executive Director and the majority being independent non-executive Directors of the Company.

The primary functions of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for the remuneration for all the Directors and senior management of the Group, and make recommendations of the remuneration packages for all the executive Directors, non-executive Directors and the senior management to the Board.

The Company's emolument policy is to ensure that the remuneration offered to employees including executive Directors and senior management of the Group is based on the skills, knowledge, responsibilities and involvement in the Company's and the Group's affairs. The remuneration packages are also determined by reference to the Company's performance and profitability, remuneration level in the industry and the prevailing market conditions. The emolument policy for independent non-executive Directors, mainly comprising Directors' fees, is subject to annual assessment with reference to the market standard. Individual Directors and senior management would not be involved in deciding their own remuneration. The Remuneration Committee has been provided with sufficient resources to discharge its duties.

董事委員會

為監督本集團在特定方面的事務，董事會已設立薪酬委員會、審核委員會、提名委員會以及戰略及發展委員會，界定職權範圍與企業管治守則相符。職權範圍於香港聯交所及本公司各自的網站公佈。董事委員會獲提供足夠資源以履行其職務，並能在適當情況下應要求尋求獨立專業意見。有關該等董事委員會之詳情(包括其組成、主要責任及職能)及所進行之工作如下：

薪酬委員會

薪酬委員會主席為李勝利先生，其他成員為張平先生及周明笙先生。薪酬委員會由獨立非執行董事出任主席，其大部分成員為本公司獨立非執行董事。

薪酬委員會之基本職能乃就本集團全體董事及高級管理層之本公司薪酬政策及結構向董事會提供建議，就所有執行董事、非執行董事及高級管理層之薪酬組合向董事會提供建議。

本公司之薪酬政策旨在確保向僱員(包括本集團執行董事及高級管理層)提供之薪酬乃基於其技能、知識、職責及參與本公司及本集團事務而釐定。薪酬組合亦參照本公司之業績及盈利狀況、行業薪酬水平以及當前市場狀況而釐定。獨立非執行董事之薪酬政策(主要包括董事袍金)須參照市場標準每年進行評估。個別董事及高級管理層不會參與其各自薪酬之釐定。薪酬委員會已獲提供足夠資源履行其職責。

During the Reporting Year, the Remuneration Committee reviewed, discussed and approved the remuneration for the executive Directors and senior management of the Group, reviewed the remuneration policy and made recommendation to the Board for the remuneration for the non-executive Directors for its approval. Remuneration Committee has also reviewed the existing employee incentive schemes of the Group.

於本匯報年度，薪酬委員會審閱、討論及批准本集團執行董事及高級管理層之酬金及審閱薪酬政策，並就非執行董事之薪酬向董事會提供建議以供其審批。薪酬委員會亦審閱現時本集團的僱員激勵計劃。

The remuneration of the members of the senior management by band for the year ended 31 December 2021 is set out below:

高級管理層成員截至2021年12月31日止年度之酬金範圍如下：

Remuneration bands (HK\$) 酬金範圍(港元)	Number of persons 成員人數
0-4,000,000	0
4,000,000-5,000,000	1
5,000,000-6,000,000	2
6,000,000-7,000,000	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 11 and 12 to the consolidated financial statements.

根據上市規則附錄16須就董事酬金以及五名最高薪酬人士披露之進一步詳情，載於綜合財務報表附註11及12。

Audit Committee

As at 31 December 2021, the Audit Committee comprised two independent non-executive Directors, namely, Mr. Lee Kong Wai, Conway and Mr. Chow Ming Sang and one non-executive Director, Mr. Zhang Ping. Mr. Lee Kong Wai, Conway and Mr. Chow Ming Sang possess the relevant professional qualifications required under the Listing rules. The Chairman of the Audit Committee is Mr. Lee Kong Wai, Conway.

審核委員會

於2021年12月31日，審核委員會由兩名獨立非執行董事李港衛先生及周明笙先生以及一名非執行董事張平先生組成。李港衛先生及周明笙先生擁有上市規則所規定的相關專業資格。審核委員會主席為李港衛先生。

The primary responsibilities of the Audit Committee are to oversee the Group's financial reporting system, risk management system and internal control procedures, and to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with the applicable standard. The Audit Committee has been provided with sufficient resources to discharge its duties.

審核委員會的主要職責為監察本集團之財務申報系統、風險管理系統及內部監控程序，並按適用標準審閱及監察外聘核數師之獨立性及客觀性以及審核程序之有效性。審核委員會已獲提供足夠資源履行其職責。

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The Audit Committee held two meetings during the year ended 31 December 2021. Major work completed by the Audit Committee during the year includes:

- reviewed the Group's annual report, interim financial information and annual consolidated financial statements;
- reviewed significant accounting and audit issues;
- reviewed the external auditor's qualifications, independence and performance;
- reviewed the external auditor's management letter and the management's response;
- reported to the Board on matters relating to the Audit Committee under the CG Code;
- assisted the Board to evaluate on the effectiveness of financial reporting procedures and internal control system;
- reviewed the adequacy and effectiveness of the Group's systems of internal control and risk management and the effectiveness of the internal audit function, including advising on identification of connected parties and formulating relevant policies;
- reviewed the connected and continuing connected transactions entered into by the Group or subsisting during the Reporting Year; and
- reviewed the utilisation of annual caps on certain continuing connected transactions of the Group.

Nomination Committee

The Nomination Committee comprised one non-executive Director Mr. Lu Minfang and two independent non-executive Directors, namely, Mr. Lee Kong Wai, Conway and Mr. Chow Ming Sang. The Chairman of the Nomination Committee is Mr. Lu Minfang.

審核委員會於截至2021年12月31日止年度舉行兩次會議。審核委員會於年內完成的重要工作包括：

- 審閱本集團的年報、中期財務資料及年度綜合財務報表；
- 審閱主要會計及核數事宜；
- 審閱外聘核數師的資格、獨立性及表現；
- 審閱外聘核數師的管理函件及管理層回應；
- 根據企業管治守則向董事會報告有關審核委員會的事宜；
- 協助董事會評估財務申報流程及內部監控系統的有效性；
- 審閱本集團內部監控及風險管理系統的合適性及有效性以及內部審計職能的有效性，包括就有關關連人士之識別以及相關政策的制定提供意見；
- 審閱於本匯報年度由本集團訂立或存續之關連及持續關連交易；及
- 審閱本集團若干持續關連交易之年度上限使用度。

提名委員會

提名委員會由一名非執行董事盧敏放先生以及兩名獨立非執行董事李港衛先生及周明笙先生組成。提名委員會主席為盧敏放先生。

The primary duties of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships; assess the independence of independent non-executive directors; and make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman of the Board and the chief executive. The Nomination Committee has been provided with sufficient resources to discharge its duties.

During the Reporting Year, the Nomination Committee held three meetings and has reviewed and recommended the structure, size and composition (including skills, knowledge and experience) of the Board. It reviewed the independence of the independent non-executive Directors. It also made recommendations to the Board on retiring Directors for re-election at the annual general meeting held on 2 June 2021.

Nomination Policy

The Company has adopted a nomination policy for directorship (the "Nomination Policy") in 2018 which supplemental to the Terms of Reference of the Nomination Committee of the Board (the "Nomination Committee"). It aims at setting out the processes and criteria for the nomination of a candidate for directorship in the Company and ensures that all nominations of Board members are fair and transparent in order to facilitate the constitution of the Board with a balance of skills, experience and diversity of perspectives that is appropriate to the requirements of the Company's business.

提名委員會之主要職責為最少每年檢討董事會之架構、規模及組成(包括技巧、知識及經驗)及就任何建議變動向董事會作出推薦建議，以補足本公司之企業策略；物色適當之合資格人士成為董事會成員及進行甄選或就甄選獲提名董事擔任董事職務向董事會作出推薦建議；評估獨立非執行董事之獨立性；以及就委任或重新委任董事及董事繼任計劃(特別是董事會主席及總裁)向董事會作出推薦建議。提名委員會已獲提供足夠資源履行其職責。

於本匯報年度，提名委員會舉行三次會議，並檢討董事會之架構、規模及組成(包括技能、知識及經驗)及作出推薦建議。其亦檢討獨立非執行董事之獨立性，並就於2021年6月2日舉行的股東週年大會上重選的退任董事向董事會提出推薦建議。

提名政策

本公司於2018年已採納董事提名政策(「提名政策」)，補充董事會提名委員會(「提名委員會」)職權範圍。其旨在列明提名本公司董事候選人之程序及標準，並確保董事會成員的所有提名屬公平及透明，從而促進構建董事會，以平衡符合本公司業務規定的技能、經驗及多元發展。

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Nomination Policy sets out as below:

1. Objective

- 1.1. This policy was approved and adopted by the board of directors (the “**Board**”) of the Company by resolution passed on 17 December 2018 upon the recommendation of the Nomination Committee.
- 1.2. This policy sets out the selection criteria and procedures to be adopted when considering candidates to be nominated to the Board for it to consider or recommended to the shareholders of the Company for election, whether new appointment or re-appointment, as directors of the Company at general meetings or as directors to fill casual vacancies to ensure the Board has a balance of skills, experience and diversity of perspectives to meet various needs of the Company. It is the Board which has the ultimate responsibility for selecting and appointing the directors.

2. Selection criteria

- 2.1. When considering a candidate nominated for directorship or a director’s proposed re-appointment, the Nomination Committee will take into account the following factors as a reference:
 - whether the qualification, skills, experience, industry knowledge of the candidate meet the business needs or are in line with the long term development of the Company;
 - effect on the board’s composition and diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, and the compliance with the diversity policy of the Company;
 - commitment of the candidate to devote sufficient time to effectively discharge his/her duties. In this regard, the number and nature of offices held by the candidate in public companies or organizations, and other executive appointments or significant commitments will be considered;

提名政策載列如下：

1. 目的

- 1.1. 本政策已根據提名委員會的建議，透過於2018年12月17日通過的決議案由本公司董事會（「**董事會**」）批准及採納。
- 1.2. 本政策載列在考慮向董事會提名以供其考慮或向本公司股東建議供選舉的候選人時採用的甄選標準和程序，不論是在股東大會上新委任或重新委任為本公司董事或作為董事填補臨時空缺，以確保董事會在技能、經驗和多元性方面取得平衡，滿足本公司的各種需求。董事會對選擇和委任董事負有最終責任。

2. 甄選準則

- 2.1. 考慮提名擔任董事的候選人或董事建議重新委任時，提名委員會將考慮以下因素作參考：
 - 候選人的資格、技能、經驗、行業知識是否符合業務需要或是否符合本公司長期發展；
 - 其對董事會的組成和所有方面（包括但不限於性別、年齡（18歲或以上）、文化及教育背景、種族、專業經驗、技能、知識及服務年期）多元化的影響以及遵守本公司的多元化政策；
 - 候選人承諾投入充足時間有效履行其職責。就此而言，將考慮候選人在公眾公司或機構擔任的職務數目及性質以及其他行政委任或重大承擔；

- any potential/actual conflicts of interest that may arise if the candidate is selected;
 - for the appointment or re-appointment of independent non-executive directors, the independence of the candidate and his/her immediate family from the Company; and
 - in the case of a proposed re-appointment of an independent non-executive director, the number of years he/she has already served.
- 如候選人獲選而可能產生的任何潛在／實際利益衝突；
 - 就委任或重新委任獨立非執行董事而言，則候選人及其直系親屬自本公司的獨立性；及
 - 如建議重新委任獨立非執行董事，則其已服務的年數。

The above factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate on a case by case basis.

以上因素僅供參考，並非詳盡無遺且具有決定性意義。提名委員會可酌情根據具體情況提名任何人士。

2.2. Proposed candidates will be asked to submit the necessary personal information in a prescribed form, together with their written consent to be appointed as a director of the Company and to the public disclosure of their personal data on any document or the relevant websites for the purpose of or in relation to their standing for election as a director of the Company.

2.2. 建議的候選人將被要求以規定的形式提交必要的個人資料，連同其就獲委任為本公司董事及在為或就其參與選舉作為本公司董事的任何文件或相關網站上公開披露其個人資料的書面同意。

2.3. The Nomination Committee may request candidates to provide additional information and documents, if considered necessary.

2.3. 如有必要，提名委員會可要求候選人提供額外資料及文件。

3. Nomination procedures

3. 提名程序

3.1. Subject to the provisions in the Company's Articles of Association, if the Board recognises the need to appoint an additional director, the following procedures should be adopted:

3.1. 在本公司組織章程細則條文的規限下，如董事會認為有需要委任一名額外董事，應採取以下程序：

- the chairman of the Nomination Committee shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also identify or select candidates to be recommended to the Board, with or without assistance from external agencies or the Company;
- 提名委員會主席應召開提名委員會會議，並邀請董事會成員候選人提名(如有)，以供提名委員會於會議前審議。提名委員會亦可在有或無外部機構或本公司協助下，識別或甄選向董事會推薦的候選人；

- the Nomination Committee may use any process it deems appropriate to assess the suitability of and the potential contribution to the Board by the candidates based on (but not limited to) the criteria set out in section 2.1 herein, which may include personal interviews, background checks, presentations or written submissions by the candidates and third party references;
 - the Nomination Committee will hold a physical meeting to consider the matter and avoid the making of decisions by written resolutions unless it is impractical that a physical meeting be held;
 - the Nomination Committee shall provide to the Board for its consideration with all the information required, including information set out in Rule 13.51(2) of the Listing Rules in relation to the candidates;
 - the Nomination Committee shall make recommendation to the Board, including the terms and conditions of the appointment.
- 3.2. The Board deliberates and decides on the appointment based upon the recommendation of the Nomination Committee. The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.
- 3.3. All appointments of director should be confirmed by letter of appointment setting out the key terms and conditions of the appointment of the directors, which should be approved by the Nomination Committee.
- 3.4. In order to provide information of the candidates nominated by the Board to stand for election at a general meeting, and to invite nominations from shareholders, a circular accompanying the notice of the relevant general meeting will be sent to shareholders of the Company. The circular will set out the lodgment period for shareholders to make the nominations. The names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations, of the proposed candidates will be included in the circular to shareholders of the Company.
- 提名委員會可使用其認為適當的任何程序，根據(包括但不限於)本文第2.1條規定的準則，評估候選人是否適合及對董事會作出的潛在貢獻，其中可能包括候選人及第三方參考的個人訪談、背景調查、匯報或書面呈交；
 - 提名委員會將舉行現場會議以審議此事宜，除非舉行現場會議屬不切實可行，否則避免以書面決議案作出決定；
 - 提名委員會須向董事會提供一切所需資料供其考慮，包括上市規則第13.51(2)條所載有關候選人的資料；
 - 提名委員會須向董事會提出建議，包括委任條款及條件。
- 3.2. 董事會根據提名委員會的建議進行審議並決定委任。董事會就與其在任何股東大會上競選候選人的建議有關的所有事項作出最終決定。
- 3.3. 所有董事委任應以委任函確認，當中載列董事委任的主要條款及條件並應由提名委員會批准。
- 3.4. 為提供董事會提名參加股東大會選舉的候選人資料，以及邀請股東提名，隨附有關股東大會通告的通函將寄發予本公司股東。該通函將載列股東提名的提交期限。根據適用法律、規則及法規所規定，建議候選人的姓名、簡歷(包括資格及相關經驗)、獨立性、建議薪酬及任何其他資料將包含在寄予本公司股東的通函中。

4. Re-appointments of existing directors

In cases of re-appointments of existing directors, a physical meeting will be held to consider the re-appointment based on (but not limited to) the criteria set out in paragraph 2.1 above.

5. Nomination by shareholders

The shareholders of the Company may also propose a person for election as a director, details of which are set out in the “Procedures for Shareholders to Propose a Person for Election as Director” of the Company.

6. General

6.1. This policy and the progress towards achieving the objectives set out in this policy will be disclosed in the corporate governance report of the Company.

6.2. This policy shall be reviewed annually by the Nomination Committee at its annual meeting. This policy shall be updated and revised as and when necessary in light of changes in circumstances (e.g. change in business needs of the Company) and reflect any change in regulatory requirements, including those under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Any amendment to this policy shall be approved and resolved by the Board in writing.

6.3. In case of discrepancy in respect of the language of this Policy, the English version shall prevail.

4. 重新委任現有董事

在重新委任現有董事的情況下，將舉行現場會議，以根據(包括但不限於)上文第2.1段所載的準則考慮重新委任。

5. 股東提名

本公司股東亦可提名人選參選為董事，有關詳情載於本公司「股東提名人選參選為董事的程序」。

6. 一般事項

6.1. 本政策及達成本政策所載目標的進度將於本公司企業管治報告中披露。

6.2. 本政策每年由提名委員會在其年度會議上審閱。本政策應根據情況變化(如本公司業務需求的變化)在必要時進行更新和修訂，並反映監管要求的任何變化，包括香港聯合交易所有限公司證券上市規則的規定。對本政策的任何修訂應由董事會以書面形式批准及議決。

6.3. 如本政策的語言上有歧異，概以英文版本為準。

Strategy and Development Committee

The Strategy and Development Committee comprised one executive Director, Mr. Sun Yugang, two non-executive Directors, Mr. Zhao Jiejun and Ms. Gan Luand one independent non-executive Director, Mr. Li Shengli. The Strategy and Development Committee is chaired by Mr. Zhao Jiejun.

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.

戰略及發展委員會

戰略及發展委員會由一名執行董事(孫玉剛先生)、兩名非執行董事(趙傑軍先生及甘璐女士)及一名獨立非執行董事(李勝利先生)組成。趙傑軍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包括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。

AUDITOR'S REMUNERATION

The Group's external auditors are Deloitte Touche Tohmatsu. The Audit Committee is responsible for the appointment of external auditors and reviewing the non-audit services (including any potential conflict of interest) performed by the external auditors. The amount of fees charged by the auditor generally depends on the scope and volume of the auditor's work. For the year ended 31 December 2021, the remuneration to the auditor of the Company were approximately RMB2.60 million (2020: RMB1.85 million) for audit services and RMB1.89 million, including RMB0.75 million for interim review, RMB0.95 million for other assurance service and RMB0.19 million for other service (2020: RMB1.59 million, including RMB0.75 million for interim review, RMB0.65 million for other assurance service and RMB0.19 million for other service).

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR THE ACCOUNTS

The Directors acknowledge their responsibility to prepare the consolidated financial statements that give a true and fair view of the state of affairs of the Group. Meanwhile, the Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; and that judgments and estimates made are prudent and reasonable. In preparing the consolidated financial statements for the year ended 31 December 2021, the requirements of the International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively "IFRSs") issued by the International Accounting Standards Board and the applicable laws were complied with.

The Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as going concern. The Board has prepared the consolidated financial statements on a going concern basis.

The reporting responsibilities of external auditors of the Company are disclosed in "Independent Auditor's Report" on pages 111 to 116 of this annual report.

Pursuant to code provision D.1.2 of the CG Code, the management of the Company has provided all members with monthly updates giving a fair and understandable assessment of the Company's performance, financial position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge his duties under Rule 3.08 and Chapter 13 of the Listing Rules during the Reporting Year.

核數師酬金

本集團的外聘核數師為德勤•關黃陳方會計師行。審核委員會負責委任外聘核數師及審閱外聘核數師提供的非審核服務(包括任何潛在利益衝突)。核數師之酬金一般根據核數師之工作範疇及數量而釐定。截至2021年12月31日止年度，就本公司核數師提供之核數服務酬金約為人民幣2.60百萬元(2020年：人民幣1.85百萬元)及非審核服務酬金人民幣1.89百萬元(包括中期審閱的人民幣0.75百萬元、其他鑒證服務的人民幣0.95百萬元及其他服務的人民幣0.19百萬元(2020年：人民幣1.59百萬元(包括中期審閱的人民幣0.75百萬元、其他鑒證服務的人民幣0.65百萬元及其他服務的人民幣0.19百萬元))。

董事與核數師關於賬目之責任

董事確認彼等有責任編製真實公允地反映本集團狀況之綜合財務報表。同時，董事亦負責確保選擇及貫徹應用適當之會計政策；及所作之判斷及估計為審慎合理。於編製截至2021年12月31日止年度之綜合財務報表時，已遵守國際會計準則委員會頒佈之國際財務報告準則、國際會計準則及詮釋(統稱「國際財務報告準則」)之規定及適用法例。

董事會並不知悉與可能對本集團持續經營能力造成重大疑問之事件或狀況有關之任何重大不明朗因素。董事會已按持續經營基準編製綜合財務報表。

本公司外聘核數師之報告責任於本年報第111至116頁「獨立核數師報告」內披露。

根據企業管治守則的守則條文第D.1.2條，本公司管理層已於本匯報年度每月向全體成員提供最新資料，就本公司之表現、財務狀況及前景詳細提供公正及易於理解之評估，使全體董事會及各董事能根據上市規則第3.08條及第13章履行其職責。

CONSTITUTIONAL DOCUMENTS

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

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for annually reviewing the effectiveness of the risk management and internal control system of the Group. The scope of the review is determined and recommended by the Audit Committee. The review covers all material controls, including financial, operational and compliance controls and risk management functions. Such review also considers the adequacy of resources, qualifications and experience of the staff of the Company in relation to its accounting and financial reporting function, and their training programmes and budget. Risk management and internal control review reports are circulated to the Audit Committee members and the Board in accordance with the approved scope.

During the Reporting Year, the Group has complied with Code Provision D.2 of the CG Code by establishing appropriate and effective risk management and internal control systems. The major features of the risk management and internal control systems are set out as below:

Risk Management System

The Group adopts a risk management system which manages the risk associated with its business and operations. The system comprises the following phases:

- Identification: Identify ownership of risks, business objectives and risks that could affect the achievement of objectives.
- Evaluation: Analyze the likelihood and impact of risks and evaluate the risk portfolio accordingly.
- Management: Consider the risk responses, ensure effective communication to the Board and on-going monitoring of the residual risks.

The Board together with senior management monitor and assess risk regularly, boost related management standards and evaluate investment projects. Based on the risk assessments conducted for the year under review, no significant risk was identified.

組織章程文件

於本匯報年度，本公司的組織章程文件並無重大變動。

風險管理及內部監控

董事會負責每年檢討本集團風險管理及內部監控系統之有效性。檢討範圍由審核委員會決定及建議。該檢討涵蓋所有重要監控範圍，包括財務監控、運作監控、合規監控及風險管理職能。該檢討亦考慮本公司會計及財務報告部門之人力資源是否充裕以及是否有足夠具備所需資格及經驗之員工、員工培訓計劃及預算。根據已批准之範疇，將風險管理及內部監控檢討報告傳送予審核委員會成員及董事會。

於本匯報年度，本集團已遵守企業管治守則的守則條文第D.2條，建立適當及有效的風險管理及內部監控系統。風險管理及內部監控系統的主要特點載於下文：

風險管理系統

本集團採納的風險管理系統管理與其業務及營運相關的風險。該系統包括以下階段：

- 識別：識別風險歸屬、業務目標及可能影響目標實現的風險。
- 評估：分析風險的可能性及影響，並據此評估風險組合。
- 管理：考慮風險回應措施，確保與董事會有效溝通並持續監控剩餘風險。

董事會連同高級管理層定期監控及評估風險，推進相關管理標準及評估投資項目。基於就回顧年度所作風險評估，並無識別重大風險。

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Internal Control System

The Company has in place an internal control system. The framework of the system enables the Group to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The components of the framework are shown as follow:

- Control Environment: A set of standards, processes and structures that provide the basis for carrying out internal control across the Group.
- Risk Assessment: A dynamic and iterative process for identifying and analyzing risks to achieve the Group's objectives, forming a basis for determining how risks should be managed.
- Control Activities: Action established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out.
- Information and Communication: Internal and external communication to provide the Group with the information needed to carry out day-to-day controls.
- Monitoring: Ongoing and separate evaluations to ascertain whether each components of internal control is present and functioning.

Internal Audit

Internal audit is an independent function reporting to the Audit Committee and senior management of the Group. It provides an independent and objective assurance to safeguard the Group's operations. It effectuates a systematic and disciplined approach to evaluate and improve the Group's process on risk management, internal control and governance. The risk based audit plans ensure that high risk areas of the Group's operations and resources are specifically attended to ad hoc reviews are conducted on areas of concern where necessary.

內部監控系統

本公司設有內部監控系統。該系統框架使本集團能夠實現有關運營有效性及效率、財務報告可靠性以及遵守適用法律及法規的目標。該框架的組成部分列示如下：

- 監控環境：為於本集團進行內部監控提供基礎的一套準則、程序及架構。
- 風險評估：為識別及分析風險以實現本集團目標制定動態而反覆更新的程序，為釐定如何管理風險提供基礎。
- 監控活動：根據政策及程序確立的行動，以確保管理層減低風險以致達成目標的指示獲得履行。
- 資訊及溝通：為本集團提供進行日常監控所需資訊的內部及外部溝通。
- 監控：持續及獨立評估以確定內部監控的各組成部分是否存在及運作正常。

內部審核

內部審核為向審核委員會及本集團高級管理層報告的獨立職能，提供獨立及客觀核證以保障本集團的營運。其採取有序自律的方法估價及改善本集團的風險管理、內部監控及管治。審核計劃以風險作基礎，確保重點關注本集團營運及資源中的高風險領域。必要時會就關注範疇進行特別檢討。

The Board, through the Audit Committee, reviews the adequacy of resources, training programmes, budget, qualifications and experience of the accounting, internal audit and financial reporting staff in accordance with the requirements of the Listing Rules. The Audit Committee and the Board review the effectiveness of the risk management and internal control systems of the Group and fulfill the requirement of the CG Code regarding risk management and internal control systems in general. During the Reporting Year, the internal audit department has conducted audit on farms at different regions of the Group and reported to the senior management. The internal audit department of the Group has also reviewed the connected transaction of the Group and report to Audit Committee.

Based on the internal control reviews conducted for the Reporting Year, no significant control deficiency was identified.

The Audit Committee is satisfied that the risk management system and internal control system maintained by the Group are sufficient to provide reasonable, but not absolute, assurance that the Group's assets are safeguarded against loss from unauthorized use or disposition, and that transactions are properly authorized and proper accounting records are properly maintained.

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

董事會根據上市規則規定透過審核委員會檢討資源、培訓課程、預算、會計資格及經驗、內部審核及財務報告員工是否充足。審核委員會及董事會檢討本集團風險管理及內部監控系統的成效，並大致符合與風險管理及內部監控系統有關的企業管治守則規定。於本匯報年度，內部審核部門已就本集團不同區域的牧場進行審核並向高級管理層報告。本集團內部審核門亦就本集團的關連交易作出審閱並向審核委員會報告。

根據於本匯報年度內進行的內部監控審閱，並無發現任何重大監控缺陷。

審核委員會信納本集團所保持的風險管理系統與內部監控系統足以提供合理但非絕對的保證，即保障本集團的資產免遭未經授權使用或處置所帶來的損失、交易經正式授權以及妥善存置適當的會計記錄。

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
- 問責及處理措施

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The senior management has reviewed the risk management and internal control system of the Group for the Reporting Year and considered them to be effective and adequate.

The Group will continue to enhance the system to cope with the changes in the business environment.

DIVIDEND POLICY

The Company adopted a dividend policy on 17 December 2018 (the “**Dividend Policy**”). Under the Dividend Policy, the declaration and payment of dividends shall be determined at the sole discretion of the Board. The Company’s ability to distribute dividends will depend on, among others, the profits, operating results, cash flow, financial condition, contractual restrictions, capital requirements and other factors of the Company which the Directors consider relevant, and the interests of the shareholders of the Company. The remaining profit will be used for the development and operation of the Group.

The Company’s distribution of dividends shall also comply with any restrictions under the applicable laws of the Cayman Islands, the laws of Hong Kong, the Listing Rules and the Articles of Association of the Company, as well as subject to the approval of shareholders of the Company.

COMMUNICATION WITH SHAREHOLDERS

Effective Communication

The Company discloses relevant information to Shareholders through the Company’s annual report and consolidated financial statements, the interim report, as well as the annual general meeting. The section under “Acting CEO’s Statement” and “Management Discussion and Analysis” of the annual report facilitate the Shareholders’ understanding of the Company’s activities. The annual general meeting allows the Directors to meet and communicate with the Shareholders. The Company’s consolidated financial statements and each of the required disclosure of information are dispatched within the prescribed period imposed by laws and regulations.

To manage its relationship with the investment community, the Group meets regularly with the press and financial analysts and participates frequently in other conferences and presentations.

To further promote effective communication, the corporate website is maintained to disseminate Company announcements and other relevant financial and non-financial information electronically on a timely basis.

高級管理層已檢討本集團於本匯報年度的風險管理及內部監控系統，並認為其有效且充足。

本集團將繼續改進該系統以應對業務環境之變化。

股息政策

本公司已於2018年12月17日採納股息政策（「**股息政策**」）。根據股息政策，股息宣派及派付應由董事會全權酌情決定。本公司分派股息的能力將取決於（其中包括）本公司的溢利、經營業績、現金流量、財務狀況、合約限制、資本要求及董事認為相關的其他因素以及本公司股東的利益。餘下溢利將用於本集團發展及營運。

本公司分派股息亦受限於開曼群島適用法例、香港法例、上市規則及本公司組織章程細則項下的任何限制，並須經本公司股東批准。

與股東溝通

有效溝通

本公司透過本公司之年報及綜合財務報表、中期報告以及股東週年大會向股東披露有關資料。年報中「執行總裁報告書」以及「管理層討論及分析」兩節幫助股東了解本公司之業務。股東週年大會讓董事可與股東會面及溝通。本公司之綜合財務報表及各項規定之資料披露於法律及法規規定之限期內發出。

為管理與投資群體之關係，本集團定期與媒體及財務分析人員會面，並經常參與其他會議及發佈會。

為進一步促進有效溝通，本公司已設立公司網站，以電子方式適時發佈本公司公告以及其他有關財務及非財務之資料。

SHAREHOLDERS RIGHTS

Procedure for Shareholders to Convene an Extraordinary General Meeting

Pursuant to the Articles of Association, any one or more Shareholders holding not less than one-tenth of the issued share capital of the Company carrying the right of voting at general meetings may require an extraordinary general meeting by a written requisition to the Board or the Company Secretary either via personal delivery or mail (Attn: Board of Directors/Company Secretary, at Room A, 32nd Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong) or via email (info@moderndairyir.com). The Board shall proceed duly within 21 days from the date of deposit of the requisition to convene a general meeting to be held within a further 21 days.

Procedures for Sending Enquiries to the Board

Shareholders may send their enquiries requiring the Board's attention to the Company Secretary at the Company's principal office address at Room A, 32nd Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong. The Company Secretary forwards communications relating to matters within the Board's purview to the Board.

Procedures for Making Proposals at Shareholder's Meeting

Shareholders are welcomed to suggest proposals relating to the operations, strategy and/or management of the Group to be discussed at general meetings. Proposals shall be sent to the Board pursuant to the following address via personal delivery, mail or courier to: Attention: Shareholder Communication, Board of Directors, Room A, 32nd Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong.

The Board may, in its sole discretion, consider if such proposals are appropriate and shall be put forward to the Shareholders for approval at next annual general meeting or at an extraordinary general meeting to be convened by the Board, as appropriate.

股東權利

股東召開股東特別大會之程序

根據組織章程細則，凡持有有權於股東大會上投票之本公司已發行股本不少於十分一之任何一名或多名股東，可透過個人遞交或郵寄(收件人：董事會／公司秘書，地址為香港銅鑼灣告士打道262號中糧大廈32樓A室)或透過電郵(info@moderndairyir.com)向董事會或公司秘書遞交召開股東特別大會之書面要求。董事會須於有關要求提交日期起計21日內，正式召開股東大會，而有關大會須於其後21日內舉行。

向董事會作出查詢之程序

股東可將要求董事會處理之查詢寄交於本公司主要辦事處之公司秘書，地址為香港銅鑼灣告士打道262號中糧大廈32樓A室。公司秘書將有關屬於董事會權限範圍內事宜之通訊轉交董事會。

於股東大會作出提呈之程序

本公司歡迎股東提呈有關本集團業務、策略及／或管理之建議於股東大會上討論。有關建議須透過個人遞交、郵寄或速遞按以下地址寄交董事會：香港銅鑼灣告士打道262號中糧大廈32樓A室，收件人為董事會股東通訊。

董事會可全權酌情考慮該等建議是否適當，並於下屆股東週年大會或將由董事會召開之股東特別大會(如適當)上提呈股東批准。

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Voting by Way of Poll

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the annual general meeting must be taken by poll. The chairman of the meeting will therefore demand a poll for every resolution put to the vote of the annual general meeting pursuant to article 14.6 of the Articles of Association. The relevant details of the proposed resolutions, including biographies of each Director standing for re-election, will be included in the circular to Shareholders dispatched together with this annual report. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard set out in the code of conduct regarding securities transactions by Directors adopted by the Company during the Reporting Year.

INVESTOR RELATIONS

The Company adopts a proactive policy in promoting investor relations and communications. When the Company announces its interim and annual results, management will normally meet with institutional investors, financial analysts and financial media, provide briefings on the business progress and recent developments of the Company. The Company has regularly participated in investor summits and conferences to enhance communication with the investment community. Investors are welcomed to send their enquiries to our investor relation at info@moderndairyir.com or browse the Company's website (<http://www.moderndairyir.com>) for latest update information of the Group. Therefore, the Company has reviewed the implementation and effectiveness of the above shareholders' communication policy conducted during the year and is satisfied that the policy has been implemented effectively.

On behalf of the Board

Sun Yugang

Director

Hong Kong, 29 March 2022

投票表決

根據上市規則第13.39(4)條，股東在股東週年大會上之所有表決必須按股數投票方式進行。根據組織章程細則第14.6條，股東週年大會主席將會要求以投票方式對會上提呈之每項決議案進行表決。隨同本年報寄發之股東通函將載有所提呈決議案之有關詳情，包括參加膺選連任之各董事之履歷。本公司將按上市規則第13.39(5)條規定的方式公佈投票表決結果。

董事進行之證券交易

本公司已採納一套有關董事進行之證券交易之行為守則，其條款嚴謹程度不遜於載於上市規則附錄10的上市發行人董事進行證券交易的標準守則所載之規定標準。經向全體董事作出特定查詢後，全體董事確認，彼等於本匯報年度已遵守本公司就董事進行之證券交易之行為守則所載之規定標準。

投資者關係

本公司採取積極政策促進投資者關係與溝通。在本公司公佈其中期及年度業績時，管理層一般會與機構投資者、金融分析師及金融媒體會晤，提供有關本公司業務進展與近期發展的簡要介紹。本公司已定期參加投資者峰會及會議，以加強與投資社區的交流。本公司歡迎投資者致函info@moderndairyir.com詢問我們的投資者關係或瀏覽本公司網站(<http://www.moderndairyir.com>)了解本集團的最新更新資料。因此，本公司於年內已檢討以上股東溝通政策的實施和有效性，並滿意該政策已得到有效執行。

代表董事會

董事

孫玉剛

香港，2022年3月29日

REPORT OF THE DIRECTORS

董事會報告書

The Board presents its report together with the audited consolidated financial statements of China Modern Dairy Holdings Ltd. (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2021 (the “**Reporting Year**”).

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries is production and sale of raw milk to customers for processing into dairy products.

The particulars of the subsidiaries are set out in note 45 to the consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

The results of the Group for the Reporting Year and the state of affairs of the Company and the Group as at that date are set out in the consolidated financial statements and the notes on pages 117 to 290.

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 faced 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 “Acting CEO’s Statement”, “Management Discussion and Analysis” and in the notes to the financial statements.

SHARE CAPITAL

Details of the movement in the share capital of the Company during the Reporting Year are set out in note 32 to the consolidated financial statements.

董事會茲提呈中國現代牧業控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至2021年12月31日止年度(「本匯報年度」)之報告及經審核綜合財務報表。

主要業務

本公司的主要業務為投資控股，而其附屬公司的主要業務為向客戶生產及銷售原料奶以供加工為奶類產品。

附屬公司的詳情載於綜合財務報表附註45。

綜合財務報表

本集團於本匯報年度的業績及本公司和本集團於該日的財務狀況載於第117至290頁之綜合財務報表及其附註。

業務回顧

本集團的業務回顧載於本年報的「執行總裁報告書」、「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。

股本

本公司股本於本匯報年度之變動詳情載於綜合財務報表附註32。

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

Save as disclosed in this announcement, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Reporting Year, except that the trustee of the share award scheme of the Company adopted on 26 March 2018, pursuant to the rules of this scheme, purchased on the open market a total of 36,526,000 (2020: 20,000,000 shares) ordinary shares of the Company as restricted shares at a consideration of approximately HK\$54,689,000 (equivalent to RMB45,468,000) (2020: HK\$17,255,000 (equivalent to RMB15,763,000)). The Group retained a total number of 4,420,482 (2020: 5,510,525 shares) vesting shares as a consideration of approximately HK\$8,974,000 (equivalent to RMB7,584,000) (2020: HKD4,519,000 (equivalent to RMB4,129,000)) for paying the individual income tax on behalf of those selected participants under the share award schemes of the Company.

PROPOSED FINAL DIVIDEND

The Board has recommended the payment of a final dividend of RMB0.026 (2020: RMB0.02) per ordinary share for the year ended 31 December 2021. Upon shareholders' approval at the forthcoming annual general meeting of the Company, which will be held on Wednesday, 8 June 2022 (the "AGM"), the proposed final dividend will be paid on or about Thursday, 30 June 2022 to shareholders whose names appear on the register of members of the Company on Thursday, 16 June 2022. The Group is not aware of any arrangement under which a Shareholder has waived or agreed to waive any dividends.

No interim dividend was paid during the Reporting Year (2020: nil).

DONATIONS

Charitable and other donations made by the Group during the Reporting Year amounted to approximately RMB0.35 million (2020: RMB11.22 million).

BUSINESS REVIEW

A review of the Group's business, a discussion on the Group's future business development and possible risks and uncertainties that the Group may be facing, and an analysis of the Group's performance using financial key performance indicators for Reporting Year are provided in the Acting CEO's Statement on pages 11 to 16 and the Management Discussion and Analysis on pages 17 to 45 of this annual report. These discussions form part of this report.

購買、出售或贖回本公司之上市證券

除在本公告披露外，於本匯報年度，本公司或其任何附屬公司概無購買、贖回或出售本公司之上市證券，惟本公司於2018年3月26日採納之股份獎勵計劃之受託人根據計劃之規則於公開市場購買合共36,526,000股(2020年：20,000,000股)本公司普通股作為限制性股份，代價約為54,689,000港元(相當於人民幣45,468,000元)(2020年：17,255,000港元(相當於人民幣15,763,000元))。本集團保留合共4,420,482股(2020年：5,510,525股)歸屬股份，作為代表本公司股份獎勵計劃項下該等選定參與者支付個人所得稅的代價約8,974,000港元(相當於人民幣7,584,000元)(2020年：4,519,000港元(相當於人民幣4,129,000元))。

擬派期末股息

董事會建議派發截至2021年12月31日止年度的期末股息每股普通股人民幣0.026元(2020年：人民幣0.02元)。待將於2022年6月8日(星期三)舉行的應屆本公司股東週年大會(「股東週年大會」)上獲股東批准後，擬派期末股息將於2022年6月30日(星期四)或前後派付予於2022年6月16日(星期四)名列本公司股東名冊的股東。本集團並不知悉股東已根據任何安排放棄或同意放棄任何股息。

於本匯報年度並無派發中期股息(2020年：無)。

捐款

本集團於本匯報年度內作出的慈善及其他捐款約為人民幣0.35百萬元(2020年：人民幣11.22百萬元)。

業務回顧

於本匯報年度之本集團業務回顧、本集團未來業務發展之討論及本集團可能面對之潛在風險及不明朗因素以及本集團採用財務關鍵表現指標之表現分析分別載於年報執行總裁報告書第11至16頁及管理層討論與分析第17至45頁。該等討論構成本報告的一部分。

The financial risk management objectives and policies of the Group are shown in note 38 to the consolidated financial statements.

Other than financial performance, the Group believes that a high standard of corporate social responsibility is essential for building up a good corporate and social relationship and motivating staff and creating a sustainable return to the Group. We are committed to contributing to the sustainability of the environment and community in which we conduct business and where our stakeholders live.

ENVIRONMENTAL PROTECTION

As a responsible business participant, the Group strictly endeavoured to comply with laws and regulations regarding environmental protection and adopted effective environmental technologies to ensure our products meet the required standards and ethics in respect of environment protection.

RELATIONSHIPS WITH EMPLOYEES

The employees of the Group are one of the most important assets and stakeholders of the Group and their contribution and support are values at all times. The Group regularly reviews compensation and benefits policies accordingly to industry benchmark as well as the individual performance of employees. Other fringe benefits, mandatory provident fund, share options, restricted share award, employee partnership program and cash-based incentive award are provided to retain loyal employees with the aim to form a professional staff and management team that can bring the Group to different levels of success.

RELATIONSHIPS WITH SUPPLIERS

The Company adopts an open, fair and impartial procurement policies, and takes the lead in formulating industry standards as a win-win approach for a healthy development of the dairy industry. The quality and safety of feed are always our primary consideration. We have established long-term cooperation relationship with a number of suppliers, and strived to ensure that they are in compliance with our undertaking on quality and ethics. We require the suppliers to observe our undertaking on integrity. We have stringent requirements in supplier selection and that they must satisfy the qualification requirements in quality, safety, nutrients, historical record and overall performance etc. and pass our constant examination and evaluation before becoming our qualified suppliers.

本集團金融風險管理的目標及政策載於綜合財務報表附註38。

除財務表現外，本集團認為高標準的企業社會責任對建立良好的企業社會關係及激勵員工以及為本集團創造可持續回報至關重要。我們致力於促進我們的業務及利益相關者所在地的環境及社區的可持續發展。

環境保護

作為一名負責任的業務參與者，本集團竭力嚴格遵守有關環境保護的法律及法規及採用有效的環保技術，以確保我們的產品符合有關環境保護所規定的標準及規範。

與僱員的關係

本集團僱員為本集團最重要資產及持份者之一，彼等的貢獻及支持一直為本集團帶來重要價值。本集團根據行業標準及僱員之個別表現定期檢討補償及福利政策，並提供其他額外福利、強制性公積金、購股權、限制性獎勵股份、員工合夥人計劃及以現金為基礎的獎勵以挽留忠誠僱員，旨在組成一支專業的員工及管理團隊，為公司達成不同層面的成功。

與供應商的關係

本公司採納公開、公平、公正的採購政策，引領制定行業標準，為乳業健康發展締造雙贏途徑。飼料的品質和安全是我們的一貫首要的考慮因素，我們已與多家供應商建立了長期合作關係，並盡力確保其遵守我們對質素及道德的承諾，並要求供應商遵守我們的廉潔承諾。我們對供應商的選擇要求是嚴格的，供應商必須要滿足品質、安全、營養成分、歷史記錄、整體業績等方面的資格要求，且必須經過我們常設的評估，方可成為我們合格的供應商。

REPORT OF THE DIRECTORS

董事會報告書

RELATIONSHIPS WITH CUSTOMERS

To provide high quality products and services to customers are always our mission. Customers' need and demand are always our top consideration. With the increase of income and the popularization of health concepts, the demand of dairy products is increasingly augmented with a growing tendency for diversified products.

We, together with Mengniu Group expand the sales network and increase sale forms, setting up outlets in large supermarkets. By doing so, we hope to gradually develop customers, deliver our fresh milk products in time, and meet consumers' demand.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's main operations are carried out by the Company's subsidiaries in the mainland China while the Company itself is listed on the Hong Kong Stock Exchange. The Group's operations are regulated by Hong Kong and mainland China laws. During the Reporting Year 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.

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Articles of Association (the "Articles of Association"), every Director shall be entitled to be indemnified out of the assets of the Company against all loss or liabilities (to the fullest extent permitted by the Companies Law of the Cayman Islands) which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. The Company has arranged appropriate directors' and officers' liability coverage for the Directors and officers of the Company.

REMUNERATION OF THE DIRECTORS

The remuneration of each Director is determined with reference to the duties, responsibilities, performance of the Directors, the results of the Group and the prevailing market rate.

Details of the remuneration of the Directors are set out in note 11 to the consolidated financial statements.

與客戶的關係

為客戶提供高品質的產品和服務是我們的使命，客戶的需要和需求始終是我們的首要考慮因素。隨著我國居民收入水準的提高和健康觀念的普及，奶製品需求量日益增大，需求形式的多樣性也更加明顯。

我們與蒙牛集團也拓寬銷售網絡、豐富銷售形式，於大型超市參與商超促銷。我們希望能藉此舉逐步培養客戶，保證奶品及時送達、新鮮到家，滿足消費者需求。

遵守法律及法規

本集團的主要營運由本公司中國內地附屬公司進行，而本公司自身於香港聯交所上市。本集團營運受香港及中國內地法例監管。於本匯報年度及直至本報告日期，董事會並不知悉任何不遵守相關法律及法規並對本公司造成重大影響的情況。有關本集團遵守相關法律及法規的進一步詳情，請參閱本報告的討論及「企業管治報告」。

獲准許的彌償條文

根據本公司的組織章程細則（「組織章程細則」），每名董事有權就其於或因履行職責或其他有關事宜而可能蒙受或產生的所有損失或責任（在開曼群島公司法許可的最大範圍內），自本公司的資產中獲得彌償。本公司已為董事及本公司主要行政人員購買適當之董事及主要行政人員責任保險。

董事的薪酬

各董事的薪酬乃參考董事的職務、責任、表現及本集團的業績以及現行市價而釐定。

董事的薪酬詳情載於綜合財務報表附註11。

CORPORATE GOVERNANCE PRACTICE

Details of the corporate governance practice of the Company are set out on pages 54 to 76 of this annual report.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 20 January 2021, the Company and the placing managers entered into the placing agreement, in relation to the placing of 650,000,000 new ordinary shares to be issued by the Company.

The placing was completed on 27 January 2021, that the Company issued an aggregate of 650,000,000 new shares under general mandate to certain independent third parties at the placing price of HK\$2.40 per share and the net proceeds from the placing amounted to approximately HK\$1,552 million (equivalent to approximately RMB1,295 million). The Company intends to apply the net proceeds from the placing on infrastructure development and herd expansion, potential mergers and acquisitions and general working capital. As of 31 December 2021, approximately RMB1,100 million has been used for infrastructure and herd expansion, approximately RMB195 million has been used for general working capital. As of 31 December 2021, all of the net proceeds from the placing were fully utilized.

The closing price is HK\$2.73 per Share as quoted on the Stock Exchange on the last trading day prior to the signing of the placing agreement. The net price per placing share was approximately HK\$2.39. The Directors consider that the placing was an opportunity to raise capital for the business development of the Group and to expand the Shareholder's base.

For details for the placing, please refer to the Company's announcements dated 20 January 2021 and 27 January 2021.

企業管治常規

本公司的企業管治常規詳情載於本年報第54至76頁。

根據一般授權配售新股份

於2021年1月20日，本公司與配售經理就配售本公司擬發行的650,000,000股新普通股訂立配售協議。

配售事項於2021年1月27日完成，為此本公司根據一般授權向若干獨立第三方發行合共650,000,000股新股份，配售價為每股2.40港元，配售事項所得款項淨額約為1,552百萬港元（相等於約人民幣1,295百萬元）。本公司計劃將配售事項所得款項淨額用於基礎建設開發及擴展畜群規模、潛在併購及一般營運資金。截至2021年12月31日，約人民幣1,100百萬元已用於基礎設施和畜群擴張，約人民幣195百萬元用於一般營運資金。於2021年12月31日，配售事項所得款項淨額已全部使用完畢。

股份於簽署配售協議前的最後交易日在聯交所所報收市價為每股2.73港元。每股配售股份的淨價為2.39港元。董事認為配售事項為本集團業務發展抓住市場黃金窗口配發融資並擴大股東基礎的契機。

有關配售的詳情請參閱本公司於2021年1月20日及2021年1月27日的公告。

REPORT OF THE DIRECTORS

董事會報告書

DISTRIBUTABLE RESERVES

Details of the movements in the reserves of the Group and of the Company during the Reporting Year are set out in the consolidated statement of changes in equity on pages 121 and note 47 to the consolidated financial statements. The Company's distributable reserves, calculated in accordance with the Companies Law of Cayman Islands, amounted to approximately RMB8,210.86 million as at 31 December 2021 (2020: RMB6,184.30 million).

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 291 to 292.

PROPERTY, PLANT AND EQUIPMENT

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

BANK AND OTHER LOANS

Particulars of bank and other loans of the Group as at 31 December 2021 are set out in notes 26, 27 and 28 to the consolidated financial statements of this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

The turnover attributable to the Group's primary customers, Mengniu Group, accounted for approximately 84.5% (2020: 82.0%) of the Group's total turnover for the Reporting Year. The Group's five largest customers contributed in aggregate 97.0% (2021: 96.8%) of the Group's total turnover for the year ended 31 December 2021.

During the Reporting Year, the five largest suppliers of the Group in aggregate represented 11.6% (2020: 10.7%) of the Group's total purchases. Purchases from the largest supplier accounted for approximately 2.8% (2020: 2.6%) of the Group's total purchases.

Save as disclosed under the paragraph headed "Continuing Connected Transactions" and the interest in Mengniu of Mr. Lu Minfang, Mr. Zhang Ping, and Mr. Zhao Jiejun as disclosed in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" below of this report, none of the Directors or any of their associates or any shareholder (which, to the best knowledge of the Directors, owns more than 5% of the Company's share capital) had any beneficial interest in the Group's top five largest customers and suppliers.

可分派儲備

本集團及本公司於本匯報年度的儲備變動詳情載於第121頁綜合權益變動表及綜合財務報表附註47。於2021年12月31日，本公司的可分派儲備按開曼群島公司法計算約為人民幣8,210.86百萬元（2020年：人民幣6,184.30百萬元）。

財務摘要

本集團於過去五個財政年度的業績及資產和負債摘要載於第291至292頁。

物業、廠房及設備

本集團物業、廠房及設備的變動詳情載於綜合財務報表附註15。

銀行及其他貸款

本集團於2021年12月31日之銀行及其他貸款詳情載於本年報綜合財務報表附註26、27及28。

主要客戶及供應商

於本匯報年度，本集團主要客戶蒙牛集團應佔營業額佔本集團總營業額約84.5%（2020年：82.0%）。截至2021年12月31日止年度，本集團五大客戶合共佔本集團總營業額97.0%（2020年：96.8%）。

於本匯報年度，本集團五大供應商合共佔本集團總採購額的11.6%（2020年：10.7%）。最大供應商的採購額佔本集團總採購額約2.8%（2020年：2.6%）。

除本報告「持續關連交易」一段所披露者以及下文「董事及主要行政人員於股份、相關股份及債券的權益及淡倉」一節所披露盧敏放先生、張平先生及趙傑軍先生於蒙牛的權益外，董事、彼等的任何聯繫人或任何股東（據董事所深知擁有本公司股本5%以上者）概無擁有本集團五大客戶及供應商的任何實益權益。

DIRECTORS

The Directors during the year ended 31 December 2021 and up to the date of this report were:

Executive Directors

Ms. Gao Lina (*Vice Chairman and Chief Executive Officer*, resigned on 1 July 2021)
Mr. Sun Yugang (*Acting Chief Executive Officer*)
Mr. Zhu Xiaohui (*Chief Financial Officer*, appointed on 1 July 2021 as non-executive Director and re-designated as executive Director on 29 November 2021)

Non-executive Directors

Mr. Lu Minfang (*Chairman of the Board*)
Mr. Zhao Jiejun (*Vice Chairman of the Board*)
Mr. Zhang Ping
Ms. Gan Lu

Independent Non-executive Directors

Mr. Li Shengli
Mr. Lee Kong Wai, Conway
Mr. Chow Mang Sang (appointed on 1 July 2021)
Mr. Wolhardt Julian Juul (resigned on 1 July 2021)

By virtue of Article 17.2 of the Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting. Mr. Zhu Xiaohui had been appointed by the Board as a non-executive Director on 1 July 2021 and was subsequently redesignated as an executive Director with effect from 30 November 2021. Mr. Chow Ming Sang has been appointed as a non-executive Director with effect from 1 July 2021. As such, Mr. Zhu Xiaohui and Mr. Chow Ming Sang shall be eligible to offer themselves for re-election at the forthcoming annual general meeting.

董事

於截至2021年12月31日止年度及直至本報告日期，擔任董事之人士如下：

執行董事

高麗娜女士 (*副主席兼總裁*，於2021年7月1日辭任)
孫玉剛先生 (*執行總裁*)
朱曉輝先生 (*首席財務官*，於2021年7月1日獲委任為非執行董事並於2021年11月29日調任為執行董事)

非執行董事

盧敏放先生 (*董事會主席*)
趙傑軍先生 (*董事會副主席*)
張平先生
甘璐女士

獨立非執行董事

李勝利先生
李港衛先生
周明笙先生 (於2021年7月1日獲委任)
Wolhardt Julian Juul先生 (於2021年7月1日辭任)

根據組織章程細則第17.2條，董事會有權不時及隨時委任任何人士為董事以填補臨時空缺或加入董事會。如此獲委任的任何董事僅應出任至本公司下屆股東週年大會並屆時符合資格膺選連任。朱曉輝先生於2021年7月1日獲董事會委任為非執行董事，其後獲調任為執行董事，自2021年11月30日起生效。周明笙先生獲委任為非執行董事，自2021年7月1日起生效。因此，朱曉輝先生及周明笙先生應符合資格於應屆股東週年大會上膺選連任。

REPORT OF THE DIRECTORS

董事會報告書

In accordance with Article 17.18 of the Articles of Association of the Company, Mr. Sun Yugang, Mr. Zhang Ping and Ms. Gan Lu will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming AGM as at the date of this report.

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

Biographical Details of Directors and Senior Management

Biographical details of the Directors and the senior management of the Group as at the date of this annual report are set out on pages 46 to 53.

Directors' Services Contracts

None of the Directors being proposed for re-election at the AGM has a service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

Related Parties Transaction

Save as disclosed under the paragraph headed "Continuing Connected Transaction" from page 96 to 105 in this annual report, none of the "Related Parties Transactions" as disclosed in note 44 to the consolidated financial statements for the year under review constituted discloseable non-exempted connected transaction or non-exempted continuing connected transaction under the Listing Rules.

根據本公司組織章程細則第17.18條，於本報告日期，孫玉剛先生、張平先生及甘璐女士將於即將舉行之股東週年大會上輪值告退，惟彼等符合資格且願意膺選連任。

本公司認為根據上市規則第3.13條所有獨立非執行董事均屬獨立，且已收到各獨立非執行董事獨立性確認書。

董事及高級管理層之履歷詳情

本集團董事及高級管理層於本年報日期之履歷詳情載於本年報第46至53頁。

董事服務合約

擬於股東週年大會重選的董事，概無與本公司或其任何附屬公司訂立不可於一年內在免付賠償的情況下(法定賠償除外)的服務合約。

關聯方交易

除下文載於本年報第96至105頁「持續關連交易」一段所披露外，概無「關聯方交易」(於回顧年度綜合財務報表附註44披露)構成上市規則下須予披露非豁免關連交易或非豁免持續關連交易。

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

As at 31 December 2021, the interests and short positions of the Directors and the chief executives of the Company and their respective associates in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) were as follows:

Long Positions in the Shares and Underlying Shares of the Company

董事權益 – 於股份、相關股份及債券的好倉及淡倉

於2021年12月31日，董事及本公司主要行政人員及彼等各自的聯繫人於本公司或其相聯法團(定義見證券及期貨條例(香港法例第571章)(「證券及期貨條例」)第XV部)的股份、相關股份及債券中，擁有根據證券及期貨條例第352條須登記於本公司存置的登記冊的權益及淡倉，或根據上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及香港聯交所的權益及淡倉如下：

於本公司股份及相關股份的好倉

Name of Director 董事姓名	Nature of interest 權益性質	Number of Shares or underlying Shares 股份或相關股份數目	Approximate percentage of shareholding interest 股權概約百分比
Ms. Gao Lina ^{Note} 高麗娜女士 ^{附註}	Interest in controlled corporation 受控制法團權益	221,581,733	2.80%
	Beneficial owner 實益持有人	11,975,173	0.15%
Mr. Sun Yugang 孫玉剛先生	Beneficial owner 實益持有人	1,665,694	0.02%
Mr. Zhu Xiaohui 朱曉輝先生	Beneficial owner 實益持有人	700,000	0.01%

Note: Ms. Gao resigned on 1 July 2021. Ms. Gao holds approximately 49.12% of the interests in Jinmu Holdings Co Ltd. (“Jinmu”). Ms. Gao is deemed to be interested in the 221,581,733 shares in the Company held by Jinmu under the SFO.

附註：高女士於2021年7月1日辭任。高女士擁有Jinmu Holdings Co Ltd(「Jinmu」)約49.12%權益。根據證券及期貨條例，高女士被視為於Jinmu所持221,581,733股本公司股份中擁有權益。

REPORT OF THE DIRECTORS

董事會報告書

Interest in Associated Corporation

Long positions in the shares of the associated corporation are set out below:

於相聯法團的權益

於相聯法團股份的好倉如下：

Name of Director	Name of associated corporation	Number of shares in associated corporation	Approximate percentage of shareholdings interest
董事姓名	相聯法團名稱	於相聯法團的股份數目	股權概約百分比
Mr. Lu Minfang 盧敏放先生	China Mengniu Dairy Company Limited 中國蒙牛乳業有限公司	11,651,240	0.29%
Mr. Zhang Ping 張平先生	China Mengniu Dairy Company Limited 中國蒙牛乳業有限公司	1,992,613	0.05%
Mr. Zhao Jiejun 趙傑軍先生	China Mengniu Dairy Company Limited 中國蒙牛乳業有限公司	1,861,416	0.05%

Note: Mr. Lu Minfang, Mr. Zhang Ping and Mr. Zhao Jiejun are non-executive Directors of the Company. Mr. Lu Minfang is an executive director and chief executive officer of Mengniu. Mr. Zhang Ping is the executive director and chief financial officer of Mengniu. Mr. Zhao Jiejun is the vice president and the head of milk sourcing and supply chain business unit of Mengniu. As at the date of this report, Mengniu holds 56.36% of the issued share capital of the Company.

附註：盧敏放先生、張平先生及趙傑軍先生均為本公司的非執行董事。盧敏放先生為蒙牛的執行董事兼總裁。張平先生為蒙牛的執行董事兼首席財務官。趙傑軍先生為蒙牛副總裁、奶源及供應鏈負責人。於本報告日期，蒙牛持有本公司已發行股本56.36%。

Saved as disclosed above, as at 31 December 2021, none of the Directors and the chief executives of the Company and their respective associates had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register of the Company required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

除上文所披露者外，於2021年12月31日，董事及本公司主要行政人員及彼等各自的聯繫人概無於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中，擁有根據證券及期貨條例第352條須登記於本公司存置的登記冊的任何權益及淡倉，或根據標準守則須知會本公司及香港聯交所的任何權益及淡倉。

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENT 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.

董事於交易、安排或合約的權益

概無任何本公司或其任何附屬公司屬於其中一方而董事擁有直接或間接重大權益並於本年度結束時或本年度任何時間仍然生效與本集團業務有關之重大交易、安排或合約。

DIRECTORS' INTERESTS IN COMPETING BUSINESS

The Director named in the paragraphs below have interests in businesses, which are considered to compete or likely to compete, either directly or indirectly, with the businesses of the Group during the Reporting Year.

As mentioned above, each of Mr. Lu Minfang, Mr. Zhang Ping and Mr. Zhao Jiejun, held offices in Mengniu during the Reporting Year. Mengniu is a substantial shareholder of the Company and is engaged in the dairy industry. Mr. Lu Minfang and Mr. Zhang Ping are the directors of China Shengmu Organic Milk Limited which operates dairy farming business. Mr. Li Shengli was also one of the independent non-executive directors of China Zhongdi Dairy Holdings Company Limited (delisted, prior stock code: 1492), which operates dairy farming business.

The above-mentioned competing business is managed by separate entities with independent management and administration. The Directors are of the view that the Group is capable of carrying on its businesses independently of, and at arm's length basis, the businesses of these entities. When making decisions, the relevant Directors, in performance of his duty as Director, have acted and will continue to act in the best interests of the Group.

Save as disclosed above, none of the Directors or their respective associates had any interest in any company or business which competes or may compete with the business of the Group during the Reporting Year.

MANAGEMENT CONTRACTS

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

EQUITY-LINKED AGREEMENTS

Save for the share incentive scheme as set out below, the Company has not entered into any equity-linked agreement during the year ended 31 December 2021.

董事於競爭業務的權益

於本匯報年度內，下段所列董事於多項業務中擁有權益，該等業務被視為與本集團業務直接或間接構成或可能構成競爭。

如上文所述，盧敏放先生、張平先生及趙傑軍先生各自於本匯報年度在蒙牛任職。蒙牛為本公司的主要股東，並從事乳品行業。盧敏放先生及張平先生為中國聖牧有機奶業有限公司的董事，牧場經營為該集團的主要業務。李勝利先生也曾是中國中地乳業控股有限公司(已除牌，前股份代號：1492)其中一位獨立非執行董事，牧場經營為該集團的主要業務。

上述競爭性業務由具有獨立管理及行政的不同實體管理。董事認為本集團能夠獨立於該等實體公平地經營其業務。作出決策時，相關董事就履行其作為董事的職責方面已經並將繼續以本集團的最佳利益行事。

除上文所披露者外，於本匯報年度內概無董事或彼等各自的聯繫人在與本集團業務構成或可能構成競爭的任何公司或業務中擁有任何權益。

管理合約

於本匯報年度內，本集團並無訂立亦不存在任何有關整體或任何重大業務部分管理及行政之合約。

股本掛鈎協議

除下文所載的股權激勵計劃外，本公司於截至2021年12月31日止年度並無訂立任何股本掛鈎協議。

REPORT OF THE DIRECTORS

董事會報告書

PRE-IPO MANAGEMENT OPTIONS

The Company, on 31 October 2010, before the initial public offer of the Company, granted management options (“**Management Options**”) to Ms. Gao Lina and Mr. Han Chunlin, who was resigned on 1 July 2021 and 1 April 2020, respectively.

These options are exercisable at the exercise price HK\$0.86 per share during the period commencing from the listing date of the Company (26 November 2010) until 10 years from the date of grant.

All the outstanding options were exercised and 50,930,832 shares of the Company were allotted and issued during the year ended 31 December 2020.

SHARE OPTIONS

Share Option Scheme adopted on 17 November 2011 (“Share Option Scheme I”)

The Company unconditionally adopted a share option scheme on 17 November 2011, which expired on 16 November 2014. All the outstanding share options were cancelled as a result of the acceptance of the mandatory cash offer made by Mengniu which was completed on 21 March 2017.

Share Option Scheme adopted on 5 June 2014 (“Share Option Scheme II”)

The Company unconditionally adopted a share option scheme on 5 June 2014, which was terminated on 9 September 2016. All the outstanding share options were cancelled as a result of the acceptance of the mandatory cash offer made by Mengniu which was completed on 21 March 2017.

Share Option Scheme adopted on 30 September 2016 (“Share Option Scheme III”)

The Company unconditionally adopted a share option scheme on 30 September 2016.

(a) **The purpose of the Share Option Scheme III**

The Share Option Scheme III seeks to provide an incentive for the qualified participants to work with commitment towards enhancing the value of the Company and its shares for the benefit of the shareholders, and to maintain or attract business relationships with the Qualified Participants whose contributions are or may be beneficial to the growth of the Group.

首次公開發售前管理層購股權

本公司於2010年10月31日即本公司首次公開發售前向高麗娜女士及韓春林先生(已分別於2021年7月1日及2020年4月1日辭任)授出管理層購股權(「管理層購股權」)。

該等購股權可於本公司上市日期(2010年11月26日)起直至授出日期後10年期間按行使價每股股份0.86港元行使。

所有未行使購股權已獲行使，且於截至2020年12月31日止年度50,930,832股本公司股份已獲配發及發行。

購股權

於2011年11月17日採納的購股權計劃(「購股權計劃I」)

本公司於2011年11月17日無條件地採納一項購股權計劃，其於2014年11月16日屆滿。由於由蒙牛提出的強制性現金要約獲接納，所有尚未行使購股權獲註銷。該現金要約於2017年3月21日完成。

於2014年6月5日採納的購股權計劃(「購股權計劃II」)

本公司於2014年6月5日無條件採納一項購股權計劃，其於2016年9月9日終止。由於由蒙牛提出的強制性現金要約獲接納，所有尚未行使購股權獲註銷。該現金要約於2017年3月21日完成。

於2016年9月30日採納的購股權計劃(「購股權計劃III」)

本公司於2016年9月30日無條件採納一項購股權計劃。

(a) **購股權計劃III之目的**

購股權計劃III擬向合資格參與者提供獎勵，以鼓勵彼等就提升本公司及其股份的價值及股東利益用心工作，以及維持及吸引與對本集團發展作出及將作出有益貢獻的合資格參與者的業務關係。

(b) **Qualified Participants**

The Board may at its discretion grant options to: (i) any executive director, or employee (whether full time or part time) of the Company, any subsidiary or any invested entity; (ii) any non-executive directors (including independent non-executive directors) of the Company, any subsidiary or any invested entity; (iii) any customer, business or joint venture partner, advisor, consultant, contractor, supplier, agent or service provider of the Company, any subsidiary or any invested entity who is an individual; (iv) any full-time employee of any customer, business or joint venture partner, advisor, consultant, contractor, supplier, agent, customer or service provider of the Company, any subsidiaries or any invested entity.

(c) **Maximum number of shares available for issue under the Share Option Scheme III**

The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme III shall not exceed 150,000,000 as approved by shareholders at the extraordinary general meeting held on 30 September 2016.

(d) **Maximum entitlement of each qualified participant under the Share Option Scheme III**

Unless approved by the shareholders at a general meeting in the manner prescribed in the Listing Rules, the Board shall not grant options to any qualified participants if the acceptance of those options would result in the total number of shares issued and to be issued to that qualified participant on exercise of his options (including both exercised and outstanding options) during any 12-month period exceeding 0.1% of the total number of shares in issue of the Company at the time.

(b) **合資格參與者**

董事會可酌情向下列人士授予購股權：(i)本公司、任何附屬公司或任何投資實體的任何執行董事或僱員(不論全職或兼職)；(ii)本公司、任何附屬公司或任何投資實體的任何非執行董事(包括獨立非執行董事)；(iii)身為個人的本公司、任何附屬公司或任何投資實體任何客戶、業務或合營夥伴、顧問、諮詢顧問、承建商、供應商、代理、或服務供應商；(iv)本公司、任何附屬公司或任何投資實體的任何客戶、業務或合營夥伴、顧問、諮詢顧問、承建商、供應商、代理、客戶或服務供應商的任何全職僱員。

(c) **根據購股權計劃III可供發行之股份數目上限**

按股東於2016年9月30日舉行的股東特別大會之批准，根據購股權計劃III將予授出之所有購股權獲行使而可發行之股份總數不得超過150,000,000股。

(d) **各合資格參與者根據購股權計劃III之權益上限**

除非經股東按上市規則所載方式於股東大會上批准，否則董事會不得在合資格參與者於任何十二個月期間行使其購股權(包括已行使及尚未行使購股權)時接納該等購股權可能導致已發行及將發行予彼等之股份總數超過本公司當時已發行股份總數之0.1%之情況下，向任何合資格參與者授出購股權。

(e) Performance targets and vesting of option

Once the options are granted to the relevant qualified participant, the granted options will be deemed to be divided into three tranches, each of which will consist of one third of the granted options and will be associated with the performance target. Such performance target will be determined at the Board's discretion and specified in the offer letter when the options are granted. The financial period for the first tranche will be the financial year ended 31 December 2016, the financial period for the second tranche will be the financial year ending 31 December 2017 and the financial period for the third tranche will be the financial year ending 31 December 2018. The corresponding tranche will be cancelled if less than 80% of the performance target set for the relevant financial period is met. The corresponding tranche will accrue on a pro-rata basis if 80% or more of the performance target set for the relevant financial period is met. The corresponding tranche will accrue in full if 100% of the performance target set for the relevant financial period is met. The granted options accrued shall vest on a one-off basis within 30 days after the date of publication of the results announcement for the year ended 31 December 2018. Any granted options not accrued as a result of non-fulfilment of any performance target shall automatically lapse.

(f) Timing for exercise of options

The vested options could only be exercised within one (1) year on the day when they become vested and after such period the vested options will automatically lapse (to the extent not already exercised).

(g) Payment for acceptance of option

Upon acceptance of the option, the grantee shall pay HK\$1.0 to the Company as a consideration for the grant.

(h) Basis of determining the exercise price

The exercise price shall be a price determined by the Board but in any event shall be at least highest of: (i) the closing price of the shares of the Company as stated in the Hong Kong Stock Exchange's daily quotation sheets on the offer date; (ii) the average of the closing prices of the shares of the Company as stated in the Hong Kong Stock Exchange's daily quotation sheets for the five business days immediately preceding the Offer Date; and (iii) the nominal value of the shares.

(e) 購股權之表現目標及歸屬

購股權一經授予相關合資格參與者，將被視為分作三個部分，每部分將由三分之一已授出購股權組成及與表現目標有關。表現目標將會由董事會酌情釐定，並於購股權授出時於要約函件內註明。第一部分的財政期間將為截至2016年12月31日止財政年度，第二部分的財政期間將為截至2017年12月31日止財政年度，及第三部分的財政年度將為截至2018年12月31日止財政年度。倘相關財政期間所設定的表現目標達成率低於80%，則相應的部分將會註銷。倘相關財政期間所設定的表現目標達成率為80%或以上，則相應的部分將會按比例累積。倘相關財政期間所設定的表現目標達成率為100%，則相應的部分將會全數累積。累積的已授出購股權須於刊發截至2018年12月31日止年度業績公佈日期後30天內一次過歸屬。因未能達成任何表現目標而並無累積的任何已授出購股權將自動失效。

(f) 行使購股權之時限

已歸屬之購股權僅可於其歸屬之日起計一(1)年內行使，而已歸屬之購股權將於該期間後自動失效(以尚未行使的購股權為限)。

(g) 接納購股權之付款

承授人接納購股權時須向本公司支付1.0港元作為授出有關購股權之代價。

(h) 行使價之釐定基準

行使價須由董事會釐定，惟在任何情況下應至少為下列價格之最高者：(i)發售日期於香港聯交所每日報價表所列之本公司股份收市價；(ii)緊接發售日期前五個營業日於香港聯交所每日報價表所列之本公司股份平均收市價；及(iii)股份面值。

(i) **Period of the Share Option Scheme III**

Subject to earlier termination by the Company at a general meeting or by the Board, the Share Option Scheme III shall be valid and effective for a period of three years from 30 September 2016.

All the outstanding share options were cancelled as a result of the acceptance of the mandatory cash offer made by Mengniu which was completed on 21 March 2017 and no new share option has been granted under Share Option Scheme III since.

As at the date of this report, there was no outstanding share options under the Share Option Scheme I, Share Option Scheme II and Share Option Scheme III.

The related accounting policy for the fair values of the share options are set out in note 4 to the consolidated financial statements.

SHARE AWARD SCHEMES

The Company operates a restricted share award scheme which was adopted by the Company on 9 September 2016 (the “**Share Award Scheme I**”), and on 26 March 2018 the Company adopted a new share award scheme (the “**Share Award Scheme II**”) which shall remain effective for ten years. The goal of the share award schemes are 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.

Share Award Scheme I

As at 31 December 2021 (2020: nil), there were no outstanding awarded shares being unvested. For the avoidance of doubt, any restricted share granted prior to 26 March 2018, shall for all purposes continue to be administered and take effect in accordance with the rules of Share Award Scheme I.

Share Award Scheme II

As the total contributed amount of the Share Award Scheme I has reached its limit in 2017, the Company adopted Share Award Scheme II on 26 March 2018.

The Share Award Scheme II shall be effective from the adoption date and shall continue in full force and effect for an initial term of ten (10) years commencing on the adoption date.

(i) **購股權計劃III的年期**

除本公司於股東大會上或董事會提前終止外，購股權計劃III於2016年9月30日起計之三年期間有效及生效。

由於由蒙牛提出的強制性現金要約獲接納，所有尚未行使購股權獲註銷。該現金要約於2017年3月21日完成。自此，購股權計劃III項下並無授予新的購股權。

於本報告日期，購股權計劃I、購股權計劃II及購股權計劃III項下並無尚未行使的購股權。

購股權公平值之相關會計政策載於綜合財務報表附註4。

股份獎勵計劃

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

股份獎勵計劃I

於2021年12月31日，概無發行在外尚未歸屬的獎勵股份(2020年：無)。為免生疑問，2018年3月26日之前所授予的任何限制性股份將繼續按照股份獎勵計劃I規則繼續管理和生效。

股份獎勵計劃II

由於股份獎勵計劃I的供款總額已於2017年達到上限，所以本公司於2018年3月26日採納股份獎勵計劃II。

股份獎勵計劃II自採納日期起生效，由採納日期起的首十(10)年期間將持續維持全面效力及作用。

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董事會報告書

The Share Award Scheme II shall be subject to the administration of the Board and the scheme trustee in accordance with the scheme rules and the trust deed between the Company and the scheme trustee. The Trustee is an independent third party to the Company.

On 25 March 2021, the Board granted 23,200,000 restricted shares as awarded shares to 160 selected participants under the Share Award Scheme II. A total of 36,526,000 ordinary shares (2020: 20,000,000 shares) of the Company were purchased from open market by the trustee of the scheme at a total consideration of approximately HK\$54,689,000 (equivalent to RMB45,468,000) during the Reporting Year (2020: HK\$17,255,000 (equivalent to RMB15,763,000)). On 9 December 2021, the Board granted 8,565,000 restricted shares to 48 selected participants under the Share Award Scheme II. A total number of 17,591,800 of awarded shares under Share Award Scheme II was vested to certain members of management and the eligible employees during the Reporting Year.

The awarded shares granted are subject to the terms and condition of the scheme and the fulfillment of all vesting conditions to the vesting of the awarded shares imposed on such selected participant as specified in the rules of the scheme and the grant notice.

For details of the Share Award Scheme II, please refer to the Company's announcement dated 27 March 2018. Further details of the share award schemes are also set out in note 34 to the consolidated financial statements.

Employee Partnership Program

As the Company's business scale continues to expand, operating management and incentive system shall keep up with the times. The traditional rationale of management by objectives has limitations. How to ignite employees' working enthusiasm to serve the company proactively, and enhance their sense of ownership and strive for the development of the company together are the topics that the Company needs to cope with in depth. Therefore, on top of the existing restricted share award schemes, the Company has specially formulated an employee partnership profit-sharing program (the "**Employee Partnership Program**") with aim to build a community of shared interests amongst the Company and its employees.

Many leading enterprises in mainland China realized that the partnership systems are closely correlated to a sustainable development of the company, and start to implement the partnership management system one after another, allowing employees and company to build a community of shared interests, business and future.

股份獎勵計劃II由董事會及受託人按照計劃規則及本公司與計劃受託人之間的信託契約實施管理。受託人為本公司的獨立第三方。

於2021年3月25日，董事會根據股份獎勵計劃II向160名獲選參與者授予23,200,000股限制性股份。於本匯報年度合共36,526,000股(2020年：20,000,000股)普通股由計劃受託人於公開市場購買，總代價約為54,689,000港元(相當於人民幣45,468,000元)(2020年：17,255,000港元(相當於人民幣15,763,000元))。於2021年12月9日，董事會根據股份獎勵計劃II向48名獲選參與者授予8,565,000股限制性股份。於本匯報年度，根據股份獎勵計劃II，合共17,591,800股獎勵股份歸屬於管理層的某些成員及合資格僱員。

已授出獎勵股份須符合計劃的條款及條件，且須達成計劃規則及授股通知中規定向獲選參與者歸屬獎勵股份的所有歸屬條件。

有關股份獎勵計劃II之詳情，請參閱本公司日期為2018年3月27日的公告。股份獎勵計劃之進一步詳情於載於綜合財務報表附註34。

員工合夥人計劃

隨著本公司業務規模的不斷擴展，經營管理及激勵制度需要與時俱進，傳統的「制度管理+目標實現」的管理有其局限性。因此，如何激發員工積極服務公司、增強員工主人翁意識、與公司共同發展，是公司需要深入考慮的。為此，本公司在現有限股獎勵計劃外，特別制定了員工合夥人盈利分享激勵計劃(「**員工合夥人計劃**」)，以打造員工與公司的利益共同體。

眾多國內龍頭企業也意識到合夥人制度與公司的長遠發展是息息相關的，因此，紛紛推行合夥人管理模式，讓員工與公司形成利益共同體、事業共同體、命運的共同體。

The Employee Partnership Program is a model of contemporary management that combines incentives and management. Leveraging the platform provided by the Company, the program will motivate the partners on the basis of profit sharing while the partners will be empowered with more rights as well as to bear more responsibilities driving to the success of the Company.

The management concept and model of "Employee Partnership Program" includes two phases. The first phase is to implement the "employee profit sharing" program, and the second phase is to facilitate both "profit sharing" and "performance progress reward" program. As accumulating experience during the implementation of two phases, the Company will continue to launch a more comprehensive and scientific Employee Partnership Program in the future.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Other than as disclosed under the section headed "Pre-IPO Management Options", "Share Options" and "Share Award Schemes" above, at no time during the Reporting Year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or chief executives of the Company to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other corporate.

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

Mr. LU Minfang, a non-executive Director and chairman of the Board, was appointed as a non-executive director and the chairman of the board of directors of China Shengmu Organic Milk Limited, a company listed in Hong Kong, with effect from 30 July 2021. Mr. ZHANG Ping, a non-executive Director of the Board, was appointed as an executive director of the Mengniu with effect from 1 December 2021. Mr. Chow Ming Sang was appointed as an independent non-executive director of Redco Healthy Living Company Limited, a company listed in Hong Kong (stock code: 2370) with effect from 14 March 2022. Save for disclosed above, there were no changes in the information of Directors since the date of the 2020 annual report of the Company and the announcement of the Company dated 28 June 2021 in relation to, among others, the resignation, appointment and re-designation of Directors, which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

員工合夥人計劃是一種融合激勵與管理的模式，借助公司平台，以利益激勵合夥人，賦予其更多權利，並相應承擔更多為公司做貢獻義務。

本公司的「員工合夥人計劃」管理理念與管理模式，首階段以「合夥人利潤分享」方式加以推行，第二階段按「盈利分享」與「業績進步獎勵」兩類方案推行。隨著第一、二階的經驗積累，公司未來繼續深入推動更全面、科學的員工合夥人計劃。

董事購買股份或債券之權利

除上文「首次公開發售前管理層購股權」、「購股權」及「股份獎勵計劃」各節所披露者外，本公司或其任何附屬公司於本匯報年度任何時間概無作出任何安排，使董事或本公司主要行政人員有權認購本公司或其任何相聯法團(定義見證券及期貨條例)之證券，或透過收購本公司或任何其他法團之股份或債券而獲益。

根據上市規則第13.51B(1)條作出的董事資料更新

盧敏放先生為非執行董事及董事會主席，自2021年7月30日起獲委任為中國聖牧有機奶業有限公司(一間於香港上市的公司)的非執行董事及董事會主席。張平先生為董事會的非執行董事，自2021年12月1日起獲委任為蒙牛的執行董事。周明笙先生於2022年3月14日獲委任為力高健康生活有限公司(一間於香港上市的公司，股份代號：2370)的獨立非執行董事。除上述所披露者外，自本公司2020年年報日期以及本公司於2021年6月28日就(其中包括)董事辭任、委任及調任等事宜發佈的公告後，董事的資料概無任何變更，所以根據上市規則第13.51B(1)條並無須予披露事項。

REPORT OF THE DIRECTORS 董事會報告書

There is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

概無其他資料須根據上市規則第13.51B(1)條予以披露。

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO

As at 31 December 2021 the interests or short positions of substantial Shareholders, other than the Directors or the chief executives of the Company and their respective associates, in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be maintained under Section 336 of the SFO were as follows:

根據證券及期貨條例的股東須予披露權益及淡倉

於2021年12月31日，主要股東(董事或本公司主要行政人員及彼等各自的聯繫人除外)於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中擁有根據證券及期貨條例第336條須登記於登記冊的權益或淡倉如下：

Name of substantial shareholders	Capacity/Nature of interest	Number of Shares	Percentage of the Company's issued Share Capital ⁽³⁾ 佔本公司已發行股本百分比 ⁽³⁾
主要股東名稱	身份／權益性質	普通股數目	
China Mengniu Dairy Company Limited 中國蒙牛乳業有限公司	Beneficial interest 實益權益	4,461,041,882 (L) ⁽¹⁾	56.36%
Central Huijin Investment Ltd. 中央匯金投資有限責任公司	Interest in controlled corporation (through BOCI Financial Products Limited) 受控制法團權益 (透過中銀國際金融產品有限公司)	542,053,596 (L) 542,053,596 (S)	6.85% 6.85%
	Interest in controlled corporation (through Nam Tung (Macao) Investment Limited) 受控制法團權益 (透過澳門南通信託投資有限公司)	1,500,000 (L)	0.02%
Bank of China Limited 中國銀行股份有限公司	Interest in controlled corporation (through BOCI Financial Products Limited) 受控制法團權益 (透過中銀國際金融產品有限公司)	542,053,596 (L) 542,053,596 (S)	6.85% 6.85%
	Interest in controlled corporation (through Nam Tung (Macao) Investment Limited) 受控制法團權益 (透過澳門南通信託投資有限公司)	1,500,000 (L)	0.02%

Name of substantial shareholders	Capacity/Nature of interest	Number of Shares	Percentage of the Company's issued Share Capital ⁽³⁾ 佔本公司已發行股本百分比 ⁽³⁾
主要股東名稱	身份／權益性質	普通股數目	
BOCI International Holdings Limited 中銀國際控股有限公司	Interest in controlled corporation (through BOCI Financial Products Limited) 受控制法團權益 (透過中銀國際金融產品有限公司)	542,053,596 (L) 542,053,596 (S)	6.85% 6.85%
BOCI Financial Products Limited 中銀國際金融產品有限公司	Beneficial interest 實益權益	542,053,596 (L) 542,053,596 (S)	6.85% 6.85%
New Hope Dairy Co., Ltd. 新希望乳業股份有限公司	Interest in controlled corporation (through GGG Holdings Limited) 受控制法團權益(透過GGG Holdings Limited)	635,345,763 (L)	8.03%
New Century Ltd.	Interest in controlled corporation (through GGG Holdings Limited) 受控制法團權益(透過GGG Holdings Limited)	635,345,763 (L)	8.03%
Liu Chang	Interest in controlled corporation (through GGG Holdings Limited) 受控制法團權益(透過GGG Holdings Limited)	635,345,763 (L)	8.03%

Notes:

- (1) Among which up to 613,877,227 shares of the Company have been lent to BOCI Financial Products Limited pursuant to a securities lending agreement dated 17 June 2020 entered into between Mengniu as lender and BOCI Financial Products Limited as borrower.
- (2) Based on 7,915,662,048 Shares in issue as at 31 December 2021.
- (3) (S) Indicates a short position.
- (4) (L) Indicates a long position.

Save as disclosed above, the Company had not been notified of any other interests or short positions in the shares or underlying shares representing 5% or more of the issued share capital of the Company or as recorded in the register required to be maintained under Section 336 of the SFO as at 31 December 2021.

附註：

- (1) 其中最多613,877,227股本公司股份已根據由蒙牛(作為貸款人)與中銀國際金融產品有限公司(作為借款人)所訂立日期為2020年6月17日的借股協議借予中銀國際金融產品有限公司。
- (2) 基於2021年12月31日已發行的7,915,662,048股股份。
- (3) (S)指淡倉。
- (4) (L)指好倉。

除上文所披露者外，於2021年12月31日，本公司並不知悉於佔本公司已發行股本5%或以上的股份或相關股份中擁有或根據證券及期貨條例第336條須登記於存置的登記冊內的任何其他權益或淡倉。

CONTINUING CONNECTED TRANSACTIONS

Off-Take Agreement

The Company started to sell raw milk to Mengniu Group in 2006, and in 23 October 2008 following arm's length negotiations, Modern Farming entered into an off-take agreement (the "**Off-Take Agreement**") with Inner Mongolia Mengniu Dairy (Group) Company Limited ("**Inner Mongolia Mengniu**"), pursuant to which the Company shall supply raw milk to Inner Mongolia Mengniu.

Date: 24 October 2008

Parties: (i) Modern Farming, a non-wholly owned subsidiary of the Company

(ii) Inner Mongolia Mengniu, a non-wholly owned subsidiary of Mengniu

Nature of the Transaction: Modern Farming shall supply raw milk to Inner Mongolia Mengniu.

Committed Purchase: Both parties shall start to discuss estimates of annual supply three months prior to the beginning of each calendar year.

Should the parties fail to reach an agreed amount, Modern Farming shall be entitled to require Inner Mongolia Mengniu to purchase, subject to certain limitations, all of its raw milk production in the upcoming calendar year.

Right to sell to other parties: Modern Farming may sell up to 30% of its raw milk produced daily at each dairy farm to third parties at its discretion, except to two of Mengniu's competitors. Other than the aforesaid, the Off-Take Agreement contains no other restrictions on Modern Farming's sales of raw milk to third parties or development of its own dairy products.

持續關連交易

承購供應協議

本公司於2006年開始向蒙牛集團出售原奶，而於2008年10月23日經公平磋商後，現代牧業(集團)與內蒙古蒙牛乳業(集團)股份有限公司(「**內蒙古蒙牛**」)訂立承購供應協議(「**承購供應協議**」)，據此，本公司須向內蒙古蒙牛供應原奶。

日期：2008年10月24日

訂約方：(i) 現代牧業(集團)(本公司的非全資附屬公司)

(ii) 內蒙古蒙牛(蒙牛的非全資附屬公司)

交易性質：現代牧業(集團)須向內蒙古蒙牛供應原奶。

承諾購買：訂約雙方須於各曆年開始前三個月開始討論估計年度供應量。

倘訂約方未能達成協定金額，現代牧業(集團)有權要求內蒙古蒙牛在若干限制下購買其於下一個曆年的全部原奶產量。

向其他訂約方出售的權利：除蒙牛的两名競爭對手外，現代牧業(集團)可酌情向第三方出售其各畜牧場每日生產的原奶的30%。除上述者外，承購供應協議並無載有現代牧業(集團)向第三方銷售原奶或其開發自家乳品的其他限制。

Pricing: The pricing of the raw milk sold to Inner Mongolia Mengniu is determined through a formula which is calculated with reference to a base price with upward adjustment for meeting certain quality standards, such as the level of fat and protein content and other upward adjustments if the Modern Farming's farms are within an agreed proximity to Mengniu Group's dairy processing plants. The base price is based on the price which Mengniu Group at the relevant time offers to buy raw milk from other mid-to large-scale dairy farms (which can offer raw milk of comparable quality) or, if there are no such mid-to large-scale dairy farms in such region, other comparable dairy farms in nearby regions with adjustments (reflecting the prices in different regions).

The base price and upward adjustment payable by Mengniu Group under the Off-Take Agreement shall not be lower than the base price and upward adjustment it pays respectively to other mid-to-large-scale dairy farms in the same region (other than short-term reward programs offered to milk suppliers that only account for a small portion of Mengniu Group's total raw milk purchases). Inner Mongolia Mengniu also grants Modern Farming an option to sell to Inner Mongolia Mengniu the same amount of raw milk at the same terms and prices Inner Mongolia Mengniu offers to any third party suppliers.

Term: The Off-Take Agreement shall be for an term of 10 years commencing from 24 October 2008 and was automatically extended for another 10 years on 24 October 2018 in the absence of any force majeure or events of default to 23 October 2028.

Details of the Off-Take Agreement have been disclosed in the Company's announcement dated 23 May 2013. The Off-Take Agreement was automatically extended on 24 October 2018 for another ten years in accordance with its terms.

定價： 向內蒙古蒙牛出售原奶的價格乃透過公式釐定，公式乃參考基本價格、達致若干質量標準(如脂肪及蛋白含量水平等)時的上調及其他上調(倘現代牧業(集團)的牧場處於蒙牛集團乳品加工廠的協定鄰近範圍內)計算。基本價格乃按蒙牛集團在有關時間提出向其他能提供可比較質量原奶的大中型畜牧場或(倘在該地區並無上述大中型畜牧場)鄰近地區的其他可資比較畜牧場購買原奶的價格，另加調整以反映不同地區的價格。

蒙牛集團根據承購供應協議應付的基本價格及上調不得低於其分別向相同地區內的其他大中型畜牧場支付的基本價格及上調，惟向牛奶供應商提供的短期回贈計劃(僅佔蒙牛集團原奶採購總額的小部分)除外。內蒙古蒙牛亦授予現代牧業(集團)一項選擇權，以按內蒙古蒙牛向任何第三方供應商提供原奶的相同條款及價格向內蒙古蒙牛銷售相同金額的原奶。

年期： 承購供應協議由2008年10月24日起計為期10年，在並無發生任何不可抗力或違約事件的情況下，於2018年10月24日屆滿自動延長10年至2028年10月23日。

有關承購供應協議的詳情，於本公司日期為2013年5月23日的公告內披露。承購供應協議已根據其條款自動於2018年10月24日延長十年。

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The aggregate sales amount pursuant to the Off-take Agreement during the year ended 31 December 2021 amounted to approximately RMB5,570,547,000 (2020: RMB4,939,178,000).

Framework Supply Agreement with Fuyuan International

Modern Farming, after entering into the Framework Supply Agreement dated 16 June 2017 (as amended by the Amendment Agreement to the Framework Supply Agreement on 28 November 2017 and renewed on 31 December 2019 (collectively the “**Framework Supply Agreement**”) with Fuyuan International together with its subsidiaries “**Fuyuan Group**”), could secure stable and high quality feedstuffs supply from Fuyuan International, which are more cost effective and could alleviate Company’s production cost.

Date: 16 June 2017 as amended on 28 November 2017 and renewed on 31 December 2019.

Parties: (i) Modern Farming as the buyer; and
(ii) Fuyuan International as the seller.

Duration: For a term commencing from the effective date of the Framework Supply Agreement to 31 December 2022.

Principal Terms: Pursuant to the Framework Supply Agreement, (i) the Modern Farming agrees to purchase the feedstuffs that meet the quality requirements of the Modern Farming which are delivered to the relevant farms of the Modern Farming, and (ii) the Fuyuan Group agrees to sell and deliver the feedstuff for dairy cows, which meet the quality requirements of Modern Farming, to the respective farms of the Modern Farming.

於截至2021年12月31日止年度，根據承購供應協議的銷售總額約達人民幣5,570,547,000元(2020年：人民幣4,939,178,000元)。

與富源國際的框架供應協議

與富源國際連同其附屬公司統稱「**富源集團**」訂立日期為2017年6月16日的框架供應協議(於2017年11月28日經修訂及於2019年12月31日續訂的框架供應協議的修訂協議(統稱「**框架供應協議**」)修訂)後，現代牧業(集團)可獲富源國際穩定供應優質飼料，此舉更具成本效益並有助降低本公司生產成本。

日期：2017年6月16日(於2017年11月28日經修訂及於2019年12月31日續訂)。

訂約方：(i) 現代牧業(集團)(作為買方)；及
(ii) 富源國際(作為賣方)。

年期：框架供應協議的生效日期起至2022年12月31日止。

主要條款：根據框架供應協議，(i)現代牧業(集團)同意購買運送到現代牧業(集團)相關牧場的符合現代牧業(集團)質量要求的飼料，及(ii)富源集團同意出售並運送到現代牧業(集團)相關牧場的符合現代牧業(集團)質量要求的飼料。

Pricing:	The price payable and other payment terms by the Modern Farming to the Fuyuan Group shall be determined by reference to the lowest quoted price and other payment terms at which the Modern Farming could obtain the same type of feedstuffs from independent third party (whether local or overseas); for this purpose, the Modern Farming will seek quotations from at least two independent parties offering the same type of feedstuffs each time.	定價：	現代牧業(集團)向富源集團應付的價格及其他支付條款將參考現代牧業(集團)就同類飼料向獨立第三方(無論為本地或海外)取得的最低報價及其他支付條款而釐定；就此而言，現代牧業(集團)每次至少向兩名提供同類飼料的獨立第三方尋求報價。
Effective Date:	The Framework Supply Agreement is effective on the date it was signed.	生效日期：	框架供應協議於簽訂當日生效。
Annual Capacity:	The purchase of feedstuffs under the Framework Supply Agreement for the periods:	年度上限：	於以下期間根據框架供應協議採購飼料：
	1. commencing from the effective date of the renewed Framework Supply Agreement to 31 December 2020: RMB150 million;		1. 自續訂的框架供應協議生效日期起至2020年12月31日止：人民幣1.5億元；
	2. From 1 January 2021 to 31 December 2021: RMB180 million;		2. 自2021年1月1日起至2021年12月31日止：人民幣1.8億元；
	3. From 1 January 2022 to 31 December 2022: RMB210 million.		3. 自2022年1月1日起至2022年12月31日止：人民幣2.1億元。

The aggregate purchase of feedstuff for the year ended 31 December 2021 from Fuyuan Group amounted to RMB169,631,000 (2020: RMB115,264,000). On 29 November 2021, the acquisition of Fuyuan International was completed and Fuyuan International become a non-wholly owned subsidiary of the Company and its financial results were incorporated in the financial statement of the Company. The purchase of feedstuffs from Fuyuan Group were ceased to constituted a connected transaction between Fuyuan Group and the Company.

截至2021年12月31日止年度向富源集團採購飼料總額為人民幣169,631,000元(2020年：人民幣115,264,000元)。富源國際收購事項於2021年11月29日完成，而富源國際成為本公司的非全資附屬公司，其財務業績被併入本公司的財務報表。向富源集團採購飼料不再構成富源集團與本公司的關連交易。

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Framework Supply Agreement with Keniule

Modern Farming (Wuhe) Co., Ltd. (“**Modern Faming Wuhe**”), a company incorporated in the PRC and a non-wholly owned subsidiary of the Company, entered into the Supply Agreement with Keniule, pursuant to which Modern Faming Wuhe agreed to supply, and Keniule Dairy Products Co., Ltd. (“**Keniule**”), a company incorporated in the PRC with limited liability and an associate of Mengniu, Keniule agreed to purchase, fresh raw milk produced by Modern Farming Wuhe from time to time during the Term.

Date: 25 September 2021.

Parties: (i) Modern Farming Wuhe as the buyer; and
(ii) Keniule as the seller.

Duration: From 25 September 2021 to 31 December 2021.

Principal Terms: Modern Farming Wuhe agreed to supply, and Keniule agreed to purchase, fresh raw milk produced by Modern Farming Wuhe during the Term.

Pricing: The price of the fresh raw milk supplied under the Supply Agreement shall be negotiated and determined between the parties on the grounds of fairness and by reference to (i) the price of fresh raw milk of same quality standards at which Modern Farming Wuhe supplies to its other major customers in the same region; and (ii) the market guidance prices published by dairy associations in the East China region in 2021.

Annual Capacity: The annual cap in respect of the supply and purchase of fresh raw milk during the Term under the Supply Agreement is RMB50,000,000. The annual cap was determined with reference to the estimated unit price of fresh raw milk and the expected volume to be purchased by Keniule during the Term.

The aggregate sales amount pursuant to the Supply Agreement the year ended 31 December 2021 amounted to approximately RMB13,735,000.

與可牛了的框架供應協議

現代牧業(五河)有限公司(「**現代牧業五河**」)(一家於中國註冊成立的公司，且為本公司的非全資附屬公司)與可牛了訂立供應協議，據此，現代牧業五河同意供應而可牛了乳製品有限公司(「**可牛了**」)(一家於中國註冊成立的有限公司，且為蒙牛的聯繫人)同意購買現代牧業五河於期限內不時生產的生鮮乳。

日期： 2021年9月25日。

訂約方： (1) 現代牧業五河(作為買方)；及
(2) 可牛了(作為賣方)。

期限： 2021年9月25日至2021年12月31日。

主要條款： 現代牧業五河同意供應而可牛了同意購買現代牧業五河於期限內不時生產的生鮮乳。

定價： 根據供應協議所供應生鮮乳的價格將按公平原則基準磋商釐定，並參照(i)現代牧業五河於相同地區供應相同質量生鮮乳予其其他主要客戶的價格；及(ii)華東地區乳業協會於2021年公佈的市場指導價。

年度上限： 供應協議項下有關於期限內供應及購買生鮮乳的年度上限為人民幣50,000,000元。年度上限乃參照可牛了於期限內所購買生鮮乳的估計單價及預期數量而釐定。

於截至2021年12月31日止年度，根據供應協議的銷售總額約達人民幣13,735,000元。

Framework Supply Agreement with Aiyuanniu

Modern Farming, an indirect non-wholly owned subsidiary of the Company, entered into the Farm Supplies Framework Agreement with Inner Mongolia Aiyangniu Technology Co., Ltd., a company incorporated in the PRC with limited liability and an indirect non-wholly owned subsidiary of Mengniu (“**Aiyangniu Technology**”), in relation to the supply of Farm Supplies by the Aiyangniu Technology Group to the Modern Farming.

Date:	24 August 2021.
Parties:	(i) Modern Farming as the buyer; and (ii) Aiyangniu Technology as the supplier.
Duration:	For a term commencing from August 24, 2021 to December 31, 2021.
Pricing:	The price payable by the Modern Farming to the Aiyangniu Technology Group shall be determined by reference to the lowest quoted price at which the Modern Farming could obtain from independent third parties (whether local or overseas) for the same types of Farm Supplies. For this purpose, the Modern Farming will seek quotations from at least two independent third parties offering the same types of Farm Supplies each time
Annual Capacity:	The annual cap in respect of the transactions contemplated under the Farm Supplies Framework Agreement commencing from August 24, 2021 to December 31, 2021 is RMB100,000,000.

The aggregate sales amount pursuant to the Farm Supplies Framework Agreement the year ended 31 December 2021 amounted to approximately RMB35,372,000.

與愛養牛的框架供應協議

本公司的間接非全資附屬公司現代牧業(集團)與內蒙古愛養牛科技有限公司(「**愛養牛科技**」)(一家於中國註冊成立的有限公司，為蒙牛的間接非全資附屬公司)訂立了牧場物資框架協議，內容有關愛養牛科技集團向現代牧業(集團)提供牧場物資。

日期：	2021年8月24日。
訂約方：	(i) 現代牧業(集團)(作為買方)；及 (ii) 愛養牛科技(作為供應商)。
期限：	自2021年8月24日起至2021年12月31日止。
定價：	現代牧業(集團)向愛養牛科技集團應付的價格應參考現代牧業(集團)就同類牧場物資向獨立第三方(無論為本地或海外)取得的最低報價釐定。就此而言，現代牧業(集團)將每次向至少兩名提供同類牧場物資的獨立第三方尋求報價。
年度上限：	自2021年8月24日起至2021年12月31日止，牧場物資框架協議項下擬進行的交易的年度上限為人民幣100,000,000元。

於截至2021年12月31日止年度，根據牧場物資框架協議的銷售總額約達人民幣35,372,000元。

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Framework Supply Agreement with Baoding Mengniu

Zhongyuan Muye Company Limited (“**Zhongyuan Muye**”), a subsidiary of the Company, has entered into a milk supply agreement with Baoding Mengniu Beverage Company Limited (保定蒙牛飲料有限公司), a company incorporated with limited liabilities under the laws of the PRC, which is a subsidiary of Mengniu (“**Baoding Mengniu**”) in December 2020 (as further amended by a supplemental agreement entered into between the parties in April 2021) (the “**Milk Supply Agreement**”), pursuant to which Baoding Mengniu agreed to purchase from the Zhongyuan Muye, and the Zhongyuan Muye agreed to supply to Baoding Mengniu, fresh raw milk.

Date: 29 December 2020 and subsequently amended on 8 April, 2021

Parties: (i) Zhongyuan Muye as the supplier; and
(ii) Baoding Mengniu as the buyer.

Duration: From January 1, 2021 to December 31, 2025.

Pricing: The final purchase price of fresh raw milk shall be calculated with reference to a base price, plus transportation subsidy, and adjusted based on the quality standards of the fresh raw milk supplied (such as level of fat and protein content, microbial content and somatic cell content). The base price will be adjusted in accordance with movements in market price, and shall be negotiated and determined on the grounds of fairness. The base price payable by Baoding Mengniu under the Milk Supply Agreement shall not be lower than the price it pays for purchasing fresh raw milk of the same physicochemical indices from any third party in the area where the Target Company is located. The Target Company will review the base price from time to time to ensure compliance with the pricing terms.

The aggregate sales amount pursuant to the Milk Supply Agreement the year ended 31 December 2021 amounted to approximately RMB250,907,000.

與保定蒙牛的框架供應協議

本公司的附屬公司中元牧業有限公司(「中元牧業」)於2020年12月與保定蒙牛飲料有限公司(一家根據中國法律註冊成立的有限公司，為蒙牛的附屬公司) (「保定蒙牛」)訂立了原奶供應協議(經雙方於2021年4月訂立的補充協議進一步修訂) (「原奶供應協議」)，據此，保定蒙牛同意向中元牧業而中元牧業同意向保定蒙牛供應生鮮原奶。

日期： 2020年12月29日(其後於2021年4月8日修訂)

訂約方： (i) 中元牧業(作為供應商)；
及
(ii) 保定蒙牛(作為買方)。

期限： 2021年1月1日至2025年12月31日。

定價： 生鮮原奶之最終購買價將參照基礎價加上運輸補貼計算，並根據所供應生鮮原奶之質量標準(如脂肪及蛋白質含量、微生物含量及體細胞含量)進行調整。基礎價隨市場價格的變化進行調整，並按公平的原則磋商釐定。保定蒙牛根據原奶供應協議應付的基礎價不得低於其向目標公司所處地區之任何第三方購買相同理化指標之生鮮原奶所支付之價格。目標公司將不時檢討基礎價以確保遵守定價條款。

於截至2021年12月31日止年度，根據原奶供應協議的銷售總額約達人民幣250,907,000元。

Milk Supply Agreement between Fuyuan International and Inner Mongolia Mengniu

Fuyuan International entered into a milk supply agreement on February 27, 2014 (“**Milk Supply Agreement 2014**”) with Inner Mongolia Mengniu Dairy (Group) Co., Ltd. (“**Inner Mongolia Mengniu**”), a subsidiary of Mengniu, pursuant to which Inner Mongolia Mengniu agreed to purchase fresh raw milk from Fuyuan International and its subsidiaries, and Fuyuan International agreed to supply fresh raw milk it produces to Inner Mongolia Mengniu. Fuyuan International has become the subsidiary of the Company on 29 November 2021, and therefore, the transactions between the Fuyuan International and Inner Mongolia Mengniu under the Milk Supply Agreement 2014 will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Date: February 27, 2014

Parties: (1) Fuyuan International
(2) Inner Mongolia Mengniu

Duration: From February 27, 2014 to February 28, 2034

Pricing policy: The final purchase price of fresh raw milk shall be calculated with reference to a base price on the basis of regions, adjusted based on the quality standards of the fresh raw milk supplied (such as level of fat and protein content, acidity and microbial content). The base price will be adjusted in accordance with movements in market price. Inner Mongolia Mengniu undertakes that the base price payable under the Milk Supply Agreement 2014 shall not be lower than the price it pays for purchasing fresh raw milk of the same physicochemical indices from any third party in the area where Fuyuan International is located.

富源國際與內蒙古蒙牛之間的原奶供應協議

富源國際於2014年2月27日與蒙牛的附屬公司內蒙古蒙牛乳業(集團)股份有限公司(「**內蒙古蒙牛**」)訂立原奶供應協議(「**2014年原奶供應協議**」)，據此，內蒙古蒙牛同意向富源國際及其附屬公司購買生鮮原奶，而富源國際同意向內蒙古蒙牛供應其生產的生鮮原奶。富源國際於2021年11月29日已成為本公司的附屬公司，因此，2014年原奶供應協議項下富源國際與內蒙古蒙牛的交易將構成本公司於上市規則第十四A章項下的持續關連交易。

日期： 2014年2月27日

訂約方： (1) 富源國際
(2) 內蒙古蒙牛

期限： 2014年2月27日至2034年2月28日

定價政策： 生鮮原奶之最終購買價將按地區參照基礎價計算，並根據所供應生鮮原奶之質量標準(如脂肪及蛋白質含量、酸度及微生物含量水平)進行調整。基礎價隨市場價格的變化進行調整。內蒙古蒙牛承諾根據2014年原奶供應協議應付的基礎價不得低於其向富源國際所處地區之任何第三方購買相同理化指標之生鮮原奶所支付之價格。

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Settlement terms: (1) Fuyuan International shall issue an invoice for the confirmed settlement amount of the previous month to Inner Mongolia Mengniu before the 10th day of each month; and (2) Inner Mongolia Mengniu shall pay the invoiced amount to the designated account of Fuyuan International before the 30th day of each month.

Details of the Milk Supply Agreement 2014 have been disclosed in the Company's announcement dated 29 November 2021.

The aggregate sales amount pursuant to the Milk Supply Agreement 2014 from 29 November 2021 to 31 December 2021 amounted to approximately RMB156,461,000.

Save as disclosed above, there are no other connected transactions of the Company that are subjected to be reported in the annual report in accordance with the Listing Rules.

The independent non-executive Directors of the Company have reviewed these transactions and confirmed that the non-exempt continuing connected transactions have been entered into:

- (a) in the ordinary and usual course of business of the Group;
- (b) on normal commercial terms or better; and
- (c) 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.

Pursuant to Rule 14A.56 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the Board engaged the auditor of the Company to report the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group in this Annual Report in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Hong Kong Stock Exchange.

結算條款： (1)富源國際將於每月第十日前就上一個月已確認之結算金額向內蒙古蒙牛開具發票；及(2)內蒙古蒙牛將於每月第三十日前向富源國際之指定賬戶支付發票金額。

有關2014年原奶供應協議的詳情已於本公司日期為2021年11月29日的公告中披露。

於2021年11月29日至2021年12月31日，根據2014年原奶供應協議的銷售總額約達人民幣156,461,000元。

除上文所披露者外，本公司概無其他關連交易須根據上市規則在年報內作出呈報。

本公司獨立非執行董事已審閱該等交易及確認非豁免持續關連交易乃：

- (a) 於本集團正常及一般業務過程中訂立；
- (b) 按正常商業條款或更優條款訂立；及
- (c) 遵守規管該等交易的相關協議按公平合理且符合股東整體利益的條款訂立。

根據香港聯合交易所有限公司證券上市規則(「上市規則」)第14A.56條，董事會已委聘本公司核數師按照香港審驗應聘準則3000「歷史財務資料審計或審閱以外的審驗應聘」及參照香港會計師公會頒佈之實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」匯報本集團之持續關連交易。核數師已按照上市規則第14A.56條刊發其載有本集團於本年報所披露持續關連交易之審驗結果之無保留意見函件。本公司已將核數師函件副本呈交香港聯交所。

The Directors confirmed that the Company has complied with the requirements of Chapter 14A of the Listing Rules in respect of all of its continuing connected transactions.

Details of the above continuing connected transactions have been disclosed in accordance with Chapter 14A of the Listing Rules and are set out in the announcements of the Company which are available at the Hong Kong Stock Exchange's website and the Company's website at www.moderndairyir.com.

CONNECTED TRANSACTION

On 22 March 2021, the Company (as purchaser) entered into Fuyuan Acquisition Agreement with, among others, certain sellers (the "Sellers") and Fuyuan International to acquire the entire equity interests in Fuyuan International at a consideration of RMB3.48 billion. Fuyuan International is indirectly owned as to 43.35% by Mengniu, a substantial shareholder and connected person of the Company. One of the Sellers, Inner Mongolia Mengniu, is a subsidiary of Mengniu. Therefore, both Fuyuan International and Inner Mongolia Mengniu are associates of Mengniu and connected persons of the Company. Accordingly, the Acquisition contemplated under the Sale and Purchase Agreement (including the issue of the Consideration Shares) also constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. The acquisition of Fuyuan International by the Company was completed on 29 November 2021.

For details of the Fuyuan Acquisition Agreement and the transaction contemplated thereunder, please refer the Company's announcement dated 22 March 2021 and circular dated 14 May 2021.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group adopts a comprehensive risk management framework. Risk management policies and procedures are regularly reviewed and updated to react changes in dairy product quality, food safety, production, animal disease, environment pollution, market developments and financial risks. The Audit Committee reviews risk-related policies and scrutinizes that management has performed its duty to have effective risk management and internal control systems necessary for monitoring and controlling risks arising from the Group's business activities, changing external risks and regulatory environment, and report to the Board on the above.

董事確認，本公司已就其所有持續關連交易遵守上市規則第14A章之規定。

有關上述持續關連交易的詳情已根據上市規則第14A章披露，並載於本公司的公告，該等公告可於香港聯交所網站及本公司網站 www.moderndairyir.com 查閱。

關連交易

於2021年3月22日，本公司作為買方與(其中包括)若干賣方(「賣方」)及富源國際訂立富源收購協議，以代價人民幣34.8億元收購富源國際的全部股權。富源國際由本公司主要股東及關連人士蒙牛間接擁有43.35%。賣方之一內蒙古蒙牛為蒙牛的附屬公司。因此，富源國際及內蒙古蒙牛均為蒙牛的聯繫人及本公司的關連人士。因此，根據上市規則第十四A章，買賣協議項下擬進行之收購事項(包括發行代價股份)亦構成本公司之關連交易。本公司於2021年11月29日完成收購富源國際。

有關富源收購協議及其項下的交易事項的詳情，請參閱本公司日期為2021年3月22日的公告及日期為2021年5月14日的通函。

主要風險及不確定因素

本集團採用全面風險管理框架。風險管理政策及程序獲定期檢討並更新以應對乳品質量、食品安全、生產、動物疾病、環境污染、市場開發及財務風險變動。審核委員會檢討風險相關政策及仔細檢查管理層是否已履行其職責，設立對監控及控制本集團業務活動、外部風險及監管環境變動產生的風險而言屬必要的風險管理及內部監控制度，並向董事會就上述情況作出報告。

REPORT OF THE DIRECTORS

董事會報告書

Strategic Risks

The Directors maintain a strategic plan based on the knowledge on the dairy industry. The Group will invest in good grass plantation, good dairy cows, quality milk production and promotion of integrated operation that based on the strategic plan in order to cope with the market demand and expectation. The Group will closely review and monitor its short and long-term strategies and strives for the best interests to its shareholders.

Operational Risks

Operational risk is concerned with possible losses caused by failure of internal processes, people, system or external events, such risk is mitigated by and controlled by establishing sound internal control, setting out clear lines of responsibility, proper segregation of duties and effective internal reporting. Management regularly reviews the Group's operations to ensure that the Group's risk of losses, whether financial or otherwise, resulting from fraud, errors, omissions and other operational and compliance matters, are adequately managed.

Financial Risks

The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and may enter into currency forward contracts or currency option contracts, when necessary, to manage its foreign exchange exposure. Furthermore, with aim to tackle the risk of interest rate fluctuation, the management regularly reviews and assesses the Group's exposure to interest rate movement and may consider entering into interest rate swap contracts or other hedging strategies when necessary.

The principal financial risks are set out in Notes 38 and 39 to the consolidated financial statements headed "Capital Risk Management" and "Financial Instrument".

AUDIT COMMITTEE

The Audit Committee comprises two independent non-executive Directors, namely Mr. Lee Kong Wai, Conway and Mr. Chow Ming Sang, and one non-executive Director, Mr. Zhang Ping. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Company, and discussed the risk management and internal control systems and financial reporting matters including the review of the audited results for the year ended 31 December 2021.

策略風險

董事根據乳品行業知識維持策略計劃。本集團將投資優質草場、奶牛、乳製品及根據策略計劃推進綜合化經營以滿足市場需求及預期。本集團將密切檢討及監控短長期策略並致力為股東帶來最佳利益。

營運風險

營運風險與內部程序失效、人員、制度或外部事項造成的可能損失，此風險透過建立健全的內部監控、明確責任範圍、適當的職責分離及有效的內部報告予以降低及控制。管理層定期檢討本集團營運以確保本集團虧損(不論是財務或其他方面)、欺詐所導致、錯誤、疏忽或其他營運及合規事宜的風險得到充分管理。

財務風險

本集團通過定期審查外匯風險淨額，並可能訂立貨幣遠期合約或貨幣期權合約(如需要)，以管理其外匯風險。此外，為應對利率波動的風險，管理層定期檢討及評估本集團的利率變動風險，並可考慮在必要時訂立利率掉期合約或其他對沖策略。

主要財務風險載於綜合財務報表附註38「資本風險管理」及39「金融工具」。

審核委員會

審核委員會由兩名獨立非執行董事李港衛先生及周明笙先生以及一名非執行董事張平先生組成。審核委員會已與管理層審閱本公司採納的會計政策及慣例，並討論了風險管理及內部監控制度及財務報告事宜，包括審閱截至2021年12月31日止年度的經審核業績。

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws in the Cayman Islands, which would oblige the Company to offer new shares on pro-rata basis to existing Shareholders.

TAX RELIEF

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the shares of the Company.

PUBLIC FLOAT

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

EVENTS AFTER THE REPORTING YEAR

Details of the significant events after 31 December 2021 of the Group are set out in Note 49 to the consolidated financial statements.

AUDITORS

The consolidated financial statements for the years ended 31 December 2021 and 2020 were audited by Deloitte Touche Tohmatsu.

Deloitte Touche Tohmatsu will retire as auditors of the Company and, is eligible to, offer themselves for re-appointment. A resolution for the re-appointment of Deloitte Touche Tohmatsu as auditors of the Company will be proposed at the forthcoming AGM. The Company has not changed its auditor in the past 3 years.

On behalf of the Board

Lu Minfang

Chairman

Hong Kong, 29 March 2022

優先購買權

組織章程細則或開曼群島法律並無任何優先購買權條文，規定本公司須按比例向現有股東提呈發售新股份。

稅項減免

本公司不知悉股東因持有本公司股份而可獲任何稅項減免。

公眾持股量

根據本公司獲得的公開資料及據董事所知悉，於本年報日期，本公司一直維持上市規則內所指定之公眾持股量。

本匯報年度後事項

本集團於2021年12月31日後發生的重大事項載於綜合財務報表附註49。

核數師

截至2021年及2020年12月31日止年度的綜合財務報表由德勤•關黃陳方會計師行審核。

德勤•關黃陳方會計師行將退任本公司核數師職務並符合資格願意膺選連任。於應屆股東週年大會上將提呈續聘德勤•關黃陳方會計師行為本公司核數師的決議案。本公司於過去3年並無更換其核數師。

代表董事會

主席

盧敏放

香港，2022年3月29日

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Sun Yugang (*Acting Chief Executive Officer*)
Mr. Zhu Xiaohui (*Chief Financial Officer*)

Non-Executive Directors

Mr. Lu Minfang (*Chairman of the Board*)
Mr. Zhao Jiejun (*Vice Chairman of the Board*)
Mr. Zhang Ping
Ms. Gan Lu

Independent Non-Executive Directors

Mr. Li Shengli
Mr. Lee Kong Wai, Conway
Mr. Chow Ming Sang

AUDIT COMMITTEE

Mr. Lee Kong Wai, Conway (*Chairman*)
Mr. Zhang Ping
Mr. Chow Ming Sang

REMUNERATION COMMITTEE

Mr. Li Shengli (*Chairman*)
Mr. Zhang Ping
Mr. Chow Ming Sang

NOMINATION COMMITTEE

Mr. Lu Minfang (*Chairman*)
Mr. Lee Kong Wai, Conway
Mr. Chow Ming Sang

STRATEGY AND DEVELOPMENT COMMITTEE

Mr. Zhao Jiejun (*Chairman*)
Mr. Sun Yugang
Mr. Li Shengli
Ms. Gan Lu

SENIOR MANAGEMENT

Mr. Guo Wenju
Mr. Han Chunlin
Mr. Zhang Xue
Mr. Song Weizheng
Ms. Yuan Li

董事會

執行董事

孫玉剛先生(*執行總裁*)
朱曉輝先生(*首席財務官*)

非執行董事

盧敏放先生(*董事會主席*)
趙傑軍先生(*董事會副主席*)
張平先生
甘璐女士

獨立非執行董事

李勝利先生
李港衛先生
周明笙先生

審核委員會

李港衛先生(*主席*)
張平先生
周明笙先生

薪酬委員會

李勝利先生(*主席*)
張平先生
周明笙先生

提名委員會

盧敏放先生(*主席*)
李港衛先生
周明笙先生

戰略及發展委員會

趙傑軍先生(*主席*)
孫玉剛先生
李勝利先生
甘璐女士

高級管理層

郭文舉先生
韓春林先生
張學先生
宋維政先生
袁麗女士

AUTHORISED REPRESENTATIVES

Mr. Sun Yugang
Mr. Li Kwok Fat

COMPANY SECRETARY

Mr. Li Kwok Fat (FCPA, ACIS, ACS)

HEADQUARTERS

Economic and Technological Development Zone
Maanshan City, Anhui Province
PRC

REGISTERED OFFICE

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

HONG KONG OFFICE

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

LEGAL ADVISORS

As to Hong Kong Law
Cleary Gottlieb Steen & Hamilton (Hong Kong)

As to PRC Law

Commerce & Finance Law Offices

As to Cayman Islands Law

Maples and Calder

授權代表

孫玉剛先生
李國發先生

公司秘書

李國發先生(FCPA, ACIS, ACS)

總辦事處

中國
安徽省馬鞍山市
經濟技術開發區

註冊辦事處

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

香港辦事處

香港銅鑼灣告士打道262號
中糧大廈32樓A室

股份過戶登記總處

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

香港股份過戶登記分處

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

法律顧問

香港法律
佳利(香港)律師事務所

中國法律

通商律師事務所

開曼群島法律

Maples and Calder

CORPORATE INFORMATION

公司資料

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

PRINCIPAL BANKERS

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

STOCK CODE

The Stock Exchange of Hong Kong Limited: 1117

WEBSITE

<http://www.moderndairyir.com>

核數師

德勤•關黃陳方會計師行
註冊公眾利益實體核數師

主要銀行

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

股份代號

香港聯合交易所有限公司：1117

網址

<http://www.moderndairyir.com>

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

致中國現代牧業控股有限公司股東
(於開曼群島註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of China Modern Dairy Holdings Ltd. (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 117 to 290, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 2021, 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.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) 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 judgment, 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.

意見

我們已審核載於第117至第290頁中國現代牧業控股有限公司(「**貴公司**」)及其附屬公司(統稱「**貴集團**」)的綜合財務報表，該等綜合財務報表包括於2021年12月31日的綜合財務狀況表，及截至該日止年度的綜合損益及其他全面收益表、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(包括主要會計政策概要)。

我們認為，綜合財務報表已根據國際會計準則理事會(「**國際會計準則理事會**」)頒佈的國際財務報告準則(「**國際財務報告準則**」)真實而公平地反映 貴集團於2021年12月31日的綜合財務狀況及其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。

意見的基礎

我們根據香港會計師公會(「**香港會計師公會**」)頒佈的香港審計準則(「**香港審計準則**」)進行審核。我們在該等準則下的責任在我們的報告的核數師就審核綜合財務報表須承擔的責任一節進一步闡述。根據香港會計師公會的「**職業會計師道德守則**」(「**守則**」)，我們獨立於 貴集團，並已遵循守則履行其他道德責任。我們相信，我們所獲得的審核憑證能充足及適當地為我們的意見提供基礎。

關鍵審核事項

根據我們的專業判斷，關鍵審核事項為我們審核於本期間的綜合財務報表中最重要的事項。我們在整體審核綜合財務報表及就此達致意見時處理該等事項，而不會就此等事項單獨發表意見。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (continued)

關鍵審核事項(續)

Key audit matter 關鍵審核事項

How our audit addressed the key audit matter 我們在審核中處理關鍵審核事項的方法

Fair value of milkable cows 奶牛公平值

We identified the fair value of milkable cows as a key audit matter due to the significance of the balance on the consolidated statement of financial position at 31 December 2021 and the significant degree of estimates made by the management in determining such fair values.

The Group reported milkable cows of Renminbi ("RMB") 6,060 million as at 31 December 2021. These biological assets are measured at fair value less costs to sell at the end of each reporting period.

As disclosed in Notes 4 and 42 to the consolidated financial statements, fair values of milkable cows are determined by using the multi-period excess earnings method, which is based on the discounted future cash flows to be generated by such milkable cows. The management's estimation is primarily based on the discount rate, the estimated future market price of raw milk, the estimated average daily milk yield at each lactation cycle and the estimated feed costs per kilogram ("kg") of raw milk. The management has engaged an independent valuer to assist in assessing the fair values of milkable cows.

Details of milkable cows and the related estimation uncertainty on their fair values are set out in Notes 4, 19 and 42 to the consolidated financial statements.

我們將奶牛的公平值分辨為關鍵審核事項，乃由於於2021年12月31日的綜合財務狀況表結餘的重要性以及管理層於釐定其公平值時進行具相當程度的估計。

於2021年12月31日，貴集團報告人民幣(「人民幣」) 6,060百萬元的奶牛。此等生物性資產以公平值減各報告期末出售成本計量。

誠如綜合財務報表附註4及42所披露，奶牛的公平值乃按多期超額盈利法釐定，其乃根據該等奶牛產生的未來貼現現金流量釐定。管理層估計主要基於貼現率、估計未來原料奶市價、各哺乳期的估計平均每日產奶量及每千克(「千克」)原料奶估計飼養成本。管理層已委聘獨立估值師協助其評估奶牛的公平值。

奶牛及有關其公平值的估計未知數詳情載於綜合財務報表附註4、19及42。

Our procedures in relation to the fair value of milkable cows included:

- Understanding and evaluating the Group's relevant internal controls over the fair value determination of milkable cows;
- Evaluating the independent valuer's objectivity, qualifications and competence;
- Involving our internal valuation specialists to assess the appropriateness of the valuation methodologies and comparing the discount rates applied in the discounted future cash flows calculation with the acceptable range calculated by our internal valuation specialists;
- Comparing the key assumptions, including the estimated future market price of raw milk, the estimated average daily milk yield at each lactation cycle and the estimated feed costs per kg of raw milk by comparing to historical and industry data; and
- Comparing the actual results for the current year with management's cash flow projections prepared in the previous review to evaluate the accuracy of management's budgeting process.

我們就評估奶牛公平值的程序包括：

- 了解及評估 貴集團對釐定奶牛公平值的相關內部控制；
- 評估獨立估值師的客觀性、資格及能力；
- 加入我們的內部估值專家評估估值方法的恰當性並將未來貼現現金流量計算應用的貼現率與我們內部估值專家計算的合理範圍進行比較；
- 比較過往及行業數據的主要假設，包括估計未來原料奶市價、各哺乳期的估計平均每日產奶量及每千克原料奶估計飼養成本；及
- 將本年度的實際結果與管理層在上一次審查中編製的管理層現金流量預測進行比較，以評估管理層預算過程的準確性。

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include 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 DIRECTORS AND THOSE CHARGED WITH GOVERNANCE 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 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

其他資料

貴公司董事須對其他資料承擔責任。其他資料包括載於年報的資料，惟不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表提出的意見並無涵蓋其他資料，而我們不會對其他資料發表任何形式的核證結論。

就我們審核綜合財務報表而言，我們的責任為閱讀其他資料，從而考慮其他資料是否與綜合財務報表或我們在審核過程中獲悉的資料存在重大不符，或是否存在重大錯誤陳述。倘若我們基於已進行的工作認為其他資料出現重大錯誤陳述，我們須報告有關事實。就此，我們毋須作出報告。

董事及肩負管治責任者就綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則理事會頒佈國際財務報告準則及香港公司條例的披露規定編製真實而公平地反映情況的綜合財務報表，及落實董事釐定對編製綜合財務報表屬必要的有關內部監控，以使該等綜合財務報表不會存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項(如適用)。除非董事擬將貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則須採用以持續經營為基礎的會計法。

肩負管治責任者負責監督貴集團的財務報告流程。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

核數師就審核綜合財務報表須承擔的責任

我們的目標為合理確定此等綜合財務報表整體而言不會存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出載有我們意見的核數師報告。我們根據委聘的協定條款僅向閣下整體報告，不作其他用途。我們並不就本報告的內容對任何其他人士承擔任何義務或接受任何責任。合理確定屬高層次的核證，惟根據香港審計準則進行的審核工作不能保證總能察覺所存在的重大錯誤陳述。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可影響使用者根據該等綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

在根據香港審計準則進行審核的過程中，我們在整個審核中運用專業判斷，保持專業懷疑態度。我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險、設計及執行審核程序以應對該等風險，以及獲取充足和適當的審核憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控的情況，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審核相關的內部監控，以設計適當的審核程序，惟並非旨在對貴集團內部監控的有效性發表意見。
- 評估董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

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 those charged with governance 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 those charged with governance 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, actions taken to eliminate threats or safeguards applied.

核數師就審核綜合財務報表須承擔的 責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。倘有關披露不足，則修訂我們意見。我們結論乃基於截至核數師報告日期止所取得的審核憑證。然而，未來事項或情況可能導致貴集團無法持續經營。
- 評估綜合財務報表的整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否中肯反映相關交易和事項。
- 就貴集團內實體或業務活動的財務資料獲取充足及適當的審核憑證，以便對綜合財務報表發表意見。我們負責集團審核的方向、監督和執行。我們為審核意見承擔全部責任。

我們與肩負管治責任者就(其中包括)審核的計劃範圍、時間安排及重大審核發現溝通，該等發現包括我們在審核過程中識別的內部監控的任何重大缺失。

我們亦向肩負管治責任者作出聲明，指出我們已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響我們獨立性的所有關係及其他事宜，以及(如適用)為消除威脅所採取的行動或已應用的防範措施。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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

From the matters communicated with those charged with governance, 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 the independent auditor's report is Lung Kwok Hung.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
29 March 2022

核數師就審核綜合財務報表須承擔的 責任(續)

從與肩負管治責任者溝通的事項中，我們釐定對本期綜合財務報表的審核最為重要的事項，因而構成關鍵審核事項。我們在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在我們報告中溝通某事項造成的負面後果超出產生的公眾利益，則我們決定不應在報告中傳達該事項。

出具獨立核數師報告的審核項目合夥人為龍國鴻。

德勤•關黃陳方會計師行
執業會計師
香港
2022年3月29日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

		NOTES 附註	2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Revenue	收入	5	7,078,470	6,020,247
Cost of sales	銷售成本	7	(6,907,441)	(5,838,973)
Gains arising on initial recognition of raw milk at fair value less costs to sell at the point of harvest	於原料奶收獲時按公平值減銷售成本初始確認產生的收益	19	2,378,446	2,277,414
Gross profit	毛利		2,549,475	2,458,688
Loss arising from changes in fair value less costs to sell of dairy cows	乳牛公平值變動減乳牛銷售成本產生的虧損	19	(956,011)	(1,031,316)
Other income	其他收入	6	123,835	86,675
Impairment losses under expected credit loss ("ECL") model, net of reversal	預期信貸虧損(「預期信貸虧損」)模型下減值虧損，扣除撥回	9	(476)	(5)
Other gains and losses, net	其他收益及虧損淨額	7	51,103	142,514
Selling and distribution costs	銷售及分銷開支		(183,732)	(194,440)
Administrative expenses	行政開支		(379,065)	(374,155)
Other expenses	其他開支		(8,703)	(16,503)
Share of results of associates	應佔聯營公司業績		36,928	31,570
Profit before finance costs and tax	除融資成本及稅項前溢利	7	1,233,354	1,103,028
Finance costs	融資成本	8	(198,132)	(318,624)
Profit before tax	除稅前溢利		1,035,222	784,404
Income tax expense	所得稅開支	10	(2,023)	(639)
Profit for the year	年內溢利		1,033,199	783,765
Other comprehensive (expense) income:	其他全面(開支)/收入:			
<i>Items that will not be reclassified to profit or loss:</i>	<i>不會重新分類為損益的項目:</i>			
Fair value (loss) gain on investments in equity instruments at fair value through other comprehensive income	按公平值計入其他全面收入的權益工具投資公平值(虧損)/收益		(2,425)	1,121
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類為損益的項目:</i>			
Exchange differences on translation from functional currency to presentation currency	將功能貨幣換算為呈列貨幣的匯兌差額		(40)	-
Other comprehensive (expense) income for the year, net of income tax	年內其他全面(開支)收入，扣除所得稅		(2,465)	1,121
Total comprehensive income for the year	年內全面收入總額		1,030,734	784,886

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 綜合損益及其他全面收益表

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

		NOTE 附註	2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Profit for the year attributable to:	以下各方應佔年內溢利：			
Owners of the Company	本公司擁有人		1,018,832	770,010
Non-controlling interests	非控股權益		14,367	13,755
			1,033,199	783,765
Total comprehensive income for the year attributable to:	以下各方應佔年內全面收入總額：			
Owners of the Company	本公司擁有人		1,016,407	771,110
Non-controlling interests	非控股權益		14,327	13,776
			1,030,734	784,886
Earnings per share (RMB)	每股盈利(人民幣)	14		
Basic	基本		14.43 cents 分	12.07 cents 分
Diluted	攤薄		14.39 cents 分	12.04 cents 分

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

AT 31 DECEMBER 2021 於2021年12月31日

		NOTES 附註	2021 2021年 RMB'000 人民幣千元	2020 2020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	15	5,312,970	3,317,719
Right-of-use assets	使用權資產	16	725,164	303,849
Goodwill	商譽	17	2,075,591	1,322,457
Other intangible assets	其他無形資產		3,777	–
Interests in associates	於聯營公司的權益	18	353,278	289,860
Equity instruments at fair value through other comprehensive income	按公平值計入其他全面收入的權益工具		2,655	5,080
Biological assets	生物資產	19	9,404,924	7,101,243
Prepayments	預付款項	21	54,238	–
Derivative financial instruments	衍生金融工具	22	67,537	–
Pledged bank deposits	已質押銀行存款	24	127,043	122,706
Bank balances	銀行結餘	24	201,881	20,637
Deferred tax assets	遞延稅項資產	10	2,337	–
			18,331,395	12,483,551
CURRENT ASSETS	流動資產			
Inventories	存貨	20	2,191,269	1,158,643
Trade and other receivables and prepayments	應收貿易賬款及其他應收款項以及預付款項	21	1,221,871	706,659
Derivative financial instruments	衍生金融工具	22	–	11,145
Other financial assets	其他金融資產	23	–	50,000
Pledged bank deposits	已質押銀行存款	24	41,631	34,503
Bank balances and cash	銀行結餘及現金	24	1,887,744	1,123,710
			5,342,515	3,084,660
CURRENT LIABILITIES	流動負債			
Trade and other payables	應付貿易賬款及其他應付款項	25	3,144,194	1,410,786
Tax payable	應課稅項		1,903	364
Bank borrowings	銀行借款	26	2,380,683	3,471,314
Other borrowings	其他借款	27	433,676	–
Lease liabilities	租賃負債	29	50,435	23,851
Long term bonds	長期債券	28	31,989	–
Derivative financial instruments	衍生金融工具	22	17,758	59,338
Contract liabilities	合約負債	30	5,343	198
			6,065,981	4,965,851
NET CURRENT LIABILITIES	流動負債淨額		(723,466)	(1,881,191)
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		17,607,929	10,602,360

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

AT 31 DECEMBER 2021 於2021年12月31日

		NOTES 附註	2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	32	675,869	555,535
Reserves	儲備		10,189,062	7,341,388
Equity attributable to owners of the Company	本公司擁有人應佔權益		10,864,931	7,896,923
Non-controlling interests	非控股權益		249,803	141,521
TOTAL EQUITY	總權益		11,114,734	8,038,444
NON-CURRENT LIABILITIES	非流動負債			
Derivative financial instruments	衍生金融工具	22	98,330	24,000
Trade and other payables	應付貿易賬款及其他應付款項	25	23,967	–
Bank borrowings	銀行借款	26	2,285,333	2,171,012
Other borrowings	其他借款	27	203,328	–
Long term bonds	長期債券	28	3,159,730	–
Lease liabilities	租賃負債	29	517,077	196,042
Deferred tax liabilities	遞延稅項負債	10	20,868	–
Deferred income	遞延收入	31	184,562	172,862
			6,493,195	2,563,916
			17,607,929	10,602,360

The consolidated financial statements on pages 117 to 290 were approved and authorised for issue by the board of directors on 29 March 2022 and are signed on its behalf by:

載於第117至290頁的綜合財務報表於2022年3月29日經董事會批准及授權刊發並代表簽署：

LU Minfang
盧敏放
Director
董事

SUN Yugang
孫玉剛
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

		Attributable to owners of the Company 本公司擁有人應佔											
		Share capital	Share premium	Other reserve	Share options reserve	Share award reserve	Shares held under the Share Award Schemes	Fair value through other comprehensive income reserve	Translation reserve	Retained earnings	Sub-total	Non-controlling interests	Total
		股本	股份溢價	其他儲備	購股權儲備	股份獎勵儲備	股份獎勵計劃項下持有的股份	按公平值計入其他全面收入儲備	換算儲備	保留盈利	小計	非控股權益	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2020	於2020年1月1日	551,007	4,945,381	970,829	5,286	4,910	(57,012)	(21,693)	-	682,809	7,081,517	126,184	7,207,701
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	770,010	770,010	13,755	783,765
Other comprehensive income for the year	年內其他全面收入	-	-	-	-	-	-	1,100	-	-	1,100	21	1,121
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	-	-	1,100	-	770,010	771,110	13,776	784,886
Share purchase for the Share Award Schemes (Note 34(b))	就股份獎勵計劃的股份購買(附註34(b))	-	-	-	-	-	(19,892)	-	-	-	(19,892)	-	(19,892)
Reversal due to vesting of award shares (Note 34(b))	因獎勵股份歸屬而撥回(附註34(b))	-	-	-	-	(24,227)	29,560	-	-	(5,333)	-	-	-
Recognition of equity-settled share-based payment (Note 34(b))	確認按股權結算以股份支付的付款(附註34(b))	-	-	-	-	26,806	-	-	-	-	26,806	-	26,806
Exercise of Management Options (Note 34(a))	行使管理層購股權(附註34(a))	4,528	39,701	-	(5,286)	-	-	-	-	-	38,943	-	38,943
Equity transactions related to interest free loans (Note 32)	有關免息貸款的股權交易(附註32)	-	-	(1,561)	-	-	-	-	-	-	(1,561)	1,561	-
At 31 December 2020	於2020年12月31日	555,535	4,985,082	969,268	-	7,489	(47,344)	(20,593)	-	1,447,486	7,896,923	141,521	8,038,444
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	1,018,832	1,018,832	14,367	1,033,199
Other comprehensive expense for the year	年內其他全面開支	-	-	-	-	-	-	(2,385)	(40)	-	(2,425)	(40)	(2,465)
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	-	-	(2,385)	(40)	1,018,832	1,016,407	14,327	1,030,734
Share purchase for the Share Award Schemes (Note 34(b))	就股份獎勵計劃的股份購買(附註34(b))	-	-	-	-	-	(53,052)	-	-	-	(53,052)	-	(53,052)
Reversal due to vesting of award shares (Note 34(b))	因獎勵股份歸屬而撥回(附註34(b))	-	-	-	-	(9,447)	13,865	-	-	(4,418)	-	-	-
Recognition of equity-settled share-based payment (Note 34(b))	確認按股權結算以股份支付的付款(附註34(b))	-	-	-	-	22,224	-	-	-	-	22,224	-	22,224
Equity transactions related to interest free loans	有關免息貸款的股權交易	-	-	6,694	-	-	-	-	-	-	(6,694)	6,694	-
Issue of shares (Note 32)	發行股份(附註32)	120,334	2,053,786	-	-	-	-	-	-	-	2,174,120	-	2,174,120
Dividends distribution (Note 13)	股息分派(附註13)	-	(142,532)	-	-	-	-	-	-	-	(142,532)	(16,308)	(158,840)
Acquisition of subsidiaries (Note 35)	收購附屬公司(附註35)	-	-	-	-	-	-	-	-	-	-	95,755	95,755
Establishment of a non wholly owned subsidiary	成立非全資附屬公司	-	-	-	-	-	-	-	-	-	-	29,000	29,000
Acquisition of non-controlling interests in a subsidiary (Note 32)	收購附屬公司的非控股權益(附註32)	-	-	(42,465)	-	-	-	-	-	-	(42,465)	(21,186)	(63,651)
At 31 December 2021	於2021年12月31日	675,869	6,896,336	920,109	-	20,266	(86,531)	(22,978)	(40)	2,461,900	10,864,931	249,803	11,114,734

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

	NOTE 附註	2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
OPERATING ACTIVITIES	經營活動		
Profit before tax	除稅前溢利	1,035,222	784,404
Adjustments for:	就以下各項作出調整：		
Depreciation of property, plant and equipment charged to profit or loss	自損益扣除的物業、廠房及設備折舊	281,624	262,525
Depreciation of right-of-use assets charged to profit or loss	自損益扣除的使用權資產折舊	13,899	10,573
Amortisation of other intangible assets	其他無形資產攤銷	54	—
Impairment losses under expected credit loss model, net of reversal	預期信貸虧損模型下減值虧損，扣除撥回	476	5
Impairment loss on goodwill	商譽減值虧損	—	48,809
Bank interest income	銀行利息收入	(46,143)	(18,308)
Government grants credited to income	計入收入的政府補貼	(47,733)	(31,131)
Finance costs	融資成本	198,132	318,624
Share of results of associates	應佔聯營公司業績	(36,928)	(31,570)
Gains on disposal of subsidiaries	出售附屬公司收益	—	(72,280)
Loss on fair value changes of derivative financial instruments	衍生金融工具公平值變動虧損	25,346	27,032
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	9,659	13,110
Gains on fair value changes of other financial assets	其他金融資產公平值變動虧損	(1,821)	(1,012)
Net foreign exchange gains from bank borrowings and long term bonds	來自銀行借款及長期債券的外匯收益淨額	(86,186)	(173,760)
Equity-settled share award expense	以股權結算的股份獎勵開支	22,224	26,806
Loss arising from changes in fair value less costs to sell of dairy cows	乳牛公平值變動減乳牛銷售成本產生的虧損	956,011	1,031,316
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	2,323,836	2,195,143
Increase in inventories	存貨增加	(309,389)	(61,320)
Increase in trade and other receivables and prepayments	應收貿易賬款及其他應收款項以及預付款項增加	(167,762)	(86,012)
Decrease in trade and other payables	應付貿易賬款及其他應付款項減少	19,828	(108,763)
Increase in contract liabilities	合約負債增加	4,175	9
Cash generated from operations	業務產生的現金	1,870,688	1,939,057
Income taxes paid	已付所得稅	(1,982)	(409)
NET CASH FROM OPERATING ACTIVITIES	經營活動所得現金淨額	1,868,706	1,938,648

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

	NOTE 附註	2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
INVESTING ACTIVITIES	投資活動		
Interest received	已收利息	42,989	15,099
Purchases of property, plant and equipment	購入物業、廠房及設備	(489,318)	(254,635)
Purchases of other intangible assets	購入其他無形資產	(451)	-
Payments for right-of-use assets	使用權資產付款	(9,324)	-
Addition in biological assets	生物資產增置	(1,503,301)	(1,229,626)
Placement of pledged bank deposits	存入已質押銀行存款	(13,893)	(154,503)
Withdrawal of pledged bank deposits	提取已質押銀行存款	27,807	80,122
Placement of time deposits with original maturity over three months	存入原到期日超過三個月的定期存款	(330,000)	(40,578)
Withdrawal of time deposits with original maturity over three months	提取原到期日超過三個月的定期存款	20,000	67,653
Placement of other financial assets	存入其他金融資產	(577,000)	(200,000)
Withdrawal of other financial assets	提取其他金融資產	627,000	151,012
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	15,588	5,087
Proceeds from disposal of dairy cows	出售乳牛所得款項	789,226	665,238
Proceeds from disposal of right-of-use assets	出售使用權資產所得款項	394	-
Proceeds from disposal of subsidiaries	出售附屬公司所得款項	7,406	133,984
Government grants received	已收政府補貼	59,433	46,315
Investment in an associate	聯營公司投資	(7,721)	(42,898)
Net cash outflow on business combination	業務合併現金流出淨額	(1,537,006)	-
Net cash outflow on asset acquisitions	資產收購現金流出淨額	(1,659)	-
Loan to a third party	向第三方貸款	-	(8,000)
Loan repayment from a third party	第三方償還貸款	6,000	-
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(2,873,830)	(765,730)
FINANCING ACTIVITIES	融資活動		
Dividends paid	已付股息	(142,532)	-
Interest paid	已付利息	(191,672)	(250,100)
New bank borrowings raised	新籌得銀行借款	3,506,705	5,391,559
Repayment of bank borrowings	償還銀行借款	(5,936,189)	(5,109,013)
Repayment of other borrowings	償還其他借款	(21,573)	(1,050,000)
Settlement of derivative financial instruments	結算衍生金融工具	(170)	77,975
Payment of transaction cost for bank borrowings	支付銀行借款的交易成本	-	(25,145)
Proceeds on issue of bonds	發行債券所得款項	3,200,760	-
Repayments of leases liabilities	償還租賃負債	(14,458)	(18,317)
Payment for repurchase of ordinary shares	購回普通股付款	(53,052)	(19,892)
Proceeds from issue of shares	發行股份所得款項	1,294,845	38,943
Acquisition of non-controlling interests in a subsidiary	收購附屬公司非控股權益	(25,459)	-
Dividends paid to non-controlling shareholders	向非控股股東派付股息	(6,530)	-
Investment from non-controlling shareholders	來自非控股股東的投資	29,000	-
NET CASH FROM (USED IN) FINANCING	融資活動所得/(所用)現金淨額	1,639,675	(963,990)
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額	634,551	208,928

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於1月1日的現金及現金等 價物	1,103,132	894,204
Represented by	以以下各項呈列		
Bank balances and cash as stated in the consolidated statement of financial position	綜合財務狀況表所示銀行 結餘及現金	1,144,347	961,094
Time deposits with original maturity over three months	原到期日超過三個月的定期 存款	(41,215)	(67,653)
Cash and cash equivalents attributable to the disposal group classified as held for sale	分類為持作出售的出售組別 應佔現金及現金等價物	-	763
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	於12月31日的現金及現金等 價物	1,737,683	1,103,132
Represented by	以以下各項呈列		
Bank balances and cash as stated in the consolidated statement of financial position	綜合財務狀況表所示銀行 結餘及現金	2,089,625	1,144,347
Time deposits with original maturity over three months	原到期日超過三個月的定期 存款	(351,942)	(41,215)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

1. GENERAL INFORMATION

China Modern Dairy Holdings Ltd. (the “**Company**”) was incorporated and registered in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. Its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 26 November 2010. The registered office of the Company is Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KYI-1104, Cayman Islands. The principal place of business of the Company is located in Economic and Technological Development Zone, Maanshan City, Anhui Province, the People’s Republic of China (the “**PRC**”).

As at 31 December 2021, China Mengniu Dairy Co., Ltd. (“**Mengniu**”) and its wholly-owned subsidiary together owned 56.36% of the issued share capital of the Company. Mengniu and its subsidiaries are hereinafter collectively referred to as the “**Mengniu Group**”.

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

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

1. 一般資料

中國現代牧業控股有限公司(「**本公司**」)為一間根據開曼群島公司法在開曼群島註冊成立及登記的獲豁免有限公司，其股份已自2010年11月26日起在香港聯合交易所有限公司(「**聯交所**」)主板上市。本公司的註冊辦事處位於Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KYI-1104, Cayman Islands。本公司主要營業地點則位於中華人民共和國(「**中國**」)安徽省馬鞍山市經濟技術開發區。

於2021年12月31日，中國蒙牛乳業有限公司(「**蒙牛**」)及其全資附屬公司共同擁有本公司已發行股本的56.36%。蒙牛及其附屬公司於下文統稱「**蒙牛集團**」。

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

綜合財務報表以人民幣(「**人民幣**」)列值，該貨幣為本公司的功能貨幣。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

(a) Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board (“IASB”) for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Covid-19-Related Rent Concessions
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase2

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee of the IASB issued in June 2021 which clarified the costs an entity should include as “estimated costs necessary to make the sale” when determining the net realisable value of inventories.

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

2. 應用國際財務報告準則(「國際財務報告準則」)的修訂

(a) 於本年度強制生效的國際財務報告準則的修訂

於本年度，本集團已首次應用由國際會計準則理事會(「國際會計準則理事會」)頒佈並於2021年1月1日或之後開始的年度期間強制生效的以下國際財務報告準則的修訂，以編製綜合財務報表：

國際財務報告準則第16號的修訂	新冠疫情相關租金優惠
國際財務報告準則第9號、國際會計準則第39號、國際財務報告準則第7號、國際財務報告準則第4號及國際財務報告準則第16號的修訂	利率基準改革 – 第二階段

此外，本集團應用了國際會計準則理事會的國際財務報告準則詮釋委員會於2021年6月公佈的議程決定，澄清實體釐定存貨可變現淨值時須列作「進行銷售所需的估計成本」的成本。

除以下所述外，本年度採用國際財務報告準則的修訂，對本集團本年度及過往年度的財務狀況及業績及／或此等綜合財務報表中的披露並無重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (continued)

- (a) Amendments to IFRSs that are mandatorily effective for the current year (continued)
Impacts on application of Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2

The Group has applied the amendments for the first time in the current year. The amendments relate to changes in the basis for determining the contractual cash flows of financial assets, financial liabilities and lease liabilities as a result of interest rate benchmark reform, specific hedge accounting requirements and the related disclosure requirements applying IFRS 7 *Financial Instruments: Disclosures* ("IFRS 7").

As at 1 January 2021, the Group has several financial liabilities and derivatives, the interest of which are indexed to benchmark rates that will or may be subject to interest rate benchmark reform.

2. 應用國際財務報告準則(「國際財務報告準則」)的修訂(續)

- (a) 於本年度強制生效的國際財務報告準則的修訂(續)
採用國際財務報告準則第9號、國際會計準則第39號、國際財務報告準則第7號、國際財務報告準則第4號及國際財務報告準則第16號的修訂利率基準改革 – 第二階段的影響

本集團於本年度首次應用該等修訂。該等修訂涉及因應國際財務報告準則第7號金融工具：披露事項(「國際財務報告準則第7號」)獲採用後的利率基準改革、特定對沖會計規定及相關披露規定，對金融資產、金融負債及租賃負債之合約現金流的釐定基準作出更改。

於2021年1月1日，本集團有若干金融負債及衍生工具的利息與基準利率掛鉤，故將會或可能需要遵從利率基準改革。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

- (a) Amendments to IFRSs that are mandatorily effective for the current year (continued)
Impacts on application of Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (continued)

The following table shows the total amounts of outstanding contracts as at 1 January 2021. The amounts of financial liabilities are shown at their carrying amounts and derivatives are shown at their notional amounts. Hereinafter United States Dollars is referred to as “USD” and Hong Kong Dollars is referred to as “HKD”.

	HKD Hong Kong Interbank Offered Rate (“HIBOR”) 港元香港 銀行同業拆息 (「香港銀行 同業拆息」) RMB'000 人民幣千元	USD London Interbank Offered Rate (“LIBOR”) 美元倫敦銀行 同業拆息 (「倫敦銀行 同業拆息」) RMB'000 人民幣千元
Financial liabilities	金融負債	
Bank borrowing	銀行借款	1,031,784
Derivatives	衍生工具	
Interest rate swaps	利率掉期	1,262,400
		1,580,983

The amendments have had no impact on the consolidated financial statements as none of the relevant contracts has been transitioned to the relevant replacement rates during the year. The Group will apply the practical expedient in relation to the changes in contractual cash flows resulting from the interest rate benchmark reform for bank borrowing measured at amortised cost.

2. 應用國際財務報告準則(「國際財務報告準則」)的修訂(續)

- (a) 於本年度強制生效的國際財務報告準則的修訂(續)
採用國際財務報告準則第9號、國際會計準則第39號、國際財務報告準則第7號、國際財務報告準則第4號及國際財務報告準則第16號的修訂利率基準改革 – 第二階段的影響(續)

下表顯示於2021年1月1日未完成合約的總金額。金融負債的金額以賬面值列示，衍生工具以名義金額列示。於下文，美元稱作「美元」，而港元稱作「港元」。

	HKD Hong Kong Interbank Offered Rate (“HIBOR”) 港元香港 銀行同業拆息 (「香港銀行 同業拆息」) RMB'000 人民幣千元	USD London Interbank Offered Rate (“LIBOR”) 美元倫敦銀行 同業拆息 (「倫敦銀行 同業拆息」) RMB'000 人民幣千元
Financial liabilities	金融負債	
Bank borrowing	銀行借款	1,031,784
Derivatives	衍生工具	
Interest rate swaps	利率掉期	1,262,400
		1,580,983

由於年內並無相關合約轉換至相關重置率，因此該等修訂對綜合財務報表並無影響。本集團會因應按攤銷成本計量的銀行借款的利率基準改革所導致的合約現金流變動採用可行權宜方法。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (continued)

(b) New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 17	Insurance Contracts and the related Amendments ³
Amendments to IFRS 3	Reference to the Conceptual Framework ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 ¹
Amendments to IAS 1	Classification of Liabilities as Current or Non-current ³
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies ³
Amendments to IAS 8	Definition of Accounting Estimates ³
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ³
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use ²
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract ²
Amendments to IFRS Standards	Annual Improvements to IFRS Standards 2018–2020 ²

2. 應用國際財務報告準則(「國際財務報告準則」)的修訂(續)

(b) 已頒佈惟尚未生效的新訂及國際財務報告準則的修訂

本集團並無提早應用以下已頒佈惟尚未生效的新訂及國際財務報告準則的修訂：

國際財務報告準則第17號	保險合約及相關修訂 ³
國際財務報告準則第3號的修訂	概念框架指引 ²
國際財務報告準則第10號及國際會計準則第28號的修訂	投資者與其聯營公司或合營公司之間的資產銷售或投入 ⁴
國際財務報告準則第16號的修訂	2021年6月30日之後的新冠疫情影响相關租金優惠 ¹
國際會計準則第1號的修訂	負債分類為流動或非流動 ³
國際會計準則第1號及國際財務報告準則實務聲明書第2號的修訂	會計政策的披露 ³
國際會計準則第8號的修訂	會計估計的定義 ³
國際會計準則第12號的修訂	與單一交易產生的資產及負債相關的遞延所得稅 ³
國際會計準則第16號的修訂	物業、廠房及設備：擬定用途前的所得款項 ²
國際會計準則第37號的修訂	虧損性合約－履約成本 ²
國際財務報告準則的修訂	國際財務報告準則年度改進(2018年至2020年) ²

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2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

(b) New and amendments to IFRSs in issue but not yet effective (continued)

1. Effective for annual periods beginning on or after 1 April 2021.
2. Effective for annual periods beginning on or after 1 January 2022.
3. Effective for annual periods beginning on or after 1 January 2023.
4. Effective for annual periods beginning on or after a date to be determined.

The directors of the Company (the “**Directors**”) anticipate that the application of new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

2. 應用國際財務報告準則(「國際財務報告準則」)的修訂(續)

(b) 已頒佈惟尚未生效的新訂及國際財務報告準則的修訂(續)

1. 於2021年4月1日或之後開始的年度期間生效。
2. 於2022年1月1日或之後開始的年度期間生效。
3. 於2023年1月1日或之後開始的年度期間生效。
4. 於待定日期或之後開始的年度期間生效。

本公司董事(「**董事**」)預期應用新訂及國際財務報告準則的修訂於可見將來不會對綜合財務報表造成重大影響。

3. 綜合財務報表的編製基準及重要會計政策

3.1 綜合財務報表的編製基準

綜合財務報表已按國際會計準則理事會頒佈的國際財務報告準則編製。就編製綜合財務報表而言，倘該等資料可合理預期會影響主要使用者的決定，則該等資料被視為重大資料。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則(「**上市規則**」)及香港公司條例所規定的適用披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of preparation of consolidated financial statements (continued)

In preparation of the consolidated financial statements for the year ended 31 December 2021, the Directors have given careful consideration to the future liquidity of the Group in light of the fact that the Group's current liabilities exceeded its total current assets by RMB723,466,000 (2020: RMB1,881,191,000). Taking into account, (i) the available credit facilities of approximately RMB5,618,008,000 which remain unutilised as at 31 December 2021 and of which, an amount of RMB1,000,000,000 is from Inner Mongolia Mengniu Dairy (Group) Company Limited ("**Inner Mongolia Mengniu**"), a subsidiary of Mengniu, and the remaining are from licensed banks; (ii) the expected net cash inflows generated from the Group's operations for the next twelve months, the Directors are satisfied that the Group will be able to meet in full its financial obligations as and when they fall due in the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

The consolidated financial statements have been prepared on the historical cost basis except for: (i) biological assets, which are measured at fair value less costs to sell; (ii) Equity instruments at fair value through other comprehensive income ("**FVTOCI**"); (iii) other financial assets, which are measured at fair values; and (iv) derivative financial instruments, which are measured at fair values at the end of each reporting period as explained in the accounting policies set out in Note 3.2.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.1 綜合財務報表的編製基準(續)

在編製截至2021年12月31日止年度的綜合財務報表時，鑒於本集團的流動負債超出其總流動資產人民幣723,466,000元(2020年：人民幣1,881,191,000元)，董事已審慎考慮本集團的未來流動資金狀況。經考慮(i)於2021年12月31日的可供動用信貸融資約人民幣5,618,008,000元並未動用(其中的人民幣1,000,000,000元來自蒙牛的附屬公司內蒙古蒙牛乳業(集團)股份有限公司(「**內蒙古蒙牛**」)，剩餘則來自持牌銀行)；(ii)未來十二個月本集團營運產生的預期現金流入淨額，董事信納本集團將能夠在可見將來在到期時充分履行其財務責任。因此，綜合財務報表根據持續經營基準編製。

綜合財務報表乃根據歷史成本基準編製，惟：(i)按公平值減銷售成本計量的生物資產；(ii)按公平值計入其他全面收入(「**按公平值計入其他全面收入**」)的權益工具；(iii)按公平值計量的其他金融資產；及(iv)衍生金融工具按各報告期末的公平值計量除外(如附註3.2所載會計政策所闡釋)。

歷史成本一般以為換取商品及服務所支付代價的公平值為基準。

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綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of preparation of consolidated financial statements (continued)

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with IFRS 16 *Leases* (“IFRS 16”), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets* (“IAS 36”).

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.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that the results of the valuation technique equals the transaction price.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.1 綜合財務報表的編製基準(續)

公平值為市場參與者於計量日期在有序交易中出售資產可能收取或轉讓負債可能支付的價格，不論該價格是否直接觀察可得或使用另一種估值技術估計。估計資產或負債的公平值時，本集團考慮了市場參與者在計量日期為該資產或負債進行定價時將會考慮的資產或負債特徵。在該等綜合財務報表中計量及／或披露的公平值均在此基礎上予以確定，惟國際財務報告準則第2號以股份支付的付款範圍內的以股份支付的付款交易、根據國際財務報告準則第16號租賃(「國際財務報告準則第16號」)入賬的租賃交易及與公平值類似但並非公平值的計量(例如，國際會計準則第2號存貨中的可變現淨值或國際會計準則第36號資產減值(「國際會計準則第36號」)中的使用價值)除外。

非金融資產的公平值計量計入市場參與者透過使用其資產的最高及最佳用途或透過將資產出售予將使用其最高及最佳用途的另一名市場參與者而能夠產生經濟利益的能力。

就以公平值轉讓的金融工具而言，使用不可觀察輸入數據的估值技術將於隨後期間用於計量公平值，估值技術予以校準，因此估值技術所得結果與交易價相等。

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綜合財務報表附註

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of preparation of consolidated financial statements (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3.2 Significant accounting policies

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.1 綜合財務報表的編製基準(續)

此外，就財務呈報而言，公平值計量根據公平值計量的輸入數據可觀察程度及輸入數據對公平值計量的整體重要性分類為第一級、第二級及第三級，載述如下：

- 第一級輸入數據是實體於計量日期可以取得的相同資產或負債於活躍市場的報價(未經調整)；
- 第二級輸入數據是就資產或負債可直接或間接觀察的輸入數據(第一級內所包含的報價除外)；及
- 第三級輸入數據是資產或負債的不可觀察輸入數據。

3.2 重要會計政策

綜合基準

綜合財務報表載有本公司以及由本公司及其附屬公司控制的實體(包括結構性實體)的財務報表。倘屬以下情況，則本公司獲得控制權：

- 可對被投資者行使權力；
- 因參與被投資者的業務而可獲得或有權獲得可變回報；及
- 有能力藉行使其權力而影響該等回報。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Basis of consolidation (continued)

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 listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is 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.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

綜合基準(續)

倘有事實或情況顯示上述三項控制因素中，有一項或以上出現變數，本集團會重新評估其是否控制被投資者。

本集團於獲得附屬公司控制權時將附屬公司綜合入賬，並於失去附屬公司控制權時終止入賬。具體而言，於年內購入或出售的附屬公司的收入及開支，自本集團獲得控制權當日起至本集團失去附屬公司控制權當日止，計入綜合損益及其他全面收益表內。

損益及各項其他全面收入項目歸屬於本公司擁有人及非控股權益。附屬公司的全面收入總額歸屬於本公司擁有人及非控股權益，即使這將導致非控股權益出現虧絀結餘。

如有需要，將會就附屬公司的財務報表作出調整，使其會計政策與本集團的會計政策貫徹一致。

集團內的所有資產、負債、權益、收入、開支及與本集團成員公司間的交易相關的現金流量已於綜合賬目時全額抵銷。

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Basis of consolidation (continued)

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

綜合基準(續)

於附屬公司的非控股權益與本集團於當中的權益分開呈列，指現時擁有的權益且賦予持有人權利於清盤時按比例分佔相關附屬公司淨資產。

本集團於現有附屬公司的權益出現變動

本集團於現有附屬公司權益之變動，倘未導致本集團喪失對附屬公司之控制權，則入賬列作權益交易。本集團相關權益組成部分及非控股權益之賬面值予以調整，以反映其於附屬公司相對權益之變動，包括根據本集團及非控股權益的權益比例在本集團及非控股權益之間重新歸屬相關儲備。

非控股權益之調整額與已付或已收代價公平值之間的差額，直接於權益確認，並歸屬於本公司擁有人。

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Basis of consolidation (continued)

Changes in the Group's interests in existing subsidiaries (continued)

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 *Financial Instruments* ("IFRS 9") or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations or asset acquisitions

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

綜合基準(續)

本集團於現有附屬公司的權益出現變動(續)

倘若本集團失去對附屬公司的控制權，該附屬公司的資產及負債及非控股權益(如有)終止確認，則收益或虧損於損益內確認且以下列兩者間的差額計算(i)所收代價的公平值與任何保留權益的公平值總和及(ii)資產(包括商譽)的賬面值與本公司擁有人應佔附屬公司的負債。過往在有關附屬公司的其他全面收入確認的所有金額均入賬，猶如本集團已直接出售附屬公司的相關資產或負債(即按適用的國際財務報告準則具體規定/准許重新分類至損益或轉移至其他股本類別)。於失去控制權之日，保留在前附屬公司中的任何投資的公平值被視為初始確認時的公平值，以便根據國際財務報告準則第9號金融工具(「國際財務報告準則第9號」)進行後續會計處理，或在適用情況下，於初始確認於聯營公司或合資公司中的投資時被視為成本。

業務合併或資產收購

資產收購

當本集團收購一組不構成業務的資產與負債，本集團先按該等資產及負債各自的公平值將購買價分配至金融資產/金融負債，隨後按於購買日期各自的相對公平值將購買價餘額分配至其他可識別資產及負債，藉此識別並確認所收購的個別可識別資產及所承擔的負債。該項交易並無產生商譽或議價購買收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Business combinations or asset acquisitions (continued)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred 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. Acquisition-related costs are generally recognised in profit or loss as incurred.

Except for certain recognition exemptions, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the International Accounting Standards Committee's *Framework for the Preparation and Presentation of Financial Statements (replaced by the Conceptual Framework for Financial Reporting issued in September 2010)*.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities are recognised and measured in accordance with IAS 12 *Income Taxes*;
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

業務合併或資產收購(續)

業務合併

業務收購乃採用收購法入賬。業務合併轉讓之代價按公平值計量，而計算方法為本集團所轉讓之資產、本集團向被收購方的前擁有人產生之負債，以及本集團為換取被收購方之控制權而發行之權益於收購日期之公平值總和。收購相關成本一般於產生時在損益中確認。

除若干確認豁免外，所收購之可識別資產及所承擔之負債必須符合國際會計準則委員會的財務報表的編製及呈報框架(由2010年9月頒佈的財務報告概念框架代替)中對資產及負債的定義。

於收購日期，所收購之可識別資產及所承擔之負債按其公平值進行確認，惟以下情況除外：

- 遞延所得稅資產或負債根據國際會計準則第12號*所得稅*確認及計量；
- 租賃負債按剩餘租賃款項(定義見國際財務報告準則第16號)的現值確認及計量，猶如所收購的租賃於收購日期為新租賃，惟(a)租期於收購日期後12個月內結束；或(b)相關資產價值較低的租賃除外。使用權資產按與相關租賃負債相同的金額確認及計量，並作出調整以反映與市場條款相比的有利或不利租賃條款。

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Business combinations or asset acquisitions (continued)

Business combinations (continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

業務合併或資產收購(續)

業務合併(續)

商譽是以轉讓代價、於被收購方之任何非控股權益金額及收購方先前持有被收購方權益之公平值(如有)之總和，超出所收購之可識別資產及所承擔之負債於收購日期的金額淨值之差額計算。倘經重估後，所收購可識別資產及所承擔之負債的金額淨值超過轉讓代價、於被收購方之任何非控股權益金額及收購方先前持有被收購方權益之公平值(如有)之總和，則差額即時於損益確認為議價購買收益。

屬現有所有權權益且於清盤時賦予其持有人權利按比例分佔有關附屬公司資產淨值的非控股權益初步按非控股權益按比例分佔被收購方可識別資產淨值的已確認數額或公平值計量。

當本集團在業務合併中轉讓的代價包括或然代價安排時，或然代價按其購買日的公平值計量，並作為業務合併轉讓代價的一部分。不符合計量期間調整條件的或然代價的後續會計處理取決於或然代價的分類方式。被歸類為權益的或然代價不會在隨後的報告日期重新計量，其後續結算在權益內入賬。被歸類為資產或負債的或然代價在隨後的報告日期重新計量為公平值，相應的收益或虧損在損益中確認。

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Business combinations or asset acquisitions (continued)

Business combinations (continued)

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under IFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU") (or group of CGUs) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

業務合併或資產收購(續)

業務合併(續)

當業務合併分階段實現時，本集團之前持有的被收購方的股權在收購日(即本集團取得控制權的日期)重新計量為公平值，由此產生的收益或虧損(如有)於損益或其他全面收入(如適用)中確認。收購日之前已在其他全面收入中確認並根據國際財務報告準則第9號計量的被收購方權益所產生的金額，將按照本集團直接出售之前持有的股權所要求的相同基礎進行會計處理。

商譽

業務收購所產生的商譽按收購業務當日(見上文會計政策)確定的成本減累計減值虧損(如有)列賬。

就減值測試而言，商譽分配予預期會因合併的協同效益而受惠的本集團各現金產生單位(「現金產生單位」)(或現金產生單位組別)，其指就內部管理目的監控商譽的最低水平且不超過經營分部。

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Goodwill (continued)

A CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of CGUs).

Investments in associates

An associate is an entity over which the Group has 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.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

商譽(續)

每年及當單位出現可能減值跡象時更頻密地對獲分配商譽的現金產生單位(或現金產生單位組別)進行減值測試。就於某一報告期間自收購所產生的商譽而言，已獲分配商譽的現金產生單位(或現金產生單位組別)於該報告期末之前進行減值測試。倘可收回金額低於其賬面值，則先分配減值虧損以減少任何商譽的賬面值，再按該單位(或現金產生單位組別)內每項資產的賬面值按比例分配至其他資產。

於聯營公司的投資

聯營公司為本集團擁有重大影響力的實體。重大影響力為可參與被投資者財政及營運政策決定的權力而非對該等政策施加控制或共同控制。

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Investments in associates (continued)

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

於聯營公司的投資(續)

聯營公司的業績及資產以及負債採用權益會計法計入該等綜合財務報表。權益會計法所用聯營公司的財務報表按本集團於類似情況下就同類交易及事件採用的一致會計政策編製。根據權益法，於聯營公司的投資初步按成本於綜合財務狀況表確認，並於其後就確認本集團應佔聯營公司損益及其他全面收入作出調整。該聯營公司資產淨值(損益及其他全面收入除外)變動不予入賬，除非該等變動導致本集團持有的所有權出現變動。當本集團應佔聯營公司的虧損超出本集團於該聯營公司的權益(包括實質上構成本集團於聯營公司的投資淨額一部分的任何長期權益)時，本集團終止確認其應佔的進一步虧損。僅於本集團已產生法定或推定責任，或已代表聯營公司支付款項的情況下，方會確認額外虧損。

聯營公司投資自被投資者成為聯營公司該日起使用權益法入賬。於收購於聯營公司的投資時，投資成本超出本集團應佔被投資方的可識別資產及負債的公平值淨額的任何部分確認為商譽，計入該投資的賬面值。本集團應佔可識別資產及負債的公平值淨額超出投資成本的任何部分，經重新評估後即時於收購投資期間在損益確認。

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Investments in associates (continued)

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

於聯營公司的投資(續)

本集團評估是否有客觀證據顯示於一間聯營公司的權益有可能減值。當有任何客觀證據，投資(包括商譽)的全部賬面值乃根據國際會計準則第36號作為單獨資產，通過比較可收回金額(即使用價值及公平值減出售成本的較高者)與賬面值進行減值測試。任何確認的減值虧損並無分配予任何資產(包括商譽)屬投資賬面值的一部分。減值虧損的任何撥回乃按國際會計準則第36號確認，惟僅限於投資的可收回金額隨後增加。

當集團實體與本集團的聯營公司進行交易時，與該聯營公司進行交易而產生的損益僅在聯營公司權益與本集團無關的情況下，方會於本集團的綜合財務報表中確認。

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in the relevant subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell, except for financial assets within the scope of IFRS 9, which continue to be measured in accordance with the accounting policies as set out in respective sections.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

持作出售的非流動資產及出售組別

如果非流動資產及出售組別的賬面值主要通過銷售交易而不是通過持續使用收回，則其分類為持作出售。僅當條款屬通常及慣常且出售機會相當高及該資產(或出售組別)在其當前狀況下可即時出售時，方視為符合條件。管理層必須致力於銷售，預計自分類之日起一年內將符合資格確認為已完成銷售。

當本集團承諾一項涉及失去附屬公司控制權的銷售計劃時，如滿足上述標準，附屬公司的所有資產及負債均歸類為持有出售，無論本集團在出售後是否會保留相關附屬公司的非控股權益。

分類為持作出售的非流動資產(及出售組別)按其先前賬面值與公平值減出售成本中的較低者計量，惟國際財務報告準則第9號範圍內的金融資產除外，其繼續按照相關章節中規定的會計政策進行計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

客戶合約收入

於或當本集團達成履約責任時確認收入，即當與特定履約責任相關的商品或服務的「控制權」轉移予客戶時。

履約責任指可區分的單一商品或服務(或組合商品或服務)或大致相同的一系列可區分商品或服務。

倘滿足以下其中一項標準，則控制權隨著時間而轉移，並參考完全達成相關履約責任的進度隨著時間確認收入：

- 客戶同時收取並使用本集團履約所帶來的利益；
- 本集團的履約增設並增加於本集團履約時客戶所控制的資產；或
- 本集團的履約並無增設對本集團有額外用途的資產，而本集團有強制執行權利收取迄今已完成的履約付款。

否則，收入於客戶取得可區分商品或服務的控制權的時點確認。

合約負債指本集團有義務將其已向客戶收取代價(或到期的代價金額)的商品或服務轉移至客戶的責任。

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綜合財務報表附註

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Leases

Definition of 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.

For contracts entered into or modified on or after the date of initial application of IFRS16, or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

The Group as a lessee

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of motor vehicles, machinery, equipment and land 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 lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

租賃

租賃的定義

倘合約授予權利以代價為交換在某一時期內控制使用已識別資產，則該合約屬於租賃或包含租賃。

就於初次應用國際財務報告準則第16號日期或之後訂立或修訂或業務合併產生的合約而言，本集團根據國際財務報告準則第16號於開始、修訂日期或收購日期(視何者合適而定)的定義評估合約是否屬於或包含租賃。除非合約條款及條件其後改變，否則不得重新評估該合約。作為可行權宜方法，當本集團合理預期對綜合財務報表的影響與投資組合內的個別租賃並無重大差異時，具有類似特徵的租賃按組合基準入賬。

本集團作為承租人

短期租賃及低價值資產租賃

本集團將短期租賃確認豁免應用於自開始日期起計為期12個月或更短期且並不包含購買選擇權的汽車、機械、設備及土地租賃。其亦就低價值資產租賃應用確認豁免。短期租賃及低價值資產租賃的租賃付款於租期內以直線法或另一系統基準確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

租賃(續)

本集團作為承租人(續)

使用權資產

使用權資產的成本包括：

- 租賃負債的初步計量金額；
- 於開始日期或之前所作的任何租賃付款，減任何已收取的租賃優惠；
- 本集團產生的任何初步直接成本；及
- 本集團在拆除及移除相關資產、恢復其所在地點或將相關資產恢復至租賃條款及條件所要求的狀況時所產生的估計成本。

使用權資產按成本減任何累計折舊及減值虧損計量，並就租賃負債任何重新計量作出調整。

使用權資產按其估計可使用年期及租期中的較短者以直線法折舊。

本集團於綜合財務狀況表中將使用權資產獨立呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

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, initially measured using the index or rate as at the commencement date;

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

租賃(續)

本集團作為承租人(續)

可退回租賃按金

已付可退回租賃按金根據國際財務報告準則第9號入賬，並初步按公平值計量。於初步確認時對公平值所作調整被視為額外租賃付款並計入使用權資產成本。

租賃負債

於租賃開始日期，本集團按當日未支付的租賃付款現值確認及計量租賃負債。於計算租賃付款的現值時，倘租賃所含的利率不能即時釐定，則本集團會於租賃開始日期使用增量借款利率。

租賃付款包括：

- 固定付款(包括實質固定付款)減任何應收租賃優惠；
- 基於指數或利率之可變租賃款項(初步使用於開始日期之指數或利率計量)；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

Lease liabilities (continued)

Variable lease payments that reflect changes in market rental rates are initially measured using the market rental rates as at the commencement date. Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period on which the event or condition that triggers the payment occurs.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

租賃(續)

本集團作為承租人(續)

租賃負債(續)

反映市場租金變動的可變租賃付款初步使用於開始日期的市場租金計量。不會依賴指數或利率的可變租賃付款不計入租賃負債及使用權資產計量，並在觸發付款的事件或條件出現的期間內確認為開支。

在開始日期後，租賃負債透過利息增加及租賃付款進行調整。

於下列情況下，本集團重新計量租賃負債(並對相關的使用權資產進行相應調整)：

- 租期有所變動或行使購買選擇權的評估發生變化，在該情況下，相關租賃負債透過使用重新評估當日經修訂貼現率貼現經修訂租賃付款而重新計量。
- 租賃付款因市場租金審查導致市場租賃利率變動而有所變化，在該情況下，相關租賃負債透過使用初始貼現率貼現經修訂租賃付款而重新計量。

本集團於綜合財務狀況表中將租賃負債獨立呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

租賃(續)

本集團作為承租人(續)

租賃修訂

倘出現以下情況，本集團將租賃的修訂作為一項單獨租賃入賬：

- 該修訂透過增加一項或多項相關資產的使用權利而擴大租賃範圍；及
- 租賃代價增加的金額相當於擴大範圍對應的單獨價格，加上以反映特定合約的情況對單獨價格進行的任何適當調整。

對於不作為一項單獨租賃入賬的租賃修訂，本集團使用修訂生效日期經修訂貼現率貼現經修訂租賃付款，按經修訂租賃的租期重新計量租賃負債。

本集團通過對相關使用權資產進行相應調整，以對租賃負債進行重新計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

外幣

編製各個別集團實體的財務報表時，以該實體的功能貨幣以外的貨幣(外幣)所進行的交易乃按交易日期的當時匯率入賬。於報告期末，以外幣計值的貨幣項目乃按該日當時匯率重新換算。以外幣計值並按公平值入賬的非貨幣項目於釐定公平值之日以當時匯率重新換算。以外幣按歷史成本計量的非貨幣項目則不予重新換算。

結算及換算貨幣項目產生的匯兌差額，於其產生期間在損益中確認。

就綜合財務報表的呈列而言，本集團業務的資產與負債乃按於各報告期末的通行匯率換算為本集團的呈列貨幣(即人民幣)。收入及開支項目乃按該期間的平均匯率換算，除非匯率於該期間內出現大幅波動，在此情況下，將採用交易日的匯率換算。所產生的匯兌差額(如有)於其他全面收入內確認，累計於權益下換算儲備內(歸屬於非控股權益(如適用))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Foreign currencies (continued)

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

外幣(續)

收購海外業務所獲得之可識別資產之商譽及公平值調整被視為該海外業務之資產及負債，並按各報告期末之現行匯率換算。所產生之匯兌差額於其他全面收入確認。

借款成本

借款成本均於產生期間內在損益中確認。

政府補貼

政府補貼在合理保證本集團將符合其所附帶條件以及將獲發補貼時方會予以確認。

政府補貼按系統基準於本集團確認補貼擬補償的相關成本為開支的期間在損益內確認。具體而言，主要條件為本集團應購買、興建或以其他方式收購非流動資產的政府補貼於綜合財務狀況表確認為遞延收入，然後在有關資產的可使用年期內有系統及合理地轉撥至損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Government grants (continued)

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit under the state-managed retirement benefit schemes in the PRC are charged as an expense or capitalised when employees have rendered service entitling them to the contribution.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

政府補貼(續)

用作補償已產生開支或虧損或旨在為本集團提供即時資助(而無未來相關成本)的與收入有關的應收政府補貼，於應收期間於損益中確認。若干補貼已呈列於「其他收入」。

僱員福利

退休福利成本

向中國國家管理的退休福利計劃項下定額供款退休福利所作的供款於僱員已提供可使其享有供款的服務時作為開支扣除或資本化。

短期僱員福利

短期僱員福利按於及當僱員提供服務時預計將支付福利的未貼現金額確認。所有短期僱員福利確認為開支，除非另一項國際財務報告準則要求或允許將有關福利納入資產成本，則作別論。

在扣除已經支付的任何金額後，對僱員應得的福利(例如工資及薪金、年假及病假)確認負債。

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Share-based payments

Equity-settled share-based payment transactions

Share options and award shares granted to employees
Equity-settled share-based payments to employees providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration of all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve or share award reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve or share award reserve.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained earnings.

When the award shares are vested, the amount previously recognised in share award reserve and the amount of the relevant treasury shares included in equity under the heading of shares held under the share award schemes is reversed and the differences arising from the reversal is adjusted to retained earnings.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

以股份支付的付款

按股權結算以股份支付的付款交易

授予僱員的購股權及獎勵股份
授予提供類似服務的僱員的按股權結算以股份支付的付款乃按授出日期權益工具的公平值計量。

於授出日期未計及所有非市場歸屬條件而釐定的按股權結算以股份支付的付款的公平值於歸屬期內根據本集團對將最終歸屬權益工具的估計以直線法支銷，並增加相應的權益(購股權儲備或股份獎勵儲備)。於各報告期末，本集團根據對所有相關非市場歸屬條件的評估，修訂其對預期歸屬的權益工具的估計數目。修訂原先估計的影響(如有)在損益中確認以使累計開支反映經修訂的估計，並對購股權儲備或股份獎勵儲備作出相應調整。

於購股權獲行使時，先前在購股權儲備中確認的金額將轉撥至股份溢價。倘購股權於歸屬日期後被沒收或於到期日仍未獲行使，先前在購股權儲備中確認的金額將轉撥至保留盈利。

於獎勵股份歸屬時，撥回先前於股份獎勵儲備確認的金額及計入根據股份獎勵計劃持有的股份項下權益的相關庫存股份金額，且撥回產生的差額調整至保留盈利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Taxation

Income tax expenses represent the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit (loss) before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

稅項

所得稅支出指即期應付稅項及遞延稅項總和。

即期應付稅項按年內應課稅溢利計算。由於其他年度的應課稅或可扣稅收入或開支及毋須課稅或不可扣稅的項目，故應課稅溢利與除稅前溢利(虧損)不同。本集團的即期稅項負債按報告期末已頒佈或實際上已頒佈稅率計算。

遞延稅項按綜合財務報表內資產及負債賬面值與計算應課稅溢利所用相應稅基之間的暫時差額確認。遞延稅項資產一般按可能有應課稅溢利用作扣減可動用可扣減暫時差額為限，就所有該等可扣減暫時差額確認。倘若暫時差額由不影響應課稅溢利或會計溢利的交易中初次確認(業務合併除外)資產及負債所產生，則不會確認該等遞延稅項資產及負債。此外，倘暫時差額乃因初次確認商譽而產生，亦不會確認遞延稅項負債。

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

稅項(續)

遞延稅項負債乃就與附屬公司及聯營公司投資有關的應課稅暫時差額確認，惟倘本集團能夠控制暫時差額的撥回及暫時差額於可見將來可能不會撥回則除外。與此類投資及利息相關的可抵扣暫時性差額產生的遞延所得稅資產僅在很可能有足夠的應課稅溢利可用於利用暫時差額的利益且預期在可預見的未來將轉回的情況下確認。

遞延稅項資產的賬面值於報告期末進行檢討，並扣減至不再有足夠應課稅溢利可供收回全部或部分資產。

遞延稅項負債及資產按預期於結算負債或變現資產期間適用的稅率計量，所根據的稅率(及稅法)乃於報告期末已頒佈或已實際頒佈。

遞延稅項負債及資產的計量反映本集團預期於報告期末將要收回其資產或結算其負債賬面值的方式所產生的稅務後果。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Taxation (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than freehold lands and properties under construction as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Freehold lands are not depreciated and are measured at cost less subsequent accumulated impairment losses.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

稅項(續)

當有合法執行權利許可將即期稅項資產與即期稅項負債抵銷，且與同一稅務機關向同一應課稅實體徵收之所得稅有關，則遞延稅項資產及負債可互相對銷。

即期及遞延稅項於損益中確認，惟在其與其他全面收入或直接於權益內確認的項目有關的情況下，即期及遞延稅項亦會分別於其他全面收入或直接於權益內確認。在業務合併的初始會計處理產生即期稅項或遞延稅項時，稅務影響計入業務合併的會計處理中。

物業、廠房及設備

物業、廠房及設備指用於生產或提供貨品或服務，或出於行政目的而持有的有形資產(下文所述的永久業權土地及在建物業除外)。物業、廠房及設備乃按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表內入賬。

永久業權土地不折舊，並按成本減去後續累計減值虧損計量。

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Property, plant and equipment (continued)

Properties in the course of construction for production, supply or administrative purposes (classified as construction in progress) are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of property, plant and equipment other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

物業、廠房及設備(續)

就生產、供應或行政用途而在建築的物業(分類為在建工程)按成本減任何已確認減值虧損入賬。成本包括使資產達到能夠按照管理層擬定的方式經營所必要的位置及條件而直接應佔的任何成本，以及就符合資格的資產根據本集團會計政策資本化的借款成本。與其他物業資產一樣，當該等資產達到擬定用途時開始折舊。

折舊的確認旨在於估計可使用年期內按直線法撇銷物業、廠房及設備(不包括在建工程)的成本減該等項目的剩餘價值。估計可使用年期、剩餘價值及折舊方法於報告期末作檢討，按預測基準計入任何估計變動的影響。

任何物業、廠房及設備項目在出售時或預期繼續使用資產不會有未來經濟利益時終止確認。出售或報廢物業、廠房及設備項目產生的任何收益或虧損按出售所得款項與資產賬面值之間的差額釐定，並於損益中確認。

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

Impairment on property, plant and equipment, right-of-use assets, and other intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amount of its property, plant and equipment, right-of-use assets, other intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

無形資產

獨立收購之無形資產

獨立收購而具有有限可使用年期之無形資產按成本減累計攤銷及任何累計減值虧損列賬。具有有限可使用年期之無形資產之攤銷按資產估計可使用年期以直線法確認。本集團於各報告期末檢討估計可使用年期及攤銷方法，而任何估計變更之影響會按未來適用法入賬。

業務合併中收購之無形資產

業務合併中收購之無形資產與商譽分開確認，並初步按收購當日之公平值(被視為成本)確認。

於初步確認後，業務合併所收購具有有限使用年期的無形資產乃按成本減累計攤銷及任何累計減值虧損呈報，基準與單獨收購無形資產相同。業務合併所收購具無限使用年期的無形資產乃按成本減任何其後累計減值虧損入賬。

物業、廠房及設備、使用權資產及其他無形資產(商譽除外)減值

於報告期末，本集團檢討其可使用年期有限的物業、廠房及設備、使用權資產、其他無形資產的賬面值，以釐定該等資產是否出現任何減值虧損跡象。倘有任何此跡象存在，則估計相關資產的可收回金額，以釐定減值虧損(如有)的程度。

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Impairment on property, plant and equipment, right-of-use assets, and other intangible assets other than goodwill (continued)

The recoverable amount of property, plant and equipment, right-of-use assets, and other intangible assets are estimated individually. When it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the CGU to which the asset belongs.

In testing CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 (or a CGU) for which the estimates of future cash flows have not been adjusted.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

物業、廠房及設備、使用權資產及其他無形資產(商譽除外)減值(續)

物業、廠房及設備、使用權資產及其他無形資產的可收回金額會個別估計。倘無法單獨估計個別資產的可收回金額，本集團會估計該資產所屬現金產生單位的可收回金額。

於對現金產生單位進行減值測試時，倘可以訂立合理及一致的分配基礎，公司資產會被分配至相關現金產生單位，否則將被分配到可訂立合理及一致分配基礎的最小現金產生單位組別中。可收回金額按公司資產所屬的現金產生單位或現金產生單位組別釐定，並與相關現金產生單位或現金產生單位組別之賬面值作比較。

可收回金額為公平值減出售成本及使用價值兩者中的較高者。評估使用價值時，估計未來現金流量按除稅前貼現率貼現至其現值，而該貼現率反映當時市場對貨幣時間值及該項資產(或現金產生單位)(其未來現金流量的估計尚未經調整)特殊風險的評估。

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Impairment on property, plant and equipment, right-of-use assets, and intangible assets other than goodwill (continued)

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amount of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the assets is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

物業、廠房及設備、使用權資產及無形資產(商譽除外)減值(續)

倘估計資產(或現金產生單位)的可收回金額低於其賬面值，則資產(或現金產生單位)的賬面值將扣減至其可收回金額。對於不可按合理及一致的基準分配至現金產生單位的公司資產或公司資產部分，本集團將現金產生單位組別的賬面值(包括分配至該現金產生單位組別的公司資產或公司資產部分的賬面值)與現金產生單位組別可收回金額作比較。分配減值虧損時，減值虧損首先會分配以減低任何商譽(如適用)的賬面值，然後再基於單位或現金產生單位組別中各項資產的賬面值按比例分配至其他資產。資產的賬面值不能扣減至低於公平值減出售成本(如可計量)、使用價值(如可釐定)與零三者間之較高者。應分配至該等資產的減值虧損金額則按比例分配至單位或現金產生單位組別的其他資產。減值虧損即時於損益中確認。

凡減值虧損於其後撥回，資產(或現金產生單位或現金產生單位組別)的賬面值將增至經修訂的估計可收回金額，惟增加後的賬面值不得超過於過往年度內假設資產(或現金產生單位或現金產生單位組別)並無確認減值虧損而釐定的賬面值。減值虧損的撥回即時於損益中確認。

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on first-in, first-out or weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

存貨

存貨乃按成本與可變現淨值兩者中的較低者列賬。存貨成本以先進先出或加權平均法釐定。可變現淨值指存貨估計售價減所有估計完成成本及出售所需成本。進行銷售所需的成本包括直接歸屬於銷售的增量成本及本集團為進行銷售而必須產生的非增量成本。

撥備

倘本集團因過往事件而須承擔現時責任(法律或推定)，而本集團可能須履行該責任且該責任之金額能可靠地估計，則確認撥備。

當清償撥備所需的部分或全部經濟利益預期可從第三方收回時，如果幾乎可以肯定會收到償付並且應收款的金額能夠可靠地計量，則應收款確認為一項資產。

或然負債

或然負債是指因過去事項而產生的現時義務，但因履行該義務不太可能需要體現經濟利益的資源流出或該義務的金額不能足夠可靠地計量，故不予確認。

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Contingent liabilities (continued)

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

Biological assets

The Group's biological assets comprise 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 resulting gain or loss recognised in profit or loss for the year in which it arises.

The feeding costs and other related costs including staff costs, depreciation charge, utility costs and consumables incurred for raising of heifers and calves are capitalised, until such time as the heifers and calves begin to produce milk.

Agricultural produce

Agricultural produce represents raw milk. Raw milk is recognised at the point of harvest at its fair value less costs to sell. A gain or loss arising from agricultural produce at the point of harvest measuring at fair value less costs to sell is included in profit or loss for the period in which it arises.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

或然負債(續)

本集團持續評估以確定體現經濟利益的資源是否可能流出。如果以前作為或然負債處理的項目很可能需要未來經濟利益的流出，於發生概率變化的報告期內，在綜合財務報表中確認一項撥備，但無法作出可靠估計的極少數情況除外。

生物資產

本集團的生物資產由乳牛組成。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平值減銷售成本計量，任何所得收益或虧損於產生年度於損益中確認。

飼養成本及其他相關成本(包括飼養小母牛及小牛所產生的員工成本、折舊開支、水電成本及消費品成本)予以資本化，直至小母牛及小牛開始產奶。

農產品

農產品指原料奶。原料奶於獲取時按公平值減銷售成本確認。獲取時按公平值減銷售成本計量的農產品產生的收益或虧損於其產生期間計入損益內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15"). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

金融工具

金融資產及金融負債於一間集團實體成為工具合約條文訂約方時確認。所有以常規途徑購入或銷售的金融資產乃按交易日期基準確認及取消確認。常規途徑購入或銷售指根據市場法規或慣例所確定的時間框架內交付資產的金融資產購入或銷售。

金融資產及金融負債初步按公平值計量，惟產生自與客戶合約的應收貿易賬款(初步按國際財務報告準則第15號客戶合約收入(「國際財務報告準則第15號」)計量)除外。收購或發行金融資產及金融負債(按公平值計入損益(「按公平值計入損益」)的金融資產或金融負債除外)直接應佔的交易成本於初步確認時於金融資產或金融負債(如適用)的公平值中加入或減去。收購按公平值計入損益的金融資產或金融負債直接應佔的交易成本即時於損益中確認。

實際利率法乃計算金融資產或金融負債的攤銷成本以及於有關期間分配利息收入及利息開支的方法。實際利率乃於初步確認時按金融資產或金融負債的預計可使用年期或(如適用)較短期間內準確貼現估計未來現金收入及款項(包括構成實際利率不可或缺部分的所有已付或已收費用及積分、交易成本及其他溢價或貼現)至賬面淨值的利率。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 *Business Combinations* applies.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

金融工具(續)

金融資產

金融資產的分類及其後計量

滿足以下條件的金融資產其後按攤銷成本計量：

- 於目的為收取合約現金流量的業務模式下持有金融資產；及
- 合約條款於特定日期產生的現金流量純粹為支付本金及尚未償還本金的利息。

滿足以下條件的金融資產其後按公平值計入其他全面收入的方式計量：

- 於目的為同時出售及收取合約現金流量的業務模式下持有金融資產；及
- 合約條款於特定日期產生的現金流量純粹為支付本金及尚未償還本金的利息。

所有其他金融資產其後按公平值計入損益的方式計量，惟以下情況另當別論，於初始確認金融資產時，倘權益投資並非持作買賣，亦非由收購方在國際財務報告準則第3號業務合併所適用的業務合併中確認的或然代價，則本集團可能會不可撤銷地選擇於其他全面收入中呈列有關權益投資的其後公平值變動。

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綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及其後計量(續)

倘屬以下情況，金融資產為持作買賣：

- 收購金融資產的主要目的為於短期內出售；或
- 於初步確認時，其為本集團整體管理的已識別金融工具組合的一部分，並具有短期賺取利潤的近期實際模式；或
- 其屬並非指定及有效作為對沖工具的衍生工具。

此外，本集團或會不可撤銷地需要按攤銷成本計量或按公平值計入其他全面收入的方式計量的金融資產指定為按公平值計入損益的方式計量，前提為此舉可消除或大幅減少會計錯配。

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained earnings.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及其後計量(續)

(i) 攤銷成本及利息收入

其後按攤銷成本計量的金融資產的利息收入乃使用實際利息法予以確認。利息收入乃對一項金融資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的金融資產除外(見下文)。就其後出現信貸減值的金融資產而言，自下一報告期起，利息收入乃對金融資產攤銷成本應用實際利率予以確認。倘信貸減值金融工具的信貸風險好轉，使金融資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃對金融資產賬面總值應用實際利率予以確認。

(ii) 指定為按公平值計入其他全面收入的權益工具

按公平值計入其他全面收入的權益工具投資其後按公平值計量，其公平值變動產生的收益及虧損於其他全面收入確認並於按公平值計入其他全面收入的儲備中累計，而毋須作減值評估。累計收益或虧損將不會重新分類至出售權益投資的損益，並將轉撥至保留盈利。

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(ii) Equity instruments designated as at FVTOCI

(continued)

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including trade and other receivables, pledged bank deposits and bank balances) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及其後計量(續)

(ii) 指定為按公平值計入其他全面

收入的權益工具(續)

當本集團確立獲得股息的權利時，該等權益工具投資的股息於損益中確認，惟股息明確表示收回部分投資成本則除外。股息計入損益「其他收入」項下。

(iii) 按公平值計入損益的金融資產

不符合按攤銷成本或按公平值計入其他全面收入的方式計量或指定為按公平值計入其他全面收入的方式計量的金融資產，按公平值計入損益的方式計量。

按公平值計入損益的金融資產按各報告期末的公平值計量，任何公平值收益或虧損則於損益中確認。

根據國際財務報告準則第9號須予進行減值評估的金融資產減值

本集團就根據國際財務報告準則第9號須予進行減值評估的金融資產(包括應收貿易賬款及其他應收款項、已質押銀行存款及銀行結餘)進行預期信貸虧損模式項下減值評估。預期信貸虧損金額於各報告日期更新，以反映自初始確認以來的信貸風險變動。

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綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

金融工具(續)

金融資產(續)

根據國際財務報告準則第9號須予進行減值評估的金融資產減值(續)

全期預期信貸虧損指於相關工具的預期年期內所有可能發生的違約事件產生的預期信貸虧損。反之，12個月預期信貸虧損(「12個月預期信貸虧損」)指預期將於報告日期後12個月內可能發生的違約事件產生的部分全期預期信貸虧損。評估乃根據本集團的過往信貸虧損經驗進行，並根據債務人特有的因素、整體經濟狀況以及對報告日期當時狀況及未來狀況預測的評估作出調整。

本集團始終就應收貿易賬款確認全期預期信貸虧損。

就所有其他工具而言，本集團計量虧損撥備等於12個月預期信貸虧損，除非自初始確認起信貸風險顯著增加，在此情況下，本集團確認全期預期信貸虧損。評估全期預期信貸虧損是否應確認乃基於自初始確認以來發生違約或風險的可能性顯著增加。

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綜合財務報表附註

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instruments as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

金融工具(續)

金融資產(續)

根據國際財務報告準則第9號須予進行減值評估的金融資產減值(續)

(i) 信貸風險顯著增加

於評估信貸風險自初始確認以來是否已顯著增加時，本集團將於報告日期金融工具存在的違約風險與於初始確認日期金融工具存在的違約風險進行比較。在進行該評估時，本集團會計及合理可靠的定量及定性資料，包括過往經驗及毋須承擔過多成本或付出過多精力即可獲得的前瞻性資料。

尤其是，評估信貸風險是否顯著增加時會計及下列資料：

- 金融工具外部(倘可獲得)或內部信貸評級實際或預期出現嚴重降級；
- 外部市場信貸風險指標出現顯著惡化，例如信貸息差大幅擴大、債務人的信貸違約掉期價格大幅上升；

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綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)

(i) Significant increase in credit risk (Continued)

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

金融工具(續)

金融資產(續)

根據國際財務報告準則第9號須予進行減值評估的金融資產減值(續)

(i) 信貸風險顯著增加(續)

- 預期將導致債務人還債能力大幅下降的業務、財務或經濟狀況的現有或預測不利變化；
- 債務人經營業績的實際或預期顯著惡化；及
- 導致債務人還債能力大幅下降的債務人監管、經濟或技術環境的實際或預期重大不利變化。

不論上述評估的結果如何，本集團認為，倘合約付款逾期超過30日，則信貸風險自初始確認以來已顯著增加，惟本集團有合理可靠的資料加以證明則當別論。

本集團定期監察用以確定信貸風險曾否顯著增加的標準的成效，並於適當時候作出修訂，從而確保有關標準能夠於款項逾期前確定信貸風險顯著增加。

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

金融工具(續)

金融資產(續)

根據國際財務報告準則第9號須予進行減值評估的金融資產減值(續)

(ii) 違約定義

就內部信貸風險管理而言，本集團認為，違約事件在內部制訂或得自外界來源的資料顯示債務人不大可能悉數向債權人(包括本集團)還款(未計及本集團所持任何抵押品)時發生。

不論上文為何，本集團都認為，已於金融資產逾期超過90日後發生違約，除非本集團有合理及具理據資料來顯示更加滯後的違約標準更為恰當。

(iii) 信貸減值金融資產

金融資產在一項或以上違約事件(對該金融資產估計未來現金流量構成不利影響)發生時維持信貸減值。金融資產維持信貸減值的證據包括有關以下事件的可觀察數據：

- 發行人或借款人的重大財務困難；
- 違反合約(如違約或逾期事件)；

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)

(iii) Credit-impaired financial assets (continued)

- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

金融工具(續)

金融資產(續)

根據國際財務報告準則第9號須予進行減值評估的金融資產減值(續)

(iii) 信貸減值金融資產(續)

- 借款人的貸款人因有關借款人財務困難的經濟或合約理由而向借款人批出貸款人不會另行考慮的優惠；
- 借款人將可能陷入破產或其他財務重組；或
- 由於財務困難導致於金融資產活躍市場消失。

(iv) 撇銷政策

當資料顯示對手方處於嚴重財困及無實際收回可能時，例如對手方被清盤或已進入破產程序時(以較早者為準)，本集團則撇銷金融資產。經考慮法律意見後(倘合適)，遭撇銷的金融資產可能仍須按本集團收回程序進行強制執行活動。撇銷構成取消確認事項。任何其後收回在損益中確認。

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. The ECL on these assets are assessed individually or collectively using collective assessment with appropriate groupings.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

金融工具(續)

金融資產(續)

根據國際財務報告準則第9號須予進行減值評估的金融資產減值(續)

(v) 預期信貸虧損的計量及確認

預期信貸虧損的計量取決於違約概率、違約虧損率(即違約時的虧損程度)及違約風險承擔。違約概率及違約虧損率的評估乃基於過往數據及前瞻性資料作出。預期信貸虧損的預估反映無偏概率加權金額，以各自發生違約的風險為權重釐定。

一般而言，預期信貸虧損為根據合約應付本集團的所有合約現金流量與本集團預期收取的現金流量(按於初始確認時釐定的實際利率貼現)之間的差額。該等資產的預期信貸虧損通過適當分組的集體評估單獨或集體評估。

對於集體評估，本集團在制定分組時考慮了以下特點：

- 逾期狀態；
- 債務人的性質、規模及行業；及
- 可用的外部信用評級。

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)

(v) Measurement and recognition of ECL (continued)

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial assets.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI upon application of IFRS 9, the cumulative gain or loss previously accumulated in the "FVTOCI reserve" is not reclassified to profit or loss, but is transferred to retained earnings.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

金融工具(續)

金融資產(續)

根據國際財務報告準則第9號須予進行減值評估的金融資產減值(續)

(v) 預期信貸虧損的計量及確認(續)

利息收入根據金融資產的賬面總值計算，惟金融資產為信貸減值的情況除外，在此情況下，利息收入按金融資產的攤銷成本計算。

本集團通過調整所有金融工具的賬面值於損益內確認其減值收益或虧損，惟相應調整於虧損撥備賬中確認的應收貿易賬款及其他應收款項除外。

取消確認金融資產

本集團僅於資產收取現金流量的合約權利已到期，或金融資產已轉讓及本集團已將其於金融資產所有權的絕大部分風險及回報轉移予另一實體時取消確認金融資產。

於取消確認按攤銷成本計量的金融資產時，資產賬面值與已收及應收代價之和的差額於損益中確認。

於取消確認本集團於初步確認時於應用國際財務報告準則第9號時按公平值計入其他全面收入計量的權益工具投資時，先前在「按公平值計入其他全面收入的儲備」中累計的累計收益或虧損不會重新分類至損益，但轉撥至保留盈利。

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which IFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

金融工具(續)

金融負債及權益

分類為債務或權益

債務及權益工具乃根據合約安排的實質及金融負債與權益工具的定義分類為金融負債或權益。

權益工具

權益工具指證明在扣除所有負債後實體於資產的剩餘權益的任何合約。本公司發行的權益工具按扣除直接發行成本後的已收所得款項確認。

購回本公司本身的權益工具直接於權益內確認及扣減。不會於損益內就購買、出售、發行或註銷本公司本身的權益工具確認收益或虧損。

金融負債

所有金融負債均採用實際利率法按攤銷成本或按公平值計入損益作後續計量。

按公平值計入損益的金融負債

當金融負債(i)是在國際財務報告準則第3號適用的業務合併中收購方的或然代價，(ii)為交易而持有或(iii)被指定為按公平值計入損益時，金融負債分類為按公平值計入損益。

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Financial liabilities at FVTPL (continued)

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, bank borrowings, other borrowings and Long term bonds are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

金融工具(續)

金融負債及權益(續)

按公平值計入損益的金融負債(續)

倘屬以下情況，金融負債為持作買賣：

- 收購金融負債的主要目的為於短期內購回；或
- 於初步確認時，其為本集團整體管理的已識別金融工具組合的一部分，並具有短期賺取利潤的近期實際模式；或
- 屬於衍生工具，但屬於財務擔保合約或指定有效套期工具的衍生工具除外。

按攤銷成本計量的金融負債

金融負債(包括應付貿易賬款及其他應付款項、銀行借款、其他借款及長期債券)其後使用實際利率法按攤銷成本計量。

取消確認金融負債

本集團僅在其責任獲免除、取消或終止時，方會取消確認金融負債。取消確認金融負債的賬面值與已付及應付代價的差額於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

Embedded derivatives

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured in its entirety as either amortised cost or fair value as appropriate.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

3. 綜合財務報表的編製基準及重要會計政策(續)

3.2 重要會計政策(續)

金融工具(續)

金融負債及權益(續)

衍生金融工具

衍生工具於訂立衍生工具合約日期初步按公平值確認，其後於報告期末重新計量公平值，所產生的收益或虧損於損益確認。

嵌入式衍生工具

嵌入於包含屬於國際財務報告準則第9號規範的金融資產的混合合約中的衍生工具不應分拆。整個混合合約應整體按攤銷成本或按公平值(如適用)分類和後續計量。

金融資產與金融負債抵銷

金融資產與金融負債在且僅當本集團目前具有合法可執行權利抵銷已確認金額並打算以淨額結算，或同時變現資產及清償負債時，才會抵銷並在綜合財務狀況表中呈列淨額。

4. 估計不確定性的主要來源

於應用本集團的會計政策(於附註3闡述)時，董事須就資產及負債不易由其他來源得出的賬面值作出判斷、估計及假設。估計及有關假設乃基於過往經驗和被視為屬相關的其他因素作出。實際結果可能與該等估計有所不同。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value measurements of biological assets

The Group's biological assets are measured at fair value less costs to sell at the end of each reporting period. The Group uses valuation techniques that include inputs that are not based on market observable data to estimate the fair value of biological assets. For heifers and calves, the fair value is determined based on the 14 months old heifers' local market selling prices and adjusted by estimated feeding costs for heifers and calves older or younger than 14 months. For milkable cows, the fair value is determined by using the multi-period excess earning method with key inputs including the discount rate, the estimated feed costs per kilogram ("kg") of raw milk, estimated average daily milk yield at each lactation cycle and the estimated local future market price of raw milk. Any changes in the inputs may affect the fair value of the Group's biological assets significantly. The carrying amount of the Group's biological assets as at 31 December 2021 was RMB9,404,924,000 (2020: RMB7,101,243,000). Further details are given in Notes 19 and 42.

4. 估計不確定性的主要來源(續)

估計及相關假設會持續進行檢討。倘對會計估計的修訂僅影響對估計作出修訂的期間，則於修訂有關估計的期間內確認，或倘修訂對當前及未來期間均有影響，則於修訂期間及未來期間確認。

於報告期末，極有可能導致下一個財政年度的資產及負債賬面值出現重大調整的涉及未來的主要假設及估計不確定性的其他主要來源如下。

生物資產的公平值計量

本集團的生物資產於各報告期末按公平值減銷售成本計量。於估計生物資產的公平值時，本集團採用包括並非根據可觀察市場數據的輸入數據的估值技術。就小母牛及小牛而言，公平值乃根據十四個月大的小母牛本地市場售價而釐定，並經大於或小於十四個月的小母牛及小牛的估計飼養成本調整。就奶牛而言，公平值乃使用多期超額收益法及關鍵輸入數據(包括貼現率、每千克(「千克」)原料奶的估計飼養成本、各哺乳期的估計平均每日產奶量及原料奶的估計本地未來市價)釐定。輸入數據的任何變動均可能顯著影響本集團生物資產的公平值。於2021年12月31日，本集團生物資產的賬面值為人民幣9,404,924,000元(2020年：人民幣7,101,243,000元)。進一步詳情載於附註19及42。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the CGUs to which goodwill has been allocated, which is the higher of its value in use and its fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGUs and a suitable pre-tax discount rate in order to calculate the present value. Where the actual future cash flows are less than expected or when there is a downward revision to the estimated future cash flows due to changes in facts and circumstances, further impairment loss may arise.

As at 31 December 2021, the carrying amount of goodwill is RMB2,075,591,000 (2020: RMB1,322,457,000), net of accumulated impairment loss of RMB213,429,000 (2020: RMB213,429,000). Details of the impairment test are disclosed in Note 17.

4. 估計不確定性的主要來源(續)

商譽的估計減值

釐定商譽是否減值須對獲分配商譽的現金產生單位的可收回款項作出估計，以其使用價值及其公平值減出售成本的較高者為準。使用價值計算要求本集團估計預期產生自現金產生單位的未來現金流量及合適的稅前貼現率以計算現值。倘實際的未來現金流量低於預期或由於事實及情況變動而對估計的未來現金流量作下調修訂時，則可能會出現進一步的減值虧損。

於2021年12月31日，商譽的賬面值為人民幣2,075,591,000元(2020年：人民幣1,322,457,000元)，扣除累計減值虧損人民幣213,429,000元(2020年：人民幣213,429,000元)。有關減值測試的詳情於附註17中披露。

5. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue

5. 收入及分部資料

(i) 收入細分

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Types of goods	商品類型		
Raw milk	原料奶	7,005,012	6,020,247
Feeds	飼料	73,458	-
		7,078,470	6,020,247
Timing of revenue recognition	收入確認時間		
A point in time	時間點	7,078,470	6,020,247
Geographical markets	地理市場		
Mainland China	中國內地	7,059,603	6,020,247
Other countries	其他國家	18,867	-
		7,078,470	6,020,247

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5. REVENUE AND SEGMENT INFORMATION

(continued)

(ii) Performance obligations for contracts with customers

For the sales of raw milk, revenue is recognised when control of the raw milk has been transferred, being at the point the customer received the raw milk and accepted the quality, the normal credit term of which is 30 days. For the sales of feeds, revenue is recognised when control of the feeds has been transferred, being at the point the customers received the feeds or at the point being despatched, depending on the terms of the contracts, the normal credit term is generally due within 30 to 90 days.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

Sales of raw milk and feeds are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(iv) Segment information

IFRS 8 *Operating Segments* ("IFRS 8") requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the "CODM"), in order to allocate resources and to assess performance. During the year, the Group commenced the business of sales of feeds after the acquisition of Inner Mongolia Fuyuan International Industrial (Group) Co. Ltd. ("Fuyuan", Fuyuan and its subsidiaries are hereinafter collectively referred to as the "Fuyuan Group"), which is regarded as a new operating and reportable segment by the CODM. The quantitative thresholds of sales, profit and assets of feeds segment do not meet any of the quantitative thresholds required by IFRS 8, and the management believes that information about the segment would not be useful to users of the financial statements in the current year. Accordingly, no segment information is reported.

5. 收入及分部資料(續)

(ii) 客戶合約的履約義務

就銷售原料奶而言，收入於已轉移原料奶控制權時獲確認(即客戶收到原料奶並接受品質時)。一般信貸期為30天。就銷售飼料而言，收入於已轉移飼料控制權時獲確認(即客戶收到飼料時或發出時(取決於合約條款))。一般信貸期為30至90天。

(iii) 分配至客戶合約餘下履約義務的交易價格

原料奶及飼料的銷售期限為一年或更短。在國際財務報告準則第15號允許的情況下，未披露分配至該等未獲滿足合約的交易價格。

(iv) 分部資料

國際財務報告準則第8號經營分部(「國際財務報告準則第8號」)規定根據主要營運決策者(「主要營運決策者」)定期審閱的有關本集團組成部分的內部報告識別經營分部，以分配資源及評估表現。年內，本集團於收購內蒙古富源國際實業(集團)有限公司(「富源」，富源及其附屬公司統稱為「富源集團」)後開展飼料銷售業務，並被主要營運決策者視為新的經營及呈報分部。飼料分部的銷售額、溢利及資產的量化門檻不符合國際財務報告準則第8號規定的任何量化門檻，管理層認為該分部的資料對本年度財務報表使用者無用。因此，並無呈報分部資料。

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5. REVENUE AND SEGMENT INFORMATION

(continued)

(iv) Segment information (continued)

Geographical information

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

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

5. 收入及分部資料(續)

(iv) 分部資料(續)

地理資料

本集團的業務位於中國內地及美國(「美國」)。

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

		Revenue from external customers 來自外部客戶的收入		Non-current assets (Note) 非流動資產(附註)	
		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Mainland China	中國內地	7,057,441	6,020,247	17,810,823	12,335,128
USA	美國	21,029	-	119,119	-
		7,078,470	6,020,247	17,929,942	12,335,128

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

附註：非流動資產不包括金融工具及遞延稅項資產。

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5. REVENUE AND SEGMENT INFORMATION

(continued)

(v) Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Customer A	客戶A	5,977,915	4,939,178
Customer B	客戶B	N/A 不適用	629,078

5. 收入及分部資料(續)

(v) 有關主要客戶的資料

相應年度對本集團銷售總額貢獻10%以上的客戶收入如下：

6. OTHER INCOME

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Bank interest income	銀行利息收入	46,143	18,308
Government grants related to	就以下各項授出的政府補貼		
- Assets (Note 31)	- 資產(附註31)	47,733	31,131
- Others (Note)	- 其他(附註)	16,394	28,844
Others	其他	64,127 13,565	59,975 8,392
		123,835	86,675

6. 其他收入

Note: These government grants are unconditional government subsidies received by the Group from relevant government bodies for the purpose of giving immediate financial support to the Group's operation.

附註：該等政府補貼為本集團從有關政府部門收取的無條件政府補貼，旨在為本集團的營運提供即時財政支持。

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7. PROFIT BEFORE FINANCE COSTS AND TAX

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

7. 除融資成本及稅項前溢利

除融資成本及稅項前溢利乃扣除(計入)下列各項後計算得出：

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Cost of sales:	銷售成本：		
Breeding costs to produce raw milk	生產原料奶的養殖成本	4,470,101	3,561,559
Raw milk fair value adjustments included in cost of sales	計入銷售成本的原料奶公平值調整	2,378,446	2,277,414
Cost of feeds sold	已售出飼料成本	58,894	-
		6,907,441	5,838,973
Other gains and losses, net:	其他收益及虧損淨額：		
Net foreign exchange gain	外匯收益淨額	(84,287)	(158,173)
Loss on disposal of property, plant and equipment, net	出售物業、廠房及設備虧損淨額	9,659	13,110
Gains on disposal of subsidiaries (Note 36)	出售附屬公司的收益(附註36)	-	(72,280)
Impairment loss on goodwill	商譽減值虧損	-	48,809
Fair value gain on other financial assets	其他金融資產的公平值收益	(1,821)	(1,012)
Fair value loss (gain) on derivative financial instruments:	衍生金融工具的公平值虧損(收益)：		
Foreign currency forward contracts	外匯遠期合約	1,999	(26,381)
Foreign currency option contracts	外匯期權合約	90,884	53,413
Capped and floored cross currency swap ("CFCCS")	封頂封底交叉貨幣掉期(「CFCCS」)	(67,537)	-
		25,346	27,032
		(51,103)	(142,514)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	495,263	454,376
Less: capitalised in biological assets	減：生物資產資本化金額	(213,639)	(191,851)
Depreciation charged to profit or loss	扣除自損益的折舊	281,624	262,525

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7. PROFIT BEFORE FINANCE COSTS AND TAX (continued)

7. 除融資成本及稅項前溢利(續)

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Depreciation of right-of-use assets	使用權資產折舊	22,296	16,904
Less: capitalised in biological assets	減：生物資產資本化金額	(8,397)	(6,331)
Depreciation charged to profit or loss	扣除自損益的折舊	13,899	10,573
Short-term lease expense	短期租賃開支	21,301	15,305
Less: capitalised in biological assets	減：生物資產資本化金額	(9,070)	(6,607)
Short-term lease expense charged to profit or loss	扣除自損益的短期租賃開支	12,231	8,698
Employee benefits expense:	僱員福利開支：		
Salaries and allowances	薪金及津貼	599,645	573,810
Retirement benefit schemes contributions	退休福利計劃供款	39,635	11,808
Equity-settled share award expense	以股權結算的股份獎勵開支	22,224	26,806
Less: capitalised in biological assets	減：生物資產資本化金額	(173,506)	(120,868)
Employee benefits charged to profit or loss	扣除自損益的僱員福利	487,998	491,556
Auditors' remuneration	核數師薪酬	3,350	2,600

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8. FINANCE COSTS

8. 融資成本

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Interest expenses on:	利息開支：		
Bank borrowings	銀行借款	187,924	258,883
Long term bonds	長期債券	34,994	-
Other borrowings	其他借款	11,142	7,221
Lease liabilities	租賃負債	12,890	11,065
Total borrowing cost		246,950	277,169
Fair value (gain) loss on interest rate swaps		(48,818)	41,455
		198,132	318,624

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

9. 預期信貸虧損模型下減值虧損，扣除撥回

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Impairment losses recognised on:	就下列各項確認的減值虧損：		
- Other receivables	- 其他應收款項	476	157
Impairment losses reversed on:	就下列各項撥回的減值虧損：		
- Trade receivables - liquid milk product	- 應收貿易賬款 - 液態奶產品	-	(152)
		476	5

Details of impairment assessment are set out in Note 39.

減值評估詳情載列於附註39。

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10. INCOME TAX EXPENSE AND DEFERRED TAXATION

Income tax expense

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Current – PRC Enterprise Income Tax	即期 – 中國企業所得稅	1,899	639
Current – other jurisdiction	即期 – 其他司法權區	124	–
		2,023	639

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

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

According to the prevailing tax rules and regulation of the EIT Law, 31 subsidiaries of the Group are exempted from enterprise income tax for taxable profit from the operation of agricultural business in the PRC for the year ended 31 December 2021 (2020: 16 subsidiaries).

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

Pursuant to the PRC EIT Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% or 10%. Deferred taxation has not been provided for in the consolidated financial statements in respect of the accumulated profits of the PRC subsidiaries amounting to RMB3,737,103,000 as at 31 December 2021 (31 December 2020: RMB2,836,473,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

10. 所得稅開支及遞延稅項

所得稅開支

	2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Current – PRC Enterprise Income Tax	1,899	639
Current – other jurisdiction	124	–
	2,023	639

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司於兩個年度的稅率為25%。

其他司法權區產生的稅項乃根據有關司法權區現行稅率計算。

根據企業所得稅法現行稅務規則及法規，截至2021年12月31日止年度，本集團的31間附屬公司(2020年：16間附屬公司)於中國經營農業業務產生的應課稅溢利獲豁免繳納企業所得稅。

並無就香港稅項作出撥備，原因為本集團於香港並無產生收入亦無源自香港之收入。

根據中國企業所得稅法，於中國內地成立的外資企業向外商投資者宣派股息須繳納10%的預扣稅。該規定自2008年1月1日起生效，並適用於2007年12月31日後的盈利。倘中國與外商投資者所在司法權區訂立了稅項條約，則可調低預扣稅稅率。本集團的適用比率為5%或10%。於2021年12月31日，並未就中國附屬公司累計溢利人民幣3,737,103,000元(2020年12月31日：人民幣2,836,473,000元)於綜合財務報表就遞延稅項作出撥備，乃由於本集團能夠控制撥回暫時差額的時間及該等暫時差額於可見將來可能不會獲撥回。

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10. INCOME TAX EXPENSE AND DEFERRED TAXATION (continued)

Income tax expense (continued)

The tax expense for the current year can be reconciled to profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

10. 所得稅開支及遞延稅項(續)

所得稅開支(續)

以下是本年度稅項開支與綜合損益及其他全面收益表內除稅前溢利的對賬：

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Profit before tax	除稅前溢利	1,035,222	784,404
Tax at applicable income tax rate at 25% (2020: 25%)	按適用所得稅稅率25%計算的稅項(2020年：25%)	258,806	196,101
Effect of tax exemption granted to agricultural entities and other duty-free areas	農業實體免稅待遇及其他免稅區的影響	(318,643)	(241,126)
Effect of non-utilised losses incurred from agricultural business and other non-deductible expenses	農業業務產生未動用虧損及其他不可扣稅開支的影響	54,782	42,817
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營的附屬公司的不同稅率的影響	(26)	-
Effect of tax losses not recognised	未確認稅項虧損的影響	7,105	2,916
Utilisation of tax losses previously not recognised	動用過往未確認稅項虧損	(1)	(69)
Income tax expense	所得稅開支	2,023	639

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10. INCOME TAX EXPENSE AND DEFERRED TAXATION (continued)

Income tax expense (continued)

As at 31 December 2021, the Group's PRC subsidiaries had unused tax losses of RMB158,044,000 (2020: RMB186,239,000) incurred by non-agricultural business in the PRC. These unused tax losses as at 31 December 2021 will expire in year 2022 to year 2026 as disclosed in the following table if not utilised. No deferred tax asset has been recognised in relation to such tax losses as it is not probable that taxable profit will be available against which the temporary differences can be utilised.

10. 所得稅開支及遞延稅項(續)

所得稅開支(續)

於2021年12月31日，本集團的中國附屬公司就中國的非農業業務產生的未動用稅項虧損為人民幣158,044,000元(2020年：人民幣186,239,000元)。倘於2021年12月31日該等未動用稅項虧損未獲動用，其將於2022年至2026年屆滿，如下表所披露。由於可能不會獲得應課稅溢利而可動用暫時差額，因此並無就有關稅項虧損確認遞延稅項資產。

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
2021	2021年	–	50,434
2022	2022年	71,748	71,287
2023	2023年	31,684	31,704
2024	2024年	596	25,996
2025	2025年	15,550	6,818
2026	2026年	38,466	–
		158,044	186,239

Deferred taxation

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

遞延稅項

就在綜合財務狀況表中呈列而言，若干遞延稅項資產及負債已予抵銷。以下是出於財務報告目的對遞延稅項結餘的分析：

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Deferred tax assets	遞延稅項資產	2,337	–
Deferred tax liabilities	遞延稅項負債	(20,868)	–
		(18,531)	–

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10. INCOME TAX EXPENSE AND DEFERRED TAXATION (continued)

Deferred taxation (continued)

10. 所得稅開支及遞延稅項(續)

遞延稅項(續)

		Temporary difference of property plants and equipment 物業、廠房及設備的暫時差額 RMB'000 人民幣千元	Fair value adjustments upon acquisition 收購後的公平值調整 RMB'000 人民幣千元 (Note i) (附註i)	Others 其他 RMB'000 人民幣千元 (Note ii) (附註ii)	Total 總計 RMB'000 人民幣千元
Deferred tax assets	遞延稅項資產	-	829	1,508	2,337
Deferred tax liabilities	遞延稅項負債	(15,062)	(5,806)	-	(20,868)
		(15,062)	(4,977)	1,508	(18,531)

Notes:

- i. The deferred tax for fair value adjustments related to the fair value adjustments of certain freehold land, property, plant and equipment upon acquisition of subsidiaries.
- ii. The others mainly comprised accrued expense, inventory capitalization adjustment etc., due to the temporary differences under federal and state income tax in the USA.

附註：

- i. 公平值調整的遞延稅項與收購附屬公司時某些永久業權土地、物業、廠房及設備的公平值調整有關。
- ii. 其他主要包括因美國聯邦及州所得稅的暫時差額而產生的應計費用、存貨資本化調整等。

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11. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS

Details of the directors' and the chief executives' emoluments are as follows:

11. 董事及主要行政人員酬金

董事及主要行政人員酬金詳情如下：

		2021 2021年					
		Salaries, allowances and benefits- in-kind 薪金、津貼 及實物福利	Performance related bonuses 表現掛鈎 花紅	Equity- settled share award expense 按股權結算 股份獎勵開支	Retirement benefits scheme contributions 退休福利 計劃供款	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
							(Note vi) (附註vi)
Executive directors	執行董事						
Ms. Gao Lina (Note ii)	高麗娜女士(附註ii)	-	1,157	-	895	895	2,052
Mr. Sun Yugang (Note iv)	孫玉剛先生(附註iv)	-	1,825	5,020	923	86	7,854
Mr. Zhu Xiaohui (Note ii)	朱曉輝先生(附註ii)	-	128	743	134	8	1,013
Non-executive directors	非執行董事						
Mr. Lu Minfang	盧敏放先生	-	-	-	-	-	-
Mr. Zhang Ping	張平先生	-	-	-	-	-	-
Mr. Zhao Jiejun	趙傑軍先生	-	-	-	-	-	-
Ms. Gan Lu	甘璐女士	-	-	-	-	-	-
Mr. Zhu Xiaohui (Note ii)	朱曉輝先生(附註ii)	-	-	-	-	-	-
Independent non-executive directors	獨立非執行董事						
Mr. Lee Kong Wai Conway	李港衛先生	199	-	-	-	-	199
Mr. Li Shengli	李勝利先生	200	-	-	-	-	200
Mr. Chow Ming Sang (Note iii)	周明笙先生(附註iii)	100	-	-	-	-	100
Mr. Wolhardt Julian Juul (Note iii & v)	Wolhardt Julian Juul先生(附註iii及v)	-	-	-	-	-	-
		499	3,110	5,763	1,952	94	11,418

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11. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS (continued)

11. 董事及主要行政人員酬金(續)

		2020 2020年					
		Salaries, allowances and benefits-in-kind	Performance related bonuses	Equity-settled share award expense	Retirement benefits scheme contributions	Total	
		薪金、津貼及實物福利	表現掛鈎花紅	按股權結算股份獎勵開支	退休福利計劃供款	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	
		(Note vi)					
		(附註vi)					
Executive directors	執行董事						
Ms. Gao Lina	高麗娜女士	-	2,357	67,984	2,588	72,929	
Mr. Sun Yugang (Note iv)	孫玉剛先生(附註iv)	-	1,458	335	527	2,375	
Mr. Han Chunlin (Note iv)	韓春林先生(附註iv)	-	1,397	3,791	1,415	6,724	
Non-executive directors	非執行董事						
Mr. Lu Minfang	盧敏放先生	-	-	-	-	-	
Mr. Zhang Ping	張平先生	-	-	-	-	-	
Mr. Zhao Jiejun	趙傑軍先生	-	-	-	-	-	
Mr. Wolhardt Julian Juul (Note v)	Wolhardt Julian Juul 先生(附註v)	-	-	-	-	-	
Ms. Gan Lu (Note v)	甘璐女士(附註v)	-	-	-	-	-	
Independent non-executive directors	獨立非執行董事						
Mr. Lee Kong Wai Conway	李港衛先生	201	-	-	-	201	
Mr. Li Shengli	李勝利先生	200	-	-	-	200	
Mr. Kang Yan (Note v)	康龔先生(附註v)	50	-	-	-	50	
Mr. Wolhardt Julian Juul (Note v)	Wolhardt Julian Juul 先生(附註v)	-	-	-	-	-	
		451	5,212	72,110	4,530	82,479	

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11. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS (continued)

The emoluments disclosed above for executive directors were for the management of the affairs of the Company and the Group. The executive directors were also granted share options and share awards under the share option schemes and the share award scheme of the Company. Details of the share option schemes and share award scheme are set out in Note 34.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

Notes:

- i. No directors waived or agreed to waive any remuneration during the year ended 31 December 2021 (2020: nil).
- ii. Ms. Gao Lina resigned from her position with effect from 1 July 2021, while Mr. Zhu Xiaohui was appointed as a non-executive director on the same day and subsequently appointed as an executive director with effect from 30 November 2021. Mr. Zhu Xiaohui is also the chief financial officer of the Company.
- iii. Mr. Wolhardt Julian Juul resigned from his position of independent non-executive director with effect from 1 July 2021, while Mr. Chow Ming Sang was appointed as an independent non-executive director on the same day.
- iv. Mr. Han Chunlin resigned from his position of executive director with effect from 1 April 2020, while Mr. Sun Yugang was appointed as an executive director on the same day. Mr. Sun Yugang is also the acting chief executive officer of the Company.
- v. Mr. Kang Yan, an independent non-executive director, resigned from his office with effect from 1 April 2020. Mr. Wolhardt Julian Juul resigned as a non-executive director and was appointed as an independent non-executive director with effect from 1 April 2020. Ms. Gan Lu was appointed as a non-executive director with effect from 1 April 2020.
- vi. Performance related bonuses are determined based on the Group's performance, performance of the relevant individual within the Group and comparable market statistics.

11. 董事及主要行政人員酬金(續)

上文所披露執行董事酬金是管理本公司及本集團事務的酬金，執行董事亦根據本公司購股權計劃及股份獎勵計劃獲授購股權及股份獎勵。購股權計劃及股份獎勵計劃詳情載於附註34。

上文所列獨立非執行董事的酬金為彼等作為本公司董事的服務酬金。

附註：

- i. 截至2021年12月31日止年度，概無董事放棄或同意放棄任何薪酬(2020年：無)。
- ii. 高麗娜女士辭去職務，自2021年7月1日起生效，朱曉輝先生於同日獲委任為非執行董事，其後獲委任為執行董事，自2021年11月30日起生效。朱曉輝先生亦為本公司的首席財務官。
- iii. Wolhardt Julian Juul先生辭任獨立非執行董事職務，自2021年7月1日起生效，而周明笙先生於同日獲委任為獨立非執行董事。
- iv. 韓春林先生辭任執行董事職務，自2020年4月1日起生效，孫玉剛先生同日獲委任為執行董事。孫玉剛先生亦為本公司執行總裁。
- v. 獨立非執行董事康龔先生辭任，自2020年4月1日起生效。Wolhardt Julian Juul先生辭任非執行董事，並獲委任為獨立非執行董事，自2020年4月1日起生效。甘璐女士獲委任為非執行董事，自2020年4月1日起生效。
- vi. 表現掛鈎花紅乃基於本集團表現、相關個人於本集團的表現及可資比較市場數據而釐定。

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12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid individuals of the Group during the year included one (2020: two) directors of the Company, details of whose remuneration are included in the disclosures in Note 11 above. Details of the remuneration of the remaining four (2020: three) highest paid individuals for the year are as follows:

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Salaries, allowances and benefits-in-kind	薪金、津貼及實物福利	5,113	2,779
Performance related bonuses	表現掛鈎花紅	9,130	2,946
Retirement benefits scheme contributions	退休福利計劃供款	334	253
Equity-settled share award expense	按股權結算股份獎勵開支	2,930	3,932
		17,507	9,910

No remuneration was paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office for the year ended 31 December 2021 (2020: nil).

The number of the highest paid employees who are not the directors nor chief executives of the Company whose remuneration fell within the following bands in HKD is as follows:

		2021 2021年	2020 2020年
HKD3,500,001 to HKD4,000,000	3,500,001港元至4,000,000港元	-	2
HKD4,000,001 to HKD4,500,000	4,000,001港元至4,500,000港元	-	1
HKD4,500,001 to HKD5,000,000	4,500,001港元至5,000,000港元	1	-
HKD5,000,001 to HKD5,500,000	5,000,001港元至5,500,000港元	2	-
HKD6,000,001 to HKD6,500,000	6,000,001港元至6,500,000港元	1	-
		4	3

Certain non-director and non-chief executive highest paid employees were granted share awards, in respect of their services to the Group under the share award scheme of the Company. Details of the share award scheme are set out in Note 34.

12. 五名最高薪酬人士

本集團年內五名最高薪酬人士包括本公司一名(2020年：兩名)董事，其薪酬詳情披露於上文附註11。年內其餘四名(2020年：三名)最高薪酬人士的薪酬詳情如下：

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Salaries, allowances and benefits-in-kind	薪金、津貼及實物福利	5,113	2,779
Performance related bonuses	表現掛鈎花紅	9,130	2,946
Retirement benefits scheme contributions	退休福利計劃供款	334	253
Equity-settled share award expense	按股權結算股份獎勵開支	2,930	3,932
		17,507	9,910

截至2021年12月31日止年度，本集團概無向董事或五名最高薪酬人士支付任何薪酬，作為加盟本集團或加盟後的獎勵或作為離任補償(2020年：無)。

以港元計值的薪酬屬以下範圍的非本公司董事及非主要行政人員最高薪酬僱員人數如下：

		2021 2021年	2020 2020年
HKD3,500,001 to HKD4,000,000	3,500,001港元至4,000,000港元	-	2
HKD4,000,001 to HKD4,500,000	4,000,001港元至4,500,000港元	-	1
HKD4,500,001 to HKD5,000,000	4,500,001港元至5,000,000港元	1	-
HKD5,000,001 to HKD5,500,000	5,000,001港元至5,500,000港元	2	-
HKD6,000,001 to HKD6,500,000	6,000,001港元至6,500,000港元	1	-
		4	3

根據本公司的股份獎勵計劃，若干非董事及非主要行政人員的最高薪酬僱員就其對本集團的服務獲授股份獎勵。股份獎勵計劃詳情載於附註34。

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13. DIVIDENDS

During the year, a final dividend of RMB0.02 per ordinary share in respect of the year ended 31 December 2020 was declared and paid to the owners of the Company. The aggregate amount of the final dividend declared and paid in the current year amounted to RMB142,532,000 and was appropriated from the Company's distributable share premium.

In December 2021, Haykingdom declared a dividend of USD2,556,000 (equivalent to RMB16,308,000) to its non-controlling shareholders and of which USD1,023,000 (equivalent to RMB6,530,000) was paid.

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2021 of RMB0.026 per ordinary share has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming general meeting.

14. EARNINGS PER SHARE

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

13. 股息

年內，就截至2020年12月31日止年度向本公司擁有人宣派及派付每股普通股人民幣0.02元之末期股息。本年度宣派及派付的末期股息總額為人民幣142,532,000元，並自本公司可分派的股份溢價中撥付。

2021年12月，Haykingdom向其非控股股東宣派股息2,556,000美元（相當於人民幣16,308,000元），並派付了1,023,000美元（相當於人民幣6,530,000元）。

於報告期末後，董事建議就截至2021年12月31日止年度派發末期股息每股普通股人民幣0.026元，且有關股息須待股東於應屆股東大會上批准後方可作實。

14. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃根據以下數據計算：

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Earnings	盈利		
Profit for the year attributable to owners of the Company	本公司擁有人應佔年內溢利	1,018,832	770,010
Earnings for the purpose of basic and diluted earnings per share	用於計算每股基本及攤薄盈利的盈利	1,018,832	770,010

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14. EARNINGS PER SHARE (continued)

14. 每股盈利(續)

		2021 2021年 Shares 股	2020 2020年 Shares 股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic earnings per share	用於計算每股基本盈利的普通股加權平均數	7,062,840,875	6,380,386,978
Effect of dilutive potential ordinary shares:	攤薄潛在普通股的影響：		
Share options	購股權	-	3,543,748
Share awards	股份獎勵	17,603,554	11,709,826
		7,080,444,429	6,395,640,552

The number of shares adopted in the calculation of the basic earnings per share has been arrived at after eliminating the treasury shares of the Company held under the Company's share award scheme.

計算每股基本盈利所採納的股份數目於抵銷本公司股份獎勵計劃項下持有的本公司庫存股份後得出。

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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Freehold land 永久業權 土地 RMB'000 人民幣千元	Buildings 樓宇 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Plant and equipment 廠房及設備 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost	成本						
Balance at 1 January 2020	於2020年1月1日的結餘	-	5,039,817	20,576	1,730,700	17,506	6,808,599
Additions	添置	-	-	1,171	126,157	204,478	331,806
Transfer	轉撥	-	130,292	-	39,242	(169,534)	-
Disposals	出售	-	(28,822)	(253)	(77,638)	-	(106,713)
Balance at 31 December 2020	於2020年12月31日的結餘	-	5,141,287	21,494	1,818,461	52,450	7,033,692
Additions	添置	-	24,659	6,051	157,687	347,442	535,839
Transfer	轉撥	-	264,566	799	76,608	(341,973)	-
Acquired on asset acquisitions	資產收購時收購	-	-	-	47	33,116	33,163
Acquired on business combination	業務合併時收購	48,228	1,422,343	2,946	421,862	50,452	1,945,831
Exchange adjustments	匯兌調整	(17)	(49)	(2)	(53)	(2)	(123)
Disposals	出售	-	(73,680)	(8,311)	(82,753)	-	(164,744)
Balance at 31 December 2021	於2021年12月31日的結餘	48,211	6,779,126	22,977	2,391,859	141,485	9,383,658
Accumulated depreciation	累計折舊						
Balance at 1 January 2020	於2020年1月1日的結餘	-	(2,111,197)	(8,085)	(1,050,034)	-	(3,169,316)
Charge for the year	年內開支	-	(293,491)	(693)	(160,192)	-	(454,376)
Eliminated on disposals	出售撇銷	-	21,351	240	69,158	-	90,749
Balance at 31 December 2020	於2020年12月31日的結餘	-	(2,383,337)	(8,538)	(1,141,068)	-	(3,532,943)
Charge for the year	年內開支	-	(314,463)	(1,760)	(179,040)	-	(495,263)
Exchange adjustments	匯兌調整	-	19	1	32	-	52
Eliminated on disposals	出售撇銷	-	57,208	6,547	76,508	-	140,263
Balance at 31 December 2021	於2021年12月31日的結餘	-	(2,640,573)	(3,750)	(1,243,568)	-	(3,887,891)
Impairment	減值						
Balance at 1 January 2020	於2020年1月1日的結餘	-	(113,459)	(63)	(70,693)	-	(184,215)
Eliminated on disposals	出售撇銷	-	-	-	1,185	-	1,185
Balance at 31 December 2020	於2020年12月31日的結餘	-	(113,459)	(63)	(69,508)	-	(183,030)
Eliminated on disposals	出售撇銷	-	-	63	170	-	233
Balance at 31 December 2021	於2021年12月31日的結餘	-	(113,459)	-	(69,338)	-	(182,797)
Carrying amounts	賬面值						
Balance at 31 December 2021	於2021年12月31日的結餘	48,211	4,025,094	19,227	1,078,953	141,485	5,312,970
Balance at 31 December 2020	於2020年12月31日的結餘	-	2,644,491	12,893	607,885	52,450	3,317,719

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15. PROPERTY, PLANT AND EQUIPMENT

(continued)

Depreciation is charged using straight-line method over the expected useful life, after taking into account its estimated residual value, at the following rates per annum:

Freehold land	Indefinite Life
Buildings	4.75%-9.50%
Motor vehicles	19.00%
Plant and equipment	9.50%-19.00%

As at 31 December 2021, the Group's properties in the amount of RMB112,057,000.00 (2020: nil) were pledged to secure certain bank and other borrowings granted to the Group (Notes 26 and 27).

15. 物業、廠房及設備(續)

折舊於預期可使用年內並計及其估計剩餘價值後使用直線法按下列年利率計提：

永久業權土地	無限年期
樓宇	4.75%-9.50%
汽車	19.00%
廠房及設備	9.50%-19.00%

於2021年12月31日，本集團金額為人民幣112,057,000.00元(2020年：零)的物業已質押以擔保授予本集團的若干銀行及其他借款(附註26及27)。

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16. RIGHT-OF-USE ASSETS

16. 使用權資產

		Leasehold land 租賃土地 RMB'000 人民幣千元	Leased property 租賃物業 RMB'000 人民幣千元	Leased machinery and equipment 租賃機械及設備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost	成本				
Balance at 1 January 2020	於2020年1月1日的結餘	310,166	730	48,993	359,889
Additions	添置	615	–	–	615
Modification	修訂	–	(23)	–	(23)
Balance at 31 December 2020	於2020年12月31日的結餘	310,781	707	48,993	360,481
Additions	添置	28,010	1,653	–	29,663
Disposals	出售	(544)	–	–	(544)
Acquired on business combination	業務合併時收購	386,234	8,082	–	394,316
Acquired on asset acquisitions	資產收購時收購	20,026	–	–	20,026
Balance at 31 December 2021	於2021年12月31日的結餘	744,507	10,442	48,993	803,942
Accumulated depreciation	累計折舊				
Balance at 1 January 2020	於2020年1月1日的結餘	(34,259)	(243)	(5,226)	(39,728)
Charge for the year	年內開支	(11,328)	(350)	(5,226)	(16,904)
Balance at 31 December 2020	於2020年12月31日的結餘	(45,587)	(593)	(10,452)	(56,632)
Charge for the year	年內開支	(16,847)	(223)	(5,226)	(22,296)
Eliminated on disposals	出售撇銷	150	–	–	150
Balance at 31 December 2021	於2021年12月31日的結餘	(62,284)	(816)	(15,678)	(78,778)
Carrying amounts	賬面值				
Balance at 31 December 2021	於2021年12月31日的結餘	682,223	9,626	33,315	725,164
Balance at 31 December 2020	於2020年12月31日的結餘	265,194	114	38,541	303,849

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16. RIGHT-OF-USE ASSETS (continued)

16. 使用權資產(續)

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Expense relating to short-term leases	有關短期租賃的開支	21,301	15,305
Variable lease payments not included in the measurement of lease liabilities	並無計入租賃負債計量的可變租賃付款	272	13
Total cash outflow for leases	租賃現金流出總額	46,913	36,429

Right-of-use assets are depreciated on a straight-line basis over the lease terms.

使用權資產按租期以直線法折舊。

The Group leases land, property, machinery and equipment to operate its business. These leases are typically made for fixed terms of 2 to 50 years. Lease terms are negotiated on an individual basis and contain different payment terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

本集團租賃土地、物業、機械及設備以經營其業務。該等租賃通常固定期限為2至50年。租賃條款乃按個別基準磋商，包含不同付款條款及條件。釐定租賃期及評估不可撤銷期間的長度時，本集團應用合約的定義並確定合約的可執行期限。

For some of the leased machineries, the Group is required to make fixed monthly payments and additional variable payments depending on the usage of the asset during the contract period.

對於部分租賃機械，本集團須作出每月固定付款及視乎合約期內使用資產情況作出額外可變付款。

The Group's lease agreements do not contain any extension, early termination option or purchase option for lessee.

本集團的租賃協議不包含承租人的任何延長、提早終止權或購買權。

The Group regularly entered into short-term leases for land, property, machineries, motor vehicle and office equipment. As at 31 December 2021 and 2020, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in Note 7.

本集團定期就土地、物業、機械、汽車及辦公設備訂立短期租賃。於2021及2020年12月31日，短期租賃組合與短期租賃開支於附註7所披露的短期租賃組合相若。

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17. GOODWILL

17. 商譽

		Modern Farming 現代牧業 (集團) RMB'000 人民幣千元	ADH Companies ADH公司 RMB'000 人民幣千元	Fuyuan 富源 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
Cost	成本					
Balance at 1 January 2020 and 31 December 2020	於2020年1月1日及 2020年12月31日的 結餘	310,426	1,225,460	-	-	1,535,886
Arising on acquisition of subsidiaries (Note 35)	收購附屬公司時產生 (附註35)	-	-	695,329	57,805	753,134
Balance at 31 December 2021	於2021年12月31日的 結餘	310,426	1,225,460	695,329	57,805	2,289,020
Impairment	減值					
Balance at 1 January 2020	於2020年1月1日的 結餘	-	(164,620)	-	-	(164,620)
Impairment loss recognised in the year	年內已確認減值虧損	-	(48,809)	-	-	(48,809)
Balance at 31 December 2020 and 2021	於2020年及2021年 12月31日的結餘	-	(213,429)	-	-	(213,429)
Carrying amounts	賬面值					
Balance at 31 December 2021	於2021年12月31日的 結餘	310,426	1,012,031	695,329	57,805	2,075,591
Balance at 31 December 2020	於2020年12月31日的 結餘	310,426	1,012,031	-	-	1,322,457

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17. GOODWILL (continued)

The Group's goodwill of RMB310,426,000 arose from acquisition of Modern Farming (Group) Co., Ltd. ("**Modern Farming**") in 2009 and RMB1,225,460,000 arose from acquisition of the Asia Dairy Holdings and Asia Dairy Holdings II (the "**ADH Companies**") in 2015.

During the current year, the Group acquired certain subsidiaries which resulted in goodwill arising on acquisitions, further details of which are set out in Note 35.

For the purpose of impairment testing, goodwill allocated to each of the CGU and or group of CGUs are as follows:

17. 商譽(續)

本集團的商譽金額為人民幣310,426,000元，因於2009年收購現代牧業(集團)有限公司(「現代牧業(集團)」)而產生。本集團的商譽金額為人民幣1,225,460,000元，因於2015年收購Asia Dairy Holdings及Asia Dairy Holdings II(「ADH公司」)而產生。

於本年度，本集團收購若干附屬公司，導致收購產生商譽。進一步詳情載列於附註35。

就減值測試而言，分配予各現金產生單位或現金產生單位組別的商譽如下：

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Modern Farming	現代牧業(集團)	310,426	310,426
ADH Companies	ADH公司	1,012,031	1,012,031
Fuyuan dairy farming	富源奶牛養殖	630,271	-
Fuyuan feeds – China	富源飼料 – 中國	22,680	-
Fuyuan feeds – USA	富源飼料 – 美國	42,378	-
Others	其他	57,805	-
		2,075,591	1,322,457

The recoverable amount of each CGU or group of CGUs 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.

各現金產生單位或現金產生單位組別的可收回金額乃根據使用價值計算確定，該計算使用基於財務預算或高級管理層批准的五年期預測的現金流量預測。

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17. GOODWILL (continued)

Assumptions were used in the value-in-use calculation of each CGU or group of CGUs. The following describes each key assumptions the management has based on in preparing the cash flow projections for the purpose of impairment test:

- The estimated future market price of raw milk, the estimated average daily milk yield at each lactation cycle and estimated feed costs per kg of raw milk for dairy farming; and the estimated revenue and the estimate costs for feeds – such assumptions are based on the unit's or group of CGUs' past performance and management's expectations for the market development.
- Discount rates – the discount rates used are before tax and reflect specific risks relating to the relevant CGU or group of CGUs.
- Growth rates – The growth rates used to extrapolate the cash flows beyond the five-year period from 2022 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 group of CGUs.

The discount rates applied to cash flow projections and the growth rates used to extrapolate cash flows beyond the period are as follows:

17. 商譽(續)

各現金產生單位或現金產生單位組別的使用價值計算採用了假設。以下描述了管理層為進行減值測試而編製現金流量預測時所依據的各項關鍵假設：

- 原料奶的估計未來市場價格、每個泌乳週期的估計平均日產奶量及奶牛養殖每公斤原料奶的估計飼料成本；及飼料的估計收入及估計成本 – 該等假設基於單位或現金產生單位組別過去的業績及管理層對市場發展的預期。
- 貼現率 – 所使用的貼現率是稅前並反映與相關現金產生單位或現金產生單位組別相關的特定風險。
- 增長率 – 用於推斷自2022年起超過5年的現金流量增長率是基於每個單位的估計增長率，並已考慮每個現金產生單位或現金產生單位組別的行業增長率、過往經驗及中長期增長目標。

適用於現金流量預測的貼現率及用於推斷超出期間的現金流量增長率如下：

		Discount rate (%) 貼現率(%)		Growth rate (%) 增長率(%)	
		2021 2021年	2020 2020年	2021 2021年	2020 2020年
Modern Farming	現代牧業(集團)	12.6	12.5	2.5	2.5
ADH Companies	ADH公司	12.6	12.5	2.5	2.5
Fuyuan dairy farming	富源奶牛養殖		N/A		N/A
		12.6	不適用	2.5	不適用
Fuyuan feeds – China	富源飼料 – 中國		N/A		N/A
		9.2	不適用	2.5	不適用
Fuyuan feeds – USA	富源飼料 – 美國		N/A		N/A
		8.8	不適用	2.5	不適用
Others	其他		N/A		N/A
		12.6	不適用	2.5	不適用

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17. GOODWILL (continued)

Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of each of the CGU or group of CGUs to exceed the relative aggregate recoverable amount as at 31 December 2021.

During the year ended 31 December 2021, management of the Group determines that there is no impairment on the above group of CGUs, hence no further impairment loss was recognised (2020: RMB 48,809,000).

17. 商譽(續)

管理層認為，任何該等假設的任何合理可能變化均不會導致每個現金產生單位或現金產生單位組別的總賬面金額超過截至2021年12月31日的相對總可收回金額。

於截至2021年12月31日止年度，本集團管理層認定上述現金產生單位組別並無出現減值，故並無確認進一步的減值虧損(2020年：人民幣48,809,000元)。

18. INTERESTS IN ASSOCIATES

18. 於聯營公司的權益

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Cost of investments in associates	於聯營公司的投資成本	225,428	198,938
Share of post-acquisition profits and other comprehensive income	分佔收購後溢利及其他全面收入	127,850	90,922
		353,278	289,860

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18. INTERESTS IN ASSOCIATES (continued)

Details of the Group's interests in associates are as follows:

18. 於聯營公司的權益(續)

本集團於聯營公司的權益詳情如下：

Name of companies	Place of establishment	Proportion of ownership interest		Voting rights		Principal activities
		31/12/2021	31/12/2020	31/12/2021	31/12/2020	
公司名稱	成立地點	2021年 12月31日 %	2020年 12月31日 %	2021年 12月31日 %	2020年 12月31日 %	主要業務
HeFei Mengniu Modern Farming Dairy Products Co Ltd. ("Feidong") 合肥蒙牛現代牧業乳製品有限公司(「肥東」)	The PRC 中國	49.18	49.09	49.00	49.00	Liquid milk producing 生產液態奶
Modern Farming (Bengbu) Co., Ltd. ("Bengbu") 現代牧業(蚌埠)有限公司(「蚌埠」)	The PRC 中國	49.18	49.09	49.00	49.00	Liquid milk producing 生產液態奶
Jiangyin Dairy Energy Environment Technology Co., Ltd. ("Jiangyin Dairy Energy") 江陰牧能環境科技有限公司(「江陰牧能」)	The PRC 中國	29.51	29.45	30.00	30.00	Power generation 能源生產
Ma'anshan Changdian Modern Biomass Energy Co., Ltd. ("Ma'anshan Changdian") 馬鞍山長電現代生物質能源有限責任公司(「馬鞍山長電」)	The PRC 中國	19.67	N/A 不適用	20.00 (Note i) (附註i)	N/A 不適用	Power generation 能源生產
Wulatqian banner menghetala Grass Industry Co., Ltd. ("Wulatqian") 烏拉特前旗蒙禾塔拉草業有限公司(「烏拉特前」)	The PRC 中國	14.75	N/A 不適用	15.00 (Note ii) (附註ii)	N/A 不適用	Feeds production 飼料生產
Hebei Jucarbon Biotechnology Co., Ltd. 河北聚碳生物科技有限公司	The PRC 中國	38.97	N/A 不適用	40.00	N/A 不適用	Power generation 能源生產

Notes:

- The Group is able to exercise significant influence over Ma'anshan Changdian because it has the power to appoint one out of the five directors of Ma'anshan Changdian under the articles of association of Ma'anshan Changdian.
- The Group is able to exercise significant influence over Wulatqian because it has the power to appoint one out of the three directors of Wulatqian under the articles of association of Wulatqian.

附註：

- 本集團能夠對馬鞍山長電施加重大影響，因為根據馬鞍山長電的公司章程，本集團有權任命馬鞍山長電五名董事中的一名。
- 本集團能夠對烏拉特前施加重大影響，因為根據烏拉特前的公司章程，本集團有權任命烏拉特前三名董事中的一名。

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18. INTERESTS IN ASSOCIATES (continued)

Summarised financial information of material associates

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs.

All of these associates are accounted for using the equity method in these consolidated financial statements.

Feidong

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Current assets	流動資產	85,476	80,463
Non-current assets	非流動資產	132,676	149,987
Current liabilities	流動負債	19,837	41,991
Non-current liabilities	非流動負債	8,309	11,295
Revenue	收入	138,707	278,026
Profit and total comprehensive income for the year	年內溢利及全面收入總額	12,842	13,953
Adjustments due to the difference between the carrying value and fair value of the Group's remaining interests in Feidong on the date of disposal	於出售日期本集團於肥東餘下權益的賬面值與公平值之間差額導致的調整	(759)	(1,094)
		12,083	12,859

18. 於聯營公司的權益(續)

重大聯營公司的財務資料概要

下文載列本集團各重大聯營公司的財務資料概要。以下財務資料概要為聯營公司根據國際財務報告準則編製的財務報表所示金額。

於該等綜合財務報表內，所有該等聯營公司皆使用權益法入賬。

肥東

	2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Current assets	85,476	80,463
Non-current assets	132,676	149,987
Current liabilities	19,837	41,991
Non-current liabilities	8,309	11,295
Revenue	138,707	278,026
Profit and total comprehensive income for the year	12,842	13,953
Adjustments due to the difference between the carrying value and fair value of the Group's remaining interests in Feidong on the date of disposal	(759)	(1,094)
	12,083	12,859

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18. INTERESTS IN ASSOCIATES (continued)

Feidong (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

18. 於聯營公司的權益(續)

肥東(續)

上述財務資料概要與於綜合財務報表確認的於聯營公司權益的賬面值對賬：

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Net assets of Feidong	肥東淨資產	190,006	177,164
Proportion of Modern Farming's ownership interest in Feidong	現代牧業(集團)於肥東的擁有權益比例	50%	50%
The Group's share of net assets of Feidong	本集團分佔肥東淨資產	95,003	88,582
Goodwill	商譽	251	251
Fair value adjustments	公平值調整	451	830
		95,705	89,663

Bengbu

蚌埠

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Current assets	流動資產	380,402	293,724
Non-current assets	非流動資產	117,863	146,580
Current liabilities	流動負債	122,338	122,809
Non-current liabilities	非流動負債	7,686	10,917

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18. INTERESTS IN ASSOCIATES (continued)

Bengbu (continued)

18. 於聯營公司的權益(續)

蚌埠(續)

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Revenue	收入	1,001,100	842,279
Profit and total comprehensive income for the year	年內溢利及全面收入總額	61,664	51,644
Adjustments due to the difference between the carrying value and fair value of the Group's remaining interests in Bengbu on the date of disposal	於出售日期本集團於蚌埠餘下權益的賬面值與公平值之間差額導致的調整	(1,310)	(2,444)
		60,354	49,200

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

上述財務資料概要與於綜合財務報表確認的於聯營公司權益的賬面值對賬：

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Net assets of Bengbu	蚌埠淨資產	368,241	306,578
Proportion of Modern Farming's ownership interest in Bengbu	現代牧業(集團)於蚌埠的擁有權益比例	50%	50%
The Group's share of net asset of Bengbu	本集團分佔蚌埠淨資產	184,121	153,289
Goodwill	商譽	33	33
Fair value adjustments	公平值調整	2,781	3,436
		186,935	156,758

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18. INTERESTS IN ASSOCIATES (continued)

Information of associates that are not individually material

Other associates

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
The Group's share of profit of other associates	本集團應佔其他聯營公司溢利	709	541
Carrying amount of the Group's interests in other associates	本集團於其他聯營公司的權益賬面值	70,638	43,439

18. 於聯營公司的權益(續)

個別並非重大的聯營公司資料

其他聯營公司

19. BIOLOGICAL ASSETS

A – Nature of activities

The biological assets of the Group are dairy cows held to produce raw milk.

The quantity of dairy cows owned by the Group at end of the reporting period is shown below. The Group's milkable cows are dairy cows held for milk production. Heifers and calves are those dairy cows that have not reached the age that can produce milk.

19. 生物資產

A – 業務性質

本集團的生物資產為持有作生產原料奶的乳牛。

以下是本集團於報告期末擁有的乳牛數量。本集團的奶牛是養來產奶的乳牛。小母牛及小牛都是未滿產奶年齡的乳牛。

		2021 2021年 heads 頭	2020 2020年 heads 頭
Milkable cows	奶牛	184,304	136,203
Heifers and calves	小母牛及小牛	169,489	111,168
Total dairy cows	乳牛總計	353,793	247,371

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19. BIOLOGICAL ASSETS (continued)

A – Nature of activities (continued)

The Group is exposed to fair value risks arising from changes in price of raw milk. The Group does not anticipate that the price of the raw milk will decline significantly in the foreseeable future and the Directors are of the view that there is no available derivative or other contracts which the Group can enter into to manage the risk of a decline in the price of the raw milk.

In general, the heifers are inseminated with semen when heifers reached approximately 14 months old. After an approximately nine months' 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 340 days before a dry period of approximately 60 days.

When a heifer begins to produce raw milk, it is transferred to the category of milkable cows based on the estimated fair value on the date of transfer.

The Group is exposed to a number of risks related to its biological assets. The Group is exposed to the following operating risks:

i. **Regulatory and environmental risks**

The Group is subject to laws and regulations in the location in which it operates plantation and breeding. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage these risks.

ii. **Climate, disease and other natural risks**

The Group's biological assets are exposed to the risk of damage from climatic changes, diseases and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular inspections and disease controls and surveys and insurance.

19. 生物資產(續)

A – 業務性質(續)

本集團要承受原料奶價格變動帶來的公平值風險。據本集團預計，在可預見的將來原料奶價格不會大幅下跌。董事認為，本集團並無可用的衍生工具或其他可以訂立的合約用於管理原料奶價格下跌的風險。

一般情況下，小母牛於長至約十四個月大時進行配種。約九個月的孕期過後，小牛出生，奶牛開始生產原料奶及哺乳期開始。奶牛通常會擠奶約340天，之後進入約60天的乾乳期。

當小母牛開始產原料奶時，乃按轉撥日期的估計公平值轉撥至奶牛類別。

本集團面臨與其生物資產有關的多種風險。本集團面臨以下運營風險：

i. **法規及環境風險**

本集團須遵守其開展農場種植及育種活動所在地的法律及法規。本集團已制定旨在遵守當地環境及其他法律的環境政策及程序。管理層進行定期檢查以識別環境風險及確保現有系統足以管理該等風險。

ii. **氣候、疾病及其他自然風險**

本集團的生物資產面臨遭受氣候變化、疾病及其他自然因素損害的風險。本集團已擴展監察及減輕該等風險的程序，包括定期檢查及疾病控制與調查及保險。

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19. BIOLOGICAL ASSETS (continued)

B – Quantity of the agricultural produce of the Group's biological assets

		2021 2021年 kg 千克	2020 2020年 kg 千克
Volume of milk sold	奶銷量	1,586,857,000	1,456,962,000

C – Value of dairy cows

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

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Milkable cows	奶牛	6,060,224	5,084,343
Heifers and calves	小母牛及小牛	3,344,700	2,016,900
Total dairy cows	乳牛總計	9,404,924	7,101,243

19. 生物資產(續)

B – 本集團生物資產的農業生產的數量

C – 乳牛的價值

報告期末的乳牛公平值減銷售成本載列如下：

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19. BIOLOGICAL ASSETS (continued)

C – Value of dairy cows (continued)

19. 生物資產(續)

C – 乳牛的價值(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
Balance at 1 January 2020	於2020年1月1日的結餘	1,916,200	5,543,159	7,459,359
Feeding cost and other related costs	飼養成本及其他相關成本	1,332,078	–	1,332,078
Transfer	轉撥	(1,680,627)	1,680,627	–
Decrease due to disposal	出售導致減少	(108,330)	(550,548)	(658,878)
Gain (loss) arising from changes in fair value less costs to sell of dairy cows	乳牛公平值變動減乳牛銷售成本產生的收益(虧損)	557,579	(1,588,895)	(1,031,316)
Balance at 31 December 2020	於2020年12月31日的結餘	2,016,900	5,084,343	7,101,243
Acquired on acquisition of subsidiaries (Note 35)	收購附屬公司時收購(附註35)	803,140	1,513,097	2,316,237
Feeding cost and other related costs	飼養成本及其他相關成本	1,748,399	–	1,748,399
Transfer	轉撥	(2,005,285)	2,005,285	–
Decrease due to disposal	出售導致減少	(111,799)	(693,145)	(804,944)
Gain (loss) arising from changes in fair value less costs to sell of dairy cows	乳牛公平值變動減乳牛銷售成本產生的收益(虧損)	893,345	(1,849,356)	(956,011)
Balance at 31 December 2021	於2021年12月31日的結餘	3,344,700	6,060,224	9,404,924

The Group has engaged Jones Lang LaSalle Corporate Appraisal And Advisory Limited, an independent firm of professional valuers, to assist it in assessing the fair values of the Group's dairy cows. The independent valuer and the management of the Group held meetings periodically to discuss the valuation techniques and changes in market information to ensure the valuation was performed properly. The valuation techniques used in the determination of fair values as well as the key inputs used in the valuation models are disclosed in Note 42.

本集團已委聘仲量聯行企業評估及諮詢有限公司(獨立專業估值公司)協助其評估本集團乳牛的公平值。獨立估值師與本集團管理層定期舉行會議，討論估值技術及市場資料變動，以確保估值妥為進行。釐定公平值所用估值技術及估值模型所用主要輸入數據披露於附註42。

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19. BIOLOGICAL ASSETS (continued)

C – Value of dairy cows (continued)

As at 31 December 2021, the Group's dairy cows with carrying amount of RMB770,414,000 (2020: RMB754,014,000) were pledged to banks to secure certain bank and other borrowings granted to the Group (Notes 26 and 27).

The aggregate gain or loss arising on initial recognition of raw milk and from the changes in fair value less costs to sell of dairy cows is analysed as follows:

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Gains arising on initial recognition of raw milk at fair value less costs to sell at the point of harvest	於原料奶收獲時按公平值減銷售成本初始確認產生的收益	2,378,446	2,277,414
Loss arising from changes in fair value less costs to sell of dairy cows	乳牛公平值變動減乳牛銷售成本產生的虧損	(956,011)	(1,031,316)
		1,422,435	1,246,098

19. 生物資產(續)

C – 乳牛的價值(續)

於2021年12月31日，本集團賬面值為人民幣770,414,000元(2020年：人民幣754,014,000元)的奶牛已抵押予銀行，作為授予本集團的若干銀行及其他借款的擔保(附註26及27)。

以下分析初步確認原料奶和乳牛公平值變動減銷售成本產生的合計收益或虧損：

20. INVENTORIES

20. 存貨

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Feeds to be consumed	將消耗的飼料	1,888,090	1,108,020
Feeds held for sale	持作銷售的飼料	179,294	-
Others	其他	123,885	50,623
		2,191,269	1,158,643

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21. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

21. 應收貿易賬款及其他應收款項以及預付款項

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Trade receivables	應收貿易賬款	1,044,160	639,768
Bills receivables	應收票據	1,176	-
Less: allowance for credit losses	減：信貸虧損撥備	-	(8,483)
		1,045,336	631,285
Prepayments for feeds, materials, insurance and others	飼料、材料、保險及其他的預付款項	149,239	47,736
Prepayments for property, plant and equipment	物業、廠房及設備的預付款項	54,238	-
Input value added tax recoverable	可收回進項增值稅	6,720	2,938
Short term loan receivables	短期應收貸款	2,003	8,092
Receivables from disposal of subsidiaries (Note 36)	出售附屬公司的應收款項 (附註36)	-	7,406
Others	其他	18,573	9,202
		1,276,109	706,659
Analysed as:	按下列分析：		
Current	即期	1,221,871	706,659
Non-current	非即期	54,238	-
		1,276,109	706,659

As at 1 January 2020, trade receivables from contracts with customers amounted to RMB541,570,000.

於2020年1月1日，來自客戶合約的應收貿易賬款為人民幣541,570,000元。

As at 31 December 2021, the Group's trade receivables with carrying amount of RMB7,250,000 (2020: nil) were pledged to secure certain bank and other borrowings granted to the Group (Notes 26 and 27).

於2021年12月31日，本集團賬面值為人民幣7,250,000元(2020年：零)的應收貿易賬款已質押以擔保授予本集團的若干銀行及其他借款(附註26及27)。

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

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

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21. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (continued)

The following is an aged analysis of trade receivables and bills receivables, net of allowance for credit losses, presented based on the invoice dates at the end of the reporting period, which approximated the respective revenue recognition dates at the end of the reporting period:

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Trade receivables	應收貿易賬款		
– within 30 days	– 30天以內	955,222	631,285
– beyond 30 days but within 90 days	– 超過30天但90天以內	49,977	–
– beyond 1 year but within 2 years (Note)	– 超過一年但兩年以內(附註)	38,961	–
Bills receivables	應收票據		
– within 30 days	– 30天以內	135	–
– beyond 90 days but within 120 days	– 超過90天但120天以內	500	–
– beyond 120 days but within 360 days	– 超過120天但360天以內	541	–
		1,045,336	631,285

Note: The receivable balance belongs to a subsidiary, Zhongyuan Muye Company Limited (“**Zhongyuan**”), and is secured by the original shareholders of Zhongyuan (“**Zhongyuan Seller**”) and a consideration payable to Zhongyuan Seller of RMB256,338,000 as disclosed in Note 35.

Details of impairment assessment of trade and other receivables are set out in Note 39.

21. 應收貿易賬款及其他應收款項以及預付款項(續)

於報告期末按發票日期(與報告期末有關收入確認日期相若)呈列的應收貿易賬款及應收票據(扣除信貸虧損撥備)的賬齡分析如下:

附註：應收款項餘額屬於附屬公司中元牧業有限公司(「中元」)，由中元原股東(「中元賣方」)作出抵押並以附註35所披露的應付中元賣方的對價人民幣256,338,000元作為擔保。

應收貿易賬款及其他應收款項的減值評估詳情載列於附註39。

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22. DERIVATIVE FINANCIAL INSTRUMENTS

22. 衍生金融工具

		Assets 資產		Liabilities 負債	
		31 December 2021 2021年 12月31日 RMB'000 人民幣千元	31 December 2020 2020年 12月31日 RMB'000 人民幣千元	31 December 2021 2021年 12月31日 RMB'000 人民幣千元	31 December 2020 2020年 12月31日 RMB'000 人民幣千元
Interest rate swaps (Note i)	利率掉期(附註i)	-	-	(3,446)	(52,264)
Foreign currency forward contracts (Note ii)	外匯遠期合約 (附註ii)	-	11,145	-	-
Foreign currency option contracts (Note ii)	外匯期權合約 (附註ii)	-	-	(112,642)	(31,074)
CFCCS (Note iii)	CFCCS(附註iii)	67,537	-	-	-
		67,537	11,145	(116,088)	(83,338)
Analysed as:	分析為：				
Current	流動	-	11,145	(17,758)	(59,338)
Non-current	非流動	67,537	-	(98,330)	(24,000)
		67,537	11,145	(116,088)	(83,338)

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22. DERIVATIVE FINANCIAL INSTRUMENTS

(continued)

Notes:

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

Nominal amount 名義金額	Swaps 掉期
<i>At 31 December 2021</i> 於2021年12月31日	
USD200,000,000 200,000,000美元	From LIBOR to 0.66%–0.945% 自倫敦銀行同業拆息至0.66%至0.945%
USD42,300,000 42,300,000美元	From LIBOR+1% to 1.50%–1.90% 自倫敦銀行同業拆息+1%至1.50%至1.90%
<i>At 31 December 2020</i> 於2020年12月31日	
USD200,000,000 200,000,000美元	From LIBOR to 0.66%–0.945% 自倫敦銀行同業拆息至0.66%至0.945%
USD42,300,000 42,300,000美元	From LIBOR+1% to 1.50%–1.90% 自倫敦銀行同業拆息+1%至1.50%至1.90%
HKD1,500,000,000 1,500,000,000港元	From HIBOR to 2.59%–2.62% 自香港銀行同業拆息至2.59%至2.62%

The Group entered into several interest rate swaps contracts with certain banks to hedge the risk of interest rate fluctuation arising from certain bank loans at floating interest rate. The fair value changes of the swaps were recognised as a deduction of finance costs.

22. 衍生金融工具(續)

附註：

- i. 利率掉期主要條款如下：

本集團與若干銀行訂立若干利率掉期合約，以對沖若干按浮動利率的銀行貸款產生的利率波動風險。掉期的公平值變動確認為扣除融資成本。

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22. DERIVATIVE FINANCIAL INSTRUMENTS

22. 衍生金融工具(續)

(continued)

Notes: (continued)

附註：(續)

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

- ii. 外匯遠期合約及外匯期權合約主要項目如下：

Nominal amount 名義金額	Forward exchange rates 遠期匯率		
<i>At 31 December 2020</i>			
<i>於2020年12月31日</i>			
HKD1,230,390,000 1,230,390,000港元	USD0.1274 to USD0.1280: HKD1 0.1274美元至0.1280美元：1港元		
Nominal amount 名義金額	Type 類型	Position 好倉／淡倉	Prices 價格
<i>At 31 December 2021</i>			
<i>於2021年12月31日</i>			
USD342,300,000* 342,300,000美元*	Call 認購	Long 好倉	RMB6.7315 to RMB6.9550: USD1 人民幣6.7315元至人民幣6.9550元：1美元
	Put 認沽	Short 淡倉	RMB6.7315 to RMB6.9550: USD1 人民幣6.7315元至人民幣6.9550元：1美元
	Call 認購	Short 淡倉	RMB7.1000 to RMB7.1500: USD1 人民幣7.1000元至人民幣7.1500元：1美元
<i>At 31 December 2020</i>			
<i>於2020年12月31日</i>			
USD257,000,000* 257,000,000美元*	Call 認購	Long 好倉	RMB6.7000 to RMB6.8790: USD1 人民幣6.7000元至人民幣6.8790元：1美元
	Put 認沽	Short 淡倉	RMB6.7000 to RMB6.8790: USD1 人民幣6.7000元至人民幣6.8790元：1美元
	Call 認購	Short 淡倉	RMB7.1000 to RMB7.3000: USD1 人民幣7.1000元至人民幣7.3000元：1美元

* These are currency call put option portfolios.

* 該等為貨幣認購／認沽期權組合。

The Group entered into several foreign currency forward contracts and foreign currency option contracts with certain banks to hedge the currency risk arising from certain of its bonds and bank loans denominated in USD and HKD. The fair value changes of the foreign currency forward contracts and the foreign currency option contracts were recognised in other gains and losses.

本集團與若干銀行訂立若干外匯遠期合約及外匯期權合約，以對沖若干以美元及港元計值的債券及銀行貸款產生的貨幣風險。外匯遠期合約及外匯期權合約的公平值變動於其他收益及虧損中確認。

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22. DERIVATIVE FINANCIAL INSTRUMENTS

(continued)

Notes: (continued)

iii. Major items of the CFCCS contracts are as follows:

The Company entered into several CFCCS contracts with banks to hedge the currency risk arising from USD400,000,000 of its USD Bonds (as defined in Note 28). The fair value changes of the CFCCS contracts were recognised in other gains and losses.

According to the CFCCS agreements, at termination date, if the spot rate is equal to or less than the cap strike rate agreed (the "Cap Rate"), and equal to or greater than the floor strike rate (the "Floor"), the Company will exchange RMB for USD at an exchange rate of 6.478; if the spot rate is greater than the Cap Rate, the Company will exchange RMB for USD at an exchange rate of $(6.478 + (\text{spot rate} - \text{Cap Rate}))$; if the spot rate is less than the Floor Rate, the Company will exchange RMB for USD at an exchange rate of $(6.478 + (\text{spot rate} - \text{Floor Rate}))$. At the same time, the Company will receive interest on USD nominal amount at the interest rate of 2.125% and pay interest on RMB nominal amount (translated from USD to RMB at the rate of 6.478) at the interest rate of fixed rate agreed (the "Fixed Rate") semi-annually until the termination date.

Nominal amount 名義金額

At 31 December 2021

於2021年12月31日

USD400,000,000

400,000,000美元

Fixed Rate

固定利率

2.84%–3.12%

Floor Rate

下限匯率

6.00

Cap Rate

上限匯率

7.00–7.20

The valuation techniques used in determination of fair values of the interest rate swaps, foreign currency forwards, foreign currency options and CFCCS are disclosed in Note 42.

22. 衍生金融工具(續)

附註：(續)

iii. CFCCS合約的主要項目如下：

本公司與銀行訂立多份CFCCS合約，以對沖其400,000,000美元的美元債券(定義見附註28)產生的貨幣風險。CFCCS合約的公平值變動計入其他收益及虧損。

根據CFCCS協議，於終止日期，當即期匯率等於或低於約定的上限匯率(「上限匯率」)，且等於或高於下限匯率(「下限匯率」)，本公司將以6.478的匯率將人民幣兌換成美元；當即期匯率大於上限匯率，本公司將以 $(6.478 + (\text{即期匯率} - \text{上限匯率}))$ 的匯率將人民幣兌換成美元；當即期匯率低於下限匯率，本公司將以 $(6.478 + (\text{即期匯率} - \text{下限匯率}))$ 的匯率將人民幣兌換成美元。同時，本公司將以2.125%的利率收取美元名義金額的利息並按約定的固定利率(「固定利率」)每半年支付一次人民幣名義金額的利息(按6.478美元換算為人民幣)，直至終止日期。

釐定利率掉期、外匯遠期、外匯期權及CFCCS公平值所使用的估值技術均披露於附註42。

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23. OTHER FINANCIAL ASSETS

23. 其他金融資產

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Structured bank deposits	結構性銀行存款	-	50,000

The balances represented short-term deposits placed within reputable banks in the PRC with variable interest rate determined by other certain index. These deposits are stated at FVTPL.

結餘指存放於中國信譽良好銀行的短期存款，可變利率乃參考其他若干指數而釐定。該等存款按公平值計入損益列賬。

24. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

24. 已質押銀行存款以及銀行結餘及現金

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Pledged bank deposits	已質押銀行存款		
Current (Note i)	流動(附註i)	41,631	34,503
Non-current (Note ii)	非流動(附註ii)	127,043	122,706
		168,674	157,209

Notes:

- i. The current pledged bank deposits carry interest at prevailing market rates ranging from 0.30% to 1.95% (31 December 2020: 0.30% to 1.80%) per annum and represent deposits pledged for letter of credit and bills payable.
- ii. The non-current pledged bank deposits represent deposits which will mature in May 2023 and carry interest at prevailing market rates of 3.58% per annum and have been pledged for bank borrowings as set out in Note 26.

附註：

- i. 流動已質押銀行存款按每年介乎0.30%至1.95%(2020年12月31日：0.30%至1.80%)的現行市場利率計息，並作為信用證及應付票據的質押存款。
- ii. 非流動已質押銀行存款指將於2023年5月到期的存款，並按每年3.58%的現行市場利率計息，且已作為銀行借款(如附註26所載)的質押。

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24. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH (continued)

24. 已質押銀行存款以及銀行結餘及現金(續)

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Bank balances and cash	銀行結餘及現金		
Cash on hand	手頭現金	5	10
Bank balances	銀行結餘	2,089,620	1,144,337
		2,089,625	1,144,347
Time deposits with original maturity over three months (Note i)	原到期日超過三個月的定期存款(附註i)	351,942	41,215
Cash and cash equivalents as stated in the consolidated statement of cash flows (Note ii)	綜合現金流量表所示現金及現金等價物(附註ii)	1,737,683	1,103,132
		2,089,625	1,144,347
Analysed as:	分析為：		
Current	流動	1,887,744	1,123,710
Non-current	非流動	201,881	20,637
		2,089,625	1,144,347

Notes:

- i. Time deposits with original maturity over three months were held within banks and carry interest at prevailing market rate of 3.08% to 3.81% (31 December 2020: 0.36% to 3.70%) per annum at 31 December 2021.
- ii. Cash and cash equivalents comprise cash, cash at banks and short-term time deposits with original maturities of three months or less which are held within banks and carry interest at prevailing market rate of 0.01% to 1.95% (31 December 2020: 0.01% to 1.50%) per annum at 31 December 2021.

附註：

- i. 於2021年12月31日，存入銀行的原到期日超過三個月的定期存款按每年3.08%至3.81%(2020年12月31日：0.36%至3.70%)的現行市場利率計息。
- ii. 於2021年12月31日，現金及現金等價物包括現金、銀行現金及存入銀行按現行市場利率每年0.01%至1.95%(2020年12月31日：0.01%至1.50%)計息的原到期日為三個月或以內的短期定期存款。

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24. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH (continued)

Pledged bank deposits and bank balances and cash at 31 December 2021 and 2020 are denominated in USD, Euro ("EUR"), HKD, Australian dollar ("AUD") and RMB.

Certain bank balances that are denominated in currencies other than the functional currency of the relevant entities are set out below:

24. 已質押銀行存款以及銀行結餘及現金(續)

於2021年及2020年12月31日的已質押銀行存款以及銀行結餘及現金乃以美元、歐元(「歐元」)、港元、澳元(「澳元」)及人民幣計值。

以有關實體的功能貨幣以外的貨幣計值的若干銀行結餘載列如下：

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
USD	美元	182,701	134,071
EUR	歐元	391	255
HKD	港元	46,968	46,305
AUD	澳元	2,882	-

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25. TRADE AND OTHER PAYABLES

The credit period granted by suppliers for trade purchases is generally within 120 days. The following is an aged analysis of trade and bills payables at the end of the reporting period:

25. 應付貿易賬款及其他應付款項

供應商授予採購賬款的信貸期一般為120天以內。以下為於報告期末的應付貿易賬款及應付票據的賬齡分析：

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Trade payables	應付貿易賬款		
– within 60 days	– 60天以內	1,177,400	610,589
– beyond 60 days but within 120 days	– 超過60天但120天以內	337,617	146,753
– beyond 120 days but within 360 days	– 超過120天但360天以內	71,546	44,539
– beyond 360 days but within 720 days	– 超過360天但720天以內	25,359	15,015
Bills payable (Note)	應付票據(附註)	28,632	15,659
		1,640,554	832,555
Payable for acquisition of property, plant and equipment	購買物業、廠房及設備應付款項	376,012	217,521
Accrued staff costs	應計員工成本	241,636	212,269
Receipts in advance from disposal of dairy cows	就出售乳牛的預收款項	11,375	27,093
Payables for acquisition of subsidiaries (Note 35)	收購附屬公司應付款項(附註35)	643,197	–
Guarantee deposit	保證金	131,571	89,740
Payables for acquisition of non-controlling interests (Note 32)	收購非控股權益應付款項(附註32)	38,192	–
Dividends payable	應付股息	9,778	–
Others	其他	75,846	31,608
		3,168,161	1,410,786
Analysed as:	分析為：		
Current	即期	3,144,194	1,410,786
Non-current	非即期	23,967	–
		3,168,161	1,410,786

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

附註：應付票據於各自發行日期起計十二個月內到期。

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26. BANK BORROWINGS

26. 銀行借款

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Bank borrowings:	銀行借款：		
Unsecured	無抵押	4,064,347	5,281,002
Secured (Note)	有抵押(附註)	601,669	361,324
		4,666,016	5,642,326
Carrying amounts repayable:	應償還賬面值：		
Within one year	一年以內	2,380,683	3,471,314
Between one to two years	一年至兩年內	1,234,489	703,519
Between two to five years	兩年至五年內	980,596	1,467,493
Over five years	五年以上	70,248	-
		4,666,016	5,642,326
Less: amounts due within one year shown under current liabilities	減：於流動負債項下列示 一年內到期款項	(2,380,683)	(3,471,314)
		2,285,333	2,171,012

Note: Certain bank borrowings as at 31 December 2021 and 2020 were secured by property, plant and equipment, biological assets, trade receivables and bank deposits owned by the Group as set out in Notes 15, 19, 21 and 24, respectively.

附註：於2021年及2020年12月31日的若干銀行借款由本集團擁有的物業、廠房及設備、生物資產、應收貿易賬款及銀行存款(分別載於附註15、19、21及24)作抵押。

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26. BANK BORROWINGS (continued)

The bank borrowings comprise:

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Fixed-rate borrowings	定息借款	2,971,548	2,230,939
Variable-rate borrowings	浮息借款	1,694,468	3,411,387
		4,666,016	5,642,326

In September 2018, the Company entered into a facility agreement with several banks, under which the Group was allowed to borrow HKD1,500,000,000 loan from the banks at floating interest rate determined as HIBOR+1.7% per annum and the upfront fee amounted to HKD27,000,000 (equivalent to RMB24,187,000). The Group withdrew HKD1,500,000,000 (equivalent to RMB1,284,780,000), partially repaid HKD270,000,000 (equivalent to RMB243,000,000) in 2019, fully repaid the remaining HKD1,230,000,000 (equivalent to RMB1,024,356,000) during the current year, and the effective interest rate is 5.17% per annum.

26. 銀行借款(續)

銀行借款包括：

於2018年9月，本公司與若干銀行訂立融資協議，據此，本集團獲准自銀行借入貸款1,500,000,000港元，每年按香港銀行同業拆息+1.7%的浮動利率及為數27,000,000港元（相當於人民幣24,187,000元）的前期付款計息。本集團於2019年提取1,500,000,000港元（相當於人民幣1,284,780,000元）、部分償還270,000,000港元（相當於人民幣243,000,000元）並於本年度全數償還餘下1,230,000,000港元（相當於人民幣1,024,356,000元），且實際年利率為5.17%。

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26. BANK BORROWINGS (continued)

In June 2020, the Company entered into a facility agreement with several banks, under which the Group was allowed to borrow USD200,000,000 loan from the banks at floating interest rate determined as LIBOR+1.65% per annum and the upfront fee amounted to USD3,600,000 (equivalent to RMB25,145,000). The Group withdrew USD200,000,000 (equivalent to RMB1,368,862,000) in 2020, partially repaid USD60,000,000 (equivalent to RMB387,612,000) during the current year, and the effective interest rate is 3.49% per annum.

Save as set out above, the effective interest rates of the Group's bank borrowings equal to contractual interest rates. The effective interest rates per annum are as follows:

		2021 2021年	2020 2020年
Fixed-rate borrowings	定息借款	2.85%-7.26%	0.66%-5.00%
Variable-rate borrowings	浮息借款	1.21%-6.85%	1.22%-5.17%

Interest rate of variable-rate borrowings are determined based on the benchmark lending rate and loan prime rate announced by the People's Bank of China, the LIBOR, the HIBOR and the Secured Overnight Financing Rate.

The bank borrowings are denominated in the following currencies:

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
USD	美元	1,327,048	1,570,957
HKD	港元	-	1,031,784
RMB	人民幣	3,338,968	3,039,585
		4,666,016	5,642,326

26. 銀行借款(續)

於2020年6月，本公司與若干銀行訂立融資協議，據此，本集團獲准自銀行借入貸款200,000,000美元，每年按倫敦銀行同業拆息+1.65%的浮動利率及為數3,600,000美元（相當於人民幣25,145,000元）的前期付款計息。本集團於2020年提取200,000,000美元（相當於人民幣1,368,862,000元）、於本年度部分償還60,000,000美元（相當於人民幣387,612,000元），且實際年利率為3.49%。

除上述者外，本集團銀行借款的實際利率等同於合約利率。以下為實際年利率：

浮息借款的利率乃根據中國人民銀行公佈的貸款基準利率及貸款最優惠利率、倫敦銀行同業拆息、香港銀行同業拆息及有抵押隔夜融資利率而釐定。

銀行借款以下列貨幣計值：

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27. OTHER BORROWINGS

27. 其他借款

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Other borrowings:	其他借款：		
– From Mengniu (Note 44(c))	– 來自蒙牛(附註44(c))	495,466	–
– Others	– 其他	141,538	–
		637,004	–
Unsecured	無抵押	557,217	–
Secured (Note)	有抵押(附註)	79,787	–
		637,004	–
Carrying amounts repayable:	應償賬面金額：		
Within one year	一年內	433,676	–
Between one to two years	一年至兩年內	17,511	–
Between two to five years	兩年至五年內	185,817	–
		637,004	–
Less: Amounts due within one year shown under current liabilities	減：於流動負債項下列示 一年內到期款項	(433,676)	–
Amounts shown under non-current liabilities	非流動負債項下所示金額	203,328	–

Note: Certain other borrowings as at 31 December 2021 are secured by property, plant and equipment, biological assets, and trade receivables owned by the Group as set out in Notes 15, 19, and 21, respectively.

附註：於2021年12月31日的若干其他借款由本集團擁有的物業、廠房及設備、生物資產及應收貿易賬款(分別載於附註15、19及21)作抵押。

The Group's other borrowings are loans with fixed interest rates from 3.85% to 12.00% as at 31 December 2021.

本集團的其他借款為於2021年12月31日固定利率為3.85%至12.00%的貸款。

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28. LONG TERM BONDS

28. 長期債券

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Carrying amounts repayable:	應償還賬面值：		
Within one year	一年內	31,989	-
Between two to five years	兩年至五年內	3,159,730	-
		3,191,719	-
Less: Amounts due within one year shown under current liabilities	減：於流動負債項下列示 一年內到期款項	(31,989)	-
Amounts shown under non-current liabilities	非流動負債項下所示金額	3,159,730	-

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

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

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29. LEASE LIABILITIES

29. 租賃負債

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Lease liabilities payable:	應付租賃負債：		
Within one year	一年內	50,435	23,851
Within a period of more than one year but not exceeding two years	一年以上但不超過兩年的 期間內	37,178	10,572
Within a period of more than two years but not exceeding five years	兩年以上但不超過五年的 期間內	108,036	32,708
Within a period of more than five years	超過五年的期間內	371,863	152,762
		567,512	219,893
Less: Amount due for settlement within 12 months shown under current liabilities	減：於流動負債項下列示 12個月內結算款項	(50,435)	(23,851)
Amount due for settlement after 12 months shown under non-current liabilities	於非流動負債項下列示 12個月後結算款項	517,077	196,042

The lease liabilities are measured at the present value of the lease payments that are not yet paid. The incremental borrowing rates applied to lease liabilities range from 4.65% to 5.70% (31 December 2020: from 4.65% to 5.20%) per annum as at 31 December 2021.

租賃負債按未支付的租賃付款現值計量。於2021年12月31日，就租賃負債所應用增量借款利率介乎每年4.65%至5.70%(2020年12月31日：介乎4.65%至5.20%)。

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30. CONTRACT LIABILITIES

30. 合約負債

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Sales of raw milk	銷售原料奶	3,762	198
Sales of feeds	銷售飼料	1,581	-
		5,343	198

As at 1 January 2020, contract liabilities amounted to RMB189,000.

於2020年1月1日，合約負債為人民幣189,000元。

31. DEFERRED INCOME

31. 遞延收入

		Arising from government grants 政府補貼所產生 RMB'000 人民幣千元
Balance at 1 January 2020	於2020年1月1日的結餘	157,678
Addition	添置	46,315
Released to income	撥至收入	(31,131)
Balance at 31 December 2020	於2020年12月31日的結餘	172,862
Addition	添置	59,433
Released to income	撥至收入	(47,733)
Balance at 31 December 2021	於2021年12月31日的結餘	184,562

Deferred income represents government grants obtained in relation to the construction and acquisition of property, plant and equipment and inventories. Government grants are included in the consolidated statement of financial position as deferred income and credited to the profit or loss on a straight-line basis over the useful lives of the related assets or over the periods in which the inventories were consumed.

遞延收入指建設及購置物業、廠房及設備以及存貨獲得的政府補貼。政府補貼在綜合財務狀況表內列作遞延收入，並於有關資產的可使用年期內或消耗存貨的期間內按直線法計入損益。

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32. SHARE CAPITAL AND SHARE PREMIUM AND RESERVES

Share capital

32. 股本以及股份溢價及儲備

股本

		Number of shares 股份數目 '000 千股	Share capital 股本 HKD'000 千港元
Ordinary shares of HKD0.1 each Authorised At 1 January 2020, 31 December 2020 and 2021	每股0.1港元的普通股 法定 於2020年1月1日、2020年及 2021年12月31日	10,000,000	1,000,000
Issued and fully paid At 1 January 2020	已發行及繳足 於2020年1月1日	6,407,635	640,764
Exercise of Management Options (Note 34(a))	行使管理層購股權(附註34(a))	50,931	5,093
At 31 December 2020	於2020年12月31日	6,458,566	645,857
Issue of ordinary shares (Note)	發行普通股(附註)	1,457,096	145,709
At 31 December 2021	於2021年12月31日	7,915,662	791,566
		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Presented as	呈列為	675,869	555,535

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32. SHARE CAPITAL AND SHARE PREMIUM AND RESERVES (continued)

Share premium

32. 股本以及股份溢價及儲備(續)

股份溢價

		Share premium 股份溢價 RMB'000 人民幣千元
Balance at 1 January 2020	於2020年1月1日的結餘	4,945,381
Exercise of Management Options (Note 34(a))	行使管理層購股權(附註34(a))	39,701
At 31 December 2020	於2020年12月31日	4,985,082
Issue of ordinary shares (Note)	發行普通股(附註)	2,053,786
Dividends distribution	股息分派	(142,532)
At 31 December 2021	於2021年12月31日	6,896,336

Note: On 27 January 2021, an aggregate of 650,000,000 new shares with par value of HKD0.10 each of the Company have been placed to certain independent third parties at the placing price of HKD2.40 per share, resulting in an increase of the share capital of HKD65,000,000 (equivalent to approximately RMB54,223,000). An amount of HKD1,487,200,000 (equivalent to approximately RMB1,240,622,000), being the excess of the net proceeds from the placing of HKD1,552,200,000 (equivalent to approximately RMB1,294,845,000) over the par value of the new shares, was credited to share premium. These new shares rank pari passu with other shares in issue in all respects. The Company intends to apply the net proceeds from the placing on infrastructure development and herd expansion, potential mergers and acquisitions and general working capital.

On 29 November 2021, an aggregate of 807,096,101 new shares with par value of HKD0.10 each of the Company have been issued to the holding vehicle designated by Mengniu ("Mengniu SPV") as part of the consideration for acquisition of Fuyuan. An amount of HKD992,728,000 (equivalent to approximately RMB813,164,000), being the excess of the market price of the shares issued of HKD1,073,438,000 (calculated using the market price per share HKD1.33 of the shares on the issue date, equivalent to approximately RMB879,275,000) over the par value of the new shares, was credited to share premium.

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

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

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32. SHARE CAPITAL AND SHARE PREMIUM AND RESERVES (continued)

Other reserve

32. 股本以及股份溢價及儲備(續)

其他儲備

		Other reserve 其他儲備 RMB'000 人民幣千元
Balance at 1 January 2020	於2020年1月1日的結餘	970,829
Equity transactions related to interest free loans (Note i)	有關免息貸款的權益交易 (附註i)	(1,561)
At 31 December 2020	於2020年12月31日	969,268
Equity transactions related to interest free loans (Note i)	有關免息貸款的權益交易 (附註i)	(6,694)
Acquisition of non-controlling interests in subsidiaries (Note ii)	收購附屬公司的非控股權益 (附註ii)	(42,465)
At 31 December 2021	於2021年12月31日	920,109

Notes:

- i. The movement represented the portion of the difference between nominal value and amortised cost of interest-free loans granted by the Company to Modern Farming, a non-wholly-owned subsidiary of the Company, which was recognised as owners' contribution to Modern Farming, and proportionally attributable to non-controlling interests.
- ii. In December 2021, Mengao Fuyuan (Hongkong) Co., Limited, a subsidiary of the Company, which previously held 65% equity interest in Haykingdom acquired the remaining 35% non-controlling interests in Haykingdom. The difference of RMB43,178,000 between the cash consideration of USD10,000,000 (equivalent to RMB63,651,000) and the carrying amount of non-controlling interests of USD3,216,000 (equivalent to RMB20,473,000) has been debited to other reserve and non-controlling interests.

附註：

- i. 變動指本公司授予本公司非全資附屬公司現代牧業(集團)的免息貸款面值與攤銷成本之間差額部分，已確認為擁有人對現代牧業(集團)的貢獻，由非控股權益按比例分擔。
- ii. 2021年12月，此前持有Haykingdom 65%股權的蒙澳富源(香港)有限公司(本公司附屬公司)收購了Haykingdom剩餘35%的非控股權益。現金代價10,000,000美元(相當於人民幣63,651,000元)與非控股權益賬面值3,216,000美元(相當於人民幣20,473,000元)的差額人民幣43,178,000元已計入其他儲備及非控股權益。

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32. SHARE CAPITAL AND SHARE PREMIUM AND RESERVES (continued)

Shares held under the Share Award Scheme

32. 股本以及股份溢價及儲備(續)

根據股份獎勵計劃持有的股份

		Shares held under the Share Award Scheme 根據股份獎勵計劃持有的股份 RMB'000 人民幣千元
Balance at 1 January 2020	於2020年1月1日的結餘	(57,012)
Purchase of ordinary shares for the share award scheme (Note 34(b))	就股份獎勵計劃購買普通股 (附註34(b))	(19,892)
Reversal due to vesting of award shares (Note 34(b))	因獎勵股份歸屬而撥回 (附註34(b))	29,560
Balance at 31 December 2020	於2020年12月31日的結餘	(47,344)
Purchase of ordinary shares for the share award scheme (Note 34(b))	就股份獎勵計劃購買普通股 (附註34(b))	(53,052)
Reversal due to vesting of award shares (Note 34(b))	因獎勵股份歸屬而撥回 (附註34(b))	13,865
Balance at 31 December 2021	於2021年12月31日的結餘	(86,531)

33. RETIREMENT BENEFITS PLANS

The PRC employees of the Group are eligible members of the state-managed retirement benefit schemes operated by the government of the PRC. The employees of the PRC subsidiaries of the company are required to contribute in accordance with employee pension insurance and other insurance benefits requirements on monthly basis to the state-managed retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the state-managed retirement benefit schemes is to make the required contributions under the schemes.

33. 退休福利計劃

本集團的中國僱員為中國政府營辦的國家管理退休福利計劃的合資格成員。本公司於中國的附屬公司的員工須按員工養老保險及其他險金的要求每月向國家管理退休福利計劃作出供款以撥付有關福利。本集團於國家管理退休福利計劃的唯一責任為根據有關計劃作出規定的供款。

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33. RETIREMENT BENEFITS PLANS (continued)

Other subsidiaries in jurisdictions outside of the PRC contribute to statutory retirement plans on behalf of their employees which in many cases are managed by the government in those jurisdictions. Those subsidiaries make periodic contributions to the statutory retirement plans as required and contributions are generally determined as a percentage of employees' basic salaries or a fixed amount per employee per calendar year depending on laws and regulations of the jurisdiction.

At 31 December 2021 and 2020, the Group had no forfeited contributions under the above retirement benefit scheme which may be used by the Group to reduce the existing level of contributions. There were also no forfeited contributions available at 31 December 2021 and 2020 under such scheme which may be used by the Group to reduce the contribution payable in future years.

The retirement benefit cost incurred are disclosed in Note 7.

34. SHARE-BASED PAYMENT TRANSACTIONS

(a) Modern Farming Option Scheme

On 31 October 2010, the Company granted to two directors and one senior management member of Modern Farming a total of 87,412,507 share options of the Company for nil consideration and with an exercise price of HKD0.86 per share (the "Management Options") which would expire on 29 October 2020.

On 27 August 2020, 50,930,832 ordinary shares with par value of HKD0.10 each of the Company were issued at a price of HKD0.86 due to the exercise of the Management Options, resulting in an increase of the share capital of HKD5,093,000 (equivalent to approximately RMB4,528,000). An amount of HKD38,708,000 (equivalent to approximately RMB34,415,000), being the excess of the cash consideration of HKD43,801,000 (equivalent to approximately RMB38,943,000) over the par value of the ordinary shares of RMB4,528,000, was credited to share premium. The amount previously recognised in share options reserve of RMB5,286,000 in relation to the 50,930,832 share options were transferred to share premium.

33. 退休福利計劃(續)

中國以外司法權區的其他附屬公司代表其僱員向法定退休計劃供款，該等計劃在許多情況下由有關司法權區的政府管理。該等附屬公司按規定定期向法定退休計劃供款，供款一般按僱員基本薪金的百分比或每名僱員每個曆年的固定金額(視乎司法權區的法律法規而定)釐定。

於2021年及2020年12月31日，本集團並無上述退休福利計劃項下被沒收的供款，本集團可能會使用該等供款來降低現有供款水平。根據該計劃，於2021年及2020年12月31日亦無可供本集團用於減少未來年度應付供款的被沒收供款。

產生的退休福利成本在附註7中披露。

34. 以股份支付的付款交易

(a) 現代牧業(集團)購股權計劃

於2010年10月31日，本公司以零代價向現代牧業(集團)兩名董事及一名高級管理層成員授出合共87,412,507份本公司購股權，行使價為每股0.86港元(「管理層購股權」)，將於2020年10月29日到期。

於2020年8月27日，由於行使管理層購股權，本公司按0.86港元的價格發行50,930,832股每股0.10港元的普通股，使股本增加5,093,000港元(相當於約人民幣4,528,000元)。現金代價43,801,000港元(相當於約人民幣38,943,000元)超過普通股面值人民幣4,528,000元的金額38,708,000港元(相當於約人民幣34,415,000元)計入股份溢價。先前有關50,930,832份購股權確認為購股權儲備的金額人民幣5,286,000元轉移至股份溢價。

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34. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

(b) Share Award Scheme

(i) Share Award Scheme I

On 9 September 2016 (the “**Adoption Date I**”), the Company adopted a share award scheme (the “**Share Award Scheme I**”) to motivate and award the contribution of certain members of management and eligible employees of the Group. Subject to any early termination as may be determined by the Board, the Share Award Scheme I is valid and effective for a period of 5 years commencing on the Adoption Date I.

The shares to be awarded under the Share Award Scheme I will be acquired by the Company through Dairy Fortune Limited (“**Dairy Fortune**”) which is 100% owned by Dairy Fortune (PTC) Limited (the “**Trustee**”) from the open market by cash contributed by the Group under the directions of the Company and will be held in trust for the relevant selected participants until such shares are vested. Based on the trust arrangements among the Company, the sole shareholder of the Trustee and the Trustee, the Company is able to control the Trustee and its subsidiary, Dairy Fortune, pursuant to IFRS 10 *Consolidated Financial Statements*. Therefore, the Group accounts for the Trustee and Dairy Fortune as consolidated structured entities. The ordinary shares of the Company held by Dairy Fortune are accounted for as a debit to the Group’s reserve and are presented under the account of “Shares held under the Share Award Schemes” in the condensed consolidated financial statements.

34. 以股份支付的付款交易(續)

(b) 股份獎勵計劃

(i) 股份獎勵計劃I

於2016年9月9日(「**採納日期I**」)，本公司採納一項股份獎勵計劃(「**股份獎勵計劃I**」)以激勵及獎勵本集團若干管理層成員及合資格僱員的貢獻。除董事會可能釐定的任何提早終止外，股份獎勵計劃I有效期五年，自採納日期I起生效。

根據股份獎勵計劃I將獎勵的股份由本公司透過Dairy Fortune (PTC) Limited(「**受託人**」)100%擁有的Dairy Fortune Limited(「**Dairy Fortune**」)按照本公司指示以本集團注資的現金從公開市場上收購，並將以信託方式為相關選定參與者持有，直至將有關股份歸屬。根據本公司、受託人的唯一股東及受託人之間的信託安排，本公司根據國際財務報告準則第10號綜合財務報表能夠控制受託人及其附屬公司Dairy Fortune。因此，本集團將受託人及Dairy Fortune入賬列為綜合架構實體。Dairy Fortune所持本公司普通股入賬列為本集團儲備借記，並列示於簡明綜合財務報表的「根據股份獎勵計劃持有的股份」項下。

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34. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

(b) Share Award Scheme (continued)

(i) Share Award Scheme I (continued)

On 21 April 2017 (the “**Grant Date I**”), a total number of 35,969,000 shares (“**Share Award I**”) were granted to the selected participants. Out of the total shares granted, 6,637,000 shares were granted to certain members of management (the “**Award Shares I**”), which would vest in the third anniversary of the Grant Date I provided that certain performance and service conditions are met. A total number of 5,325,000 shares of Award Shares I were vested to certain members of management during 2020, and the difference of RMB3,731,000 between the RMB5,468,000 share award reserve and RMB9,199,000 shares held under the Share Award scheme I for the shares vested was recognised to retained earnings.

The remaining 29,332,000 shares were granted to the certain members of management and the eligible employees, of which 21,011,000 shares were vested during 2019.

The Group recognised a share award expense of RMB559,000 in respect of the Share Award I during 2020.

34. 以股份支付的付款交易 (續)

(b) 股份獎勵計劃 (續)

(i) 股份獎勵計劃 I (續)

於2017年4月21日(「授出日期 I」)，合共35,969,000股股份(「股份獎勵 I」)授予選定參與者。於所有授出股份中，6,637,000股股份授予若干管理層成員(「獎勵股份 I」)，於授出日期 I 的第三個週年歸屬，惟須符合若干表現及服務條件。合共5,325,000股獎勵股份 I 於2020年歸屬於若干管理層成員，股份獎勵儲備人民幣5,468,000元與就所歸屬股份根據股份獎勵計劃 I 持有的人民幣9,199,000元股份之間的差額金額人民幣3,731,000元於保留盈利確認。

其餘29,332,000股股份授予部分管理層成員及合資格員工，其中21,011,000股股份於2019年歸屬。

於2020年，本集團就股份獎勵 I 確認股份獎勵開支為人民幣559,000元。

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34. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

(b) Share Award Scheme (continued)

(ii) Share Award Scheme II

On 26 March 2018 (the “**Adoption Date II**”), the Company adopted a share award scheme (the “**Share Award Scheme II**”) to motivate and award the contribution of certain members of management and eligible employees of the Group. Subject to any early termination as may be determined by the Board, the Share Award Scheme II is valid and effective for a period of 10 years commencing on the Adoption Date II. The shares to be awarded under the Share Award Scheme II will be acquired by the Company through Dairy Fortune from the open market by cash contributed by the Group under the directions of the Company and will be held in trust for the relevant selected participants until such shares are vested. The maximum number of shares which may be purchased by the Trustee is set at no more than 1% of the number of issued ordinary shares of the Company at the preceding annual general meeting. As at 31 December 2019, based on the Company’s instructions, the Dairy Fortune had purchased a total of 39,962,000 ordinary shares of the Company on open market at a total consideration of approximately HKD51,759,000 (equivalent to RMB43,988,000). During the year ended 31 December 2020, the Dairy Fortune purchased 20,000,000 ordinary shares from the open market at a total consideration of approximately HKD17,255,000 (equivalent to RMB15,763,000). During the current year, Dairy Fortune purchased another 36,526,000 ordinary shares from the open market at a total consideration of approximately HKD54,689,000 (equivalent to RMB45,468,000) and the number of ordinary shares purchased by Dairy Fortune under Share Award Scheme II increased to 96,448,000 shares (the “**Award Shares II**”).

34. 以股份支付的付款交易(續)

(b) 股份獎勵計劃(續)

(ii) 股份獎勵計劃II

於2018年3月26日(「**採納日期II**」)，本公司採納一項股份獎勵計劃(「**股份獎勵計劃II**」)，以激勵及獎勵本集團若干管理層成員及合資格僱員的貢獻。除董事會可能釐定的任何提早終止外，股份獎勵計劃II有效期十年，自採納日期II起生效。根據股份獎勵計劃II將獎勵的股份將由本公司透過Dairy Fortune按照本公司指示以本集團注資的現金從公開市場上收購，並將以信託方式為相關選定參與者持有，直至將有關股份歸屬。受託人可購入的股份數目上限設定為不得超過本公司於上一屆股東週年大會上已發行普通股數目的1%。於2019年12月31日，按照本公司指示，Dairy Fortune已從公開市場上收購合計39,962,000股本公司普通股，總代價約為51,759,000港元(相當於人民幣43,988,000元)。於截至2020年12月31日止年度，Dairy Fortune從公開市場上收購20,000,000股普通股，總代價約為17,255,000港元(相當於人民幣15,763,000元)。於本年度，Dairy Fortune再從公開市場上收購36,526,000股普通股，總代價約為54,689,000港元(相當於人民幣45,468,000元)，Dairy Fortune根據股份獎勵計劃II收購的普通股數目增至96,448,000股(「**獎勵股份II**」)。

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34. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

(b) Share Award Scheme (continued)

(II) Share Award Scheme II (continued)

(II-i) Share Award II-i

On 8 January 2020, a total number of 20,000,000 Award Shares II (“**Share Award II-i**”) were granted to the selected participants. If certain performance and service conditions are met, out of the total shares granted, 10,000,000 Award Shares II would be vested on 21 April 2020 (the “**Award Shares A**”), and the remaining 10,000,000 Award Shares II would be vested on 21 April 2020 with one year lock-up period beginning from the vesting date (the “**Award Shares B**”).

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

Category	Outstanding as at 1 January 2020 於2020年 1月1日 尚未行使	Granted during the year 年內授出	Forfeited during the year 年內沒收	Vested during the year 年內歸屬	Outstanding as at 31 December 2020 於2020年 12月31日 尚未行使
Award Shares A 獎勵股份A	-	10,000,000	(40,599)	(9,959,401)	-
Award Shares B 獎勵股份B	-	10,000,000	(40,599)	(9,959,401)	-
	-	20,000,000	(81,198)	(19,918,802)	-

The fair values of Award Shares A and Award Shares B determined at the date of grant using Asian Option Model were HKD10,993,000 (equivalent to RMB9,821,000) and HKD10,089,000 (equivalent to RMB9,013,000), respectively.

34. 以股份支付的付款交易 (續)

(b) 股份獎勵計劃 (續)

(II) 股份獎勵計劃II (續)

(II-i) 股份獎勵II-i

於2020年1月8日，合共20,000,000股獎勵股份II（「**股份獎勵II-i**」）授予選定參與者。倘符合若干表現及服務條件，則於所有授出股份中，10,000,000股獎勵股份II將於2020年4月21日歸屬（「**獎勵股份A**」），而餘下10,000,000股獎勵股份II將於2020年4月21日歸屬，自歸屬日期起一年禁售期（「**獎勵股份B**」）。

下表披露獎勵股份A及獎勵股份B於報告期間的變動：

獎勵股份A及獎勵股份B於授出日期使用亞洲式期權模式釐定的公平值分別為10,993,000港元（相當於人民幣9,821,000元）及10,089,000港元（相當於人民幣9,013,000元）。

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34. SHARE-BASED PAYMENT TRANSACTIONS

34. 以股份支付的付款交易(續)

(continued)

(b) Share Award Scheme (continued)

(II) Share Award Scheme II (continued)

(II-i) Share Award II-i (continued)

The following assumptions were used to calculate the fair values of the Award Shares A and Award Shares B:

		Award Shares A 獎勵股份A	Award Shares B 獎勵股份B
Grant date share price	授出日期的股價	HKD1.14 1.14港元	HKD1.14 1.14港元
Strike Price	行使價	HKD1.14 1.14港元	HKD1.14 1.14港元
Risk-free interest rate	無風險利率	2.03%	1.77%
Remaining restrict period	剩餘限期	0.28	1.28
Expected volatility	預期波幅	30.26%	46.51%
Dividend yield	股息收益	0.00%	0.00%
Option value	購股權價值	HKD0.04 0.04港元	HKD1.13 0.13港元

Expected volatility was determined by using the historical volatility of the Company's share price.

The variables and assumptions used in computing the fair values of the share options are based on the best estimates of the Directors. Changes in variables and assumptions may result in changes in the fair value of the Award Shares A and Award Shares B.

The Group recognised a share award expense of RMB18,759,000 in respect of the Share Award II-i during 2020. A total number of 19,918,802 shares of Award Shares A and Award Shares B was vested to selected participants during 2020, and the difference amount of RMB1,602,000 between the RMB18,759,000 share award reserve and RMB20,361,000 shares held under the Share Award scheme II for the shares vested was recognised in retained earnings.

(b) 股份獎勵計劃(續)

(II) 股份獎勵計劃II(續)

(II-i) 股份獎勵II-i(續)

採用以下假設計算獎勵股份A及獎勵股份B的公平值：

預期波幅乃使用本公司股價的歷史波幅釐定。

用於計算購股權公平值的變量及假設是按董事的最佳估計為基準。變量及假設的變動可能會導致獎勵股份A及獎勵股份B公平值出現變動。

於2020年，本集團就股份獎勵II-i確認股份獎勵開支為人民幣18,759,000元。於2020年，合共19,918,802股獎勵股份A及獎勵股份B歸屬於選定參與者，股份獎勵儲備人民幣18,759,000元與就所歸屬股份根據股份獎勵計劃II持有的人民幣20,361,000元股份之間的差額金額人民幣1,602,000元於保留盈利確認。

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34. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

(b) Share Award Scheme (continued)

(II) Share Award Scheme II (continued)

(II-ii) Share Award II-ii

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

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

Category	Outstanding as at 1 January 2021 於2021年 1月1日 尚未行使	Forfeited during the year 年內沒收	Vested during the year 年內歸屬	Outstanding as at 31 December 2021 於2021年 12月31日 尚未行使
Award Shares C 獎勵股份C	9,320,000	(524,100)	(8,795,900)	-
Award Shares D 獎勵股份D	9,320,000	(524,100)	(8,795,900)	-
	18,640,000	(1,048,200)	(17,591,800)	-

34. 以股份支付的付款交易 (續)

(b) 股份獎勵計劃 (續)

(II) 股份獎勵計劃II (續)

(II-ii) 股份獎勵II-ii

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

下表披露獎勵股份C及獎勵股份D於報告期間的變動：

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34. SHARE-BASED PAYMENT TRANSACTIONS 34. 以股份支付的付款交易 (續)

(continued)

(b) Share Award Scheme (continued)

(II) Share Award Scheme II (continued)

(II-ii) Share Award II-ii (continued)

Category	Outstanding as at 1 January 2020 於2020年 1月1日 尚未行使	Granted during the year 年內授出	Forfeited during the year 年內沒收	Outstanding as at 31 December 2020 於2020年 12月31日 尚未行使
Award Shares C 獎勵股份C	-	10,000,000	(680,000)	9,320,000
Award Shares D 獎勵股份D	-	10,000,000	(680,000)	9,320,000
	-	20,000,000	(1,360,000)	18,640,000

The fair values of Award Shares C and Award Shares D determined at the date of grant using Asian Option Model were HKD6,010,000 (equivalent to RMB5,459,000) and HKD5,813,000 (equivalent to RMB5,281,000), respectively.

獎勵股份C及獎勵股份D於授出日期使用亞洲式期權模式釐定的公平值分別為6,010,000港元(相當於人民幣5,459,000元)及5,813,000港元(相當於人民幣5,281,000元)。

The following assumptions were used to calculate the fair values of the Award Shares E and Award Shares F:

採用以下假設計算獎勵股份E及獎勵股份F的公平值：

		Award Shares C 獎勵股份C	Award Shares D 獎勵股份D
Grant date share price	授出日期的股價	HKD0.68 0.68港元	HKD0.68 0.68港元
Strike Price	行使價	HKD0.68 0.68港元	HKD0.68 0.68港元
Risk-free interest rate	無風險利率	0.62%	0.63%
Remaining restrict period	剩餘限期	1.07	2.07
Expected volatility	預期波幅	49.34%	44.66%
Expected dividend yield	預期股息收益	0.00%	0.00%
Option value	購股權價值	HKD0.08 0.08港元	HKD0.10 0.10港元

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34. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

(b) Share Award Scheme (continued)

(II) Share Award Scheme II (continued)

(II-ii) Share Award II-ii (continued)

Expected volatility was determined by using the historical volatility of the Company's share price.

The variables and assumptions used in computing the fair values of the share options are based on the best estimates of the Directors. Changes in variables and assumptions may result in changes in the fair value of the Award Shares C and Award Shares D.

The Group recognised a share award expense of RMB1,959,000 in respect of the Share Award II-ii during the current year (2020: RMB7,488,000). A total number of 17,591,800 shares of Award Shares C and Award Shares D was vested to selected participants during the current year, and the difference amount of RMB4,418,000 between the RMB9,447,000 share award reserve and RMB13,865,000 shares held under the Share Award scheme II for the shares vested was recognised in retained earnings.

34. 以股份支付的付款交易(續)

(b) 股份獎勵計劃(續)

(II) 股份獎勵計劃II(續)

(II-ii) 股份獎勵II-ii(續)

預期波幅乃使用本公司股價的歷史波幅釐定。

用於計算購股權公平值的變量及假設是按董事的最佳估計為基準。變量及假設的變動可能會導致獎勵股份C及獎勵股份D公平值出現變動。

於本年度，本集團就股份獎勵II-ii確認股份獎勵開支為人民幣1,959,000元(2020年：人民幣7,488,000元)。於本年度，合共17,591,800股獎勵股份C及獎勵股份D歸屬於選定參與者，股份獎勵儲備人民幣9,447,000元與就所歸屬股份根據股份獎勵計劃II持有的人民幣13,865,000元股份之間的差額金額人民幣4,418,000元於保留盈利確認。

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34. SHARE-BASED PAYMENT TRANSACTIONS

34. 以股份支付的付款交易(續)

(continued)

(b) Share Award Scheme (continued)

(II) Share Award Scheme II (continued)

(II-iii) Share Award II-iii

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

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

Category	Outstanding as at 1 January 2021 於2021年1月1日 尚未行使	Granted during the year 年內授出	Forfeited during the year 年內沒收	Outstanding as at 31 December 2021 於2021年12月31日 尚未行使
Award Shares E 獎勵股份E	-	11,600,000	(1,252,000)	10,348,000
Award Shares F 獎勵股份F	-	11,600,000	(1,252,000)	10,348,000
	-	23,200,000	(2,504,000)	20,696,000

The fair values of Award Shares E and Award Shares F determined at the date of grant using Asian Option Model were HKD18,394,000 (equivalent to RMB15,456,000) and HKD17,529,000 (equivalent to RMB14,730,000), respectively.

(b) 股份獎勵計劃(續)

(II) 股份獎勵計劃II(續)

(II-iii) 股份獎勵II-iii

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

下表披露獎勵股份E及獎勵股份F於報告期間的變動：

獎勵股份E及獎勵股份F於授出日期使用亞洲式期權模式釐定的公平值分別為18,394,000港元(相當於人民幣15,456,000元)及17,529,000港元(相當於人民幣14,730,000元)。

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34. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

(b) Share Award Scheme (continued)

(II) Share Award Scheme II (continued)

(II-iii) Share Award II-iii (continued)

The following assumptions were used to calculate the fair values of the Award Shares E and Award Shares F:

Grant date share price	授出日期的股價
Strike Price	行使價
Risk-free interest rate	無風險利率
Remaining restrict period	剩餘限期
Expected volatility	預期波幅
Expected dividend yield	預期股息收益
Option value	購股權價值

Expected volatility was determined by using the historical volatility of the Company's share price.

The variables and assumptions used in computing the fair values of the share options are based on the best estimates of the Directors. Changes in variables and assumptions may result in changes in the fair value of the Award Shares E and Award Shares F.

The Group recognised a share award expense of RMB18,356,000 in respect of the Share Award II-iii during the current year.

34. 以股份支付的付款交易 (續)

(b) 股份獎勵計劃(續)

(II) 股份獎勵計劃II(續)

(II-iii) 股份獎勵II-iii(續)

採用以下假設計算獎勵股份E及獎勵股份F的公平值：

Award Shares E 獎勵股份E	Award Shares F 獎勵股份F
HKD1.86 1.86港元	HKD1.86 1.86港元
HKD1.86 1.86港元	HKD1.86 1.86港元
0.09%	0.15%
1.02	2.02
61.88%	55.29%
1.30%	1.30%
HKD0.27 0.27港元	HKD0.35 0.35港元

預期波幅乃使用本公司股價的歷史波幅釐定。

用於計算購股權公平值的變量及假設是按董事的最佳估計為基準。變量及假設的變動可能會導致獎勵股份E及獎勵股份F公平值出現變動。

於本年度，本集團就股份獎勵II-iii確認股份獎勵開支為人民幣18,356,000元。

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34. SHARE-BASED PAYMENT TRANSACTIONS

34. 以股份支付的付款交易(續)

(continued)

(b) Share Award Scheme (continued)

(II) Share Award Scheme II (continued)

(II-iv) Share Award II-iv

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

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

Category	Outstanding as at 1 January 2021 於2021年1月1日 尚未行使	Granted during the year 年內授出	Forfeited during the year 年內沒收	Outstanding as at 31 December 2021 於2021年12月31日 尚未行使
Award Shares G 獎勵股份G	-	4,282,500	-	4,282,500
Award Shares H 獎勵股份H	-	4,282,500	-	4,282,500
	-	8,565,000	-	8,565,000

The fair values of Award Shares G and Award Shares H determined at the date of grant using Asian Option Model were HKD5,368,000 (equivalent to RMB4,389,000) and HKD4,867,000 (equivalent to RMB3,979,000), respectively.

獎勵股份G及獎勵股份H於授出日期使用亞洲式期權模式釐定的公平值分別為5,368,000港元(相當於人民幣4,389,000元)及4,867,000港元(相當於人民幣3,979,000元)。

(b) 股份獎勵計劃(續)

(II) 股份獎勵計劃II(續)

(II-iv) 股份獎勵II-iv

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

下表披露獎勵股份G及獎勵股份H於報告期間的變動：

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34. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

(b) Share Award Scheme (continued)

(II) Share Award Scheme II (continued)

(II-iv) Share Award II-iv (continued)

The following assumptions were used to calculate the fair values of the Award Shares G and Award Shares H:

Grant date share price	授出日期的股價
Strike Price	行使價
Risk-free interest rate	無風險利率
Remaining restrict period	剩餘限期
Expected volatility	預期波幅
Expected dividend yield	預期股息收益
Option value	購股權價值

Expected volatility was determined by using the historical volatility of the Company's share price.

The variables and assumptions used in computing the fair values of the share options are based on the best estimates of the Directors. Changes in variables and assumptions may result in changes in the fair value of the Award Shares G and Award Shares H.

The Group recognised a share award expense of RMB1,909,000 in respect of the Share Award II-iv during the current year.

The Group retained a total number of 4,420,482 vesting shares (2020: 5,510,525) as a consideration of approximately HKD8,974,000 (equivalent to RMB7,584,000) (2020: HKD4,519,000 (equivalent to RMB4,129,000)) for paying the individual income tax on behalf of those selected participants under Share Award Scheme II.

34. 以股份支付的付款交易(續)

(b) 股份獎勵計劃(續)

(II) 股份獎勵計劃II(續)

(II-iv) 股份獎勵II-iv(續)

採用以下假設計算獎勵股份G及獎勵股份H的公平值：

Award Shares G 獎勵股份G	Award Shares H 獎勵股份H
HKD1.34 1.34港元	HKD1.34 1.34港元
HKD1.34 1.34港元	HKD1.34 1.34港元
0.35%	0.54%
0.31	1.31
49.49%	56.12%
1.81%	1.81%
HKD0.09 0.09港元	HKD0.20 0.20港元

預期波幅乃使用本公司股價的歷史波幅釐定。

用於計算購股權公平值的變量及假設是按董事的最佳估計為基準。變量及假設的變動可能會導致獎勵股份G及獎勵股份H公平值出現變動。

於本年度，本集團就股份獎勵II-iv確認股份獎勵開支為人民幣1,909,000元。

本集團根據股份獎勵計劃II代該等選定參與者支付個人所得稅時，保留合共4,420,482股歸屬股份(2020年：5,510,525股)作為代價約8,974,000港元(相當於人民幣7,584,000元)(2020年：4,519,000港元(相當於人民幣4,129,000元))。

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35. BUSINESS COMBINATION

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

Consideration transferred and goodwill arising on acquisition:

		Zhongyuan 中元	Fuyuan 富源	Aoyuan 澳源	Fuminfeng 阜民豐	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
		(Note a) (附註a)	(Note b) (附註b)	(Note c) (附註c)	(Note c) (附註c)	
Purchase consideration	購買代價	722,994	2,850,604	53,737	159,187	3,786,522
Plus: non-controlling interests	加：非控股權益	-	36,780	41,488	17,487	95,755
Less: recognised amounts of net assets acquired	減：所收購資產淨值的確認金額	(675,784)	(2,192,055)	(86,434)	(174,870)	(3,129,143)
Goodwill arising on acquisition	收購產生的商譽	47,210	695,329	8,791	1,804	753,134

These acquired subsidiaries are principally engaged in business of dairy farming and feeds processing. These acquisitions were made as part of the Group's strategy to strengthen its position in dairy farming industry, optimize value chain and enhance operation efficiency.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Notes:

(a) Acquisition of Zhongyuan

Pursuant to the Company's announcement dated 23 July 2021, Modern Farming, a non-wholly owned subsidiary of the Company, acquired the entire equity interests in Zhongyuan on 21 July 2021.

Acquisition-related costs amounting to RMB1,493,000 have been excluded from the consideration transferred and have been recognised as an expense in the current year.

35. 業務合併

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

轉讓代價及收購產生的商譽：

該等被收購的附屬公司主要從事奶牛養殖及飼料加工業務。作出的該等收購行動屬於本集團加強其在奶牛養殖行業的地位、優化價值鍊及提高運營效率的戰略的一部分。

預計該等收購事項產生的商譽均不可用於抵稅。

附註：

(a) 收購中元

根據本公司日期為2021年7月23日的公告，本公司非全資附屬公司現代牧業(集團)於2021年7月21日收購中元的全部股權。

收購相關成本人民幣1,493,000元不計入轉讓代價，並已於本年度確認為開支。

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35. BUSINESS COMBINATION (continued)

Notes: (continued)

(a) Acquisition of Zhongyuan (continued)

Assets acquired and liabilities recognised at the date of acquisition

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	560,330
Right-of-use assets	使用權資產	37,755
Biological assets	生物資產	491,209
Inventories	存貨	46,042
Trade and other receivables and prepayments	應收貿易賬款及其他應收款項以及預付款項	208,335
Bank balances and cash	銀行結餘及現金	14,408
Trade and other payables	應付貿易賬款及其他應付款項	(159,707)
Bank borrowings	銀行借款	(45,000)
Other borrowings	其他借款	(443,809)
Lease liabilities	租賃負債	(33,779)
		675,784

The receivables acquired with a fair value of RMB204,431,000 at the date of acquisition had gross contractual amounts of RMB204,431,000. At acquisition date, it is estimated that there are no contractual cash flows that will not be collected.

Goodwill arising on acquisition

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

Net cash outflow on acquisition of Zhongyuan

		RMB'000 人民幣千元
Purchase consideration	購買代價	722,994
Receivables from Zhongyuan Seller (Note i)	來自中元賣方的應收款項(附註i)	(234,265)
Consideration payable (Note ii)	應付代價(附註ii)	(256,338)
Consideration paid	已付代價	232,391
Less: cash and cash equivalents balances acquired	減：取得的現金及現金等價物結餘	(14,408)
		217,983

35. 業務合併(續)

附註：(續)

(a) 收購中元(續)

於收購日期收購的資產及確認的負債

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	560,330
Right-of-use assets	使用權資產	37,755
Biological assets	生物資產	491,209
Inventories	存貨	46,042
Trade and other receivables and prepayments	應收貿易賬款及其他應收款項以及預付款項	208,335
Bank balances and cash	銀行結餘及現金	14,408
Trade and other payables	應付貿易賬款及其他應付款項	(159,707)
Bank borrowings	銀行借款	(45,000)
Other borrowings	其他借款	(443,809)
Lease liabilities	租賃負債	(33,779)
		675,784

所收購的應收款項於收購日期的公平值為人民幣204,431,000元，其合約總額為人民幣204,431,000元。估計於收購日期並無不能收取的合約現金流量。

收購產生的商譽

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

收購中元的現金流出淨額

		RMB'000 人民幣千元
Purchase consideration	購買代價	722,994
Receivables from Zhongyuan Seller (Note i)	來自中元賣方的應收款項(附註i)	(234,265)
Consideration payable (Note ii)	應付代價(附註ii)	(256,338)
Consideration paid	已付代價	232,391
Less: cash and cash equivalents balances acquired	減：取得的現金及現金等價物結餘	(14,408)
		217,983

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35. BUSINESS COMBINATION (continued)

Notes: (continued)

(a) Acquisition of Zhongyuan (continued)

Net cash outflow on acquisition of Zhongyuan (continued)

Notes:

- i According to the purchase agreement, the Group's consideration payables to the Zhongyuan Seller amounted to RMB234,265,000 were offset by Zhongyuan's receivables of RMB234,265,000 from the Zhongyuan Seller after acquisition.
- ii At the date of acquisition, Zhongyuan was a respondent of an ongoing arbitration proceeding, which the claimant applied that Zhongyuan failed to supply goods to it in accordance with the terms of contract and the claimed compensation was approximately RMB407 million. According to the purchase agreement, the final amount of compensation payable by Zhongyuan will be borne by the Zhongyuan Seller. Accordingly, as mutually agreed with the Zhongyuan Seller, an amount of RMB250 million has been temporarily withheld from the purchase consideration and will be payable to the Zhongyuan Seller after deducting the final amount of settlement from the arbitration.

The Directors have considered that it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation from the above arbitration but a reliable estimate cannot be made of the amount of the obligation. Accordingly, no provision has been made in relation to this arbitration and other related expenses nor has any indemnification asset been made.

35. 業務合併(續)

附註：(續)

(a) 收購中元(續)

收購中元的現金流出淨額(續)

附註：

- i 根據購買協議，本集團應付中元賣方的代價人民幣234,265,000元被本集團於收購事項後應收中元賣方的應收款項人民幣234,265,000元所抵銷。
- ii 於收購日期，中元是一項正在進行的仲裁程序的被申請人，當中申索人申請中元未能按照合約條款向其供應貨物，被要求的賠償為約人民幣407百萬元。根據購買協議，中元應付的最終賠償金額將由中元賣方承擔。因此，經與中元賣方雙方約定，已從購買代價中暫扣人民幣250百萬元，應在扣除仲裁的最終結算金額後支付予中元賣方。

董事認為，履行上述仲裁義務可能需要體現經濟利益的資源流出，但無法對義務金額作出可靠估計。因此，並無就本次仲裁及其他相關費用作出任何撥備，亦無作出任何賠償資產。

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35. BUSINESS COMBINATION (continued)

Notes: (continued)

(b) Acquisition of Fuyuan

Pursuant to the Company's announcement dated 29 November 2021, the Group acquired 100% equity interests in Fuyuan on 29 November 2021. The consideration consist of (i) allotment and issue of 807,096,101 shares (valued at HKD1,073,438,000, equivalent to RMB879,275,000), by the Company to Mengniu SPV and (ii) the sum of RMB1,971,329,000 in cash to other certain sellers in proportions to their respective interest in Fuyuan. After the acquisition, Fuyuan is owned as to 43.35% by the Company and as to 56.65% by Modern Farming. Acquisition-related costs amounting to RMB4,578,000 and RMB3,403,000 have been recognised as an expense for the year ended 31 December 2021 and 2020, respectively.

Assets acquired and liabilities recognised at the date of acquisition

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	1,141,912
Right-of-use assets	使用權資產	330,451
Intangible assets	無形資產	3,380
Interests in associates	於聯營公司的權益	18,769
Biological assets	生物資產	1,601,502
Inventories	存貨	582,419
Trade and other receivables and prepayments	應收貿易賬款及其他應收款項以及預付款項	343,829
Deferred tax assets	遞延稅項資產	2,338
Pledged bank deposits	已質押銀行存款	21,042
Bank balances and cash	銀行結餘及現金	470,897
Trade and other payables	應付貿易賬款及其他應付款項	(633,009)
Contract liabilities	租賃負債	(970)
Tax payable	應課稅項	(1,498)
Bank borrowings	銀行借款	(1,299,075)
Other borrowings	其他借款	(81,460)
Lease liabilities	租賃負債	(287,215)
Deferred tax liability	遞延稅項負債	(21,257)
		2,192,055

35. 業務合併(續)

附註：(續)

(b) 收購富源

根據本公司日期為2021年11月29日的公告，本集團於2021年11月29日收購富源的全部股權。代價包括(i)本公司向蒙牛SPV配發及發行807,096,101股股份(價值1,073,438,000港元，相當於人民幣879,275,000元)以及(ii)向其他若干賣方按其各自於富源的權益比例支付的人民幣1,971,329,000元現金。收購完成後，富源由本公司持有43.35%，由現代牧業(集團)持有56.65%。收購相關成本分別為人民幣4,578,000元及人民幣3,403,000元，已分別於截至2021年及2020年12月31日止年度確認為開支。

於收購日期收購的資產及確認的負債

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35. BUSINESS COMBINATION (continued)

Notes: (continued)

(b) Acquisition of Fuyuan (continued)

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

The receivables acquired with a fair value of RMB321,016,000 at the date of acquisition had gross contractual amounts of RMB321,016,000. At acquisition date, it is estimated that there are no contractual cash flows that will not be collected.

Non-controlling interests

The non-controlling interests of 35% in Haykingdom at the acquisition date was measured by reference to the proportionate share of recognised amounts of net assets of Haykingdom amounted to RMB36,780,000.

Goodwill arising on acquisition

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

Net cash outflow on acquisition of Fuyuan

		RMB'000 人民幣千元
Cash consideration	現金代價	1,971,329
Consideration payable	應付代價	(231,156)
Consideration paid	已付代價	1,740,173
Less: cash and cash equivalents balances acquired	減：取得的現金及現金等價物結餘	(470,897)
		1,269,276

35. 業務合併(續)

附註：(續)

(b) 收購富源(續)

於收購日期收購的資產及確認的負債(續)

所收購的應收款項於收購日期的公平值為人民幣321,016,000元，其合約總額為人民幣321,016,000元。估計於收購日期並無不能收取的合約現金流量。

非控股權益

於收購日期持有Haykingdom 35%的非控股權益，參照Haykingdom資產淨值確認金額人民幣36,780,000元的比例計量。

收購產生的商譽

收購富源產生商譽，是因為預期會提升本集團在奶牛養殖行業的地位、優化價值鏈及提高經營效率。該等裨益不與商譽分開確認，因為不符合可辨認無形資產的確認標準。

收購富源的現金流出淨額

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FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

35. BUSINESS COMBINATION (continued)

Notes: (continued)

- (c) Acquisition of Inner Mongolia Aoyuan Agriculture and Animal Husbandry Co., Ltd. (“Aoyuan”) and Ningxia Fuminfeng Animal Husbandry Development Co., Ltd. (“Fuminfeng”)

In addition to the above notifiable and major transactions, Modern Farming acquired 52% equity interests in Aoyuan on 26 October 2021 and acquired 90% equity interests in Fuminfeng on 25 November 2021 respectively.

Acquisition-related costs in relation to the acquisition of Aoyuan and Fuminfeng amounting to RMB200,000 and RMB250,000 have been excluded from the consideration transferred and have been recognised as an expense in the current year.

Assets acquired and liabilities recognised at the date of acquisition

		Aoyuan 澳源 RMB'000 人民幣千元	Fuminfeng 阜民豐 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	75,913	167,676
Right-of-use assets	使用權資產	24,900	1,210
Biological assets	生物資產	78,640	144,886
Inventories	存貨	13,940	37,809
Trade and other receivables and prepayments	應收貿易賬款及其他應收款項 以及預付款項	11,087	17,596
Bank balances and cash	銀行結餘及現金	280	7,194
Trade and other payable	應付貿易賬款及其他應付款項	(24,494)	(89,146)
Bank borrowings	銀行借款	(40,051)	(99,786)
Other borrowings	其他借款	(53,781)	(12,569)
		86,434	174,870

The receivables acquired from Aoyuan and Fuminfeng with a fair value of RMB167,000 and RMB10,657,000 at the date of acquisition had gross contractual amounts of RMB167,000 and RMB10,657,000 respectively. At acquisition date, it is estimated that there are no contractual cash flows that will not be collected.

35. 業務合併(續)

附註：(續)

- (c) 收購內蒙古澳源農牧業有限公司(「澳源」)及寧夏阜民豐牧業發展有限責任公司(「阜民豐」)

除上述須予公佈的重大交易外，現代牧業(集團)分別於2021年10月26日收購了澳源52%的股權，並於2021年11月25日收購了阜民豐90%的股權。

與收購澳源及阜民豐有關的收購成本分別為人民幣200,000元及人民幣250,000元，不計入轉讓代價，並已於本年度確認為開支。

於收購日期收購的資產及確認的負債

	Aoyuan 澳源 RMB'000 人民幣千元	Fuminfeng 阜民豐 RMB'000 人民幣千元
Property, plant and equipment	75,913	167,676
Right-of-use assets	24,900	1,210
Biological assets	78,640	144,886
Inventories	13,940	37,809
Trade and other receivables and prepayments	11,087	17,596
Bank balances and cash	280	7,194
Trade and other payable	(24,494)	(89,146)
Bank borrowings	(40,051)	(99,786)
Other borrowings	(53,781)	(12,569)
	86,434	174,870

所收購來自澳源及阜民豐的應收款項於收購日期的公平值分別為人民幣167,000元及人民幣10,657,000元，其合約總額分別為人民幣167,000元及人民幣10,657,000元。估計於收購日期並無不能收取的合約現金流量。

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35. BUSINESS COMBINATION (continued)

Notes: (continued)

- (c) Acquisition of Inner Mongolia Aoyuan Agriculture and Animal Husbandry Co., Ltd. ("Aoyuan") and Ningxia Fuminfeng Animal Husbandry Development Co., Ltd. ("Fuminfeng") (continued)

Non-controlling interests

The non-controlling interests of 48% in Aoyuan and 10% in Fuminfeng recognised at the acquisition date was measured by reference to the proportionate share of recognised amounts of net assets of Aoyuan and Fuminfeng and amounted to RMB41,488,000 and RMB17,487,000 respectively.

Goodwill arising on acquisition

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

Net cash outflow on acquisition of Aoyuan and Fuminfeng

Purchase consideration	購買代價	53,737	159,187
Consideration payable (Note)	應付代價(附註)	(4,539)	(151,164)
Consideration paid	已付代價	49,198	8,023
Less: cash and cash equivalents balances acquired	減：取得的現金及現金等價物結餘	(280)	(7,194)
		48,918	829

Note: At the date of acquisition, Fuminfeng was a respondent of an ongoing arbitration proceeding, which the claimant applied that Fuminfeng failed to supply goods to it in accordance with the terms of contract and the claimed compensation was approximately RMB130 million. According to the purchase agreement, the final amount of compensation payable by Fuminfeng will be borne by seller of Fuminfeng. Accordingly, as mutually agreed with the seller of Fuminfeng, an amount of RMB130 million has been temporarily withheld from the purchase consideration, and will be payable to the seller of Fuminfeng after deducting the final amount of settlement from the arbitration.

35. 業務合併(續)

附註：(續)

- (c) 收購內蒙古澳源農牧業有限公司(「澳源」)及寧夏阜民豐牧業發展有限責任公司(「阜民豐」)(續)

非控股權益

於收購日期確認的澳源48%及阜民豐10%的非控股權益，分別參照澳源及阜民豐的資產淨值確認金額人民幣41,488,000元及人民幣17,487,000元的比例計量。

收購產生的商譽

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

收購澳源及阜民豐的現金流出淨額

Aoyuan	Fuminfeng
澳源	阜民豐
RMB'000	RMB'000
人民幣千元	人民幣千元

附註：於收購日期，阜民豐是一項正在進行的仲裁程序的被申請人，當中申索人申請阜民豐未能按照合約條款向其供應貨物，被要求的賠償為約人民幣130百萬元。根據購買協議，阜民豐應付的最終賠償金額將由阜民豐賣方承擔。因此，經與阜民豐賣方雙方約定，已從購買代價中暫扣人民幣130百萬元，應在扣除仲裁的最終結算金額後支付予阜民豐賣方。

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35. BUSINESS COMBINATION (continued)

Notes: (continued)

- (c) Acquisition of Inner Mongolia Aoyuan Agriculture and Animal Husbandry Co., Ltd. ("Aoyuan") and Ningxia Fuminfeng Animal Husbandry Development Co., Ltd. ("Fuminfeng") (continued)

Net cash outflow on acquisition of Aoyuan and Fuminfeng (continued)

Note: (continued)

The Directors have considered that it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation from the above arbitration but a reliable estimate cannot be made of the amount of the obligation. Accordingly, no provision has been made in relation to this arbitration and other related expenses nor has any indemnification asset been made.

Impact of acquisition on the results of the Group

Included in the profit for the year is profit (loss) of RMB43,005,000, RMB18,839,000, RMB57,000 and RMB(8,072,000) attributable to the additional business generated by Zhongyuan, Fuyuan, Aoyuan and Fuminfeng, respectively. Revenue for the year includes RMB250,927,000, RMB252,084,000, nil and RMB10,169,000 generated from Zhongyuan, Fuyuan, Aoyuan and Fuminfeng, respectively.

Had the acquisition of Zhongyuan, Fuyuan, Aoyuan and Fuminfeng, been completed on 1 January 2021, revenue for the year of the Group would have been RMB7,411,482,000, RMB9,487,990,000, RMB7,078,470,000 and RMB7,191,330,000, respectively and profit for the year would have been RMB1,072,073,000, RMB1,270,003,000, RMB1,026,478,000 and RMB1,045,814, respectively. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2021, nor is it intended to be a projection of future results.

In determining the 'pro-forma' revenue and profit of the Group had Zhongyuan, Fuyuan, Aoyuan and Fuminfeng been acquired at the beginning of the current year, the directors of the Company calculated depreciation of property, plant and equipment based on the recognised amounts of property, plant and equipment at the date of the acquisition.

35. 業務合併(續)

附註：(續)

- (c) 收購內蒙古澳源農牧業有限公司(「澳源」)及寧夏阜民豐牧業發展有限責任公司(「阜民豐」)(續)

收購澳源及阜民豐的現金流出淨額(續)

附註：(續)

董事認為，履行上述仲裁義務可能需要體現經濟利益的資源流出，但無法對義務金額作出可靠估計。因此，並無就本次仲裁及其他相關費用作出任何撥備，亦無作出任何賠償資產。

收購事項對本集團業績的影響

年內溢利已包括中元、富源、澳源及阜民豐產生的新增業務分別應佔的溢利(虧損)人民幣43,005,000元、人民幣18,839,000元、人民幣57,000元及人民幣(8,072,000)元。年內收入包括中元、富源、澳源及阜民豐分別產生的人民幣250,927,000元、人民幣252,084,000元、零及人民幣10,169,000元。

倘於2021年1月1日完成收購收購中元、富源、澳源及阜民豐，本集團的年內收入將分別為人民幣7,411,482,000元、人民幣9,487,990,000元、人民幣7,078,470,000元及人民幣7,191,330,000元，而年內溢利將分別為人民幣1,072,073,000元、人民幣1,270,003,000元、人民幣1,026,478,000元及人民幣1,045,814元。備考資料僅供說明之用，不一定表明倘收購事項於2021年1月1日完成，本集團實際可實現的收入及經營業績，亦不擬作為對未來結果的預測。

於釐定本集團在本年度開始時收購中元、富源、澳源及阜民豐的情況下的「備考」收入及溢利時，本公司董事根據收購日期物業、廠房及設備的確認金額計算物業、廠房及設備的折舊。

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36. DISPOSAL OF SUBSIDIARIES

The Group has disposed of its equity interests in two wholly-owned subsidiaries of Modern Farming to Jiangyin Dairy Energy in January 2020 at an aggregate cash consideration of RMB148,124,000, which has been fully received during 2021. The net assets of the two disposed companies at the date of disposal were as follows:

36. 出售附屬公司

本集團已於2020年1月以總現金代價人民幣148,124,000元將其持有的現代牧業(集團)兩間全資附屬公司的股權出售予江陰牧能，代價已於2021年全額收取。兩間被出售公司於出售日的淨資產如下：

31 January 2020

2020年1月31日

RMB'000

人民幣千元

Analysis of assets and liabilities over which control was lost:	失去控制權的資產及負債分析：	
Property, plant and equipment	物業、廠房及設備	69,798
Inventories	存貨	93
Trade and other receivables and advanced payments	應收貿易賬款及其他應收款項以及預付款項	6,017
Bank balances and cash	銀行結餘及現金	6,734
Trade and other payables	應付貿易賬款及其他應付款項	(6,699)
Tax payable	應課稅項	(99)
Net assets disposed of	出售的資產淨值	75,844
		RMB'000
		人民幣千元
Gain on disposal of subsidiaries:	出售附屬公司的收益：	
Consideration received	已收代價	140,718
Receivables from Jiangyin Dairy Energy (Note 21)	來自江陰牧能的應收款項(附註21)	7,406
Net assets disposed of	出售的資產淨值	(75,844)
Gain on disposal	出售收益	72,280
Net cash inflow arising on disposal:	出售事項產生的現金流入淨額：	
Cash consideration	現金代價	140,718
Less: bank balances and cash disposed of	減：已出售的銀行結餘及現金	(6,734)
		133,984

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37. CONTINGENT LIABILITIES

Save as disclosed in Note 35(a) and (c), there is no other contingent liabilities at the end of the reporting period.

38. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes bank borrowings, other borrowings and long term bonds as disclosed in Notes 26, 27 and 28 respectively, net of bank balances and cash and equity attributable to owners of the Company, comprising issued share capital, share premium and reserves.

The Group's management reviews the capital structure on a regular basis. As part of the review, the management considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the issues of new shares and the issue of new debt or the redemption of existing debt.

37. 或然負債

除附註35(a)及(c)所披露者外，於報告期末並無其他或然負債。

38. 資本風險管理

本集團的資金管理旨在確保本集團旗下實體的持續經營能力，同時透過優化債務及股本結餘為利益相關者謀求最大回報。本集團的整體策略較去年保持不變。

本集團的資本架構由債務淨額(包括銀行借款、其他借款及長期債券(分別披露於附註26、27及28)，扣除銀行結餘及現金)及本公司擁有人應佔權益(包括已發行股本、股份溢價及儲備)組成。

本集團的管理層定期檢討資本架構。作為檢討的一環，管理層會考慮資本成本及各類資本涉及的風險。本集團透過發行新股份及發行新債務或贖回現有債務等方式保持整體資本架構的平衡。

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39. FINANCIAL INSTRUMENTS

Categories of financial instruments

39. 金融工具

金融工具類別

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Financial assets:	金融資產：		
Financial assets at amortised cost	按攤銷成本計量的金融資產	3,324,211	1,957,531
Equity instruments at FVTOCI	按公平值計入其他全面 收入的權益工具	2,655	5,080
Other financial assets	其他金融資產	-	50,000
Derivative financial instruments	衍生金融工具		
- Foreign currency forward contracts	- 外幣遠期合約	-	11,145
- CFCCS	- CFCCS	67,537	-
Financial liabilities:	金融負債：		
Financial liabilities at amortised cost	按攤銷成本計量的金融負債	11,395,408	6,805,030
Derivative financial instruments	衍生金融工具		
- Interest rate swaps	- 利率掉期	3,446	52,264
- Foreign currency option contracts	- 外幣期權合約	112,642	31,074

Financial risk management objectives and policies

The Group's major financial instruments include equity instruments at FVTOCI, trade and other receivables, pledged bank deposits, bank balances and cash, trade and other payables, bank borrowings, other borrowings, long term bonds, other financial assets and derivative financial instruments. Details of these financial instruments are disclosed in the respective notes.

The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

金融風險管理的目標及政策

本集團的主要金融工具包括按公平值計入其他全面收入的權益工具、應收貿易賬款及其他應收款項、已質押銀行存款、銀行結餘及現金、應付貿易賬款及其他應付款項、銀行借款、其他借款、長期債券、其他金融資產及衍生金融工具。該等金融工具的詳情於各項附註中披露。

該等金融工具涉及的風險包括市場風險(貨幣風險及利息風險)、信貸風險及流動資金風險。下文載有如何降低有關風險的政策。管理層會監管有關風險，確保及時有效地採取相應措施。

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39. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Market risk

(i) Currency risk

Several subsidiaries of the Company have foreign currency bank balances, borrowings and bonds which expose the Group to foreign currency risk.

As at 31 December 2021, the major assets denominated in foreign currency are bank balances disclosed in Note 24. The major liabilities denominated in foreign currency are bank borrowings disclosed in Note 26.

The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and may enter into foreign currency forward contracts, foreign currency option contracts or CFCCS, when necessary, to manage its foreign exchange exposure.

Foreign currency sensitivity analysis

2021: 2% (2020: 2%) is the sensitivity rate changes which represented management's assessment of the reasonably possible change in foreign exchange rates.

The Group was primarily subject to foreign currency risk from the movement of the exchange rates between RMB against USD and HKD. The sensitivity analysis below includes USD and HKD denominated monetary items that are not associated with a foreign currency forward contract, a foreign currency option contract or CFCCS. At the end of each reporting period, if the exchange rate had been strengthened in RMB against USD and HKD by 2% and all other variables were held constant, the Group's post-tax profit for each reporting period would fluctuate as follow:

39. 金融工具(續)

金融風險管理的目標及政策(續)

市場風險

(i) 外幣風險

本公司若干附屬公司的外幣銀行結餘、借款及債券使本集團面臨外幣風險。

於2021年12月31日，以外幣計值的主要資產為附註24所披露的銀行結餘。以外幣計值的主要負債為附註26所披露的銀行借款。

本集團通過定期審查外匯風險淨額，並可能訂立外幣遠期合約、外幣期權合約或CFCCS(如需要)，以管理其外匯風險。

外幣敏感度分析

於2021年，2%(2020年：2%)的敏感率變動代表管理層對外匯匯率合理可能變動的評估。

本集團主要面臨來自人民幣兌美元及港元匯率波動的外幣風險。以下敏感度分析僅包括與外幣遠期合約、外幣期權合約或CFCCS無關的以美元及港元計值的貨幣項目。於各報告期末，倘人民幣兌美元及港元升值2%，而所有其他可變因素維持不變，則本集團於各報告期間的除稅後溢利將有如下浮動：

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39. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity analysis (continued)

39. 金融工具(續)

金融風險管理的目標及政策(續)

市場風險(續)

(i) 外幣風險(續)

外幣敏感度分析(續)

		Increase (decrease) in post-tax profit 除稅後溢利 增加(減少) 2021 2021年 RMB'000 人民幣千元	Increase (decrease) in post-tax profit 除稅後溢利 增加(減少) 2020 2020年 RMB'000 人民幣千元
USD denominated assets and liabilities against RMB	美元計值資產及負債兌人民幣		
– bank balances	– 銀行結餘	(3,654)	(2,681)
– bank borrowings	– 銀行借款	–	18,569
HKD denominated assets and liabilities against RMB	港元計值資產及負債兌人民幣		
– bank balances	– 銀行結餘	(939)	(926)
Total	總計	(4,593)	14,962

For a 2% weakening of the RMB against USD and HKD, there would be an equal and opposite impact on the post-tax profit.

倘人民幣兌美元及港元貶值2%，則將對除稅後溢利產生同等相反的影響。

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk due to fluctuations in the prevailing market interest rates on bank balances, pledged bank deposits and bank borrowings which carry interest at variable interest rates.

(ii) 利率風險

本集團因銀行結餘、已質押銀行存款及按浮動利率計息銀行借款的現行市場利率波動而承受現金流量利率風險。

The Group's fair value interest rate risk relates primarily to fixed-rate bank and other borrowings, long term bonds and lease liabilities.

本集團的公平值利率風險主要涉及定息銀行及其他借款、長期債券及租賃負債。

The Group manages its interest rate risk by performing regular reviews of the Group's net interest rate exposures and may enter into interest rate swap contracts, when necessary, to manage its interest rate exposure.

本集團通過定期審查利率風險淨額，並可能訂立利率掉期合約(如需要)，以管理其利率風險。

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39. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Market risk (continued)

(ii) Interest rate risk (continued)

The sensitivity analysis below have been determined based on the exposure to interest rates for variable interest rate bank borrowings that are not associated to an interest rate swap contract. Bank balances and pledged bank deposits are excluded from the sensitivity analysis since they are not considered sensitive to fluctuation in interest rate. The analysis is prepared assuming the variable interest rate bank borrowings were outstanding for the whole year. A 50 (2020: 50) basis points increase or decrease represented management's assessment of the reasonably possible change in interest rates.

Interest rate sensitivity analysis

At the end of reporting period, if interest rates had been increased/decreased by 50 (2020: 50) basis points and all other variables were held constant, the Group's post-tax profit would have decreased/increased by RMB2,581,000 (2020: RMB4,085,000) for the current year.

Credit risk and impairment assessment

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets except for disclosed in Note 21.

39. 金融工具(續)

金融風險管理的目標及政策(續)

市場風險(續)

(ii) 利率風險(續)

以下敏感度分析乃根據與利率掉期合約無關的浮息銀行借款的利率風險釐定。由於銀行結餘及已質押銀行存款對利率波動並不敏感，故不在敏感度分析的考慮範圍內。該分析乃根據假設浮息銀行借款於整個年度未償還而編製。50個基點(2020年：50個基點)的上下波幅代表管理層對合理可能發生的利率波動的評估。

利率敏感度分析

於報告期末，倘利率增加／減少50個基點(2020年：50個基點)，而所有其他可變因素維持不變，則本集團於本年度的除稅後溢利將減少／增加人民幣2,581,000元(2020年：人民幣4,085,000元)。

信貸風險及減值評估

本集團面臨因對手方未能履行義務而給本集團造成經濟損失的最大信貸風險來自綜合財務狀況表所列的各項已確認金融資產的賬面值。除附註21所披露者外，本集團並無持有任何抵押品或其他信貸增強措施以為其金融資產相關信貸風險提供保障。

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39. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Credit risk and impairment assessment (continued)

Trade receivables arising from contracts with customers

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on trade balances individually or collectively assessment using collective assessment with appropriate groupings. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk as approximately 72.73% (31 December 2020: 85%) of total trade receivables as at 31 December 2021 was due from Customer A (31 December 2020: Customer A and Customer B).

Pledged bank deposits/bank balances

The credit risks on pledged bank deposits and bank balances are limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies and/or authorised banks in the PRC.

Approximately 14%, 14% and 13% of total pledged bank deposits and bank balances were deposited in bank A, bank B and bank C respectively as at 31 December 2021. (31 December 2020: 19%, 12% and 11% of total pledged bank deposits and bank balances were deposited in bank C, bank D and bank A respectively).

Other than the concentration of credit risks of trade receivables, pledged bank deposits and bank balances mentioned above, the Group does not have any other significant concentration of credit risk.

39. 金融工具(續)

金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

客戶合約產生的應收貿易賬款

為盡量降低信貸風險，本集團管理層已指定團隊負責決定信貸額度及信貸批核。接納任何新客戶前，本集團利用內部信貸評分系統對潛在客戶的信貸質素進行評估並且釐定其信貸額度。客戶應佔的限額與評級每年審閱兩次。已制定其他監察程序，以確保採取跟進行動收回逾期債務。此外，本集團按預期信貸虧損模式個別或通過適當分組的集體評估對貿易結餘進行減值評估。就此而言，董事認為本集團的信貸風險已大幅減少。

本集團存在信貸風險集中的情況，原因為於2021年12月31日的應收貿易賬款總額中約72.73%(2020年12月31日：85%)為應收客戶A(2020年12月31日：客戶A及客戶B)的款項。

已質押銀行存款／銀行結餘

已質押銀行存款及銀行結餘的信貸風險有限，原因為交易對手方為國際信貸機構給予高信貸評級的信譽良好的銀行及／或中國的認可銀行。

於2021年12月31日，約14%、14%及13%的總已質押銀行存款及銀行結餘分別存於銀行A、銀行B及銀行C(2020年12月31日：19%、12%及11%的總已質押銀行存款及銀行結餘分別存於銀行C、銀行D及銀行A)。

除上述應收貿易賬款、已質押銀行存款及銀行結餘的信貸風險集中情況外，本集團並無任何其他重大信貸集中風險。

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39. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Credit risk and impairment assessment (continued)

The Group's internal credit risk grading assessment comprises the following categories:

39. 金融工具(續)

金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

本集團內部信貸風險評級包括以下類別：

Internal credit rating 內部信貸評級	Description 說明	Trade receivables 應收貿易賬款	Other financial assets 其他金融資產
Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 交易對手方的違約風險較低，且並無任何逾期款項	Lifetime ECL – not credit-impaired 全期預期信貸虧損 – 無信貸減值	12m ECL 12個月預期信貸虧損
Doubtful 存疑	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 透過內部編製的資料或外部來源顯示信貸風險自初始確認以來顯著增加	Lifetime ECL – not credit-impaired 全期預期信貸虧損 – 無信貸減值	Lifetime ECL – not credit-impaired 全期預期信貸虧損 – 無信貸減值
Loss 損失	There is evidence indicating that the asset is credit-impaired 有證據顯示有關資產已信貸減值	Lifetime ECL – credit-impaired 全期預期信貸虧損 – 信貸減值	Lifetime ECL – credit-impaired 全期預期信貸虧損 – 信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人陷入嚴重的財務困難且本集團不認為日後可收回有關款項	Amount is written off 撇銷金額	Amount is written off 撇銷金額

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39. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Credit risk and impairment assessment (continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes 附註	Internal credit rating 內部信貸評級	12m or lifetime ECL 12個月或全期預期信貸虧損	Gross carrying amount 2021 賬面總值2021年 RMB'000 人民幣千元	Gross carrying amount 2020 賬面總值2020年 RMB'000 人民幣千元
Financial assets at amortised costs 按攤銷成本計量的金融資產					
Pledged bank deposits 已質押銀行存款	24	N/A 不適用	12m ECL 12個月預期信貸虧損	168,674	157,209
Bank balances 銀行結餘	24	N/A 不適用	12m ECL 12個月預期信貸虧損	2,089,620	1,144,337
Other receivables 其他應收款項	21	Low risk 低風險	12m ECL 12個月預期信貸虧損	20,576	24,700
		Loss 損失	Lifetime ECL (credit-impaired) 全期預期信貸虧損(信貸減值)	-	4,671
Trade receivables (Note) 應收貿易賬款(附註)					
- raw milk - 原料奶	21	Low risk 低風險	Lifetime ECL (individual assessment, not credit-impaired) 全期預期信貸虧損(個別評估， 無信貸減值)	885,438	631,285
- feeds - 飼料	21	Low risk 低風險	Lifetime ECL (collective assessment, not credit-impaired) 全期預期信貸虧損(集體評估， 無信貸減值)	158,722	-
- liquid milk product - 液態奶產品	21	Loss 損失	Lifetime ECL (individual assessment credit-impaired) 全期預期信貸虧損(個別評估， 信貸減值)	-	8,483

Note: For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group performs impairment assessment under ECL model on trade receivables individually or collectively using collective assessment with appropriate groupings, of which these receivables are grouped collectively based on shared credit risk characteristics by reference to ageing for the customers.

39. 金融工具(續)

金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

下表詳列本集團根據預期信貸虧損評估的金融資產信貸風險：

附註：就應收貿易賬款而言，本集團已應用國際財務報告準則第9號內的簡化方法，按全期預期信貸虧損計量虧損撥備。本集團在預期信貸虧損模型下對應收貿易賬款進行個別或通過適當分組的集體評估，其中該等應收款項按照共同的信貸風險特徵，參照客戶賬齡進行集體分組。

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39. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Credit risk and impairment assessment (continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach:

39. 金融工具(續)

金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

下表列示根據簡化方法已確認應收貿易賬款於全期預期信貸虧損的變動。

		Lifetime ECL (not credit- impaired) 全期預期 信貸虧損 (無信貸減值) RMB'000 人民幣千元	Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 1 January 2020	於2020年1月1日	–	8,635	8,635
Changes due to financial instruments recognised as at 1 January 2020:	於2020年1月1日由於已確認金融工具引致的變動：			
– Impairment losses reversed	– 已撥回減值虧損	–	(152)	(152)
As at 31 December 2020	於2020年12月31日	–	8,483	8,483
Changes due to financial instruments recognised as at 1 January 2021:	於2021年1月1日由於已確認金融工具引致的變動：			
– Write-offs	– 撇銷	–	(8,483)	(8,483)
As at 31 December 2021	於2021年12月31日	–	–	–

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39. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Credit risk and impairment assessment (continued)

Changes in the loss allowance for trade receivables are mainly due to:

39. 金融工具(續)

金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

應收貿易賬款虧損撥備變動主要因：

		31/12/2021 2021年12月31日		31/12/2020 2020年12月31日	
		Decrease in lifetime ECL 全期預期信貸虧損減少		Decrease in lifetime ECL 全期預期信貸虧損減少	
		Not credit- impaired 無信貸減值 RMB'000 人民幣千元	Credit- impaired 信貸減值 RMB'000 人民幣千元	Not credit- impaired 無信貸減值 RMB'000 人民幣千元	Credit- impaired 信貸減值 RMB'000 人民幣千元
Settlement in full of trade debtors with a gross carrying amount of RMB152,000 in 2020	2020年貿易債務人全數結清賬面總值人民幣152,000元	-	-	-	(152)

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs earlier.

倘有資料顯示債務人面對嚴重財務困難且收回款項的機率不大(如債務人遭清盤或啟動破產程序，以較早者為準)，本集團將撇銷應收貿易賬款。

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39. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Credit risk and impairment assessment (continued)

The following tables show reconciliation of loss allowances that has been recognised for other receivables:

39. 金融工具(續)

金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

下表列示已確認其他應收款項虧損撥備的對賬：

		Lifetime ECL (credit-impaired) 全期預期 信貸虧損 (信貸減值) RMB'000 人民幣千元
As at 1 January 2020	於2020年1月1日	4,514
New financial assets originated	源生的新金融資產	
– Impairment losses recognised	– 已確認的減值虧損	157
As at 31 December 2020	於2020年12月31日	4,671
Changes due to financial instruments recognised as at 1 January 2021:	於2021年1月1日由於已確認金融工具引致的變動：	
– Impairment losses recognised	– 已確認的減值虧損	338
– Write-offs	– 撇銷	(5,009)
New financial assets originated	源生的新金融資產	
– Impairment losses recognised	– 已確認的減值虧損	138
– Write-offs	– 撇銷	(138)
As at 31 December 2021	於2021年12月31日	–

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39. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Credit risk and impairment assessment (continued)

Changes in the loss allowance for other receivables are mainly due to:

39. 金融工具(續)

金融風險管理的目標及政策(續)

信貸風險及減值評估(續)

其他應收款項虧損撥備的變動主要由於：

	31/12/2021 Increase in lifetime ECL Credit-impaired 2021年12月31日 全期預期 信貸虧損增加 信貸減值 RMB'000 人民幣千元	31/12/2020 Increase in lifetime ECL Credit-impaired 2020年12月31日 全期預期 信貸虧損增加 信貸減值 RMB'000 人民幣千元
One debtor of other receivables defaulted	476	157
一項其他應收債務人款項違約		

Liquidity risk

The Group had net current liabilities of RMB723,466,000 as at 31 December 2021 (31 December 2020: RMB1,881,191,000). The Directors closely monitor the cash flows of the Group and, upon maturity, would arrange the renewal and refinancing of the borrowing facilities, when necessary, to ensure the Group has sufficient funds to enable the Group to meet its financial obligations. In addition, taking into account, (i) the available credit facilities of approximately RMB5,618,008,000 which remain unutilised as at 31 December 2021, of which an amount of RMB1,000,000,000 is from Inner Mongolia Mengniu, a subsidiary of Mengniu, and the remaining are from licensed banks; (ii) the expected net cash inflows generated from the Group's operations for the next twelve months, the Directors are satisfied that the Group will be able to meet in full its financial obligations as and when they fall due in the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

流動資金風險

本集團於2021年12月31日的流動負債淨額為人民幣723,466,000元(2020年12月31日：人民幣1,881,191,000元)。董事密切監控本集團的現金流量狀況，並於到期時將會安排對銀行融資進行續期及再融資(如需要)，以確保本集團擁有充足的備用資金使本集團能夠應付其財務責任。此外，經考慮(i)於2021年12月31日的可供動用信貸融資約人民幣5,618,008,000元並未動用(其中人民幣1,000,000,000元來自內蒙古蒙牛(蒙牛的附屬公司)，剩餘則來自持牌銀行。)；(ii)未來十二個月本集團營運產生的預期現金流入淨額，董事信納本集團將能夠在可將來在到期時充分履行其財務責任，因此，綜合財務報表根據持續經營基準編製。

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綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

39. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Liquidity risk (continued)

The Group finances their operations by using a combination of borrowings and equity. Adequate lines of credit, including a facility of RMB1,000,000,000 from Inner Mongolia Mengniu are maintained to ensure necessary funds are available when required. The Directors monitor the liquidity position of the Group on a periodical basis to ensure the availability of sufficient liquid funds to meet all obligations. With reference to the existing unutilised facilities, the Directors consider the liquidity and source of funds for the daily operation and capital expenditure are sufficient.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

In addition, the following table details the Group's liquidity analysis for its derivative financial liabilities. The tables have been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative financial liabilities that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the end of the reporting period. The liquidity analysis for the Group's derivative financial liabilities are prepared based on the contractual maturities as the management consider that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives.

39. 金融工具(續)

金融風險管理的目標及政策(續)

流動資金風險(續)

本集團結合借款及股權為其營運提供資金。為確保於有需要時可取得必需的資金，已備有充裕的信貸額(包括來自內蒙古蒙牛的融資人民幣1,000,000,000元)。董事定期監察本集團的流動資金水平，以確保可取得足夠的流動資金履行所有責任。經參考現有未動用融資，董事認為，日常經營及資本開支所需的流動資金及資金來源充足。

下表詳列本集團餘下非衍生金融負債的合約到期情況。該表根據本集團可能被要求支付的最早日期的金融負債未貼現現金流量而編製。

表中金額包括利息及本金現金流量。倘利息流量為浮息利率，則未貼現金額由報告期末利率得出。

此外，下表詳列本集團就其衍生金融負債流動資金分析。該表的編製基準是按淨額基準結算衍生金融負債的未貼現合約現金流入及流出淨額以及該等需要總額結算的衍生工具的未貼現總流入及流出。倘應償還金額並未確定，所披露金額乃參考於報告期末時現有孳息曲線列示的預測利率而釐定。本集團衍生金融負債流動資金分析乃根據合約到期情況編製，由於管理層認為合約到期情況對瞭解衍生工具現金流量的時間至關重要。

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綜合財務報表附註

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39. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Liquidity risk (continued)

39. 金融工具(續)

金融風險管理的目標及政策(續)

流動資金風險(續)

		Interest rates	Within 180 days	181 days to 365 days 181天至365天內	1-2 years 1至2年	Over 2 years 超過2年	Total undiscounted cash flows 未貼現現金流量總額	Carrying amount 賬面值
		利率 %	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 31 December 2021	於2021年12月31日							
Non-derivative financial liabilities	非衍生金融負債							
Non-interest bearing	不計息	-	249,194	2,651,475	-	-	2,900,669	2,900,669
Fixed interest rate bank borrowings	定息銀行借款	2.85-7.26	702,025	1,365,326	109,746	954,136	3,131,233	2,971,548
Variable interest rate bank borrowings	浮息銀行借款	1.21-6.85	259,850	173,196	1,184,032	154,833	1,771,911	1,694,468
Fixed interest rate other borrowings	定息其他借款	3.85-12.00	446,308	6,930	29,273	203,496	686,007	637,004
Fixed interest rate long term bonds	定息長期債券	2.13	34,624	34,059	68,683	3,394,086	3,531,452	3,191,719
Lease liabilities	租賃負債	4.65-5.70	39,191	34,620	62,377	711,285	847,473	567,512
			1,731,192	4,265,606	1,454,111	5,417,836	12,868,745	11,962,920
Derivatives-net settlement	衍生工具 - 以淨額結算							
Interest rate swap contracts outflow	利率掉期合約流出		3,999	854	(1,415)	-	3,438	3,446
Derivatives-gross settlement	衍生工具 - 以總額結算							
Foreign currency option contracts	外幣期權合約							
- inflow	- 流入		-	671	15,103	25,191	40,965	40,965
- outflow	- 流出		-	14,983	86,325	52,299	153,607	153,607

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39. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Liquidity risk (continued)

39. 金融工具(續)

金融風險管理的目標及政策(續)

流動資金風險(續)

		Interest rates	Within 180 days	181 days to 365 days	1-2 years	Over 2 years	Total undiscounted cash flows	Carrying amount
		利率 %	180天內 RMB'000 人民幣千元	181天至 365天內 RMB'000 人民幣千元	1至2年 RMB'000 人民幣千元	超過2年 RMB'000 人民幣千元	未貼現現金 流量總額 RMB'000 人民幣千元	賬面值 RMB'000 人民幣千元
As at 31 December 2020	於2020年12月31日							
Non-derivative financial liabilities	非衍生金融負債							
Non-interest bearing	不計息	-	1,081,416	81,288	-	-	1,162,704	1,162,704
Fixed interest rate bank borrowings	定息銀行借款	0.66-5.00	1,170,550	732,217	225,073	173,157	2,300,997	2,230,939
Variable interest rate bank borrowings	浮息銀行借款	1.22-5.17	276,749	1,450,987	268,640	1,578,299	3,574,675	3,411,387
Lease liabilities	租賃負債	4.65-5.20	14,765	16,306	20,248	292,512	343,831	219,893
			2,543,480	2,280,798	513,961	2,043,968	7,382,207	7,024,923
Derivatives-net settlement	衍生工具 - 以淨額結算							
Interest rate swap contracts outflow	利率掉期合約流出		19,045	18,002	10,948	4,400	52,395	52,264
Derivatives-gross settlement	衍生工具 - 以總額結算							
Foreign currency option contracts	外幣期權合約							
- inflow	- 流入		-	16,118	7,242	19,191	42,551	42,551
- outflow	- 流出		-	40,373	11,249	22,003	73,625	73,625

Note: The amounts included above for variable interest rate borrowings are subject to change if changes in variable interest rates differ from these estimates of interest rates determined at the end of the reporting period.

附註：倘浮動利率的變化與報告期末釐定的利率估計有差異，則上述浮息借款包括的金額會有所不同。

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40. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

40. 融資活動所產生負債的對賬

下表詳述本集團融資活動所產生負債的變動，包括現金及非現金變動。融資活動所產生的負債為現金流量已經或未來現金流量將於本集團綜合現金流量表中分類為融資活動所產生的現金流量的該等負債。

		Bank borrowings (Note 26)	Long term bonds	Other borrowings (Note 27)	Lease liabilities (Note 29)	Foreign currency forward and option contracts and CFCCS (Note 22) 外幣遠期及期權合約及CFCCS (附註22)	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
At 1 January 2020	於2020年1月1日	5,538,474	-	1,051,413	229,347	(85,078)	6,734,156
Financing cash flows	融資現金流量	18,729	-	(1,058,634)	(21,111)	77,975	(983,041)
New leases entered / lease modified	新訂立租賃 / 經修改租賃	-	-	-	592	-	592
Foreign exchange	外匯	(173,760)	-	-	-	-	(173,760)
Interest expenses	利息開支	258,883	-	7,221	11,065	-	277,169
Fair value adjustments	公平值調整	-	-	-	-	27,032	27,032
At 31 December 2020	於2020年12月31日	5,642,326	-	-	219,893	19,929	5,882,148
Financing cash flows	融資現金流量	(2,605,995)	3,200,760	(25,852)	(25,340)	(170)	543,403
Acquired on business combination	業務合併時收購	1,483,912	-	591,619	320,994	-	2,396,525
Acquired on asset acquisitions	資產收購時收購	-	-	60,095	18,736	-	78,831
New leases entered	新訂立租賃	-	-	-	20,339	-	20,339
Foreign exchange	外匯	(42,151)	(44,035)	-	-	-	(86,186)
Interest expenses	利息開支	187,924	34,994	11,142	12,890	-	246,950
Fair value adjustments	公平值調整	-	-	-	-	25,346	25,346
At 31 December 2021	於2021年12月31日	4,666,016	3,191,719	637,004	567,512	45,105	9,107,356

Note: The cash flows from bank borrowings, long term bonds, other borrowings, lease liabilities, foreign currency forward contracts, foreign currency option contracts and CFCCS make up the net amount of proceeds from borrowings, repayments of borrowings and interest paid in the consolidated statement of cash flows.

附註：銀行借款、長期債券、其他借款、租賃負債、外匯遠期合約、外匯期權合約及CFCCS的現金流量構成綜合現金流量表中的借款所得款項、借款還款及已付利息的淨額。

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41. MAJOR NON-CASH TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group's major non-cash transactions are detailed as below:

An amount of RMB879,275,000 out of the total consideration for the acquisition of Fuyuan during the year was satisfied by the issue of ordinary shares of the Company. Further details of the acquisition are set out in Note 35.

During the year, the Group entered into new lease agreements for the use of leased properties for 4 to 20 years. On the lease commencement, the Group recognised right-of-use assets and lease liabilities of RMB20,339,000 and RMB20,339,000 (2020: RMB615,000 and RMB615,000) respectively.

42. FAIR VALUE MEASUREMENTS

Fair value of the Group's biological assets, financial assets and financial liabilities that are measured at fair value or fair value less cost to sell on a recurring basis

The Group's biological assets are measured at fair value less costs to sell, other financial assets, equity investment at FVTOCI and derivative financial instruments are measured at fair values at the end of each reporting period. The Directors have set up a valuation team, which is headed up by the chief financial officer of the Company, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market observable data to the extent it is available. Where Level 1 and Level 2 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The valuation team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The chief financial officer reports the valuation team's findings to the Directors semi-annually to explain the cause of fluctuations in the fair value of the assets and liabilities.

41. 重大非現金交易

除綜合財務報表其他部分披露外，本集團的重大非現金交易詳情如下：

年內收購富源的總代價中的人民幣879,275,000元已通過發行本公司普通股的方式支付。有關收購事項的進一步詳情載列於附註35。

年內，本集團訂立有關租賃物業使用的新租賃協議，為期4至20年。租賃開始時，本集團分別確認使用權資產及租賃負債人民幣20,339,000元及人民幣20,339,000元(2020年：人民幣615,000元及人民幣615,000元)。

42. 公平值計量

按經常性基準以公平值或公平值減銷售成本計量的本集團生物資產、金融資產及金融負債的公平值

本集團的生物資產按公平值減出售成本計量，其他金融資產、按公平值計入其他全面收入的權益投資及衍生金融工具於各報告期末按公平值計量。董事已成立估值團隊，由本公司首席財務官領導，以釐定適當的估值技術及公平值計量的輸入數據。

估計資產或負債的公平值時，本集團使用可用市場可觀察數據。倘第一級及第二級的輸入數據不可用，本集團會委聘第三方合資格估值師進行估值。估值團隊與合資格外聘估值師緊密合作，為模型確立合適的估值方法及輸入數據。首席財務官每半年向董事呈報估值團隊的發現以闡釋資產及負債公平值波動的原因。

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42. FAIR VALUE MEASUREMENTS (continued)

Fair value of the Group's biological assets, financial assets and financial liabilities that are measured at fair value or fair value less cost to sell on a recurring basis (continued)

The following table gives information about how the fair values of these assets and liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 2 and 3) based on the degree to which the inputs to the fair value measurements is observable.

Fair value hierarchy

42. 公平值計量(續)

按經常性基準以公平值或公平值減銷售成本計量的本集團生物資產、金融資產及金融負債的公平值(續)

下表提供有關根據公平值計量的輸入數據的可觀察程度如何釐定該等資產及負債的公平值(特別是所使用的估值方法及輸入數據)、及公平值計量所劃分的公平值級別水平(第二及三級)的資料。

Assets/(liabilities)		公平值級別		
		Fair value as at 31 December 2021 於2021年12月31日的公平值 RMB'000 人民幣千元	Fair value as at 31 December 2020 於2020年12月31日的公平值 RMB'000 人民幣千元	Fair value hierarchy 公平值級別
Biological assets	生物資產	9,404,924	7,101,243	Level 3 第三級
Derivative financial instruments	衍生金融工具			
- Foreign currency forward contracts	- 外幣遠期合約	-	11,145	Level 2 第二級
- CFCCS	- CFCCS	67,537	-	Level 2 第二級
Other financial assets	其他金融資產			
- Structured bank deposits	- 結構性銀行存款	-	50,000	Level 2 第二級
Equity instruments at FVTOCI	按公平值計入其他全面收入的權益工具			
- Unquoted equity investments	- 未報價權益投資	2,655	5,080	Level 3 第三級
Derivative financial instruments	衍生金融工具			
- Interest rate swaps	- 利率掉期	(3,446)	(52,264)	Level 2 第二級
- Foreign currency option contracts	- 外幣期權合約	(112,642)	(31,074)	Level 2 第二級

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42. FAIR VALUE MEASUREMENTS (continued)

Valuation techniques used in fair value measurements

The following table shows the valuation techniques used in measuring level 2 and level 3 fair values, as well as the significant unobservable inputs used in the valuation models:

42. 公平值計量(續)

公平值計量使用的估值方法

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

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

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42. FAIR VALUE MEASUREMENTS (continued)

Valuation techniques used in fair value measurements

(continued)

42. 公平值計量(續)

公平值計量使用的估值方法(續)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
類型	估值方法	重大不可觀察輸入數據	重大不可觀察輸入數據與公平值計量之間的相互關係
CFCCS	Garman-Kohlhagen model and	N/A	N/A
CFCCS	Discounted cash flow Since it is fixed-to-fixed cross currency swap, future cash flows are estimated based on the contract. Different cash flows in different currencies are discounted via the corresponding curves, and netted into the same currency as at the valuation date. Garman-Kohlhagen模型及貼現現金流量 由於是固定至固定的跨貨幣掉期，未來現金流量乃根據合約估計。 不同貨幣的不同現金流量通過相應的曲線貼現，並在估值日以相同的貨幣淨額計算。	不適用	不適用
Structured bank deposits 結構性銀行存款	Discounted cash flow Future cash flows are estimated based on forward exchange rates, discounted at a rate that reflects the credit risk of various counterparties. 貼現現金流量 未來現金流量乃根據遠期匯率估計，按反映多名對手方的信貸風險的利率貼現。	N/A 不適用	N/A 不適用

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42. FAIR VALUE MEASUREMENTS (continued)

Valuation techniques used in fair value measurements

(continued)

42. 公平值計量(續)

公平值計量使用的估值方法(續)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
類型	估值方法	重大不可觀察輸入數據	重大不可觀察輸入數據與公平值計量之間的相互關係
Unquoted equity discount 未報價權益投資	Market approach 市場法	Fair value is estimated based on value of comparable listed companies and discounted for lack of liquidity. 公平值乃按可資比較上市公司的價值作出估計及就流動性不足貼現。	An increase/decrease in the discount for lack of liquidity would result in a smaller percentage decrease/increase in the fair value measurement of the unquoted equity investments. 流動性不足貼現增加/減少可導致未報價權益投資公平值計量的比例減少/增加。
Heifers and calves 小母牛及小牛	The fair value of 14 months old heifers is determined by reference to the local market selling price. 十四個月的小母牛公平值乃參考當地市場售價釐定。	Average local market selling prices of the heifers of 14 months old were estimated at RMB22,000 per head at 31 December 2021 (2020: RMB20,500). 於2021年12月31日，十四個月的小母牛的平均當地市場售價估計為每頭人民幣22,000元(2020年：人民幣20,500元)。	An increase/decrease in the estimated local market selling price used would result in a smaller percentage increase/decrease in the fair value measurement of the heifers and calves, and vice versa. 所用的估計當地市場售價增加/減少將導致小母牛及小牛公平值計量的較小比例增加/減少，反之亦然。

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42. FAIR VALUE MEASUREMENTS (continued)

Valuation techniques used in fair value measurements

(continued)

42. 公平值計量(續)

公平值計量使用的估值方法(續)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements 重大不可觀察輸入數據與公平值計量之間的相互關係
類型	估值方法	重大不可觀察輸入數據	
	<p>The fair values of heifers and calves at age-group less than 14 months are determined by subtracting the estimated feeding costs required to raise the cows from their respective age at the end of each reporting period to 14 months plus the margins that would normally be required by a raiser. Conversely, the fair values of heifers at age group older than 14 months are determined by adding the estimated feeding costs required to raise the heifers from 14 months old to their respective age at the end of each reporting period plus the margins that would normally be required by a raiser</p> <p>在小於十四個月的年歲組別的小母牛及小牛的公平值乃經減去將牛隻由其各自於各報告期末的歲數培育至十四個月所須的估計飼養成本，加培育商一般所須利潤而釐定。相反地，在大於十四個月的年歲組別的小母牛的公平值乃經加上將小母牛由十四個月培育至其各自於各報告期末的歲數所須的估計飼養成本，加培育商一般所須利潤而釐定。</p>	<p>Estimated average feeding costs per head plus margin that would normally be required by a raiser for heifers and calves younger than 14 months old are range from RMB19,041 to 19,413 at 31 December 2021 (2020: RMB17,463); average estimated feeding costs per head plus margin that would normally be required by a raiser for heifers older than 14 months old are RMB 19,132 to 19,728.00 at 31 December 2021 (2020: RMB17,694).</p> <p>於2021年12月31日，就小於十四個月的小母牛及小牛而言，每頭牛估計平均飼養成本加培育商一般所須利潤為人民幣19,041元至19,413元(2020年：人民幣17,463元)；於2021年12月31日，就大於十四個月的小母牛而言，每頭牛平均估計飼養成本加培育商一般所須利潤為人民幣19,132元至19,728.00元(2020年：人民幣17,694元)。</p>	<p>An increase/decrease in the estimated feeding costs plus the margin that would normally be required by a raiser used would result in a much smaller percentage increase/decrease in the fair value measurement of the heifers and calves older/younger than 14 months old, and vice versa.</p> <p>所用的估計飼養成本加培育商一般所須利潤增加/減少將導致大於/小於十四個月的小母牛及小牛公平值計量的極小比例增加/減少，反之亦然。</p>

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42. FAIR VALUE MEASUREMENTS (continued)

Valuation techniques used in fair value measurements

(continued)

42. 公平值計量(續)

公平值計量使用的估值方法(續)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
類型	估值方法	重大不可觀察輸入數據	重大不可觀察輸入數據與公平值計量之間的相互關係
Milkable cows 奶牛	The fair values of milkable cows are determined by using the multi-period excess earnings method, which is based on the discounted future cash flows to be generated by such milkable cows. 奶牛公平值透過使用多期超額收益法(基於將由有關奶牛產生的貼現未來現金流量)釐定。	The estimated feed costs per kg of raw milk used in the valuation process are ranged from RMB2.12 to 2.36 for the year ended 31 December 2021 (2020 range from RMB1.91 to 2.05), based on the historical average feed costs per kg of raw milk after taking into consideration of inflation. 截至2021年12月31日止年度，估值過程中使用的每公斤原料奶估計飼養成本為人民幣2.12元至2.36元(2020年：人民幣1.91元至2.05元)，乃基於每公斤原料奶的歷史平均飼養成本並計及通貨膨脹釐定。	An increase/decrease in the estimated feed costs per kg of raw milk used would result in a smaller percentage decrease/increase in the fair value measurement of the milkable cows, and vice versa. 所用的每公斤原料奶估計飼養成本增加/減少可導致奶牛公平值計量的較小比例下降/上升，反之亦然。
		A milkable cow could have as many as six lactation cycles. Estimated average daily milk yield at each lactation cycle ranges from 29.7 kg to 34.5 kg for the year ended 31 December 2021 (2020: 29.1 kg to 31.3 kg), depending on the number of the lactation cycles and the individual physical condition. 奶牛有六個哺乳期。截至2021年12月31日止年度，各哺乳期的估計平均每日產奶量介乎29.7公斤至34.5公斤(2020年：29.1公斤至31.3公斤)，視哺乳期數目以及個別身體狀況而定。	An increase/decrease in the estimated daily milk yield per head used would result in a smaller percentage increase/decrease in the fair value measurement of the milkable cows, and vice versa. 所用的估計每頭牛每日產奶量增加/減少可導致奶牛公平值計量的較小比例提高/下降，反之亦然。

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42. FAIR VALUE MEASUREMENTS (continued)

Valuation techniques used in fair value measurements

(continued)

42. 公平值計量(續)

公平值計量使用的估值方法(續)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
類型	估值方法	重大不可觀察輸入數據	重大不可觀察輸入數據與公平值計量之間的相互關係
		Estimated local future market price for raw milk is range from RMB4.15 to 4.64 per kg at 31 December 2021 (2020: RMB 4.21 to 4.52 per kg). 於2021年12月31日，估計當地未來原料奶市價為每公斤人民幣4.15元至4.64元(2020年：每公斤人民幣4.21元至4.52元)。	An increase/decrease in the estimated average selling price of raw milk used would result in a much higher percentage increase in the fair value measurement of the milkable cows, and vice versa. 所用的原料奶估計平均售價增加/減少可導致奶牛公平值計量的極大比例增加，反之亦然。
		Discount rate for estimated future cash flow used is 12.6% at 31 December 2021 (2020: 12.50%). 於2021年12月31日，所用估計未來現金流量的貼現率為12.6%(2020年：12.50%)。	An increase/decrease in the estimated discount rate used would result in a slightly smaller percentage decrease/increase in the fair value measurement of the milkable cows, and vice versa. 所用的估計貼現率增加/減少可導致奶牛公平值計量的較小比例下降/上升，反之亦然。

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42. FAIR VALUE MEASUREMENTS (continued) Reconciliation of Level 3 fair value measurements

42. 公平值計量(續) 第三級公平值計量的對賬

		Equity instruments at FVTOCI 按公平值計入 其他全面收入的 權益工具 RMB'000 人民幣千元
Balance at 1 January 2020	於2020年1月1日的結餘	3,959
Total gains in OCI	於其他全面收入的收益總額	1,121
At 31 December 2020	於2020年12月31日	5,080
Total losses in OCI	於其他全面收入的虧損總額	(2,425)
At 31 December 2021	於2021年12月31日	2,655

The reconciliations from the beginning balances to the ending balances for fair value measurements of the biological assets are disclosed in Note 19.

生物資產公平值計量由期初結餘至期末結餘的對賬披露於附註19。

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

The Directors consider that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the consolidated financial statements approximate their fair values. Such fair values have been determined in accordance with general accepted pricing model based on discounted cash flow analysis.

並非按經常基準以公平值計量的金融資產及金融負債的公平值

董事認為綜合財務報表內按攤銷成本計量的金融資產及金融負債的賬面值與其公平值相若。有關公平值乃根據普遍接受的定價模式並基於貼現現金流量分析釐定。

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43. CAPITAL COMMITMENTS

43. 資本承擔

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Capital expenditure contracted but not provided for in respect of acquisition of property, plant and equipment	就收購物業、廠房及設備已訂約但未計提撥備的資本開支	244,469	20,238

44. RELATED PARTY TRANSACTIONS

44. 關聯方交易

(a) Other than as disclosed elsewhere in the financial statements, during the current year, the Group had the following transactions with related parties:

(a) 除財務報表其他部分所披露者外，於本年度，本集團與關聯方有下列結餘：

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Mengniu Group	蒙牛集團		
Sales of raw milk	銷售原料奶	5,977,915	4,939,178
Sales of feeds	銷售飼料	3,125	-
Purchase of feeds	採購飼料	35,673	-
Purchase of liquid milk for donation purpose	採購液態奶作捐贈用途	-	10,000
Associates	聯營公司		
Purchase of power and utilities	採購能源及公用設施	19,998	15,117
Purchase of raw materials	採購原材料	4,808	-
Purchase of equipment	採購設備	1,718	-

The sales and purchase prices were based on mutually agreed terms.

買賣價格乃根據雙方協定的條款釐定。

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44. RELATED PARTY TRANSACTIONS (continued)

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

44. 關聯方交易(續)

- (b) 除財務報表其他部分所披露者外，於報告期末，本集團與關聯方有下列結餘：

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Mengniu Group	蒙牛集團		
Trade receivables	應收貿易賬款		
– raw milk	– 原料奶	759,391	533,750
– feeds	– 飼料	15,941	–
Trade payables	應付貿易賬款		
– feeds	– 飼料	21,615	–
Associates	聯營公司		
Trade payables	應付貿易賬款		
– power and utilities	– 能源及公用設施	2,722	1,354
– raw materials	– 原材料	1,777	–
– equipment	– 設備	2,627	–

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44. RELATED PARTY TRANSACTIONS (continued)

(c) Other borrowings

Category	As at 1 January 2021 於2021年 1月1日 RMB'000 人民幣千元	Addition due to acquisition of subsidiaries 因收購附屬 公司而增加 RMB'000 人民幣千元	Drawdown during the year 年內籌集 RMB'000 人民幣千元	Repayment during the year 年內償還 RMB'000 人民幣千元	As at 31 December 2021 於2021年 12月31日 RMB'000 人民幣千元
Mengniu loans 蒙牛貸款	-	501,616	6,731	(12,881)	495,466

Category	As at 1 January 2020 於2020年 1月1日 RMB'000 人民幣千元	Drawdown during the year 年內籌集 RMB'000 人民幣千元	Repayment during the year 年內償還 RMB'000 人民幣千元	As at 31 December 2020 於2020年 12月31日 RMB'000 人民幣千元
Mengniu loans 蒙牛貸款	1,001,330	6,818	(1,008,148)	-

Mengniu loans carry interests at fixed rates from 3.85% to 5.70% per annum. The Group recognised interest expense of RMB6,731,000 for the year ended 31 December 2021 (2020: RMB6,818,000).

蒙牛貸款按固定年利率3.85%至5.70%計息。本集團確認截至2021年12月31日止年度的利息開支人民幣6,731,000元(2020年：人民幣6,818,000元)。

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44. RELATED PARTY TRANSACTIONS (continued)

(d) Compensation of key management personnel

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

44. 關聯方交易(續)

(d) 主要管理人員的薪酬

以下是主要管理人員於報告期間的酬金：

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Salaries and other benefits	薪金及其他福利	11,552	10,444
Performance related bonuses	表現掛鈎花紅	22,550	76,842
Recognition of equity-settled share option and share award payments	確認按股權結算的購股權及股份獎勵計劃付款	6,157	10,722
Retirement benefits scheme contributions	退休福利計劃供款	665	656
		40,924	98,664

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

45. SUBSIDIARIES

Particulars of the Company's principal subsidiaries at 31 December 2021 and 2020 are as follows:

45. 附屬公司

於2021年及2020年12月31日，本公司的主要附屬公司詳情如下：

Name of subsidiaries 附屬公司名稱	Place of incorporation/ establishment 註冊成立/成立地點	Fully paid capital/ registered capital 已繳足股本/註冊資本	Equity interest attributable to the Company 本公司應佔股權				Principal activities 主要業務
			2021 2021年		2020 2020年		
			Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	
Modern Farming (Note i) 現代牧業(集團)(附註i)	The PRC 中國	RMB3,547,660,256 人民幣3,547,660,256元	-	98.35	-	98.18	Production of milk 生產牛奶
Modern Farming (Shanghe) Co., Ltd. (Note ii) 現代牧業(商河)有限公司(附註ii)	The PRC 中國	RMB850,000,000 人民幣850,000,000元	-	98.35	-	98.18	Breeding dairy cows and production of milk 飼養奶牛及生產牛奶
Modern Farming (Zhangjiakou) Co., Ltd. (Note ii) 現代牧業(張家口)有限公司(附註ii)	The PRC 中國	RMB430,000,000 人民幣430,000,000元	-	98.35	-	98.18	Breeding dairy cows and production of milk 飼養奶牛及生產牛奶
Modern Farming (Baoji) Co., Ltd. (Note ii) 現代牧業(寶雞)有限公司(附註ii)	The PRC 中國	RMB60,000,000 人民幣60,000,000元	-	98.35	-	98.18	Breeding dairy cows and production of milk 飼養奶牛及生產牛奶
Modern Farming (Wuhe) Co., Ltd. (Note ii) 現代牧業(五河)有限公司(附註ii)	The PRC 中國	RMB10,000,000 人民幣10,000,000元	-	98.35	-	98.18	Breeding dairy cows and production of milk 飼養奶牛及生產牛奶
Modern Farming (Hefei) Co., Ltd. (Note ii) 現代牧業(合肥)有限公司(附註ii)	The PRC 中國	RMB40,000,000 人民幣40,000,000元	-	98.35	-	98.18	Breeding dairy cows and production of milk 飼養奶牛及生產牛奶

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

45. SUBSIDIARIES (continued)

45. 附屬公司(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ establishment 註冊成立/成立地點	Fully paid capital/ registered capital 已繳足股本/註冊資本	Equity interest attributable to the Company 本公司應佔股權				Principal activities 主要業務
			2021 2021年		2020 2020年		
			Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	
Zhongyuan (Note ii) 中元(附註ii)	The PRC 中國	RMB380,000,000 人民幣380,000,000元	-	98.35	-	-	Breeding dairy cows and production of milk 飼養奶牛及生產牛奶
Fuyuan (Note i) 富源(附註i)	The PRC 中國	RMB1,522,400,000 人民幣1,522,400,000元	-	99.06	-	-	Production of milk 生產牛奶
Fuyuan Farming Hengshui Co., Ltd. (Note iii) 富源牧業衡水有限責任公司(附註iii)	The PRC 中國	RMB199,837,000 人民幣199,837,000元	-	99.06	-	-	Breeding dairy cows and production of milk 飼養奶牛及生產牛奶
Fuyuan Farming (Suqian) Co., Ltd. (Note iii) 富源牧業宿遷有限公司(附註iii)	The PRC 中國	RMB110,000,000 人民幣110,000,000元	-	99.06	-	-	Breeding dairy cows and production of milk 飼養奶牛及生產牛奶

Notes:

- The entity was established in the PRC and became a sino-foreign investment enterprise.
- These entities were established in the PRC as domestic companies and owned by Modern Farming.
- These entities were established in the PRC as domestic companies and owned by Fuyuan.

附註：

- 該實體在中國成立，並成為中外投資企業。
- 該等實體在中國成立，作為國內公司，由現代牧業(集團)擁有。
- 該等實體在中國成立，作為國內公司，由富源擁有。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

46. DETAILS OF NON-WHOLLY-OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS

The table below shows details of non-wholly-owned subsidiary of the Group that have material non-controlling interests:

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立地點及主要營業地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控股權益所持所有權權益及投票權比例		Profit for the year allocated to non-controlling interests 分配至非控股權益的年內溢利		Accumulated non-controlling interests 累計非控股權益	
		2021 2021年	2020 2020年	2021 2021年	2020 2020年	2021 2021年	2020 2020年
				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
Modern Farming 現代牧業(集團)	The PRC 中國	1.65%	1.82%	14,933	13,351	175,877	141,448

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

有關擁有重大非控股權益的本集團附屬公司的財務資料概要如下。下文財務資料概要指集團公司間抵銷前的金額。

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
Current assets	流動資產	5,264,882	3,341,565
Non-current assets	非流動資產	18,028,495	12,173,126
Current liabilities	流動負債	(6,330,375)	(4,663,511)
Non-current liabilities	非流動負債	(5,955,439)	(3,078,643)
Equity attributable to owners of the Company	本公司擁有人應佔權益	9,841,423	7,758,316
Non-controlling interests	非控股權益	1,166,140	14,221

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

46. DETAILS OF NON-WHOLLY-OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS (continued)

46. 擁有重大非控股權益的非全資附屬公司的詳情(續)

		Year ended 31/12/2021 截至2021年 12月31日 止年度 RMB'000 人民幣千元	Year ended 31/12/2020 截至2020年 12月31日 止年度 RMB'000 人民幣千元
Revenue	收入	7,078,470	6,020,247
Expenses	開支	6,162,944	5,287,979
Profit attributable to owners of the Company	本公司擁有人應佔溢利	903,494	732,266
Profit attributable to the non-controlling interests	非控股權益應佔溢利	12,032	2
Net cash inflow from operating activities	經營活動現金流入淨額	1,903,303	1,944,037
Net cash outflow from investing activities	投資活動現金流出淨額	(2,910,720)	(815,466)
Net cash inflow (outflow) from financing activities	融資活動現金流入(流出)淨額	1,466,680	(948,599)
Net cash (outflow) inflow	現金(流出)流入淨額	341,663	179,972

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

47. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

Information about the financial position of the Company at the end of the reporting period includes:

47. 本公司的財務狀況表及儲備

於報告期末有關本公司財務狀況的資料包括：

		2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Investments in subsidiaries	投資於附屬公司	8,787,099	6,682,567
Amounts due from subsidiaries	應收附屬公司款項	4,154,113	2,323,991
Derivative financial instruments	衍生金融工具	67,537	-
		13,008,749	9,006,558
CURRENT ASSETS	流動資產		
Prepayments and other receivables	預付款項及其他應收款項	532	777
Bank balances and cash	銀行結餘及現金	310,509	156,267
Derivative financial instruments	衍生金融工具	-	11,145
		311,041	168,189
CURRENT LIABILITIES	流動負債		
Other payables	其他應付款項	998	7,960
Amounts due to subsidiaries	應付附屬公司款項	222,275	22,873
Bank borrowings – within one year	銀行借款 – 一年內	31,989	1,031,784
Derivative financial instruments	衍生金融工具	17,235	58,191
		272,497	1,120,808
NET CURRENT LIABILITIES	流動負債淨額	38,544	(952,619)
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	13,047,293	8,053,939
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	675,869	555,535
Reserves	儲備	8,231,126	6,191,785
TOTAL EQUITY	總權益	8,906,995	6,747,320
NON-CURRENT LIABILITY	非流動負債		
Bank borrowings	銀行借款	882,238	1,285,028
Derivative financial instruments	衍生金融工具	98,330	21,591
Long term bonds	長期債券	3,159,730	-
		4,140,298	1,306,619
		13,047,293	8,053,939

LU Minfang
盧敏放
Director
董事

SUN Yugang
孫玉剛
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2021 截至2021年12月31日止年度

47. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

Movements in equity

	Share capital	Share premium	Other reserve	Share options reserve	Share award reserve	Accumulated losses	Total
	股本	股份溢價	其他儲備	購股權儲備	股份獎勵儲備	累計虧損	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January 2020	551,007	4,945,381	1,382,199	5,286	4,910	(230,208)	6,658,575
Profit and total comprehensive income for the year	-	-	-	-	-	52,556	52,556
Reversal due to vesting of award shares	-	-	-	-	(24,227)	(5,333)	(29,560)
Recognition of equity-settled share-based payment transactions	-	-	-	-	26,806	-	26,806
Exercise of Management Options	4,528	39,701	-	(5,286)	-	-	38,943
Balance at 31 December 2020	555,535	4,985,082	1,382,199	-	7,489	(182,985)	6,747,320
Profit and total comprehensive income for the year	-	-	-	-	-	119,728	119,728
Reversal due to vesting of award shares	-	-	-	-	(9,447)	(4,418)	(13,865)
Recognition of equity-settled share-based payment transactions	-	-	-	-	22,224	-	22,224
Issue of shares	120,334	2,053,786	-	-	-	-	2,174,120
Dividends recognised as distribution	-	(142,532)	-	-	-	-	(142,532)
Balance at 31 December 2021	675,869	6,896,336	1,382,199	-	20,266	(67,675)	8,906,995

47. 本公司的財務狀況表及儲備(續)

權益變動

48. COMPARATIVE AMOUNTS

Certain comparative figures have been combined and presented to conform with current year's presentation.

48. 比較金額

若干比較數字已合併呈列以符合本年度的呈列方式。

49. EVENTS AFTER THE REPORTING PERIOD

On 15 March 2022, Modern Farming entered into an equity transfer agreement with certain sellers (the "Sellers") and Inner Mongolia Aiyangniu Technology Co., Ltd. (the "Aiyangniu"), pursuant to which the Sellers agreed to sell, and Modern Farming agreed to purchase, 75% equity interests in Aiyangniu at a total consideration of RMB287,774,900. The above transaction which constituted a connected transaction of the Company and should be disclosed under Listing Rules has been published in the Company's announcement dated 15 March 2022.

49. 報告期後事項

於2022年3月15日，現代牧業(集團)與若干賣方(「賣方」)及內蒙古愛養牛科技有限公司(「愛養牛」)訂立股權轉讓協議，據此，賣方同意出售而現代牧業(集團)同意購買愛養牛的75%股權，總代價為人民幣287,774,900元。上述交易構成本公司的關連交易，根據上市規則應予以披露，並已於本公司日期為2022年3月15日的公告中公佈。

FINANCIAL SUMMARY

財務概要

The following is a summary of the published audited consolidated financial statement of China Modern Dairy Holdings Limited and its subsidiaries for the respective years.

以下為中國現代牧業控股有限公司及其附屬公司於相關年度的已刊發經審核綜合財務報表的概要。

RESULTS

For the year ended 31 December

業績

截至12月31日止年度

		2021 2021年 RMB'000 人民幣千元	2020 2020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	2017 2017年 RMB'000 人民幣千元
Revenue	收入	7,078,470	6,020,247	5,514,210	4,956,811	4,783,801
Profit/(loss) before finance costs and tax	除融資成本及稅項前溢利/(虧損)	1,233,354	1,103,028	727,208	(167,038)	(666,479)
Finance costs	融資成本	(198,132)	(318,624)	(376,795)	(338,622)	(328,395)
Profit/(loss) before tax	除稅前溢利/(虧損)	1,035,222	784,404	350,413	(505,660)	(994,874)
Income tax expense	所得稅開支	(2,023)	(639)	(556)	(513)	27
Profit/(loss) for the year	年內溢利/(虧損)	1,033,199	783,765	349,857	(506,173)	(994,847)
Profit/(loss) for the year attributable to:	以下各方年內應佔溢利/(虧損)：					
Owners of the Company	本公司擁有人	1,018,832	770,010	341,270	(496,088)	(975,116)
Non-controlling interests	非控股權益	14,367	13,755	8,587	(10,085)	(19,731)
		1,033,199	349,857	783,765	349,857	(506,173)
Earnings/(loss) per share (RMB)	每股盈利/(虧損)(人民幣)					
Basic (cents)	基本(分)	14.43	12.07	5.54	(8.15)	(16.19)
Diluted (cents)	攤薄(分)	14.39	12.04	5.52	(8.15)	(16.19)

FINANCIAL SUMMARY

財務概要

As at 31 December

於12月31日

		2021 2021年 RMB'000 人民幣千元	2020 2020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	2017 2017年 RMB'000 人民幣千元
Assets and liabilities	資產及負債					
Property, plant and equipment	物業、廠房及設備	5,312,970	3,317,719	3,455,068	3,920,685	4,698,736
Right-of-use assets	使用權資產	725,164	303,849	320,161	-	-
Land use rights	土地使用權	-	-	-	117,220	125,802
Goodwill	商譽	2,075,591	1,322,457	1,371,266	1,398,589	1,424,539
Other intangible assets	其他無形資產	3,777	-	-	-	-
Interest in associates	於聯營公司權益	353,278	289,860	215,392	180,913	-
Equity instruments at FVTOCI	按公平值計入其他全面 收入的權益工具	2,655	5,080	3,959	2,508	-
Prepayments	預付款項	54,238	-	-	-	-
Derivative financial instruments	衍生金融工具	67,537	-	-	-	-
Pledged bank deposits	已質押銀行存款	127,043	122,706	-	-	-
Bank balances	銀行結餘	201,881	20,637	-	-	-
Available-for-sale equity investment	可供出售股權投資	-	-	-	-	12,934
Biological assets	生物資產	9,404,924	7,101,243	7,459,359	7,717,113	7,751,070
Deferred tax assets	遞延稅項資產	2,337	-	-	-	-
Net current liabilities	流動負債淨額	(723,466)	(1,881,191)	(3,537,886)	(3,883,813)	(3,181,917)
Total assets less current liabilities	總資產減流動負債	17,607,929	10,602,360	9,287,319	9,453,215	10,831,164
Non-current liabilities	非流動負債	6,493,195	(2,563,916)	(2,079,618)	(2,899,082)	(3,742,735)
NET ASSETS	資產淨值	11,114,734	8,038,444	7,207,701	6,554,133	7,088,429
Capital and reserves	資本及儲備					
Share capital	股本	675,869	555,535	551,007	526,058	526,058
Share premium and reserves	股份溢價及儲備	10,189,062	7,341,388	6,530,510	5,919,237	6,443,064
Equity attributable to owners of the Company	本公司擁有人應佔 權益	10,864,931	7,896,923	7,081,517	6,445,295	6,969,122
Non-controlling interests	非控股權益	249,803	141,521	126,184	108,838	119,307
TOTAL EQUITY	總權益	11,114,734	8,038,444	7,207,701	6,554,133	7,088,429



MODERN FARMING
现代牧业

China Modern Dairy Holdings Ltd.

中國現代牧業控股有限公司

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

Stock Code 股份代號 : 1117



Purity
純



Freshness
鮮



Genuineness
真



Vitality
活

www.moderndairyir.com
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