

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.

*This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any state of the United States or other jurisdiction. Unless they are registered, the securities may be offered only in transactions that are exempt from registration under the Securities Act or the securities laws of any other jurisdiction. This offering is made solely in offshore transactions in compliance with Regulation S under the Securities Act. The Issuer (as defined below) does not intend to make any public offering of securities in the United States or in any other jurisdiction where such an offering is restricted or prohibited.*

This announcement and the offering circular referred to herein are for information purposes only as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and do not constitute an offer to sell or acquire or the solicitation of an offer to buy any securities. Neither this announcement nor anything referred to herein (including the offering circular) forms the basis for any contract or commitment whatsoever. For the avoidance of doubt, the publication of this announcement and the offering circular referred to herein shall not be deemed to be an offer of securities made pursuant to a prospectus issued by or on behalf of the Issuer for the purposes of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) nor shall it constitute an advertisement, invitation or document containing an invitation to the public to enter into or offer to enter into an agreement to acquire, dispose of, subscribe for or underwrite securities for the purposes of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Notice to Hong Kong investors: *The Issuer confirms that the Bonds (as defined below) are intended for purchase by professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) only and are listed on The Stock Exchange of Hong Kong Limited on that basis. Accordingly, the Issuer confirms that the Bonds are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.*

PUBLICATION OF OFFERING CIRCULAR



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)

(Stock Code: 1117)

(the “Issuer”)

U.S.\$350,000,000 4.875 per cent. Sustainability Bonds due 2030

(Stock Code: 5725)

(the “Bonds”)

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

Barclays

BOC International

China Construction Bank (Asia)

DBS Bank Ltd.

Joint Lead Managers and Joint Bookrunners

BOCOM International

CITIC Securities

CCB International

Joint Sustainability Structuring Advisors

Barclays

BOC International

DBS Bank Ltd.

This announcement is issued pursuant to Rule 37.39A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) (the “**Listing Rules**”).

Please refer to the offering circular relating to the Bonds dated 2 July 2025 (the “**Offering Circular**”) appended hereto. The Offering Circular is published in English only. No Chinese version of the Offering Circular has been published. As disclosed in the Offering Circular, the Bonds are intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and the Bonds are listed on the Hong Kong Stock Exchange on that basis.

The Offering Circular does not constitute a prospectus, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it circulated to invite offers by the public to subscribe for or purchase any securities.

For and on behalf of the Board
China Modern Dairy Holdings Ltd.
ZHAO Jiejun
Chairman

Hong Kong, 11 July 2025

As of the date of this announcement, the executive directors are Mr. SUN Yugang and Mr. ZHU Xiaohui, the non-executive directors are Mr. ZHAO Jiejun (Chairman), Mr. ZHANG Ping, Mr. CHEN Yiyi and Ms. GAN Lu, the independent non-executive directors are Mr. LI Shengli, Mr. LEE Kong Wai Conway and Mr. CHOW Ming Sang.

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached offering circular (the “Offering Circular”). You are therefore advised to read this disclaimer carefully before accessing, reading or making any other use of the attached Offering Circular. In accessing the attached Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from the Issuer (as defined in the attached Offering Circular) or from the Joint Lead Managers (as defined in the attached Offering Circular) as a result of such access. In order to review the attached Offering Circular or make an investment decision with respect to the securities, you must be located outside the United States.

Confirmation of Your Representation: The attached Offering Circular is being sent to you at your request and by accepting the e-mail and accessing the attached Offering Circular, you shall be deemed to represent to the Issuer and the Joint Lead Managers that (1) you are not in the United States and, to the extent you purchase the securities described in the attached Offering Circular, you will be doing so pursuant to Regulation S under the U.S. Securities Act of 1933, as amended (the “Securities Act”); (2) the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions; and (3) you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission.

The attached Offering Circular has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Issuer, the Joint Lead Managers, the Trustee (as defined in the attached Offering Circular) and the Agents (as defined in the attached Offering Circular) or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version. The Joint Lead Managers will provide a hard copy version to you upon request.

Restrictions: The attached Offering Circular is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described herein.

THE SECURITIES DESCRIBED IN THE ATTACHED OFFERING CIRCULAR HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION. THE SECURITIES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO THE SECURITIES ACT.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

Except with respect to eligible investors in jurisdictions where such offer or invitation is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of the Issuer, the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act). If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Lead Manager or any affiliate of the Joint Lead Manager is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Joint Lead Manager or such affiliate on behalf of the Issuer in such jurisdiction.

No EEA or UK PRIIPS KID – No EEA or UK PRIIPs key information document (KID) has been prepared as not available to retail in EEA or UK.

You are reminded that you have accessed the attached Offering Circular on the basis that you are a person into whose possession the attached Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver or forward this document, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in the attached Offering Circular.

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail to this electronic transmission, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected.

YOU ACKNOWLEDGE THAT THE ATTACHED OFFERING CIRCULAR AND THE INFORMATION CONTAINED THEREIN ARE STRICTLY CONFIDENTIAL AND INTENDED FOR YOU ONLY. YOU ARE NOT AUTHORISED TO AND YOU MAY NOT DELIVER OR FORWARD THE ATTACHED OFFERING CIRCULAR, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH OFFERING CIRCULAR IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



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)

(Stock Code: 1117)

U.S.\$350,000,000 4.875 per cent. Sustainability Bonds due 2030

Issue Price: 99.375 per cent.

The U.S.\$350,000,000 4.875 per cent. Bonds due 2030 (the “**Bonds**”) will be issued by China Modern Dairy Holdings Ltd. (the “**Issuer**”).

The Bonds will bear interest on their outstanding principal amount from and including 10 July 2025 (the “**Issue Date**”) at the rate of 4.875 per cent. per annum, payable semi-annually in arrear on 10 January and 10 July in each year in equal instalments, commencing on 10 January 2026 in accordance with the terms and conditions of the Bonds (the “**Conditions**”). All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without set-off or counterclaim and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Cayman Islands or the PRC, or in each case, any political subdivision or authority therein or thereof having power to tax to the extent described under “*Terms and Conditions of the Bonds – Taxation*”.

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 10 July 2030 (the “**Maturity Date**”). The Bonds will be subject to redemption, in whole but not in part, at their principal amount together with accrued interest up to but excluding the date fixed for redemption, at the option of the Issuer at any time in the event of certain changes affecting taxes of the Cayman Islands or the PRC. At any time following the occurrence of a Change of Control Triggering Event (as defined in the Conditions), each holder of the Bonds (the “**Bondholder**”) will have the right, at such Bondholder’s option, to require the Issuer to redeem all, but not some only, of such Bondholder’s Bonds on the Put Settlement Date (as defined in the Conditions) at 101 per cent. of their principal amount, together with accrued interest up to but excluding the Put Settlement Date. The Bonds will also be subject to redemption at any time prior to 10 June 2030 (the “**Par Call Date**”), in whole but not in part, at the Make Whole Price (as defined in the Conditions), together with interest accrued and unpaid to the Make Whole Option Redemption Date (as defined in the Conditions), at the option of the Issuer. The Bonds will also be subject to redemption, at any time on or after 10 June 2030, in whole but not in part, at a redemption price equal to 100 per cent. of the principal amount of the Bonds, together with accrued and unpaid interest, at the option of the Issuer. See “*Terms and Conditions of the Bonds – Redemption and Purchase*”.

The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4 of the Conditions) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4 of the Conditions, at all times rank at least equally with all the Issuer’s other present and future unsecured and unsubordinated obligations. See “*Terms and Conditions of the Bonds – Status*”.

The denomination of the Bonds shall be U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.

Modern Farming (Group) Co., Ltd. (a subsidiary of the Issuer) has made an application for the pre-issuance registration certificate with the National Development and Reform Commission of the PRC (the “**NDRC**”) in accordance with the Administrative Measures for the Review and Registration of Medium- and Long-Term Foreign Debt of Enterprises (企業中長期外債審核登記管理辦法 (國家發展和改革委員會令第56號)) issued by the NDRC and effective from 10 February 2023 (the “**NDRC Administrative Measures**”), and has obtained a certificate of registration from the NDRC on 23 December 2024 (the “**NDRC Pre-issuance Registration Certificate**”) which is applicable for the offering of the Bonds. The Issuer will undertake to file or cause to be filed with the NDRC the requisite information and documents in respect of the Bonds within the relevant prescribed timeframes after the Issue Date in accordance with the NDRC Administrative Measures (each a “**NDRC Filing**”), including but not limited to, the NDRC Post-Issuance Filing (as defined in the Conditions). The Issuer shall complete the NDRC Filings and comply with all applicable PRC laws and regulations in relation to the NDRC Administrative Measures.

For a more detailed description of the Bonds, see “*Terms and Conditions of the Bonds*” in this Offering Circular.

The Bonds are being issued as “Sustainability Bonds” under the Framework (as defined below) of the Issuer. See “*Description of the Sustainable Finance Framework*” on page 75.

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”). The Bonds, subject to certain exceptions, may not be offered or sold within the United States and are only being offered and sold outside of the United States in compliance with Regulation S under the Securities Act (“Regulation S”). For a description of these and certain restrictions on offers and sales of the Bonds and the distribution of this Offering Circular, see “*Subscription and Sale*”.

Application will be made to The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) for the listing of, and permission to deal in, the Bonds by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) (“**Professional Investors**”) only. This document is for distribution to Professional Investors only.

Notice to Hong Kong investors: The Issuer confirms that the Bonds are intended for purchase by Professional Investors only and will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Issuer confirms that the Bonds are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The Hong Kong Stock Exchange has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Bonds on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Bonds, the Issuer or the Group (as defined below) or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Offering Circular.

The Bonds will initially be evidenced by a global certificate (the “**Global Certificate**”) in registered form, which will be registered in the name of a nominee of, and shall be deposited on or about the Issue Date with a common depositary on behalf of, Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”). Beneficial interests in the Global Certificate will be shown on, and transfer thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described in the Global Certificate, individual certificates for Bonds will not be issued in exchange for interests in the Global Certificate. See “*Summary of Provisions relating to the Bonds in Global Form*”.

The Bonds are expected to be assigned a rating of BBB by S&P Global Ratings (“**S&P**”). The rating does not constitute a recommendation to buy, sell or hold the Bonds and may be subject to suspension, reduction or withdrawal at any time by S&P. A suspension, reduction or withdrawal of the rating assigned to the Bonds may adversely affect the market price of the Bonds.

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

Barclays BOC International China Construction Bank (Asia) DBS Bank Ltd.

Joint Lead Managers and Joint Bookrunners

BOCOM International CITIC Securities CCB International

Joint Sustainability Structuring Advisors

Barclays BOC International DBS Bank Ltd.

Offering Circular dated 2 July 2025

NOTICE TO INVESTORS

THIS OFFERING CIRCULAR DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY SECURITIES IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE THE OFFER OR SOLICITATION IN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS OFFERING CIRCULAR NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES IMPLY THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER OR THE GROUP OR THAT THE INFORMATION SET FORTH IN THIS OFFERING CIRCULAR IS CORRECT AS AT ANY DATE SUBSEQUENT TO THE DATE HEREOF.

The Issuer, having made all reasonable enquiries, confirms that (i) this Offering Circular contains all information with respect to the Issuer and its subsidiaries taken as a whole (the “**Group**”) and to the Bonds, in each case which is material in the context of the issue and offering of the Bonds (including the information which, is required by applicable laws of the Cayman Islands and according to the particular nature of the Issuer and the Bonds, is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and of the rights attaching to the Bonds) and there are no facts known to the Issuer, any other member of the Group and/or the directors of them which are not disclosed in this Offering Circular, the omission of which would make any statement therein misleading (in light of the circumstances under which they are made); (ii) the statements contained in this Offering Circular are in every material respect true and accurate and not misleading; (iii) the opinions and intentions expressed in this Offering Circular with regard to the Issuer and to the Group are honestly and reasonably held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements in this Offering Circular; and (v) this Offering Circular does not include an untrue statement of a material fact, or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The Issuer has prepared this Offering Circular solely for use in connection with the proposed offering of the Bonds described in this Offering Circular. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of, Barclays Bank PLC, BOCI Asia Limited, China Construction Bank (Asia) Corporation Limited, DBS Bank Ltd., BOCOM International Securities Limited, CLSA Limited and CCB International Capital Limited (together, the “**Joint Lead Managers**”) or the Issuer to subscribe for or purchase any of the Bonds. The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Bonds or the distribution of this Offering Circular in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Bonds, and the circulation of documents relating thereto, in certain jurisdictions including the United States, the United Kingdom, Hong Kong, the PRC, Singapore, Japan and the Cayman Islands and to persons connected therewith. For a description of further restrictions on offers and sales of the Bonds and distribution of this Offering Circular, see “*Subscription and Sale*” below. By purchasing the Bonds, investors are deemed to have represented and agreed to all of those provisions contained in that section of this Offering Circular. This Offering Circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for, or otherwise acquire, the Bonds. Distribution of this Offering Circular to any person other than the prospective investor and any person retained to advise such

prospective investor with respect to its purchase is unauthorised. Each prospective investor, by accepting delivery of this Offering Circular, is deemed to have agreed to the foregoing and to make no photocopies of this Offering Circular or any documents referred to in this Offering Circular.

No person has been or is authorised to give any information or to make any representation concerning the Issuer, the Group or the Bonds other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Joint Lead Managers, China Construction Bank (Asia) Corporation Limited (中國建設銀行（亞洲）股份有限公司) (the “**Trustee**”) or the Agents (as defined in the Conditions) or their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them. Neither the delivery of this Offering Circular nor any offering, sale or delivery made in connection with the issue of the Bonds shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer or the Group since the date hereof or create any implication that the information contained herein is correct as at any date subsequent to the date hereof. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them to subscribe for or purchase the Bonds and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

This Offering Circular is being furnished by the Issuer in connection with the offering of the Bonds and is exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider purchasing the Bonds. Investors must not use this Offering Circular for any other purpose, make copies of any part of this Offering Circular or give a copy of it to any other person, or disclose any information in this Offering Circular to any other person. The information contained in this Offering Circular has been provided by the Issuer and other sources identified in this Offering Circular. Any reproduction or distribution of this Offering Circular, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than the consideration of an investment in the Bonds offered by this Offering Circular is prohibited. By accepting delivery of this Offering Circular, each investor is deemed to have agreed to these restrictions.

None of the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them has independently verified the information contained in this Offering Circular. Nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them. This Offering Circular is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by any of the Issuer, the Joint Lead Managers, the Trustee or the Agents or any of the respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them that any recipient of this Offering Circular should purchase the Bonds.

Each person receiving this Offering Circular acknowledges that it has not relied on the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them in connection with its investigation of the accuracy of such information or its investment decision, and such person must

rely on its own examination of the Issuer, the Group, and the merits and risks involved in investing in the Bonds. See “*Risk Factors*” below for a discussion of certain factors to be considered in connection with an investment in the Bonds.

To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them accepts any responsibility for the contents of this Offering Circular and assumes no responsibility for the contents, accuracy, completeness or sufficiency of any such information or for any other statement, made or purported to be made by the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them or on their behalf in connection with the Issuer, the Group or the issue and offering of the Bonds. Each of the Joint Lead Managers, the Trustee and the Agents and their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Offering Circular or any such statement. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them undertakes to review the results of operations, financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Offering Circular or to advise any investor or prospective investor in the Bonds of any information coming to the attention of the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them.

IN CONNECTION WITH THE ISSUE OF THE BONDS, ANY OF THE JOINT LEAD MANAGERS ACTING AS STABILISATION MANAGER(S) (THE “STABILISATION MANAGER(S)”) (OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER(S)) MAY OVER-ALLOT BONDS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE BONDS IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE BONDS AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE BONDS. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER(S) (OR PERSON(S) ACTING ON BEHALF OF THE STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

In connection with the offering of the Bonds, the Joint Lead Managers and/or their respective affiliates, or affiliates of the Issuer, may act as investors and place orders, receive allocations and trade the Bonds for their own account and such orders, allocations or trading of the Bonds may be material. These entities may hold or sell such Bonds or purchase further Bonds for their own account in the secondary market or deal in any other securities of the Issuer, and therefore, they may offer or sell the Bonds or other securities otherwise than in connection with the offering of the Bonds. Accordingly, references herein to the offering of the Bonds should be read as including any offering of the Bonds to the Joint Lead Managers and/or their respective affiliates, or affiliates of the Issuer, as investors for their own

account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any applicable legal or regulatory requirements. If such transactions occur, the trading price and liquidity of the Bonds may be impacted.

Prospective investors should not construe anything in this Offering Circular as legal, business or tax advice. Each prospective investor should determine for itself the relevance of the information contained in this Offering Circular and consult its own legal, business and tax advisers as needed to make its investment decision and determine whether it is legally able to purchase the Bonds under applicable laws or regulations.

The Bonds are expected to be assigned a rating of “BBB” by S&P. A rating is not a recommendation to buy, sell or hold securities, does not address the likelihood or timing of prepayment and may be subject to revision, qualification, suspension or withdrawal at any time by the assigning rating organisation. A revision, qualification, suspension or withdrawal of any rating assigned to the Bonds may adversely affect the market price of the Bonds.

None of the Joint Lead Managers makes any representation as to the suitability of any Bonds to fulfil any green, environmental or sustainability criteria required by any prospective investors. The Joint Lead Managers have not undertaken, nor are they responsible for, any assessment of the eligibility criteria for Eligible Assets (as defined in “*Description of the Sustainable Finance Framework*”), any verification of whether the Eligible Assets meet such criteria, the monitoring of the use of proceeds of any Bonds (or amounts equal thereto) or the allocation of the proceeds by the Issuer to particular Eligible Assets. Investors should refer to the Framework which the Issuer may publish from time to time, the Second Party Opinion (as defined below) delivered in respect thereof, and any public reporting by or on behalf of the Issuer in respect of the application of the proceeds of the Bonds for further information. Any such sustainability framework and/or second party opinion and/or public reporting will not be incorporated by reference in this Offering Circular and none of the Joint Lead Managers makes any representation as to the suitability or contents thereof.

This Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer and the Group. The Issuer accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.

PRIIPs REGULATION – PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended,

the “**PRIIPs Regulation**”) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPs REGULATION – PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Bonds or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to Prospective Investors: Prospective investors should be aware that certain intermediaries in the context of this offering of the Bonds, including certain Joint Lead Managers, are “capital market intermediaries” (together, the “**CMI**s”) subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “**SFC Code**”). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMI, which require the attention and cooperation of prospective investors.

Certain CMI may also be acting as “overall coordinators” (together, the “**OC**s”) for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association (an “**Association**”) with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the Bonds and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMI). If a prospective investor is an asset management arm affiliated with any Joint Lead Manager, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Joint Lead Manager or its group company has more than 50 per cent. interest, in which case it will be classified as a “proprietary order”

and subject to appropriate handling by CMI's in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any Joint Lead Manager, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Joint Lead Manager when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to this offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMI's (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Joint Lead Managers and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

CAYMAN ISLANDS DATA PROTECTION

The Issuer has certain duties under the Data Protection Act (As Revised) of the Cayman Islands (the "DPA") based on internationally accepted principles of data privacy.

Prospective investors should note that, by virtue of making investments in the Bonds and the associated interactions with the Issuer and its affiliates and/or delegates, or by virtue of providing the Issuer with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals will be providing the Issuer and its affiliates and/or delegates with certain personal information which constitutes personal data within the meaning of the DPA. The Issuer shall act as a data controller in respect of this personal data and its affiliates and/or delegates may act as data processors (or data controllers in their own right in some circumstances).

By investing in the Bonds, the Bondholders shall be deemed to acknowledge that they have read in detail and understood the Privacy Notice set out below and that such Privacy Notice provides an outline of their data protection rights and obligations as they relate to the investment in the Bonds.

Oversight of the DPA is the responsibility of the Ombudsman's office of the Cayman Islands. Breach of the DPA by the Issuer could lead to enforcement action by the Ombudsman, including the imposition of remediation orders, monetary penalties or referral for criminal prosecution.

Privacy Notice

Introduction

The purpose of this notice is to provide Bondholders with information on the Issuer's use of their personal data in accordance with the DPA.

In the following discussion, “**Issuer**” refers to the Issuer and its affiliates and/or delegates, except where the context requires otherwise.

Investor Data

By virtue of making an investment in the Issuer and a Bondholder’s associated interactions with the Issuer (including any subscription (whether past, present or future), including the recording of electronic communications or phone calls where applicable) or by virtue of a Bondholder otherwise providing the Issuer with personal information on individuals connected with the Bondholder as an investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents), the Bondholder will provide the Issuer with certain personal information which constitutes personal data within the meaning of the DPA (“**Investor Data**”). The Issuer may also obtain Investor Data from other public sources. Investor Data includes, without limitation, the following information relating to a Bondholder and/or any individuals connected with a Bondholder as an investor: name, residential address, email address, contact details, corporate contact information, signature, nationality, place of birth, date of birth, tax identification, credit history, correspondence records, passport number, bank account details, source of funds details and details relating to the Bondholder’s investment activity.

In the Issuer’s use of Investor Data, the Issuer will be characterised as a “data controller” for the purposes of the DPA. The Issuer’s affiliates and delegates may act as “data processors” for the purposes of the DPA.

Who this Affects

If a Bondholder is a natural person, this will affect such Bondholder directly. If a Bondholder is a corporate investor (including, for these purposes, legal arrangements such as trusts or exempted limited partnerships) that provides the Issuer with Investor Data on individuals connected to such Bondholder for any reason in relation to such Bondholder’s investment with the Issuer, this will be relevant for those individuals and such Bondholder should transmit the content of this Privacy Notice to such individuals or otherwise advise them of its content.

How the Issuer May Use a Bondholder’s Personal Data

The Issuer, as the data controller, may collect, store and use Investor Data for lawful purposes, including, in particular:

- where this is necessary for the performance of the Issuer’s rights and obligations under any subscription agreements or purchase agreements;
- where this is necessary for compliance with a legal and regulatory obligation to which the Issuer is subject (such as compliance with anti-money laundering, beneficial ownership transparency or FATCA/CRS requirements); and/or
- where this is necessary for the purposes of the Issuer’s legitimate interests and such interests are not overridden by the Bondholder’s interests, fundamental rights or freedoms.

Should the Issuer wish to use Investor Data for other specific purposes (including, if applicable, any purpose that requires a Bondholder’s consent), the Issuer will contact the applicable Bondholders.

Why the Issuer May Transfer a Bondholder's Personal Data

In certain circumstances the Issuer and/or its authorised affiliates or delegates may be legally obliged to share Investor Data and other information with respect to a Bondholder's interest in the Issuer with the relevant regulatory authorities such as the Cayman Islands Monetary Authority, the competent authority for purposes of the Beneficial Ownership Transparency Act (As Revised) or the Tax Information Authority. They, in turn, may exchange this information with foreign authorities, including tax authorities.

The Issuer anticipates disclosing Investor Data to others who provide services to the Issuer and their respective affiliates (which may include certain entities located outside the Cayman Islands or the European Economic Area). Such service providers may either process a Bondholder's personal data on the Issuer's behalf or for their own lawful purposes in connection with services provided to the Issuer.

The Data Protection Measures the Issuer Takes

Any transfer of Investor Data by the Issuer or its duly authorised affiliates and/or delegates outside of the Cayman Islands shall be in accordance with the requirements of the DPA.

The Issuer and its duly authorised affiliates and/or delegates shall apply appropriate technical and organisational information security measures designed to protect against unauthorised or unlawful processing of Investor Data, and against accidental loss or destruction of, or damage to, Investor Data.

The Issuer shall notify a Bondholder of any Investor Data breach that is reasonably likely to result in a risk to the interests, fundamental rights or freedoms of either such Bondholder or those data subjects to whom the relevant Investor Data relates.

INDUSTRY AND MARKET DATA

Market data and certain information and statistics included in this Offering Circular have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although the Issuer believes the information to be reliable, it has not been independently verified by the Issuer, the Joint Lead Managers, the Trustee or the Agents or their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them and none of the Issuer, the Joint Lead Managers, the Trustee or the Agents or their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them makes any representation as to the accuracy or completeness of such information. In addition, third party information providers may have obtained information from market participants and such information may not have been independently verified. In making an investment decision, each investor must rely on its own examination of the Issuer, the Group and the terms of the offering and the Bonds, including the merits and risks involved. Where information has been sourced from a third party, the Issuer confirms that this information has been accurately reproduced and that, as far as the Issuer is aware and is able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information to be inaccurate or misleading.

CERTAIN DEFINED TERMS AND CONVENTIONS

This Offering Circular has been prepared using a number of conventions, which you should consider when reading the information contained herein.

Unless the context otherwise requires, references in this Offering Circular to the “**Terms and Conditions of the Bonds**” or “**Conditions**” are to the terms and conditions governing the Bonds as set out in the “*Terms and Conditions of the Bonds*”.

In this Offering Circular, references to:

“ AMY ”	are to annual milk yield;
“ Bonds ”	are to the bonds contemplated to be offered under this Offering Circular, the terms and conditions of which are described in the Conditions;
“ Burra Group ”	are to Austin Holding Co., Limited and its subsidiaries;
“ Burra Group Disposition ”	are to disposal of entire interests held by Fuyuan in Burra Group;
“ Company ” or “ Issuer ”	are to China Modern Dairy Holdings Ltd., whose shares are listed on the Hong Kong Stock Exchange (Stock Code: 1117);
“ COVID-19 ”	are to a disease caused by a novel strain of coronavirus, SARS-COV-2;
“ EIT Law ”	are to the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法);
“ FIRB ”	are to the Foreign Investment Review Board of Australia;
“ Fuyuan ”	are to Inner Mongolia Fuyuan International Industrial (Group) Co. Ltd. (內蒙古富源國際實業(集團)有限公司), a limited liability company established in the PRC;
“ Fuyuan Acquisition ”	are to the proposed acquisition by the Issuer of the entire equity interests (direct and indirect) of Fuyuan and its subsidiaries, and excluding Burra Group;
“ Fuyuan Group ”	are to Fuyuan and its subsidiaries (excluding Burra Group);
“ HK\$ ” and “ HK dollars ”	are to Hong Kong dollars, the official currency of Hong Kong;
“ IFRS ”	are to International Financial Reporting Standards;
“ Inner Mongolia Mengniu ”	are to Inner Mongolia Mengniu Dairy (Group) Co., Ltd. (內蒙古蒙牛乳業(集團)股份有限公司);

“ Listing Rules ”	are to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“ Mengniu ”	are to China Mengniu Dairy Company Limited (中國蒙牛乳業有限公司*), whose shares are listed on the Hong Kong Stock Exchange (Stock code: 2319);
“ Mengniu Group ”	are to Mengniu, together with its consolidated subsidiaries;
“ Modern Farming ”	are to Modern Farming (Group) Co., Ltd. (現代牧業 (集團)有限公司);
“ MOF ”	are to the Ministry of Finance of the PRC (中華人民共和國財政部);
“ New Hope ”	are to New Hope Dairy Co., Ltd (新希望乳業股份有限公司), whose shares are listed on Shenzhen Stock Exchange (Stock Code:002946) and/or its subsidiaries;
“ Offering Circular ”	are to this Offering Circular;
“ Off-Take Agreement ”	are to an off-take agreement entered into between Inner Mongolia Mengniu and Modern Farming, pursuant to which the Group supplies raw milk to Inner Mongolia Mengniu for a term of 10 years commencing on 24 October 2008 and was automatically extended for another 10 years on 24 October 2018 to 23 October 2028;
“ PBOC ”	are to the People’s Bank of China (中國人民銀行), the central bank of the PRC;
“ PRC ” or “ China ”	are to the People’s Republic of China, excluding, for the purpose of this Offering Circular only, the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan;
“ PRC Government ”	are to all governmental subdivisions (including principal, municipal and other regional or local government entities) and instrumentalities of the PRC;
“ provinces ”	are to provinces and to provincial-level autonomous regions and municipalities in China which are directly under the supervision of the central PRC Government;
“ RMB ” or “ Renminbi ”	are to the Renminbi, the official currency of the PRC;
“ SAFE ”	are to the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局);
“ SAT ”	are to the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局);

“UHT milk”	are to ultra-high temperature milk, which is generally heated to between 275 and 302 degrees Fahrenheit which allows the milk to be stored at room temperature for extended periods of time;
“U.S.\$” and “U.S. dollars”	are to United States dollars, the official currency of the United States of America;
“Yashili”	are to Yashili International Holdings Ltd. (雅士利國際控股有限公司), whose shares are listed on the Hong Kong Stock Exchange (Stock Code: 1230);
“Zhongyuan”	are to Zhongyuan Muye Company Limited (中元牧業有限公司);
“Zhongyuan Acquisition”	are to the proposed acquisition by the Issuer of the entire equity interests of Zhongyuan.

This Offering Circular contains conversions of certain Renminbi amounts into U.S. dollar amounts at specified rates. Unless indicated otherwise, the conversion rate for Renminbi against U.S. dollar has been set at RMB7.2993 per U.S.\$1.00, which is the exchange rate set forth in the H.10 weekly statistical release of the Board of Governors of the Federal Reserve System of the United States on 31 December 2024. No representation is made that the Renminbi or U.S. dollar amounts referred to herein could have been or could be converted into Renminbi or U.S. dollars, as the case may be, at any particular rate or at all.

The Issuer records its financial statements in Renminbi and its financial statements are prepared in accordance with the IFRS, which may differ in certain material respects from generally accepted accounting principles in certain other countries. The investors should seek professional advice with respect to such differences in generally accepted accounting principles.

In this Offering Circular, where information has been presented in thousands or millions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual terms, and actual numbers may differ from those contained herein due to rounding.

The English names of the PRC nationals, entities, departments, facilities, laws, regulations, certificates, titles and the like are translations of their Chinese names and are included for identification purposes only. In the event of any inconsistency, the Chinese names shall prevail.

Non-GAAP Financial Measures

For the purpose of this Offering Circular, Cash EBITDA for any period consists of profit/(loss) before finance costs and tax having added back: i) depreciation and amortisation charged to profit and loss; ii) other gains and losses, net; iii) impairment losses under expected credit loss model, net of reversal; iv) loss arising from changes in fair value less costs to sell of dairy cows; and v) impairment loss on goodwill. Cash EBITDA or EBITDA are not standard measures under IFRS. EBITDA is a widely used financial indicator of a company’s ability to incur and service debt. Cash EBITDA or EBITDA should not be considered in isolation or construed as an alternative to cash flows, profit attributable to owners

of the Issuer or any other measure of performance or as an indicator of its operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. Cash EBITDA has been included herein because it is considered as a useful supplement to cash flow data as a measure of the Issuer's performance and the Issuer's ability to generate cash from operations to cover debt service and taxes. Cash EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Investors should not compare the Issuer's Cash EBITDA to EBITDA or similarly titled measures presented by other companies because not all companies use the same definition.

PRESENTATION OF FINANCIAL INFORMATION

This Offering Circular contains consolidated financial information of the Issuer as at and for the years ended 31 December 2022, 2023 and 2024, which has been extracted from the audited consolidated financial statements of the Issuer as at and for the years ended 31 December 2023 and 2024. Such audited consolidated financial statements of the Issuer were prepared and presented in accordance with the IFRS and have been audited by Deloitte Touche Tohmatsu, the Issuer's independent auditor.

FORWARD-LOOKING STATEMENTS

This Offering Circular includes “forward-looking statements”. All statements other than statements of historical facts contained in this Offering Circular constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms, such as “anticipate”, “target”, “believe”, “can”, “would”, “could”, “estimate”, “expect”, “aim”, “intend”, “may”, “plan”, “will” “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding expected financial condition, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include, but are not limited to, statements as to the business strategy, revenue, profitability, planned projects and other matters as they relate to the Issuer and/or the Group discussed in this Offering Circular regarding matters that are not historical facts.

The factors that could cause the actual results, performances and achievements of the Issuer, or the Group or any member of the Group to be materially different include, among others:

- uncertainties relating to the Group’s reliance on its largest customer and controlling shareholder;
- uncertainties relating to the Group’s ability to expand its herd size and its position in the dairy farming industry;
- the actions and developments of the Group’s competitors;
- changes in global economic and social conditions;
- changes in the world political situation;
- changes in economic and political conditions and increases in regulatory burdens in the PRC and other countries in which the Group operates, transacts business or has interests;
- accidents and natural disasters;
- changes in import controls or import duties, levies or taxes, either in international markets or in the PRC;
- changes in laws, regulations, taxation or accounting standards or practices and any related liabilities or compliance costs or obligations;
- currency, interest rate, price and credit risks;
- changes in prices or demand for products or raw materials produced or used by the Issuer or its subsidiaries or affiliates, both in the PRC and in international markets, as a result of competitive actions or economic factors, such as inflation or exchange rate fluctuations;
- the risks of increasing expenditures and investments;
- uncertainty of technological change;
- the ability of third parties to perform in accordance with contractual terms and specifications;

- acquisitions or divestitures;
- potential disputes; and
- other factors, including those discussed in “*Risk Factors*”.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in “*Risk Factors*” below and elsewhere in this Offering Circular. The Issuer cautions investors not to place undue reliance on these forward-looking statements which reflect its management’s view only as at the date of this Offering Circular. The Issuer does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Offering Circular might not occur.

TABLE OF CONTENTS

	Page
NOTICE TO INVESTORS	i
CERTAIN DEFINED TERMS AND CONVENTIONS.....	ix
PRESENTATION OF FINANCIAL INFORMATION	xiii
FORWARD-LOOKING STATEMENTS	xiv
SUMMARY	1
SUMMARY OF THE OFFERING	5
SUMMARY FINANCIAL INFORMATION OF THE GROUP	10
RISK FACTORS	15
TERMS AND CONDITIONS OF THE BONDS	50
SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM	72
DESCRIPTION OF THE SUSTAINABLE FINANCE FRAMEWORK	75
USE OF PROCEEDS	84
CAPITALISATION AND INDEBTEDNESS	85
CORPORATE STRUCTURE OF THE GROUP	86
SUBSTANTIAL SHAREHOLDERS	87
BUSINESS	89
DIRECTORS AND MANAGEMENT	114
EXCHANGE RATE INFORMATION	122
TAXATION	124
SUBSCRIPTION AND SALE	128
GENERAL INFORMATION	134
INDEX TO FINANCIAL STATEMENTS	F-1

SUMMARY

The summary below is only intended to provide a limited overview of information described in more detail elsewhere in this Offering Circular. As it is a summary, it does not contain all the information that may be important to investors. Prospective investors should therefore read this Offering Circular in its entirety, including the section entitled “Risk Factors”, before making an investment decision. Terms defined elsewhere in this Offering Circular shall have the same meanings when used in this summary.

OVERVIEW

The Group is a leading dairy farming operator and raw milk producer in the industry in China in terms of herd size and volume of annual production. The Group’s corporate vision is “deploying the whole industry chain, being innovative with digital intelligence, and being a global dairy farming leader”. The Group remains committed to raw milk production as its core business while guiding its development through digitalisation and ecological practices. The Group’s operations span the entire dairy industry chain, encompassing dairy farming, feed production, forage plantation, breeding business, and a digital intelligence platform for the value chain, and this comprehensive approach lays a solid foundation for the Group’s sustainable and stable growth. As of 31 December 2024, the Group operated 47 farming companies in China with dairy cows of 491,169 heads and annual milk yield for the year ended 31 December 2024 was 3.005 million tons.

The Group is listed on the Main Board of the Hong Kong Stock Exchange since November 2010 (Stock Code: 1117). As at 31 December 2024, the Group’s market capitalisation was HK\$7.3 billion.

The Group relentlessly focused on food safety, product quality, as well as operating efficiency. The Group has continued to lead in driving modernisation of the overall dairy through, employment of modern farming, development of large-scale farms, use of technologies and improving genetics, amongst others. Every procedure in the production of raw milk e.g. milking, refrigeration and transportation was completed with monitoring measures and the strictest standard was adopted to guarantee the quality of raw milk.

The Group pioneered the production model of “Zero-distance Integration of Forage Grass Planting, Cows Breeding and Milk Processing within Two Hours”, being the first in the PRC with an integrated production model certified by Société Générale de Surveillance (“SGS”). The Group is the first company in China that passed the “Quality Milk Project” for both its pasteurised milk and UHT milk. Its 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 twelve consecutive years as at 31 March 2025. The Group was awarded the “National Key Leading Enterprise of Agricultural Industrialisation”, the “National Agricultural Standardisation Demonstration Zone”, “Agricultural and Rural Informatisation Model Base” by the Ministry of Agriculture and Rural Affairs, becoming the first company in China to win the gold medal of the World Food Quality Evaluation Conference for 12 consecutive years, and the first animal farming group in China to pass the “Quality Milk Project – Accredited Milk” acceptance. The brand “現代牧業” (Modern Dairy) has been shortlisted as the “Strategic Partner of China’s Aerospace Industry”.

The Group has established comprehensive strategic partnership with Mengniu, its controlling shareholder and major customer. The strategic partnership with Mengniu brings numerous benefits to the Group, including guaranteed raw milk sale via the Off-Take Agreement, and sharing of internal resources strengthens its synergies with Mengniu in terms of sales, cost control (via the enhancement of

market confidence and its bargaining power with third party feed suppliers) and resources utilisation (by Mengniu sharing and exchanging experience in aspects such as personnel training, information empowerment and smart farm management). To date, as the largest raw milk supplier to Mengniu, the Group has been assisting Mengniu to consolidate its raw milk supply platforms. As at 31 December 2024, more than 30 per cent. of Mengniu daily raw milk intake was supplied by the Group.

The Group has been expanding its herd size and production in a stable manner to attain sustainable business growth and creating a vertically integrated upstream dairy farming enterprise by integrating the upstream and downstream business, thereby building a full chain of raw milk production from forage cultivation, dairy farming, feed processing to sales. The below recent strategic acquisitions of Fuyuan, Zhongyuan, Aiyangniu and Yunyangniu enabled the Group to achieve synergies and to improve the Group's capability to provide information technology solutions, which in turn increases the Group's overall competitiveness, lowers the operating costs and benefits the financial performance the Group:

- In July 2021, the Group completed the acquisition of Zhongyuan, which was principally engaged in cow breeding, farm management and operation, and milk production and sale in the PRC.
- In November 2021, the Group completed the acquisition of Fuyuan, whose principal businesses were forage cultivation, dairy farming, feed processing, and sales in the PRC.
- In June 2022, the Group completed the acquisition of Aiyangniu which operated the Aiyangniu Platform, which integrated resources from more than 1,000 suppliers for the leading market players in the dairy farming industry in the PRC.
- In April 2023, the Group completed the acquisition of Yunyangniu which was principally engaged in software research and development, hardware research and development and providing AIOT (Artificial Intelligence of Things) intelligent solutions for agriculture and animal husbandry.

COMPETITIVE STRENGTHS

- A global leader in the dairy farming sector with modernised business model to produce high-quality raw milk
- Well-positioned to seize the development opportunities and to capture the growth momentum of the PRC dairy industry
- Consistent growth through a long standing strategic and mutually beneficial partnership with Mengniu
- Strong track record in delivering operating efficiency improvement
- Eco-friendly production supports sustainable development
- Diversified funding channels with strong track record in deleveraging
- Experienced management team and sound corporate governance

BUSINESS STRATEGIES

The Group's corporate vision is "deploying the whole industry chain, being innovative with digital intelligence, and being a global dairy farming leader". The Group is committed to raw milk production as its core business while guiding its development through digitalisation and ecological practices. Pursuing the mission of "raising healthy cows, safeguarding each and every drop of milk", the Group is dedicated to the health of the public in the PRC.

RECENT DEVELOPMENTS

Profit Warning Announcement

On 22 June 2025, the Company published a profit warning announcement (the "**Announcement**") on the Hong Kong Stock Exchange, informing the shareholders of the Company and potential investors that, based on the assessment by the board of directors of the Company (the "**Board**") of the latest available unaudited consolidated management accounts of the Group (the "**Management Accounts**"), for the six-month period ending 30 June 2025 (the "**Period**"), the Group is expected to record a net loss in the range between RMB800 million to RMB1,000 million, as compared to a net loss of RMB207 million for the six-month period ended 30 June 2024 (the "**2024 Same Period**"). The Group is expected to record a cash EBITDA for the Period similar to that of the 2024 Same Period, which was RMB1,515 million.

During the Period, there was no obvious improvement in the situation of phased oversupply of domestic raw milk, and the selling price of raw milk in the domestic raw milk market remained at a low level and decreased significantly as compared to the 2024 Same Period. The decrease in the selling price of raw milk of the Group was basically comparable to that of the market. On the other hand, the operation costs of the Company have been under control and reduced through bulk commodity procurement strategy, precision feeding and adjustment to feed formula, as well as enhancing the control and management of the cost expenditures. During the Period, the cost of sales per kilogram of milk is expected to decrease by more than RMB0.22/kg as compared to the 2024 Same Period, while the sales volume of raw milk of the Group is expected to increase by approximately 10 per cent. as compared to the 2024 Same Period, which offsets the impact arising from the decrease in the selling price of raw milk.

However, the Group is expected to record a significant increase in loss for the Period as compared to that of the 2024 Same Period, due to the following factors. During the Period, the Group proactively culled low-producing and inefficient cows to improve the herd structure and stabilise the core herd, resulting in an improvement in key operational indicators. It is expected that the total number of dairy cows of the Group as of 30 June 2025 will slightly decrease as compared to that at the end of 2024, but the proportion of milkable cows in the total number of dairy cows will increase to 53 per cent., and the average annualized yield of milkable cows will exceed 13 tonnes/head. As a result of the increase in the number of culled cows and the decrease in selling price in the raw milk market, it is expected that a loss will be incurred in the revaluation of the fair value of dairy cows, which will ultimately result in a loss arising from changes in the fair value less costs to sell of dairy cows in the range of RMB1,650 million to RMB1,850 million, an increase in the range of RMB500 million to RMB700 million as compared to the 2024 Same Period.

However, the loss in re-assessment in fair value of dairy cows is a non-cash item, which will not have a material adverse effect on the cash flows, working capital and going concern of the Group.

The Group has taken effective measures to reduce costs and enhance efficiency, and has also achieved significant cost-saving benefits. The Group believes that as the demand for dairy products recovers, the supply and demand in the raw milk market will become stable and balanced, and the selling price of raw milk is expected to be in a stable recovery, which will significantly enhance the Group's profitability, achieve high-quality sustainable growth and continue to create value for its shareholders.

Information contained in the Announcement is based solely on the preliminary assessment by the Board upon reviewing the Management Accounts of the Group and the information currently available to the Board, and does not form part of this Offering Circular. Such information has not been audited or reviewed by the independent auditors of the Company and may be subject to adjustments.

The overall financial results of the Group for the Period will only be ascertained when all the relevant results and accounting treatments are finalised. The Company expects to publish the interim results announcement of the Group for the six months ending 30 June 2025 by the end of August 2025.

Change of Auditor

On 14 May 2025, the Board announced that Deloitte Touche Tohmatsu will retire as the auditors of the Company upon expiration of its current term of office at the conclusion of the annual general meeting of the Company to be held on 12 June 2025 (the "AGM"). The Board has also resolved to propose the appointment of KPMG as the new auditors of the Company. Deloitte Touche Tohmatsu has confirmed in writing that there are no matters or circumstances that need to be brought to the attention of the shareholders of the Company in relation to the above change. The Board has also confirmed that there are no disagreements or outstanding matters between the Company and Deloitte Touche Tohmatsu, and the Board is not aware of any other matters in relation to the change of auditors that need to be brought to the attention of the shareholders or creditors of the Company.

On 12 June 2025, the shareholders of the Company approved the proposed appointment of KPMG as the new auditors of the Company at the AGM.

SUMMARY OF THE OFFERING

The following is a brief summary of the terms of this offering and is qualified in its entirety by the remainder of this Offering Circular. The Conditions prevail to the extent of any inconsistency set forth in this section. This summary is not intended to be complete and does not contain all of the information that is important to an investor. Words and expressions defined in “Terms and Conditions of the Bonds” and “Summary of Provisions Relating to the Bonds in Global Form” shall have the same meanings in this summary. For a more complete description of the terms of the Bonds, see “Terms and Conditions of the Bonds” in this Offering Circular.

Issuer	China Modern Dairy Holdings Ltd.
Issue	U.S.\$350,000,000 4.875 per cent. Bonds due 2030.
Issue Price	99.375 per cent.
Form and Denomination	The Bonds will be issued in registered form in specified denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.
Interest	The Bonds will bear interest on their outstanding principal amount from and including the Issue Date at the rate of 4.875 per cent. per annum, payable semi-annually in arrear on 10 January and 10 July in each year in equal installments, commencing on 10 January 2026.
Issue Date	10 July 2025.
Maturity Date	10 July 2030.
Status	The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4 of the Conditions) unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4 of the Conditions, at all times rank at least equally with all the Issuer’s other present and future unsecured and unsubordinated obligations. See “ <i>Terms and Conditions of the Bonds – Status</i> ”.
Negative Pledge	The Bonds will contain a negative pledge provision as further described in Condition 4(a) of the Conditions. See “ <i>Terms and Conditions of the Bonds – Negative Pledge and Relevant Indebtedness Covenants</i> ”.

Events of Default Upon the occurrence of certain events as described in Condition 9 of the Conditions, the Trustee at its discretion may, and if so requested in writing by holders of at least 25 per cent. of the aggregate principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (provided in any such case that the Trustee shall have first been indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer that the Bonds are, and they shall immediately become, due and payable at their principal amount together (if applicable) with any accrued but unpaid interest.

Taxation All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without set-off or counterclaim and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Cayman Islands or the PRC, or in each case, any political subdivision or authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

Where such withholding or deduction is made by the Issuer by or within the PRC at the rate up to and including the aggregate rate applicable on 2 July 2025 (the “**Applicable Rate**”), the Issuer will increase the amounts paid by it to the extent required, so that the net amount received by Bondholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required.

If (i) the Issuer is required to make a deduction or withholding for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the PRC in excess of the Applicable Rate, or (ii) the Issuer is required to make any deduction or withholding for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Cayman Islands, the Issuer shall pay such additional amounts (the “**Additional Tax Amounts**”) as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required as further described in the “*Terms and Conditions of the Bonds – Taxation*”.

Final Redemption	Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Maturity Date.
Redemption for Taxation Reasons	The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at their principal amount (together with accrued interest up to but excluding the date fixed for redemption), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that (i) it has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 of the Conditions as a result of any change in, amendment or non-renewal of, or judicial decision relating to, the laws or regulations of the Cayman Islands or the PRC, or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 2 July 2025, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it. See “ <i>Terms and Conditions of the Bonds – Redemption and Purchase – Redemption for Taxation Reasons</i> ”.
Redemption for a Change of Control Triggering Event	At any time following the occurrence of a Change of Control Triggering Event, the holder of any Bond will have the right, at such holder’s option, to require the Issuer to redeem all, but not some only, of that holder’s Bonds on the Put Settlement Date at 101 per cent. of their principal amount, together with accrued interest up to but excluding the Put Settlement Date. See “ <i>Terms and Conditions of the Bonds – Redemption and Purchase – Redemption for a Change of Control Triggering Event</i> ”.
Redemption at the Option of the Issuer	The Issuer may, at its option, redeem all, but not some only, of the Bonds at any time prior to 10 June 2030 (the “Par Call Date”) at their Make Whole Price as of, together with interest accrued and unpaid to, the Make Whole Option Redemption Date. In addition, the Issuer may, at its option, redeem all, but not some only, of the Bonds at any time on or after the Par Call Date, at a redemption price equal to 100 per cent. of the principal amount of the Bonds, together with interest accrued and unpaid to, the date fixed for redemption. See “<i>Terms and Conditions of the Bonds – Redemption and Purchase – Redemption at the Option of the Issuer</i>”.

Cross-Default	The Bonds will contain a cross-default provision as further described in Condition 9(c) of the Conditions. See “ <i>Terms and Conditions of the Bonds – Events of Default – Cross-Default</i> ”.
Clearing Systems	The Bonds will initially be evidenced by a Global Certificate in registered form, which will be registered in the name of a nominee of, and shall be deposited on or about the Issue Date with, a common depositary on behalf of Euroclear and Clearstream. Beneficial interests in the Global Certificate will be shown on, and transfer thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described in this Offering Circular, individual certificates for Bonds will not be issued in exchange for interests in the Global Certificate.
Clearance and Settlement	The Bonds have been accepted for clearance by Euroclear and Clearstream under the following codes: ISIN: XS3099223284 Common Code: 309922328
Legal Entity Identifier of the Issuer	549300TAELI2JXTKK009.
Governing Law	English law.
Jurisdiction	Exclusive jurisdiction of Hong Kong courts.
Trustee	China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司)
Registrar	China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司)
Principal Paying Agent and Transfer Agent	China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司)
Listing	Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds by way of debt issues to Professional Investors only.
Ratings	The Bonds are expected to be assigned a rating of BBB by S&P. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by S&P.

Further Issues	The Issuer may from time to time without the consent of the Bondholders create and issue further bonds either having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date, first payment of interest on them and the timing for registering and completing the NDRC Post-Issuance Filing and the corresponding notification thereof) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds, all as further described in Condition 15 of the Conditions. See “ <i>Terms and Conditions of the Bonds – Further Issues</i> ”.
Use of Proceeds	See “ <i>Use of Proceeds</i> ”.
Selling Restrictions	The Bonds have not been and will not be registered under the Securities Act or under any state securities laws of the United States and will be subject to customary restrictions on transfer and resale. Subject to certain exceptions, the Bonds may not be offered or sold within the United States. The Bonds are being offered only outside the United States in reliance on Regulation S of the Securities Act. See “ <i>Subscription and Sale</i> ”.
Sustainable Finance Framework . . .	The Bonds are being issued as “Sustainability Bonds” under the Framework. See “ <i>Description of the Sustainable Finance Framework</i> ”.

SUMMARY FINANCIAL INFORMATION OF THE GROUP

The following tables set forth the summary consolidated financial information of the Group as at and for the periods indicated.

The summary audited consolidated financial information as at or for the years ended 31 December 2022, 2023 and 2024 set forth below is derived from Company's audited consolidated financial statements as at and for the years ended 31 December 2023 (as disclosed in the Company's 2023 annual report) and 2024 (as disclosed in the Company's 2024 annual report) and should be read in conjunction with such audited consolidated financial statements together with the related notes thereto, as audited by Deloitte Touche Tohmatsu, independent certified public accountants of the Group.

AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the year ended 31 December		
	2022	2023	2024
	(in thousands of RMB)		
Revenue	12,295,091	13,458,223	13,254,341
Cost of sales	(11,915,660)	(13,008,256)	(12,759,500)
Gains arising on initial recognition of raw milk at fair value less costs to sell at the point of harvest	2,887,548	2,678,046	2,956,624
Gross profit	3,266,979	3,128,013	3,451,465
Loss arising from changes in fair value less costs to sell of dairy cows	(988,215)	(1,280,373)	(2,862,562)
Impairment loss on goodwill	—	—	(599,240)
Other income	201,559	221,126	278,252
Impairment losses under expected credit loss model, net of reversal	(1,995)	(17,278)	(18,686)
Other gains and losses, net	(376,662)	5,173	84,811
Selling and distribution costs	(369,887)	(377,784)	(445,108)
Administrative expenses	(730,203)	(852,386)	(766,215)
Other expenses	(42,386)	(72,309)	(78,097)
Share of results of associates and a joint venture	15,410	(3,939)	9,842
Profit (loss) before finance costs and tax	974,600	750,243	(945,538)
Finance costs	(379,559)	(521,247)	(528,674)
Profit (loss) before tax	595,041	228,996	(1,474,212)
Income tax (expense) credit	(14,775)	(43,562)	4,777
Profit (loss) for the year	580,266	185,434	(1,469,435)

	For the year ended 31 December		
	2022	2023	2024
	(in thousands of RMB)		
Other comprehensive (expense) income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Fair value loss on investments in equity instruments at fair value through other comprehensive income ("FVTOCI")	(14,573)	(48,887)	(16,974)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations	21,332	4,839	4,390
Other comprehensive income (expenses) for the year, net of income tax	6,759	(44,048)	(12,584)
Total comprehensive income (loss) for the year	587,025	141,386	(1,482,019)
Profit (loss) for the year attributable to:			
Owners of the Company	562,497	175,159	(1,416,753)
Non-controlling interests	17,769	10,275	(52,682)
	<u>580,266</u>	<u>185,434</u>	<u>(1,469,435)</u>
Total comprehensive income (loss) for the year attribute to:			
Owners of the Company	569,067	131,091	(1,429,282)
Non-controlling interests	17,958	10,295	(52,737)
	<u>587,025</u>	<u>141,386</u>	<u>(1,482,019)</u>
Earnings (loss) per share (RMB)			
Basic	7.16 cents	2.23 cents	(18.09) cents
Diluted	7.13 cents	2.21 cents	(18.09) cents
	<u>7.16 cents</u>	<u>2.23 cents</u>	<u>(18.09) cents</u>
	<u>7.13 cents</u>	<u>2.21 cents</u>	<u>(18.09) cents</u>
AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
	As at 31 December		
	2022	2023	2024
	(in thousands of RMB)		
Non-current assets			
Property, plant and equipment	5,702,907	6,264,934	7,549,795
Right-of-use assets	1,256,949	2,198,546	2,559,449
Goodwill	2,406,658	2,417,915	1,819,377
Other intangible assets	45,258	40,866	37,353
Interests in associates and a joint venture	458,917	771,047	615,712
Equity instruments at FVTOCI	106,229	57,342	40,368
Biological assets	10,631,171	11,927,977	12,435,776
Prepayments	29,936	12,914	36,015
Derivative financial instruments	19,154	117,991	179,846
Pledged bank deposits	–	32,089	–
Bank balances	236,281	677,843	577,498
Deferred tax assets	827	6,677	10,704
	<u>20,894,287</u>	<u>24,526,141</u>	<u>25,861,893</u>

	As at 31 December		
	2022	2023	2024
	(in thousands of RMB)		
Current assets			
Inventories	3,379,346	2,940,968	3,130,762
Trade and other receivables and prepayments.	2,183,907	1,935,932	1,840,205
Derivative financial instruments	22,202	460	–
Pledged bank deposits	187,339	9,913	31,017
Bank balances	2,125,628	1,963,627	3,059,213
	7,898,422	6,850,900	8,061,197
Assets classified as held for sale	28,644	17,203	17,460
	7,927,066	6,868,103	8,078,657
Current liabilities			
Derivative financial instruments	14,388	3,017	–
Trade and other payables	3,288,701	5,534,188	5,364,424
Tax payable	5,004	42,309	4,869
Bank borrowings	4,831,164	2,206,484	2,371,072
Other borrowings.	22,704	353,251	559,491
Short term debenture.	100,522	–	–
Long term bonds	34,944	35,536	32,476
Lease liabilities.	111,392	238,925	238,667
Other liabilities.	4,573	9,856	27,179
Contract liabilities	43,204	26,648	13,687
Deferred income	11,563	12,570	17,855
	8,468,159	8,462,784	8,629,720
Net current liabilities	(541,093)	(1,594,681)	(551,063)
Total assets less current liabilities	20,353,194	22,931,460	25,310,830

	As at 31 December		
	2022	2023	2024
	(in thousands of RMB)		
Non-current liabilities			
Derivative financial instruments	43,646	17,342	1,083
Other payables	–	5,201	3,121
Bank borrowings	3,752,421	5,183,959	6,888,188
Other borrowings	271,115	193,974	1,385,597
Long term bonds	3,458,072	3,523,467	3,226,314
Lease liabilities	956,653	1,781,170	2,195,031
Other liabilities	–	160,531	253,122
Deferred tax liabilities	22,454	13,389	10,375
Deferred income	205,533	209,663	225,203
	8,709,894	11,088,696	14,188,034
	20,353,194	22,931,460	25,310,830
Capital and Reserves			
Share capital	675,869	675,869	675,869
Reserves	10,588,248	10,525,116	8,855,143
Equity attributable to owners of the Company	11,264,117	11,200,985	9,531,012
Non-controlling interests	379,183	641,779	1,591,784
Total equity	11,643,300	11,842,764	11,122,796

OTHER UNAUDITED FINANCIAL DATA OF THE COMPANY

	For the year ended 31 December		
	2022	2023	2024
	(in millions of RMB, except percentages/ratios)		
Other Financial Data:			
Cash EBITDA ⁽¹⁾	2,740	2,496	2,986
Cash EBITDA margin ⁽²⁾	22.3%	18.5%	22.5%
Total borrowings ⁽³⁾	12,470.9	11,496.7	14,463.1
Net borrowings ⁽⁴⁾	9,921.7	8,813.2	10,795.4
Total borrowings/Cash EBITDA	4.6	4.6	4.8
Net borrowings/Cash EBITDA	3.6	3.5	3.6
Cash EBITDA/Interest ⁽⁵⁾	7.4	5.8	6.9
Total borrowings/Total capitalisation ⁽⁶⁾	51.7%	49.3%	56.5%

- (1) Cash EBITDA (non-IFRS financial measure) is defined as earnings before finance costs and tax having added back: i) depreciation and amortisation charged to profit and loss; ii) other gains and losses, net; iii) impairment losses under expected credit loss model, net of reversal; iv) loss arising from changes in fair value less costs to sell of dairy cows; and v) impairment loss on goodwill. Cash EBITDA or EBITDA are not standard measures under IFRS. EBITDA is a widely used financial indicator of a company's ability to incur and service debt. Cash EBITDA or EBITDA should not be considered in isolation or construed as an alternative to cash flows, profit attributable to owners of the Company or any other measure of performance or as an indicator of the Group's operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. Cash EBITDA has been included herein because the Group believes that it is a useful supplement to cash flow data as a measure of its performance and ability to generate cash from operations to cover debt service and taxes. Cash EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Investors should not compare the Group's Cash EBITDA to EBITDA or similarly titled measures presented by other companies because not all companies use the same definition.
- (2) Cash EBITDA margin is calculated as Cash EBITDA divided by revenue.
- (3) Total borrowings are calculated as the total of bank borrowings, other borrowings, short term debenture and long term bonds.
- (4) Net borrowings are calculated as total borrowings less pledged bank deposits and bank balances.
- (5) Interest is calculated as total borrowing cost excluding interest expenses on lease liabilities.
- (6) Total capitalisation equals total borrowings plus total equity.

RISK FACTORS

An investment in the Bonds is subject to a number of risks. Investors should carefully consider all of the information in this Offering Circular and, in particular, the risks described below, before deciding to invest in the Bonds. The following describes some of the significant risks that could affect the Issuer, the Group and the value of the Bonds. Some risks may be unknown to the Issuer and the Group and other risks, currently believed to be immaterial, could in fact be material. Any of these could materially and adversely affect the business, financial condition, results of operations and prospects of the Issuer and the Group. The market price of the Bonds could decline due to any of these risks, and investors may lose part or all of their investment. This Offering Circular also contains forward-looking statements that involve risks and uncertainties. The actual results of the Issuer or the Group could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this Offering Circular. The Group may be affected materially by requirements and restrictions that arise under PRC laws, regulations and government policies in nearly all aspects of its business in the PRC.

RISKS RELATING TO THE BUSINESS OF THE GROUP

The Group relies on its largest customers for the sale of its raw milk.

Leveraging on the strategic partnership with its controlling shareholder, Mengniu, the Group conducts its businesses with more competitive advantages than other peer companies. Modern Farming, a non-wholly owned subsidiary of the Issuer, entered into an Off-Take Agreement with, a non-wholly owned subsidiary of Mengniu, Inner Mongolia Mengniu, in 2008, pursuant to which the Group supplies raw milk to Inner Mongolia Mengniu for a term of 10 years commencing on 24 October 2008 and was automatically extended for another 10 years on 24 October 2018 to 23 October 2028. The Group derived revenues of RMB9,202 million, RMB9,518 million and RMB9,617 million from sales of raw milk to Mengniu Group in 2022, 2023 and 2024, respectively, accounting for approximately 74.8 per cent., 70.7 per cent. and 72.6 per cent., of the Group's total revenue during the same periods. The Group expects that raw milk sales to Mengniu Group may continue to represent a significant contribution to the annual sales of raw milk produced for the foreseeable future. Please refer to the section headed “*Business – Relationship with Mengniu*” in this Offering Circular.

In addition, the Group's strategic shareholder, New Hope, is its second largest shareholder as well as its second largest customer for the sale of its raw milk. The Group derived revenues of RMB663.5 million from sales of raw milk to New Hope for the year ended 31 December 2024, accounting for approximately 5.0 per cent., of the Group's total revenue during the same period. The Group expects that raw milk sales to New Hope may continue to represent a significant contribution to the Group's annual sales of raw milk produced for the foreseeable future. Please refer to the section headed “*Business – Relationship with New Hope*” in this Offering Circular.

There is no assurance that the Group would be able to maintain good business relationship and strategic partnerships with Mengniu Group and New Hope or the Group will continue to benefit from its cooperation with Mengniu Group and New Hope in the future. Given Mengniu Group and New Hope have contributed and may continue to represent a significant portion of its annual sales of raw milk produced, if the Group's relationship with Mengniu Group or New Hope deteriorates or is terminated, or if it fails to maintain the relationship on commercially viable terms, or if Inner Mongolia Mengniu or New Hope breaches their agreements in respect of raw milk supply with the Group and does not purchase raw milk in part or entirely from it, the Group will need to source other business partners and

may not be able to locate alternative business partners within a short period of time. Consequently, the Group's ability to maintain its historical level of sales may be materially and adversely affected, which would in turn impact on the business, financial performance and prospects of the Group. In addition, if Mengniu or New Hope were to fail to make timely payments, the Group may be unable to recover significant amounts of trade receivables, and its cash flows and financial position would be adversely affected.

Actual or perceived food safety issue or product contamination could harm the Group's business and reputation and subject it to product liability claims and regulatory actions.

The Group's results of operations and financial condition could be materially and adversely affected by product contamination or reported to be associated with any food safety incidents. There is no assurance that contamination will not occur during the production or transportation of its products. Furthermore, the mere publication of information alleging that its products contain or have contained any contaminants, or adverse publicity about the quality of its products could damage the Group's reputation and have a material adverse effect on it, regardless of whether such publication or publicity has any factual basis.

When the Group's products are delivered to customers, they undergo standard quality and safety inspections. If its products are found to be contaminated during the inspection process, the Group could face delivery rejections or product returns or even claims for damages, which could reduce sales and damage relationships with customers. Following the delivery of products to customers, the Group's products are used in its customers' downstream production. If their downstream products are contaminated, and if the contamination can ultimately be traced back to the Group's products, the Group could be subject to product liability claims by customers and end consumers for damages, including without limitation, medical expenses, disability and wrongful death. In addition, the contamination of its products may result in product recalls, serious damage to the Group's reputation, brand name and consumer confidence in its products, as well as loss of revenues.

In addition to product liability claims, if its products are found to be contaminated, the Group may be subject to regulatory actions. If the Group were found to have violated the Food Safety Law of the PRC (中華人民共和國食品安全法), the Group could be subject to penalties, including monetary fines, confiscation of illegal gains, income and foodstuffs from the manufacturing or business activities, and of utensils, equipment, raw materials and other articles used for illegal business activities, and/or the revocation of licenses needed to conduct its business, which could materially and adversely affect the Group's results of operations and financial condition.

The Group's business and financial results are sensitive to market prices of the products it offers.

The profitability of the Group's operations is highly affected by the market prices of raw milk. Under its raw milk supply agreements, the prices of raw milk are generally determined by a quality-based scheme set up by its customers, where the prices of raw milk are benchmarked against the prevailing market prices of raw milk of similar quality and attributes. Similarly, for its feed products and cow breeding products, the Group typically sets the prices at prevailing market prices of comparable products in China. Historically, prices of raw milk, feed products and cow breeding products in China have been volatile, primarily due to fluctuations in the supply and demand of these products. In addition, the market price of raw milk is subject to various other market forces and factors that are out of the Group's control, such as the quality of raw milk, the feed price, the supply and demand of the global dairy

market and the seasonality in the northern and southern hemispheres. If the prices for the Group's products decline in the future, and it is unable to sell more products and/or reduce its cost of sales, the Group's revenue will decrease, and its profitability will be adversely affected.

Fluctuations in prices of raw materials and unstable supply of raw materials could adversely impact on the Group's business, profitability and results of operations.

The raw materials that the Group requires mainly include forage grass to supply its dairy farms and feedstuffs and raw feed materials. For instance, cost of feeds amounted to RMB2.33, RMB2.34 and RMB1.95 per kg for the years ended 31 December 2022, 2023 and 2024, respectively, accounting for 78.5 per cent., 80.1 per cent. and 77.1 per cent. of the unit cost of sales of raw milk respectively. There is no assurance that the Group's raw material suppliers will continue their business relationship with it and deliver sufficient raw materials in a timely manner on commercially acceptable terms, or at all. In the event that the Group's agreements with these suppliers are terminated, interrupted, or adversely modified, there is no assurance that the Group is or will be able to secure alternative sources of raw materials with comparable prices or amounts on terms favorable to it, or at all. Any loss of the Group's major suppliers could result in delay of its production and/or increase in its cost of sales, thereby materially and adversely affecting its business and financial position.

The Group is also exposed to the risk of fluctuation in market prices of raw materials. If the Group is unable to effectively manage the price fluctuations or transfer the increased costs to customers or adjust its procurement strategy, any significant increase in the prices of raw materials would adversely impact its profit margin.

Moreover, supplies of raw materials are subject to a variety of factors beyond the Group's control. Such factors include demand and supply dynamics, suppliers' business performance, government control, overall economic conditions, weather conditions, various plant diseases, pests and other acts of nature, all of which may have an impact on the availability of raw materials and their respective market prices. While the Group has not experienced any major disturbances to raw materials supply in the past, there is no assurance that the Group will be able to continue to obtain sufficient quantities of raw materials at acceptable prices.

The outbreak of any diseases among the Group's dairy cows or at neighboring farms could materially and adversely affect its business.

A major outbreak of any illness or disease at any of the Group's dairy farms could have a significant adverse impact on its raw milk production capacity and volume. The source of diseases may include its employees, feed supplies, visitors to the dairy farms, contaminated water and pathogens transmitted through the air. The Group vaccinates different groups of dairy cows according to the different stages of their growth at its dairy farms. However, there is no guarantee that animal diseases, including but not limited to foot-and-mouth disease, will not occur at the Group's dairy farms or the Group will not fail to monitor or detect any illness or diseases among its dairy cows or at neighboring farms. Any major outbreak of illness or diseases, including those mentioned above, at any of the Group's dairy farms may lead to significant shortfalls in its raw milk production. The Group may also be required to suspend its business operations temporarily during any major outbreaks and examine all of its dairy cows. The Group maintains insurance policies to cover cattle deaths caused by diseases and the Group may also receive government compensation in the event of an outbreak of a disease. However, there is no assurance that these will be sufficient compensation to cover all of the Group's losses, particularly intangible losses including damage to reputation and corporate image. In addition, an outbreak of any

dairy cow's disease at neighboring farms could result in concerns of the public and the Group's customers, which could in turn adversely impact its sales, reputation and results of operations. In the event of any such outbreak, the Group's business, financial condition and results of operations could be materially and adversely affected.

The Group's inability to guarantee frozen bovine semen for dairy cattle may have an adverse effect on its business and growth prospects.

To genetically improve its herd of dairy cows, the Group mainly procures high quality frozen semen for bulls from third party suppliers. Should its supply of frozen bovine semen for dairy cattle be disrupted or the quality of such frozen bovine semen for dairy cattle be deteriorated for any reasons, the genetic quality of the Group's herd, and in turn, the quality and yield of raw milk may decline and fail to meet the demands of customers. As a result, the Group's business, results of operations and future growth prospects may be adversely affected.

The Group is subject to credit risk in collecting the trade and bill receivables and other receivables due from the customers.

For its raw milk business, the Group normally allows a credit period of 30 days upon invoice date to customers. Historically, the Group has not experienced material collection issues in connection with its trade and bill receivables. However, there is no assurance that all such amounts due to it will be settled on time. Accordingly, the Group faces credit risk in collecting the trade and bill receivables due from the customers. The Group's performance, liquidity and profitability will be adversely affected if significant amounts due to the Group are not settled on time. The bankruptcy or deterioration of the credit condition of any of its major customers could also materially and adversely affect the Group's business.

The Group faces intensive competition in its businesses and may not be able to compete successfully against its existing and future competitors.

The Group operates in highly competitive markets in China. For its main business, i.e. raw milk business, the Group primarily competes with other large-scale dairy farms in China. In addition, the raw milk business is subject to rapid changes. Some of the Group's current competitors have, and future competitors may have, greater financial, technical or marketing resources, longer operating histories, greater brand recognition or larger customer base than the Group. Its competitors may also enter business combinations or alliances that strengthen their competitive positions. Increased competition may reduce the Group's market share and profitability and require the Group to increase its marketing and promotional efforts and capital commitment in the future, which could negatively affect the Group's results of operations or force it to incur further losses.

The Group relies upon irrigation systems and public water sources and a loss of access to public water sources could have detrimental effects on its ability to produce forage grass.

The Group has expanded into the feeds and forage grass business, engaged in farming, harvesting, and milling operations relating to forage grass to be utilized for cattle feed. The Group relies on water sourced from its irrigation systems, which divert water from streams and development tunnels into a network of ditches, tunnels, flumes, siphons and reservoirs. In the event that the government or another

regulatory body limits the Group's ability to divert stream waters to its irrigation systems, it could have an adverse impact on the Group's ability to continue with its farming operations which may in turn affect its feeds and forage grass business and the overall business operation of the Group.

Adverse weather and other farming conditions, including climate change, may adversely affect the availability, quality and price of agricultural commodities and agricultural commodity products, as well as the Group's operating results.

Adverse weather conditions have historically caused volatility in the agricultural commodity industry and consequently in farming companies' operating results by causing crop failures or significantly reduced harvests, which may affect the supply and pricing of the agricultural commodities that the Group sells and uses in its other business.

Additionally, the potential physical impacts of climate change are uncertain and may vary by region. These potential effects could include changes in rainfall patterns, water shortages, changing sea levels, and changing temperature levels that could adversely impact the Group's costs and business operations, the location, costs and competitiveness of global agricultural commodity production and related storage and processing facilities and the supply and demand for agricultural commodities.

The Group's results of operations are subject to fair value adjustments on its biological asset, which can be highly volatile and are subject to a number of assumptions.

The Group engages in agricultural activities by managing the biological transformation and harvest of its biological assets for sale or for conversion into agricultural products or into additional biological assets. The Group's results of operations, particularly its operating profit and profit of the year, have been and may in the future be significantly affected by biological asset fair value adjustments on its dairy cows. Any increase (decrease) in raw milk price will positively (negatively) affect both the revenue generated from selling raw milk and gains/losses arising from changes in fair value less costs to sell of dairy cows, hence making the results of operation volatile. For instance, during the year ended 31 December 2024, the Group recorded loss for the year of RMB1,469.4 million compared to a profit for the year of RMB185.4 million for the year ended 31 December 2023, partly due to the increase of the loss arising from changes in fair value less costs to sell of dairy cows which increased from RMB1,280.4 million for the year ended 31 December 2023 to RMB2,862.6 million for the year ended 31 December 2024. During the year ended 31 December 2024, the Group proactively accelerated the strategic elimination of low-yielding and inefficient cows to improve its herd structure. However, due to the decrease in market prices for eliminated cows and the market prices for raw milk, the re-assessment in fair value of the dairy cows recorded a relatively substantial loss, resulting in an increase in the loss arising from changes in fair value less costs to sell of dairy cows. Please also refer to the section headed "*Business – Recent Developments – Profit Warning Announcement*".

The fair value of the Group's biological assets at the end of each reporting period was determined by independent firm of professional valuers, using a number of assumptions that may vary from time to time. The fair value of the biological assets could be affected by, among others, the accuracy of those assumptions, as well as the quality of the Group's herd and changes in the dairy industry. Therefore, the resulting adjustments can be highly volatile. These assumptions may be more favorable than the actual historical rates. In addition, while these assumptions as adopted in the valuation process have been in line with the actual results, it cannot be assured that there will be no significant deviation in the future. In particular, upward adjustments and gains so recognised do not generate any cash inflow for the

Group's operations. As a result, when evaluating the Group's results of operations and profitability, investors should consider the Group's profits and margins without taking into account the effects of these biological assets fair value adjustments.

The Group may be unable to manage its future expansion and growth.

The Group's future growth depends on its ability to develop infrastructure and expand production capacity, which requires managerial, operational and financial resources. The Group's ability to manage future growth will depend on its ability to continue to implement and improve operational, financial and management systems and to expand, train, motivate and manage its workforce. There is no assurance that the Group's personnel, systems, procedures and controls will be adequate to support its future growth. Failure to effectively manage the Group's expansion may lead to increased costs and reduced profitability and may adversely affect its growth prospects.

In addition, as the Group expands its business into new regions, the Group may encounter regulatory, personnel, technique and other difficulties that may increase its expenses or may be unable to find suitable locations for production facilities, which could delay the Group's expansion plans or impair its ability to become profitable in these regions.

The Group faces risks and challenges associated with its acquisitions and investments.

From time to time, the Group acquires companies or businesses, enters into strategic alliances and joint ventures and makes investments, and plans to continue to seek opportunities to do so in the future as part of its expansion plan. In order to pursue this strategy successfully, the Group must effectively identify suitable targets for, and negotiate and consummate, acquisition or investment transactions, some of which may be large or complex, and manage post-closing issues such as the integration of acquired businesses, products, services or employees. For example, the Group completed several material acquisitions of Fuyuan, Zhongyuan, Aiyangniu and Yunyangniu from 2021 to 2023.

Risks associated with business combination and investment transactions include the following, any of which could adversely affect the Group's revenue, gross margin and profitability:

- Managing business combination and investment transactions often require significant management resources, including an experienced senior management team, which may divert their attention from other business operations.
- There is no assurance that the Group will be able to effectively manage loss-making businesses that it acquires or be able to transform them into profit-making businesses.
- The Group may not fully realise all of the anticipated benefits of any business combination and investment transaction, and the timeframe for realizing benefits of a business combination and investment transaction may depend partially upon the actions of employees, advisors, suppliers or other third parties beyond its control.
- Business combination and investment transactions may result in significant costs and expenses and charges to earnings, including those related to severance pay, early retirement costs, employee benefit costs, goodwill and asset impairment charges, charges from the elimination of duplicative

facilities and contracts, in-process research and development charges, inventory adjustments, assumed litigation and other liabilities, legal, accounting and financial advisory fees, and required payments to executive officers and key employees under retention plans.

- The Group's due diligence process may fail to identify significant issues with the acquired company's product quality, financial disclosures, accounting practices or internal control deficiencies.
- The Group may borrow to finance business combination and investment transactions, and the amount and terms of any potential future acquisition-related or other borrowings, as well as other factors, could affect its liquidity and financial condition.
- The Group may not be able to obtain sufficient debt or equity financing on terms acceptable to it or at all.
- If disputes arise in connection with business combination and investment transactions, such disputes may lead to litigation, which may be costly and divert resources of the Group.

Integration issues are often complex, time-consuming and expensive and, without proper planning and implementation, could significantly disrupt the Group's business, including the business acquired as a result of any business combination and investment transaction. The challenges involved in integration include:

- combining product and service offerings and entering or expanding into markets in which the Group is not experienced or is still developing expertise;
- combining different business models and managing different competitive landscapes;
- convincing customers and distributors that the transaction will not diminish client service standards or business focus, persuading customers and distributors not to defer purchasing decisions or switch to other suppliers (which could result in the Group incurring additional obligations in order to address customer uncertainty), minimizing sales force attrition;
- expanding and coordinating sales, marketing and distribution efforts;
- consolidating and rationalizing corporate IT infrastructure, which may include multiple legacy systems from various acquisitions and integrating software code and business processes;
- minimizing the diversion of management attention from ongoing business concerns;
- persuading employees that business cultures are compatible, maintaining employee morale and retaining key employees, integrating employees into the Group, correctly estimating employee benefit costs and implementing restructuring programs;
- coordinating and combining administrative, manufacturing, research and development and other operations, subsidiaries, facilities and relationships with third parties in accordance with local laws and other obligations while maintaining adequate standards, controls and procedures;
- achieving savings from supply chain integration; and

- managing integration issues after or pending the completion of other independent transactions.

The Group frequently reviews opportunities for further acquisition opportunities and partnerships in the ordinary course of business and expects to continue to do so in line with its strategies for continued growth. There is no assurance that acquisitions will occur in the future or the form in which any such acquisition will take. Future growth may be adversely affected if the Group is unable to make investments or to pursue acquisitions, or if investments and acquisitions prove unsuccessful.

As the scale and breadth of its business and operations grow, the Group faces greater challenges to manage its business, operations and growth in an effective manner, including challenges associated with demand forecasting, manufacturing resource planning, inventory management, regulatory compliance. If the Group is unable to meet these challenges, its business, results of operations and prospects could be unfavorably affected.

The Group's business operations and financial performance may be materially and adversely affected by natural disasters, epidemics, acts of war or terrorism or other factors beyond its control.

Any events of *force majeure*, natural disasters, epidemics (including avian influenza, severe acute respiratory syndrome (SARS), COVID-19, H1N1 influenza virus or Ebola), war or terrorist activities or other factors beyond its control may adversely affect the economy, infrastructure and livelihood of the people in the regions where the Group conducts business. These regions may be under the threat of flood, earthquake, sandstorm, snowstorm, fire or drought, power shortages or failures, or are susceptible to epidemics, potential wars or terrorist attacks. Serious natural disasters may result in a tremendous loss of life, injury and destruction of assets and may disrupt the Group's business and operations. Severe pandemic or epidemic disease outbreaks could lead to widespread health crises, which may materially and adversely affect the consumption markets and the national economy. War or terrorist activities may also injure the Group's employees, cause loss of life, or disrupt business operations. All these events, beyond the Group's control, may materially and adversely affect the business operations and financial performance of the Group.

Failure to maintain the quality and safety of its products could have a material and adverse effect on the Group's reputation, financial condition and results of operations.

The quality and safety of the products offered by the Group are critical to its success. The Group pays close attention to quality control, monitoring each step in the process through source control, process monitoring and terminal control based on the principle of "Four Don'ts": don't cooperate with unqualified client, don't stock unqualified raw feed materials, don't feed unqualified inventory of raw feed materials, don't release raw milk from farms that fail inspection. For more details, please see "*Business – Quality Control – Quality Control Overview*" in this Offering Circular. Yet, due to the scale of the Group's operations and the expansion of its businesses, maintaining consistent product quality depends significantly on the effectiveness of the Group's quality control system, which in turn depends on a number of factors, including but not limited to the design of its quality control system, employee training to ensure that employees adhere to and implement its quality control policies and procedures and the effectiveness of monitoring any potential violation of its quality control policies and procedures. There can be no assurance that the Group's quality control system will always be effective.

In the event of any failure in its quality control system, the Group may not be able to detect contaminations or defective products and may fail to prevent such defective products from being delivered to customers, which could cause the Group to suffer monetary losses or damage to its reputation.

In addition, the quality of the products or services provided by the Group's suppliers or service providers is subject to factors beyond its control, including the effectiveness and the efficiency of their quality control system, among others. There can be no assurance that the Group's suppliers or service providers will always be able to adopt appropriate quality control systems and meet the Group's stringent quality control requirements in respect of the products or services they provide. Any failure of its suppliers or service providers to provide satisfactory products or services could harm the Group's reputation and adversely impact its operations.

Adverse publicity concerning food safety of dairy products in China could have a negative impact on the PRC dairy industry and the Group's business.

There have been food safety incidents in China regarding contaminated dairy products produced by certain Chinese dairy manufacturers, undermining consumers' confidence in the PRC dairy industry. Negative publicity concerning food safety of dairy products in China, whether accurate or not, could result in loss of overall consumer confidence in dairy products produced in China. The PRC dairy farming industry, which provides raw milk to be processed by the downstream dairy processors, could also be adversely affected consequently, even in the cases where the relevant food safety issues resulted from downstream processing only.

If the consumer perception and market demand for dairy products produced in China are negatively impacted by publicity about food safety incidents, in particular those associated with the Group's existing and prospective customers, the operation of the business could also be adversely affected, resulting in a material adverse effect on the Group's business, results of operations and financial condition.

Disruptions of operations at the Group's production facilities could materially and adversely affect its business.

The Group's business depends on the smooth operations at its production facilities, including the dairy farms and plantation fields. For example, the Group's raw milk business depends on its ability to procure forage grass, manage its dairy farms, produce quality raw milk and timely deliver quality raw milk to its customers. Damage to or disruption at the Group's production facilities could materially and adversely affect its business. Such damage or disruption could result from the following factors, among other things:

- utility supply disruptions, terrorism, strikes or other *force majeure* events;
- forced closing or suspension of the Group's production facilities;
- inclement weather conditions;
- major disease outbreaks at the Group's dairy farms or their neighbouring farms;
- pollution of underground water resources;

- the Group's failure to comply with applicable regulations and quality assurance guidelines;
- interruption of the Group's information technology systems that facilitate the management of its dairy farms and feed production facilities;
- accidents in the Group's production facilities, including major equipment failures or fires, which may result in suspension of operations, property damage, severe personal injuries or even fatalities;
- opposition from, or disputes with, local communities with respect to the continued operation or further development or new development of the Group's dairy farms or plantations fields; and
- other production or distribution problems, including limitations to production capacity due to regulatory requirements, changes in the types of products produced or physical limitations that could impact continuous supply.

Historically, the Group has not experienced any material disruptions to its production facilities. However, there is no assurance that the events and factors mentioned above will not occur and result in a material disruption to the operations of the production facilities in the future. If the Group fails to take adequate steps to mitigate the likelihood or potential impact of such events or factors, or to effectively respond to such events or factors, its business, results of operations and financial condition could be materially and adversely affected.

The Group relies heavily on the sales of its raw milk in China and are subject to changes in consumer preferences and consumption structure.

The Group's success depends on its ability to anticipate, identify, interpret and react to the evolving consumption structure of the downstream dairy market in China. Sales of the Group's products could be affected by nutritional and health-related concerns about its products, such as fat, cholesterol, calorie, sodium, lactose, sucrose, bacteria and other ingredients contained in the products. Consumer preferences and consumption structure in the downstream dairy market are constantly changing and failure to anticipate, identify, interpret and react to these changes, or failure to generate consumer acceptance or recognition of the Group's new products, could lead to decreasing demand for and/or price reductions of the Group's products, which could materially and adversely affect its business, financial condition and results of operations.

Even if the Group does correctly anticipate, identify, interpret and react to these changes, there can be no assurance that demand for these new preferable products will grow to the extent as the Group expects, or that these desirable products will generate the returns as Group expects. If the Group is unable to respond to rapid changes in consumer preferences in a timely manner or at all, or if its competitors are able to address these concerns more effectively or efficiently, its business, financial condition and results of operations could be materially and adversely affected.

In addition, there may be factors beyond the Group's control which may affect the consumption trend in the PRC. In recent years, there has been increasing pressure on the PRC economy and despite the GDP of the PRC has kept growing during recent years, the growth rate decreased. Concerns over the PRC's deflation have grown recently which may result in the decrease in the consumer demand in all products,

including milk related products. There is no assurance that the PRC economy and the consumer demand would remain stable or in the event there would be deflation or decreased consumer demand, the Group's business, financial condition and results of operations could be materially and adversely affected.

The Group's ability to meet working capital requirements or obtain additional financing may be limited, which could delay or prevent the implementation of its growth strategies.

The Group has, to date, financed its working capital and capital expenditure needs primarily by managing its inventories, receivables and payables and bank loans from local banks. The Group's total bank and other borrowings as of 31 December 2022, 2023 and 2024 were RMB8,877.4 million, RMB7,937.7 million and RMB11,204.3 million, respectively. The Group may, in the future, require additional cash resources for the future acquisition plans as it plans to continue to expand business operations and production facilities and implement other growth strategies. Dairy farming industry is capital heavy, with mainly long term assets, such as fixed assets and biological assets and short-term or medium- to long-term liabilities, resulting in a mismatch between the assets and the liabilities. This is, same as other dairy farming companies, the case for the Group as well, and as at 31 December 2022, 2023 and 2024, the Group recorded net current liabilities of RMB541,093,000, RMB1,594,681,000 and RMB551,063,000 respectively. In recent years, the Group has been continuously optimising its debt structure to reduce the potential liquidity risks. However, there is no assurance that such measures would be effective as expected or at all. Additionally, there is no assurance that the Group will not experience working capital deficiencies or net cash outflows in the future. If its own financial resources are insufficient to satisfy its working capital requirements, the Group may need again to seek to obtain additional credit facilities or sell additional private or public equity or debt securities.

The Group's ability to raise additional capital will depend on the financial success of its business, the successful implementation of its key strategic initiatives, economic and financial market conditions and other factors. There is no assurance that the Group will be successful in raising the required capital at favorable terms within required time period, or at all. Further equity financings may have a further dilutive effect on the Group's shareholders. If the Group requires additional debt financing, the lenders may require it to agree on restrictive covenants that could limit its flexibility in conducting future business activities, and repayment of debt may put a significant drain on its free capital allocations. If the Group is unsuccessful in meeting its working capital requirements or obtaining additional financing, the Group may not be able to continue its business operations and advance its development programs, which could impact its overall growth prospects.

The Group may incur higher costs in complying with the increasingly stringent environmental laws and regulations.

The Group conducts business in an industry that is subject to stringent PRC environmental laws and regulations. These laws and regulations require enterprises that may produce environmental waste to adopt measures to effectively control and properly dispose of waste gases, wastewater, waste residue, industrial waste, dust and other environmental waste materials. Such laws and regulations also require fee payments from producers discharging waste substances. The Group produces a certain amount of solid waste and other environmental waste in its production process and is subject to restrictions relating to the discharge of such waste. The Group needs to obtain approvals and other acceptance documents relating to the environmental impact assessment before its dairy farms and feed mills are put into operation. In the event that more stringent PRC environmental laws, regulations or government policies are imposed on the Group, it may incur significantly increased costs and expenses and need to

allocate additional resources to comply with such requirements, which the Group may not be able to pass on to its customers through higher prices of its products. The Group is also required to obtain permits from governmental authorities for certain operations. The Group could also be held liable for any and all consequences arising out of contamination at its facilities or human exposure to hazardous substances or other environmental damage. There is no assurance that the costs of complying with current and future environmental and health and safety laws and regulations, and the liabilities arising from past or future releases of, or exposure to, hazardous substances will not adversely affect the Group's business, financial condition or results of operations.

Changes in the world economy, trade environment, and other occurrence of other black swan events, may have an adverse effect on the Group's business.

The global credit markets have experienced significant volatility, caused in recent years by the global financial and economic crisis. In June 2016, the United Kingdom held a remain-or-leave referendum on its membership of the European Union, the result of which favoured the exit of the United Kingdom from the European Union ("**Brexit**"). On 31 January 2020, the United Kingdom officially exited the European Union following a UK-EU Withdrawal Agreement signed in October 2019. Given the lack of precedent, it is unclear how Brexit would affect the fiscal, monetary and regulatory landscape within the United Kingdom, the European Union and globally. In addition, recent trade war and increase of tariffs initiated by the United States, especially the trade dispute and tariff disputes between the United States and China, have created substantial uncertainties and volatilities to global markets, and may severely damage the economy and market confidence of both countries. Meanwhile, Europe is faced with slowdown in economy growth and in Asia and other emerging markets, some countries are expecting increasing inflationary pressures as a consequence of liberal monetary policies or excessive foreign fund inflows and outflows, or both. In the Middle East, Eastern Europe and Africa, political unrest in various countries has resulted in economic instability and uncertainty. From 2022, geopolitical events, such as the conflict between Russia and Ukraine, conflict in the Gaza Strip, the conflict between India and Pakistan in Kashmir, the conflict between Iran and Israel and the sanctions imposed by governments in response to these events have contributed to further increases in the price of energy, oil and other commodities and to volatility in financial markets globally.

There are uncertainties as to the trade dispute between the United States and China, and any re-escalation in tariffs or the imposition of import restrictions could lead to a significant increase in the cost of imported raw materials, including key feed ingredients, of the Group. Such cost increases may compel the Group to raise its selling prices, which may result in reduced customer demand, loss of market share, and a material adverse effect on the Group's business, financial condition, and results of operations. To mitigate these risks, the Group intends to implement various measures, including sourcing feed ingredients locally and identifying alternative raw materials. However, there can be no assurance that such measures will be sufficient to offset the impact of increased tariffs or that suitable alternatives will be available on commercially reasonable terms. Any of the other ongoing conflicts, unrest, dispute or other future black swan events may negatively impact the global economy and the PRC economy in the future, and there is no assurance that the Group's business and results of operations would not be adversely affected by such events.

Negative publicity concerning the Group and its business, shareholders, affiliates, directors, senior management and suppliers, regardless of their accuracy, may have a material adverse effect on the Group's reputation, business and the trading price of its shares.

Negative publicity concerning the Company, the Group, Mengniu Group, its affiliates, directors, senior management, suppliers and any other aspects of the Group's business operations may arise from time to time, which may harm the Group's brand and adversely affect public perception of its corporate image and product quality. Allegations, directly or indirectly against the Group, may be posted on blogs, websites and social platforms by anyone, on an anonymous basis or otherwise. The Group may need to spend significant time and incur substantial costs in response to such allegations or other detrimental conducts or statements, and there is no assurance that the Group will be able to conclusively refute each of them within a reasonable period of time and cost, or at all. The Group's reputation may be harmed as a result of the public dissemination of malicious allegations about its personnel, business, operations, prospects or business ethics, which in turn could materially and adversely affect the Group's business and the trading price of its shares.

The Group is required to hold various approvals, licenses and permits to operate its business and the loss of or failure to obtain or renew any or all of these approvals, licenses and permits could adversely affect the Group's business and results of operations.

In accordance with the laws and regulations of the PRC, the Group is required to maintain various approvals, licenses and permits in order to operate its business. For example, the Group needs to obtain certificate for meeting animal epidemic prevention conditions and raw fresh milk purchase permit for its dairy farming business; for the construction of certain of its dairy farms and feed mills on construction lands, the Group shall apply for construction projects approval or registration, construction planning permit and construction commencement permit; the Group's operation facilities are also required to obtain environmental protection assessment approval and pass the acceptance examination; the Group shall obtain water abstraction license to source underground water in the farms and feed mills it operates and the Group must obtain feed production license before carrying out feed business. The Group may be subject to fines or receive orders to cease construction or operation of the relevant production facilities or terminate usage of the relevant properties. The Group may obtain these approvals, licenses and permits only upon satisfactory compliance with the applicable laws and regulations. Most of these licenses are subject to examinations or verifications by relevant authorities and are valid only for a fixed period of time subject to renewal and accreditation.

In addition, there can be no assurance that the Group will be able to renew all of the licenses when they expire. If the Group cannot obtain and maintain all licenses required to operate its business, its business could be interrupted or the continued operations of the business may be subject to fine and penalty. Furthermore, the Group needs new approvals, licenses and permits for expanded or newly developed dairy farms and feed mills under its expansion plans. If the Group is not able to obtain the required approvals, licenses and permits for expanded or newly developed dairy farms or feed mills, it will not be able to expand the scale of its operation or produce and deliver sufficient amount of raw milk or feed products to its customers. As a result, the Group's business, results of operations and financial condition could be materially and adversely affected.

The Group faces the risk of obsolescence for its inventory.

The Group's business operations involve the storage of a range of raw milk and feeds with limited shelf lives. Given the short shelf lives of its inventories, the Group has implemented measures to monitor the level of inventory and minimise overstocking. The Group's inventory faces obsolescence risks when there are unexpected material fluctuations or abnormalities in the supply and demand of its products. Apart from material reduction in demand, goods may be returned from customers in large amounts due to product quality issues, delayed or wrong delivery and other reasons. Any of such events may result in increasing inventory, which increases the risk of obsolescence.

In addition, semen and embryo products are generally stored in a frozen state; raw milk is usually stored at specific temperature levels, and there are strict requirements on the length of transportation. Any deviations from the required storage environment may result in quality problems of such products in stock, and heighten the risk of inventory obsolescence, which may have a material and adverse effect on the Group's business and results of operations.

The Group may have limited control over third-party contractors or service providers.

The Group engages third-party contractors for the design and construction of its expanded or newly developed dairy farms. The Group requires third-party contractors to carry out their work in accordance with the specifications and schedules of the relevant assignments as well as the Group's quality, safety and environmental standards. The Group supervises and monitors the work of such third-party contractors. However, there is no assurance that these third-party contractors will work in accordance with or meet the Group's requirements at all times. Any failure by these third-party contractors to meet the requirements may result in sub-standard quality constructions and potential non-compliance with relevant government rules and regulations. Furthermore, in the event of any breach of contract by such contractors or if the Group fails to retain or replace third-party contractors on commercially viable terms, its business, results of operations and financial condition could be materially and adversely affected.

The Group also engages third-party logistics service providers to deliver its products to its customers. Timely delivery and proper transportation of its products are crucial to the business. Due to their perishable nature, the Group's products, such as raw milk, could be damaged if they are not delivered to its customers in a timely manner and under controlled environment and temperatures. The Group's logistics service providers may not be able to deliver the products to customers on time and in good condition due to bad weather, technical problem or any other reasons, which could affect the Group's sales volume and business operations. Additionally, such delay or failure could also have an adverse impact on the Group's business relationships with its customers and, as a result, its business, results of operations and financial condition could be materially and adversely affected.

The Group is subject to uncertainty with respect to its dairy farms that use contracted or leased collectively-owned agricultural land.

Certain of the Group's dairy farms in operation or to be newly increased involve the occupation of collectively-owned agricultural land. According to the relevant PRC laws and regulations, large-scale farming operators of livestock, such as the Group, are allowed to contract or lease agricultural land from rural collective economic organisations or contractors. However, long-term contracting or leasing of collectively-owned agricultural land is subject to uncertainties such as breach or termination of agreements by the local villagers or rural collective economic organisations. Furthermore, consents

from not less than two-thirds of the members of the villagers' committees or of the representatives of villagers or the authorisation documents from the farmer-households concerned shall be obtained to contract or lease the collectively owned agricultural land. Any defect in part of the contracting or leasing procedures for the collectively owned agricultural land contracted or leased by it may result in the uncertainties of contractor or lease agreements. The Group may incur additional costs or be forced to relocate if any of its long-term leases is altered, terminated, materially breached or be alleged to be invalid.

The Group has incurred, and may in the future continue to incur, impairment loss on non-current assets. Significant impairment of its non-current assets could materially impact the Group's financial position and results of its operations.

The Group has made significant investments in non-current assets. The Group reviews its non-current assets, including property, plant and equipment, investment properties, right-of-use assets, goodwill and intangible assets, whenever events or changes in circumstances indicate that the carrying amount of an asset may no longer be recoverable. When these events occur, the Group measures impairment by comparing the carrying value of the non-current assets to the recoverable amount of the assets, which are the greater of the fair value less costs of disposal and the value in use. If the recoverable amount is less than the carrying amount of the assets, the Group would recognise an impairment loss based on the recoverable amount of the assets. For instance, due to the temporary oversupply of raw milk and decrease of milk prices, an impairment loss of goodwill of RMB599.2 million was recognised in the year ended 31 December 2024, which contributed to the net loss of the same year.

The application of non-current asset impairment test requires significant management judgment. If the Group's estimates and judgments are inaccurate, the recoverable amount determined could be inaccurate and the impairment recognised may not be adequate, and the Group may need to record additional impairments in the future. Any significant impairment losses charged against its non-current assets could materially adversely affect its results of operations.

The Group has made, and may continue to make, equity investments in businesses as opportunities arise. Any changes in fair value may affect the Group's financial position.

The Group has investments in certain companies and may in the future make equity investments from time to time. The Group has certain equity investments measured at fair value through other comprehensive income. Fair value is estimated using market approach, based on value of comparable listed companies and discounted for lack of liquidity, over which the Group has no control. Estimating the fair value of equity investments is inherently subjective. Any changes in fair value may affect the Group's other comprehensive income and financial position.

The Group's insurance coverage and government compensation may not be sufficient to cover all of its potential losses.

With respect to the dairy cows raised at the Group's dairy farms, its insurance policies generally cover, among other things, death caused by certain diseases, accidents or natural disasters, and losses incurred as a result of government orders of mass slaughters of farm animals in the relevant region. In addition, according to the Animal Epidemic Prevention Law of the PRC (中華人民共和國動物防疫法), dairy farms are entitled to government compensation for losses resulting from livestock mass slaughter and destruction of animal products and relevant goods due to the prevention and control and elimination of animal diseases. However, there can be no assurance that the current insurance coverage and

government compensation, the amount of which will be determined by the PRC Government, would be sufficient to cover all of its potential losses. Furthermore, even if the Group does receive sufficient compensation for replacing the lost cows, there is no assurance that any replacement cows would be of the same quality as the lost ones.

The Group also maintains insurance coverage for its main production facilities, equipment and inventories. Some of its subsidiaries maintain insurance coverage for damages caused by boiler pressure and robbery and theft. However, these insurance policies have limits on the total amount of indemnification and do not cover all potential losses. As a result, the Group may be required to use its own resources to cover financial and other losses, damages and liabilities, including those caused by fire, bad weather, disease, civil strife, strikes, natural disasters, terrorist incidents, industrial accidents or other causes. Also, the Group does not maintain any third-party product liability insurance or occupier's liability insurance. As a result, any product liability claims may subject it to liabilities to compensate the claimants if the Group is held liable. Losses incurred or payments that the Group may be required to make may have a material adverse effect on its business, results of operations and financial condition, to the extent that such losses or payments are not insured or the insured amount is not adequate.

Labor costs may increase in the future and the Group may experience labor shortage or labor disputes.

Labor costs in China have been increasing and may continue to increase in the future. There is no assurance that the Group's cost of labor will not continue to increase. Any such increase could cause its production costs to increase, and the Group may not be able to pass such increase in the costs to customers due to competitive pricing pressures. Moreover, there can be no assurance that the Group will not experience any shortage of labor for its production facilities, including its dairy farms, plantation fields and feed production facilities. Any such shortage could hinder the Group's ability to maintain or expand its business operations. In such circumstances, its business, financial condition and results of operations may be materially and adversely affected.

Further, the Group's ability to successfully operate the business is dependent on its ability to maintain a stable workforce at its dairy farms. As at the date of this Offering Circular, there has been no labor disputes that materially and adversely affected the Group's business. However, there is no assurance that the Group will not be involved in any labor disputes in the future. If the Group's operations are disrupted for any period of time as a result of labor disputes, its production volume could be reduced, which could materially and adversely affect its results of operations and hinder its growth.

The Group's results of operations may be adversely affected if there are failures in its IT system.

The Group relies, to a large extent, on its advanced intelligent herd management systems for the monitoring and management of its herds and farms, covering all processes from information collection to activity monitoring and breeding to milking. The Group's intelligent herd management system includes real-time management system of herds, feeding system, production information management system and environmental intelligent control system.

In addition, the Group has been running certain digital intelligence platform such as "Aiyangniu" digital platform and the "Yunyangniu" digital platforms. These digital platforms have become a significant pillar to the Group's intelligent digital platform business, serving stakeholders across the industry chain, see "*Business – Intelligent digital platforms*".

All these intelligent systems and platforms rely on the continuing functioning of the IT system and may be affected by any failure of it. The Group has not experienced any major information systems failure in the past. However, there is no assurance that any damage or interruption caused by power outages, computer viruses, hardware and software failures, telecommunications failures, fires, natural disasters and other similar events relating to its information systems will not happen in the future. Additionally, restoring any damaged information systems may cause it to incur significant time and costs and require additional workforce. If any serious damage or significant interruption occurs, the Group's operations may be disrupted and business adversely affected.

The Group's risk management and internal control systems may not be adequate or effective, which may have a material adverse effect on its business.

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.

Though it was designed to identify and manage various risks that may occur, due to the inherent limitations in the design and implementation of risk management and internal control systems, there is no assurance that the Group's risk management and internal control systems will be able to identify, prevent and manage all risks. The Group's internal control procedures are designed to monitor its operations and ensure their overall compliance. However, the internal control procedures may be unable to identify all non-compliance incidents in a timely manner or at all. It is not always possible to timely detect and prevent fraud and other misconduct, and the precautions the Group takes to prevent and detect such activities may not be effective.

The Group's risk management and internal controls also depend on their effective implementation by its employees. Due to the large scale of its operations, it cannot be assured that such implementation will not involve any human errors or mistakes. As the Group is likely to offer a broader and more diverse range of services and solutions in the future, the diversification of the Group's service offerings will require it to continue to enhance its risk management capabilities. If the Group fails to timely adapt its risk management policies and procedures to its changing business, its business, results of operations and financial condition could be materially and adversely affected.

Litigation, administrative penalties, or legal proceedings could expose the Group to liability, divert its management's attention and negatively impact the Group's reputation.

The Group may become a party to legal proceedings or regulatory investigations arising from time to time. As at the date of this Offering Circular, the Group has not been involved in any litigation or legal proceedings that it believes could have a material adverse effect on its business or financial condition. In addition, the Group may at times be involved in other litigation, administrative penalties or legal proceedings during the ordinary course of business operations, or related to, among other things, product or other types of liability, labor disputes or contract disputes. If the Group becomes involved in

any litigation or other legal proceedings in the future, actions brought against it may result in compensation payments, settlements, injunctions, fines, penalties or other results that may adversely affect its reputation, business and financial condition. In addition, any litigation or legal proceedings could involve substantial legal expenses as well as significant time and attention of its management, diverting their attention from the operations of the Group, which would adversely affect its operation.

Dairy products and company names may be subject to counterfeiting or imitation, which could impact the Group's reputation and brand name as well as lead to higher administrative costs.

Counterfeiting and imitation have occurred in the past in the PRC for many products. The Group has experienced counterfeiting and imitation of its products, as well as imitation of its company name. As with all operators in the dairy industry in China, there is no assurance that counterfeiting and imitation will not occur again in the future and, if it does occur, whether the Group will be able to detect it and deal with it effectively. Any occurrence of counterfeiting or imitation could impact negatively the Group's reputation and brand name. In addition, counterfeiting and imitation products could result in a reduction of the Group's market share, cause a decline in its revenues as well as increase in its administrative costs in respect of detection and prosecution.

The Group's expected unaudited and unreviewed consolidated financial information as at and for the six months ending 30 June 2025 included in this Offering Circular has not been audited or reviewed by its independent auditors.

The Group's expected unaudited and unreviewed consolidated financial information as at and for the six months ending 30 June 2025 included in this Offering Circular is derived from the Announcement, in which information contained was based solely on the preliminary assessment by the Board upon reviewing the latest unaudited consolidated management accounts of the Group and the information currently available to the Board, and has not been audited or reviewed by the Group's independent auditors. Such expected unaudited and unreviewed consolidated financial information included in this offering circular is preliminary and subject to potential adjustments.

Necessary adjustments to such expected unaudited and unreviewed consolidated financial information may be identified during the Group's review or audit work for the relevant period, and such adjustments may result in significant differences from this preliminary unaudited and unreviewed consolidated financial information. Potential investors of the Bonds must exercise caution when using such expected unaudited and unreviewed consolidated financial information to evaluate the Group's financial condition and results of operations, and should not rely on such preliminary unaudited and unreviewed consolidated financial information to provide the same quality of information that has been audited or reviewed.

The Group's business operations are subject to risks relating to environmental, social and governance.

The Group's business operations are subject to risks relating to environmental, social and governance (the "ESG"), especially those related to climate change. Climate-related risks may potentially affect the Group's business and financial condition in the short, medium and long term. The Group's dairy farms are located in various regions of China, including Inner Mongolia and Northeastern Region, which are subject to the risk of severe weather conditions of icing and snowing that could potentially lower raw milk yield. Furthermore, extreme heat across China could also have an adverse impact on the health conditions of the Group's dairy cows, which may result in lower production volumes. Additionally, the

Group may experience indirect impacts from supply chain disruption if the Group and/or its suppliers, especially its feed ingredients and forage grass suppliers, suffer from extreme weather conditions such as snowing, icing and flooding. The decrease in its raw milk yield or disruptions to the Group's supply chain management may impact its ability to fulfill its existing contractual obligations, which, in turn, may cause monetary damages and loss of existing and potential customers.

Furthermore, potential transition risk may result from the transitioning to a lower-carbon economy which entails change in climate-related regulations and policies. Tightened environmental regulations may require significant investment to be made in transforming the Group's business and operations, which may have a material adverse impact on its business, results of operations and financial condition.

The Group has adopted a complete set of ESG-related policies and procedures to ensure long-term and sustainable growth. However, such policies and procedures may not always be effective, or at all, to tackle the ESG-related risks that the Group may be exposed to.

Due to the nature of the Group's business, emission of greenhouse gas is among the most important metrics to assess the impact of its operations on the environment. Since the Group's dairy farming operation contributes a substantial portion of its total GHG emissions, and the GHGs emitted by dairy cows primarily come from their manure and exhaled breaths, the Group strives to continue to reduce the amount of greenhouse gas emitted by its dairy cows through a series of measures. However, there can be no guarantee that such measures would always be effective, if at all, to manage and control the level of the Group's greenhouse gas emissions. Any failure of such measures could result in increases of the Group's greenhouse gas emissions, which may subject it to administrative penalties or additional costs associated with addressing the increased greenhouse gas emissions. Additionally, if the Group fails to meet its emission reduction and resource consumption targets or continue to reduce its emissions and resource consumption in general, its business, reputation and financial condition may be materially adversely affected.

RISKS RELATING TO THE DAIRY INDUSTRY IN CHINA

Changes in public health and food safety laws and regulations may adversely affect the industry and the Group's business.

The Group's business operations are subject to extensive public health and food safety laws and regulations promulgated by a wide range of PRC authorities, such as the State Council, the State Administration for Market Regulation, the National Health Commission and the Ministry of Agriculture and Rural Affairs of the PRC.

There is no assurance that the relevant PRC authorities will not change the existing laws or regulations or adopt additional or more stringent laws or regulations applicable to the Group and its business operations. For example, the General Office of the State Council promulgated the Notice Regarding Measures to Further Strengthen Quality and Safety of Dairy Products 關於進一步加強乳品質量安全工作的通知 on 16 September 2010, and the Opinions on Promoting the Revitalisation of the Dairy Industry and Ensuring the Quality and Safety of Dairy Products 關於推進奶業振興保障乳品質量安全的意見 on 3 June 2018, which called for strengthening legal and regulatory measures regarding quality and safety of dairy products, by imposing rigorous laws and regulations, raising the quality and safety standards and strengthening the production control of the whole process. Any future laws and regulations may require the reconfiguration or upgrading of methods and procedures for sourcing raw

materials, production, processing and delivery of dairy products. The Group cannot accurately predict the details of such future laws and regulations or accurately estimate their potential impact on its business operations.

The costs of complying with current or future legal or regulatory requirements may be significant and have a material adverse effect on the Group's business, results of operations and financial condition, or even force the Group to curtail its operations. Failure to comply with such legal or regulatory requirements may cause the Group to suffer civil damages, administrative penalties, or even criminal sanctions, which could have an adverse effect on its business, financial condition and results of operations.

The dairy industry in China could face slower market growth.

The dairy market in the PRC has experienced rapid growth over the last decade, and the Group has benefited from such growth. However, in line with the change of the economy trend in the PRC in recent years, the consumer demand for dairy products has fluctuated. The prices at which the Group could sell its products would be influenced by the level of consumer demand for dairy products in China.

There is no assurance that China's dairy industry will continue to grow at the same pace or at all in the future. China's dairy industry may experience slower growth due to market saturation or competition from alternative products, such as soy-based beverages and products, which may have an impact upon the size and growth of the dairy products markets. If the demand for dairy products in China declines for any reason, including changing consumer preferences, the Group's results of operations and expansion plans could be materially and adversely affected.

If the Group is unable to continue to benefit from government subsidies and preferential tax treatments, its results of operations could be adversely affected.

The Group has historically benefited from government policies that favor China's dairy industry. The Group has received government subsidies and enjoyed preferential tax treatments (such as exemption on, or preferential rates of, valued-added taxes and/or income tax) as a result of government policies which benefit the dairy industry in order to promote, among other things, improved industrialisation and specialisation levels of the husbandry industry, acceleration of the breeding and promotion of fine breeds of livestock. There is no assurance that the Group will continue to receive such governmental support or preferential tax treatments in the future, and if these government policies change, its results of operations could be adversely affected.

RISKS RELATING TO CONDUCTING BUSINESS IN THE PRC

Adverse changes in the economic, political and social conditions, as well as policies of the PRC Government, could have an adverse effect on the Group's business and prospects.

All of the Group's revenue was derived from its businesses in the PRC. Accordingly, the Group's business, financial condition, results of operations and prospects are, to a material extent, subject to economic, political, and legal developments in the PRC. The PRC economy differs from the economies of developed countries in many respects, including, among other things, the degree of government involvement, control of investment, level of economic development, growth rate, foreign exchange controls, and resource allocation.

Although the PRC economy has been transitioning from a planned economy to a more market-oriented economy for the past several decades, a substantial portion of productive assets in the PRC is still owned by the PRC Government. The PRC Government also exercises significant control over the economic growth of the PRC through allocating resources, controlling payments of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. In recent years, the PRC Government has implemented measures emphasizing the utilisation of market forces in economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance practices in business enterprises. Some of these measures benefit the overall PRC economy but may adversely affect the Group. For example, its financial condition and results of operations may be adversely affected by government policies on the dairy industry in China or changes in tax regulations applicable to the Group. If the business environment in the PRC deteriorates, the Group's business in the PRC may also be adversely affected.

The interpretation and enforcement of PRC laws and regulations involve uncertainties that could limit the legal protections available to the investors.

The PRC legal system is based on written statutes and may significantly differ from the legal system in other jurisdictions. Since 1979, the PRC Government has promulgated laws and regulations that deal with economic matters, including securities regulations, foreign investment, corporate organisation and governance, commerce, taxation and trade, with a view to developing a comprehensive system of commercial law. However, because these laws and regulations are relatively new, and because of the relatively limited volume of published cases and their non-binding nature, interpretation and enforcement of these laws and regulations involve uncertainties. As a result, the legal protections available to the investors under the PRC legal system may be limited.

The effect of future legal development in the PRC, including the promulgation of new laws, changes to existing laws or the interpretation or enforcement thereof, or the inconsistencies between local rules and regulations and national law, cannot be predicted. As a result, there is substantial uncertainty as to the legal protection available to the Group and the holders of the Bonds. In addition, the PRC legal system is based in part on government policies and internal rules (some of which are not published on a timely basis or at all) that may have retroactive effect. As a result, the Group may not be aware of its violation of these policies and rules until sometime after the violation has occurred.

PRC regulations regarding acquisitions impose significant regulatory approval and review requirements, which could make it more difficult for the Group to pursue growth through acquisitions in China.

Under the PRC Anti-monopoly Law, companies undertaking certain investments and acquisitions relating to businesses in China must notify the anti-monopoly enforcement agency in advance of any transaction where the parties' turnover around the world or in China exceed certain thresholds and the buyer would obtain control of, or decisive influence over, the other party. Under the Provisions on Mergers and Acquisitions of Domestic Companies by Foreign Investors 外國投資者併購境內企業的規定, or the M&A Rules, adopted by six PRC regulatory agencies in 2006 and amended in 2009, the approval of the Ministry of Commerce (the "MOFCOM") must be obtained in circumstances where overseas companies established or controlled by PRC enterprises or residents merge and acquire domestic companies affiliated with PRC enterprises or residents. In addition, the Provisions on Implementation of Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors 商務部實施外國投資者併購境內企業安全審查制度的規定 issued by the MOFCOM

that became effective in September 2011 specify that mergers and acquisitions by foreign investors that raise “national defense and security” concerns, and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise “national security” concerns, are subject to strict review by the MOFCOM, and the rules prohibit any activities attempting to bypass a security review. In the future, the Group may grow its business by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time-consuming, and any required approval processes may delay or inhibit its ability to complete such transactions, which could affect its ability to expand its business or maintain its market share.

Fluctuation of Renminbi exchange rates could have a material adverse effect on the Group’s business, financial condition, results of operations and prospects.

The value of the Renminbi against other foreign currencies is subject to fluctuations resulting from the PRC Government’s policies and largely depends on domestic and international economic and political developments as well as supply and demand in the local market. From 1994 to July 2005, the official exchange rate for the conversion of Renminbi to the U.S. dollar was generally stable. In July 2005, the PRC Government changed its policy of pegging the value of Renminbi to the U.S. dollar. Under the current policy, the Renminbi is pegged to a basket of currencies, determined by the PBOC, and can rise or fall within stipulated ranges against different currencies each day. This policy change resulted in an appreciation of the value of the Renminbi against the U.S. dollar by approximately 24.6 per cent. from July 2005 to June 2015. From July 2008 to June 2010, the Renminbi traded within a narrow range against the U.S. dollar. In June 2010, the PBOC announced further reforms to the Renminbi exchange rate regime to enhance the RMB exchange rate flexibility. In April 2012, the PBOC expanded the floating range of Renminbi against the U.S. dollar in the inter-bank spot foreign exchange market from 0.5 per cent. to 1.0 per cent. and further to 2.0 per cent. in March 2014. In August 2015, the PBOC announced that the mid-point exchange rate for the floating range of Renminbi against the U.S. dollar is to be determined based on market maker submissions that take into account the Renminbi-U.S. dollar exchange rate at the previous day’s closing of the inter-bank spot foreign exchange market, the supply and demand dynamics, and the movements of other major currencies. Renminbi depreciated significantly against the U.S. dollar following this announcement by the PBOC. In 2016, Renminbi experienced further fluctuations in value against the U.S. dollar. With an increased floating range of the Renminbi’s value against foreign currencies and a more market-oriented mechanism for determining the mid-point exchange rates, the Renminbi may further appreciate or depreciate significantly in value against the other foreign currencies in the long term, depending on the fluctuation of the basket of currencies against which it is currently valued, or it may be allowed to enter into a full float, which may also result in a significant appreciation or depreciation of the Renminbi against other foreign currencies. There is no assurance that Renminbi will not experience significant appreciation or depreciation against other foreign currencies in the future. Any appreciation of Renminbi may subject it to increased competition from imported products. Meanwhile, as the Group purchases a certain proportion of feed and forage grass from overseas suppliers, any depreciation of Renminbi could possibly increase the cost of importing these products. If the Group is unable to pass on the increased cost to its distributors by selling its products at higher prices, its business, financial condition, and results of operations may be adversely affected. If the appreciation of Renminbi against the U.S. dollars continues, the Group may incur foreign exchange losses. Furthermore, since the Group’s revenue and profit are denominated in Renminbi, any depreciation of Renminbi would materially and adversely affect its financial position, its ability to service foreign currency obligations, as well as its ability to satisfy its obligations under the Bonds.

The Company is a holding company that relies heavily on dividend payments from its subsidiaries in China for funding.

The Company is primarily a holding company and its ability to satisfy its obligations under the Bonds largely depends upon the receipt of dividends, distributions, interest or advances from its wholly or partly owned subsidiaries, its associated companies and jointly controlled entities. The ability of these entities to pay dividends and other amounts to the Company may be subject to their profitability and to applicable laws and restrictions on the payment of dividends and other amounts contained in financing or other agreements. PRC laws require that dividends be paid only out of the net profit calculated according to PRC accounting principles, which differ in many aspects from generally accepted accounting principles in other jurisdictions, including IFRS. PRC laws also require enterprises to set aside part of their net profit as statutory reserves. These statutory reserves are not available for distribution as cash dividends. In addition, restrictive covenants in bank credit facilities or other agreements that the Company or its subsidiaries may enter into in the future may also restrict the ability of its subsidiaries to provide capital or declare dividends to it and its ability to receive distributions. Therefore, these restrictions on the availability and usage of its major source of funding may impact its ability to satisfy its obligations under the Bonds. In addition, the Company is incorporated in the Cayman Islands and hold interests in its subsidiaries in China through its holding companies incorporated in Luxembourg and Ireland. Under the existing EIT Law and its implementation rules, if a foreign entity is deemed to be a “non-resident enterprise” as defined under the EIT Law and its implementation rules, a withholding tax at the rate of 10.0 per cent. will be applicable to any dividends for earnings accumulated since 1 January 2008 payable to the foreign entity, unless it is entitled to reduction or elimination of such tax, including by tax treaties or agreements.

The Company may be deemed to be a PRC tax resident under the EIT Law, and as a result, its worldwide income may be subject to the EIT LAW, dividends payable to the foreign investors and gains on the sale of its Shares may be subject to PRC withholding income tax.

The Company is a holding company incorporated under the laws of the Cayman Islands and indirectly holds interests in its PRC operating subsidiaries. Pursuant to the Enterprise Income Tax Law of the PRC 中華人民共和國企業所得稅法 (the “**EIT Law**”), which took effect on 1 January 2008 and amended on 24 February 2017 and 29 December 2018 separately, dividends payable by a foreign-invested enterprise to its foreign corporate investors who are not deemed a PRC resident enterprise are subject to a 10.0 per cent. withholding income tax, unless such foreign investor’s jurisdiction of tax residency has a prevailing tax treaty in effect with the PRC that provides for a different withholding income tax arrangement.

The EIT Law provides that if an enterprise incorporated outside the PRC has its “*de facto* management body” within the PRC, such enterprise may be deemed a “PRC resident enterprise” for tax purposes and be subject to a uniform 25 per cent. enterprise income tax on its global incomes (excluding dividends received from “resident enterprises”). “*De facto* management body” is defined as the body that exercises substantial overall management and control over the manufacturing and business operation, personnel, accounts, properties, etc. of an enterprise. In April 2009, SAT promulgated the “Notice of the State Administration of Taxation on Issues about the Determination of Chinese – Controlled Enterprises Registered Abroad as Resident Enterprises on the Basis of Their Body of Actual Management” (Guo Shui Fa [2009] No. 82) (“**Circular 82**”), which clarified certain criteria for the determination whether the “*de facto* management body” of an offshore Chinese enterprise as the controlling shareholder of mainland China enterprise. These criteria include: (i) the enterprise’s senior management personnel and department who are responsible for managing the day-to-day business operation perform their

obligations primarily in the PRC; (ii) decisions relating to the enterprise's financial and human resource matters are made or subject to approval by organisations or personnel in the PRC; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholders' meeting minutes are located or maintained in the PRC; and (iv) half (including half) or more of voting directors or senior executives of the enterprise habitually reside in the PRC. Meanwhile, the determination of "de facto management" shall apply based on the principle of substance over form. The SAT further issued administrative rules in July 2011 and January 2014 regarding administrative procedures for recognising the PRC resident enterprise status of a Chinese-controlled company registered abroad.

According to the aforementioned SAT circulars, a Chinese-controlled company incorporated abroad could either apply for PRC resident enterprise status with the competent PRC tax authority in the place where its major Chinese investor is registered after company's preliminary assessment and the application will be subject to approval by the competent PRC tax authorities, or be recognised as a PRC resident enterprise by competent PRC tax authorities upon investigation. In this regard, there are uncertainties about whether a Chinese-invested company registered abroad would be treated as a PRC resident enterprise before obtaining the relevant approval from competent PRC tax authorities. However, there have been no official explanatory notes regarding the shareholding percentage of "major controlling shareholder" mentioned in the SAT circulars and no official implementation rules regarding the determination of the "de facto management body" for foreign enterprises which are not controlled by PRC enterprises.

Although this circular applies only to offshore enterprises funded by Chinese enterprises as controlling shareholders, rather than those funded by Chinese or foreign individuals or foreign enterprises as controlling shareholders (such as the Company), the determining criteria set forth in the circular may reflect the SAT's general position on how the "de facto management body" test should be applied in determining the tax resident status of offshore enterprises, regardless of their funding sources. Although the Company is not funded by Chinese enterprises as controlling shareholders, substantial uncertainties remain as to whether the Company or any of its other non-PRC entities will be deemed a PRC resident enterprise for the EIT purposes. If the Company or any of its subsidiaries registered outside the PRC are to be deemed a "resident enterprise" under the EIT Law, its income tax expenses may increase significantly, and its profitability could decrease materially. If the Company and its direct holding companies are all recognised as PRC resident enterprises for tax purposes, dividend payment received by the Company and intermediate companies are exempt from the EIT Law under the condition that the direct shareholder has been holding the shares of the dividend payment company for more than 12 months. Furthermore, the EIT Law provides that, (i) if the enterprise that distributes dividends is domiciled in the PRC, or (ii) if gains are realised from transferring equity interest of enterprises domiciled in the PRC, then such dividends or capital gains are treated as PRC-sourced income. It is not clear how "domicile" may be interpreted under the EIT Law, and it may be interpreted as the jurisdiction where the enterprise is a tax resident. If the Company is treated as a PRC resident enterprise for PRC tax purposes, according to aforementioned circulars issued by the SAT, any dividends the Company pays to its overseas corporate shareholders that are non-PRC resident enterprises, which do not have an establishment or place of business in PRC, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business, shall be regarded as PRC-sourced income and as a result become subject to PRC withholding income tax at a rate of up to 10.0 per cent. Any gains realised on the transfer of its shares by such non-PRC resident enterprise investors are also subject to a 10 per cent. PRC income tax if such gain is regarded as income derived from sources within the PRC. Under the PRC Individual Income Tax Law and its implementation rules, PRC sourced dividends paid to non-PRC individual investors are generally subject to a PRC withholding income tax at a rate of 20 per cent. and gains from PRC sources realised

by such investors on the transfer of its shares are generally subject to a 20 per cent. PRC income tax. If PRC income tax were imposed on gains realised through the transfer of its shares or on dividends paid to its non-resident investors, the value of the Company's investment in its shares may be materially and adversely affected. Any PRC tax liability described above may be reduced under applicable tax treaties. However, it is unclear whether the Company's shareholders whose jurisdictions of residence have tax treaties or arrangements with the PRC will be able to obtain the benefits of such tax treaties or arrangements, if the prerequisites provided under the relevant treaties or arrangements are not satisfied.

Additional procedures may be required to be taken to bring English law governed matters or disputes to the Hong Kong courts and the holders of the Bonds would need to be subject to the exclusive jurisdiction of the Hong Kong courts. There is also no assurance that the PRC courts will recognise and enforce judgments of the Hong Kong courts in respect of English law governed matters or disputes.

The Terms and Conditions and the transaction documents are governed by English law, whereas parties to these documents have submitted to the exclusive jurisdiction of the Hong Kong courts. In order to hear English law governed matters or disputes, Hong Kong courts may require certain additional procedures to be taken.

The Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the “**2019 Arrangement**”), has been implemented in Hong Kong by the Mainland Judgments in Civil and Commercial Matters (Reciprocal Enforcement) Ordinance (Cap. 645), which came into operation on 29 January 2024. In the Mainland, the Supreme People's Court promulgated a judicial interpretation to implement the 2019 Arrangement on 25 January 2024 (the “**Judicial Interpretation**”).

Under the 2019 Arrangement, where the Hong Kong court has given a legally effective judgment in a civil and commercial matter, any party concerned may apply to the relevant People's Court of the Mainland for recognition and enforcement of the judgment, subject to the provisions, limits, procedures and other terms and requirements of the 2019 Arrangement and the Judicial Interpretation. The recognition and enforcement of a Hong Kong court judgment could be refused if the relevant People's Court of the Mainland considers that the enforcement of such judgment is contrary to the basic principles of law of the Mainland or the social and public interests of the Mainland. While it is expected that the relevant PRC court will recognise and enforce a judgment given by a Hong Kong court in relation to transaction documents governed by English law, there can be no assurance that such courts will do so for all such judgments as there is no established practice in this area.

Compared to other similar debt securities issuances in the international capital markets where the relevant holders of the debt securities would not typically be required to submit to an exclusive jurisdiction, the holders of the Bonds will be deemed to have submitted to the exclusive jurisdiction of the Hong Kong courts, and thus the ability of the holders of the Bonds to initiate a claim outside of Hong Kong will be limited.

Government control of currency conversion and fluctuations in the exchange rates of the Renminbi may adversely affect the Group's business, financial condition and its ability to remit dividends.

The PRC Government imposes controls on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. Under existing Chinese foreign exchange regulations, payments of current account items, including dividend payments, interest payments and expenditures from trade-related transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. However, approval from or registration with SAFE or its local branches or designated banks is required for foreign currency conversions for payment under capital account items such as equity investments. The PRC Government may also at its discretion restrict the Group's access in the future to foreign currencies for current account transactions. Under the Company's current corporate structure, its revenue is primarily derived from dividend payments from its PRC subsidiaries. Shortages in the availability of foreign currency may restrict the ability of its PRC subsidiaries to remit sufficient foreign currency to pay dividends or other payments to the Group, or otherwise satisfy its foreign currency-denominated obligations. If the foreign exchange control system prevents the Company from obtaining sufficient foreign currency to satisfy its foreign currency demands, the Group may not be able to pay its foreign currency-denominated obligations, including its payment obligations under the Bonds. In addition, the Group's liquidity and ability to satisfy its third-party payment and loan repayment obligations could be materially and adversely affected.

Since substantially all of the Group's future cash flows from operations will be denominated in Renminbi, any existing and future restrictions on currency exchange may limit its ability to purchase goods and services outside of China or otherwise fund its business activities that are conducted in foreign currencies, in particular its import trading business. This could also affect the ability of its subsidiaries in China to obtain foreign debt or equity financing, including by means of loans or capital contributions from the Company.

The Group purchases forage grasses from various overseas suppliers mainly from the U.S. and the settlement currency for its purchases is primarily in foreign currency whereas the settlement currency for all the sales is generally in Renminbi. The exchange rates of the Renminbi against foreign currencies, including the Hong Kong dollar, are affected by, among other things, changes in China's political and economic conditions. Any fluctuations in exchange rates of the Renminbi against the U.S. dollar or other foreign currencies may cause its costs for importing forage grasses to be volatile, which may adversely affect its business and results of operations.

PRC regulation of loans to, and direct investments in, PRC entities by offshore holding companies may delay or prevent the Company from using the proceeds from the Bonds to make loans or additional capital contributions to its PRC subsidiaries, which could materially and adversely affect its liquidity, and its ability to fund and expand its business.

As advised by its PRC legal advisors, any funds the Company transfers to its PRC subsidiaries, either as a shareholder loan, or as an increase in registered capital, are subject to approval by, filing with, or registration with, relevant governmental authorities in China. According to the relevant PRC regulations on foreign-invested enterprises in China, capital contributions to the Company's PRC subsidiaries are subject to registration with the market supervision and management department. In addition, (i) any foreign loan procured by the Company's PRC subsidiaries is required to be registered with SAFE or its local branches or designated banks, and (ii) each of the Company's PRC subsidiaries may not procure

loans which exceed the difference between its registered capital and its total investment amount or certain criteria relating to its net assets. Any medium-or long-term loan to be provided by it to the Company's PRC subsidiaries must be recorded and registered by the National Development and Reform Committee and the SAFE or its local branches or designated banks. The Company may not be able to complete such filing or registrations on a timely basis, if at all, with respect to future capital contributions or foreign loans by it directly to the Company's PRC subsidiaries. If the Company fails to complete such filing or registration, its ability to use the proceeds of the Bonds, and to capitalise its PRC operations, may be negatively affected, which could adversely affect its liquidity and its ability to fund and expand its business.

On 30 March 2015, the SAFE promulgated the Circular on Reforming the Management Approach Regarding the Foreign Exchange Capital Settlement of Foreign-Invested Enterprises ("**SAFE Circular 19**"). SAFE Circular 19 took effect as of 1 June 2015. SAFE Circular 19 launched a nationwide reform of the administration of the settlement of the foreign exchange capitals of foreign-invested enterprises, which allows foreign-invested enterprises to settle their foreign exchange capital at their discretion but continues to prohibit foreign-invested enterprises from using the RMB fund converted from their foreign exchange capitals for expenditures beyond their business scopes. On 9 June 2016, the SAFE promulgated the Circular on Reforming and Standardizing the Administrative Provisions on Capital Account Foreign Exchange ("**SAFE Circular 16**"). SAFE Circular 19 and SAFE Circular 16 continue to prohibit foreign-invested enterprises from, among other things, using RMB funds converted from their foreign exchange capitals for expenditure beyond their business scope, investment in securities or investments other than banks' principal-secured products, providing loans to non-affiliated enterprises (with the exception that such business is expressly permitted in the business license) or constructing or purchasing real estate not for self-use, except for real estate enterprises. SAFE Circular 19 and SAFE Circular 16 may significantly limit the Group's ability to transfer to, and use in, China the net proceeds of the Bonds, which may materially and adversely affect its business, financial condition and results of operations.

RISKS RELATING TO THE BONDS

Any failure to complete the relevant filings under the NDRC Administrative Measures within the prescribed timeframes following the completion of the issue of the Bonds may have adverse consequences for the Issuer and/or the Bondholders.

The NDRC issued the NDRC Administrative Measures on 5 January 2023, which came into effect on 10 February 2023. According to the NDRC Administrative Measures, domestic enterprises and their overseas controlled entities shall procure the registration of any debt securities with a maturity of not less than one year issued outside the PRC with the NDRC prior to the issue of the securities and notify the particulars of the relevant issues within 10 working days after the completion of the issue of the securities. Modern Farming (a subsidiary of the Issuer) has obtained the NDRC Pre-issuance Registration Certificate on 23 December 2024 which remains in full force and effect as at the date of this Offering Circular which is applicable for the offering of the Bonds. The Issuer shall comply with the provisions relating to foreign debt risk management and interim and ex-post supervision under the NDRC Administrative Measures. If the Issuer fails to report relevant information according to the NDRC Administrative Measures, the examination and registration authorities shall, depending on the seriousness of the circumstances, impose disciplinary measures such as interviews and public warnings on the Issuer concerned and its principal responsible person, etc.

Potential investors of the Bonds are advised to exercise due caution when making their investment decisions. The Issuer will undertake to file or cause to be filed with the NDRC the requisite information and documents in respect of the Bonds within the relevant prescribed timeframes after the Issue Date in accordance with the NDRC Administrative Measures and any implementation rules, reports, certificates, approvals or guidelines as issued by the NDRC from time to time.

The Bonds are unsecured obligations.

As the Bonds are unsecured obligations of the Issuer, the repayment of the Bonds may be compromised if:

- the Issuer enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings;
- there is a default in payment under the Issuer's secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of the Issuer's indebtedness.

If any of these events were to occur, the Issuer's assets and any amounts received from the sale of such assets may not be sufficient to pay amounts due on the Bonds.

Claims by holders of the Bonds are structurally subordinated to the Issuer's subsidiaries.

The Bonds will be structurally subordinated to any indebtedness and other liabilities and commitments, including trade payables and lease obligations, of the Issuer's existing or future subsidiaries, whether or not secured. The Issuer may not have direct access to the assets of such subsidiaries unless these assets are transferred by dividend or otherwise to the Issuer. The ability of such subsidiaries to pay dividends or otherwise transfer assets to the Issuer is subject to various restrictions under applicable laws and the contracts and agreements which they enter into from time to time. The Issuer's subsidiaries are separate legal entities that have no obligation to pay any amounts due under the Bonds or make any funds available therefor, whether by dividends, loans or other payments. As a result, all claims of creditors of the existing and future subsidiaries of the Issuer, including trade creditors, lenders and all other creditors, and rights of holders of preferred shares of such subsidiaries (if any) will have priority as to the assets of such subsidiaries over claims of the Issuer and those of creditors of the Issuer, including holders of the Bonds.

The Bonds may not be a suitable investment for all investors.

The Bonds are complex financial instruments and may be purchased as a way to reduce risk or enhance yield with a measured and appropriate addition of risk to the investor's overall portfolios. A potential investor should not invest in the Bonds unless they have the expertise (either alone or with the help of a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) the Bonds are legal investments for it, (b) the Bonds can be used as collateral for various types of borrowing and (c) other restrictions apply to its

purchase of any Bonds. Financial institution investors should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
- understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible economic scenarios, such as interest rate and other factors which may affect its investment and the ability to bear the applicable risks.

If the Issuer is unable to comply with the restrictions and covenants in the Issuer's debt agreements or the Bonds, there could be a default under the terms of these agreements or the Bonds, which could cause the repayment of the Issuer's debt to be accelerated.

If the Issuer is unable to comply with the restrictions and covenants in the Bonds, or future financing and other agreements, there could be a default under the terms of these agreements.

In the event of a default under these agreements, the holders of the relevant debt could terminate their commitments to lend to the Issuer, accelerate the debt obligation and declare all amounts borrowed due and payable or terminate the agreements, as the case may be.

Furthermore, certain debt agreements, including the Bonds, may contain cross-acceleration or cross-default provisions. As a result, default under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, including the Bonds, or result in a default under other debt agreements. If any of these events should occur, there can be no assurance that the Issuer's assets and cash flow would be sufficient to repay in full all indebtedness, or that alternative financing could be obtained. Even if alternative financing can be obtained, there can be no assurance that it would be on terms that are favourable or acceptable to the Issuer.

An active trading market for the Bonds may not develop

The Bonds are a new issue of securities for which there is currently no trading market. Although an application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds on the Hong Kong Stock Exchange, no assurance can be given that such application will be

approved, or even if the Bonds become so listed, an active trading market for the Bonds will develop or be sustained. No assurance can be given as to the ability of holders to sell their Bonds or the price at which holders will be able to sell their Bonds or that a liquid market will develop. The liquidity of the Bonds will be adversely affected if the Bonds are held or allocated to limited investors. Bondholders should note that they may need to hold their Bonds until maturity as there may not be an active secondary market for the Bonds. None of the Joint Lead Managers is obligated to make a market in the Bonds, and if the Joint Lead Managers do so, they may discontinue such market making activity at any time at their sole discretion. In addition, the Bonds are being offered pursuant to exemptions from registration under the Securities Act and, as a result, holders will only be able to resell their Bonds in transactions that have been registered under the Securities Act or in transactions not subject to, or exempt from, registration under the Securities Act.

Investors in the Bonds may be subject to foreign exchange risks.

The Bonds are denominated and payable in U.S. dollars. An investor who measures investment returns by reference to a currency other than U.S. dollars would be subject to foreign exchange risks by virtue of an investment in the Bonds, due to, among other things, economic, political and other factors over which the Group has no control. Depreciation of the U.S. dollars against such currency could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss when the return on the Bonds is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the Bonds.

Changes in market interest rates may adversely affect the value of the Bonds.

The Bondholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the prices of the Bonds, resulting in a capital loss for the Bondholders. However, the Bondholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the prices of the Bonds may rise. The Bondholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

The Bonds will carry a fixed interest rate. Consequently, investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. If Bondholders sell the Bonds they hold before the maturity of such Bonds, they may receive an offer less than their investment.

The insolvency laws of the Cayman Islands and other local insolvency laws may differ from those of another jurisdiction with which the holders of the Bonds are familiar.

Because the Issuer is incorporated under the laws of the Cayman Islands, any insolvency proceeding relating to the Issuer would likely involve the Cayman Islands insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the holders of the Bonds are familiar.

A change in English law which governs the Bonds may adversely affect the holders of the Bonds.

The Conditions are governed by English law. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the Bonds.

The Bonds may be redeemed by the Issuer prior to maturity.

As set forth in Condition 6 of the Conditions, the Bonds may be redeemed at the Issuer's option in the circumstances set out therein. If the Bonds are redeemed prior to the Maturity Date, investors may not receive the same economic benefits they would have received had they held the Bonds to maturity, and they may not be able to reinvest the proceeds they receive in a redemption in similar securities. In addition, the Issuer's ability to redeem the Bonds may reduce the market price of the Bonds. Further, the Issuer may (and at maturity, will) be required to redeem all of the Bonds upon occurrence of certain events. If any such event were to occur, the Issuer may not have sufficient cash in hand and may not be able to arrange financing to redeem the Bonds in time, or on acceptable terms, or at all. The ability to redeem the Bonds in such event may also be limited by the terms of other debt instruments. Failure to repay, repurchase or redeem tendered Bonds by the Issuer would constitute an event of default under the Bonds, which may also constitute a default under the terms of the Issuer's other indebtedness.

The liquidity and price of the Bonds following the offering may be volatile.

The price and trading volume of the Bonds may be highly volatile. Factors such as variations in the Group's turnover, earnings and cash flows, proposals for new investments, strategic alliances and/or acquisitions, changes in interest rates, fluctuations in price for comparable companies, changes in government regulations and changes in general economic conditions nationally or internationally could cause the price of the Bonds to change. Any such developments may result in large and sudden changes in the trading volume and price of the Bonds. There is no assurance that these developments will not occur in the future.

Developments in other markets may adversely affect the market price of the Bonds.

The market price of the Bonds may be adversely affected by declines in the international financial markets and world economic conditions. The market for the Bonds is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuer in other countries, including the PRC. Since the global financial crisis in 2008 and 2009, the international financial markets have experienced significant volatility. If similar developments occur in the international financial markets in the future, the market price of the Bonds could be adversely affected.

Decisions that may be made on behalf of all holders of the Bonds may be adverse to the interests of individual holders of the Bonds. Modifications and waivers may be made in respect of the Conditions, the Trust Deed (as defined in the Conditions) or the Agency Agreement (as defined in the Conditions) by the Trustee or less than all of the holders of the Bonds.

The Conditions contain provisions for calling meetings of holders of the Bonds to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of the Bonds including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority. Furthermore, there is a risk that the decision of the majority of the holders of the Bonds may be adverse to the interests of the individuals.

The Conditions also provide that the Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to (i) any modification of any of the Conditions or any of the provisions of the Trust Deed or the Agency Agreement that in its opinion is of a formal, minor or technical nature or

is made to correct a manifest error or to comply with any mandatory provision of law, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the Conditions or any of the provisions of the Trust Deed or the Agency Agreement that is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation or waiver shall be binding on the Bondholders and, if the Trustee so requires, such modification shall be notified to the Bondholders as soon as practicable in accordance with Condition 16.

The Trustee may request holders of the Bonds to provide an indemnity and/or security and/or pre-funding to its satisfaction.

Where the Trustee is under the provisions of the Trust Deed bound to act at the request or direction of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security and/or pre-funded to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security or pre-funding, in breach of the terms of the Trust Deed or the Conditions and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the holders of the Bonds to take such actions directly.

The Bonds will initially be represented by a Global Certificate and holders of a beneficial interest in the Global Certificate must rely on the procedures of the relevant Clearing System.

The Bonds will initially be represented by a Global Certificate. Such Global Certificate will be deposited with a common depositary for Euroclear and Clearstream (each of Euroclear and Clearstream, a “**Clearing System**”). Except in the circumstances described in the Global Certificate, investors will not be entitled to receive definitive certificates evidencing the Bonds. The relevant Clearing System will maintain records of the beneficial interests in the Global Certificate.

While the Bonds are represented by the Global Certificate, investors will be able to trade their beneficial interests only through the Clearing Systems. While the Bonds are represented by the Global Certificate, the Issuer will discharge its payment obligations under the Bonds by making payments to the common depositary for Euroclear and Clearstream for distribution to their account holders. A holder of a beneficial interest in a Global Certificate must rely on the procedures of the relevant Clearing System to receive payments under the Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Holders of beneficial interests in a Global Certificate will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies.

Ratings of the Bonds may not reflect all risks and may be changed at any time, which may adversely affect the value of the Bonds.

The Bonds are expected to be assigned a rating of “BBB” by S&P. One or more independent credit rating agencies may assign credit ratings to an issue of the Bonds. The ratings represent the opinions of the rating agencies and their assessment of the ability of the Issuer to perform their respective obligations under the Bonds and the credit risks in determining the likelihood that payments will be made when due under the Bonds. Such ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. There can be no assurance that the ratings assigned to any Bonds will remain in effect for any given period or that the ratings will not be lowered, suspended or withdrawn by the rating agencies in the future if, in their judgment, the circumstances so warrant. The Issuer is not obligated to inform holders of the Bonds of any such suspension, revision, downgrade or withdrawal. A suspension, downgrade or withdrawal of the ratings of any Bonds at any time may materially and adversely affect the market price of the Bonds and the Issuer’s ability to access the debt capital markets.

Bonds which have a denomination that is not an integral multiple of the minimum specified denomination may be illiquid and difficult to trade.

The denominations of the Bonds are U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. Therefore, it is possible that the Bonds may be traded in amounts in excess of U.S.\$200,000 that are not integral multiples of U.S.\$200,000. In such a case, a Bondholder who, as a result of trading such amounts, holds a principal amount of less than U.S.\$200,000 will not receive a definitive certificate in respect of such holding of Bonds (should definitive certificates be printed) and would need to purchase a principal amount of Bonds such that it holds an amount equal to U.S.\$200,000. If definitive certificates are issued, Bondholders should be aware that Bonds with aggregate principal amounts that are not an integral multiple of U.S.\$200,000 may be illiquid and difficult to trade.

The Issuer may issue additional Bonds in the future.

The Issuer may, from time to time, and without prior consultation of the holders of the Bonds, create and issue further Bonds (see the section headed “*Terms and Conditions of the Bonds – Further Issues*”) or otherwise raise additional capital through such means and in such manner as the Issuer may consider necessary. There can be no assurance that such future issuance or capital-raising activity will not adversely affect the market price of the Bonds.

The Issuer’s shareholders may have interests that differ from the interests as Bondholders.

The Issuer’s shareholders are able to control the election of its directors and determine its corporate and management policies as well as its decisions on certain significant corporate transactions, including, but not limited to, whether to pursue or consummate potential mergers or acquisitions, asset sales. In particular, its controlling shareholder, Mengniu, and strategic shareholder, New Hope, were collectively deemed to hold approximately 64.39 per cent. interest in the Issuer’s shares as at 31 December 2024 and have significant influence on its corporate and management policies.

The interests of the Issuer's shareholders may not coincide with the Bondholders. For example, its shareholders may have an interest in pursuing acquisitions, divestitures, financings and other transactions that, in their judgement, could enhance their equity investments, even though those transactions might involve risks to the Bondholders.

The Bonds being issued as sustainability bonds may not be a suitable investment for all investors seeking exposure to sustainable assets.

In connection with the issue of the Bonds, the Issuer engaged Moody's Ratings ("**Moody's**") to provide a second party opinion in relation to the Bonds (the "**Second Party Opinion**"). The Second Party Opinion is not incorporated into, and does not form part of, this Offering Circular. The Second Party Opinion is not a recommendation to buy, sell or hold securities and are only current as of its date of issue and is subject to certain disclaimers set out therein. Furthermore, the Second Party Opinion is for information purposes only and Moody's does not accept any form of liability for the substance of the Second Party Opinion and/or any liability for loss arising from the use of the Second Party Opinion and/or the information provided in it. As at the date of this Offering Circular, the provider of such Second Party Opinion is not subject to any specific regulatory or other regime or oversight. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein.

Whilst the Issuer has agreed to certain obligations relating to reporting and use of proceeds as described under the sections headed "*Description of the Sustainable Finance Framework*" and "*Use of Proceeds*", it would not be an Event of Default under the Conditions if (i) the Issuer were to fail to comply with such obligations or were to fail to use the proceeds of the issue of the Bonds, in the manner specified in this Offering Circular and/or (ii) the Second Party Opinion issued in connection with such Bonds were to be withdrawn. Any failure to use the proceeds of the issue of the Bonds in connection with the Eligible Assets, and/or any failure to meet, or to continue to meet, the investment requirements of certain investors with green, environmental, sustainable and/or social concerns with respect to such Bonds, may affect the value and/or trading price of the Bonds, and/or may have consequences for certain investors with portfolio mandates to invest in green, sustainable or social projects. In the event that the Bonds are included in any dedicated "green", "environmental", "social", "sustainable" or other equivalently-labelled index, no representation or assurance is given by the Issuer or any other person that such listing or admission, or inclusion in such index, satisfies any present or future investor expectations or requirements as regards to any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own constitutive documents or other governing rules or investment portfolio mandates.

None of the Issuer, the Group, the Joint Lead Managers, the Trustee, the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them makes any representation as to the suitability for any purpose of the Second Party Opinion or (i) whether the Bonds will meet investor criteria and expectations regarding green and environmental impact and sustainability performance for any investors, (ii) whether the net proceeds will be used to finance and/or refinance the Eligible Assets in accordance with the criteria described in the Framework, or (iii) the characteristics of the Eligible Assets, including their green, environmental and sustainability criteria. Each potential purchaser of the Bonds should have regard to the relevant projects and eligibility criteria described under the section headed “*Description of the Sustainable Finance Framework*” and determine for itself the relevance of the information contained in this Offering Circular regarding the use of proceeds, and its purchase of any Bonds should be based upon such investigation as it deems necessary.

The Bonds are not linked to the performance of the Eligible Assets, and do not benefit from any arrangements to enhance the performance of the Bonds or any contractual rights derived solely from the intended use of proceeds.

The performance of the Bonds is not linked to the performance of the Eligible Assets or the performance of the Issuer in respect of any green, environmental, sustainable or similar targets. There will be no segregation of assets and liabilities in respect of the Eligible Assets. Consequently, neither payments of principal and/or interest on the Bonds nor any rights of Bondholders shall depend on the performance of the Eligible Assets or the performance of the Issuer in respect of any such green, environmental, sustainable or similar targets. Holders of the Bonds shall have no preferential rights or priority against the assets of any Eligible Assets nor benefit from any arrangements to enhance the performance of the Bonds.

TERMS AND CONDITIONS OF THE BONDS

The following are the terms and conditions of the Bonds (as defined below) substantially in the form in which they (other than the text in italics) will be endorsed on the definitive Certificate issued in respect of the Bonds and referred to in the Global Certificate (as defined below) relating to the Bonds.

The issue of the U.S.\$350,000,000 4.875 per cent. bonds due 2030 (the “**Bonds**”, which term shall include, unless the context requires otherwise, any additional bonds issued in accordance with Condition 15 and consolidated and forming a single series therewith) was authorised by a resolution of the Board of Directors of China Modern Dairy Holdings Ltd. (the “**Issuer**”) passed on 12 May 2025. The Bonds are constituted by a Trust Deed (as amended and/or supplemented from time to time) (the “**Trust Deed**”) dated 10 July 2025 (the “**Issue Date**”) between the Issuer and China Construction Bank (Asia) Corporation Limited (中國建設銀行（亞洲）股份有限公司) (the “**Trustee**” which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for itself and the Bondholders (as defined below). These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds. The Bonds are the subject of an Agency Agreement (as amended and/or supplemented from time to time) (the “**Agency Agreement**”) dated the Issue Date relating to the Bonds between the Issuer, the Trustee and China Construction Bank (Asia) Corporation Limited (中國建設銀行（亞洲）股份有限公司) as registrar (the “**Registrar**”, which expression shall include any successor registrar appointed from time to time in connection with the Bonds), as transfer agent (the “**Transfer Agent**”, which expression shall include any successor or additional transfer agent appointed from time to time in connection with the Bonds), as principal paying agent (the “**Principal Paying Agent**”, which expression shall include any successor principal paying agent appointed from time to time in connection with the Bonds) and any other agents named in it.

Copies of the Trust Deed and the Agency Agreement (i) are available for inspection at all reasonable times during usual business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time)) on any weekday (except public holidays) at the principal office of the Trustee (presently at 3/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong) and at the specified office of the Principal Paying Agent for the time being and (ii) may be provided by email to any Bondholder, in each case, following prior written request and proof of holding and identity to the satisfaction of the Trustee or, as the case may be, the Principal Paying Agent. “**Agents**” means the Principal Paying Agent, the Registrar, the Transfer Agents and any other agent or agents appointed from time to time with respect to the Bonds including their respective successors pursuant to the Agency Agreement. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

All capitalised terms that are not defined in these terms and conditions (the “**Conditions**”) will have the meanings given to them in the Trust Deed.

1 Form, Specified Denomination and Title

The Bonds are issued in registered form in the specified denomination of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof (each, a “**Specified Denomination**”).

The Bonds are represented by registered certificates (the “**Certificates**”) and, save as provided in Condition 2(a), each Certificate shall represent the entire holding of Bonds by the same holder.

Title to the Bonds shall pass by transfer and registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as otherwise required by law, the holder (as defined below) of any Bond shall be deemed to be and shall be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on the Certificate (other than the endorsed form of transfer) representing it or the theft or loss of such Certificate and no person shall be liable for so treating the holder.

In these Conditions, “**Bondholder**” and, in relation to a Bond, “**holder**” mean the person in whose name a Bond is registered in the Register (or in the case of a joint holding, the first named thereof).

*Upon issue, the Bonds will be represented by a global certificate (the “**Global Certificate**”) registered in the name of a nominee of, and deposited with, a common depositary for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”). When the Bonds are represented by a Global Certificate, these Conditions are modified by certain provisions contained in the Global Certificate.*

Except in the limited circumstances described in the Global Certificate, owners of interests in Bonds represented by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of Bonds. The Bonds are not issuable in bearer form.

2 Transfers of Bonds

- (a) **Transfer:** A holding of Bonds may, subject to Condition 2(d), be transferred in whole or in part in the Specified Denomination upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate(s) representing such Bonds to be transferred, together with the form of transfer endorsed on such Certificate(s) (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or any Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Bonds represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred (which shall be in a Specified Denomination) and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor (which shall be in a Specified Denomination). In the case of a transfer of Bonds to a person who is already a holder of Bonds, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Bonds and entries on the Register will be made in accordance with the detailed regulations concerning transfers and registration of Bonds scheduled to the Agency Agreement.

Transfers of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.

- (b) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(a) shall be made available for delivery within seven business days of receipt of a duly completed and signed form of transfer and surrender of the existing Certificate(s) and provision of all other evidence required by the relevant Transfer Agent or the Registrar pursuant to Condition 2(a). Delivery of the new Certificate(s) shall be made at the specified office of the relevant Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. The form of transfer is available at the specified office of the Transfer Agent. In this Condition 2(b), “**business day**” means a day, other than a Saturday, Sunday or public holiday, on which commercial banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).
- (c) **Transfer Free of Charge:** Certificates on transfer shall be issued and registered without charge to the relevant Bondholder by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon (i) payment by the Bondholder of any taxes, duties or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or pre-funding as the Issuer, the Registrar or the relevant Transfer Agent may require), (ii) the Registrar being satisfied in its absolute discretion with the documents of title or identity of the person making the application and (iii) the relevant Agent (after consultation with the Issuer if so required) being satisfied that the regulations concerning transfer of Bonds have been complied with.
- (d) **Closed Periods:** No Bondholder may require the transfer of a Bond to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of that Bond, (ii) after a Put Exercise Notice has been deposited in respect of such Bond pursuant to Condition 6(c), (iii) after any such Bond has been called for redemption, or (iv) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(a)(ii)).
- (e) **Regulations:** All transfers of Bonds and entries on the Register will be made in accordance with the detailed regulations concerning transfer and registration of Bonds, the initial form of which is scheduled to the Agency Agreement. Each of the Issuer and the Registrar may change the regulations from time to time, with the prior written approval of the Trustee and (in the case of any change proposed by the Issuer) of the Registrar. A copy of the current regulations will be made available at the specified office of the Registrar for inspection by any Bondholder following prior written request and proof of holding and identity to the satisfaction of the Registrar. No transfer of title to a Bond will be valid unless and until entered on the Register.

3 Status

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all the Issuer's other present and future unsecured and unsubordinated obligations.

4 Covenants

- (a) **Negative Pledge and Relevant Indebtedness Covenants:** So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer will not, and will ensure that none of its Principal Subsidiaries (other than a Listed Subsidiary and Subsidiaries of a Listed Subsidiary) will, create any Encumbrance or permit to exist any Encumbrance to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Bonds either (a) the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or (b) such other security as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.
- (b) **Notification to NDRC:** The Issuer undertakes to file or cause to be filed with the National Development and Reform Commission of the PRC (the "NDRC") the requisite information and documents in respect of the Bonds within the relevant prescribed timeframes after the Issue Date (as defined below) in accordance with the Administrative Measures for the Review and Registration of Medium-and Long-Term Foreign Debts of Enterprises (企業中長期外債審核登記管理辦法(國家發展和改革委員會令第56號)) issued by the NDRC and which came into effect from 10 February 2023, and any implementation rules, reports, certificates, approvals or guidelines as issued by the NDRC from time to time (each a "NDRC Filing"), including but not limited to, the NDRC Post-Issuance Filing. The Issuer shall complete the NDRC Filings and comply with all applicable PRC laws and regulations in relation to the NDRC Filings.
- (c) **Notification of Submission of the NDRC Post-Issuance Filing:** The Issuer shall within ten Registration Business Days after the submission of the NDRC Post-Issuance Filing, provide the Trustee with a certificate in English signed by an Authorised Signatory (as defined in the Trust Deed) of the Issuer confirming the submission of the NDRC Post-Issuance Filing (the "Registration Documents"). In addition, the Issuer shall, within five Registration Business Days after the Registration Documents are delivered to the Trustee, give notice to the Bondholders (in accordance with Condition 16) confirming the submission of the NDRC Post-Issuance Filing.

The Trustee may rely conclusively on the Registration Documents and shall have no obligation to monitor or ensure the NDRC Post-Issuance Filing is made as required by this Condition 4(c) or to assist with the NDRC Post-Issuance Filing or to verify the accuracy, validity and/or genuineness of any Registration Documents, or to translate or procure any translation into English of any Registration Document, or to give notice to the Bondholders confirming the submission of the NDRC Post-Issuance Filing, and shall not be liable to Bondholders or any other person for not doing so.

(d) Ratings

For so long as any Bond remains outstanding, save with the approval of an Extraordinary Resolution of the Bondholders, the Issuer will maintain a rating on the Bonds by at least one Rating Agency.

(e) Definitions

In these Conditions:

- (i) **“Encumbrance”** means, in relation to the Issuer, a Principal Subsidiary or any other person, any mortgage, charge, lien, pledge or other security interest over the whole or any part of the present or future undertaking, assets or revenues (including any uncalled capital) of the Issuer, that Principal Subsidiary or that person (as applicable);
- (ii) **“Listed Subsidiary”** means a Subsidiary the common shares of which are listed for trading on any recognised stock exchange;
- (iii) **“NDRC Post-Issuance Filing”** means the filing with the NDRC of the requisite information and documents in respect of the issue of the Bonds within ten Registration Business Days after the Issue Date;
- (iv) **“PRC”** means the People’s Republic of China, which for the purposes of these Conditions only, excludes the Hong Kong Special Administrative Region of the People’s Republic of China, the Macau Special Administrative Region of the People’s Republic of China and Taiwan region;
- (v) **“Principal Subsidiary”** means any Subsidiary of the Issuer:
 - (a) whose gross assets or (in the case of a Subsidiary which itself has Subsidiaries) consolidated gross assets, as shown by its latest audited balance sheet are at least 5 per cent. of the consolidated gross assets of the Issuer and its Subsidiaries as shown by the latest audited consolidated balance sheet of the Issuer and its Subsidiaries including, for the avoidance of doubt, the investment of the Issuer in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Issuer and after adjustment for minority interests; or
 - (b) whose revenue or (in the case of a Subsidiary which itself has Subsidiaries) consolidated revenue, as shown by its latest audited income statement is at least 5 per cent. of the consolidated revenue as shown by the latest audited consolidated income statement of the Issuer and its Subsidiaries including, for the avoidance of doubt, the Issuer and its consolidated Subsidiaries’ share of revenue of Subsidiaries not consolidated and of jointly controlled entities and after adjustment for minority interests; or

- (c) whose net profits or (in the case of a Subsidiary which itself has Subsidiaries) consolidated net profits, as shown by its latest audited income statement are at least 5 per cent. of the consolidated net profits as shown by the latest audited consolidated income statement of the Issuer and its Subsidiaries including, for the avoidance of doubt, the Issuer and its consolidated Subsidiaries' share of profits of Subsidiaries not consolidated and of jointly controlled entities and after adjustment for minority interests; or
- (d) to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, provided that (xx) the Principal Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Principal Subsidiary and the Subsidiary to which the assets are so transferred shall forthwith become a Principal Subsidiary and (yy) on or after the date on which the first published audited accounts (consolidated, if appropriate) of the Issuer prepared as of a date later than such transfer are issued, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Principal Subsidiary shall be determined on the basis of such accounts by virtue of the provisions of paragraphs (a), (b) or (c) above of this definition;

provided that, in relation to paragraphs (a), (b) or (c) above:

- (1) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Issuer relate, the reference to the then latest consolidated audited accounts of the Issuer for the purposes of the calculation above shall, until the consolidated audited accounts of the Issuer for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are available, be deemed to be a reference to the then latest consolidated audited accounts of the Issuer adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;
- (2) if at any relevant time in relation to the Issuer or any Subsidiary which itself has Subsidiaries no consolidated accounts are prepared and audited, revenue, net profits or gross assets of the Issuer and/or any such Subsidiary shall be determined on the basis of *pro forma* consolidated accounts prepared for this purpose by the Issuer;
- (3) if at any relevant time in relation to any Subsidiary, no accounts are audited, its gross assets, revenue or net profits (consolidated, if appropriate) shall be determined on the basis of *pro forma* accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by the Issuer; and
- (4) if the accounts of any subsidiary (not being a Subsidiary referred to in proviso (1) above) are not consolidated with those of the Issuer, then the determination of whether or not such subsidiary is a Principal Subsidiary shall be based on a *pro forma* consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Issuer.

A certificate prepared by an Authorised Signatory of the Issuer, that in his/her opinion, a Subsidiary is or is not, or was or was not, a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Bondholders and all parties. The certificate must be accompanied by a report by an internationally recognised firm of accountants addressed to the directors of the Issuer as to proper extraction and basis of the figures used by the Issuer in determining the Principal Subsidiaries of the Issuer and mathematical accuracy of the calculation;

- (vi) **“Rating Agency”** means (i) Fitch Ratings, Inc. and its successors (**“Fitch”**); (ii) S&P Global Ratings and its successors (**“S&P”**); (iii) Moody’s Investors Service, Inc., a subsidiary of Moody’s Corporation, and its successors (**“Moody’s”**) or (iv) any other reputable credit rating agency of international standing;
- (vii) **“Relevant Indebtedness”** means any indebtedness issued outside the PRC which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or ordinarily traded on any stock exchange or over-the-counter or other securities market;
- (viii) a **“Subsidiary”** of any person means (a) any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity, or (b) any company or other business entity which at any time has its accounts consolidated with those of that person or which, under the law, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such person from time to time, should have its accounts consolidated with those of that person; and
- (ix) **“Registration Business Day”** means a day, other than a Saturday, Sunday or public holiday, on which commercial banks are generally open for business in Beijing, PRC.

5 Interest

The Bonds bear interest on their outstanding principal amount from and including the Issue Date at the rate of 4.875 per cent. per annum, payable semi-annually in arrear on 10 January and 10 July in each year (each an **“Interest Payment Date”**) in equal instalments of U.S.\$24.375 per Calculation Amount (as defined below), commencing on 10 January 2026.

Each Bond will cease to bear interest from and including the due date for redemption unless, upon surrender of the Certificate representing such Bond, payment of principal or premium (if any) is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder, and (b) the day falling seven days after the Trustee or the Principal Paying Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

If interest is required to be calculated for a period of less than a complete Interest Period (as defined below), the relevant day-count fraction will be determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

In these Conditions, the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an “**Interest Period**”.

Interest in respect of any Bond shall be calculated per U.S.\$1,000 in principal amount of the Bonds (the “**Calculation Amount**”). The amount of interest payable per Calculation Amount for any period shall, save as provided above in relation to equal instalments, be equal to the product of the rate of interest specified above, the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

6 Redemption and Purchase

(a) Final Redemption:

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 10 July 2030 (the “**Maturity Date**”). The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.

(b) Redemption for Taxation Reasons:

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Bondholders (which notice shall be irrevocable) and in writing to the Trustee and the Principal Paying Agent, at their principal amount (together with accrued interest up to but excluding the date fixed for redemption), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that (i) it has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 as a result of any change in, amendment or non-renewal of, or judicial decision relating to, the laws or regulations of the Cayman Islands or the PRC, or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 2 July 2025, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due. Prior to the giving of any notice of redemption pursuant to this Condition 6(b), the Issuer shall deliver to the Trustee a certificate in English signed by two directors who are also Authorised Signatories of the Issuer stating that the obligations referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it, and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above, in which event it shall be conclusive and binding on the Bondholders and an opinion addressed to and in form and substance satisfactory to the Trustee, of independent legal or tax advisers of recognised standing to the

effect that the Issuer has or will become obliged to pay such Additional Tax Amounts as a result of such change or amendment or any such change in the general application or official interpretation (as the case may be). The Trustee shall be entitled (but shall not be obliged) to accept and rely upon such certificate and opinion (without further investigation or inquiry) as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above of this Condition 6(b), in which event the same shall be conclusive and binding on the Bondholders.

(c) **Redemption for a Change of Control Triggering Event:**

At any time following the occurrence of a Change of Control Triggering Event, the holder of any Bond will have the right, at such holder's option, to require the Issuer to redeem all, but not some only, of that holder's Bonds on the Put Settlement Date (as defined below) at 101 per cent. of their principal amount, together with accrued interest up to but excluding the Put Settlement Date. To exercise such right, the holder of the relevant Bond must deposit at the specified office of the Principal Paying Agent or any other Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent (a "**Put Exercise Notice**"), together with the Certificate evidencing the Bonds to be redeemed, by not later than 30 days following a Change of Control Triggering Event or, if later, 30 days following the date upon which notice thereof is given to Bondholders by the Issuer in accordance with Condition 16. The "**Put Settlement Date**" shall be the fourteenth day after the expiry of such period of 30 days as referred to above.

A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Bonds which is the subject of the Put Exercise Notices delivered as aforesaid on the Put Settlement Date.

The Issuer shall give notice to Bondholders in accordance with Condition 16 and the Trustee in writing by not later than 14 days following the first day on which it becomes aware of the occurrence of a Change of Control Triggering Event, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Bonds pursuant to this Condition 6(c).

The Trustee and the Agents shall not be required to take any steps to ascertain whether a Change of Control Triggering Event has occurred and shall not be responsible for or liable to Bondholders, the Issuer or any other person for any loss arising from any failure to do so.

For the purposes of this Condition 6(c):

- (i) An "**Affiliate**" of any specified Person means any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such specified Person;
- (ii) "**Control**" means (i) the ownership or control of more than 50 per cent. of the Voting Rights of the issued share capital of a person or (ii) the possession, directly or indirectly, of the power to nominate or designate more than 50 per cent. of the members then in office of a person's board of directors or other governing body, whether

obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Voting Rights, contracts or otherwise; “**Controlling**” and “**Controlled**” shall be construed accordingly;

- (iii) A “**Change of Control**” occurs when:
- (a) China Mengniu Dairy Company Limited (“**Mengniu**”) ceases to directly or indirectly hold or own at least 35 per cent. of the issued share capital of the Issuer;
 - (b) Mengniu ceases to be the largest direct or indirect holder of the issued share capital of the Issuer; or
 - (c) any Person or Persons (other than Permitted Holders) acting together acquires Control of the Issuer; or the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer’s assets to any other Person, unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring Control of the Issuer or the successor entity;
- (iv) “**Change of Control Triggering Event**” means (i) the occurrence of both a Change of Control and a Rating Decline, if the Bonds are rated by at least one Rating Agency or (ii) the occurrence of a Change of Control if the Bonds are not rated;
- (v) “**Investment Grade**” means a rating of “**AAA**”, “**AA**”, “**A**” or “**BBB**”, as modified by a “**+**” or “**-**” indication, or an equivalent rating representing one of the four highest rating categories, by S&P or any of its successors or assigns; a rating of “**Aaa**”, “**Aa**”, “**A**” or “**Baa**”, as modified by a “**1**”, “**2**” or “**3**” indication, or an equivalent rating representing one of the four highest rating categories, by Moody’s or any of its successors or assigns; a rating of “**BBB-**” or better by Fitch or any of its successors or assigns; or the equivalent ratings of any internationally recognised rating agency or agencies, as the case may be, which shall have been designated by the Issuer as having been substituted for S&P, Moody’s, or Fitch or any combination thereof, as the case may be;
- (vi) “**Permitted Holders**” means Mengniu and any of its Affiliates;
- (vii) “**Person**” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the Issuer’s board of directors or any other governing board and does not include the Issuer’s wholly-owned direct or indirect subsidiaries;
- (viii) “**Rating Date**” means, in connection with a Change of Control, that date which is 90 days prior to the earlier of (i) a Change of Control and (ii) a public notice of the occurrence of a Change of Control or of the intention by the Issuer or any other Person or Persons to effect a Change of Control;

- (ix) “**Rating Decline**” means, in connection with a Change of Control, the occurrence on, or within 180 days after, the date of the Change of Control, or public notice of the occurrence of a Change of Control or the intention by the Issuer or any other Person or Persons to effect a Change of Control (which period shall be extended (by no more than an additional 90 days after the consummation of the Change of Control) so long as the rating of the Bonds is under publicly announced consideration for possible downgrade by any of the Rating Agencies) of any of the events listed below:
- i. in the event the Bonds (1) are on the Rating Date (x) rated by three Ratings Agencies and (y) rated Investment Grade by each such Rating Agency, and (2) cease to be rated Investment Grade by at least one of such Rating Agencies; or
 - ii. in the event the Bonds (1) are on the Rating Date (x) rated by two but not more Ratings Agencies and (y) rated Investment Grade by each such Rating Agency, and (2) cease to be rated Investment Grade by one of such Rating Agencies; or
 - iii. in the event the Bonds (1) are on the Rating Date (x) rated by one, and only one, of the three Rating Agencies and (y) rated Investment Grade by such Rating Agency, and (2) cease to be rated Investment Grade by such Rating Agency;
- (x) “**Voting Rights**” means the right generally to vote at a general meeting of shareholders of a person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency, an any such power shall therefore be excluded for the purpose of this definition).

(d) **Redemption at the Option of the Issuer:**

The Issuer may, at its option, on giving not more than 60 nor less than 30 days’ irrevocable notice (the “**Make Whole Optional Redemption Notice**”) to the Bondholders (which notice shall be irrevocable) in accordance with Condition 16 and in writing to the Trustee and the Principal Paying Agent, redeem all, but not some only, of the Bonds at any time prior to 10 June 2030 (the “**Par Call Date**”) at their Make Whole Price as of, together with interest accrued and unpaid to, the date fixed for redemption (the “**Make Whole Option Redemption Date**”) specified in the Make Whole Optional Redemption Notice.

In addition, the Issuer may, at its option, on giving not more than 60 nor less than 30 days’ irrevocable notice (the “**Optional Redemption Notice**”) to the Bondholders in accordance with Condition 16 (which notice shall be irrevocable) and in writing to the Trustee and the Principal Paying Agent, redeem all, but not some only, of the Bonds at any time on or after the Par Call Date, at a redemption price equal to 100 per cent. of the principal amount of the Bonds, together with interest accrued and unpaid to, the date fixed for redemption specified in the Optional Redemption Notice.

For the purpose of this Condition 6(d):

“Adjusted Treasury Rate” means, with respect to any Make Whole Option Redemption Date, (i) the yield, which represents the average for the daily yields for the immediately preceding week, derived from the most recently published statistical release designated “H.15” or any successor publication which is published by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption “Treasury Constant Maturities”, for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three (3) months before or after the Maturity Date, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Adjusted Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (ii) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date, in each case calculated on the third Payment Business Day immediately preceding such Make Whole Optional Redemption Date;

“Comparable Treasury Issue” means the U.S. Treasury security having a maturity comparable to the Maturity Date that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the Maturity Date;

“Comparable Treasury Price” means, with respect to any Make Whole Option Redemption Date, if clause (ii) of the Adjusted Treasury Rate is applicable, the average of three, or such lesser number as is obtained by the Quotation Agent, the Reference Treasury Dealer Quotations for such Optional Redemption Date;

“Make Whole Price” means, with respect to a Bond at any redemption date, the amount calculated by the Quotation Agent that is the greater of (1) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the Make Whole Option Redemption Date (assuming the Bonds matured on the Maturity Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months), at the Adjusted Treasury Rate plus 20 basis points (but excluding accrued and unpaid interest to the Make Whole Option Redemption Date), and (2) the principal amount of such Bonds;

“Quotation Agent” means the Reference Treasury Dealer selected by the Issuer;

“Reference Treasury Dealer” means each of any three investment banks of recognised standing that is a primary U.S. Government securities dealer in New York City, selected by the Issuer in good faith; and

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Make Whole Option Redemption Date, the average as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to such Quotation Agent by such Reference Treasury Dealer at 5:00 p.m. (New York time) on the third Payment Business Day preceding such Make Whole Option Redemption Date. Any reference in these Conditions to principal and/or interest shall be deemed to include any Make Whole Price which may be payable under this Condition 6(d).

- (e) **Purchase:** The Issuer and its Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price. The Bonds so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Conditions 9, 12(a) and 13.
- (f) **Notice of redemption:** All Bonds in respect of which any notice of redemption is given under this Condition 6 shall be redeemed on the date, in such place and in such manner as specified in such notice in accordance with this Condition 6. If there is more than one notice of redemption given in respect of any Bond (which shall include any notice given by the Issuer pursuant to Condition 6(b) or Condition 6(d) and any Put Exercise Notice given by a Bondholder pursuant to Condition 6(c)), the notice given first in time shall prevail and in the event of two notices being given on the same date, the first to be given shall prevail. Neither the Trustee nor any of the Agents shall be responsible for calculating or verifying any calculations of any amounts payable under any notice of redemption, Put Exercise Notice, Make Whole Optional Redemption Notice or Optional Redemption Notice and shall not be liable to the holders, the Issuer or any other person for not doing so.

So long as the Bonds are represented by the Global Certificate, a right of a holder to redeem the Bonds following the occurrence of a Change of Control Triggering Event will be effected in accordance with the rules of the relevant clearing systems.

- (g) **Cancellation:** All Certificates representing Bonds redeemed or purchased by or on behalf of the Issuer shall be surrendered for cancellation to the Registrar and, upon surrender thereof, all such Bonds shall be cancelled forthwith. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Bonds shall be discharged.

7 Payments

- (a) **Method of Payment:**
 - (i) Payments of principal and premium (if any) shall be made (subject to surrender of the relevant Certificates at the specified office of any Transfer Agent or the Registrar if no further payment falls to be made in respect of the Bonds represented by such Certificates) in the manner provided in Condition 7(a)(ii) below.

- (ii) Interest on each Bond shall be paid, on the due date for payment, to the person shown on the Register at the close of business on the fifth Payment Business Day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Bond shall be made in U.S. dollars by transfer to the registered account of the holder. For the purpose of this Condition 7(a), a holder’s “**registered account**” means the U.S. dollar denominated account maintained by or on behalf of such holder with a bank, details of which appear on the Register at the close of business on the Record Date.
- (iii) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested in writing by the Issuer or a Bondholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of premium (if any) or interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of premium (if any) or interest so paid.

*Notwithstanding the foregoing, so long as the Global Certificate is held on behalf of Euroclear and Clearstream or any other clearing system, each payment in respect of the Global Certificate will be made to or to the order of the person shown as the holder of the relevant Global Certificate in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payment, where “**Clearing System Business Day**” means Monday to Friday inclusive, except 25 December and 1 January.*

- (b) **Payments subject to Laws:** All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Bondholders in respect of such payments.
- (c) **Payment Initiation:** Payment instructions (for value the due date, or if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated on the due date (or if that is not a Payment Business Day, the first following day which is a Payment Business Day) and in the case of payments of principal and premium (if any) where the relevant Certificate has not been surrendered at the specified office of any Transfer Agent or the Registrar, on the first Payment Business Day on which the relevant Transfer Agent or the Registrar is open for business and on which the relevant Certificate is surrendered.
- (d) **Appointment of Agents:** The Principal Paying Agent, the Registrar, and the Transfer Agents initially appointed by the Issuer and their respective specified offices are set out in the Agency Agreement. The Principal Paying Agent, the Registrar, and the Transfer Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Bondholder. The Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of the Principal Paying

Agent, the Registrar, or any Transfer Agent and to appoint additional or other paying agents and/or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar, (iii) a Transfer Agent, and (iv) such other agents as may be required by any other stock exchange on which the Bonds may be listed, in each case, as approved by the Trustee.

Notice of any such change, termination or appointment or any change of any specified office of an Agent shall promptly be given to the Bondholders in accordance with Condition 16.

- (e) **Delay in Payment:** Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Bond if the due date is not a Payment Business Day, or if the Bondholder is late in surrendering or cannot surrender its Certificate (if required to do so).
- (f) **Non-Payment Business Days:** If any date for payment in respect of any Bond is not a Payment Business Day, the holder shall not be entitled to payment until the next following Payment Business Day nor to any interest or other sum in respect of such postponed payment. In this Condition 7, “**Payment Business Day**” means a day (other than a Saturday, Sunday or a public holiday) on which banks and foreign exchange markets are open for business in New York City and the place in which the specified office of the relevant paying agent is located and (if surrender of the relevant Certificate is required) the relevant place of presentation.

8 Taxation

All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without set-off or counterclaim and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Cayman Islands or the PRC, or in each case, any political subdivision or authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

Where such withholding or deduction is made by the Issuer by or within the PRC at the rate up to and including the aggregate rate applicable on 2 July 2025 (the “**Applicable Rate**”), the Issuer will increase the amounts paid by it to the extent required, so that the net amount received by Bondholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required.

If (i) the Issuer is required to make a deduction or withholding for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the PRC in excess of the Applicable Rate, or (ii) the Issuer is required to make any deduction or withholding for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Cayman Islands, the Issuer shall pay such additional amounts (the “**Additional Tax Amounts**”) as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts shall be payable in respect of any Bond:

- (a) **Other connection:** held by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his (or the beneficial owner) having some connection with the Cayman Islands or the PRC other than the mere holding of the Bond; or
- (b) **Surrender more than 30 days after the Relevant Date:** in respect of which the certificate representing it is presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such Additional Tax Amounts on surrendering the Certificate representing such Bond for payment on the last day of such period of 30 days (as if such last day were a Payment Business Day).

“**Relevant Date**” in respect of any Bond means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Bondholders that, upon further surrender of the Certificate representing such Bond being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such surrender.

Any reference in these Conditions to principal, premium (if any) and/or interest shall be deemed to include any additional amounts which may be payable under this Condition 8 or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed and the Bonds.

Neither the Trustee nor any of the Agents shall be responsible for paying any tax, duty, charges, withholding, Additional Tax Amounts, or other payment referred to in this Condition 8 or for determining whether such amounts are payable or the amount thereof, and shall not be responsible or liable for any failure by the Issuer, the Bondholders or any other person to pay such tax, duty, charges, withholding or other payment or be responsible to provide any notice or information in relation to the Bonds in connection with payment of such tax, duty, charges, withholding or other payment imposed by or in any jurisdiction.

9 Events of Default

If any of the following events (the “**Events of Default**”) occurs the Trustee at its discretion may, and if so requested in writing by holders of at least 25 per cent. of the aggregate principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (provided in any such case that the Trustee shall have first been indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer that the Bonds are, and they shall immediately become, due and payable at their principal amount together (if applicable) with any accrued but unpaid interest:

- (a) **Non-Payment:** there is failure to pay (i) the principal of or any premium (if any) on any of the Bonds when due or (ii) any interest on any of the Bonds within 14 days of the due date; or
- (b) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations under the Bonds or the Trust Deed which default is, in the opinion of the Trustee, incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 30 days after notice of such default shall have been given to the Issuer by the Trustee; or
- (c) **Cross-Default:** (i) any other present or future indebtedness of the Issuer or any of its Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within the applicable grace period, or (iii) the Issuer or any of its Subsidiaries fails to pay when due, unless payment is made within the applicable grace period, any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that no event described in this Condition 9(c) shall constitute an Event of Default unless the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 9(c) have occurred at any time equals or exceeds (either individually or in aggregate) U.S.\$25,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates); or
- (d) **Enforcement Proceedings:** a distress, attachment, execution after final judgment by a court of competent jurisdiction or other legal process is levied, enforced or sued out on or against a substantial part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries and is not discharged or stayed within 30 days; or
- (e) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Principal Subsidiaries over a substantial part of the assets of the Issuer or the relevant Principal Subsidiary, as the case may be, becomes enforceable pursuant to a final judgment by a court of competent jurisdiction and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) and such judgment is not discharged within 45 days, provided that no event described in this Condition 9(e) shall constitute an Event of Default unless the aggregate amount of the relevant assets in respect of which one or more of the events mentioned above in this Condition 9(e) have occurred at any time equals or

exceeds (either individually or in aggregate) U.S.\$25,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this Condition 9(e) operates); or

- (f) **Insolvency:** the Issuer or any of its Principal Subsidiaries is (or is deemed by law or a court of competent jurisdiction to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a substantial part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or a substantial part of (or of a particular type of) the debts of the Issuer or any of its Principal Subsidiaries; or
- (g) **Winding-up:** an order is made by any court of competent jurisdiction or an effective resolution passed for the winding-up or dissolution of the Issuer or any of its Principal Subsidiaries, or the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by the Trustee acting on an Extraordinary Resolution of the Bondholders, or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary are transferred to or otherwise vested in the Issuer or another of its Principal Subsidiaries in any combination, or (iii) a solvent winding up of any Principal Subsidiary, or (iv) a disposal on an arm's length basis where the assets resulting from such disposal are vested in the Issuer and/or any of its Subsidiaries, in any combination; or
- (h) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer to lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds and the Trust Deed, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds and the Trust Deed admissible in evidence in the courts of England or Hong Kong is not taken, fulfilled or done; or
- (i) **Illegality:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Bonds and/or the Trust Deed; or
- (j) **Analogous Events:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs (f) and (g) of this Condition 9.

10 Prescription

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal or premium (if any)) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

11 Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar or such other Transfer Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Bondholders in accordance with Condition 16, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in light of prevailing market practice). Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12 Meetings of Bondholders, Modification and Waiver

- (a) **Meetings of Bondholders:** The Trust Deed contains provisions for convening meetings of the Bondholders, to consider any matters affecting their interests, including, without limitation, the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by the Trustee or the Issuer and shall be convened by the Trustee upon request in writing from Bondholders holding not less than 10 per cent. in aggregate principal amount of the Bonds for the time being outstanding and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. of the aggregate principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, or interest on, the Bonds, (iii) to change the currency of payment of the Bonds, (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, or (v) to amend this proviso, in which case the necessary quorum will be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent. of the aggregate principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed).

The Trust Deed provides that a resolution (A) in writing signed by or on behalf of the holders of not less than 75 per cent. of the aggregate principal amount of the Bonds for the time being outstanding or (B) passed by Electronic Consent (as defined in the Trust Deed) shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders. A resolution passed in writing will be binding on all Bondholders whether or not they participated in such written resolution.

- (b) **Modification:** The Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to (i) any modification of any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement that in its opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of law, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement that is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation or waiver shall be binding on the Bondholders and, if the Trustee so requires, such modification shall be notified to the Bondholders as soon as practicable in accordance with Condition 16.
- (c) **Entitlement of the Trustee:** In connection with the exercise of its functions, rights, powers and/or discretions (including but not limited to those referred to in this Condition 12) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require on behalf of any Bondholder, nor shall any Bondholder be entitled to claim, from the Issuer or the Trustee any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

13 Enforcement

At any time after the Bonds become due and payable, the Trustee may, at its discretion and without further notice, take such steps and/or actions and/or institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Agency Agreement and/or the Bonds, but it need not take any such steps and/or actions and/or institute such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least 25 per cent. of the aggregate principal amount of the Bonds then outstanding, and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Bondholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

14 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related (directly or indirectly) to the Issuer without accounting for any profit.

Neither the Trustee nor any Agent shall be liable to any Bondholder, the Issuer or any other person for any action taken by the Trustee or such Agent in accordance with the instructions, direction or request of the Bondholders. The Trustee shall be entitled to rely on any instruction, direction, request or resolution of Bondholders given by Bondholders holding the requisite principal amount of Bonds outstanding or passed at a meeting of Bondholders convened and held in accordance with the Trust Deed.

Neither the Trustee nor any of the Agents shall have any obligation to monitor compliance with the provisions of the Trust Deed, the Agency Agreement or these Conditions or to monitor or take any steps to ascertain whether an Event of Default or a Potential Event of Default or a Change of Control or any event which could lead to the occurrence of a Change of Control has occurred, and shall not be liable to the Bondholders or any other person for not doing so.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer and/or any other person appointed by the Issuer in relation to the Bonds, of the duties and obligations on their part expressed in respect of the same and, unless it has written notice from the Issuer to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to its exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction, to seek directions from the Bondholders by way of an Extraordinary Resolution, and the Trustee shall not be responsible for any loss or liability incurred by the Issuer, the Bondholders or any other person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction where the Trustee is seeking such directions from the Bondholders or in the event that no such directions sought are not provided or received from the Bondholders.

The Trustee may rely without liability to the Issuer, the Bondholders or any other person on any report, confirmation, information or certificate or any advice or opinion of any accountants, auditors, lawyers, valuers, auctioneers, surveyors, brokers, financial advisers, financial institution or any other expert, whether or not obtained by or addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation, information, opinion or certificate or advice and such report, confirmation, information, opinion or certificate or advice shall be binding on the Issuer and the Bondholders.

Each Bondholder shall be solely responsible for making and continuing to make its own independent appraisal of, and investigation into, the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer or its Subsidiaries, and the Trustee shall not at any time have any responsibility for the same and no Bondholder shall rely on the Trustee in respect thereof.

15 Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date, first payment of interest on them and the timing for registering and completing the NDRC Post-Issuance Filing and the corresponding notification thereof) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds. References in these Conditions to the Bonds include (unless the context requires otherwise) any other bonds issued pursuant to this Condition and forming a single series with the Bonds. Any further bonds forming a single series with the outstanding Bonds constituted by the Trust Deed or any deed supplemental to it shall be constituted by a deed supplemental to the Trust Deed.

16 Notices

All notices required to be given to the holders of Bonds pursuant to these Conditions shall be valid if mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. The Issuer shall also ensure that notices are duly published in a manner that complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made.

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held by or on behalf of Euroclear or Clearstream or the Alternative Clearing System (as defined in the Global Certificate), notices to the Bondholders shall be validly given by the delivery of the relevant notice to Euroclear or Clearstream or the Alternative Clearing System, for communication by it to entitled accountholders in substitution for notification as required by these Conditions and shall be deemed to have been given on the date of delivery to such clearing system.

17 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Bonds expressly provide for such Act to apply to any of their terms.

18 Governing Law and Jurisdiction

- (a) **Governing Law:** The Trust Deed, the Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.
- (b) **Jurisdiction:** The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Bonds, the Trust Deed and/or the Agency Agreement (including a dispute relating to any non-contractual obligations arising out of or in connection with the Bonds, the Trust Deed or the Agency Agreement) and accordingly the Issuer irrevocably submits to the jurisdiction of the Hong Kong courts. The Issuer waives any objection to the courts of Hong Kong whether on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum.
- (c) **Service of Process:** The Issuer has agreed to receive service of process in any proceedings in Hong Kong at its usual business address at Room A, 32nd Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong. Nothing in this Condition 18(c) shall affect the right to serve process in any other manner permitted by law.
- (d) **Waiver of Immunity:** The Issuer hereby waives any right to claim sovereign, crown, state or other immunity from jurisdiction or execution and any similar defence, and irrevocably consents to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any proceedings.

SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM

The Global Certificate will contain provisions which apply to the Bonds in respect of which the Global Certificate is issued, some of which modify the effect of the Conditions set out in this Offering Circular. Terms defined in the Conditions have the same meaning in the paragraphs below. The following is a summary of those provisions.

The Bonds will be evidenced by a Global Certificate registered in the name of a nominee of, and deposited with, a common depositary for Euroclear and Clearstream.

PROMISE TO PAY

Under the Global Certificate, the Issuer will promise to pay such principal, interest and such other sums and additional amounts (if any) as may be payable under the Conditions on the Bonds to the holder of the Bonds on such date or dates as the same may become payable in accordance with the Conditions.

Each payment will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the due date for payment, where “**Clearing System Business Day**” means a weekday (Monday to Friday, inclusive) except for 25 December and 1 January.

CALCULATION OF INTEREST

So long as the Bonds are represented by the Global Certificate and such Global Certificate is held on behalf of a clearing system, the Issuer will promise, *inter alia*, to pay interest in respect of such Bonds from and including the Issue Date in arrear at the rates, on the dates for payment, and in accordance with the method of calculation provided for in the Conditions, save that the calculation is made in respect of the total aggregate amount of the Bonds represented by such Global Certificate.

EXCHANGE OF BONDS EVIDENCED BY THE GLOBAL CERTIFICATE

Owners of interests in the Bonds in respect of which the Global Certificate is issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates if either Euroclear or Clearstream or any other clearing system selected by the Issuer and approved in writing by the Trustee, the Principal Paying Agent and the Registrar (an “**Alternative Clearing System**”) through which the Bonds are cleared is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so. In such circumstances, the Issuer at its own expense will cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant holders of the Bonds. A person with an interest in the Bonds in respect of which the Global Certificate is issued must provide the Registrar not less than 30 days’ notice at its specified office of such holder’s intention to effect such exchange and a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Certificates.

MEETINGS

For the purposes of any meeting of Bondholders, each holder of the Bonds represented by the Global Certificate shall (unless the Global Certificate represents only one Bond) be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and as being entitled to one vote in respect of each U.S.\$1,000 in principal amount of the Bonds.

NOTICES

So long as the Bonds are evidenced by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or any Alternative Clearing System, notices to holders of the Bonds may be given by their being delivered to Euroclear and Clearstream or, as the case may be, any Alternative Clearing System, for communication by it to accountholders entitled to an interest in the Bonds in substitution for notification as required by the Conditions and shall be deemed to have been given on the date of delivery to Euroclear and Clearstream or, as the case may be, any Alternative Clearing System.

ISSUER'S REDEMPTION

Any option of the Issuer provided for in the Conditions shall be exercised by the Issuer giving notice to the Bondholders and to Euroclear and Clearstream (or, as the case may be, any Alternative Clearing System) (or procuring that such notice is given on its behalf) within the time limits set out in and containing the information required by the Conditions.

BONDHOLDER'S REDEMPTION

The Bondholder's redemption option in Condition 6 of the Conditions may be exercised by the holder of the Global Certificate giving notice to the Principal Paying Agent of the principal amount of Bonds in respect of which the option is exercised and presenting the Global Certificate for endorsement or exercise within the time limits specified in the Conditions.

TRANSFERS

Transfers of beneficial interests in the Bonds will be effected through the records of Euroclear and Clearstream (or any Alternative Clearing System) and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream (or any Alternative Clearing System) and their respective direct and indirect participants.

CANCELLATION

Cancellation of any Bond following its redemption or purchase by the Issuer or any of its subsidiaries will be effected by a reduction in the principal amount of the Bonds in the register of the Bondholders.

TRUSTEE'S POWERS

In considering the interests of the Bondholders while the Global Certificate is registered in the name of a nominee for a clearing system, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, but without being obliged to do so, (a) have regard to any information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of the Bonds and (b) consider such interests on the basis that such accountholders were the holders of the Bonds in respect of which the Global Certificate is issued.

DESCRIPTION OF THE SUSTAINABLE FINANCE FRAMEWORK

The description of the Framework set out below is in summarised form only and has been prepared in respect of the Bonds. The full version of the Framework does not form part of this Offering Circular. The Framework is intended to provide non exhaustive, general information. The information contained in the Framework does not purport to be comprehensive. The Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by the Issuer or the Joint Lead Managers, and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Issuer or the Joint Lead Managers, as to the fairness, accuracy, reasonableness or completeness of such information. The Framework may contain statements about future events and expectations that are forward-looking statements. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such statements. See “Forward-Looking Statements” and “Risk Factors” of this Offering Circular. No representation is made as to the suitability of any sustainable securities to fulfil green, environmental and sustainability criteria required by prospective investors.

The Framework is not intended to be and should not be construed as providing legal or financial advice or as a recommendation regarding any securities of the Issuer. Prospective investors are required to make their own independent investigation and appraisals prior to any investment decisions and are solely liable for any use of the information contained in this Offering Circular. Neither the Issuer nor any of its subsidiaries or the Joint Lead Managers shall be liable for any damages, direct, indirect or otherwise and whether arising in tort, contract or otherwise, resulting from the use of, failure to implement or comply with or achieve the goals and intentions set out in and/or otherwise in connection with the Framework.

The information contained herein is provided as at the date of the Framework and is subject to change without notice and none of the Issuer and the Joint Lead Managers assumes any responsibility or obligation to update or revise such information, regardless of whether such information is affected by the results of new information, future events or otherwise.

GENERAL

To recognise its focus on sustainability and to support its commitment to invest in sustainable assets and outcomes in the future, the Group has developed a sustainable finance framework (the “**Framework**”). Through the Framework, the Group will aim to achieve its “Future, Responsibility, Environment, Society, and Health” (“**FRESH**”) sustainability strategies while providing a mechanism for investors to contribute capital to help achieve their own sustainability goals. The Framework outlines the process by which the Group intends to issue and manage bonds and loans that will fund sustainable assets and outcomes to which it is committed (the “**Sustainable Debt**”), in alignment with the relevant market standards (the “**Market Standards**”).

The Group may issue or manage the following Sustainable Debt instruments (such as bonds and loans) in accordance with the applicable Market Standards:

- **Use of Proceeds Instruments**, where an amount equals to the net proceeds of the Green, Social or Sustainability Bonds and/or Loans are intended to be notionally allocated exclusively to finance or refinance Eligible Assets (as defined below).

USE OF PROCEEDS INSTRUMENTS

Introduction

Use of Proceeds Instruments raise funds for new and existing projects with social and/or environmental benefits.

The Group intends to notionally allocate the net proceeds from its Use of Proceeds Instruments to finance or refinance projects, assets and/or activities that are Social Assets or Green Assets (together, the “**Eligible Assets**”), each as defined below. Use of Proceeds Instruments include but not limited to bonds and loans.

With respect to bonds, Use of Proceeds Instruments will be aligned as appropriate for the type of bond issued, with the: the International Capital Market Association (the “**ICMA**”) 2021 Green Bond Principles (GBP), 2023 Social Bond Principles (SBP) and the ICMA 2021 Sustainability Bond Guidelines (SBG).

For loans, the Use of Proceeds Instruments will be aligned with the Asia Pacific Loan Market Association (the “**APLMA**”) and Loan Market Association (the “**LMA**”) 2025 Green Loan Principles (GLP) and 2025 Social Loan Principles (SLP) or as they may be subsequently amended.

Eligible Assets may include projects delivered, or in the process of being delivered, or assets owned by the Group’s subsidiaries and include the funding of capital expenditure, operating expenditure and other related expenditure for the projects, assets and/or activities. The Group will endeavour to prioritise the financing of new Eligible Assets when allocating net proceeds from Use of Proceeds Instruments and will apply a look-back period of no longer than three prior financial years when refinancing existing Eligible Assets. The share of finance against refinance will be disclosed subject to availability. The Framework may be subsequently updated to reflect further investments in Eligible Assets beyond what is already included.

The following five components form the basis of the Framework:

- Eligible Assets
- Project Evaluation and Selection
- Management of Proceeds
- Disclosure and Reporting
- External Review

The Framework covers the following financing instruments:

- Green Bonds and Loans
- Social Bond and Loans
- Sustainability Bonds

Eligible Projects & Environmental Objectives	Eligibility Criteria & Examples	UN Sustainable Development Goals ("SDG") Mapping
Eligible Green Projects		
Environmentally sustainable management of living natural resources and land use Key Objective: Climate Change Mitigation	Procurement of sustainable feed including feed additives, feed replacement and deforestation-free feed to promote sustainable agriculture practices and reduce greenhouse gas emissions. Examples include, but are not limited to: • Deforestation-Free Soybean Sourcing: Procuring deforestation-free soybeans to avoid greenhouse gas emissions associated with land conversion for soy production. Avoiding deforestation preserves carbon stocks in forests and prevents the release of significant amounts of CO₂ into the atmosphere. Identifying and sourcing soybean meal exclusively from suppliers with certifications such as COFCO International Conversion-Free Soy Standard Module 1 or Module 2, Cargill Triple S, U.S. Soybean Sustainability Assurance Protocol (SSAP). • Canola Meal Substitution: Incorporating canola meal as a feed substitute to reduce enteric methane emissions through its natural fatty acid composition and by improving milk production efficiency to reduce emissions per unit of milk.	
Renewable Energy Key Objective: Climate Change Mitigation	Investments and expenditures related to development, construction, installation, operation and maintenance of renewable energy generation facilities to promote clean energy transition and reduce greenhouse gas emissions. Examples include, but are not limited to: • Solar Power Installations: Photovoltaic systems on the south-facing steel roofs of dairy cow barns, which generate renewable energy and reduce carbon emissions from agricultural operations. • Biogas Generation: The purified biogas produced from the anaerobic digestion system is comprehensively utilized to generate steam for heating in farm operations and drying digestate through combustion. The biogas is also used for power generation, where electricity is first used for self-consumption, with excess power fed into the grid for additional revenue.	

Sustainable water and wastewater management

Key Objective:
Water Conservation

Expenditures related to sustainable water management, such as water reuse and recycling, efficiency, and conservation. Example include, but are not limited to:

- **Water Conservation Initiatives:** Installation of precision sprinkler systems in cow barns for heat stress management. Transition to an enzymatic and plant-extract-based detergent for udder wiping, reducing water consumption by streamlining the cleaning process. Installation of smart water valves in pasture irrigation systems to improve water use efficiency and minimize water waste.
- **Sewage Treatment and Recycling:** Regular replacement of sewage pipes and repair of drainage ditches/channels. Recycled cooling water from milk chilling is recycled as drinking water for cattle. Milking machine wastewater is recycled for cleaning milking equipment and facilities.



Clean transportation

Key Objectives:

- Climate Change Mitigation
- Pollution Prevention and Control

Investments in assets, activities, technology and research and development that reduce the greenhouse gas emissions arising from transportation. Examples include, but are not limited to:

- **Electric Farm Equipment:** Purchasing or leasing electric units, including but not limited to loaders, stationary mixers, forklifts, calf feeding carts, feed pushers, aerial work platforms and milk tanker trucks.



Circular economy adapted products, production technologies and processes and/or certified eco-efficient products

Key Objectives:

- Circular Economy
- Natural Resources Conservation

Investments and expenditures related to the acquisition, construction, maintenance and operation of manure utilisation facilities, decomposition and biorefinery technologies. Examples include, but are not limited to:

- **Establishment of Green Circular Industry Chains:** Forage is grown to feed dairy cows, and the resulting manure undergoes solid-liquid separation and treatment. The separated liquid digestate serves as organic fertilizer, nourishing the forage growth and creating a closed-loop system of feed-cow-manure-fertilizer-forage. The separated solid digestate is then dried and used as bedding material in the cow barns, further maximising resource utilisation.



Social Assets

Eligible Projects & Social Objectives	Eligibility Criteria & Examples	UN SDG Mapping
Eligible Social Projects		
Employment generation Key Objective(s): Employment Generation for Vulnerable Groups	Procurement of silage to promote sustainable agriculture and generate employment, particularly for low-income farmers and their families in rural communities, in partnership with local governments and rural cooperatives. Examples include, but are not limited to: Promotion of Forage Agriculture: Partner with local governments and rural cooperatives to support the employment of local farmers in cultivating silage corn near dairy farms. This includes providing technical guidance on silage planting, ensuring consistent procurement of silage, promoting sustainable agricultural practices (reducing reliance on chemical fertilizers and minimizing air pollution from stalk burning), and providing biogas slurry as fertilizer to further reduce the need for chemical fertilizers.	   

Exclusion Criteria

Eligible projects and assets exclude the following:

- Fossil fuel energy production
- Palm oil production
- Activities listed in the International Finance Corporation (IFC) Exclusion List
- Activities that violate The Five Freedoms of Animal Welfare
- Large-scale or industrial farming in protected areas or high conservation value areas

Project Evaluation and Selection

The green financing working group (“GFWG”) of the Group, comprising of Investor Relations and Finance Departments, is responsible for assessment and selection of Eligible Projects nominated by relevant sustainability working group and functional departments, based on the eligibility criteria outlined in the Use of Proceeds section of the Framework. In addition, all project allocated funding from the issuance proceeds will follow an internal process that includes final review and approval by the sustainability executive committee (“SEC”). SEC will oversee the environmental and social risk assessment and management of potential Eligible Projects financed under the Framework.

- Alignment to the Group’s sustainability strategy as outlined in the prior section;
- Conformance with the Market Standards (as applicable);
- Conformance with the Green Asset and/or Social Asset eligibility criteria as described in Use of Proceeds section of the Framework;
- Alignment to the SDGs, as well as contribution to potential social or environmental outcomes arising from the Eligible Assets;
- The Group’s own professional judgement, discretion and sustainability knowledge;
- Assessment of any potential social and/or environmental impacts from the Eligible Assets, management of those impacts, and confirmation that the Eligible Assets will not significantly harm any of the Group’s social or environmental objectives;
- Conformance with any other applicable selected principles, standards, or tools that are or become both commonplace and respected in the market.

The GFWG will be responsible for periodically updating the pool of Eligible Assets. This pool may be adjusted through the addition of new Eligible Assets, the removal of assets no longer meeting eligibility criteria, or the replacement of assets sold or disposed of. Eligible Assets that meet both the Green Asset and Social Asset Eligibility Criteria will not be double counted.

Management of Proceeds

The Group will maintain a register of Eligible Assets that outlines (among other things) the project cost of the Eligible Assets, the notional allocation of net proceeds from the Use of Proceeds Instruments against each Eligible Asset, and disclosure of any unallocated proceeds from the Use of Proceeds Instruments (the “**Register**”).

The Register will demonstrate that the Eligible Assets have an aggregate project cost that is larger than the sum of the net proceeds from the Use of Proceeds Instruments. The Register will be included in annual monitoring reports provided by GFWG.

On the issuance of a new Use of Proceeds Instrument, the Group intends to notionally allocate net proceeds to Eligible Assets within 24 months of issuance. In the unlikely event that the net proceeds from such Use of Proceeds Instruments are unallocated to Eligible Assets within this timeframe, the Group intends that any unallocated proceeds shall be temporarily:

- Held in cash or cash equivalent instruments with a treasury function
- Held in investment instruments that do not include greenhouse gas intensive projects which are inconsistent with the delivery of a low carbon and climate resilient economy
- Applied to reduce indebtedness of a short term or revolving nature before being redrawn for notional allocation to Eligible Assets.

The Group will service its debt obligations under Use of Proceeds Instruments out of its general cashflows and not specifically from revenues generated by Eligible Assets alone.

Disclosure and Reporting

The Group recognizes the importance investors place on transparency and disclosure relating to Use of Proceeds Instruments. Reporting will be made available directly to lenders (at a minimum) for loans, and publicly available on the Group’s website for bonds.

Following issuance, the Group intends to disclose annual update reports in line with the Market Standards that include the following information:

- **Allocation Reporting:** A list and description of the Eligible Assets financed or refinanced by the Use of Proceeds Instruments, the amount of net proceeds notionally allocated towards such Eligible Assets and the amount of unallocated net proceeds. It also includes the share of finance against refinance.
- **Eligibility Reporting:** Confirmation that the Eligible Assets meet the relevant eligibility requirements included in the Framework and the Market Standards and include information on the characteristics and sustainability performance of the Eligible Assets.
- **Impact Reporting:** Where applicable the Group will seek to provide qualitative and/or quantitative reporting on one or more of the environmental and/or social impacts of the Eligible Assets resulting from the Use of Proceeds Instruments, generally aligned with ICMA’s “Handbook – Harmonised Framework for Impact Reporting (June 2024)” subject to the availability of suitable information and data. The assumptions and methodologies for calculation will also be made publicly available.

Eligible Green Projects	Examples of Impact Reporting Indicators
Environmentally sustainable management of living natural resources and land use.	• Percentage of zero-deforestation soy in total soy procurement • Percentage of soybean meal replaced by canola meal
Renewable Energy	• MWh of renewable energy generated • Cubic meter of biogas production • MWh of electricity generated from biogas • Metric tons CO2e reduced/avoided
Sustainable water and wastewater management.	• Percentage of freshwater saved from precision sprinkler • Cubic meter of freshwater saved from detergent • Cubic meters of rainwater prevented from entering cattle manure • Cubic meter of cooling water recovered • Percentage of milking machine wastewater recycling

Eligible Green Projects	Examples of Impact Reporting Indicators
Circular economy adapted products, production technologies and processes and/or certified eco-efficient products	• Tons of biogas slurry used as fertilizer • Cubic meter of bedding material production
Clean transportation	• Number of electric units purchased or leased • Metric tons CO2e reduced by replacing diesel machinery with electric equivalents
Eligible Social Projects	Examples of Impact Reporting Indicators
Employment generation	• Number of jobs created for rural farmers • Total tons of silage procured from rural households

External Review

Pre-Issuance External Review

The Framework has been reviewed by Moody's Ratings who provided a Second Party Opinion (SPO), confirming the alignment with the ICMA 2021 Green Bond Principles (GBP), 2023 Social Bond Principles (SBP), the ICMA 2021 Sustainability Bond Guidelines (SBG), the APLMA and LMA 2025 Green Loan Principles (GLP) and 2025 Social Loan Principles (SLP) or as they may be subsequently amended. The SPO will be available on the Group's website.

The external review together with the Framework is published on the website of the Group: <http://www.moderndairyir.com/en/>.

Post-Issuance External Review

In order to provide timely and transparent information about the reporting on the use of proceeds for any Sustainable Debt issued under the Framework, the Group will engage a qualified, independent third party to conduct a post-issuance audit on the allocation of proceeds to Eligible Social/Green Projects/Assets and the calculated beneficial impact of the allocated Eligible Social/Green Projects/Assets until the full allocation of the Sustainable Debt proceeds, and thereafter in case of material changes.

The post-issuance verification report/statement will be available on the website of the Group: <http://www.moderndairyir.com/en/>.

AMENDMENTS TO THE FRAMEWORK

The Group will review the Framework from time to time, including its alignment to updated versions of the relevant principles as and when they are released, with the aim of adhering to best practices in the market. Over time, additional Use of Proceeds Instruments may be added, or significant or structural changes to the business model of the Group may occur. Such review may result in the Framework being updated and amended. The updates, if not minor in nature, will be subject to the prior approval of a qualified provider of second party opinions. Any future updated version of the Framework that may exist will either keep or improve the current levels of transparency and reporting disclosures, including the corresponding review by an external verifier.

The updated Framework, if any, will be published on the Group's website and will replace the Framework.

USE OF PROCEEDS

The gross proceeds from this offering, before deducting the underwriting commissions and other estimated expenses payable in connection with this offering, will be approximately U.S.\$347,812,500. The Group intends to use the proceeds from the offering of the Bonds for refinancing. An amount equal to the net proceeds from the offering of the Bonds will be allocated for refinancing the Eligible Assets as further described in “*Description of Sustainable Finance Framework*”.

None of the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them makes any representation or gives any assurance as to whether the net proceeds from the offering of the Bonds will be used for Eligible Assets under the Framework and none of the Issuer, the Group, the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them makes any representation or gives any assurance as to (i) whether the Bonds will meet investor criteria and expectation regarding environmental impact and performance or (ii) the characteristics of the Eligible Assets, including their eligibility criteria.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth, on a consolidated basis, the capitalisation of the Group as at 31 December 2024, (i) on an actual basis and (ii) as adjusted to give effect to the issuance of the aggregate principal amount of the Bonds:

This table should be read in conjunction with “*Use of Proceeds*”, “*Business – Recent Development*” and the Group’s consolidated financial statements, the related notes and other financial information contained elsewhere in this Offering Circular.

	As at 31 December 2024			
	Actual		As adjusted ⁽¹⁾	
	RMB	USD ⁽²⁾	RMB	USD ⁽²⁾
	(in thousands)			
Bank balances	3,636,711	498,227	6,191,466	848,227
Short-term and long-term indebtedness				
Bank borrowings, unsecured	7,675,868	1,051,590	7,675,868	1,051,590
Bank borrowings, secured	1,583,392	216,924	1,583,392	216,924
Other borrowings, unsecured	1,942,171	266,076	1,942,171	266,076
Other borrowings, secured	2,917	400	2,917	400
Long term bonds	3,258,790	446,452	3,258,790	446,452
Bonds to be issued	–	–	2,554,755	350,000
Total short-term and long-term indebtedness . .	14,463,138	1,981,442	17,017,893	2,331,442
Equity				
Equity attributable to owners of the Company . . .	9,531,012	1,305,743	9,531,012	1,305,743
Non-controlling interests	1,591,784	218,074	1,591,784	218,074
Total equity	11,122,796	1,523,817	11,122,796	1,523,817
Total Capitalisation ⁽³⁾	25,585,934	3,505,259	28,140,689	3,855,259

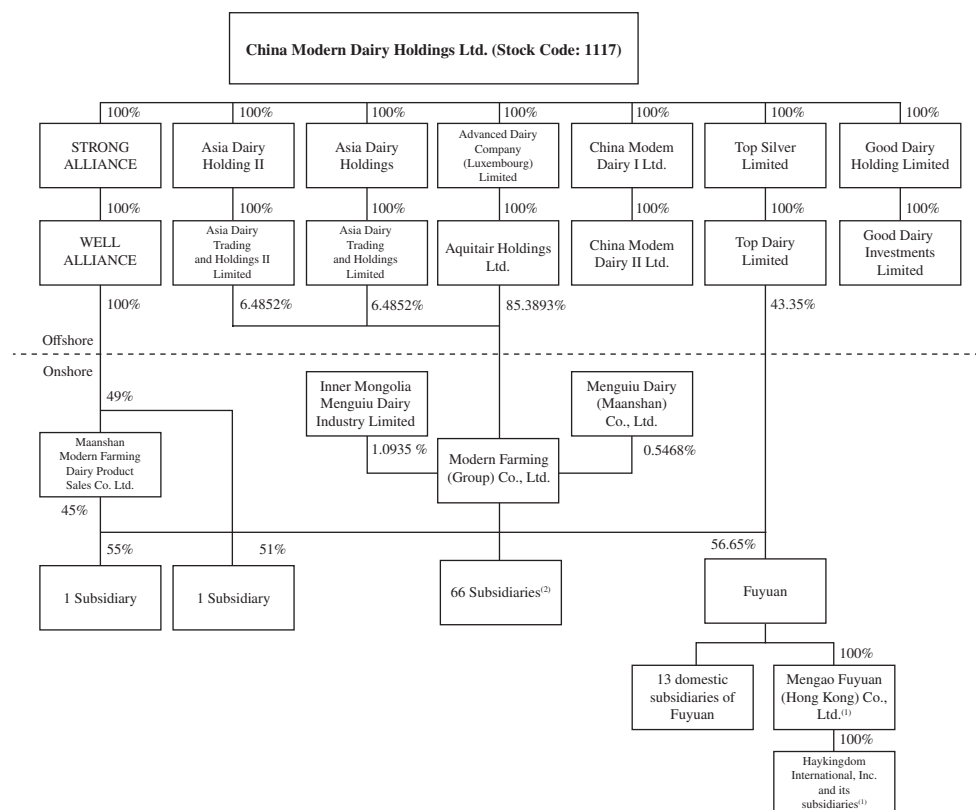
- (1) The “As adjusted” balances shown above do not take into account the application of any of the proceeds from this offering.
- (2) The translation of Renminbi amounts into US dollar amounts has been made at the rate of RMB7.2993 to U.S.\$1.00, the noon buying rate as set forth in the H.10 statistical release of the Federal Reserve Bank of New York on 31 December 2024.
- (3) Total capitalisation represents the sum of total short-term and long-term indebtedness and total equity.

Since 31 December 2024, the Group has incurred further indebtedness including, among others, that in January and April 2025, the Issuer’s domestic non-wholly-owned subsidiary Modern Farming successfully issued RMB200 million of domestic short-term financing bills and RMB300 million of medium-term notes, respectively.

Save as otherwise disclosed in this Offering Circular, since 31 December 2024, there has been no material change in the capitalisation and indebtedness of the Group. The Group may continue to incur indebtedness from time to time for general corporate purposes, including but not limited to refinancing of existing indebtedness and funding its operations in the ordinary course of business.

CORPORATE STRUCTURE OF THE GROUP

The chart below illustrates the simplified corporate structure of the Group as at the date of this Offering Circular.



Note: For further information, please refer to the list of the Issuer's subsidiaries as set out in note 46 of the notes to the audited consolidated financial statements of the Issuer as at and for the year ended 31 December 2024 which is set out in pages F-17-F-186 of this Offering Circular.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2024 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, underling 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:

Name of substantial shareholders	Capacity/Nature of interest	Number of Shares	Percentage of the Company's issued Share Capital
China Mengniu Dairy Company Limited	Beneficial interest	1,246,079,369 ^{(L)(1)}	15.74%
	Interest in controlled corporation (through Future Discovery Limited)	3,214,962,513 ^{(L)(1)}	40.62%
Central Huijin Investment Ltd.	Interest in controlled corporation (through BOCI Financial Products Limited)	568,181,818 ^(L) 568,181,818 ^(S) 1,500,000 ^(L)	7.18% 7.18% 0.02%
Bank of China Limited	Interest in controlled corporation (through BOCI Financial Products Limited)	568,181,818 ^(L) 568,181,818 ^(S) 1,500,000 ^(L)	7.18% 7.18% 0.02%
BOC International Holdings Limited	Interest in controlled corporation (through BOCI Financial Products Limited)	568,181,818 ^(L) 568,181,818 ^(S)	7.18% 7.18%
BOCI Financial Products Limited	Beneficial interest	568,181,818 ^(L) 568,181,818 ^(S)	7.18% 7.18%
New Hope Dairy Co., Ltd	Interest in controlled corporation (through GGG Holdings Limited)	635,345,763 ^(L)	8.03%
New Century Ltd	Interest in controlled corporation (through GGG Holdings Limited)	635,345,763 ^(L)	8.03%
Liu Chang	Interest in controlled corporation (through GGG Holdings Limited)	635,345,763 ^(L)	8.03%
GGG Holdings Limited	Beneficial interest	635,345,763 ^(L)	8.03%
MGD Holdings	Interest in controlled corporation (through Daher Capital LTD and DFG Limited)	400,000,000 ^(L)	5.05%

Notes:

Among which up to 568,181,818 Shares have been lent to BOCI Financial Products Limited pursuant to a securities lending agreement dated 8 June 2023 entered into between Mengniu as lender and BOCI Financial Products Limited as borrower. As at 25 March 2025, the number of Shares that had been lent to BOCI Financial Products Limited was 568,181,818. Among which 3,214,962,513 Shares were held through Future Discovery Limited, a subsidiary of Mengniu.

- (1) Future Discovery is a subsidiary of Mengniu.
- (2) Based on 7,915,662,048 Shares in issue as at 31 December 2024.
- (3) (S) denotes a short position.
- (4) (L) denotes a long position.

BUSINESS

OVERVIEW

The Group is a leading dairy farming operator and raw milk producer in the industry in China in terms of herd size and volume of annual production. The Group's corporate vision is "deploying the whole industry chain, being innovative with digital intelligence, and being a global dairy farming leader". The Group remains committed to raw milk production as its core business while guiding its development through digitalisation and ecological practices. The Group's operations span the entire dairy industry chain, encompassing dairy farming, feed production, forage plantation, breeding business, and a digital intelligence platform for the value chain, and this comprehensive approach lays a solid foundation for the Group's sustainable and stable growth. As of 31 December 2024, the Group operated 47 farming companies in China with dairy cows of 491,169 heads and annual milk yield for the year ended 31 December 2024 was 3.005 million tons.

The Group is listed on the Main Board of the Hong Kong Stock Exchange since November 2010 (Stock Code: 1117). As at 31 December 2024, the Group's market capitalisation was HK\$7.3 billion.

The Group relentlessly focused on food safety, product quality, as well as operating efficiency. The Group has continued to lead in driving modernisation of the overall dairy through, employment of modern farming, development of large-scale farms, use of technologies and improving genetics, amongst others. Every procedure in the production of raw milk e.g. milking, refrigeration and transportation was completed with monitoring measures and the strictest standard was adopted to guarantee the quality of raw milk.

The Group pioneered the production model of "Zero-distance Integration of Forage Grass Planting, Cows Breeding and Milk Processing within Two Hours", being the first in the PRC with an integrated production model certified by Société Générale de Surveillance ("SGS"). The Group is the first company in China that passed the "Quality Milk Project" for both its pasteurised milk and UHT milk. Its 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 twelve consecutive years as at 31 March 2025. The Group was awarded the "National Key Leading Enterprise of Agricultural Industrialisation", the "National Agricultural Standardisation Demonstration Zone", "Agricultural and Rural Informatisation Model Base" by the Ministry of Agriculture and Rural Affairs, becoming the first company in China to win the gold medal of the World Food Quality Evaluation Conference for 12 consecutive years, and the first animal farming group in China to pass the "Quality Milk Project – Accredited Milk" acceptance. The brand "現代牧業" (Modern Dairy) has been shortlisted as the "Strategic Partner of China's Aerospace Industry".

The Group has established comprehensive strategic partnership with Mengniu, its controlling shareholder and major customer. The strategic partnership with Mengniu brings numerous benefits to the Group, including guaranteed raw milk sale via the Off-Take Agreement, and sharing of internal resources strengthens its synergies with Mengniu in terms of sales, cost control (via the enhancement of market confidence and its bargaining power with third party feed suppliers) and resources utilisation (by Mengniu sharing and exchanging experience in aspects such as personnel training, information empowerment and smart farm management). To date, as the largest raw milk supplier to Mengniu, the Group has been assisting Mengniu to consolidate its raw milk supply platforms. As at 31 December 2024, more than 30 per cent. of Mengniu daily raw milk intake was supplied by the Group.

The Group has been expanding its herd size and production in a stable manner to attain sustainable business growth and creating a vertically integrated upstream dairy farming enterprise by integrating the upstream and downstream business, thereby building a full chain of raw milk production from forage cultivation, dairy farming, feed processing to sales. The below recent strategic acquisitions of Fuyuan, Zhongyuan, Aiyangniu and Yunyangniu enabled the Group to achieve synergies and to improve the Group's capability to provide information technology solutions, which in turn increases the Group's overall competitiveness, lowers the operating costs and benefits the financial performance of the Group:

- In July 2021, the Group completed the acquisition of Zhongyuan, which was principally engaged in cow breeding, farm management and operation, and milk production and sale in the PRC.
- In November 2021, the Group completed the acquisition of Fuyuan, whose principal businesses were forage cultivation, dairy farming, feed processing, and sales in the PRC.
- In June 2022, the Group completed the acquisition of Aiyangniu which operated the Aiyangniu Platform, which integrated resources from more than 1,000 suppliers for the leading market players in the dairy farming industry in the PRC.
- In April 2023, the Group completed the acquisition of Yunyangniu which was principally engaged in software research and development, hardware research and development and providing AIOT (Artificial Intelligence of Things) intelligent solutions for agriculture and animal husbandry.

KEY BUSINESS MILESTONES

Year	Event
2005	Modern Farming (Group) Co., Ltd., the predecessor of the Issuer, was incorporated and commenced business
2006	Its first dairy farm in Ma'anshan, Anhui Province, commenced operation
2008	Entered into a 10-year Off-Take Agreement with Mengniu
2009	Received multiple rounds of funding led by KKR, CDH and Brightmoon
2010	Listed on the main board of the Hong Kong Stock Exchange
2013	Mengniu became the single largest shareholder of the Company
2018	Extended the Off-Take Agreement with Mengniu for another 10 years and established a joint venture with Mengniu to produce and market liquid milk products
2019	New Hope became the second largest shareholder
2021	Completion of acquisition of Zhongyuan and Fuyuan
	Placed 650 million new shares for approximately HK\$1.55 billion, representing approximately 9.14 per cent. of its total enlarged issued share capital back then
2022	Completion of acquisition of Aiyangniu
	Development of new businesses Liangyuan Technology, Modern Feed, Modern Grassland and Meng Yuan Genetics
2023	Completion of acquisition of Yunyangniu

COMPETITIVE STRENGTHS

A global leader in the dairy farming sector with first-class operating business model to produce high-quality raw milk

The Group is a global leader in the dairy farming sector, as exemplified by its significant scale and high-quality products, which are enabled by the Group's use of scientific management and advanced technologies, standardised operating procedures, and adherence to the fundamental principles of safe and quality production.

Operational scale

As at 31 December 2024, the Group operated a total of 47 farming companies across 13 provinces and autonomous regions with 491,169 dairy cows. For the years ended 31 December 2022, 2023 and 2024, the Group recorded average annualised milk yield of 12.2 tons per milkable cow, 12.6 tons per milkable cow and 12.8 tons per milkable cow, respectively. For the years ended 31 December 2022, 2023 and 2024, the Group had a total milk production of approximately 2.36 tons, 2.59 tons and 3.005 million tons, respectively. The total organic raw milk yield was 115,000 tons. The Group has achieved production growth and sustained improvement in profit margins notwithstanding prevailing industry headwinds, through strategic initiatives including increasing the proportion of milkable cows, enhancing milk yield per cow, and implementing optimised feed formulation and cost management measures.

In terms of forage grass plantation, the Group has established four plantation bases in China covering an area reaching 66,000 mu, with an annual output reaching 30,000 tons of high-quality forage grass and cooperated with third-party companies to improve saline-alkali land, involving an area of 15,000 mu; the Group cooperates with farmers and has controlled such land area of over one million mu. In terms of feeds and forage grass production and processing, the Group owns five production and processing plants in China and has jointly built and operated three feed production plants with large domestic feed companies. It also has produced high-quality alfalfa and operated three processing and production bases in four major states in the United States and can supply more than 200,000 tons of high-quality forage grass annually.

The Group has accumulated extensive experience in operating large-scale modernised free-stall dairy farms in China. Its business model and management experience enable it to operate large-scale farms efficiently, ensuring that comprehensive, modern and scientific practices are applied consistently throughout and high-quality standards are maintained at each of its farms, regardless of location.

The Group's significant scale not only enables it to cater to the increasing demands of scaled downstream dairy manufacturers with national presence driven by dairy consumption upgrades in China, but also allows it to purchase cows, equipment and feed at competitive prices from its suppliers.

In addition, the Group continued to explore further expansions. In 2021 and 2022, the Group has successfully completed the acquisition of Fuyuan and Zhongyuan to increase the herd size, thereby increasing the yields and attaining a steady growth in output.

Fuyuan and its subsidiaries were principally engaged in forage cultivation, dairy farming and feed processing and sales in the PRC. Zhongyuan was principally engaged in cow breeding, farms management and operation, milk production and sale in the PRC. There were 16 dairy farms acquired by these acquisitions and it also helped to expand the geological coverage of the Group's dairy farms rendering the logistics for delivery of raw milk more efficient and providing the Group with greater flexibility in allocating dairy farm resources to cater the needs for raw milk of the downstream customers. In addition, the acquisition of Fuyuan enabled the Group it to expand into the feeds supply industry. Fuyuan started supplying feedstuffs to it in 2017 under a framework supply agreement which was renewed in December 2019. Stable feed supply and steady growth in feed size is essential to its production of high quality raw milk.

Geographical advantages

As one of the earliest companies operating large-scale dairy farms in China, the Group has leveraged its first-mover advantage to consistently secure expansive farmland suitable for dairy farming and feed production, including the construction of new large-scale dairy farms and feed mills as well as the expansion of existing dairy farms and feed mills. As a nationwide dairy farm operator, the Group is endowed with unique geographical advantages that most of its farms are located in regions with fine climate and ample supply of feed. The Group also locates its dairy farms in economically vibrant regions and in the proximity of processing plants of dairy products, to accommodate its downstream customers' demands. As a result, the Group was able to pioneer the world's first model of "Zero-distance Integration of Forage Grass Planting, Cows Breeding and Milk Processing within Two Hours", the shortening of the processing time of the raw milk not only enables it to meet its downstream clients' raw milk needs in a timely manner but it also increases the quality of the milk by retaining more active substances in the raw milk.

Integrated dairy farming solutions

The Group is among the first companies in China to adopt a large-scale modernised free-stall dairy farming business model. The Group believes the key elements of its modernised business model are 1) standardised operating procedures; 2) centralised management functions; 3) automated information systems; 4) uniform farm designs and layouts; and 5) large-scale operations with high replicability.

The consistent application of scientific dairy farm management principles has enhanced the operational efficiency of the Group. The use of advanced data analysis systems to automatically record and analyse raw milk production has shortened the time of the whole processing to two hours. The Group also ensures transparent supervision of raw milk transportation from its dairy farms to the factories through 24 hour online monitoring and intelligent early warning at key points during transportation.

The Group's integrated dairy farming solutions have successfully optimised the industry chain and delivered remarkable results. The Aiyangniu e-commerce platform is an integrated value chain service platform to improve supply chain and channel capabilities. Another intelligent digital system of the Group, the Yunyangniu, embraces production, breeding, management and other data on dairy cows and focuses on digital farming in farms. It accurately forecasts the demand of dairy cows, and supports a digitally intelligent supply chain. This enhances digital and intelligent breeding capabilities, thereby opening a new era of "digital cattle breeding".

Excellent Product Quality

The Group believes that it is well-positioned to effectively address the quality and safety concerns of its raw milk customers in China through its centralised monitoring and quality control systems which follow international best practices. For instance, the implementation of stringent and standardised disease control practices and risk management policies minimise the incidence of disease or sickness on farms and thus the risk of contamination of raw milk. Since the commencement of its business, there has been no melamine in the raw milk the Group has produced.

The Group adopts a stringent selection process in choosing its feed suppliers. The Group investigates the market to identify suitable suppliers and the candidates are required to submit samples. After testing and examination of the samples and evaluation of the candidates, the Group enters into agreements with its selected suppliers. Upon each delivery, the Group conducts various sample tests and examinations before the feed is stored in its warehouses and the Group conducts another round of sample testing before the Group feeds its cows and heifers.

Moreover, the Group's farms are equipped with comprehensive facilities and the latest breeding, feeding and herd management technologies to provide the best living environment for its dairy cows. This allows for the production of the highest quality pasture to give back to the Group's consumers.

Well-positioned to seize the development opportunities and to capture the growth momentum of the PRC dairy industry

The Chinese government has continued to support and foster the development and optimisation of local dairy industry by introducing a number of policies to strengthen dairy industry support. Thanks to abundant resources, advanced technologies and standardised management procedures, the Group is able to produce large quantities of safe and high-quality raw milk in an economical manner, thereby taking more production share in raw milk domestically. In recent years, Chinese dairy industry has garnered significant attention from all levels of government and has received substantial support through national industrial policies. China has introduced several initiatives to promote the development and innovation of the dairy industry. Policies such as the "Action Plan for Improving Dairy Product Quality and Safety" (乳製品品質安全提升行動方案), the "Announcement on the Applicable Standards (Interim) for Deproteinized Milk Mineral Lactose Powder (Dairy Permeate Powder) (No. 3 of 2020)" (脱蛋白乳礦物乳糖粉(乳製品滲透物粉)適用標準(暫行)的公告(2020年第3號)), and the "Action Plan for Improving Domestic Infant Formula Milk Powder" (國產嬰幼兒配方乳粉提升行動方案) have outlined a promising market outlook for the dairy industry and created a favourable environment for enterprise operations. Recently, the State Council, the Ministry of Finance, the Ministry of Agriculture and Rural Affairs, and other departments have issued numerous policies providing guidance, opinions, and support in areas such as food safety, epidemic prevention, and dairy product quality. Since 2019, the Central Government's No. 1 Document has been constantly advocating for "dairy industry revitalisation", which includes enhancing high-quality milk source bases, upgrading small and medium-sized dairy farms, and implementing improvements in infant formula milk powder. It also involves adjusting the grain-economic-feed structure and promoting the production of high-quality forage like silage corn and alfalfa. Furthermore, in 2022, the Ministry of Agriculture and Rural Affairs released the "14th Five-Year Plan for Improving the Competitiveness of the Dairy Industry" ("十四五"奶業競爭力提升行動方案). In 2024, the NDRC issued policies to encourage the consumption of dairy products for infants and elderly and seven ministries and commissions have jointly issued a notice to implement measures to stabilise dairy production and to promote "student milk" programs via consumption vouchers. In 2025, the PRC Government issued an updated UHT milk standard to prohibit the use of reconstituted milk, promoting

the quality of dairy products and the consumption of fresh milk. Supported by favourable national policies, Chinese dairy industry is expected to become more standardised, with increased industry concentration, improved prosperity, and greater development opportunities for large-scale dairy farming companies during the industry's restructuring.

In recent years China's raw milk market experienced a supply-demand imbalance due to increased production and slowed demand. However, with adjustments on the supply side and a recovery in demand, the market is gradually moving towards equilibrium. On the supply side, the exit of small and medium-sized farms and production control by medium and large farms have driven capacity clearance. On the demand side, the potential for dairy consumption remains significant. China's per capita milk consumption is still considerably lower than the global average, and increased health awareness and consumption upgrades are driving a recovery in demand. On the import side, the inversion of domestic and international raw milk prices has mitigated the impact of imports, providing a stable environment for the domestic market.

As a leader in the upstream dairy value chain in China, the Group is well-positioned to capture the significant opportunities in a rather volatile market presented by the anticipated market recovery and the ongoing development of Chinese dairy industry.

Consistent growth and synergies through a long standing strategic and mutually beneficial partnership with Mengniu

The Group has established long-term and stable strategic partnership with Mengniu, the leading dairy manufacturer in China and the Group has been the largest raw milk supplier of Mengniu pursuant to the Off-Take Agreement between the Group and the Mengniu Group (signed via the Issuer and Mengniu's respective non-wholly subsidiaries) since 2008 for ten years until 2018, which had been extended automatically in 2018 for another 10 years to 2028.

The Group believes that its partnership with Mengniu is strategically important to it and it's also mutually beneficial to Mengniu. Such strategic partnership secures it a high-quality customer with long-term demand of raw milk guaranteeing its sales volume as well as cashflow. Pursuant to the Off-Take Agreement, Mengniu is required to procure 70 per cent. of its raw milk produced from it at a negotiated price. Mengniu procured 92.7 per cent. of the Group's raw milk on average from 2022 to 2024, exceeding the minimum level of 70 per cent.

In addition to guaranteeing raw milk sales, the strategic partnership with Mengniu is also beneficial to it in other operating areas, including procurement, financing, quality control and management. On procurement, the Group leverages Mengniu's procurement platform and its relationship with China National Cereals, Oils and Foodstuffs Corporation ("COFCO"), enabling it to procure at lower cost and improve cost efficiency. The Company and COFCO established Modern Feed (Tianjin) Co., Ltd., an integrated service platform for feed mills and independent ranches to supply chain integrating "feed, farming and dairy production" to advance resource consolidation in the upstream dairy supply chain. On financing, as at 31 December 2024, Mengniu has continued to provide it with financing support amounting to RMB5.4 billion including a long term credit line of RMB1 billion, a factoring financing line of RMB1.4 billion and supply chain financing line of RMB3 billion, and as at 31 December 2024, the total amount of the outstanding loans due to Mengniu was RMB1,599.5 million. The financing from Mengniu has allowed it to obtain more favourable terms with banks. In 2017 and 2018, Mengniu had provided a letter of credit to the banks to support the Group's US\$500 million overseas bank loans. As Mengniu's key raw milk supplier, the Group has been working closely with Mengniu to unify quality

control standards. With duplicative quality control procedures being removed, the operating efficiency has been further improved, streamlining repetitive inspections to reduce costs. Regarding the management team of the Group, former and current members of the senior management of Mengniu also sit on the board of the directors of the Company, to bring with the Group the most advanced industry experience and knowledge and see “– *Experienced management team and sound corporate governance*”.

As a leader in dairy farming sector, one of its focuses on operation strategy is to increase the herd size, thereby increasing the yields and attaining a steady growth in output. The Group is the most important raw milk supplier to Mengniu and has been leading Mengniu’s consolidation efforts in raw milk supply and see “– *A global leader in the dairy farming sector with modernised business model to produce high-quality raw milk*”.

Strong track record in delivering operating efficiency and operational performance improvement

The Group believes its prudent expansion strategy has allowed it to deliver steady improvement in operating efficiency and profitability. From 2018 to 2024, its total herd size has increased from 231,530 to 491,169 as of period ending 31 December. While the Group continues to expand herd size steadily, it continues to maintain a relatively high ratio of milkable cows to total herd size to maintain stable cash flow. The ratio of its milkable cow to total herd size as at 31 December 2022, 2023 and 2024 was 49.3 per cent., 48.5 per cent. and 51.1 per cent., respectively, in line with historical averages. Through its continuous efforts in optimising its feed mix, investment into breeding and feeding techniques to further improve genetic mix, as well as investment into their dairy cows’ living environment, the Group has successfully increased milk yield consecutively for 14 years. For the years ended 31 December 2022, 2023 and 2024, the average annualised unit yield of each milkable cow was 12.2 tons, 12.6 tons and 12.8 tons, respectively. The successful execution of its cost reduction plan and investments as outlined above have also led to a significant drop in unit cost per kg of sales of raw milk from RMB2.97 in 2022 to RMB2.53 in 2024.

Comprehensive value chain layout to drive growth and support sustainable development

Leveraging on the Group’s business of raw milk production, the Group has expanded across the entire industry chain, from feed and forage to breeding and intelligent digital platforms, ensuring high milk quality and enhancing production efficiency through digitalisation and resource integration. In feed and forage, the Group operates planting bases and production facilities across China, along with processing plants in the United States. In breeding, the Group has established dedicated breeding farms, developed its own cattle lines, and participated in dairy cow genetic enhancement initiatives in the Ningxia Hui Autonomous Region. In digitalisation, the Group has developed the Aiyangniu e-commerce platform and the Yunyangniu data platform to support production, breeding, and operational management. See – “*Integrated Dairy Farming Solutions Business*”.

As a leader in China’s dairy farming market, the Group is committed to taking social responsibilities in promoting environmental conservation and achieving sustainable development, which the Group takes actions to integrate into its business in all aspects. In order to cater to all-round demands from stakeholders including shareholders, investors, creditors, cooperation partners, employees and communities, the Group strives to carry out ESG Policies to accelerate sound growth of all business segments. The Group always takes green and sustainable development as its core concept. In 2023, it launched the dual-carbon project, and has also set a quantitative target for carbon intensity emissions by 2035. It fully launched the dual-carbon project in 2024 and started to carry out carbon inventory and certification work to further determine the goal and vision of carbon emission reduction.

Based on resource recycling, the Group has built a green recycling industrial chain of “forage planting – cow breeding – fertiliser treatment – biogas power generation – fertiliser back to the field”. Each farm is equipped with large-scale biogas power generation facilities and comprehensive utilisation facilities for biogas fertiliser, 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 its farms.

Additionally, as the largest raw milk supplier to Mengniu, the Group’s ESG goals are also aligned with Mengniu’s. The Group has persistently been improving its energy and resource-saving management system with resources consumption control guidelines formulated to enhance its energy-saving and emission reduction efforts. The Group has sought to constantly upgrade its production equipment, standardizing the operation process of equipment and facilities, with the aim of reducing the consumption of water, electricity, coal, diesel and other resources. In 2024, through measures such as optimisation and upgrading of equipment, the Group achieved remarkable resource-saving and energy consumption effectiveness. In 2024, 193.79 million cubic meters biogas had been used in power generation and biogas boilers for heating coils in the fermentation tank, heating the milking parlor and milk processing. The Group produced a total of 9.74 million cubic meters of manure fertiliser and 1.75 million cubic meters of solid manure.

Diversified funding channels with strong track record in deleveraging

The Group considers cash flow management top priority in managing its operations. The Group has implemented various policies to improve its debt and cash structure. Its bank balances and pledged bank deposits increased from RMB2,549.2 million as of 31 December 2022, to RMB2,683.5 million as of 31 December 2023, and further to RMB3,667.7 million as of 31 December 2024. The Group continued to optimise the structure of its interest-bearing borrowings (the total of bank borrowings, other borrowing, short term debenture and long term bonds): its ratio of short-term borrowings (the current portion of interest-bearing borrowings) divided by total interest-bearing borrowings declined by 19.5 per cent. from 2022 to 2024, decreasing from 40.0 per cent. as of 31 December 2022, to 22.6 per cent. as of 31 December 2023, and further to 20.5 per cent. as of 31 December 2024. Its financing cost ratio, based on the Group’s average monthly borrowing, decreased from 3.56 per cent. as of 31 December 2022, to 3.49 per cent. as of 31 December 2023 and further to 3.40 per cent. as of 31 December 2024.

Through listing of its shares on the Hong Kong Stock Exchange in 2010, the Group has successfully penetrated the equity capital market. The Group also has strong and long-standing relationships with major PRC and international financial institutions including China Construction Bank, Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China, Bank of Communications, Postal Savings Bank of China, China CITIC Bank, China Merchants Bank, China Minsheng Bank, Industrial Bank Co., Ltd., Huaxia Bank, SPD Bank, Huishang Bank, Agriculture Development Bank of China, China Construction Bank (Asia), Barclays, Rabobank and DBS Bank Ltd. In 2021, the Group completed a HK\$1.45 billion share placement to attract long-term institutional capital and enhance the Group's balance sheet. In January and April 2025, the Issuer’s domestic non-wholly-owned subsidiary Modern Farming successfully issued RMB200 million of domestic short-term financing bills and RMB 300 million of medium-term notes, respectively. As at 31 May 2025, the Group’s total credit quota was RMB21 billion and its unutilised credit facilities were approximately RMB6.5 billion, including a credit facility of RMB1 billion from Inner Mongolia Mengniu which is currently unutilised and the rest of the RMB5.5 billion credit facilities from licensed banks. The Group believes its multiple financing channels will provide it with flexibility to fund its operations and enhance its liquidity position.

Experienced management team and sound corporate governance

The Group has a highly experienced management team that has led it to become the largest dairy farming company in terms of herd size and raw milk output in China since establishment in 2005. The management team comprises former members of Mengniu's management and dairy farming experts to strengthen collaboration and synergies. Mr. Sun Yugang, its executive director and chief executive officer, has extensive management and operation experience in corporate finance, international financing, corporate governance, investment, mergers and acquisitions and the dairy industry, and was a manager of the finance and investment department of Inner Mongolia Mengniu Milk Industry (Group) Co., Ltd. prior to joining the Group. Mr. Zhu Xiaohui, its executive director and chief financial officer, has over 30 years of experience in corporate governance, financial management, financing, investment, mergers and acquisitions, and management of large enterprises, and also has extensive operation and management experience in the dairy farming industry. Mengniu's senior executives including Mr. Zhao Jiejun, its chairman, who is also head of the animal husbandry industry chain of Mengniu, Mr. Zhang Ping, who is also vice president and chief financial officer of Mengniu, and Mr. Chen Yiyi, who is also vice president and head of strategic management of Mengniu, sit on the Group's Board as non-Executive Directors. Mengniu has also seconded three directors to the Group's board to ensure strategic alignment between the Group and Mengniu.

The Group also has highly experienced personnel who bring their knowledge and expertise to its farm operations on the ground. Its nutrition head office comprises members with extensive experience in the field of animal nutrition. Its operating team also comprises members with extensive working experience at large-scale dairy farms. The Group believes its management team possesses the leadership, vision and in-depth industry knowledge required to anticipate and take advantage of market opportunities, as well as to formulate effective business strategies to create value for its shareholders.

The Group's management team further benefits from the experience and know-how of an extensive network of leading domestic and international dairy experts, who have entered long-term consulting arrangements with it. Pursuant to these arrangements, the expert consultants make regular visits to the Group's farms, evaluate the performance of its operations, offer recommendations to its management, and provide training for its managers and employees in areas such as breeding technologies, feed management, and disease control and prevention.

BUSINESS STRATEGIES

The Group's corporate vision is "deploying the whole industry chain, being innovative with digital intelligence, and being a global dairy farming leader". The Group is committed to raw milk production as its core business while guiding its development through digitalisation and ecological practices. Pursuing the mission of "raising healthy cows, safeguarding each and every drop of milk", the Group is dedicated to the health of the public in the PRC.

The Group intends to achieve its vision through implementation of the following strategies going forward:

- continuously strengthening the strategic co-operation with Mengniu through strategically and steadily expanding its herd size to maintain market leadership, continuous collaboration in high-end segment and joint procurement efforts together with Mengniu and COFCO

- introducing an integrated dairy farming system that covers the entire value chain, offering comprehensive services to improve efficiency and economic benefits for small and medium-sized operators and fostering synergies
- exploring new revenue streams, including sale of cows and entry into feed supply market, and exploring opportunity related to supply chain finance services to provide more comprehensive support to upstream and downstream partners
- focusing on improving milk yield through breed, feed formula and cow welfare improvement, emphasizing commitment to sustainable development through its “FRESH” framework to ensure quality milk, which also aligns with its green development principles
- enhancing operational efficiency through digitalisation and resource sharing, and reducing costs by launching the intelligent digital platform and developing AI breeding application to improve new productive forces in animal husbandry and unlock new growth opportunities

In 2024, the Group launched its “Green Leadership 2030” vision and initiated the “65 555 11” plan, focusing on six key areas: the nation, society, win-win partnerships, employees, shareholders, and technological development. The Group has focused deeply on five core business areas: strengthening livestock farming, expanding forage production, enhancing platform efficiency, refining breeding practices, and adding value through deep processing. Its goal is to achieve the “555 targets” and to establish a leading industry position with top-tier technology and talent. Upholding the belief that “Quality Drives Progress, and Efficiency Wins the Future”, the Group is fully committed to the “44621” action plan, building a system that drives it toward industry leadership.

RECENT DEVELOPMENTS

Profit Warning Announcement

On 22 June 2025, the Company published the Announcement on the Hong Kong Stock Exchange, informing the shareholders of the Company and potential investors that, based on the assessment by the Board of the Management Accounts, for the Period, the Group is expected to record a net loss in the range between RMB800 million to RMB1,000 million, as compared to a net loss of RMB207 million for the 2024 Same Period. The Group is expected to record a cash EBITDA for the Period similar to that of the 2024 Same Period, which was RMB1,515 million.

During the Period, there was no obvious improvement in the situation of phased oversupply of domestic raw milk, and the selling price of raw milk in the domestic raw milk market remained at a low level and decreased significantly as compared to the 2024 Same Period. The decrease in the selling price of raw milk of the Group was basically comparable to that of the market. On the other hand, the operation costs of the Company have been under control and reduced through bulk commodity procurement strategy, precision feeding and adjustment to feed formula, as well as enhancing the control and management of the cost expenditures. During the Period, the cost of sales per kilogram of milk is expected to decrease by more than RMB0.22/kg as compared to the 2024 Same Period, while the sales volume of raw milk of the Group is expected to increase by approximately 10 per cent. as compared to the 2024 Same Period, which offsets the impact arising from the decrease in the selling price of raw milk.

However, the Group is expected to record a significant increase in loss for the Period as compared to that of the 2024 Same Period, due to the following factors. During the Period, the Group proactively culled low-producing and inefficient cows to improve the herd structure and stabilise the core herd, resulting in an improvement in key operational indicators. It is expected that the total number of dairy cows of the Group as of 30 June 2025 will slightly decrease as compared to that at the end of 2024, but the proportion of milkable cows in the total number of dairy cows will increase to 53 per cent., and the average annualized yield of milkable cows will exceed 13 tonnes/head. As a result of the increase in the number of culled cows and the decrease in selling price in the raw milk market, it is expected that a loss will be incurred in the revaluation of the fair value of dairy cows, which will ultimately result in a loss arising from changes in the fair value less costs to sell of dairy cows in the range of RMB1,650 million to RMB1,850 million, an increase in the range of RMB500 million to RMB700 million as compared to the 2024 Same Period.

However, the loss in re-assessment in fair value of dairy cows is a non-cash item, which will not have a material adverse effect on the cash flows, working capital and going concern of the Group.

The Group has taken effective measures to reduce costs and enhance efficiency, and has also achieved significant cost-saving benefits. The Group believes that as the demand for dairy products recovers, the supply and demand in the raw milk market will become stable and balanced, and the selling price of raw milk is expected to be in a stable recovery, which will significantly enhance the Group's profitability, achieve high-quality sustainable growth and continue to create value for its shareholders.

Information contained in the Announcement is based solely on the preliminary assessment by the Board upon reviewing the Management Accounts of the Group and the information currently available to the Board, and does not form part of this Offering Circular. Such information has not been audited or reviewed by the independent auditors of the Company and may be subject to adjustments.

The overall financial results of the Group for the Period will only be ascertained when all the relevant results and accounting treatments are finalised. The Company expects to publish the interim results announcement of the Group for the six months ending 30 June 2025 by the end of August 2025.

Change of Auditor

On 14 May 2025, the Board announced that Deloitte Touche Tohmatsu will retire as the auditors of the Company upon expiration of its current term of office at the conclusion of the AGM. The Board has also resolved to propose the appointment of KPMG as the new auditors of the Company. Deloitte Touche Tohmatsu has confirmed in writing that there are no matters or circumstances that need to be brought to the attention of the shareholders of the Company in relation to the above change. The Board has also confirmed that there are no disagreements or outstanding matters between the Company and Deloitte Touche Tohmatsu, and the Board is not aware of any other matters in relation to the change of auditors that need to be brought to the attention of the shareholders or creditors of the Company.

On 12 June 2025, the shareholders of the Company approved the proposed appointment of KPMG as the new auditors of the Company at the AGM.

BUSINESS

The Group’s corporate vision is “deploying the whole industry chain, being innovative with digital intelligence, and being a global dairy farming leader”. It remains committed to raw milk production as its core business while guiding its development through digitalisation and ecological practices. Pursuing the mission of “raising healthy cows, safeguarding each and every drop of milk”, the Group is dedicated to the health of human beings.

The Group’s operations span the entire dairy industry chain, encompassing dairy farming, feed production, forage plantation, breeding business, and a digital intelligence platform for the value chain. Its businesses are raw milk business and integrated dairy farming solutions business. The table below sets forth the breakdown of the Group’s revenue by business segments for the periods indicated:

Year ended 31 December	2022		2023		2024	
	Amount	per cent. of total Value	Amount	per cent. of total Value	Amount	per cent. of total Value
	RMB ‘000		RMB ‘000		RMB ‘000	
Revenue						
Raw Milk	9,945,090	80.9	10,263,657	76.3	10,454,371	78.9
Integrated Dairy Farming Solutions	2,350,001	19.1	3,194,566	23.7	2,799,970	21.1
Total	12,295,091	100	13,458,223	100	13,254,341	100

Raw Milk Business

The Group is a leader among dairy cow farming operators and raw milk producers in China. The Group produces and provides high-quality raw milk to customers for processing into a variety of premium dairy products in China. The Group has established long-term and stable strategic cooperation relationships with large dairy manufacturing enterprises, joining forces to strive for the development of the Chinese dairy industry. The table below sets forth the Group’s revenue generated from sales, cost of sales and tons sold of raw milk for the periods indicated:

	For the year ended 31 December								
	2022			2023			2024		
	Breeding costs to produce raw milk			Breeding costs to produce raw milk			Breeding costs to produce raw milk		
	Revenue	Cost	Sales Volume	Revenue	Cost	Sales Volume	Revenue	Cost	Sales Volume
	(RMB ‘000)	(RMB ‘000)	(tons)	(RMB ‘000)	(RMB ‘000)	(tons)	(RMB ‘000)	(RMB ‘000)	(tons)
Raw Milk	9,945,090	6,850,047	2,327,351	10,263,657	7,350,674	2,546,924	10,454,371	7,197,211	2,893,271

The Group benefits from its large production scale, advanced breeding technology, scientific feeding and processing methods, automated milking systems, and stringent quality control measures, allowing it to produce high quality milk.

The key components of the business model of the Group's raw milk business are as set out below:

Establishing free-stall farm

The Group operates large industrial free-stall farms to feed its cows. As at 31 December 2024, the Group operated 47 farming companies with 491,169 dairy cows, including 5 large-scale organic raw milk farms with 41,926 dairy cows in China. The Group customises its farms to suit regional climates, ensuring optimal environments for dairy cows. In southern China, the farms use fans, sprinklers, and ventilation to maintain steady temperatures as well as conduct regular hoof bathing to monitor the health of the dairy cows to ensure optimal health. The cowsheds also include automatic manure scrapers, scratchers, and a music system to improve the cows' living conditions. For the year of 2024, the Group's average annualized milk yield ("AMY") per milkable cow reached 12.8 tons, leading the industry. During the same year, the Group's total raw milk yield reached 3.005 million tons.

Leveraging on the world's first model of "integration of forage planting, cow breeding and milk processing", the Group is one of the leading dairy farming companies in the world in terms of the herd size and volume of annual production. As a nationwide farm, the Group is endowed with unique geographical advantages that most of its farms are located in regions with fine climate and ample supply of feed, in the proximity of processing plants of dairy products. This allows for procedures from the milking to processing to be completed in the shortest time and the nutritional value and freshness could be maintained at the highest level.

The location of each of the Group's production bases as at 31 December 2024 are as indicated below:

FARM MAP AND SNAPSHOT OF THE GROUP

集團牧場分佈圖及剪影



Feeding

The Group places great emphasis on its feed management as milk quality is highly dependent on the quality and nutritional content of the feed mixture. The Group designs and prepares different feed mixture formulas at each farm in different quantities for dairy cows at different stages of the life cycle in order to provide a balanced diet containing suitable nutrients. To ensure the quality of its feed management, the Group prohibits the addition of hormones and additives. The Group follows guidelines and rules which were formulated over time and utilise software to optimise feed ingredients to maintain high standards. Some of the farms of the Group have received the ISO 22000 food safety management system certification.

Breeding

The Group uses semen from high-quality Holstein cows from Australia and New Zealand to improve the genes of future generations and to further increase milk yield. Once female calves are born, the Group raises them for approximately 14 months until they reach a suitable age for insemination. After the dairy cows have given birth, they undergo a resting period of approximately 60 days before being artificially inseminated again. The Group mainly utilises artificial insemination technology for breeding and employs advanced estrus detection technology along with comprehensive herd management software to oversee the breeding process.

Culling

The Group has adopted culling as part of its herd management practices to maintain the high milk quality and milk yield of its herd. After the calves are born, they are examined by the Group's breeding and veterinary specialists. Unfit calves or calves which do not meet the Group's requirements are culled and either handled according to the Group's disease control protocols or sold. The Group generally raise high-quality young female calves as replacements for its mature milkable cows. The Group's veterinary and breeding specialists monitor the health conditions of its dairy cows and the quality of raw milk produced by milkable cows from time to time. The mature milkable cows will be culled and sold when they get older. The Group's culling program complements its controlled breeding efforts to continuously enhance the genetic quality, reproductive fitness, and production yields of its cow herd over time.

Milking

The Group carries out the extraction of raw milk in an automated and sanitary environment to ensure milk quality and safety. Raw milk is cooled immediately after it is milked from dairy cows and flows through a series of pipes to the central milk tank, which is temperature controlled and kept below four degrees Celsius within two hours, before being pumped into thermo-insulated milk trucks for delivery to the customers. The Group closely monitors the milking process to ensure the raw milk remains high-quality and safe. Cows' teats are disinfected both before and after milking, and the first three squirts of milk are discarded. Staff examine the cows' udders for health issues and signs of mastitis, isolating any sick cows for veterinary examination. The Group employs two modern milking systems, rotary and parallel, which are highly automated and require minimal human involvement. The Group adopts fully enclosed milking systems from leading international brands.

Delivery

The Group currently contracts a specialised logistics firm with a strong customer base in China for milk transportation. The logistics firm assumes the delivery risks and follows strict quality control measures imposed by the Group, including keeping raw milk below four degrees Celsius, sealing trucks before departure, and preventing contact with the milk during transit. All of the Group's farms are strategically located within close proximity to downstream processors, which enables it to capture local market demand and deliver its raw milk in a timely manner. The Group delivers cooled raw milk directly to its customers using thermo-insulated milk trucks on a daily basis. The Group has strict quality control for its raw milk. After milking, the milk is stored and then moved to insulated trucks. It undergoes further testing before shipment. Trucks are sealed and inspected, and customers test the milk upon delivery. If seals are broken, the milk is discarded. Milk is usually shipped to customers the same day it is produced.

Waste management

The Group's farms produces a certain amount of cow waste every day, all of which are collected and processed through the centralised power generation system at each farm to convert into biogas, which is in turn used to generate electricity. The Group then recycles the remaining waste through its recycling systems for conversion into fertilisers. The fertilisers it produces are primarily used either on its own feed planting fields or provided to local farmers who supply feed to the Group, mostly free of charge. This enables the Group not only to achieve a higher quality of feed but also to reduce costs of operation. Each of the farms is equipped with cow waste treatment facilities, which has sufficient capacity to process all the cow waste produced at each farm. The fertilisers are predominately delivered to local farmers, although some of the farms also engage third party logistics providers for the delivery of fertilisers.

Integrated Dairy Farming Solutions Business

The integrated dairy farming solutions business covers the entire dairy farming value chain, including feed, forage grass, breeding and intelligent digital platforms, and the Group strives to provide one-stop professional services for dairy farming operators and facilitate small and medium-sized operators in the industry to improve their dairy farms' operational efficiency and bring economic benefits. The Group regards digital empowerment as one of the core strategic directions and differentiating competitive capabilities of the enterprise. By leveraging digital innovation in production management and the entire industry chain, the Group won the "2024 Digital Innovation Leadership Award" at the 13th CFS Financial Summit. The integrated dairy farming solutions business includes feeds and forage grass business, the intelligent digital platforms and the breeding business.

Feeds and forage grass business

High-quality feeds and forage grass are the essential factors for the health and high yield of dairy cows, and both are the key cost components in the dairy farming industry. Therefore, a high-quality, low-cost, continuous and stable supply is crucial to farms. While ensuring the supply of high-quality forage grass for its own farms, the Group is committed to creating value in the value chain, deepening its involvement in feeds trade and pioneering forage grass planting, providing high-quality forage grass and corresponding services to domestic small and medium-sized farms, and thus promoting the sustained and healthy development of the dairy farming industry of China.

In terms of feeds trading, the Group continues to develop relationships with high-quality downstream customers, establish strategic cooperation and continuously improve product offerings. It also actively identifies upstream suppliers and strengthens close cooperation with large domestic feeds companies to ensure high product quality, stable supply, customer stickiness, and achieve multi-win value marketing.

In terms of forage grass plantation, the Group has established four plantation bases covering an area reaching 66,000 mu, with an annual output reaching 30,000 tons of high-quality forage grass and cooperated with third-party companies to improve saline-alkali land, involving an area of 15,000 mu; the Group cooperated with farmers and has controlled such land area of over one million mu. In terms of feeds and forage grass production and processing, the Group owns five production and processing plants in China, and has jointly built and operated three feed production plants with large domestic feed companies. It also has produced high-quality alfalfa and operated three processing and production bases in four major states in the United States and can supply more than 200,000 tons of high-quality forage grass annually. The Group's cumulative sales of forage grass has surpassed one million tons.

Intelligent digital platforms

The Aiyangniu e-commerce platform has the mission of “making dairy farming greener, simpler and more efficient”. Its vision is “gathering global resources, empowering digital intelligence and creating a world-class dairy value chain sharing platform”, with the cornerstone advantage of having “the strongest financing platform, the best empowerment platform, the best resource platform and the largest e-commerce platform”. Through in-depth collaboration to reduce costs, the Group has built an integrated value chain service platform to improve supply chain and channel capabilities.

In 2024, there were significant increases in both the transaction amount and transaction volume through the Aiyangniu e-commerce platform, reaching RMB32 billion in terms of transaction volume. Meanwhile, another intelligent digital system, the Yunyangniu, embraces production, breeding, management and other data on dairy cows and focuses on digital farming in farms, covering 386 dairy farms and 1.52 million dairy cows. Through digital systems and hardware links, such system breaks through data barriers, accurately forecasts the demand of dairy cows, and lays the foundation for accurate data requirements for a digitally intelligent supply chain, so as to comprehensively improve digital and intelligent breeding capabilities and technical service capabilities and understand the status of each cow, thereby opening a new era of “digital cattle breeding”.

Breeding business

The Group actively responded to the national call by continuously increasing investment in the breeding business and improving the self-owned rate of core breeding sources, and made every effort to promote the genetic improvement of dairy cows to enhance breeding technology and achieve self-sufficiency. The Group has established two national core breeding farms for dairy cows and independently cultivated 15 pedigree bulls. The Group independently developed the “Modern No. 1” Genomic Germplasm “Chip”, filling in the domestic commercial dairy cows genomic germplasms market for female cattle. The Group continues to promote independent breeding and cultivation of breeding bulls and build national-level core breeding farms for dairy cows, and actively participated in the genetic improvement project of millions of cows in the Ningxia Hui Autonomous Region.

CUSTOMERS

The Group's customers mainly include dairy manufacturers and dairy farms. The Group sells premium raw milk to large-scale dairy manufacturers in China, including Mengniu. The turnover attributable to the Group's primary customers, Mengniu, accounted for approximately 72.6 per cent. of the Group's total revenue for the year ended 31 December 2024 and for the same year, the Group's five largest customers contributed approximately 79.6 per cent. of its total revenue.

RELATIONSHIP WITH MENGNIU

The dairy industry has a long value chain and the required strengths and competence for upstream and downstream participants are distinct and different – technical excellence in dairy farming is required for upstream suppliers whereas competence in branding and sales channel management is required for downstream market players. In 2013, Mengniu increased its shareholding in the Company from approximately 1.07 per cent. to approximately 27.99 per cent. of the issued share capital back then by a capital injection of HK\$3.2 billion. In January 2017, Mengniu further increased its shareholding in the Company to approximately 37.7 per cent. of the issued share capital back then by a capital injection of HK\$1.9 billion. In March 2017, Mengniu further increased its shareholding in the Company to approximately 61.3 per cent. of the issued share capital back then pursuant to a general offer of HK\$2.8 billion. In April 2018, Mengniu acquired 50.0 per cent. stake in the Group's liquid milk brand and integrated operation under its management. Mengniu is currently the Group's largest shareholder, which is a leading dairy product manufacturer in China. As at 25 March 2025, Mengniu held 56.36 per cent. equity interests in the Group. The Group has established comprehensive strategic partnership with Mengniu, its controlling shareholder and major customer. The strategic partnership with Mengniu brings numerous benefits to the Group, including guaranteed raw milk sale via Off-Take Agreement, and sharing of internal resources strengthens the Group's synergies with Mengniu in terms of sales (via the strengthening of the strategic partnership with Mengniu and the securing of the volume of raw milk purchased by Mengniu from the Group through the Off-Take Agreement), cost control (via the enhancement of market confidence and the Group's bargaining power with third party feed suppliers) and resources utilisation (by Mengniu sharing and exchanging experience in aspects such as personnel training, information empowerment and smart farm management). The Group is the largest raw milk supplier to Mengniu, with a brand portfolio that spans liquid milk, milk powder, yogurt, cheese, and ice cream. The Group's liquid milk brands, Milk Deluxe and Shiny Meadow, are among the top dairy brands in China. Mengniu's Milk Deluxe is the largest single product in the global dairy industry which sources exclusively from dedicated farms and adhering to the highest industry standards in raw material selection and production, ensuring the product is all natural and free from contamination. The Group employs a "2-Hour Freshness Locking Process" to preserve active nutrients such as lactoferrin and immunoglobulin, maintaining industry-leading quality. Raw milk is delivered to the factory within 72 hours to ensure freshness. Additionally, the Group supports Mengniu's organic milk products by implementing a traceability system for organic feed and feeding procedures. It has established a comprehensive organic-exclusive industrial chain including organic planting, breeding, and processing, to ensure its organic milk remains natural and pollution-free.

The Group, via the Issuer's non-wholly owned subsidiary, Modern Farming, entered into the Off-Take Agreement with, a non-wholly owned subsidiary of Mengniu, Inner Mongolia Mengniu, commencing from 24 October 2008 following arm's length negotiations, pursuant to which the Group supplies raw milk to Inner Mongolia Mengniu for a term of 10 years commencing on 24 October 2008 and was automatically extended for another 10 years on 24 October 2018 to 23 October 2028. The Off-Take Agreement also provides the Group with the flexibility to sell up to 30 per cent. of its raw milk

produced daily at each dairy farm to any third parties 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. Based on the terms of the Off-Take Agreement as well as the raw milk sales agreement signed by the newly acquired dairy farming companies of the Group, the Off-Take Agreement is applicable to such newly acquired dairy farming companies (except for Fuyuan). Fuyuan has signed a separate milk supply agreement with Inner Mongolia Mengniu for the period from 27 February 2014 to 28 February 2034.

The Group derived revenues of RMB9,202 million, RMB9,518 million and RMB9,617 million from sales of raw milk to Mengniu in 2022, 2023 and 2024, respectively, accounting for approximately 74.8 per cent., 70.7 per cent. and 72.6 per cent., of the Group's total revenue during the same periods. The Group expects that raw milk sales to Mengniu Group may continue to represent a significant portion of its annual sales of raw milk and produced and revenue for the foreseeable future.

The pricing of the raw milk sold to 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's dairy processing plants. The base price is based on the price which Mengniu 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 Inner Mongolia Mengniu 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'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.

In order to build a high-end organic milk production base, in 2021, Mengniu constructed the Uraq Qianqi high-end dairy industrial park with stocking of 100,000 cows in the national dairy industry park cluster, covering a total area of approximately 10,000 mu, which attracted many Mengniu milk suppliers, including the Group. In 2022, the Group as the sole investor invested in the construction of a 10,000-head organic dairy farm. In order to realise the synergy of organic farms in the national dairy industry park cluster, the Group began investing in the other four 10,000-head organic dairy farms in the cluster in 2023 via holding part of the shareholdings in the farms, and further increased its investment in July 2024 to obtain the control of the farms, adding 30,000 organic dairy cows to produce organic milk for Mengniu. The investments will be conducive to further increase synergies in production management and feed procurement, ensure the supply of high-end organic milk to strategic customers, enrich the Group's product structure and to create greater value.

RELATIONSHIP WITH NEW HOPE

The Group's strategic shareholder, New Hope, is the Group's second largest shareholder as well as the Group's second largest customer for the sale of its raw milk. New Hope is a leading regional dairy products (mainly refrigerated dairy products) supplier. New Hope mainly engages in the R&D,

manufactory, and sales of dairy products and milk beverages. New Hope has built an integrated urban dairy group with the “Fresh Strategy”, on its core value and based its business in the Southwestern China and is well developed in East, Central and North of China.

In 2019, New Hope acquired an aggregate of 594,925,763 shares of the Company at a price of HK\$1.3535 (equivalent to approximately RMB1.1920) per share through subscription of 276,228,409 new shares and purchase of 318,697,354 existing shares. The total consideration of such acquisition was close to U.S.\$100 million. Immediately upon the completion of the above transactions, New Hope acquired a total of 9.28 per cent. equity interests in the Company. As at 31 December 2024, New Hope held 8.03 per cent. of equity interests in the Company.

The Group entered into a long term supply agreement with New Hope in 2019 for a term of 10 years commencing from 2020 until 2029, pursuant to which the Group sells approximately 10 per cent. of its total sales volume of raw milk to New Hope.

The Group derived revenues of RMB663.5 million, from sales of raw milk to New Hope in 2024, accounting for approximately 5.0 per cent., of the Group’s total revenue during the same period and representing approximately 6 per cent. of the Group's raw milk sales volume to New Hope during the same period. The Group expects that raw milk sales to New Hope may continue to represent a significant portion of its annual sales of raw milk produced for the foreseeable future.

MILK PRODUCTION MANAGEMENT

The Group initiated the production model of “Zero-distance Integration of Forage Grass Planting, Cows Breeding and Milk Processing within Two Hours”, which is the first enterprise at present in the PRC that applies integrated production model with SGS certification. The farm layout under the model of “integration of forage planning, cow breeding and milk processing” ensures that transportation costs are minimised within the farm. The milk production process is as follows:

- *Testing* – to ensure the quality and safety of raw milk, the Group discards the first three squeezes of raw milk from the dairy cows. The dairy workers also check the health condition of the dairy cows’ udders at this stage, which includes checking the appearance of udders or if there are any lumps in the first three squeezes of raw milk. Upon observation of any signs of mastitis, the dairy cow will be immediately quarantined and checked by the Group’s veterinarian.
- *Pre-milking sterilisation* – before milking, the udders and teats of dairy cows are sprayed with sanitizing fluid. The Group also clean and sterilise the teat cups before milking.
- *Cleaning* – the udders and teats of dairy cows are wiped dry within 30 seconds after sterilisation.
- *Milking* – to commence the milking process, the dairy workers will attach the teat cups, which are connected directly to a central milk tank, to the dairy cows’ udders promptly after finishing the above procedures to minimise the risk of infection.
- *Cooling* – the raw milk produced from dairy cows is immediately cooled to below four degrees Celsius.
- *Central collection* – the Group pipes all cooled milk directly to the central milk tank after cooling and the milk is stored at below four degrees Celsius.

- *Delivery* – the Group directly pipes the raw milk from the central milk tank to the thermo-insulated milk trucks and delivery is usually made to the Group’s customer on the same day milking takes place.

QUALITY CONTROL

The Group’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 twelve consecutive years as at 31 March 2025. The Group is the first company in China that passed the “Quality Milk Project” for both its pasteurised milk and UHT milk. The Group devotes continuous efforts to quality management system certification, having been certified to the ISO 9001 Quality Management System, the Organic Standard (GB/T 19630-2019), the Ecocert Organic Standard, the China GAP, the National Quality Milk Project, and the Farm Animal Welfare Product Certification. During the reporting period, 36 of the Group’s dairy farming companies obtained the ISO 9001 Quality Management System Certificate.

Quality Control Overview

- The overall execution of the quality management is based on the principle of “Four Don’ts”: do not cooperate with unqualified clients, do not stock unqualified raw feed materials, do not feed unqualified inventory of raw feed materials, do not 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, the Group 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 at the milking parlor to raw milk delivery. The safe and high quality milk of the Group is ensured by source control, process monitoring and terminal control.

Quality Control of Raw Milk

The Group has always promoted quality management and creative culture, making continuous breakthroughs in operation, management and farm planning, and has been widely recognised by the industry.

The Group 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 in respect of the milk. The Group produced its own dairy products using its own raw milk. Every procedure in the production of raw milk e.g. milking, refrigeration and transportation, is completed with monitoring measures and the strictest standard in the world adopted, the quality of raw milk was therefore guaranteed.

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. In recent years, the Group and Mengniu have enhanced cooperation in product testing, unified inspection standards and processes, improved testing efficiency and product quality.

The Group’s standard is stringent than those of the PRC, Europe and the United States. The standard of the number of somatic cell per 1 milliliter (ml) of raw milk is no more than 400,000 cells per 1 ml in Europe and less than 600,000 cells per 1 ml in its raw milk in PRC. The Group’s number of somatic cell per 1 ml of raw milk is no more than 150,000 cells per 1 ml in its raw milk.

With respect to the number of microorganism, the standard of Europe is no more than 100,000 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 the Group’s is less than 10,000 cfu per 1 ml of raw milk. With respect to percentage of protein and fat calculating at g/100g, the Group achieved 3.4 per cent. and 3.8 per cent., respectively, while the PRC standard is at 2.8 per cent. and 3.1 per cent., respectively.

AWARDS AND RECOGNITIONS

Since its establishment, the Group’s products have obtained numbers of domestic and international certifications and awards, including the Gold Prize for the 12th time in consecutive years as at 31 March 2025 in the Monde Selection 2025 which is generally regarded as the “Nobel Prize” in the food industry. The Group has achieved a number of industry firsts in China’s dairy sector, including being the first to make dairy collateralised loans, the first large-scale farm to insure its entire dairy herd, and the first to establish a national farm footprint spanning from North China to South China. The Group was also the first company to be listed with core dairy cow assets, the first to construct the largest single-site dairy farm (the Bengbu Farm), the first to create the livestock value-chain trading platform (Aiyangniu), and the first to implement the innovative “One Farm, One Grassland” pasturing system.

The Group sets out below the awards of its products obtained recently:

Year	Awards and Recognitions
2019	The Group has been shortlisted as the “Strategic Partner of China’s Aerospace Industry”, symbolizing that its premium quality branded milk is widely recognised by all sectors of the society.
2023	The Group’s pioneering practice in resource utilisation was selected for inclusion in the COP28 “2023 Corporate Climate Action Case Studies”.
2024	The Group received a score of 56 and achieved top 8 per cent. ranking with an ESG score of 57 in the Corporate Sustainability Assessment (CSA) by S&P Global and demonstrated significant improvement across all three ESG dimensions.

The Group was included in the list of major new Chinese technologies in agriculture and rural areas.

Year	Awards and Recognitions
	The Group was ranked second in the Collier FAIRR Protein Producer Index. The Group's MSCI rating was upgraded to BBB.
2025	The Group was awarded the first-class prize in the science and technology award (progress in science and technology award). The Group's dairy farm was the first to received “Premium Grade” ranking in the Exemplary Milk Project. The Group has passed the “ISO14064 Certificate of Verification of Greenhouse Gas Emission” for four consecutive years, indicating that the Group’s carbon management system has bene successfully aligned with international standards, seamlessly integrating low-carbon development concepts across the entire value chain and production processes. The Group was awarded the gold medal of the World Food Quality Evaluation Conference for 12 consecutive years. The Group was awarded the “DEI Employer Brand Award” for two consecutive years as well as the “Happy Workplace Award” which is the first livestock enterprise to be awarded with dual honors. The Group was awarded the title of “Meritorious Enterprise for the 10th Anniversary of High-quality Dairy Project”. The Group’s MSCI ESG rating was upgraded to A, ranking first in China’s animal husbandry industry. The Group received a B rating from the Carbon Disclosure Project across climate change, water security and forests. The Group was selected as the “ESG Pioneer 100 Index for Central SOEs” for two consecutive years.

EMPLOYEES

As at 31 December 2024, the Group had approximately 9,007 employees in mainland China and Hong Kong. Total staff costs during the year ended 31 December 2024 (excluding equity settled share award expense) were approximately RMB1,152.3 million.

The Group values recruiting, training and retaining quality personnel. The Group recruits qualified employees from local universities, vocational schools and other technical schools, and the Group provides these employees with various pre-employment and on-the-job training. The Group also offers remuneration at competitive rates with the aim of retaining quality personnel.

The Group enters into individual employment contracts with its employees covering matters such as wages, employee benefits, training programmes, safety and sanitary conditions at the workplace, confidentiality obligations for commercial secrets and grounds for termination.

REGULATORY COMPLIANCE

The Group has obtained all relevant and valid approvals, permits, licences and certificates for its operations and has complied in all material respects with the laws and regulations applicable to its business and operations.

Environmental Matters

The Group is subject to applicable environmental laws and regulations in the PRC and other relevant jurisdictions relating to, among other matters, air, water, waste, noise and pollution; the generation, storage, handling, use and transportation of hazardous materials; and the health and safety of its employees. The Group's major emissions included greenhouse gas from the use of various energy resources, gas emissions such as NOX, SO₂ and hazardous waste such as medical waste and chemical reagent of the farm. For the biogas slurry, biogas and biogas residue from cow farming, the Group actively responded to the national call for green development, carefully dealt with the impact of greenhouse gas emissions on the environment and use them as resources with high recycling value and required full utilisation of such resources.

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 a manure treatment system. Certain farms feature anaerobic digestion systems and biogas power generation facilities. The biogas digestate is used as fertilizer for returning nutrients to the fields, and the digestate solids are used as bedding material for the cows. The generated biogas serves multiple purposes: steam generation for heating in farm operations; drying digestate for use as bedding material; and electricity generation.

The Group has started to carry out carbon inventory and certification work to further determine the goal and vision of carbon emission reduction. Various departments within the Group are actively implementing green action measures for carbon reduction, helping to achieve the overall goal of “carbon peaking and carbon neutrality”.

In 2023, the Group launched the Dual Carbon Project and has also set a quantitative target for carbon intensity emissions by 2035. Taking 2021 as the base year, by the end of 2035, the Group's carbon emission per kilogram of FPCM will be reduced by 20 per cent. to 0.73 kg CO₂e/kg FPCM. Shanghe Farm, Baoji Farm, and Hefe Farm have been recognized as “China's First Low-Carbon Demonstration Dairy Farms”, aiming to provide strong evidence for the synergistic development of low-carbon and quality improvement and efficiency enhancement and boost the confidence in the sustainable development of the industry.

The table below sets out the Group's pollutant management and certain specific measures for emission reduction:

Types of pollutant	Specific measures for emission reduction
Reduction of greenhouse gas emission	Enhance digestibility to intestinal fermentation and manure management; Optimise the cattle herd structure, reduce calving intervals, and increase the proportion of milkable cows; and Enhance energy efficiency and expand green energy usage.
Reduction of exhaust emission	Employ ozone oxidation and sodium-alkali technologies for desulphurisation and denitrification of flue gas with over 90 per cent. removal rate;

Types of pollutant	Specific measures for emission reduction
	Establish scientific farm layouts with proper buffer zones and enhance ventilation systems in cowsheds; Apply dust control measures during feed transportation and storage through enclosed facilities and spray systems; and Phase out high-emission equipment by upgrading to more environmentally friendly alternatives such as air-source heat pumps.
Reduction of discharge of non-hazardous waste	Establish circular industry chain for manure management through “Forage Planting – Cow Breeding – Manure Treatment – Soil Fertilisation” system, achieving 100 per cent. utilisation of manure and biogas residues; Implement harmless treatment of diseased and dead animals through qualified third-party facilities and designated disposal pits in compliance with relevant regulations and technical specifications; and Organise domestic garbage collection by categories and partner with local sanitation departments and third-party recyclers for proper treatment and disposal.
Reduction of discharge of hazardous waste	Follow Technical Specification standards for medical waste storage and implement strict management of laboratory reagent bottles while using high-purity chemicals to minimize waste; Switch from chemical testing to infrared physical testing for silage inspection and apply preventive measures to reduce medication usage in cattle herds; and Conduct regular equipment maintenance to prevent oil leakage and implement comprehensive waste oil recycling program (for vehicle lubrication, anti-corrosion treatment, and cattle care).

LEGAL PROCEEDINGS

As at the date of this Offering Circular, neither of the Issuer nor any member of the Group is currently involved in any litigation, disputes or arbitration proceedings which are material in the context of the issue of the Bonds or which could have a material and adverse effect on the business, results of operations and financial condition of the Issuer or the Group. The Issuer is not aware of any such litigation, disputes or arbitration proceedings that are currently pending or threatened.

DIRECTORS AND MANAGEMENT

DIRECTORS

As at the date of this Offering Circular, the Board of the Director consists of nine members, including two executive Directors, four non-executive Directors and three independent non-executive Directors. The following table sets forth the current members of the Board of the Directors, and their respective position and age.

Name	Age	Position
Mr. SUN Yugang	44	Executive Director of the Company and the chief executive officer of the Group
Mr. ZHU Xiaohui.	54	Executive Director of the Company and the chief financial officer of the Group
Mr. ZHAO Jiejun.	48	Non-executive Director of the Company and the Chairman of the Board of the Directors of the Company
Mr. ZHANG Ping.	60	Non-executive Director of the Company
Mr. CHEN Yiyi	50	Non-executive Director of the Company
Ms. GAN Lu	42	Non-executive Director of the Company
Mr. LI Shengli	59	Lead Independent non-executive Director of the Company
Mr. LEE Kong Wai Conway.	70	Independent non-executive Director of the Company
Mr. CHOW Ming Sang	52	Independent non-executive Director of the Company

A description of the relevant business experience and present position of each of the Directors are set forth below.

Executive Directors

Mr. SUN Yugang, aged 44, is an executive Director of the Company and chief executive officer of the Group. Mr. Sun was a manager of the finance and investment department of Inner Mongolia Mengniu 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 a non-executive director of the Company from October 2016 to March 2017. Mr. Sun re-joined the Group in November 2019 as the executive vice president of the Group. Mr. Sun was subsequent promoted to the chief executive officer of the Group on 30 June 2022. Mr. Sun received his master of business administration degree from China Europe International Business School. Mr. Sun has extensive management and operation experience in corporate finance, international financing, corporate governance, investment, mergers and acquisitions and the dairy industry.

Mr. ZHU Xiaohui, aged 54, 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 and has been in charge of finance, procurement, information and compliance management since January 2024. Mr. Zhu joined

Fuyuan International 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 serving as senior management positions. Mr. Zhu has over 30 years of experience in corporate governance, financial management, financing, investment, mergers and acquisitions, and management of large enterprises, and also has extensive operation and 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.

Non-executive Directors

Mr. ZHAO Jiejun, aged 48, 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 directors of the Company in July 2021. He was redesignated to the chairman of the board of directors of the Company on 1 February 2023. Mr. Zhao is currently the head of the animal husbandry industry chain of Mengniu Group. Mr. Zhao has served successively as regional manager, sales director, general manager of operation and general manager of planning and logistics of Mengniu Group. Mr. Zhao also currently serves as a non-executive director of China Shengmu Organic Milk Limited (“**China Shengmu**”, a company whose shares are listed on the Hong Kong Stock Exchange, stock code: 1432). Mr. Zhao has over 20 years of experience in the dairy industry and, with profound leadership, he specializes in both sales management, supply chain management and dairy farms segment management. Mr. Zhao has in-depth knowledge of the PRC dairy market and great foresight in the PRC dairy industry. Mr. Zhao graduated from Beijing University of Aeronautics and Astronautics with a master's degree in information engineering and management.

Mr. ZHANG Ping, aged 60, joined the Group as a non-executive Director of the Company in March 2016. Mr. Zhang joined Mengniu Group in 2014. Mr. Zhang is currently a vice president and the chief financial officer of Mengniu Group and a non-independent director of Shanghai Milkground Food Tech Company Limited (“**Milkground**”, a company whose shares are listed on the Shanghai Stock Exchange, stock code: 600882). Mr. Zhang is also a director of a number of the subsidiaries of Mengniu, including its major subsidiaries, Inner Mongolia Mengniu and Inner Mongolia Tegaoxin Dairy Co., Ltd.¹ (内蒙古特高新乳製品有限公司). Until 26 March 2024, Mr. Zhang served as an executive director of Mengniu. Until July 2023, Mr. Zhang also served as a non-executive director of Yashili International Holdings Ltd, a subsidiary of Mengniu (formerly listed under stock code 1230.HK, which was privatized and delisted on 5 July 2023). Mr. Zhang has over 35 years of experience in the fast-moving consumer goods industry, specializing in management of operation, finance and audit, as well as risk control. Mr. Zhang worked in Swire Beverages group companies as manager responsible for internal audit and system development, finance director, general manager of bottler manufacturing company and chief executive officer of Coca-Cola Bottlers Manufacturing Holdings Limited. Mr. Zhang graduated from the Beijing Information Science & Technology University with a Master's Degree in Management Engineering.

Mr. CHEN Yiyi, aged 50, joined the Group as a non-executive Director in February 2023. Mr. Chen is currently a vice president and head of strategic management of Mengniu Group, and is responsible for the strategic and investment management. Mr. Chen is the chairman of the board of the directors, a member of the nomination committee and a member of the strategy committee of Milkground. Mr. Chen is also a non-executive director, the chairman of the board of the directors, the nomination committee and the strategy and sustainability committee under the board of the directors of China Shengmu.

Before joining Mengniu Group, Mr. Chen worked for many well-known international companies such as Nestle SA, International Paper Co, Tetra Pak Sidel, China Resources Enterprise and listed companies in Hong Kong and Mainland China for 25 years serving as the national commercial manager, North Asia regional director, vice chief strategy officer, president and executive director and other senior management positions. Having served in the fast-moving consumer goods industry such as dairy and retail industry for many years, Mr. Chen has had extensive experience in industrial operation integration, strategic planning management, corporate cooperation and mergers and acquisitions and industry-wide vision and international business experience. Mr. Chen graduated from Fudan University with Bachelor's degree in law.

Ms. GAN Lu, aged 42, joined the Group as a non-executive Director of the Company in April 2020. Ms. Gan is the chief investment officer 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 15 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 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. LI Shengli, aged 59, is a lead independent non-executive Director of the Company. Mr. Li is currently an independent non-executive director of AUSTASIA GROUP PTE. LTD. (stock code: 2425.HK). 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 August 2022, Mr. Li served as an independent director of Xinjiang Tianrun Dairy Co., Ltd. (listed on the Shanghai Stock Exchange, stock code: 600419). Until June 2023, Mr. Li served as an independent director of Zhejiang Yimeng Food Co., Ltd. (listed on the Shanghai Stock Exchange, stock code: 605179). 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.

Mr. LEE Kong Wai Conway, aged 70, 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.HK), Chaowei Power Holdings Limited (stock code: 0951.HK), NVC International Holdings Limited (stock code: 2222.HK), GCL New Energy Holdings Limited (stock code: 0451.HK) and Intchains Group Limited (a company listed on NASDAQ Stock Market, stock code: ICG). Mr. Lee was an independent non-executive director of Guotai Haitong Securities Co., Ltd. (formerly known as Guotai Junan Securities Co., Ltd., stock code: 2611. HK), GOME Retail Holdings Limited (stock code: 0493.HK) and WH Group Limited (stock code: 0288. HK) until 30 November 2023, 21 September 2023 and June 2022, respectively. He was also an independent non-executive director of Yashili International Holdings Limited (stock code: 1230.HK, whose shares have been delisted since 5 July 2023), a subsidiary of Mengniu. 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.

Mr. CHOW Ming Sang, aged 52, has been appointed as an independent non-executive Director of the Company on 1 July 2021. Mr. Chow is currently an independent non-executive director and the chairman of the audit committee of China Maple Leaf Educational Systems Limited (stock code: 1317.HK). Mr. Chow is also an independent non-executive director of QuantumPharm Inc. (stock code: 2228.HK). Mr. Chow is also the managing director of Beijing Xinshi Anye Management Consulting Co., Ltd. and an independent non-executive director of Teamway International Group Holdings Limited (stock code: 1239. HK) and Redco Healthy Living Company Limited (stock code: 2370. HK). He was an independent non-executive director of China Rundong Auto Group Limited (delisted, prior stock code: 1365. HK) until August 2020. 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. SZ) 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 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 27 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 of the 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.

Senior Management of the Group

The following table sets forth the list of the Group's senior management as at the date of this Offering Circular, and their respective position and age.

Name	Age	Position
Mr. SUN Yugang	44	Executive Director of the Company and the chief executive officer of the Group
Mr. ZHU Xiaohui.	54	Executive Director of the Company and the chief financial officer of the Group
Mr. GUO Wenju	54	Secretary of the Party Committee of the Group
Mr. HAN Chunlin	52	Vice president and the head of the second operation center of the Group
Mr. ZHANG Xue	57	Vice president of the Group and the chief engineer of the technical department of the Group
Mr. SONG Weizheng.	44	Vice president of the Group
Mr. ZHOU Zunyang	46	Vice president and the head of the first operation center of the Group
Ms. YUAN Li	49	Vice president and head of human resources and administration of the Group
Mr. MA Lijun.	51	Vice president and the head of safety and quality of the Group

A description of the relevant business experience and present position of each member of the senior management are set forth below.

Mr. SUN Yugang, see “– *Executive Directors*”.

Mr. ZHU Xiaohui, see “– *Executive Directors*”.

Mr. GUO Wenju, aged 54, 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. Mr. Guo obtained a master's degree from the graduate school of the Central Party School.

Mr. HAN Chunlin, aged 52, is the vice president and the head of the second operation center of the Group. Mr. Han is also a director of Modern Farming 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 Inner Mongolia Mengniu. 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 17 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 and a master's degree in agricultural promotion from China Agricultural University.

Mr. ZHANG Xue, aged 57, is the vice president of the Group, the chief engineer of the technical department of the Group. Before joining the Group in 2021, Mr. Zhang has been working in ranch technical positions and ranch management for nearly 30 years. He served as the vice president and chief operating officer of Fuyuan International from October 2013 to August 2021, responsible for the overall technology and operations of Fuyuan International. Mr. Zhang has extensive experience in ranch operation and management and is proficient in ranch design, dairy farming and professional technical management in all aspects of the industrial chain. He is one of the famous ranch management experts in China. Mr. Zhang obtained a doctorate degree in animal nutrition from the Bingen Institute, Germany.

Mr. SONG Weizheng, aged 44, is the vice president of the Group and the acting chief executive officer of Modern Forage. 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. He was in charge of procurement, sales and engineering management and in charge of Modern Forage from January 2023 and January 2024, respectively. 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.

Mr. ZHAO Zunyang, aged 46, is the vice president and the head of the first operation center of the Group. Mr. Zhao joined the Group in April 2010 and served as deputy general manager of the ranch, chief nutritionist and assistant vice president of the Group. Mr. Zhao was promoted to the vice president of the Group on 1 January 2024. Before joining the Group, Mr. Zhao had experience in state-owned enterprises, foreign enterprises and American ranches in the industry. He was proficient in dairy cow nutrition technology and had rich experience in ranch operation and management. Mr. Zhao received a bachelor's degree in animal husbandry from China Agricultural University, a master's degree in animal nutrition from China Agricultural University and a doctorate in dairy nutrition from Virginia Tech University in the United States.

Ms. YUAN Li, aged 49, is the vice president and head of human resources and 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 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 organisational reform at all levels, human resources system construction, mechanism innovation, and process optimisation 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.

Mr. MA Lijun, aged 51, is the vice president and the head of safety and quality of the Group. Mr. Ma joined the Group in February 2024. Before joining the Group, he served as director of quality inspection of the Quality Center, deputy director of the Finished Product Quality Management Center, director of the Quality Management Review Center, senior director of the Quality Management Review Department

and senior director of the Inspection Management Department of Mengniu Group. He has rich professional knowledge and practical experience in the field of safety and quality management. Mr. Ma received a bachelor's degree in food science and engineering from Inner Mongolia Agricultural University.

Board Committees

In order to oversee particular aspects of the Group, the Company had established five Board Committees under the Board, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee, the Sustainability Committee, and the Strategy and Development Committee. Details of these Board committees including their composition, major responsibilities and/or functions are as follows:

Remuneration Committee

The chairman of the Remuneration Committee is Mr. Li Shengli and the 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.

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. 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.

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.

Nomination Committee

The Nomination Committee comprises one non-executive Director Mr. Zhao Jiejun and two independent non-executive Directors, namely, Mr. Lee Kong Wai, Conway and Mr. Chow Ming Sang. Mr. Zhao Jiejun is the chairman of the Nomination Committee.

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.

Sustainability Committee

The principal responsibilities of the Sustainability Committee include evaluating and making decisions on the Group's sustainability, environmental, social and governance development strategies, reviewing the Group's sustainability strategies, objectives and risk identification and monitoring the performance of implementing ESG strategies. The Sustainability Committee held one meeting during the year.

Members of the Sustainability Committee comprise Mr. Sun Yugang and Mr. Zhu Xiaohui (executive Directors), Mr. Zhang Ping (non-executive Director) and Mr. Li Shengli and Mr. Lee Kong Wai, Conway (independent non-executive Directors). Mr. Zhang Ping is the chairman of the Sustainability Committee.

Strategy and Development Committee

The Strategy and Development Committee comprises one executive Director, Mr. Sun Yugang, three non-executive Directors, namely, Mr. Zhao Jiejun, Mr. Chen Yiyi and Ms. Gan Lu, and 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 advising on long-term development strategies and significant investments of the Group and conducting studies and making recommendations on important matters that would affect the development of the Company.

EXCHANGE RATE INFORMATION

RENMINBI

The PBOC sets and publishes daily a base exchange rate with reference primarily to the supply and demand of Renminbi against a basket of currencies in the markets during the prior day. The PBOC also takes into account other factors such as the general conditions existing in the international foreign exchange market. Since 1994, the conversion of Renminbi into foreign currencies, including Hong Kong dollars and U.S. dollars, has been based on rates set by the PBOC, which are set daily based on the previous day's inter-bank foreign exchange market rates and current exchange rates in the world financial markets. From 1994 to 20 July 2005, the official exchange rate for the conversion of Renminbi to U.S. dollars was generally stable. On 21 July 2005, the PRC Government changed its decade-old policy of pegging the value of the Renminbi to that of the U.S. dollar only, to allow the value of the Renminbi to fluctuate within a narrow and managed band based on market supply and demand and by reference to a basket of currencies. This change in policy has resulted in a significant appreciation of the Renminbi against the U.S. dollar.

The PRC Government has made further adjustments to the exchange rate system. The PBOC authorised the China Foreign Exchange Trading Centre, effective since 4 January 2006, to announce the central parity exchange rate of certain foreign currencies against the Renminbi at 9:15 a.m. on each business day. This rate is set as the central parity for the trading against the Renminbi in the inter-bank foreign exchange spot market and the over the counter exchange rate for that business day. On 18 May 2007, the PBOC enlarged, effective on 21 May 2007, the floating band for the trading prices in the inter-bank spot exchange market of Renminbi against the U.S. dollar from 0.3 per cent. to 0.5 per cent. around the central parity rate. This allows the Renminbi to fluctuate against the U.S. dollar by up to 0.5 per cent. above or below the central parity rate published by the PBOC. On 19 June 2010, the PBOC announced that in view of the recent economic situation and financial market developments in China and abroad, and the balance of payments situation in China, it has decided to proceed further with reform of the Renminbi exchange rate regime and to enhance the Renminbi exchange rate flexibility. According to the announcement, the exchange rate floating bands will remain the same as previously announced but the PBOC will place more emphasis on reflecting the market supply and demand with reference to a basket of currencies. On 12 April 2012, the PBOC announced that on 16 April 2012, the floating band for the trading prices in the inter-bank spot exchange market of Renminbi against the U.S. dollar would be enlarged from 0.5 per cent. to 1.0 per cent. around the central parity rate, allowing the Renminbi to fluctuate against the U.S. dollar by up to 1.0 per cent. above or below the central parity rate published by the PBOC. The PBOC announced on 15 March 2014 that since 17 March 2014, the floating band for the trading prices in the inter-bank foreign exchange spot market of Renminbi against the U.S. dollar was further expanded from 1 per cent. to 2 per cent. On each business day, the spread between the Renminbi and U.S. dollar buying and selling prices offered by the designated foreign exchange banks to their clients shall be within 3.0 per cent. of the published central parity of the U.S. dollar on that day, instead of 2.0 per cent. On 11 August 2015, the PBOC adjusted the mechanism for market makers to form the central parity rate by requiring them to consider the closing exchange rate of the last trading date, the supply and demand of foreign exchange and the rate change at primary international currencies. For three consecutive days commencing 11 August 2015, the PBOC devalued the Renminbi against the U.S. dollar, leading to declines in the value of the Renminbi versus the U.S. dollar of up to 2.8 per cent. in currency markets and representing the largest single-day drop in the value of the Renminbi since 1994. On 11 December 2015, China Foreign Exchange Trade System (“CFETS”), a sub-institutional organisation of the PBOC, published the CFETS Renminbi exchange rate index for the first time which weighs the Renminbi based on 13 currencies, to guide the market in order to measure

the Renminbi exchange rate from a new perspective. In December 2016, the CFETS announced that starting on 1 January 2017, the number of currencies in the CFETS currency basket will be increased to 24 from 13. The 11 currencies to be added, including the Korean won, the South African rand and the Mexican peso, will have a 21.09 per cent. weighting in the currency basket, while the U.S. dollar's weight in the basket will be reduced to 0.224 from 0.264. In August 2019, the PBOC on 5 August 2019 set the Renminbi's daily reference rate above 7 per U.S. dollar for the first time in over a decade amidst an uncertain trade and global economic climate. The PRC Government may make further adjustments to the exchange rate system in the future.

Although PRC Governmental policies were introduced in 1996 to reduce restrictions on the convertibility of the Renminbi into foreign currency for current account items, conversion of the Renminbi into foreign currency for capital items, such as foreign direct investment, loans or security, requires the approval of SAFE and other relevant authorities.

The table below sets forth for the periods indicated, certain information concerning the exchange rates between Renminbi and U.S. dollars. The exchange rates reflect the exchange rates as set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve System of the United States.

Period	Exchange Rate			
	Period End	Average ⁽¹⁾	High	Low
		<i>(RMB per U.S.\$1.00)</i>		
2019	6.9618	6.9014	7.1786	6.6822
2020	6.5250	6.8878	7.1681	6.5208
2021	6.3726	6.4508	6.5716	6.3435
2022	6.8972	6.7290	7.3048	6.3084
2023	7.0999	7.0809	7.3430	6.7010
2024	7.2993	7.1957	7.2993	7.0106
2025				
January	7.2422	7.2957	7.3326	7.2422
February	7.2828	7.2734	7.3088	7.2422
March	7.2567	7.2493	7.2843	7.2273
April	7.2706	7.2968	7.3499	7.2675
May	7.8409	7.8015	7.8409	7.7500
June (through 6 June 2025)	7.8469	7.8457	7.8469	7.8443

Note:

- (1) Determined by averaging the rates on the last business day of each month during the relevant year, except for monthly average rates, which are determined by averaging the daily rates during the respective months.

TAXATION

The following summary of certain tax consequences of the purchase, ownership and disposition of the Bonds is based upon applicable laws, regulations, rulings and decisions as at the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of the Bonds should consult their own tax advisors concerning the tax consequences of the purchase, ownership and disposition of the Bonds, including such possible consequences under the laws of their country of citizenship, residence or domicile.

PRC

The following summary describes the principal PRC tax consequences of ownership of the Bonds by beneficial owners who, or which, are not residents of mainland China for PRC tax purposes. These beneficial owners are referred to as non-PRC holders of the Bonds in this “Taxation – PRC” section. In considering whether to invest in the Bonds, investors should consult their individual tax advisors with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction.

Income Tax

The EIT Law which was amended on 29 December 2018, and its implementation regulations which were last revised on 6 December 2024 and came into effect on 20 January 2025 impose a withholding tax at the rate of 10 per cent. (subject to any applicable tax treaty) on PRC-source income paid to a “**non-resident enterprise**” that does not have an establishment or place of business in China or that has an establishment or place of business in China but the relevant income is not effectively connected therewith. Pursuant to these provisions of the EIT Law, in the event the Issuer is considered a PRC resident enterprise by the PRC tax authorities, interest payable to non-resident enterprise holders of the Bonds may be treated as income derived from sources within China and be subject to 10 per cent. PRC withholding tax. Further, in accordance with the Individual Income Tax Law of the PRC which was revised on 31 August 2018 and took effect on 1 January 2019 and its implementation regulations which were revised on 18 December 2018 and took effect on 1 January 2019, any individual who has no domicile and does not live within the territory of the PRC or who has no domicile but has lived within the territory of China for less than 183 days cumulatively shall be considered as non-resident individuals and pay individual income tax for any income obtained within the PRC. If the Issuer is considered a PRC tax resident enterprise, interest payable to non-resident individual holders of the Bonds may be treated as income derived from sources within China and be subject to a 20 per cent. individual income tax, which may be withheld at source. However, the tax so charged on interests paid on the Bonds to non-PRC resident holders who or which are residents of Hong Kong (including enterprise holders and individual holders) as defined under the arrangement between mainland China and Hong Kong for purpose of the avoidance of double taxation will be 7 per cent. of the gross amount of the interest pursuant to the arrangement between mainland China and Hong Kong and relevant interpretation of the arrangement formulated by SAT.

There remains uncertainty as to whether the gains realised from the transfer of the Bonds would be treated as incomes derived from sources within the PRC and be subject to PRC tax. This will depend on how the PRC tax authorities interpret, apply or enforce the EIT Law and its implementation rules.

Similarly, there remains uncertainty as to whether the gains realised from the transfer of the Bonds would be treated as income obtained within the PRC and be subject to PRC tax.

If such gains are subject to PRC income tax, the 10 per cent. enterprise income tax rate and 20 per cent. individual income tax rate, respectively, will apply unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax. The taxable income will be the balance of the total income obtained from the transfer of the Bonds minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income. According to an arrangement between the PRC and Hong Kong for avoidance of double taxation, holders of the Bonds who are Hong Kong residents, including both enterprise holders and individual holders, will be exempted from PRC income tax on capital gains derived from a sale or exchange of the Bonds.

As at the date of this Offering Circular, the Issuer has not been notified or informed by the PRC tax authorities that it is considered as a resident enterprise for the purpose of the EIT Law.

Value Added Tax

On 23 March 2016, MOF and SAT issued Circular 36, which introduced a new VAT from 1 May 2016. Under Circular 36, VAT is applicable where the entities or individuals provide services within the PRC. The operating income generated from the provision of taxable sale of services by entities and individuals, such as financial services, shall be subject to PRC VAT if the seller or buyer of the services is within PRC. In the event that foreign entities or individuals do not have a business establishment in the PRC, the purchaser of services shall act as the withholding agent unless otherwise provided for by MOF and SAT. According to the Explanatory Bonds to Sale of Services, Intangible Assets and Real Property attached to Circular 36, financial services refer to the business activities of financial and insurance operation, including loan processing services, financial services of direct charges, insurance services and the transfer of financial instruments, and the VAT rate is 6 per cent.

Circular 36 further clarified that “**loan services**” refer to the activities of lending capital for another’s use and receiving the interest income thereon. Based on such an interpretation, the issuance of Bonds may be treated as the holders of the Bonds providing loans to the Issuer, which thus shall be regarded as the provision of financial services. Accordingly, if the Issuer is treated as a PRC tax resident and if PRC tax authorities take the view that the holders of the Bonds are providing loans within the PRC, or if the interest component of the amount payable by the Issuer to the holders of the Bonds is viewed as interest income arising within the territory of the PRC, the holders of the Bonds shall be subject to the value-added tax at the rate of 6 per cent. when receiving the interest payments under the Bonds. Given that the Issuer pays interest income to the holders of the Bonds who are located outside of the PRC, the Issuer, acting as the obligatory withholder in accordance with applicable law, shall withhold the value-added tax from the payment of interest income to holders of the Bonds who are located outside of the PRC.

Where a holder of the Bonds who is an entity or individual located outside of the PRC resells the Bonds to an entity or individual located outside of the PRC and derives any gain, since neither the service provider nor the service recipient is located in the PRC, theoretically Circular 36 does not apply and the Issuer does not have the obligation to withhold the value-added tax. However, there is uncertainty as to the applicability of VAT if either the seller or buyer of Bonds is located inside the PRC. Circular 36 together with other laws and regulations pertaining to VAT are relatively new, the interpretation and enforcement of such laws and regulations involve uncertainties.

Stamp Duty

No PRC stamp duty will be imposed on non-PRC holders either upon the issuance of the Bonds or upon a subsequent transfer of the Bonds to the extent that the register of holders of the Bonds is maintained outside of the PRC and the issuance and the sale of the Bonds is made outside of the PRC.

HONG KONG

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Bonds or in respect of any capital gains arising from the sale of the Bonds.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Bonds may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest on the Bonds is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;
- (ii) interest on the Bonds is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;
- (iii) interest on the Bonds is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the “**IRO**”)) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (iv) interest on the Bonds is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of Bonds will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Bonds will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Bonds will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Bonds are acquired and disposed of.

In addition, with effect from 1 January 2024, pursuant to various foreign-sourced income exemption legislation in Hong Kong (the “**FSIE Amendments**”), certain specified foreign-sourced income (including interest, dividend, disposal gain or intellectual property income, in each case, arising in or derived from a territory outside Hong Kong) accrued to an MNE entity (as defined in the FSIE Amendments) carrying on a trade, profession or business in Hong Kong is regarded as arising in or derived from Hong Kong and subject to Hong Kong profits tax when it is received in Hong Kong. The FSIE Amendments also provide for relief against double taxation in respect of certain foreign-sourced income and transitional matters.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

Stamp Duty

No Hong Kong stamp duty will be chargeable upon the issue or transfer of a Bond.

CAYMAN ISLANDS

Under Existing Cayman Islands Laws, payments of interest and principal on the Bonds will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal to any holder of the Bonds, nor will gains derived from the disposal of the Bonds be subject to Cayman Islands income or corporation tax. The Cayman Islands currently has no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

No stamp duty is payable in respect of the issue or transfer of the Bonds. The Bonds themselves will be stampable if they are executed in or brought into the Cayman Islands.

SUBSCRIPTION AND SALE

The Issuer has entered into a subscription agreement with the Joint Lead Managers dated 2 July 2025 (the “**Subscription Agreement**”) pursuant to which, and subject to certain conditions contained in the Subscription Agreement, the Issuer has agreed to sell to the Joint Lead Managers, and the Joint Lead Managers have agreed to severally, but not jointly, subscribe and pay for the aggregate principal amount of the Bonds set forth opposite its name below:

Joint Lead Manager	Principal amount of the Bonds to be subscribed
Barclays Bank PLC	U.S.\$80,000,000
BOCI Asia Limited.	U.S.\$80,000,000
China Construction Bank (Asia) Corporation Limited.	U.S.\$80,000,000
DBS Bank Ltd.	U.S.\$80,000,000
BOCOM International Securities Limited.	U.S.\$10,000,000
CLSA Limited	U.S.\$10,000,000
CCB International Capital Limited.	U.S.\$ 10,000,000
Total	<u>U.S.\$350,000,000</u>

The Subscription Agreement provides that the Issuer will indemnify the Joint Lead Managers and their affiliates against certain liabilities in connection with the offer and sale of the Bonds. The Subscription Agreement provides that the obligations of the Joint Lead Managers are subject to certain conditions precedent and entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

In connection with the issue of the Bonds, the Joint Lead Managers acting as stabilisation manager(s) (the “**Stabilisation Manager(s)**”) (or persons acting on behalf of the Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any loss or profit sustained as a consequence of any such overallotment or stabilisation shall be for the account of the Joint Lead Managers.

The Joint Lead Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities (“**Banking Services or Transactions**”). The Joint Lead Managers and their respective affiliates may have, from time to time, performed, and may in the future perform, various Banking Services or Transactions with the Issuer for which they have received, or will receive, fees and expenses.

In connection with the offering of the Bonds, the Joint Lead Managers and/or their respective affiliates, or affiliates of the Issuer, may act as investors and place orders, receive allocations and trade the Bonds for their own account and such orders, allocations or trading of the Bonds may be material. Such entities may hold or sell such Bonds or purchase further Bonds for their own account in the secondary market or deal in any other securities of the Issuer, and therefore, they may offer or sell the Bonds or other securities otherwise than in connection with the offering of the Bonds. Accordingly, references herein to the offering of the Bonds should be read as including any offering of the Bonds to the Joint Lead Managers and/or their respective affiliates, or affiliates of the Issuer as investors for their own account.

Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any applicable legal or regulatory requirements. If such transactions occur, the trading price and liquidity of the Bonds may be impacted.

Furthermore, it is possible that a significant proportion of the Bonds may be initially allocated to, and subsequently held by, a limited number of investors. If this is the case, the trading price and liquidity of trading in the Bonds may be constrained. The Issuer and the Joint Lead Managers are under no obligation to disclose the extent of the distribution of the Bonds amongst individual investors, otherwise than in accordance with any applicable legal or regulatory requirements.

In the ordinary course of their various business activities, the Joint Lead Managers and their respective affiliates make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer, including the Bonds and could adversely affect the trading price and liquidity of the Bonds. The Joint Lead Managers and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Bonds or other financial instruments of the Issuer, and may recommend to their clients that they acquire long and/or short positions in the Bonds or other financial instruments of the Issuer.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to CMIs (including private banks): This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Bonds. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the Joint Lead Managers accordingly.

CMIs are informed that the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this Offering Circular.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Bonds (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place “X-orders” into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Bonds.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Joint Lead Managers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Bonds, private banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any “Associations” (as used in the SFC Code);
- Whether any underlying investor order is a “Proprietary Order” (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to barclayssfc omnibusorders-debt@barclays.com, debt.syndicate@bocigroup.com, ccba_dcm@asia.ccb.com, DCMOmnibus@db.com and dcm@ccbintl.com.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that it and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The Joint Lead Managers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs

(including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMI's (including private banks) are required to provide the relevant Joint lead Manager with such evidence within the timeline requested.

GENERAL

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised. No action has been taken or will be taken in any jurisdiction that would permit a public offering of the Bonds, or possession or distribution of this Offering Circular or any amendment or supplement thereto or any other offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required.

UNITED STATES

The Bonds have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States.

The Bonds are being offered and sold outside of the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of the Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the European Economic Area. For the purposes of this provision, the expression “**retail investor**” means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the United Kingdom. For the purposes of this provision, the expression “**retail investor**” means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

UNITED KINGDOM

Each Joint Lead Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

HONG KONG

Each Joint Lead Manager has represented and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (a) to “professional investors” as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

PRC

Each Joint Lead Manager has represented and agreed that the Bonds are not being offered or sold and may not be offered or sold, directly or indirectly, in the People’s Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by applicable laws of the People’s Republic of China.

SINGAPORE

Each of the Joint Lead Managers has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each of the Joint Lead Managers has represented, warranted and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase, and will not offer or sell the

Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

JAPAN

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the “**Financial Instruments and Exchange Act**”). Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

CAYMAN ISLANDS

Each Joint Lead Manager has represented and agreed that the offer to sell the Bonds is private and not intended for the public and, further that each Joint Lead Manager has not made and will not make any invitation to the public or any member of the public in the Cayman Islands to offer or sell the Bonds, and the Bonds may not be offered or sold, directly or indirectly, in the Cayman Islands.

GENERAL INFORMATION

1. **Clearing Systems:** The Bonds have been accepted for clearance through Euroclear and Clearstream. The Legal Entity Identifier of the Issuer is 549300TAEI2JXTKK009.
2. **ISIN and Common Code:** The ISIN of the Bonds is XS3099223284 and the Common Code of the Bonds is 309922328.
3. **Authorisations:** The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of its obligations under the Bonds, the Trust Deed and the Agency Agreement. The issue of the Bonds was authorised by resolutions of the board of directors of the Issuer on 12 May 2025.
4. **No Material Adverse Change:** Save as disclosed in this Offering Circular, there has been no material adverse change since 31 December 2024 in the financial or trading position, prospects or results of operations of the Issuer or the Group.
5. **Litigation:** Neither of the Issuer nor any member of the Group is currently involved in any litigation, disputes or arbitration proceedings which are material in the context of the issue of the Bonds or which could have a material and adverse effect on the business, results of operations and financial condition of the Issuer or the Group. The Issuer is not aware of any such litigation, disputes or arbitration proceedings that are currently pending or threatened.
6. **Available Documents:** So long as any Bond is outstanding, copies of the following documents will be available for inspection by the Bondholders from the Issue Date following prior written request and satisfactory proof of holding and identity during normal office hours (being between 9.00 a.m. (Hong Kong time) and 3.00 p.m. (Hong Kong time) from Monday to Friday, other than public holidays) at the specified office for the time being of the Principal Paying Agent, being at the Issue Date, at 3/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong:
 - the Trust Deed; and
 - the Agency Agreement.
7. **Financial Statements:** The Issuer's consolidated financial statements as of and for the years ended 31 December 2023 and 2024, which are included elsewhere in this Offering Circular, have been audited by Deloitte Touche Tohmatsu as stated in its respective reports included herein.
8. **Listing of Bonds:** Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds by way of debt issues to Professional Investors only. It is expected that the listing of, and permission to deal in, the Bonds on the Hong Kong Stock Exchange will become effective on or about 11 July 2025.

INDEX TO FINANCIAL STATEMENTS

Audited Consolidated Financial Information as at and for the year ended 31 December 2024

Independent Auditor's Report	F-2
Consolidated Statement of Profit or Loss and Other Comprehensive Income	F-9
Consolidated Statement of Financial Position	F-11
Consolidated Statement of Changes in Equity	F-13
Consolidated Statement of Cash Flows	F-14
Notes to the Consolidated Financial Statements	F-18

Audited Consolidated Financial Information as at and for the year ended 31 December 2023

Independent Auditor's Report	F-188
Consolidated Statement of Profit or Loss and Other Comprehensive Income	F-195
Consolidated Statement of Financial Position	F-197
Consolidated Statement of Changes in Equity	F-199
Consolidated Statement of Cash Flows	F-200
Notes to the Consolidated Financial Statements	F-204

Page references included in the audited consolidated financial statements of the Group as at and for each of the years ended 31 December 2023 and 2024 set forth below refer to pages in the Company's annual reports for the years ended 31 December 2023 and 2024, respectively.

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 128 to 306, which comprise the consolidated statement of financial position as at 31 December 2024, 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 material accounting policy information and other explanatory information.

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 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as 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128至306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2024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(包括重大會計政策資料及其他說明性資料)。

我們認為，綜合財務報表已根據由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會計準則真實而公平地反映 貴集團於2024年12月31日的綜合財務狀況以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)

Key audit matter 關鍵審核事項

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 2024 and the significant degree of estimates made by the management in determining such fair values.

The Group reported milkable cows of Renminbi ("RMB") 7,920 million as at 31 December 2024. These biological assets are measured at fair value less costs to sell at the end of the reporting period.

As disclosed in Notes 4 and 43 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, 22 and 43 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2024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2024年12月31日，貴集團報告人民幣（「人民幣」）7,920百萬元的奶牛。此等生物性資產以公平值減報告期末出售成本計量。

誠如綜合財務報表附註4及43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、22及43。

關鍵審核事項 (續)

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

Our procedures in relation to the fair value of milkable cows included:

- Understanding and evaluating the Group's design and implementation of relevant control 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 rate applied in the discounted future cash flows calculation against independent benchmark data;
- Comparing and challenging 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 to historical and industry data; and
- Comparing and challenging the actual results for the current year with management's cash flow projections prepared in the previous review to evaluate the reasonableness 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 貴集團設計及實施釐定奶牛公平值的相關控制措施；
- 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獨立對標數據進行比較；
- 比較及質疑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及質疑，以評估管理層預算過程的合理性。

KEY AUDIT MATTERS (continued)

Key audit matter
關鍵審核事項

Impairment assessment of goodwill arising from the acquisition of ADH Companies
收購ADH公司產生的商譽的減值評估

We identified the impairment assessment of goodwill arising from the acquisition of Asia Dairy Holdings and Asia Dairy Holdings II ("ADH Companies"), as a key audit matter due to the significance of the balance and the significant degree of estimates and underlying assumptions made by the management in determining the recoverable amount of ADH Companies.

The Group reported goodwill, net of impairment, of RMB487 million relating to the acquisition of ADH Companies as at 31 December 2024.

As disclosed in Notes 4 and 18 to the consolidated financial statements, goodwill impairment assessment requires an estimation of the recoverable amount of the cash-generating unit to which goodwill has been allocated and the Group determines the recoverable amount of cash-generating unit based on a value in use calculation. The management's estimation is primarily based on the estimated future market price of raw milk, the estimated average daily milk yield at each lactation cycle, the estimated feed costs per kg of raw milk, the discount rate and the growth rate used to extrapolate the cash flows beyond the budget period.

我們將產生自收購Asia Dairy Holdings及Asia Dairy Holdings II (「ADH公司」)商譽的減值評估識別為關鍵審核事項，乃由於重大結餘以及管理層於釐定ADH公司的可收回金額時進行相當程度估計及相關假設。

於2024年12月31日，貴集團報告有關收購ADH公司的商譽(扣除減值)為人民幣487百萬元。

誠如綜合財務報表附註4及18所披露，商譽減值評估需要估計獲分配商譽的現金產生單位的可收回金額，貴集團基於使用價值計算釐定現金產生單位的可收回金額。管理層的估計主要基於預計未來原料奶市場價格、預計各泌乳週期平均日產乳量、預計每公斤原料奶飼料成本、折現率及用於推斷超出預算期間的現金流量的增長率。

關鍵審核事項(續)

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

Our procedures in relation to the impairment assessment of goodwill arising from the acquisition of ADH Companies included:

- Understanding and evaluating the Group's design and implementation of relevant control over the impairment assessment of goodwill;
- Comparing and challenging discount rate applied to cash flow projections and the growth rate used to extrapolate cash flows beyond the budget period against independent benchmark data with the assistance of our internal valuation specialists;
- Comparing and challenging the key assumptions including the estimated future market price of raw milk, 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 and challenging the actual results for the current year with management's cash flow projections prepared in the previous review to evaluate the reasonableness of management's budgeting process.

我們就收購ADH公司產生的商譽的減值評估的程序包括：

- 了解及評估 貴集團設計及實施商譽減值評估的相關控制措施；
- 在我們內部估值專家的協助下，將現金流量預測所採用的折現率與用於推斷預算期間外現金流量的增長率與獨立基準數據進行比較及質疑；
- 比較及質疑過往及行業數據的主要假設，包括估計未來原料奶市價、各泌乳期的估計平均每日產乳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及質疑，以評估管理層預算過程的合理性。



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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 IFRS Accounting Standards as 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的國際財務報告準則會計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。

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 HKSAs 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 HKSAs, 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。



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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。
- 規劃及執行集團審核，以取得有關集團內實體或業務單位的財務資料的充分、適當的審核證據，作為對集團財務報表形成意見的基礎。我們負責指導、監督和審查為集團審核而進行的審核工作。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。

**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 this independent auditor's report is LUNG, Kwok Hung.

**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。

出具本獨立核數師報告的審核項目合夥人為龍國鴻。

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
25 March 2025

德勤•關黃陳方會計師行
執業會計師
香港
2025年3月25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 2024 截至2024年12月31日止年度

		NOTES 附註	2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Revenue	收入	5	13,254,341	13,458,223
Cost of sales	銷售成本	8	(12,759,500)	(13,008,256)
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	22	2,956,624	2,678,046
Gross profit	毛利		3,451,465	3,128,013
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	22	(2,862,562)	(1,280,373)
Impairment loss on goodwill	商譽減值虧損	18	(599,240)	—
Other income	其他收入	7	278,252	221,126
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	10	(18,686)	(17,278)
Other gains and losses, net	其他收益及虧損淨額	8	84,811	5,173
Selling and distribution costs	銷售及分銷開支		(445,108)	(377,784)
Administrative expenses	行政開支		(766,215)	(852,386)
Other expenses	其他開支		(78,097)	(72,309)
Share of results of associates and a joint venture	應佔聯營公司及合營企業業績		9,842	(3,939)
(Loss) profit before finance costs and tax	除融資成本及稅項前(虧損)溢利	8	(945,538)	750,243
Finance costs	融資成本	9	(528,674)	(521,247)
(Loss) profit before tax	除稅前(虧損)溢利		(1,474,212)	228,996
Income tax credit (expense)	所得稅抵免(開支)	11	4,777	(43,562)
(Loss) profit for the year	年內(虧損)溢利		(1,469,435)	185,434
Other comprehensive (expense) income:	其他全面(費用)收入：			
<i>Item 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 on investments in equity instruments at fair value through other comprehensive income ("FVTOCI")	按公平值計入其他全面收入(「按公平值計入其他全面收入」)的權益工具投資公平值虧損		(16,974)	(48,887)
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益的項目：</i>			
Exchange differences arising on translation of foreign operations	換算海外業務產生的匯兌差額		4,390	4,839
Other comprehensive expense for the year, net of income tax	年內其他全面開支，扣除所得稅		(12,584)	(44,048)
Total comprehensive (loss) income for the year	年內全面(虧損)收入總額		(1,482,019)	141,386

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 2024 截至2024年12月31日止年度

		NOTE 附註	2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
(Loss) profit for the year attributable to:	以下各方應佔年內(虧損)溢利：			
Owners of the Company	本公司擁有人		(1,416,753)	175,159
Non-controlling interests	非控股權益		(52,682)	10,275
			(1,469,435)	185,434
Total comprehensive (loss) income for the year attributable to:	以下各方應佔年內全面(虧損)收入總額：			
Owners of the Company	本公司擁有人		(1,429,282)	131,091
Non-controlling interests	非控股權益		(52,737)	10,295
			(1,482,019)	141,386
(Loss) earnings per share (RMB)	每股(虧損)盈利(人民幣)	15		
Basic	基本		(18.09) cents分	2.23 cents分
Diluted	攤薄		(18.09) cents分	2.21 cents分

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

AT 31 DECEMBER 2024 於2024年12月31日

		NOTES	2024 2024年 RMB'000 人民幣千元	2023 2023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	16	7,549,795	6,264,934
Right-of-use assets	使用權資產	17	2,559,449	2,198,546
Goodwill	商譽	18	1,819,377	2,417,915
Other intangible assets	其他無形資產	19	37,353	40,866
Interests in associates and a joint venture	於聯營公司及合營企業的權益	20	615,712	771,047
Equity instruments at FVTOCI	按公平值計入其他全面收入的 權益工具	21	40,368	57,342
Biological assets	生物資產	22	12,435,776	11,927,977
Prepayments	預付款項	24	36,015	12,914
Derivative financial instruments	衍生金融工具	25	179,846	117,991
Pledged bank deposits	已質押銀行存款	26	—	32,089
Bank balances	銀行結餘	26	577,498	677,843
Deferred tax assets	遞延稅項資產	11	10,704	6,677
			25,861,893	24,526,141
CURRENT ASSETS	流動資產			
Inventories	存貨	23	3,130,762	2,940,968
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	24	1,840,205	1,935,932
Derivative financial instruments	衍生金融工具	25	—	460
Pledged bank deposits	已質押銀行存款	26	31,017	9,913
Bank balances	銀行結餘	26	3,059,213	1,963,627
			8,061,197	6,850,900
Assets classified as held for sale	分類為持作出售的資產		17,460	17,203
			8,078,657	6,868,103
CURRENT LIABILITIES	流動負債			
Derivative financial instruments	衍生金融工具	25	—	3,017
Trade and other payables	應付貿易賬款及其他應付款項	27	5,364,424	5,534,188
Tax payable	應課稅項		4,869	42,309
Bank borrowings	銀行借款	28	2,371,072	2,206,484
Other borrowings	其他借款	29	559,491	353,251
Long term bonds	長期債券	30	32,476	35,536
Lease liabilities	租賃負債	31	238,667	238,925
Other liabilities	其他負債	34	27,179	9,856
Contract liabilities	合約負債	32	13,687	26,648
Deferred income	遞延收入	33	17,855	12,570
			8,629,720	8,462,784

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

AT 31 DECEMBER 2024 於2024年12月31日

		NOTES 附註	2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
NET CURRENT LIABILITIES	流動負債淨額		(551,063)	(1,594,681)
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		25,310,830	22,931,460
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	35	675,869	675,869
Reserves	儲備		8,855,143	10,525,116
Equity attributable to owners of the Company	本公司擁有人應佔權益		9,531,012	11,200,985
Non-controlling interests	非控股權益		1,591,784	641,779
TOTAL EQUITY	總權益		11,122,796	11,842,764
NON-CURRENT LIABILITIES	非流動負債			
Derivative financial instruments	衍生金融工具	25	1,083	17,342
Other payables	其他應付款項	27	3,121	5,201
Bank borrowings	銀行借款	28	6,888,188	5,183,959
Other borrowings	其他借款	29	1,385,597	193,974
Long term bonds	長期債券	30	3,226,314	3,523,467
Lease liabilities	租賃負債	31	2,195,031	1,781,170
Other liabilities	其他負債	34	253,122	160,531
Deferred tax liabilities	遞延稅項負債	11	10,375	13,389
Deferred income	遞延收入	33	225,203	209,663
			14,188,034	11,088,696
			25,310,830	22,931,460

The consolidated financial statements on pages 128 to 306 were approved and authorised for issue by the board of directors on 25 March 2025 and are signed on its behalf by:

載於第128至306頁的綜合財務報表於2025年3月25日經董事會批准及授權刊發並代表簽署：

Zhao Jiejun
趙傑軍
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 2024 截至2024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	Statutory reserve	Share award reserve	Shares held under the Share Award Scheme 股份獎勵計劃項下持有的股份	Fair value through other comprehensive income reserve	Translation reserve	Retained earnings	Sub-total	Non-controlling interests	Total
		股本 RMB'000 人民幣千元	股份溢價 RMB'000 人民幣千元	其他儲備 RMB'000 人民幣千元 (Note 35) (附註35)	法定儲備 RMB'000 人民幣千元 (Note 35) (附註35)	股份獎勵儲備 RMB'000 人民幣千元	股份獎勵計劃項下持有的股份 RMB'000 人民幣千元	按公平值計入其他全面收入儲備 RMB'000 人民幣千元	換算儲備 RMB'000 人民幣千元	保留盈利 RMB'000 人民幣千元	非控股權益 RMB'000 人民幣千元	小計 RMB'000 人民幣千元	合計 RMB'000 人民幣千元
At 1 January 2023	於2023年1月1日	675,869	6,691,946	922,968	277,992	27,440	(63,559)	(37,390)	20,942	2,747,909	11,264,117	379,183	11,643,300
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	175,159	175,159	10,275	185,434
Other comprehensive(expense) income for the year	年內其他全面(開支)收入	-	-	-	-	-	-	(48,826)	4,758	-	(44,068)	20	(44,048)
Total comprehensive (expense) income for the year	年內全面(開支)收入總額	-	-	-	-	-	-	(48,826)	4,758	175,159	131,091	10,295	141,386
Share purchase for the Share Award Scheme (Note 38)	就股份獎勵計劃的股份購買(附註38)	-	-	-	-	-	(47,409)	-	-	-	(47,409)	-	(47,409)
Vesting of award shares (Note 38)	獎勵股份歸屬(附註38)	-	-	-	-	(27,475)	33,066	-	-	(5,591)	-	-	-
Recognition of equity-settled share-based payments (Note 38)	確認按股權結算以股份支付的付款(附註38)	-	-	-	-	50,049	-	-	-	-	50,049	-	50,049
Equity transactions related to interest free loans	有關免息貸款的股權交易	-	-	(1,727)	-	-	-	-	-	-	(1,727)	1,727	-
Dividends distribution (Note 14)	股息分派(附註14)	-	(111,997)	-	-	-	-	-	-	-	(111,997)	-	(111,997)
Injection of capital from non-controlling interests (Note 34(ii))	非控股權益注資(附註34(ii))	-	-	(83,139)	-	-	-	-	-	-	(83,139)	214,850	131,711
Establishment of non-wholly-owned subsidiaries	成立非全資附屬公司	-	-	-	-	-	-	-	-	-	-	35,724	35,724
Transfer to statutory reserves	轉撥至法定儲備	-	-	-	54,694	-	-	-	-	(54,694)	-	-	-
At 31 December 2023	於2023年12月31日	675,869	6,579,949	838,102	332,686	50,014	(77,902)	(86,216)	25,700	2,862,783	11,200,985	641,779	11,842,764
Loss for the year	年內虧損	-	-	-	-	-	-	-	-	(1,416,753)	(1,416,753)	(52,682)	(1,469,435)
Other comprehensive(expense) income for the year	年內其他全面(開支)收入	-	-	-	-	-	-	(16,845)	4,316	-	(12,529)	(55)	(12,584)
Total comprehensive (expense) income for the year	年內全面(開支)收入總額	-	-	-	-	-	-	(16,845)	4,316	(1,416,753)	(1,429,282)	(52,737)	(1,482,019)
Share purchase for the Share Award Scheme (Note 38)	就股份獎勵計劃的股份購買(附註38)	-	-	-	-	-	(57,703)	-	-	-	(57,703)	-	(57,703)
Vesting of award shares (Note 38)	獎勵股份歸屬(附註38)	-	-	-	-	(53,784)	50,252	-	-	3,532	-	-	-
Recognition of equity-settled share-based payments (Note 38)	確認按股權結算以股份支付的付款(附註38)	-	-	-	-	51,711	-	-	-	-	51,711	-	51,711
Dividends distribution (Note 14)	股息分派(附註14)	-	(34,888)	-	-	-	-	-	-	-	(34,888)	-	(34,888)
Injection of capital from non-controlling interests (Note 34(ii))	非控股權益注資(附註34(ii))	-	-	(199,811)	-	-	-	-	-	-	(199,811)	608,843	409,032
Acquisition of non-wholly owned subsidiaries (Note 39)	收購非全資附屬公司(附註39)	-	-	-	-	-	-	-	-	-	-	385,620	385,620
Other capital contribution from non-controlling shareholders	非控股股東的其他出資	-	-	-	-	-	-	-	-	-	-	8,279	8,279
Transfer to statutory reserves	轉撥至法定儲備	-	-	-	14,831	-	-	-	-	(14,831)	-	-	-
At 31 December 2024	於2024年12月31日	675,869	6,545,061	638,291	347,517	47,941	(85,353)	(103,061)	30,016	1,434,731	9,531,012	1,591,784	11,122,796

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
OPERATING ACTIVITIES	經營活動		
(Loss) profit before tax	除稅前(虧損)溢利	(1,474,212)	228,996
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	434,971	377,146
Depreciation of right-of-use assets charged to profit or loss	自損益扣除的使用權資產折舊	91,497	66,712
Amortisation of other intangible assets	其他無形資產攤銷	9,201	9,249
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	18,686	17,278
Interest income	利息收入	(75,343)	(67,505)
Government grants released to income	撥至收入的政府補貼	(129,331)	(89,582)
Finance costs	融資成本	528,674	521,247
Share of results of associates and a joint venture	應佔聯營公司及合營企業業績	(9,842)	3,939
Gain on fair value changes of derivative financial instruments	衍生金融工具公平值變動收益	(59,689)	(95,699)
Changes on provisions	撥備變動	(3,318)	1,249
Fair value gain on commitment to non-controlling interests	對非控股權益的承諾公平值收益	(41,935)	—
Gain on partial redemption of long term bonds	部分贖回長期債券收益	(20,901)	—
Bargain purchase arose in the acquisition of business	收購業務時出現的議價收購	(26,204)	—
Impairment losses of Goodwill	商譽減值虧損	599,240	—
Gain on previous acquisition consideration adjustment	先前收購代價調整的收益	(1,031)	—
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	16,258	12,081
Gain on disposal of assets classified as held for sale	出售分類為持作出售的資產的收益	—	(4,470)
Gain on remeasurement of previously held interests	重新計量之前持有的權益的收益	(15,212)	(5,050)
Loss on disposal of other intangible assets	出售其他無形資產的虧損	72	12,386
Loss on liquidation of a subsidiary	清算附屬公司的虧損	—	215
Loss on termination of lease agreements	終止租賃協議的虧損	3,940	10
Net foreign exchange loss	外匯虧損淨額	48,169	75,583
Equity-settled share-based payments	按股權結算以股份支付的付款	51,711	50,049
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	2,862,562	1,280,373
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	2,807,963	2,394,207
Decrease in inventories	存貨減少	43,269	417,320
Decrease 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減少	257,615	172,100
(Decrease) increase in trade and other payables	應付貿易賬款及其他應付款項(減少)增加	(707,474)	2,460,338
Decrease in contract liabilities	合約負債減少	(12,961)	(16,556)
Increase in deferred income	遞延收入增加	64,924	42,928
Decrease in other liabilities	其他負債減少	(9,856)	—
Cash generated from operations	業務產生的現金	2,443,480	5,470,337
Income taxes paid	已付所得稅	(39,834)	(21,368)
NET CASH FROM OPERATING ACTIVITIES	經營活動所得現金淨額	2,403,646	5,448,969

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

	NOTE 附註	2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
INVESTING ACTIVITIES	投資活動		
Interest received	已收利息	47,175	56,165
Purchases of property, plant and equipment	購入物業、廠房及設備	(1,150,734)	(1,019,478)
Purchases of other intangible assets	購入其他無形資產	(5,131)	(12,134)
Payments for right-of-use assets	使用權資產付款	(62)	(36,031)
Purchases of biological assets	購入生物資產	(21,685)	(20,280)
Addition in biological assets in relation to feeding and other related costs	有關飼養及其他相關成本的生物資產增置	(3,245,397)	(3,240,715)
Placement of pledged bank deposits	存入已質押銀行存款	(31,000)	(36,506)
Withdrawal of pledged bank deposits	提取已質押銀行存款	42,080	181,843
Placement of term deposits with original maturity over three months and restricted bank deposits	存入原到期日超過三個月的定期存款及受限制銀行存款	(724,915)	(531,540)
Withdrawal of term deposits with original maturity over three months and restricted bank deposits	提取原到期日超過三個月的定期存款及受限制銀行存款	195,860	199,082
Placement of structured deposits	存入結構性存款	-	(137,000)
Withdrawal of structured deposits	提取結構性存款	-	137,064
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	23,949	15,865
Proceeds from sales of assets classified as held for sale	銷售分類為持作出售的資產所得款項	-	16,197
Proceeds from disposal of dairy cows	出售乳牛所得款項	1,010,893	1,048,581
Government grants received	已收政府補貼	85,232	51,791
Investment in associates and a joint venture	聯營公司及合營企業投資	(72,919)	(321,334)
Net cash inflow (outflow) on business combination in current year	本年度業務合併現金流入(流出)淨額	44,287	(1,679)
Net cash outflow on business combination in prior years	過往年度業務合併現金流出淨額	(16,085)	(204,435)
Dividends received from an associate	收取聯營公司股息	4,900	-
Loans to associates	向聯營公司貸款	(269,140)	(94,600)
Loan repayment from associates	聯營公司償還貸款	114,600	68,000
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(3,968,092)	(3,881,144)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
FINANCING ACTIVITIES	融資活動		
Dividends paid	已付股息	(34,888)	(111,997)
Interest paid	已付利息	(500,580)	(427,587)
New bank borrowings raised	新籌得銀行借款	7,387,013	5,665,179
Repayment of bank borrowings	償還銀行借款	(6,179,988)	(6,898,014)
New other borrowings raised	新籌得其他借款	1,775,753	305,942
Repayment of other borrowings	償還其他借款	(456,448)	(58,859)
Payment for partial redemption of long term bonds	部分贖回長期債券的付款	(333,727)	—
Repayments of short term debenture	償還短期融資券	—	(100,000)
Repayments of leases liabilities	償還租賃負債	(185,246)	(135,874)
Payment for repurchase of ordinary shares	購回普通股付款	(57,703)	(47,409)
Receipts arising from net settlement of interest rate swaps	利率掉期淨額結算產生的收入	—	1,210
Receipts arising from net settlement of currency option contracts	貨幣期權合約淨額結算產生的收入	—	38,995
Gross cash inflow from capped and floored cross currency swap ("CFCCS")	封頂封底交叉貨幣掉期 ("CFCCS") 的總現金流入	60,643	59,017
Gross cash outflow from CFCCS	CFCCS 的總現金流出	(77,560)	(77,214)
Gross cash inflow from foreign currency forward contracts	外匯遠期合約的總現金流入	426,234	290,601
Gross cash outflow from foreign currency forward contracts	外匯遠期合約的總現金流出	(430,299)	(296,966)
Payments arising from net settlement of foreign currency forward contracts	外匯遠期合約淨額結算產生的付款	—	(50,449)
Acquisition of non-controlling interests	收購非控股權益	—	(20,894)
Addition of other liabilities	其他負債增置	190,968	68,289
Dividends paid to non-controlling shareholders	向非控股股東派付股息	—	(5,341)
Capital contribution from non-controlling shareholders	來自非控股股東的出資	417,311	167,435
NET CASH FROM (USED IN) FINANCING ACTIVITIES	融資活動所得／(所用)現金淨額	2,001,483	(1,633,936)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加／(減少)淨額	437,037	(66,111)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

		2024 2024年 RMB'000 人民幣千元	2023 2023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	1,859,738	1,924,409
Effect of foreign exchange rate changes	匯率變動的影響	1,114	1,440
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	於12月31日的現金及現金等價物	2,297,889	1,859,738
Represented by Bank balances and cash	以以下各項呈列 銀行結餘及現金	3,636,711	2,641,470
Less: restricted bank deposits and term deposits with original maturity over three months	減：受限制銀行存款及 原到期日超過三個月的 定期存款	(1,338,822)	(781,732)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024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.

As at 31 December 2024, 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 “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 also 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。

於2024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，該貨幣亦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 2024 截至2024年12月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING 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 Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

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. 應用新訂國際財務報告準則會計準則(「國際財務報告準則」)及修訂

(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2024年1月1日開始的本集團年度期間強制生效的以下國際財務報告準則修訂，以編製綜合財務報表：

國際財務報告準則第16號的修訂	售後回租中的租賃責任
國際會計準則第1號的修訂	負債分類為流動或非流動
國際會計準則第1號的修訂	有契約的非流動負債
國際會計準則第7號及國際財務報告準則第7號的修訂	供應商融資安排

除下文所述者外，本年度採用國際財務報告準則修訂，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 2024 截至2024年12月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS ("IFRSs") (continued)

- (a) Amendments to IFRSs that are mandatorily effective for the current year (continued)
Impacts of Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements
The Group has applied the amendments for the first time in the current year.

The amendments add a disclosure objective to IAS 7 Statement of Cash Flows stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows.

In addition, IFRS 7 Financial Instruments: Disclosures was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

In accordance with the transition provision, the entity is not required to disclose comparative information for any reporting periods presented before the beginning of the annual reporting period in the first year of application as well as the information required by IAS 7:44 (b)(ii) and (b)(iii) above as at the beginning of the annual reporting period in which the entity first applies those amendments.

The Group has provided additional disclosures related to the amendments in notes 27 and 40.

2. 應用新訂國際財務報告準則會計準則)(「國際財務報告準則」)及修訂(續)

- (a) 於本年度強制生效的國際財務報告準則的修訂(續)
國際會計準則第7號及國際財務報告準則第7號的修訂供應商融資安排的影響
本集團於本年度首次應用該等修訂。

該等修訂向國際會計準則第7號現金流量表增加了一項披露目標，規定實體必須披露有關其供應商融資安排的資料，以便財務報表使用者能夠評估這些安排對該實體負債及現金流量的影響。

此外，國際財務報告準則第7號金融工具：披露經修訂，以於規定中加入供應商融資安排作為範例，披露有關實體面臨的集中流動性風險的資料。

根據過渡規定，實體毋須披露於應用該等修訂第一個年度的年度報告期開始之前呈列的任何報告期間的比較資料，亦毋須披露上述國際會計準則第7:44(b)(ii)條及(b)(iii)條所要求於實體首次應用該等修訂的年度報告期初的資料。

本集團已於附註27及40中提供了與該等修訂相關的額外披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS ("IFRSs") (continued)

(b) New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following amendments to IFRSs that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ³
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 ³
Amendments to IAS 21	Lack of Exchangeability ²
IFRS 18	Presentation and Disclosure in Financial Statements ⁴

1. Effective for annual periods beginning on or after a date to be determined.
2. Effective for annual periods beginning on or after 1 January 2025.
3. Effective for annual periods beginning on or after 1 January 2026.
4. Effective for annual periods beginning on or after 1 January 2027.

2. 應用新訂國際財務報告準則會計準則)(「國際財務報告準則」)及修訂 (續)

(b) 已頒佈惟尚未生效的新訂國際財務報告準則及修訂

本集團並無提早應用以下已頒佈惟尚未生效的國際財務報告準則的修訂：

國際財務報告準則第9號及國際財務報告準則第7號的修訂	金融工具分類及計量的修訂 ³
國際財務報告準則第9號及國際財務報告準則第7號的修訂	涉及依賴自然能源生產電力的合約 ³
國際財務報告準則第10號及國際會計準則第28號的修訂	投資者與其聯營公司或合營企業之間的資產銷售或投入 ¹
國際財務報告準則會計準則的修訂	國際財務報告準則會計準則年度改進 – 第11卷 ³
國際會計準則第21號的修訂	缺乏交換性 ²
國際財務報告準則第18號	財務報表呈列及披露 ⁴

1. 於待定日期或之後開始的年度期間生效。
2. 於2025年1月1日或之後開始的年度期間生效。
3. 於2026年1月1日或之後開始的年度期間生效。
4. 於2027年1月1日或之後開始的年度期間生效。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS ("IFRSs") (continued)

(b) New and amendments to IFRSs in issue but not yet effective (continued)

Except as described below, the directors of the Company (the "**Directors**") anticipate that the application of all other amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

2. 應用新訂國際財務報告準則會計準則)(「國際財務報告準則」)及修訂(續)

(b) 已頒佈惟尚未生效的新訂國際財務報告準則及修訂(續)

除下文所述者外，本公司董事(「董事」)預期應用國際財務報告準則的所有其他修訂於可見將來不會對綜合財務報表造成重大影響。

國際財務報告準則第18號財務報表呈列及披露

國際財務報告準則第18號財務報表呈列及披露規定了財務報表呈列及披露的要求，將取代國際會計準則第1號財務報表呈列。此項新訂國際財務報告準則於延續國際會計準則第1號的諸多規定同時，亦引入了新的要求，即在損益表中呈列指定類別及定義的小計；在財務報表附註中披露管理定義的績效指標，並改善財務報表中所披露資料的總計及分解。此外，國際會計準則第1號中的一些段落已移至國際會計準則第8號及國際財務報告準則第7號。對國際會計準則第7號現金流量表及國際會計準則第33號每股盈利亦作出了微小修改。

國際財務報告準則第18號及其他準則的修訂將於2027年1月1日或之後開始的年度期間生效，並允許提前應用。預計新訂準則的應用將影響損益表的呈列及未來財務報表的披露。本集團正在評估國際財務報告準則第18號對本集團綜合財務報表的具體影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRSs issued by 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 and by the Hong Kong Companies Ordinance.

In preparation of the consolidated financial statements for the year ended 31 December 2024, 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 current assets by RMB551,063,000 (2023: RMB1,594,681,000). Taking into account, (i) the available credit facilities of approximately RMB6,541,132,000 which remain unutilised as at 31 December 2024 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 facilities 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.

3. 綜合財務報表的編製基準及重大會計政策資料

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，綜合財務報表包括聯交所證券上市規則及香港公司條例所規定的適用披露。

在編製截至2024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流動資產人民幣551,063,000元(2023年：人民幣1,594,681,000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2024年12月31日的可供動用信貸融資約人民幣6,541,132,000元並未動用(其中人民幣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」)，剩餘融資來自持牌銀行)；(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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.1 Basis of preparation of consolidated financial statements (continued)

The consolidated financial statements have been prepared on the historical cost basis except for biological assets, which are measured at fair value less costs to sell and certain 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.

3.2 Material accounting policy information

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.

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.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.1 綜合財務報表的編製基準(續)

綜合財務報表乃根據歷史成本基準編製，惟按公平值減銷售成本計量的生物資產及按各報告期末的公平值計量的若干衍生金融工具除外(如附註3.2所載會計政策所闡釋)。

3.2 重大會計政策資料 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。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

Basis of consolidation (continued)

Profit or loss and each item 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.

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.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

綜合基準(續)

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。

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變動

本集團於附屬公司的權益變動，若沒有導致本集團喪失對附屬公司的控制權，則作為權益交易進行會計處理。本集團相關權益組成部分及非控股權益的賬目金額進行調整，以反映其於附屬公司中相關權益的變動，包括依本集團與非控股權益的權益比例重新歸屬本集團與非控股權益的相關儲備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

Basis of consolidation (continued)

Changes in the Group's interests in existing subsidiaries (continued)

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.

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

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.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

綜合基準(續)

本集團於現有附屬公司的權益變動(續)

非控股權益調整金額與支付或收到代價的公平值之間的任何差額均直接於權益中確認並歸屬於本公司擁有人。

業務合併

業務是一組綜合活動及資產，包括一項投入及一項實質性過程，共同對創造產出的能力作出重大貢獻。倘收購過程對繼續生產產出的能力至關重要，包括具備執行相關過程所必需的技能、知識或經驗的有組織勞動力，或對持續生產產出的能力有重大貢獻，則被認為屬實質性及被認為屬獨特或稀缺，或在無重大成本、努力或持續生產產出能力出現延遲的情況下不可取代。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

Business combinations (continued)

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Conceptual Framework for Financial Reporting* (the “**Conceptual Framework**”) except for transactions and events within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC 21 *Levies*, in which the Group applies IAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

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 *Leases*) 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大會計政策資料(續)

3.2 重大會計政策資料(續)

業務合併(續)

所取得的可辨認資產及所承擔的負債必須符合財務報告概念框架(「**概念框架**」)對資產及負債的定義，不包括在國際會計準則第37號撥備、或然負債及或然資產或國際財務報告詮釋委員會第21號徵費範圍內的交易及事件，其中本集團採用國際會計準則第37號或國際財務報告詮釋委員會第21號範圍下而非概念框架識別其在業務合併中承擔的負債。或然資產不予確認。

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號租賃)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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (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 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.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(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。

當業務合併分階段實現時，本集團對先前所持有的被收購方的股權進行重新計量至收購日期(即本集團取得控制權之日)的公平值，由此產生的收益或虧損(如有)應於適當情況時在損益或其他全面收入中予以確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

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.

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).

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

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過過經營分部。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

Investments in associates and joint ventures

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures 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 or a joint venture 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 or joint venture. Changes in net assets of the associate/joint venture 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 or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), 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 or joint venture.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

於聯營公司及合營企業的投資

聯營公司及合營企業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及合營企業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，於聯營公司或合營企業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或合營企業損益及其他全面收入作出調整。該聯營公司／合營企業資產淨值(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或合營企業的虧損超出本集團於該聯營公司或合營企業的權益(包括實質上構成本集團於聯營公司或合營企業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，或已代表聯營公司或合營企業支付款項的情況下，方會確認額外虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

Investments in associates and joint ventures (continued)

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, 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.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Acquisition of additional interests in associates or joint ventures

When the Group increases its ownership interest in an associate or a joint venture but the Group continues to use the equity method, goodwill is recognised at acquisition date if there is excess of the consideration paid over the share of carrying amount of net assets attributable to the additional interests in associates or joint ventures acquired. Any excess of share of carrying amount of net assets attributable to the additional interests in associates or joint ventures acquired over the consideration paid are recognised in the profit or loss in the period in which the additional interest are acquired.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

於聯營公司及合營企業的投資(續)

聯營公司或合營企業投資自被投資者成為聯營公司或合營企業該日起使用權益法入賬。於收購於聯營公司或合營企業的投資時，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。

當集團實體與本集團的聯營公司或合營企業進行交易時，與該聯營公司或合營企業進行交易而產生的損益僅在聯營公司或合營企業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。

收購於聯營公司或合營企業的額外權益

倘本集團增加其於聯營公司或合營企業的所有權益但本集團繼續使用權益法列賬，將就已付代價超逾分佔所收購聯營公司或合營企業額外權益應佔淨資產賬面值的部份，於收購日確認商譽。倘分佔所收購聯營公司或合營企業額外權益應佔淨資產賬面值的部份超逾已付代價，則超逾部份於收購額外權益期間在損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in Note 5.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability; and
- any lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

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.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

客戶合約收入

本集團與客戶合約相關的會計政策資料請參閱附註5。

租賃

本集團根據國際財務報告準則第16號的定義於合約開始時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。

本集團作為承租人

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；及
- 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。

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。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

Leases (continued)

The Group as a lessee (continued)

Lease liabilities (continued)

The lease payments include:

- fixed payments (including in-substance fixed payments); and
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

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 in which the event or condition that triggers the payment occurs.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

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.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

租賃(續)

本集團作為承租人(續)

租賃負債(續)

租賃款項包括：

- 固定付款(包括實質固定付款)；及
- 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)。

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。

租賃修訂

倘出現以下情況，則本集團將租賃修訂作為一項單獨的租賃入賬：

- 該項修訂通過增加使用一項或多項相關資產的權利擴大租賃範圍；及
- 增加租賃的代價，增加的金額相當於範圍擴大對應的單獨價格及對單獨價格進行的任何適當調整以反映特定合約的情況。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

Leases (continued)

The Group as a lessee (continued)

Lease liabilities (continued)

Lease modifications (continued)

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, 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 assets.

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. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income. 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 retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

租賃(續)

本集團作為承租人(續)

租賃負債(續)

租賃修訂(續)

就並不以單獨租賃入賬的租賃修訂而言，本集團透過使用於修訂生效日期之經修訂貼現率貼現經修訂租賃付款按經修訂租賃之租期重新計量租賃負債(減去應收的任何租賃獎勵)。

本集團透過對相關使用權資產進行相應調整入賬租賃負債的重新計量。

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。以公平值計量的外幣計值非貨幣項目按釐定公平值當日的匯率重新換算。當非貨幣項目的公平值收益或虧損在其他全面收入中確認時，該收益或虧損的任何匯兌部分亦在其他全面收入中確認。以外幣按歷史成本計量的非貨幣項目不予重新換算。

結算及再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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

Foreign currencies (continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign 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).

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.

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大會計政策資料(續)

3.2 重大會計政策資料(續)

外幣(續)

就綜合財務報表的呈列而言，本集團海外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))。

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。

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限內有系統及合理地轉撥至損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (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".

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

A government grant related to a biological asset measured at its fair value less costs to sell was recognised in profit or loss when, and only when, the conditions attaching to the government grant are met.

Share-based payments

Equity-settled share-based payment transactions

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.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(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。有關補貼已呈列於「其他收入」。

低於市場利率的政府貸款的好處在於會被視為政府補貼，按收到的所得款項與基於現行市場利率的貸款公平值之間的差額計量。

與按公平值減去銷售成本計量的生物資產相關的政府補貼，與且僅當政府補貼所附條件滿足時，計入當期損益。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

Share-based payments (continued)

Equity-settled share-based payment transactions

(continued)

Shares granted to employees (continued)

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 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 award reserve.

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 scheme 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大會計政策資料(續)

3.2 重大會計政策資料(續)

以股份支付的付款(續)

按股權結算以股份支付的付款交易(續)

授予僱員的股份(續)

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(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，並對股份獎勵儲備作出相應調整。

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

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from (loss) profit 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 amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. 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 and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. 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大會計政策資料(續)

3.2 重大會計政策資料(續)

稅項

所得稅支出指即期及遞延所得稅支出總和。

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(虧損)溢利不同。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。遞延所得稅負債通常對所有應課稅暫時差額進行確認。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)資產及負債所產生且交易發生時不產生同等應課稅及可抵扣暫時性差異，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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, 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大會計政策資料(續)

3.2 重大會計政策資料(續)

稅項(續)

遞延稅項負債乃就與附屬公司及聯營公司投資以及於合營企業的權益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稅項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

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

Taxation (continued)

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

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 are 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.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

稅項(續)

就計量本集團確認使用權資產及相關租賃負債的租賃交易遞延稅項而言，本集團首先確定稅項扣減是否歸因於使用權資產或租賃負債。

就稅項扣減歸因於租賃負債的租賃交易而言，本集團將國際會計準則第12號規定分別應用於租賃負債及相關資產。本集團以很可能獲得用來抵扣可扣減暫時差額的應課稅溢利為限，確認與租賃負債相關的遞延稅項資產，並就所有應課稅暫時差額確認遞延稅項負債。

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，惟在其與於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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

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.

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. 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 freehold land and 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.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

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。

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。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(不包括永久業權土地及在建工程)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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

Property, plant and equipment (continued)

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.

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).

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

物業、廠房及設備(續)

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。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

Intangible assets (continued)

Intangible assets acquired in a business combination (continued)

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.

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大會計政策資料(續)

3.2 重大會計政策資料(續)

無形資產(續)

業務合併中收購之無形資產(續)

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。

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

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

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. 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大會計政策資料(續)

3.2 重大會計政策資料(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。

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

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (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.

All other financial assets of the Group 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.

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 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.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產

金融資產的分類及其後計量

滿足下列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。

本集團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。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (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.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(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.

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. The net gain or loss recognised in profit or loss include any dividend or interest earned on the financial asset and is included in the "other gains and losses, net" line item.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(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

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。

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。於損益內確認之淨盈虧包括金融資產所收取之任何股息或利息，並計入「其他收益及虧損淨額」科目。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments

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.

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. Assessments 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大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

根據國際財務報告準則第9號金融工具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。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments (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 instrument 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;
- 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;

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

根據國際財務報告準則第9號金融工具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；
- 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；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments (continued)

(i) Significant increase in credit risk (continued)

- 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大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

根據國際財務報告準則第9號金融工具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)

- 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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments (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 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大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

根據國際財務報告準則第9號金融工具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)；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments (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大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

根據國際財務報告準則第9號金融工具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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments (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. The Group uses a practical expedient in estimating ECL on trade receivables of feeds using a provision matrix taking into consideration historical credit loss experience and forward looking information that is available without undue cost or effort.

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 with appropriate groupings.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

根據國際財務報告準則第9號金融工具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。本集團在考慮過往信貸虧損經驗及無需過度成本或努力即可獲得的前瞻性資料的情況下，使用撥備矩陣估計飼料應收貿易賬款的預期信貸虧損。

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單獨或通過適當分組集體評估。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments (continued)

(v) Measurement and recognition of ECL (continued)

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.

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 asset.

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 receivables where the corresponding adjustment is recognised through a loss allowance account.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

根據國際財務報告準則第9號金融工具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)

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。

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除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost, exchange differences are recognised in profit or loss in the 'other gains and losses, net' line item;
- For financial assets measured at FVTPL, exchange differences are recognised in profit or loss in the 'other gains and losses, net' line item as part of fair value gain/(loss) on financial assets;
- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the FVTOCI reserve.

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, 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大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

外匯損益

外幣計值金融資產的賬面金額以報告期末的即期匯率換算為外幣金額。具體來說：

- 對於按攤銷成本計量的金融資產，匯兌差額計入損益中的「其他收益及虧損淨額」項目；
- 對於按公平值計入損益的金融資產，匯兌差額作為金融資產公平值收益／(虧損)的一部分，計入損益中的「其他收益及虧損淨額」項目；
- 對於按公平值計入其他全面收入的權益工具，匯兌差額在其他全面收入中計入按公平值計入其他全面收入儲備。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (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.

Compound instruments

The component parts of the compound instruments are classified separately as financial liability and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(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。

複合工具

根據合約安排的實質以及金融負債及權益工具的定義，將複合工具的組成部分分別分類為金融負債及權益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Compound instruments (continued)

At the date of issue, the fair value of the liability component (including any embedded non-equity derivatives features) is estimated by measuring the fair value of similar liability that does not have an associated equity component. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole, and is not subsequently remeasured.

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大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融負債及權益(續)

複合工具(續)

於發行日期，負債部分(包括任何嵌入式非股權衍生工具特徵)的公平值透過計量不具有相關權益部分的類似負債的公平值來估計。權益部分依照複合工具整體的公平值減去負債部分的金額釐定，且不再進行後續重新計量。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (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 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大會計政策資料(續)

3.2 重大會計政策資料(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

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other gains and losses, net' line item in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

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.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融負債及權益(續)

外匯損益

對於於每個報告期末以攤銷成本計量的外幣金融負債，外匯損益根據該工具的攤銷成本釐定。該等外匯損益在損益的「其他收益及虧損淨額」行項目中確認。

外幣計值金融負債的公平值採用該外幣確定，並以報告期末的即期匯率換算。對於按公平值計入損益計量的金融負債，外匯成分構成公平值損益的一部分，並於損益確認。

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。

如果衍生工具的剩餘期限超過12個月且在12個月內不會變現或結算，則該工具列示為非流動資產或非流動負債。其他衍生工具以流動資產或流動負債列示。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Generally, multiple embedded derivatives in a single instrument that are separated from the host contracts are treated as a single compound embedded derivative unless those derivatives relate to different risk exposures and are readily separable and independent of each other.

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.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

嵌入式衍生工具

嵌入非衍生工具主合約中且不屬於國際財務報告準則第9號範圍內的金融資產的衍生工具，當符合衍生工具的定義，其風險及特徵與主合約的風險及特徵並不密切相關，且主合約不按公平值計入損益的方式計量時，將被視為單獨的衍生工具。

一般來說，單一工具中與主合約分離的多個嵌入式衍生工具被視為單一複合嵌入式衍生工具，除非該等衍生工具涉及不同的風險敞口且易於分離且彼此獨立。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

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.

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.

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。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Fair value measurements of biological assets

The Group's biological assets are measured at fair value less costs to sell at the end of the 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 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 2024 was RMB12,435,776,000 (2023: RMB11,927,977,000).

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 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, a suitable pre-tax discount rate and the growth rate used to extrapolate the cash flows beyond the budget period 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 2024, the carrying amount of goodwill is RMB1,819,377,000 (2023: RMB2,417,915,000), net of accumulated impairment loss of RMB812,669,000 (2023: RMB213,429,000).

4. 估計不確定性的主要來源(續)

生物資產的公平值計量

本集團的生物資產於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2024年12月31日，本集團生物資產的賬面值為人民幣12,435,776,000元(2023年：人民幣11,927,977,000元)。

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及用於推斷超預算期間現金流量的增長率以計算現值。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2024年12月31日，商譽的賬面值為人民幣1,819,377,000元(2023年：人民幣2,417,915,000元)，扣除累計減值虧損人民幣812,669,000元(2023年：人民幣213,429,000元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

5. REVENUE

- (i) Disaggregation of revenue from contracts with customers

5. 收入

- (i) 客戶合約收入細分

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Segments	Types of goods or service		
分部	商品或服務類型		
Raw milk business 原料奶業務	Raw milk 原料奶	10,454,371	10,263,657
Integrated dairy farming solutions 養殖綜合解決方案	Feeds and farm supplies 飼料及牧場物資	2,731,106	3,143,070
Integrated dairy farming solutions 養殖綜合解決方案	Breeding products and platform services 育種產品及平台服務	68,864	51,496
		13,254,341	13,458,223
Timing of revenue recognition	收入確認時間		
At a point in time 時間點	時間點	13,220,310	13,436,007
Overtime 隨著時間的推移	隨著時間的推移	34,031	22,216
		13,254,341	13,458,223
Geographical markets	地理市場		
Chinese Mainland 中國內地	中國內地	12,966,550	13,173,701
Other countries 其他國家	其他國家	287,791	284,522
		13,254,341	13,458,223

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

5. REVENUE (continued)

(ii) Performance obligations for contracts with customers and revenue recognition policies

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 and accepted the raw milk, the normal credit term of which is 30 days.

For the sale of feeds and farm supplies and breeding products, revenue is recognised when control of these goods has been transferred. This occurs either when the customer receives them or when they are dispatched, depending on the contract terms. The typical credit term is between 30 and 90 days.

Revenue from platform services is mainly recognised over time. The advance payments received for such services are recorded as contract liabilities and recognised as revenue on a straight-line basis over the service period.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

Sales of raw milk, feeds and farm supplies, breeding products and platform services 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) Information about major customers

Revenue from customers contributing over 10% of the total sales of the Group is as follows:

5. 收入 (續)

(ii) 客戶合約的履約義務及收入確認政策

就銷售原料奶而言，收入於已轉移原料奶控制權時獲確認(即客戶收到並接受原料奶時)，一般信貸期為30天。

就銷售飼料及牧場物資以及育種產品而言，收入於已轉移該等商品的控制權時獲確認(即當客戶收到該等商品或該等商品發出時(取決於合約條款))，一般信貸期為30至90天。

平台服務收入主要隨著時間的推移而確認。此類服務收到的預付款項記為合約負債，並在服務期間按直線法確認為收入。

(iii) 分配至客戶合約餘下履約義務的交易價格

原料奶、飼料及牧場物資、育種產品以及平台服務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) 有關主要客戶的資料

對本集團銷售總額貢獻10%以上的客戶收入如下：

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Customer A	客戶A		
Raw milk	原料奶	9,617,092	9,518,407
Others	其他	2,685	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

6. SEGMENT INFORMATION

IFRS 8 Operating Segments 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. In the current year, the Group reorganised its internal reporting structure which resulted in changes to the composition of its reportable segments. The previous offline feed business and digital intelligence platform business and the newly commenced sales of breeding products are reported to CODM as a whole. Information reported to CODM for the purposes of resources allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Prior year segment disclosures have been represented to conform with the current year’s presentation.

The Group’s reportable segments under IFRS 8 are as follows:

- Raw milk business – raising and breeding dairy cows to produce and sell raw milk.
- Integrated dairy farming solutions business – trading, production and sales of feeds and breeding products, provision of platform services through digital intelligence platform.

6. 分部資料

國際財務報告準則第8號經營分部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。於本年度，本集團重組了內部呈報架構，導致呈報分部的組成發生變化。先前的線下飼料業務及數智平台業務以及新開始的育種產品銷售均整體向主要經營決策者呈報。為分配資源及評估分部表現而向主要營運決策者報告的資料集中於所交付或提供的貨物或服務的類型。上一年度的分部披露已作重新呈列從而與本年度的呈列一致。

本集團於國際財務報告準則第8號下的呈報分部如下：

- 原料奶業務－飼養及養殖奶牛以生產及銷售原料奶。
- 養殖綜合解決方案業務－通過數智平台進行飼料及育種產品的交易、生產及銷售以及提供平台服務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

6. SEGMENT INFORMATION (continued)

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments:

For the year ended 31 December 2024

6. 分部資料(續)

分部收入及業績

以下為按呈報分部呈列的本集團的收入及業績分析：

截至2024年12月31日止年度

		Raw milk business	Integrated dairy farming solutions business 養殖綜合 解決方案業務	Total reportable segments	Eliminations	Consolidated
		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
Segment revenue	分部收入					
External sales	對外銷售	10,454,371	2,799,970	13,254,341	-	13,254,341
Inter-segment sales	分部間銷售	-	2,507,925	2,507,925	(2,507,925)	-
Segment (loss) profit	分部(虧損)溢利	(1,296,762)	38,533	(1,258,229)	(32,376)	(1,290,605)
Share of profit of associates	應佔聯營公司溢利					4,532
Unallocated other income	未分配其他收入					1,209
Unallocated other gains and losses	未分配其他收益及 虧損					84,399
Unallocated expenses	未分配開支					(273,747)
Loss before tax	除稅前虧損					(1,474,212)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

6. SEGMENT INFORMATION (continued)

Segment revenues and results (continued)

For the year ended 31 December 2023

6. 分部資料(續)

分部收入及業績(續)

截至2023年12月31日止年度

		Raw milk business	Integrated dairy farming solutions business 養殖綜合 解決方案業務	Total reportable segments	Eliminations	Consolidated
		原料奶業務 RMB'000 人民幣千元	解決方案業務 RMB'000 人民幣千元	呈報分部總額 RMB'000 人民幣千元	抵銷 RMB'000 人民幣千元	綜合 RMB'000 人民幣千元
Segment revenue	分部收入					
External sales	對外銷售	10,263,657	3,194,566	13,458,223	–	13,458,223
Inter-segment sales	分部間銷售	–	2,307,954	2,307,954	(2,307,954)	–
Segment profit (loss)	分部溢利(虧損)	499,487	39,820	539,307	(14,959)	524,348
Share of profit of associates	應佔聯營公司溢利					17,097
Unallocated other income	未分配其他收入					12,551
Unallocated other gains and losses	未分配其他收益及虧損					23,763
Unallocated expenses	未分配開支					(348,763)
Profit before tax	除稅前溢利					228,996

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3. Segment profit represents the profit before tax earned by each segment without allocation of central administration expenses, corporate income and expenses, certain other gains and losses and share of results of associates that are not directly attributable to operating segments. This is the measure reported to the CODM for the purposes of resources allocation and assessment of segment performance. Inter-segment revenue is charged at prices agreed between group entities, which are determined by reference to the prices offered to third party customers.

經營分部的會計政策與附註3所述本集團的會計政策相同。分部溢利指各分部所賺取的除稅前溢利，未分配中央行政開支、企業收入及開支、若干其他收益及虧損及應佔聯營公司業績(並非直接歸屬於經營分部)。此乃報告給主要營運決策者用於資源分配及分部表現評估的措施。分部間收入按集團實體之間協定的價格扣除，有關價格乃參考向第三方客戶提供的價格釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

6. SEGMENT INFORMATION (continued)

Segment assets and liabilities

The CODM makes decisions according to operating results of each segment. No analysis of segment assets and segment liabilities is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Other segment information

For the year ended 31 December 2024

6. 分部資料(續)

分部資產及負債

主要營運決策者根據各分部的經營業績作出決策。由於主要營運決策者不會出於資源分配及表現評估之目的而定期審閱此類資料，因此未呈列分部資產及分部負債分析。因此，僅呈列分部收入及分部業績。

其他分部資料

截至2024年12月31日止年度

	Raw milk business	Integrated dairy farming solutions business	Total reportable segments	Unallocated	Consolidated
	原料奶業務 RMB'000 人民幣千元	養殖綜合 解決方案業務 RMB'000 人民幣千元	呈報分部總額 RMB'000 人民幣千元	未分配 RMB'000 人民幣千元	綜合 RMB'000 人民幣千元
Amounts included in the measure of segment profit or loss:					
Depreciation and amortisation charged to profit or loss	486,326	37,488	523,814	11,855	535,669
Impairment losses of trade and other receivables	-	18,650	18,650	36	18,686
Loss on disposal of property, plant and equipment	13,771	1,459	15,230	1,028	16,258
Share of loss (profit) of associates and a joint venture	5,810	(11,120)	(5,310)	(4,532)	(9,842)
Impairment loss on goodwill	599,240	-	599,240	-	599,240
Fair value gain on derivative financial instruments	-	-	-	(59,689)	(59,689)
Finance costs	503,288	25,386	528,674	-	528,674
Interest income	(70,959)	(4,384)	(75,343)	-	(75,343)
Loss arising from changes in fair value less costs to sell of dairy cows	2,862,562	-	2,862,562	-	2,862,562
Income tax expense (credit)	-	10,841	10,841	(15,618)	(4,777)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

6. SEGMENT INFORMATION (continued)

Other segment information (continued)

For the year ended 31 December 2023

6. 分部資料(續)

其他分部資料(續)

截至2023年12月31日止年度

		Raw milk business	Integrated dairy farming solutions business 養殖綜合 解決方案業務	Total reportable segments	Unallocated	Consolidated
		原料奶業務 RMB'000 人民幣千元	解決方案業務 RMB'000 人民幣千元	呈報分部總額 RMB'000 人民幣千元	未分配 RMB'000 人民幣千元	綜合 RMB'000 人民幣千元
Amounts included in the measure of segment profit or loss:	計入分部損益計量的 金額：					
Depreciation and amortisation charged to profit or loss	扣除自損益的折舊及 攤銷	394,407	38,561	432,968	20,139	453,107
Impairment losses of trade and other receivables	應收貿易賬款及其他 應收款項的減值虧損	—	17,092	17,092	186	17,278
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備的虧損	12,075	6	12,081	—	12,081
Loss on disposal of other intangible assets	出售其他無形資產的 虧損	—	12,386	12,386	—	12,386
Share of loss (profit) of associates and a joint venture	應佔聯營公司及合營 企業虧損(溢利)	25,934	(4,898)	21,036	(17,097)	3,939
Fair value gain on derivative financial instruments	衍生金融工具的公平值 收益	—	—	—	(95,699)	(95,699)
Finance costs	融資成本	490,463	30,784	521,247	—	521,247
Interest income	利息收入	(64,239)	(3,266)	(67,505)	—	(67,505)
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	1,280,373	—	1,280,373	—	1,280,373
Income tax expense	所得稅開支	—	11,455	11,455	32,107	43,562

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

6. SEGMENT INFORMATION (continued)

Other segment information (continued)

Geographical information

The Group's operations are located in Chinese Mainland 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.

6. 分部資料(續)

其他分部資料(續)

地區資料

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)	
		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元	2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Chinese Mainland	中國內地	12,938,600	13,103,259	24,939,956	23,508,297
USA	美國	315,741	354,964	113,521	125,902
		13,254,341	13,458,223	25,053,477	23,634,199

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

7. OTHER INCOME

7. 其他收入

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Interest income	利息收入	75,343	67,505
Government grants related to	就以下各項授出的政府補貼		
– Assets (Note 33)	– 資產(附註33)	100,311	89,582
– Others (Note)	– 其他(附註)	53,764	37,934
Others	其他	154,075 48,834	127,516 26,105
		278,252	221,126

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

8. PROFIT BEFORE FINANCE COSTS AND TAX

Profit before finance costs and tax is arrived at after charging (crediting):

8. 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：

		2024 2024年 RMB'000 人民幣千元	2023 2023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	7,197,211	7,350,674
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	2,956,624	2,678,046
Cost of feeds and farm supplies sold	已售出飼料及牧場物資成本	2,587,236	2,962,537
Cost of breeding products sold and platform services	已售出育種產品及平台服務成本	18,429	16,999
		12,759,500	13,008,256
Other gains and losses, net:	其他收益及虧損淨額：		
Net foreign exchange loss	外匯虧損淨額	57,516	77,638
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	16,258	12,081
Loss on termination of lease agreements	終止租賃協議的虧損	3,940	10
Loss on disposal of other intangible assets	出售其他無形資產的虧損	72	12,386
Gain on disposal of assets classified as held for sale	出售分類為持作出售的資產的收益	-	(4,470)
Loss on liquidation of a subsidiary	清算附屬公司的虧損	-	215
Gain on remeasurement of previously held equity interests (Note 39)	重新計量之前持有的股權的收益(附註39)	(15,212)	(5,050)
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	1,508	59,371
Foreign currency option contracts	外匯期權合約	(16,259)	(74,430)
Capped and floored cross currency swap	封頂封底交叉貨幣掉期	(44,938)	(80,640)
Changes in provision for obligation to return dairy cows (Note 34(i))	退還奶牛義務的撥備變動(附註34(i))	(3,318)	(4,034)
Fair value gain on commitment to non-controlling interests (Note 34(ii))	對非控股權益的承諾公平值收益(附註34(ii))	(41,935)	-
Gain on partial redemption of long term bonds (Note 30)	部分贖回長期債券的收益(附註30)	(20,901)	-
Bargain purchase arose in the acquisition of business (Note 39)	收購業務時出現的議價收購(附註39)	(26,204)	-
Others	其他	4,662	1,750
		(84,811)	(5,173)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

8. PROFIT BEFORE FINANCE COSTS AND TAX (continued)

Profit before finance costs and tax is arrived at after charging (crediting): (continued)

8. 除融資成本及稅項前溢利(續)

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：(續)

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Depreciation of property, plant and equipment	物業、廠房及設備折舊	729,435	652,610
Depreciation of right-of-use assets	使用權資產折舊	200,605	152,552
Amortisation of other intangible assets	其他無形資產攤銷	9,201	9,249
Less: capitalised in biological assets	減：生物資產資本化金額	(403,572)	(361,304)
Depreciation and amortisation charged to profit or loss	扣除自損益的折舊及攤銷	535,669	453,107
Short-term lease expense	短期租賃開支	22,196	25,238
Less: capitalised in biological assets	減：生物資產資本化金額	(7,936)	(10,662)
Short-term lease expense charged to profit or loss	扣除自損益的短期租賃開支	14,260	14,576
Employee benefits expense:	僱員福利開支：		
Salaries and allowances	薪金及津貼	1,058,834	1,004,636
Retirement benefit schemes contributions	退休福利計劃供款	93,433	82,346
Equity-settled share award expense	以股權結算的股份獎勵開支	51,711	50,049
Less: capitalised in biological assets	減：生物資產資本化金額	(362,992)	(309,840)
Employee benefits charged to profit or loss	扣除自損益的僱員福利	840,986	827,191
Auditors' remuneration	核數師薪酬	4,350	4,250

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

9. FINANCE COSTS

9. 融資成本

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Interest expenses on:	利息開支：		
Bank borrowings	銀行借款	311,324	330,525
Long term bonds	長期債券	83,110	82,744
Short term debenture	短期融資券	—	986
Other borrowings	其他借款	37,231	18,855
Lease liabilities	租賃負債	97,009	72,402
Total borrowing cost	借款成本總額	528,674	505,512
Fair value loss on interest rate swaps	利率掉期公平值虧損	—	15,735
		528,674	521,247

10. IMPAIRMENT LOSSES UNDER ECL, NET OF REVERSAL

10. 預期信貸虧損模型下減值虧損，扣除撥回

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Impairment losses recognised in respect of:	就下列各項確認的減值虧損：		
Trade receivables	應收貿易賬款	18,650	17,216
Other receivables	其他應收款項	36	62
		18,686	17,278

Details of impairment assessment are set out in Note 40.

減值評估詳情載列於附註40。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

11. INCOME TAX (CREDIT) EXPENSE AND DEFERRED TAXATION

Income tax (credit) expense

11. 所得稅(抵免)開支及遞延稅項

所得稅(抵免)開支

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Current tax:	即期稅項：		
PRC Enterprise Income Tax	中國企業所得稅	16,049	18,634
Other jurisdiction	其他司法權區	1,378	3,897
(Over) under provision in respect of prior years:	過往年度的撥備(超提)不足：		
PRC Enterprise Income Tax	中國企業所得稅	(15,033)	36,142
Deferred tax:	遞延稅項：	(7,171)	(15,111)
		(4,777)	43,562

The Company is incorporated as an exempted company and as such is not subject to Cayman Islands taxation.

本公司作為獲豁免公司註冊成立，因此不受開曼群島稅項的約束。

No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from Hong Kong.

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。

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the statutory income tax rate of the PRC subsidiaries is 25% for both years.

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，於中國的附屬公司於兩個年度的法定所得稅率為25%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

11. INCOME TAX (CREDIT) EXPENSE AND DEFERRED TAXATION (continued)

Income tax (credit) expense (continued)

Taxation arising in other jurisdiction is calculated at the rate prevailing in the relevant jurisdiction.

According to the prevailing tax rules and regulation of the EIT Law, 58 subsidiaries of the Group is exempted from enterprise income tax for taxable profit from the operation of agricultural business in the PRC for the year ended 31 December 2024 (2023: 49 subsidiaries).

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 Chinese Mainland. 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 RMB4,924,126,000 as at 31 December 2024 (31 December 2023: RMB5,348,821,000) 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.

11. 所得稅(抵免)開支及遞延稅項(續)

所得稅(抵免)開支(續)

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2024年12月31日止年度，本集團的58間附屬公司(2023年：49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。

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%。並未就中國附屬公司於2024年12月31日累計溢利人民幣4,924,126,000元(2023年12月31日：人民幣5,348,821,000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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

11. INCOME TAX (CREDIT) EXPENSE AND DEFERRED TAXATION (continued)

Income tax (credit) expense (continued)

The income tax (credit) expense for the current year can be reconciled to (loss) profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

11. 所得稅(抵免)開支及遞延稅項(續)

所得稅(抵免)開支(續)

以下是本年度所得稅(抵免)開支與綜合損益及其他全面收益表內除稅前(虧損)溢利的對賬：

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
(Loss) profit before tax	除稅前(虧損)溢利	(1,474,212)	228,996
Tax at applicable income tax rate at 25 % (2023: 25%)	按適用所得稅稅率25%計算的稅項(2023年：25%)	(368,553)	57,249
Effect of tax exemption granted to agricultural business subsidiaries	農業業務附屬公司免稅待遇的影響	(48,066)	(261,171)
Effect of unutilised losses incurred from agricultural business subsidiaries and other non-deductible expenses	農業業務附屬公司產生未動用虧損及其他不可扣稅開支的影響	427,777	202,376
Effect of different tax rates of entities operating in other jurisdictions	於其他司法權區經營的實體的不同稅率的影響	(56)	(2,615)
Effect of tax losses not recognised	未確認稅項虧損的影響	1,784	12,497
Utilisation of tax losses previously not recognised	動用過往未確認稅項虧損	(2,630)	(916)
(Over) under provision in respect of prior years	過往年度的撥備(超提)／不足	(15,033)	36,142
Income tax (credit) expense	所得稅(抵免)開支	(4,777)	43,562

As at 31 December 2024, the Group's PRC subsidiaries had unused tax losses of RMB120,626,000 (2023: RMB124,598,000) incurred by non-agricultural business in the PRC. These unused tax losses as at 31 December 2024 will expire in year 2025 to year 2029 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 tax losses can be utilised.

於2024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120,626,000元(2023年：人民幣124,598,000元)。倘於2024年12月31日該等未動用稅項虧損未獲動用，其將於2025年至2029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稅項虧損，因此並無就有關稅項虧損確認遞延稅項資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

11. INCOME TAX (CREDIT) EXPENSE AND DEFERRED TAXATION (continued)

Income tax (credit) expense (continued)

11. 所得稅(抵免)開支及遞延稅項(續)

所得稅(抵免)開支(續)

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
2024	2024年	—	592
2025	2025年	1,363	11,882
2026	2026年	34,867	34,867
2027	2027年	27,268	27,268
2028	2028年	49,989	49,989
2029	2029年	7,139	—
		120,626	124,598

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

就於綜合財務狀況表中的呈列而言，若干遞延稅項資產及負債已經抵銷。以下是出於財務報告目的對遞延稅項結餘的分析：

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Deferred tax assets	遞延稅項資產	10,704	6,677
Deferred tax liabilities	遞延稅項負債	(10,375)	(13,389)
		329	(6,712)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

11. INCOME TAX (CREDIT) EXPENSE AND DEFERRED TAXATION (continued)

Deferred taxation (continued)

11. 所得稅(抵免)開支及遞延稅項(續)

遞延稅項(續)

		Temporary difference of property, plant 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 收購時作出 公平值調整 RMB'000 人民幣千元 (Note i) (附註i)	ECL provision 預期信貸 虧損撥備 RMB'000 人民幣千元	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
At 1 January 2023	於2023年1月1日	(14,068)	(9,189)	491	1,139	(21,627)
Exchange adjustments	匯兌調整	(216)	-	-	20	(196)
Credit to profit or loss	計入損益	2,544	5,858	4,273	2,436	15,111
At 31 December 2023	於2023年12月31日	(11,740)	(3,331)	4,764	3,595	(6,712)
Exchange adjustments	匯兌調整	(162)	-	-	32	(130)
Credit (charge) to profit or loss	計入損益(自損益扣除)	1,519	1,313	4,609	(270)	7,171
At 31 December 2024	於2024年12月31日	(10,383)	(2,018)	9,373	3,357	329

Notes:

- 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.
- Others mainly comprised the temporary differences arising from leases in the PRC and accrued expenses under federal and state income tax in the USA.

附註：

- 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。
- 其他主要包括中國租賃產生的暫時差額以及美國聯邦及州所得稅下累計的開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Details of the directors' and the chief executive's emoluments are as follows:

12. 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：

		2024 2024年				
		Directors' fees	Salaries, allowances and benefits-in-kind 薪金、津貼及實物福利	Performance related bonuses 表現掛鈎花紅	Retirement benefits scheme contributions 退休福利計劃供款	Total 總計
		董事袍金 RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元 (Note iv) (附註iv)	RMB'000 人民幣千元	RMB'000 人民幣千元
Executive directors	執行董事					
Mr. Sun Yugang (Note iii)	孫玉剛先生(附註iii)	-	2,434	3,005	138	5,577
Mr. Zhu Xiaohui (Note iii)	朱曉輝先生(附註iii)	-	1,580	1,500	138	3,218
Non-executive directors	非執行董事					
Mr. Zhao Jiejun	趙傑軍先生	-	-	-	-	-
Mr. Zhang Ping	張平先生	-	-	-	-	-
Mr. Chen Yiyi (Note ii)	陳易一先生(附註ii)	-	-	-	-	-
Ms. Gan Lu	甘璐女士	-	-	-	-	-
Independent non-executive directors	獨立非執行董事					
Mr. Lee Kong Wai Conway	李港衛先生	219	-	-	-	219
Mr. Li Shengli	李勝利先生	200	-	-	-	200
Mr. Chow Ming Sang	周明笙先生	219	-	-	-	219
		638	4,014	4,505	276	9,433

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

Details of the directors' and the chief executive's emoluments are as follows: (continued)

12. 董事及主要行政人員酬金 (續)

董事及主要行政人員酬金詳情如下：(續)

		2023 2023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	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
		(Note iv) (附註iv)			
Executive directors 執行董事					
Mr. Sun Yugang (Note iii)	孫玉剛先生(附註iii)	-	2,385	3,450	5,967
Mr. Zhu Xiaohui (Note iii)	朱曉輝先生(附註iii)	-	1,540	2,200	3,872
Non-executive directors 非執行董事					
Mr. Zhao Jiejun	趙傑軍先生	-	-	-	-
Mr. Zhang Ping	張平先生	-	-	-	-
Mr. Chen Yiyi (Note ii)	陳易一先生(附註ii)	-	-	-	-
Mr. Lu Minfang (Note ii)	盧敏放先生(附註ii)	-	-	-	-
Ms. Gan Lu	甘璐女士	-	-	-	-
Independent non-executive directors 獨立非執行董事					
Mr. Lee Kong Wai Conway	李港衛先生	217	-	-	217
Mr. Li Shengli	李勝利先生	200	-	-	200
Mr. Chow Ming Sang	周明笙先生	217	-	-	217
		634	3,925	5,650	10,473

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

The emoluments disclosed above for executive directors were for the management of the affairs of the Company and the Group.

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 2024 (2023: nil).
- ii. Mr. Lu Minfang resigned from his position of non-executive director with effect from 1 February 2023, while Mr. Chen Yiyi was appointed as a non-executive director on the same day.
- iii. Certain directors were granted share awards in respect of their services to the Group under the share award scheme of the Company, further details of which are set out in Note 38. During the year, the equity-settled share-based payments relating to the share awards granted to Mr. Sun Yugang who is also the chief executive and Mr. Zhu Xiaohui were RMB 4,292,000 (2023: RMB4,377,000) and RMB2,522,000 (2023: RMB2,586,000), respectively. The equity-settled share-based payments relating to the share award granted to these directors are not included in the details of emoluments above.
- iv. Performance related bonuses are determined based on the Group's performance, performance of the relevant individual within the Group and comparable market statistics.

12. 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。

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2024年12月31日止年度，概無董事放棄或同意放棄任何薪酬(2023年：無)。
- ii. 盧敏放先生辭任非執行董事職務，自2023年2月1日起生效，陳易一先生同日獲委任為非執行董事。
- iii. 根據本公司的股份獎勵計劃，若干董事就其為本集團提供的服務獲授股份獎勵，詳情載於附註38。年內，與向孫玉剛先生(亦為主要行政人員)及朱曉輝先生授出的股份獎勵有關的按股權結算以股份支付的付款分別為人民幣4,292,000元(2023年：人民幣4,377,000元)及人民幣2,522,000元(2023年：人民幣2,586,000元)。與授予該等董事的股份獎勵有關的按股權結算以股份支付的付款不包括在上述酬金詳情中。
- iv. 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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

13. FIVE HIGHEST PAID EMPLOYEES

The five highest paid individuals of the Group during the year included two (2023: two) directors of the Company, details of whose remuneration are included in the disclosures in Note 12 above. Details of the remuneration of the remaining three (2023: three) highest paid individuals for the year are as follows:

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Salaries, allowances and benefits-in-kind	薪金、津貼及實物福利	4,733	4,586
Performance related bonuses	表現掛鈎花紅	4,914	3,358
Retirement benefits scheme contributions	退休福利計劃供款	413	395
Equity-settled share award expense	按股權結算股份獎勵開支	6,175	6,644
		16,235	14,983

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 2024 (2023: nil).

The number of the highest paid employees who are not the directors nor chief executive of the Company whose remuneration (including equity-settled share-based payments) fell within the following bands in Hong Kong dollars ("HKD") is as follows:

		2024 2024年	2023 2023年
HKD4,500,001 to HKD5,000,000	4,500,001港元至5,000,000港元	—	1
HKD5,500,001 to HKD6,000,000	5,500,001港元至6,000,000港元	2	2
HKD6,000,001 to HKD6,500,000	6,000,001港元至6,500,000港元	1	—
		3	3

13. 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兩名(2023年：兩名)董事，其薪酬詳情披露於上文附註12。年內其餘三名(2023年：三名)最高薪酬人士的薪酬詳情如下：

截至2024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(2023年：無)。

以港元(「港元」)計值的薪酬(包括按股權結算以股份支付的付款)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：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

13. FIVE HIGHEST PAID EMPLOYEES (continued)

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 38.

14. DIVIDENDS

During the year, a final dividend of RMB0.0045 per share in respect of the year ended 31 December 2023 (2023: RMB0.0142 per share in respect of the year ended 31 December 2022) 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 RMB34,888,000 (2023: RMB111,997,000) and was appropriated from the Company's distributable share premium.

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2024 of RMB0.0122 per share has been proposed by the board of directors and is subject to approval by the shareholders in the forthcoming general meeting.

13. 五名最高薪酬人士(續)

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38。

14. 股息

年內，就截至2023年12月31日止年度向本公司擁有人宣派及派付每股人民幣0.0045元(2023年：就截至2022年12月31日止年度之每股人民幣0.0142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34,888,000元(2023年：人民幣111,997,000元)，並自本公司可分派的股份溢價中撥付。

報告期結束後，董事會建議派發截至2024年12月31日止年度的末期股息每股人民幣0.0122元，惟須於即將召開的股東大會上獲股東批准。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

15. (LOSS) 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:

15. 每股(虧損)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：

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
(Loss) profit	(虧損)溢利		
(Loss) profit for the year attributable to owners of the Company	本公司擁有人應佔年內(虧損)溢利	(1,416,753)	175,159
(Loss) profit for the purpose of basic and diluted (loss) earnings per share	用於計算每股基本及攤薄(虧損)盈利的(虧損)溢利	(1,416,753)	175,159
		2024 2024年 Shares 股	2023 2023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	7,832,195,355	7,861,049,217
Effect of dilutive potential ordinary shares: Share awards	攤薄潛在普通股的影响：股份獎勵	-	51,084,645
		7,832,195,355	7,912,133,862

The number of shares adopted in the calculation of the basic earnings per share has been arrived at after adjusting the effect of shares repurchased by the Company and the shares held under the Company's share award scheme. The calculation of diluted loss per share for the period ended 31 December 2024 has not taken into account the effect of the share awards of the Company and the effect of the option granted to China Agricultural (detailed and disclosed in Note 34) since the assumed vesting and exercise would result in decrease in loss per share.

計算每股基本盈利所採納的股份數目於調整本公司回購股份及本公司股份獎勵計劃所持股份的影響後得出。截至2024年12月31日止期間每股攤薄虧損的計算並未考慮本公司股份獎勵的影響以及向中墾基金授出購股權的影響(於附註34中詳述及披露)，因為假設歸屬及行使將導致每股虧損減少。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

16. PROPERTY, PLANT AND EQUIPMENT

16. 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 2023	於2023年1月1日的結餘	26,741	7,156,233	224,038	2,406,960	415,009	10,228,981
Additions	添置	-	77,527	70,004	312,788	780,034	1,240,353
Transfer	轉撥	-	401,416	4,933	137,782	(544,131)	-
Reclassification	重新分類	-	(28,754)	134,800	(106,046)	-	-
Acquired on business combination	業務合併時收購	-	-	-	588	-	588
Exchange adjustments	匯兌調整	453	1,047	65	1,939	114	3,618
Disposals	出售	-	(25,631)	(38,032)	(99,068)	-	(162,731)
Balance at 31 December 2023	於2023年12月31日的結餘	27,194	7,581,838	395,808	2,654,943	651,026	11,310,809
Additions	添置	-	83,080	57,141	336,328	874,497	1,351,046
Transfer	轉撥	-	676,303	-	201,457	(877,760)	-
Reclassification	重新分類	-	(6,026)	5,775	251	-	-
Acquired on business combination	業務合併時收購	-	460,686	18,195	101,223	121,644	701,748
Exchange adjustments	匯兌調整	210	1,401	56	1,813	-	3,480
Disposals	出售	-	(31,914)	(57,130)	(135,552)	-	(224,596)
Balance at 31 December 2024	於2024年12月31日的結餘	27,404	8,765,368	419,845	3,160,463	769,407	13,142,487
Accumulated depreciation	累計折舊						
Balance at 1 January 2023	於2023年1月1日的結餘	-	(3,009,946)	(98,702)	(1,293,480)	-	(4,402,128)
Charge for the year	年內開支	-	(371,033)	(51,420)	(230,157)	-	(652,610)
Reclassification	重新分類	-	9,510	(83,199)	73,689	-	-
Exchange adjustments	匯兌調整	-	(692)	(45)	(1,239)	-	(1,976)
Eliminated on disposals	出售撇銷	-	16,805	36,260	78,524	-	131,589
Balance at 31 December 2023	於2023年12月31日的結餘	-	(3,355,356)	(197,106)	(1,372,663)	-	(4,925,125)
Charge for the year	年內開支	-	(395,110)	(61,245)	(273,080)	-	(729,435)
Reclassification	重新分類	-	531	(2,762)	2,231	-	-
Exchange adjustments	匯兌調整	-	(629)	(37)	(1,105)	-	(1,771)
Eliminated on disposals	出售撇銷	-	15,172	52,191	116,300	-	183,663
Balance at 31 December 2024	於2024年12月31日的結餘	-	(3,735,392)	(208,959)	(1,528,317)	-	(5,472,668)
Impairment	減值						
Balance at 1 January 2023	於2023年1月1日的結餘	-	(114,991)	-	(8,955)	-	(123,946)
Eliminated on disposals	出售撇銷	-	1,533	-	1,663	-	3,196
Balance at 31 December 2023	於2023年12月31日的結餘	-	(113,458)	-	(7,292)	-	(120,750)
Eliminated on disposals	出售撇銷	-	726	-	-	-	726
Balance at 31 December 2024	於2024年12月31日的結餘	-	(112,732)	-	(7,292)	-	(120,024)
Carrying amounts	賬面值						
Balance at 31 December 2024	於2024年12月31日的結餘	27,404	4,917,244	210,886	1,624,854	769,407	7,549,795
Balance at 31 December 2023	於2023年12月31日的結餘	27,194	4,113,024	198,702	1,274,988	651,026	6,264,934

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

16. PROPERTY, PLANT AND EQUIPMENT

(continued)

Depreciation is charged using straight-line method over the expected useful life other than freehold land and construction in progress, after taking into account its estimated residual value, at the following rates per annum:

Buildings	4.75%-9.50%
Motor vehicles	9.50%-19.00%
Plant and equipment	9.50%-19.00%

As at 31 December 2024, the Group's plant and equipment of RMB15,927,000 (2023: RMB23,991,000) were pledged to secure certain borrowings of the Group (Notes 28 and 29).

16. 物業、廠房及設備(續)

折舊於預期可使用年期(永久業權土地及在建工程除外)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：

樓宇	4.75%-9.50%
汽車	9.50%-19.00%
廠房及設備	9.50%-19.00%

於2024年12月31日，本集團金額為人民幣15,927,000元(2023年：人民幣23,991,000元)的廠房及設備已質押以擔保本集團的若干借款(附註28及29)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

17. RIGHT-OF-USE ASSETS

17. 使用權資產

		Leasehold lands 租賃土地 RMB'000 人民幣千元	Leased properties 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	Leased farms 租賃牧場 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost	成本					
Balance at 1 January 2023	於2023年1月1日的結餘	843,656	15,684	—	531,722	1,391,062
Additions	添置	210,479	455	—	883,303	1,094,237
Early termination of leases	提前終止租賃	(1,869)	—	—	—	(1,869)
Acquired on business combination	業務合併時收購	—	1,408	—	—	1,408
Balance at 31 December 2023	於2023年12月31日的結餘	1,052,266	17,547	—	1,415,025	2,484,838
Additions	添置	24,353	—	443	531,894	556,690
Early termination of leases (Note i)	提前終止租賃(附註i)	—	(1,920)	—	(25,654)	(27,574)
Elimination at end of leases	租賃結束時撇銷	(11,694)	—	—	(9,600)	(21,294)
Lease remeasurements and lease modifications (Note ii)	重新計量租賃及租賃修改(附註ii)	34,447	844	—	(36,297)	(1,006)
Acquired on business combination	業務合併時收購	23,155	—	—	—	23,155
Balance at 31 December 2024	於2024年12月31日的結餘	1,122,527	16,471	443	1,875,368	3,014,809
Accumulated depreciation	累計折舊					
Balance at 1 January 2023	於2023年1月1日的結餘	(114,107)	(2,324)	—	(17,682)	(134,113)
Charge for the year	年內開支	(80,518)	(2,830)	—	(69,204)	(152,552)
Early termination of leases	提前終止租賃	373	—	—	—	373
Balance at 31 December 2023	於2023年12月31日的結餘	(194,252)	(5,154)	—	(86,886)	(286,292)
Charge for the year	年內開支	(86,306)	(4,124)	(83)	(110,092)	(200,605)
Early termination of leases (Note i)	提前終止租賃(附註i)	—	989	—	9,254	10,243
Elimination at end of leases	租賃結束時撇銷	11,694	—	—	9,600	21,294
Balance at 31 December 2024	於2024年12月31日的結餘	(268,864)	(8,289)	(83)	(178,124)	(455,360)
Carrying amounts	賬面值					
Balance at 31 December 2024	於2024年12月31日的結餘	853,663	8,182	360	1,697,244	2,559,449
Balance at 31 December 2023	於2023年12月31日的結餘	858,014	12,393	—	1,328,139	2,198,546

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

17. RIGHT-OF-USE ASSETS (continued)

17. 使用權資產(續)

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Expense relating to short-term leases	有關短期租賃的開支	22,196	25,238
Total cash outflow for leases	租賃現金流出總額	284,192	227,812

Notes:

- During the year ended 31 December 2024, the Group negotiated with the lessors and early terminated certain leases. The Group derecognised the right-of-use assets of RMB17,331,000 and lease liabilities of RMB13,391,000, resulting in a loss of RMB3,940,000 recognised in profit or loss.
- During the year ended 31 December 2024, the Group remeasured the lease liabilities by RMB35,291,000 due to lease remeasurements and lease modifications and made corresponding adjustments of RMB35,291,000 to the right-of-use assets. As disclosed in Note 34(i), the Group remeasured provision for obligation to return dairy cows by RMB36,297,000 due to the modification of an agreement and made a corresponding adjustment of RMB36,297,000 to the right-of-use assets.

Right-of-use assets are depreciated on a straight-line basis over the lease terms.

The Group leases land, property, farms, 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.

The Group's lease agreements do not contain any extension, early termination option or purchase option for lessee.

As at 31 December 2024, leasehold lands with a carrying amount of RMB2,012,000 (31 December 2023: RMB23,133,000) were pledged to secure certain borrowings of the Group (Notes 28 and 29).

The Group regularly entered into short-term leases for property, machinery, motor vehicles and office equipment. As at 31 December 2024 and 2023, 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 8.

附註：

- 於截至2024年12月31日止年度，本集團與出租人磋商並提前終止若干租賃。本集團終止確認使用權資產人民幣17,331,000元及租賃負債人民幣13,391,000元，導致於損益確認虧損人民幣3,940,000元。
- 於截至2024年12月31日止年度，本集團因重新計量租賃及租賃修改而重新計量租賃負債人民幣35,291,000元，並對使用權資產作出相應調整人民幣35,291,000元。如附註34(i)所披露，本集團因協議修改而重新計量退還奶牛義務撥備人民幣36,297,000元，並對使用權資產作出相應調整人民幣36,297,000元。

使用權資產按租期以直線法折舊。

本集團租賃土地、物業、牧場、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。

本集團的租賃協議不包含任何承租人的任何延長、提早終止權或購買權。

於2024年12月31日，賬面值為人民幣2,012,000元(2023年12月31日：人民幣23,133,000元)的永久業權土地已作抵押，作為本集團的若干借款的擔保(附註28及29)。

本集團定期就物業、機械、汽車及辦公設備訂立短期租賃。於2024年及2023年12月31日，短期租賃組合與短期租賃開支於附註8所披露的短期租賃組合相若。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

18. GOODWILL

18. 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	Aiyangniu 愛養牛 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 2023	於2023年1月1日的結餘	310,426	1,225,460	699,217	231,647	153,337	2,620,087
Arising on acquisition of a subsidiary (Note 39)	收購附屬公司時產生 (附註39)	-	-	-	-	10,472	10,472
Exchange adjustments	匯兌調整	-	-	785	-	-	785
Balance at 31 December 2023	於2023年12月31日的結餘	310,426	1,225,460	700,002	231,647	163,809	2,631,344
Exchange adjustments	匯兌調整	-	-	702	-	-	702
Balance at 31 December 2024	於2024年12月31日的結餘	310,426	1,225,460	700,704	231,647	163,809	2,632,046
Impairment	減值						
Balance at 1 January 2023 and 31 December 2023	於2023年1月1日及2023年12月31日的結餘	-	(213,429)	-	-	-	(213,429)
Impairment loss recognised in the year	年內已確認減值虧損	-	(524,900)	-	-	(74,340)	(599,240)
Balance at 31 December 2024	於2024年12月31日的結餘	-	(738,329)	-	-	(74,340)	(812,669)
Carrying amounts	賬面值						
Balance at 31 December 2024	於2024年12月31日的結餘	310,426	487,131	700,704	231,647	89,469	1,819,377
Balance at 31 December 2023	於2023年12月31日的結餘	310,426	1,012,031	700,002	231,647	163,809	2,417,915

The Group's goodwill of RMB310,426,000 arose from acquisition of Modern Farming (Group) Co., Ltd. ("Modern Farming") in 2009, RMB1,225,460,000 arose from acquisition of the Asia Dairy Holdings and Asia Dairy Holdings II ("ADH Companies") in 2015, RMB695,329,000 arose from acquisition of Inner Mongolia Fuyuan International Industrial (Group) Co. Ltd. ("Fuyuan") in 2021 and RMB231,647,000 arose from acquisition of Inner Mongolia Ai Yang Niu Technology Co., Ltd. ("Aiyangniu") in 2022.

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。本集團的商譽金額為人民幣695,329,000元，因於2021年收購內蒙古富源國際實業(集團)有限公司(「富源」)而產生。本集團的商譽金額為人民幣231,647,000元，因於2022年收購內蒙古愛養牛科技有限公司(「愛養牛」)而產生。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

18. GOODWILL (continued)

During the years ended 31 December 2023, the Group acquired certain subsidiary which resulted in goodwill arising on acquisitions, further details of which are set out in Note 39.

For the purpose of impairment testing, carrying amounts of goodwill (net of accumulated impairment losses), allocated to each CGU or group of CGUs are as follows:

18. 商譽(續)

截至2023年12月31日止年度，本集團收購特定附屬公司，導致收購產生商譽，進一步詳情載列於附註39。

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賬面值(已扣除累計減值虧損)如下：

		2024 2024年 RMB'000 人民幣千元	2023 2023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	630,271
Fuyuan feeds – China	富源飼料－中國	22,680	22,680
Fuyuan feeds – USA	富源飼料－美國	47,753	47,051
Aiyangniu	愛養牛	231,647	231,647
Others	其他	163,809	163,809
		2,418,617	2,417,915

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.

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 costs for feeds or services – such assumptions are based on the CGU's or group of CGUs' past performance and management's expectations for the market development.

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。

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；及飼料或服務的估計收入及成本－該等假設基於現金產生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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

18. GOODWILL (continued)

- 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 are based on the estimated growth rate of each CGU, 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 budget period are as follows:

18. 商譽(續)

- 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－用於推斷超過5年的現金流量增長率是基於每個現金產生單位的估計增長率，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預算期間的現金流量增長率如下：

		Discount rate (%) 貼現率(%)		Growth rate (%) 增長率(%)	
		2024 2024年	2023 2023年	2024 2024年	2023 2023年
Modern Farming	現代牧業(集團)	12.7	12.5	2.0	2.5
ADH Companies	ADH公司	12.7	12.5	2.0	2.5
Fuyuan dairy farming	富源奶牛養殖	12.7	12.5	2.0	2.5
Fuyuan feeds – China	富源飼料－中國	8.9	9.3	2.0	2.5
Fuyuan feeds – USA	富源飼料－美國	10.3	10.5	2.0	2.5
Aiyangniu	愛養牛	13.0	14.8	2.0	2.5
Others	其他	11.5–12.7	11.0–12.5	2.0	2.5

Due to the temporary oversupply of raw milk and decrease of milk prices, an impairment loss of RMB599,240,000 was recognised in the year, being (i) the excess of the carrying amount of the ADH Companies of RMB2,207,474,000 over the recoverable amount of RMB1,682,574,000; and (ii) the excess of the carrying amount of the certain other CGUs or groups of CGUs (collectively referred to as “2024 Impaired Other CGUs”) of RMB226,703,000 over the recoverable amount of RMB152,363,000.

由於原料奶暫時性供大於求及奶價下降，本年度確認減值虧損人民幣599,240,000元，即(i)ADH公司的賬面值人民幣2,207,474,000元超過可回收金額人民幣1,682,574,000元的金額，以及(ii)若干其他現金產生單位或現金產生單位組別(統稱為「2024年已出現減值的其他現金產生單位」)的賬面值人民幣226,703,000元超過可收回金額人民幣152,363,000元的金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

18. GOODWILL (continued)

If the budgeted sales covering five-year period were reduced by 0.5%, while other parameters remain constant, the recoverable amount of ADH Companies would be reduced to RMB1,647,918,000 and a further impairment on goodwill of RMB34,656,000 would be recognised; if the discount rate was changed to 12.9%, while other parameters remain constant, the recoverable amount of ADH Companies would be reduced to RMB1,655,012,000 and a further impairment on goodwill of RMB27,562,000 would be recognised; if the growth rate beyond the five-year period was changed to 1.8%, while other parameters remain constant, the recoverable amount of ADH Companies would be reduced to RMB1,662,690,000 and a further impairment on goodwill of RMB19,884,000 would be recognised.

If the budgeted sales covering five-year period were reduced by 0.5%, while other parameters remain constant, the recoverable amount of 2024 Impaired Other CGUs would be reduced to RMB138,266,000 and a further impairment on goodwill of RMB14,097,000 would be recognised; if the discount rate was changed to 12.9%, while other parameters remain constant, the recoverable amount of 2024 Impaired Other CGUs would be reduced to RMB144,356,000 and a further impairment on goodwill of RMB8,007,000 would be recognised; if the growth rate beyond the five-year period was changed to 1.8%, while other parameters remain constant, the recoverable amount of 2024 Impaired Other CGUs would be reduced to RMB145,854,000 and a further impairment on goodwill of RMB6,509,000 would be recognised.

For the remaining goodwill, management believes that any reasonably possible change in any of the key assumptions would not result in impairment.

18. 商譽(續)

若五年期的預算銷售額減少0.5%，而其他參數不變，則ADH公司的可收回金額將減少至人民幣1,647,918,000元，並進一步確認商譽減值人民幣34,656,000元；若貼現率變為12.9%，而其他參數不變，則ADH公司的可收回金額將減少至人民幣1,655,012,000元，並進一步確認商譽減值人民幣27,562,000元；若超過5年的增長率變為1.8%，而其他參數不變，則ADH公司的可收回金額將減少至人民幣1,662,690,000元，並進一步確認商譽減值人民幣19,884,000元。

若五年期的預算銷售額減少0.5%，而其他參數不變，則2024年已出現減值的其他現金產生單位的可收回金額將減少至人民幣138,266,000元，並進一步確認商譽減值人民幣14,097,000元；若貼現率變為12.9%，而其他參數不變，則2024年已出現減值的其他現金產生單位的可收回金額將減少至人民幣144,356,000元，並進一步確認商譽減值人民幣8,007,000元；若超過5年的增長率變為1.8%，而其他參數不變，則2024年已出現減值的其他現金產生單位的可收回金額將減少至人民幣145,854,000元，並進一步確認商譽減值人民幣6,509,000元。

對於剩餘的商譽，管理層認為，任何關鍵假設的合理可能變化均不會導致出現減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

19. OTHER INTANGIBLE ASSETS

19. 其他無形資產

		Computer software 電腦軟件 RMB'000 人民幣千元	Distribution channels and customer relationships 分銷渠道及客戶關係 RMB'000 人民幣千元	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 2023	於2023年1月1日的結餘	9,928	26,251	13,111	49,290
Acquired on acquisition of a subsidiary	收購附屬公司時收購	–	–	5,109	5,109
Additions	添置	11,583	–	551	12,134
Disposals	出售	(188)	–	(12,910)	(13,098)
Balance at 31 December 2023	於2023年12月31日的結餘	21,323	26,251	5,861	53,435
Acquired on acquisition of a subsidiary	收購附屬公司時收購	629	–	–	629
Additions	添置	4,891	–	240	5,131
Disposals	出售	(514)	–	–	(514)
Balance at 31 December 2024	於2024年12月31日的結餘	26,329	26,251	6,101	58,681
Amortisation	攤銷				
Balance at 1 January 2023	於2023年1月1日的結餘	(687)	(2,625)	(720)	(4,032)
Charge for the year	年內開支	(2,942)	(5,250)	(1,057)	(9,249)
Eliminated on disposals	出售撇銷	34	–	678	712
Balance at 31 December 2023	於2023年12月31日的結餘	(3,595)	(7,875)	(1,099)	(12,569)
Charge for the year	年內開支	(3,301)	(5,250)	(650)	(9,201)
Eliminated on disposals	出售撇銷	442	–	–	442
Balance at 31 December 2024	於2024年12月31日的結餘	(6,454)	(13,125)	(1,749)	(21,328)
Carrying amounts	賬面值				
Balance at 31 December 2024	於2024年12月31日的結餘	19,875	13,126	4,352	37,353
Balance at 31 December 2023	於2023年12月31日的結餘	17,728	18,376	4,762	40,866

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

19. OTHER INTANGIBLE ASSETS (continued)

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Computer software	5–10 years
Distribution channels and customer relationships	5 years
Others	10 years

19. 其他無形資產(續)

上述無形資產的使用壽命有限。該等無形資產在下列期間內按直線法攤銷：

電腦軟件	5–10年
分銷渠道及客戶關係	5年
其他	10年

20. INTERESTS IN ASSOCIATES AND A JOINT VENTURE

20. 於聯營公司及合營企業的權益

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Cost of investments in associates (Note i)	於聯營公司的投資成本(附註i)	439,399	599,676
Cost of investment in a joint venture	於合營企業的投資成本	27,000	27,000
Share of post-acquisition profits and other comprehensive income in associates, net of dividends received	分佔聯營公司的收購後溢利及其他全面收入，扣除已收股息	153,446	142,558
Share of post-acquisition profits and other comprehensive income in a joint venture	分佔合營企業的收購後溢利及其他全面收入	(4,133)	1,813
		615,712	771,047

Details of the Group's material associate at the end of the reporting period are as follows:

本集團重要聯營公司於報告期末的詳情如下：

Name of company 公司名稱	Place of establishment 成立地點	Proportion of ownership interest 擁有權益比例		Voting rights 投票權		Principal activity 主要業務
		31/12/2024 2024年12月31日 %	31/12/2023 2023年12月31日 %	31/12/2024 2024年12月31日 %	31/12/2023 2023年12月31日 %	
Modern Farming (Bengbu) Co., Ltd. ("Bengbu") (Note ii) 現代牧業(蚌埠)有限公司(「蚌埠」)(附註ii)	The PRC 中國	49.18	49.18	49.00	49.00	Liquid milk producing business 生產液態奶業務

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

20. INTERESTS IN ASSOCIATES AND A JOINT VENTURE (continued)

Notes:

- i. During the current year, the Group invested RMB22,600,000 in two entities. The Group hold 30% and 49% ownership interest in these two entities respectively, and can exercise significant influence over these entities because it has the power to appoint director under the articles of association and hence the investments in these entities were accounted for using the equity method.

The Group made additional investment of RMB50,319,000 in three existing associates and continues to have significant influence over these entities.

Before the business combination as disclosed in Note 39, Inner Mongolia Safei Animal Husbandry Co., Ltd. ("Safei"), Bayannaoer Lanhao Agriculture and Animal Husbandry Technology Development Co., Ltd. ("Lanhao"), Inner Mongolia Ruifuyuan Agriculture and Animal Husbandry Co., Ltd. ("Ruifuyuan"), Bayannaoer Hengshi Animal Husbandry Co., Ltd. ("Hengshi") and Animal Husbandry Co., Ltd. ("Jingyuan") (collectively referred to as the "Acquirees") were the Group's associates and accounted for using the equity method. During the year end 31 December 2024, Modern Farming, a wholly-owned subsidiary of the Company, made additional capital injection to these five associates and upon the completion of the capital injection, the Acquirees became non-wholly owned subsidiaries of the Company. The Group's previously held equity interests in the Acquirees with carrying amount of RMB254,653,000 is remeasured to fair value at the acquisition date and formed part of the purchase consideration (as detailed in Note 39).

In addition, Modern Farming, Safei, Lanhao, Ruifuyuan and Hengshi held equity interests in a same investee (the "Investee"). Before the business combination as disclosed in Note 39, Modern Farming accounted for its investment in Investee as an associate using the equity method and Safei, Lanhao, Ruifuyuan and Hengshi accounted for their investments in Investee as equity instruments at FVTOCI. Upon the completion of business combination of Safei, Lanhao, Ruifuyuan and Hengshi in current year, the Group continue to exercise significant influence over the Investee and the carrying amount of abovementioned equity instruments at FVTOCI held by Safei, Lanhao, Ruifuyuan and Hengshi of RMB21,457,000 has been added in the cost of investments in associates.

- ii. For Bengbu, the proportion of ownership interest owned by Modern Farming is 50% and the voting rights held by Modern Farming is 49%.

20. 於聯營公司及合營企業的權益(續)

附註：

- i. 於本年度，本集團向兩個實體投資了人民幣22,600,000元。本集團分別持有該兩個實體的30%及49%所有權益，能夠對該等實體施加重大影響，因為其有權根據公司章程任命董事，因此使用權益法入賬於該等實體的投資。

本集團向三家現有聯營公司增加投資人民幣50,319,000元，且仍對該等實體保持重大影響力。

進行附註39所披露的業務合併前，內蒙古薩菲牧業股份有限公司(「薩菲」)、巴彥淖爾市藍浩農牧業科技發展有限公司(「藍浩」)、內蒙古瑞福源農牧業股份有限公司(「瑞福源」)、巴彥淖爾市恆實牧業股份有限公司(「恆實」)及巴彥淖爾市景源農牧業有限公司(「景源」)(統稱為「被收購公司」)為本集團的聯營公司，並使用權益法入賬。截至2024年12月31日止年度，本公司全資附屬公司現代牧業(集團)向該五家聯營公司追加注資，注資完成後，被收購公司成為本公司的非全資附屬公司。本集團先前持有的被收購公司的股權的賬面值為人民幣254,653,000元，於購買日重新計量為公平值，並構成購買代價的一部分(詳見附註39)。

此外，現代牧業(集團)、薩菲、藍浩、瑞福源及恆實持有同一被投資公司(「被投資公司」)的股權。進行附註39所披露的業務合併之前，現代牧業(集團)採用權益法將其對被投資公司的投資作為聯營公司進行核算，而薩菲、藍浩、瑞福源及恆實則將其對被投資公司的投資作為按公平值計入其他全面收入的權益工具進行核算。本年度完成薩菲、藍浩、瑞福源及恆實的業務合併後，本集團繼續對被投資公司施加重大影響，藍浩、瑞福源及恆實持有的上述按公平值計入其他全面收入的權益工具的賬面值人民幣21,457,000元已增至對聯營公司投資的成本。

- ii. 對於蚌埠，現代牧業(集團)擁有的股權比例為50%，現代牧業(集團)持有的投票權為49%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

20. INTERESTS IN ASSOCIATES AND A JOINT VENTURE (continued)

Summarised financial information of the material associate

Summarised financial information in respect of each of the Group's material associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs.

This associate is accounted for using the equity method in these consolidated financial statements.

Bengbu

20. 於聯營公司及合營企業的權益 (續)

重要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中，該聯營公司採用權益法入賬。

蚌埠

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Current assets	流動資產	574,060	487,124
Non-current assets	非流動資產	70,492	87,511
Current liabilities	流動負債	134,753	108,314
Non-current liabilities	非流動負債	440	2,649

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

20. INTERESTS IN ASSOCIATES AND A JOINT VENTURE (continued)

Summarised financial information of the material associate (continued)
Bengbu (continued)

20. 於聯營公司及合營企業的權益(續)

重要聯營公司的財務資料概要(續)

蚌埠(續)

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Revenue	收入	1,252,946	1,114,937
Profit and total comprehensive income for the year	年內溢利及全面收入總額	45,686	43,692
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	-	(4,690)
		45,686	39,002

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：

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Net assets of Bengbu	蚌埠淨資產	509,359	463,672
Proportion of Modern Farming's ownership interest in Bengbu	現代牧業(集團)於蚌埠的擁有權權益比例	50%	50%
The Group's share of net asset of Bengbu	本集團分佔蚌埠淨資產	254,680	231,836
Goodwill	商譽	33	33
		254,713	231,869

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

20. INTERESTS IN ASSOCIATES AND A JOINT VENTURE (continued)

Information of associates and joint venture that are not individually material

20. 於聯營公司及合營企業的權益 (續)

個別並非重大的聯營公司及合營企業的資料

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
The Group's share of profit of other associates and a joint venture	本集團應佔其他聯營公司及合營企業的溢利	(13,001)	(23,440)
Carrying amount of the Group's interests in other associates and a joint venture	本集團於其他聯營公司及合營企業的權益賬面值	360,999	539,178

21. EQUITY INSTRUMENTS AT FVTOCI

21. 按公平值計入其他全面收入的權益工具

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Listed:	上市：		
– Equity securities	– 權益證券	11,538	22,082
Unlisted:	非上市：		
– Equity investments	– 權益投資	28,830	35,260
Total	總計	40,368	57,342

The investments are not held for trading purpose and the Directors have elected to designate these equity instruments at FVTOCI.

該等投資並非出於交易目的而持有，董事已選擇指定按公平值計入其他全面收入計量該等權益工具。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

22. 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.

22. 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。

		2024 2024年 Heads 頭	2023 2023年 Heads 頭
Milkable cows	奶牛	250,894	218,711
Heifers and calves	小母牛及小牛	240,275	231,851
Total dairy cows	乳牛總計	491,169	450,562

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:

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：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

22. BIOLOGICAL ASSETS (continued)

A – Nature of activities (continued)

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.

B – Quantity of the agricultural produce of the Group's biological assets

		2024	2023
		2024年	2023年
		kg	kg
		千克	千克
Volume of milk sold	奶銷量	2,893,271,000	2,546,924,000

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:

		2024	2023
		2024年	2023年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Milkable cows	奶牛	7,920,423	7,384,921
Heifers and calves	小母牛及小牛	4,515,353	4,543,056
Total dairy cows	乳牛總計	12,435,776	11,927,977

22. 生物資產(續)

A – 業務性質(續)

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。

B – 本集團生物資產的農業生產的數量

		2024	2023
		2024年	2023年
		kg	kg
		千克	千克
Volume of milk sold	奶銷量	2,893,271,000	2,546,924,000

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：

		2024	2023
		2024年	2023年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Milkable cows	奶牛	7,920,423	7,384,921
Heifers and calves	小母牛及小牛	4,515,353	4,543,056
Total dairy cows	乳牛總計	12,435,776	11,927,977

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

22. BIOLOGICAL ASSETS (continued)

C – Value of dairy cows (continued)

22. 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 2023	於2023年1月1日的結餘	4,060,200	6,570,971	10,631,171
Increase due to purchase	收購導致增加	104,840	–	104,840
Feeding cost and other related costs	飼養成本及其他相關成本	3,502,389	–	3,502,389
Transfer	轉撥	(3,389,482)	3,389,482	–
Decrease due to disposal	出售導致減少	(200,042)	(830,008)	(1,030,050)
Gain (loss) arising from changes in fair value less costs to sell	公平值變動減銷售成本產生的收益(虧損)	465,151	(1,745,524)	(1,280,373)
Balance at 31 December 2023	於2023年12月31日的結餘	4,543,056	7,384,921	11,927,977
Acquired on acquisition of subsidiaries (Note 39)	收購附屬公司時收購(附註39)	432,951	371,790	804,741
Increase due to purchase	收購導致增加	21,685	–	21,685
Feeding cost and other related costs	飼養成本及其他相關成本	3,572,051	–	3,572,051
Transfer	轉撥	(4,054,468)	4,054,468	–
Decrease due to disposal	出售導致減少	(179,562)	(848,554)	(1,028,116)
Gain (loss) arising from changes in fair value less costs to sell	公平值變動減銷售成本產生的收益(虧損)	179,640	(3,042,202)	(2,862,562)
Balance at 31 December 2024	於2024年12月31日的結餘	4,515,353	7,920,423	12,435,776

The Group has engaged Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent firm of professional valuer, 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 43.

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43。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

22. BIOLOGICAL ASSETS (continued)

C – Value of dairy cows (continued)

As at 31 December 2024, the Group's dairy cows with carrying amount of RMB1,038,600,000(2023: RMB695,354,000) were pledged to secure bank borrowings (Note 28) and other banking facilities of the Group.

The 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:

22. 生物資產(續)

C – 乳牛的價值(續)

於2024年12月31日，本集團賬面值為人民幣1,038,600,000元(2023年：人民幣695,354,000元)的奶牛已質押，作為本集團銀行借款(附註28)及其他銀行融資的擔保。

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收益或虧損：

		2024 2024年 RMB'000 人民幣千元	2023 2023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	2,956,624	2,678,046
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	(2,862,562)	(1,280,373)

23. INVENTORIES

23. 存貨

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Feeds to be consumed	將消耗的飼料	2,786,637	2,484,855
Feeds held for sale	持作銷售的飼料	314,872	409,330
Others	其他	29,253	46,783
		3,130,762	2,940,968

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

24. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

24. 應收貿易賬款及其他應收款項以及預付款項

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Trade receivables	應收貿易賬款	1,482,187	1,549,119
Bills receivable	應收票據	67	6,657
Less: allowance for credit losses	減：信貸虧損撥備	(37,730)	(19,107)
		1,444,524	1,536,669
Prepayments for feeds, materials, insurance and others	飼料、材料、保險及其他的預付款項	149,104	198,359
Prepayments for property, plant and equipment	物業、廠房及設備的預付款項	36,015	12,914
Input value added tax recoverable	可收回進項增值稅	8,548	4,666
Short term entrusted loans to associates (Note)	向聯營公司提供短期委託貸款(附註)	176,724	94,786
Guarantee deposit paid	已付保證金	34,692	29,624
Receivables from selling biological assets	出售生物資產應收款項	3,507	36,785
Others	其他	23,106	35,043
		1,876,220	1,948,846
Analysed as:	按下列分析：		
Current	即期	1,840,205	1,935,932
Non-current	非即期	36,015	12,914
		1,876,220	1,948,846

Note: As at 31 December 2024 and 2023, the Group granted entrusted loans to certain associates with the annual interest rate of 4.35%-5.00% which will mature in 1 year.

附註：於2024年及2023年12月31日，本集團向若干聯營公司授予委託貸款，年利率為4.35%-5.00%，期限為一年。

As at 1 January 2023, trade receivables from contracts with customers amounted to RMB1,631,200,000.

於2023年1月1日，來自客戶合約的應收貿易賬款為人民幣1,631,200,000元。

As at 31 December 2024, the Group's trade receivables with carrying amount of RMB4,830,000 (2023: RMB12,925,000) were pledged to secure certain borrowings of the Group (Notes 28 and 29).

於2024年12月31日，本集團賬面值為人民幣4,830,000元(2023年：人民幣12,925,000元)的應收貿易賬款已質押以擔保本集團的若干借款(附註28及29)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

24. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (continued)

Trade receivables at the end of the reporting period principally represent receivables from sales of raw milk, feeds and farm supplies. 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 and farm supplies.

The following is an aged analysis of trade receivables and bills receivable, 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:

24. 應收貿易賬款及其他應收款項以及預付款項(續)

報告期末的應收貿易賬款主要指銷售原料奶、飼料及牧場物資的應收款項。本集團給予其原料奶客戶30天的信貸期及其飼料及牧場物資客戶不多於90天的信貸期。

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：

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Trade receivables	應收貿易賬款		
– within 30 days	– 30天以內	1,262,507	1,360,978
– beyond 30 days but within 90 days	– 超過30天但90天以內	154,081	126,007
– beyond 90 days but within 1 year	– 超過90天但一年以內	27,869	43,027
Bills receivable	應收票據		
– within 30 days	– 30天以內	5	572
– beyond 30 days but within 90 days	– 超過30天但90天以內	62	6,085
		1,444,524	1,536,669

Details of impairment assessment of trade and other receivables are set out in Note 40.

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40。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

25. DERIVATIVE FINANCIAL INSTRUMENTS

25. 衍生金融工具

		Assets		Liabilities	
		資產		負債	
		31 December	31 December	31 December	31 December
		2024	2023	2024	2023
		2024年	2023年	2024年	2023年
		12月31日	12月31日	12月31日	12月31日
		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
Foreign currency forward contracts (Note i)	外匯遠期合約 (附註i)	-	460	-	3,017
Foreign currency option contracts (Note i)	外匯期權合約 (附註i)	-	-	1,083	17,342
CFCCS (Note ii)	CFCCS(附註ii)	179,846	117,991	-	-
		179,846	118,451	1,083	20,359
Analysed as:	分析為：				
Current	流動	-	460	-	3,017
Non-current	非流動	179,846	117,991	1,083	17,342
		179,846	118,451	1,083	20,359

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

25. DERIVATIVE FINANCIAL INSTRUMENTS

(continued)

Notes:

- i. Key items of the foreign currency forward contracts and the foreign currency option contracts are as follows:

**Foreign currency forward
contracts nominal amount**
外匯遠期合約名義金額

At 31 December 2023

於2023年12月31日

United States dollars ("USD") 60,000,000
60,000,000美元(「美元」)

**Foreign currency option
contracts nominal amount**
外匯期權合約名義金額

At 31 December 2024 and 2023

於2024年及2023年12月31日

USD100,000,000*
100,000,000美元*

Type 類型	Position 好倉／淡倉	Prices 價格
Call 認購	Long 好倉	RMB6.8850: USD1 人民幣6.8850元：1美元
Put 認沽	Short 淡倉	RMB6.8850: USD1 人民幣6.8850元：1美元
Call 認購	Short 淡倉	RMB7.1500: USD1 人民幣7.1500元：1美元

* These are currency call/put option portfolios.

The Group entered into several foreign currency forward contracts and foreign currency option contracts with certain banks as an economic hedge of the currency risk arising from certain of its bonds and bank borrowings denominated in USD. The fair value changes of the foreign currency forward contracts and the foreign currency option contracts were recognised in other gains and losses.

25. 衍生金融工具(續)

附註：

- i. 外匯遠期合約及外匯期權合約主要項目如下：

Forward exchange rates
遠期匯率

RMB7.0775 to RMB7.2497: USD1
人民幣7.0775元至人民幣7.2497元：1美元

* 該等為貨幣認購／認沽期權組合。

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，以對若干以美元計值的債券及銀行借款產生的貨幣風險進行經濟對沖。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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

25. DERIVATIVE FINANCIAL INSTRUMENTS

(continued)

Notes: (continued)

ii. Major items of the CFCCS contracts are as follows:

The Company entered into several CFCCS contracts with banks as an economic hedge of the risk arising from the USD Bonds (as defined in Note 30) in the amount of USD400,000,000. The fair value changes of the CFCCS contracts were recognised in other gains and losses.

According to the CFCCS contracts, 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 Rate"), 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 2024 and 2023

於2024年及2023年12月31日

USD400,000,000

400,000,000美元 (will expire in July 2026)

(將於2026年7月屆滿)

Fixed Rate

2.84% – 3.12%

固定利率

Floor Rate

6.00

下限匯率

Cap Rate

7.00 – 7.20

上限匯率

The valuation techniques used in determination of fair values of the foreign currency forward contracts, foreign currency options and CFCCS are disclosed in Note 43.

釐定外匯遠期合約、外匯期權及CFCCS公平值所使用的估值技術均披露於附註43。

25. 衍生金融工具(續)

附註：(續)

ii. CFCCS合約的主要項目如下：

本公司與銀行訂立多份CFCCS合約，以其400,000,000美元的美元債券(定義見附註30)產生的風險進行經濟對沖。CFCCS合約的公平值變動計入其他收益及虧損。

根據CFCCS合約，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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

26. PLEDGED BANK DEPOSITS AND BANK BALANCES

26. 已質押銀行存款及銀行結餘

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Pledged bank deposits	已質押銀行存款		
Current	即期	31,017	9,913
Non – current	非即期	–	32,089
		31,017	42,002

Note: The pledged bank deposits carry interest at prevailing market rates ranging from 0.20% to 1.45% (31 December 2023: nil to 1.45%) per annum and represent deposits pledged for borrowings, letter of credit and bills payable.

附註：已質押銀行存款按每年介乎0.20%至1.45%(2023年12月31日：零至1.45%)的現行市場利率計息，並作為借款、信用證及應付票據的質押存款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

26. PLEDGED BANK DEPOSITS AND BANK BALANCES (continued)

26. 已質押銀行存款及銀行結餘(續)

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Bank balances	銀行結餘		
Term 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)	1,338,822	781,732
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)	2,297,889	1,859,738
		3,636,711	2,641,470
Analysed as:	分析為：		
Current	流動	3,059,213	1,963,627
Non – current	非流動	577,498	677,843
		3,636,711	2,641,470

Notes:

附註：

- Term deposits with original maturity over three months were held within banks and carry interest at prevailing market rate of 1.90% to 3.70% (31 December 2023: 3.10% to 3.55%) per annum at 31 December 2024.
- Cash and cash equivalents comprise cash at banks and term deposits with original maturity of three months or less which are held within banks and carry interest at prevailing market rate of 0.01% to 1.90 % (31 December 2023: 0.01% to 1.90%) per annum at 31 December 2024.

- 於2024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1.90%至3.70%(2023年12月31日：3.10%至3.55%)的現行市場利率計息。
- 於2024年12月31日，現金及現金等價物包括銀行現金及存入銀行按現行市場利率每年0.01%至1.90%(2023年12月31日：0.01%至1.90%)計息的原到期日為三個月或以內的定期存款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

26. PLEDGED BANK DEPOSITS AND BANK BALANCES (continued)

The Group's pledged bank deposits and bank balances that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

26. 已質押銀行存款及銀行結餘(續)

以有關集團實體的功能貨幣以外的貨幣計值的本集團已質押銀行存款及銀行結餘載列如下：

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
USD	美元	173,271	76,577
Euro ("EUR")	歐元(「歐元」)	190	419
HKD	港元	9,001	15,665
Australian dollar ("AUD")	澳元(「澳元」)	2,810	3,023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

27. TRADE AND OTHER PAYABLES

27. 應付貿易賬款及其他應付款項

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Trade payables	應付貿易賬款	1,574,929	1,373,517
Trade payables under supplier finance arrangements (Note i)	供應商融資安排下的應付貿易賬款(附註i)	2,319,535	3,022,045
Bills payables (Note ii)	應付票據(附註ii)	–	41,870
		3,894,464	4,437,432
Payable for acquisition of property, plant and equipment	購買物業、廠房及設備應付款項	867,058	481,547
Accrued staff costs	應計員工成本	353,843	358,533
Receipts in advance from disposal of dairy cows	就出售乳牛的預收款項	9,227	8,418
Guarantee deposits	保證金	155,183	159,955
Payables for acquisition of subsidiaries	收購附屬公司應付款項	11,985	29,101
Others	其他	75,785	64,403
		5,367,545	5,539,389
Analysed as:	分析為：		
Current	即期	5,364,424	5,534,188
Non-current	非即期	3,121	5,201
		5,367,545	5,539,389

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

27. TRADE AND OTHER PAYABLES (continued)

Notes:

- i. These supplier finance arrangements permit certain suppliers of the Group to be paid a discounted amount by certain financial companies earlier than the due date. The Group repays the financial companies the full amount on the originally scheduled payment due date and does not bear any finance costs. As the arrangements do not permit the Group to extend payment terms from financial companies by paying financial companies later than the credit period which the Group would have paid its suppliers, the Group considers amounts payable to financial companies should be classified as trade payables. In the consolidated statement of cash flows, settlements of these trade payables are included within operating cash flows based on the nature of the arrangements. Range of payment due dates of liabilities that are part of supplier finance arrangements approximates the range of due dates of comparable trade payables that are not part of supplier finance arrangements.

As at 31 December 2024, suppliers have already received RMB2,202,242,000 payments from the finance providers.

- ii. Bills payables are with maturities within twelve months from the respective issuance dates.

The credit period granted by suppliers for trade purchases is generally within 180 days (2023: 180 days). The following is an aged analysis of trade payables based on invoice dates at the end of the reporting period:

27. 應付貿易賬款及其他應付款項(續)

附註：

- i. 該等供應商融資安排允許本集團若干供應商在到期日前由若干財務公司向其支付貼現金額。本集團以原計劃的付款到期日全額償還財務公司款項且不承擔任何融資成本。由於該等安排不允許本集團透過晚於本集團向其供應商付款的信貸期向財務公司付款以向財務公司獲得付款期延長，因此本集團認為應付財務公司的款項應分類為應付貿易賬款。於綜合現金流量表中，該等應付貿易賬款的結算根據安排的性質計入經營現金流量。作為供應商融資安排一部分的負債的付款到期日範圍與不屬於供應商融資安排的可資比較應付貿易賬款的到期日範圍相近。

於2024年12月31日，供應商已收到融資提供商付款人民幣2,202,242,000元。

- ii. 應付票據於各自發行日期起計十二個月內到期。

供應商授予採購賬款的信貸期一般為180天(2023年：180天)。以下為根據發票日期於報告期末的應付貿易賬款的賬齡分析：

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Within 180 days	180天以內	3,850,902	4,357,309
Beyond 180 days but within 360 days	超過180天但360天以內	14,855	26,751
Beyond 360 days	超過360天	28,707	11,502
		3,894,464	4,395,562

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

28. BANK BORROWINGS

28. 銀行借款

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Bank borrowings:	銀行借款：		
Unsecured	無抵押	7,675,868	5,949,895
Secured (Note)	有抵押(附註)	1,583,392	1,440,548
		9,259,260	7,390,443
Carrying amounts repayable:	應償還賬面值：		
Within one year	一年以內	2,371,072	2,206,484
Between one to two years	一年至兩年內	2,831,914	2,364,698
Between two to five years	兩年至五年內	4,048,299	2,634,750
Over five years	五年以上	7,975	184,511
		9,259,260	7,390,443
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	(2,371,072)	(2,206,484)
		6,888,188	5,183,959

Note: Certain bank borrowings as at 31 December 2024 were secured by property, plant and equipment, leasehold lands, biological assets, trade receivables, bank deposits, and equity interests in subsidiaries owned by the Group (2023: property, plant and equipment, leasehold lands, biological assets, trade receivables, bank deposits and equity interests in subsidiaries) as set out in Notes 16, 17, 22, 24, 26 and 46, respectively.

附註：於2024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、永久業權土地、生物資產、應收貿易賬款、銀行存款及附屬公司股權(2023年：物業、廠房及設備、永久業權土地、生物資產、應收貿易賬款、銀行存款及附屬公司股權)(分別載於附註16、17、22、24、26及46)作抵押。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

28. BANK BORROWINGS (continued)

The bank borrowings comprise:

28. 銀行借款(續)

銀行借款包括：

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Fixed – rate borrowings	定息借款	8,584,434	6,233,012
Variable – rate borrowings	浮息借款	674,826	1,157,431
		9,259,260	7,390,443

In February 2023, the Company entered into a facility agreement with several banks, under which the Group was allowed to borrow USD130,000,000 loan which will mature in February 2026 at floating interest rate determined as Secured Overnight Financing Rate (“SOFR”) +1.5% per annum and the upfront fee amounted to USD1,350,000. The Group withdrew the net borrowing of USD128,650,000 (equivalent to RMB890,773,000) after deduction of the upfront fee in March 2023, partially repaid USD40,000,000 (equivalent to RMB282,232,000) in 2023 and repaid the remaining USD90,000,000 (equivalent to RMB639,351,000) in January 2024. The effective interest rate is 7.52% per annum.

於2023年2月，本公司與若干銀行訂立融資協議，據此，本集團獲准借入貸款130,000,000美元，將於2026年2月到期，每年按有抵押隔夜融資利率(「有抵押隔夜融資利率」)+1.5%的浮動利率及為數1,350,000美元的前期付款計息。本集團於2023年3月提取了經扣除前期付款後的借款淨額128,650,000美元(相當約人民幣890,773,000元)，於2023年償還了部分的40,000,000美元(相當於人民幣282,232,000元)，於2024年1月償還了餘下的90,000,000美元(相當於人民幣639,351,000元)。實際年利率為7.52%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

28. BANK BORROWINGS (continued)

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:

		2024 2024年	2023 2023年
Fixed – rate borrowings	定息借款	2.20% – 4.85%	1.65% – 8.16%
Variable – rate borrowings	浮息借款	2.50% – 4.50%	1.50% – 6.85%

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 and the SOFR.

The Group's bank borrowings denominated in currency other than the functional currencies of the relevant group entities are set out below:

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
USD	美元	–	636,807

28. 銀行借款(續)

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以及有抵押隔夜融資利率而釐定。

以有關集團實體的功能貨幣以外的貨幣計值的本集團銀行借款載列如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

29. OTHER BORROWINGS

29. 其他借款

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Other borrowings:	其他借款：		
– From Mengniu (Note 45(c))	– 來自蒙牛(附註45(c))	1,599,462	255,998
– From a state – owned enterprise (Note i)	– 來自一間國有企業(附註i)	301,350	194,349
– Others	– 其他	44,276	96,878
		1,945,088	547,225
Unsecured	無抵押	1,942,171	531,807
Secured (Note ii)	有抵押(附註ii)	2,917	15,418
		1,945,088	547,225
Carrying amounts repayable:	應償還賬面值：		
Within one year	一年以內	559,491	353,251
Between one to two years	一年至兩年內	366,075	–
Between two to five years	兩年至五年內	725,170	5,418
Over five years	五年以上	294,352	188,556
		1,945,088	547,225
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	(559,491)	(353,251)
Amounts shown under non – current liabilities	非流動負債項下所示金額	1,385,597	193,974

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

29. OTHER BORROWINGS (continued)

Notes:

- i: Pursuant to an investment agreement entered into between the Group and an enterprise owned by a local government of Inner Mongolia (the "SOE") in regard to the establishment of a target company, the SOE invested RMB172,431,000, RMB47,291,000 and RMB114,301,000 respectively in 2022, 2023 and 2024 to the target company the objective of which is to invest in newly constructed dairy farms in local area with certain conditions attaching to it. The SOE is entitled to a fixed return of 2% per annum from its investment and will not share any other returns from the target company. The investment period for each individual dairy farm should not exceed 7 years from the date the amount is invested. Upon the end of the investment period the target company will withdraw the capital from the relevant farm and the Group is obliged to return the portion of investment amount to the SOE. In addition, the SOE has the right to request the Group to purchase its investment in the target company in any particular invested farm upon the occurrence of certain contingent events. The target company has been accounted for as a wholly – owned subsidiary of the Company and the investment from the SOE is regarded as borrowings granted to the Group in the consolidated financial statements to reflect the economic substance of the arrangement as the SOE does not expose to any risks or entitle to any rewards (including profit distribution) as equity holder of the target company but receives fixed return. The borrowings with preferential interest rate are initially measured at fair value based on prevailing market interest rate and the difference of RMB26,735,000, RMB6,349,000 and RMB16,118,000 between proceeds received and the fair value of the loan on initial recognition is treated as government grants respectively in 2022, 2023 and 2024.

- ii: Certain other borrowings as at 31 December 2024 are secured by trade receivables owned by the Group (2023: property, plant and equipment, leasehold lands and trade receivables) as set out in Note 24.

Other than the borrowings set out in Note i above, the Group's other borrowings are with fixed interest rates from: 3.00% to 8.00% (31 December 2023: 3.35% to 7.65%) per annum as at 31 December 2024.

29. 其他借款(續)

附註：

- i: 根據本集團與內蒙古地方政府所屬企業(「國有企業」)就設立目標公司簽訂的投資協議，國有企業於2022年、2023年及2024年分別向目標公司投資人民幣172,431,000元、人民幣47,291,000元及人民幣114,301,000元，目的是在當地投資新建牧場並在其中附有若干條件。國有企業有權從其投資中獲得每年2%的固定回報，且不會分享目標公司的任何其他回報。單個牧場的投資期限不應超過自投資金額之日起計的7年。直至投資期結束，目標公司將從相關牧場撤資，本集團有義務將部分投資金額退還予國有企業。此外，在某些或然事件發生時，國有企業有權要求本集團購買其於目標公司在任何特定投資牧場的投資。目標公司已作為本公司的全資附屬公司入賬，來自國有企業的投資在綜合財務報表中被視為授予本集團的借款以反映該安排的經濟實質，因為國有企業不承擔任何風險，也不享有任何作為目標公司股東的回報(包括利潤分配)，而是獲得固定回報。優惠利率借款按現行市場利率的公平值進行初始計量，收到的所得款項與貸款於初始確認時的公平值之間的差額人民幣26,735,000元、人民幣6,349,000元及人民幣16,118,000元於2022年、2023年及2024年分別作為政府補貼處理。

- ii: 於2024年12月31日的若干其他借款由本集團擁有的應收貿易賬款(2023年：物業、廠房及設備、永久業權土地及應收貿易賬款)(載於附註24)作抵押。

除上文附註i所載的借款外，本集團的其他借款於2024年12月31日按固定年利率3.00%至8.00%(2023年12月31日：3.35%至7.65%)計息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

30. LONG TERM BONDS

30. 長期債券

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Carrying amounts repayable:	應償還賬面值：		
Within one year	一年以內	32,476	35,536
Between one to two years	一年至兩年內	3,226,314	—
Between two to five years	兩年至五年內	—	3,523,467
		3,258,790	3,559,003
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	(32,476)	(35,536)
Amounts shown under non – current liabilities	非流動負債項下所示金額	3,226,314	3,523,467

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 amount repayable within one year at the balance sheet date represented interest payable. During the current year, the Company redeemed long term bond with principal amount of USD49,786,000. The difference of RMB20,901,000 between carrying amount of the redeemed long term bond of RMB354,628,000 and the consideration paid of RMB333,727,000 is recognised in profit or loss.

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。於資產負債表日期的一年內應償還賬面值指應付利息。於本年度，本公司贖回本金額為49,786,000美元的長期債券。贖回長期債券的賬面值人民幣354,628,000元與支付代價人民幣333,727,000元的差額人民幣20,901,000元，計入當期損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

31. LEASE LIABILITIES

31. 租賃負債

		2024 2024年 RMB'000 人民幣千元	2023 2022年 RMB'000 人民幣千元
Lease liabilities payable:	應付租賃負債：		
Within one year	一年以內	238,667	238,925
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	218,768	182,095
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	508,855	459,817
Within a period of more than five years	超過五年的期間內	1,467,408	1,139,258
		2,433,698	2,020,095
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	(238,667)	(238,925)
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	2,195,031	1,781,170

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 3.22% to 5.90% (31 December 2023: from 3.22% to 5.90%) per annum as at 31 December 2024.

租賃負債按未支付的租賃付款現值計量。於2024年12月31日，就租賃負債所應用增量借款利率介乎每年3.22%至5.90%(2023年12月31日：介乎3.22%至5.90%)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

32. CONTRACT LIABILITIES

32. 合約負債

		2024 2024年 RMB'000 人民幣千元	2023 2022年 RMB'000 人民幣千元
Sales of raw milk	銷售原料奶	1,962	1,224
Sales of feeds	銷售飼料	11,725	25,424
		13,687	26,648

As at 1 January 2023, contract liabilities amounted to RMB43,204,000.

於2023年1月1日，合約負債為人民幣43,204,000元。

33. DEFERRED INCOME

33. 遞延收入

		2024 2024年 RMB'000 人民幣千元	2023 2022年 RMB'000 人民幣千元
Current	即期	17,855	12,570
Non – current	非流動	225,203	209,663
		243,058	222,233

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

33. DEFERRED INCOME (continued)

33. 遞延收入 (續)

Arising from
government
grants
政府補貼所產生
RMB'000
人民幣千元

Balance at 1 January 2023	於2023年1月1日的結餘	217,096
Addition	添置	94,719
Release to income	撥至收入	(89,582)
At 31 December 2023	於2023年12月31日	222,233
Addition	添置	121,136
Release to income	撥至收入	(100,311)
At 31 December 2024	於2024年12月31日	243,058

Deferred income mainly represents government grants obtained in relation to (i) subsidies for the capital expenditure incurred for purchases of property, plant and equipment and right-of-use assets, which are recognised over the useful life of the related assets and (ii) the purchase of inventories, which are credited to the profit or loss over the periods in which the inventories were consumed.

遞延收入主要指以下各項獲得的政府補貼：
(i)購買物業、廠房及設備以及使用權資產的資本支出的補助(於有關資產的可使用年期限內確認)；及(ii)購買存貨(於存貨消耗的期間內計入損益)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

34. OTHER LIABILITIES

34. 其他負債

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Provision for obligation to return dairy cows (Note i)	退還奶牛義務的撥備(附註i)	62,979	92,242
Commitment to non-controlling interests (Note ii)	對非控股權益的承諾(附註ii)	217,322	68,289
Litigation provision	訴訟撥備	—	9,856
		280,301	170,387
Analysed as:	分析為：		
Current	流動	27,179	9,856
Non – current	非流動	253,122	160,531
		280,301	170,387

Notes:

- i. In August 2021, the Group entered into an agreement with a third party to lease farms and certain dairy cows from the third party for a period of 20 years. Pursuant to the agreement, the Group is required to return the dairy cows according to the agreed number and age composition in the agreement to the third party at the end of the lease period and the rent for 20 years will be paid semi-annually. On 30 September 2023, the leased dairy cows were delivered to the Group, the provision for the obligation to return dairy cows amounted to RMB96,276,000, represented the best estimate of the consideration required to settle the present obligation which approximate the fair value of the dairy cows to be returned, has been recorded as other liabilities with a debit to biological assets of RMB84,560,000, which are measured at their fair value less costs to sell, and the difference of RMB11,716,000 was recognised as an adjustment to right-of-use asset. During the year ended 31 December 2023, gain on remeasurement of the above obligation of RMB4,034,000 was recognised in profit or loss. On 23 August 2024, the Group modified the agreement with the third party, the number and age of dairy cows to be returned has been reduced, the provision for the obligation to return dairy cows was decreased from RMB91,297,000 to RMB55,000,000 and the difference of RMB36,297,000 was adjusted to right – of – use asset accordingly. During the year ended 31 December 2024, gain on remeasurement of the above obligation of RMB3,195,000 has been charged to profit or loss.

附註：

- i. 於2021年8月，本集團與第三方訂立協議，向第三方租賃牧場及若干奶牛，為期20年。根據協議，本集團須於租賃期結束時向第三方退還協議中協定的數目及日齡構成的奶牛。20年的租金每半年繳交一次。於2023年9月30日，出租奶牛已交付予本集團，退還奶牛義務的撥備金額為人民幣96,276,000元，為履行現時義務所需代價的最佳估計(與退還奶牛的公平值相若)，已入賬為其他負債，並藉記生物資產人民幣84,560,000元(按其公平值減銷售成本計量)，差額人民幣11,716,000元確認為使用權資產調整。截至2023年12月31日止年度，上述義務的重新計量收益人民幣4,034,000元已在損益中確認。於2024年8月23日，本集團修改了與第三方的協議，需要退還的奶牛數量及年齡有所減少，將奶牛退還義務撥備從人民幣91,297,000元減少至人民幣55,000,000元，並將差額人民幣36,297,000元相應調整至使用權資產。於截至2024年12月31日止年度，上述義務重新計量的收益人民幣3,195,000元已自損益扣除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

34. OTHER LIABILITIES (continued)

Notes: (continued)

i. (continued)

In May 2024, the Group entered into an agreement with another third party to lease certain dairy cows from the third party for a period of 10 years, pursuant to the agreement, the Group is required to return the dairy cows with the same number and age composition on lease commencement date to the third party at the end of the lease period. In July 2024, the leased dairy cows were delivered to the Group, the provision for the obligation to return dairy cows amounted to RMB10,352,000, represented the best estimate of the consideration required to settle the present obligation which approximate the fair value of the dairy cows to be returned, has been recorded as other liabilities with a debit to biological assets of the same amount. During the year ended 31 December 2024, gain on remeasurement of the above obligation of RMB123,000 has been charged to profit or loss.

ii. In December 2023, Modern Farming (Wuhe) Co., Ltd. ("**Modern Farming Wuhe**", the then wholly-owned subsidiary of Modern Farming), Anhui Suida Rongyao Equity Investment Fund Partnership (Limited Partnership) ("**Anhui Suida**") and Modern Farming entered into a capital injection agreement, pursuant to which Anhui Suida has agreed to subscribe for approximately 11.4% equity interest of Modern Farming Wuhe by way of capital injection in cash of RMB200 million. The capital injection was completed on 28 December 2023. The injection of capital from non-controlling interests contains liability components and equity component, which are classified separately in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. At the date of issue, the liability components, mainly represented the obligation to make up the corresponding shortfall to the extent that Anhui Suida is unable to exit its investment at the agreed amount through the sales of equity to a third party in the event of the specific circumstances and events of the agreement and the obligation of Modern Farming Wuhe to pay the dividends in respect of the years ending 31 December 2024 and 2025, are measured at fair values. The difference of RMB 131,711,000 between the total capital injection of RMB200,000,000 and the fair value of the financial liabilities of RMB68,289,000 is recognised in equity at initial recognition. During the year ended 31 December 2024, fair value gain of such financial liabilities amounted to RMB13,446,000 was recognised in profit or loss. 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 43.

34. 其他負債(續)

附註：(續)

i. (續)

2024年5月，本集團與另一第三方訂立一份協議，向第三方租賃若干奶牛，租賃期為10年，根據協議，本集團須於租賃期結束時向第三方退還與租約開始日期相同的數目及日齡構成的奶牛。於2024年7月，出租奶牛已交付予本集團，退還奶牛義務的撥備金額為人民幣10,352,000元，為履行現時義務所需代價的最佳估計（與退還奶牛的公平值相若），已入賬為其他負債，並藉記相同金額的生物資產。於截至2024年12月31日止年度，上述義務的重新計量收益人民幣123,000元已自損益扣除。

ii. 於2023年12月，現代牧業(五河)有限公司(「現代牧業五河」，現代牧業(集團)當時的全資附屬公司)、安徽穗達榮耀股權投資基金合夥企業(有限合夥)(「安徽穗達」)與現代牧業(集團)訂立一份注資協議，據此安徽穗達同意以現金注資人民幣200百萬元的方式認購現代牧業五河股權的約11.4%。注資事項已於2023年12月28日完成。非控股權益注資包括了負債部分及權益部分，根據已訂合約安排的具體內容及金融負債與權益工具的定義單獨分類。於發行當日，負債部分主要為安徽穗達於發生協議中的特定情況及事件時無法透過向第三方出售股權的方式依約定金額退出投資時，需補足相應缺口的義務，而截至2024年及2025年12月31日止年度現代牧業五河的股息派付義務以公平值計量。總注資人民幣200,000,000元與金融負債公平值人民幣68,289,000元之間的差額人民幣131,711,000元於初始確認時於權益中確認。於截至2024年12月31日止年度，金融負債公平值收益人民幣13,446,000元已於損益中確認。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43。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

34. OTHER LIABILITIES (continued)

Notes: (continued)

ii. (continued)

In February 2024, Modern Farming Wuhe, China Agricultural Reclamation Industry Development Fund (L.P.) ("**China Agricultural**"), Modern Farming and Anhui Suida, entered into a capital injection agreement, pursuant to which China Agricultural has agreed to subscribe for approximately 25.4% equity interest of Modern Farming Wuhe by way of capital injection in cash of RMB600 million. The capital injection was completed on 1 February 2024. The injection of capital from non-controlling interests contains liability component and equity component respectively, which are classified separately in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument. At the date of issue, the liability component, mainly represented the obligation to make up the corresponding shortfall to the extent that China Agricultural is unable to exit its investment at the agreed amount through the sales of equity to third parties in the event of the specific circumstances and events of the agreement and the obligation to pay the dividends of Modern Farming Wuhe in respect of the years ending 31 December 2024 and 2025, are measured at fair values. The difference of RMB409,032,000 between the total capital injection of RMB600,000,000 and the fair value of the financial liabilities of RMB190,968,000 is recognised in equity at initial recognition. During the year ended 31 December 2024, fair value gain of such financial liabilities of RMB28,489,000 was recognised in profit or loss. 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 43.

In addition, in February 2024, the Company and China Agricultural entered into an option agreement (the "**Option Agreement**"), pursuant to which the Company agreed to grant an option to China Agricultural to subscribe for the shares of the Company which was subject to the approval of shareholders in the next annual general meeting ("**AGM**") of the Company. The exercise price per share equals HK\$2.06 minus the aggregate of the dividend per share paid by the Company after the date of the Option Agreement and before the exercise of the option by China Agricultural. The exercise of option shall be subject to the following thresholds, whichever is lower: (i) the total subscription amount by China Agricultural shall not exceed RMB600 million (or the equivalent amount in HK\$); or (ii) the total number of shares subscribed by China Agricultural shall not exceed 6% of the total number of shares of the Company in issue at the time of the exercise of option. The grant of the option was approved in the AGM in June 2024 with a period of 12 months and shall be extended to not exceeding 36 months subject to the approval of shareholders in each AGM. The Company has engaged an independent firm of professional valuers to assist it in assessing the fair values of the options and the fair value was assessed to be nil.

34. 其他負債(續)

附註：(續)

ii. (續)

於2024年2月，現代牧業五河、中國農墾產業發展基金(有限合夥)(「**中墾基金**」)、現代牧業(集團)與安徽穗達訂立注資協議，據此，中墾基金同意以現金注資人民幣600百萬元的方式認購現代牧業五河股權的約25.4%。注資事項已於2024年2月1日完成。非控股權益注資分別包括了負債部分及權益部分，根據已訂合約安排的具體內容及金融負債與權益工具的定義單獨分類。於發行當日，負債部分主要為中墾基金於發生協議中的特定情況及事件時無法透過向第三方出售股權的方式依約定金額退出投資時，需補足相應缺口的義務，而截至2024年及2025年12月31日止年度現代牧業五河的股息派付義務以公平值計量。總注資人民幣600,000,000元與金融負債公平值人民幣190,968,000元之間的差額人民幣409,032,000元於初始確認時於權益中確認。於截至2024年12月31日止年度，金融負債公平值收益人民幣28,489,000元已於損益中確認。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43。

此外，於2024年2月，本公司與中墾基金訂立購股權協議(「**購股權協議**」)，據此，本公司同意向中墾基金授予購股權以認購本公司股份，惟須經股東於本公司下屆股東週年大會(「**股東週年大會**」)上批准。每股行使價等於2.06港元減購股權協議簽署日後至中墾基金行使購股權前本公司支付的每股股息總額。購股權的行使須符合以下門檻(以較低者為準)：(i)中墾基金作出的總認購額不得超過人民幣600百萬元(或等值港元)；或(ii)中墾基金認購的股份總數不得超過行使購股權時本公司已發行股份總數的6%。購股權的授予於2024年6月在股東週年大會上獲得批准，為期12個月，且經每屆股東週年大會批准後，有效期限可延長至不超過36個月。本公司已委聘獨立專業估值師公司協助評估購股權的公平值，公平值被評估為零。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

35. SHARE CAPITAL AND RESERVES

Share capital

35. 股本及儲備

股本

		Number of Share 股份數目 '000 千股	Share capital 股本 HKD'000 千港元
Ordinary shares of HKD0.10 each Authorised At 1 January 2023, 31 December 2023 and 2024	每股0.10港元的普通股 法定 於2023年1月1日、2023年及 2024年12月31日	10,000,000	1,000,000
Issued and fully paid At 1 January 2023, 31 December 2023 and 2024	已發行及繳足 於2023年1月1日、2023年及 2024年12月31日	7,915,662	791,566
		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Presented as	呈列為	675,869	675,869

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

35. SHARE CAPITAL AND RESERVES (continued)

Other reserve

35. 股本及儲備(續)

其他儲備

Other reserve

其他儲備

RMB'000

人民幣千元

(Note)

(附註)

Balance at 1 January 2023	於2023年1月1日的結餘	922,968
Equity transactions related to interest free loans	有關免息貸款的權益交易	(1,727)
Injection of capital from non-controlling interests	非控股權益注資	(83,139)
At 31 December 2023	於2023年12月31日	838,102
Injection of capital from non-controlling interests	非控股權益注資	(199,811)
At 31 December 2024	於2024年12月31日	638,291

Note:

Other reserve mainly represented the contribution from the owners of the Company for the operation of the Group.

附註：

其他儲備主要指本公司擁有人對本集團營運作出的出資。

Statutory reserve

In accordance with the articles of association of the subsidiaries established in the PRC and relevant PRC laws and regulations, these subsidiaries are required to transfer at least 10% of their profit after tax, which is determined in accordance with the Accounting Standards for Business Enterprises and Financial Regulations applicable in the PRC to a statutory reserve until the balance of such fund has reached 50% of the registered capital of the respective subsidiaries. Statutory reserve can only be used to offset accumulated losses or to increase capital of the relevant subsidiaries.

法定儲備

根據在中國設立的附屬公司的公司章程及中國相關法律法規，該等附屬公司須將至少10%的稅後溢利(根據適用於中國的企業會計準則和財務法規確定)轉入法定儲備，直至基金餘額達到各附屬公司註冊資本的50%。法定儲備僅可用於抵銷相關附屬公司的累計虧損或增加資本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

36. 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 mainly includes bank borrowings, other borrowings, long term bonds and lease liabilities as disclosed in Notes 28, 29, 30 and 31 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.

36. 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(主要包括銀行借款、其他借款、長期債券及租賃負債(分別披露於附註28、29、30及31)，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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

37. 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 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.

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 2024 and 2023, the Group had no forfeited contributions under the above retirement benefit schemes which may be used by the Group to reduce the existing level of contributions. There were also no forfeited contributions available at 31 December 2024 and 2023 under such schemes which may be used by the Group to reduce the contribution payable in future years.

The retirement benefit cost incurred are disclosed in Note 8.

37. 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。

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及法規而定）釐定。

於2024年及2023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2024年及2023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8中披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

38. SHARE – BASED PAYMENT TRANSACTIONS

On 26 March 2018 (the “**Adoption Date**”), the Company adopted a share award scheme (the “**Share Award Scheme**”) 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 of directors, the Share Award Scheme is valid and effective for a period of 10 years commencing on the Adoption Date.

The shares to be awarded under the Share Award Scheme (the “**Award Shares**”) will be acquired by the Company through trustee (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. 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 AGM. The ordinary shares of the Company held by the Trustee are accounted for as a debit to the Group’s reserve and are presented under the heading of “shares held under the Share Award Scheme” in the consolidated statement of changes in equity. The Trustee was changed from Dairy Fortune (PTC) Limited to BOCI Trustee (Hong Kong) Limited in 2024.

During the current year, Trustee purchased 71,585,000 (2023: 62,123,000) ordinary shares from the open market at a total consideration of approximately HKD57,494,000 (equivalent to RMB52,590,000) (2023: HKD48,488,000 (equivalent to RMB44,470,000)). In addition, the Group retained a total number of 8,583,023 (2023: 3,323,871) vested shares as a consideration of approximately HKD5,639,000 (equivalent to RMB5,113,000) (2023: HKD3,357,000 (equivalent to RMB2,939,000)) for paying the individual income tax on behalf of those selected participants under the Share Award Scheme during the current year. The retained vested shares were considered as repurchase from those selected participants and the Group remits the cash value of the repurchased equity instruments to the tax authority on behalf of those selected participants to settle the individual income tax in relation to the share – based payment.

38. 以股份支付的付款交易

於2018年3月26日(「**採納日期**」)，本公司採納一項股份獎勵計劃(「**股份獎勵計劃**」)，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，股份獎勵計劃有效期十年，自採納日期起生效。

根據股份獎勵計劃將獎勵的股份(「**獎勵股份**」)將由本公司透過受託人(「**受託人**」)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%。受託人所持本公司普通股入賬列為本集團儲備借記，並列示於綜合權益變動表的「股份獎勵計劃項下所持有的股份」項下。2024年，受託人由Dairy Fortune (PTC) Limited變更為中銀國際信託(香港)有限公司。

於本年度內，受託人從公開市場購買71,585,000(2023年：62,123,000股)股普通股，總代價約為57,494,000港元(相當於人民幣52,590,000元(2023年：48,488,000港元(相當於人民幣44,470,000元)))。此外，本集團本年度根據股份獎勵計劃代該等選定參與者支付個人所得稅時，保留合共8,583,023股(2023年：3,323,871股)歸屬股份作為代價約5,639,000港元(相當於人民幣5,113,000元)(2023年：3,357,000港元(相當於人民幣2,939,000元))。保留的歸屬股份被視為從該等選定參與者回購，本集團代該等選定參與者將回購股權工具的現金價值寄回予以稅務機關，以結算與以股份支付的付款有關的個人所得稅。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

38. SHARE – BASED PAYMENT TRANSACTIONS (continued)

Share Award – i

On 12 April 2022, a total number of 52,549,000 Award Shares ("Share Award – i") were granted to selected participants. If certain performance and service conditions are met, out of the total shares granted, 26,274,500 Award Shares will be vested on the first anniversary of the grant date (the "Award Shares A"), the remaining Award Shares of 26,274,500 will be vested on the second anniversary of the grant date (the "Award Shares B").

The following table discloses movements of the Award Shares A and Award Shares B during the reporting period:

38. 以股份支付的付款交易 (續)

股份獎勵 – i

於2022年4月12日，合共52,549,000股獎勵股份(「股份獎勵 – 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，26,274,500股獎勵股份將於授出日期的第一個週年歸屬(「獎勵股份A」)，而餘下26,274,500股獎勵股份將於授出日期的第二個週年歸屬(「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：

Category	Outstanding as at 1 January 2024 於2024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 2024 於2024年 12月31日 尚未行使
Award Shares B 獎勵股份B	25,064,500	(792,250)	(24,272,250)	–
Categories	Outstanding as at 1 January 2023 於2023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 2023 於2023年 12月31日 尚未行使
Award Shares A 獎勵股份A	26,124,500	(535,500)	(25,589,000)	–
Award Shares B 獎勵股份B	26,124,500	(1,060,000)	–	25,064,500
	52,249,000	(1,595,500)	(25,589,000)	25,064,500

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

38. SHARE – BASED PAYMENT TRANSACTIONS (continued)

Share Award – i (continued)

The fair values of Award Shares A and Award Shares B were HKD32,318,000 (equivalent to RMB26,304,000) and HKD32,318,000 (equivalent to RMB26,304,000), respectively, which were determined based on the market price of the Company's shares at the grant date.

A total number of 24,272,250 shares of Award Shares B were vested during the current year, and the difference of RMB3,530,000 between the share award reserve of RMB20,770,000 and shares held under the Share Award Scheme of RMB24,300,000 for the shares vested was recognised in retained earnings.

Share Award – ii

On 25 November 2022, a total number of 4,415,000 Award Shares ("Share Award – ii") were granted to selected participants. If certain performance and service conditions are met, out of the total shares granted, 2,207,500 Award Shares will be vested on 12 April 2023 (the "Award Shares C"), the remaining Award Shares of 2,207,500 will be vested on 12 April 2024 (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 2024 於2024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 2024 於2024年 12月31日 尚未行使
Award Shares D 獎勵股份D	2,130,000	(366,500)	(1,763,500)	-

38. 以股份支付的付款交易 (續)

股份獎勵 – i (續)

獎勵股份A及獎勵股份B的公平值分別為32,318,000港元(相當於人民幣26,304,000元)及32,318,000港元(相當於人民幣26,304,000元)，此乃根據本公司股份在授予日的市場價格釐定。

於本年度，合共24,272,250股獎勵股份B獲歸屬，股份獎勵儲備人民幣20,770,000元與就所歸屬股份根據股份獎勵計劃持有的人民幣24,300,000元股份之間的差額人民幣3,530,000元於保留盈利確認。

股份獎勵 – ii

於2022年11月25日，合共4,415,000股獎勵股份(「股份獎勵 – 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，2,207,500股獎勵股份將於2023年4月12日歸屬(「獎勵股份C」)，而餘下2,207,500股獎勵股份將於2024年4月12日歸屬(「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：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

38. SHARE – BASED PAYMENT TRANSACTIONS (continued)

Share Award – ii (continued)

Categories		Outstanding as at 1 January 2023 於2023年 1月1日 尚未行使	Forfeited during the year	Vested during the year	Outstanding as at 31 December 2023 於2023年 12月31日 尚未行使
Award Shares C	獎勵股份C	2,207,500	(44,000)	(2,163,500)	–
Award Shares D	獎勵股份D	2,207,500	(77,500)	–	2,130,000
		4,415,000	(121,500)	(2,163,500)	2,130,000

The fair values of Award Shares C and Award Shares D were HKD2,075,000 (equivalent to RMB1,895,000) and HKD2,075,000 (equivalent to RMB1,895,000), respectively, which were determined based on the market price of the Company's shares at the grant date.

A total number of 1,763,500 shares of Award Shares D were vested during the current year, and the difference of RMB5,000 between the share award reserve of RMB1,509,000 and shares held under the Share Award Scheme of RMB1,514,000 for the shares vested was recognised in retained earnings.

38. 以股份支付的付款交易 (續)

股份獎勵 – ii(續)

獎勵股份C及獎勵股份D的公平值分別為2,075,000港元(相當於人民幣1,895,000元)及2,075,000港元(相當於人民幣1,895,000元)，此乃根據本公司股份在授予日的市場價格釐定。

於本年度，合共1,763,500股獎勵股份D獲歸屬，股份獎勵儲備人民幣1,509,000元與就所歸屬股份根據股份獎勵計劃持有的人民幣1,514,000元股份之間的差額人民幣5,000元於保留盈利確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

38. SHARE – BASED PAYMENT TRANSACTIONS (continued)

Share Award – iii

On 28 April 2023, a total number of 69,882,000 Award Shares (“**Share Award – iii**”) were granted to selected participants. If certain performance and service conditions are met, out of the total shares granted, 34,941,000 Award Shares will be vested on the first anniversary of the grant date (the “**Award Shares E**”), the remaining Award Shares of 34,941,000 will be vested on the second anniversary of the grant date (the “**Award Shares F**”).

The following table discloses movements of the Award Shares E and Award Shares F during the reporting period:

Categories		Outstanding as at 1 January 2024 於2024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 2024 於2024年 12月31日 尚未行使
Award Shares E	獎勵股份E	34,333,000	(1,641,894)	(32,691,106)	–
Award Shares F	獎勵股份F	34,333,000	(1,013,292)	–	33,319,708
		68,666,000	(2,655,186)	(32,691,106)	33,319,708

Categories		Outstanding as at 1 January 2023 於2023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 2023 於2023年 12月31日 尚未行使
Award Shares E	獎勵股份E	–	34,941,000	(608,000)	34,333,000
Award Shares F	獎勵股份F	–	34,941,000	(608,000)	34,333,000
		–	69,882,000	(1,216,000)	68,666,000

38. 以股份支付的付款交易 (續)

股份獎勵 – iii

於2023年4月28日，合共69,882,000股獎勵股份(「**股份獎勵 – 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，34,941,000股獎勵股份將於授出日期的第一個週年歸屬(「**獎勵股份E**」)，而餘下34,941,000股獎勵股份將於授出日期的第二個週年歸屬(「**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：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

38. SHARE – BASED PAYMENT TRANSACTIONS (continued)

Share Award – iii (continued)

The fair values of Award Shares E and Award Shares F were HKD33,893,000 (equivalent to RMB 29,896,000) and HKD33,893,000 (equivalent to RMB29,896,000), respectively, which were determined based on the market price of the Company's shares at the grant date.

A total number of 32,691,106 shares of Award Shares E were vested during the current year, and the difference of RMB3,000 between the share award reserve of RMB27,973,000 and shares held under the Share Award Scheme of RMB27,970,000 for the shares vested was recognised in retained earnings.

Share Award – iv

On 3 April 2024, a total number of 79,042,000 Award Shares ("Share Award – iv") were granted to selected participants. If certain performance and service conditions are met, out of the total shares granted, 39,521,000 Award Shares will be vested on the first anniversary of the grant date (the "Award Shares G"), the remaining Award Shares of 39,521,000 will be vested on the second anniversary of the grant date (the "Award Shares H").

38. 以股份支付的付款交易 (續)

股份獎勵 – iii(續)

獎勵股份E及獎勵股份F的公平值分別為33,893,000港元(相當於人民幣29,896,000元)及33,893,000港元(相當於人民幣29,896,000元)，此乃根據本公司股份在授予日的市場價格釐定。

於本年度，合共32,691,106股獎勵股份E獲歸屬，股份獎勵儲備人民幣27,973,000元與就所歸屬股份根據股份獎勵計劃持有的人民幣27,970,000元股份之間的差額人民幣3,000元於保留盈利確認。

股份獎勵 – iv

於2024年4月3日，合共79,042,000股獎勵股份(「股份獎勵 – 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，39,521,000股獎勵股份將於授出日期的第一個週年歸屬(「獎勵股份G」)，而餘下39,521,000股獎勵股份將於授出日期的第二個週年歸屬(「獎勵股份H」)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

38. SHARE – BASED PAYMENT TRANSACTIONS (continued)

Share Award – iv (continued)

The following table discloses movements of the Award Shares G and Award Shares H during the reporting period:

Categories	Outstanding as at 1 January 2024 於2024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 2024 於2024年 12月31日 尚未行使
Award Shares G 獎勵股份G	-	39,521,000	(549,500)	38,971,500
Award Shares H 獎勵股份H	-	39,521,000	(549,500)	38,971,500
	-	79,042,000	(1,099,000)	77,943,000

The fair values of Award Shares G and Award Shares H were HKD26,479,000 (equivalent to RMB 23,998,000) and HKD26,479,000 (equivalent to RMB23,998,000), respectively, which were determined based on the market price of the Company's shares at the grant date.

A summary of the share award expense of the Group recognised during the reporting period is as follows:

38. 以股份支付的付款交易 (續)

股份獎勵 – iv(續)

下表披露獎勵股份G及獎勵股份H於報告期間的變動：

獎勵股份G及獎勵股份H的公平值分別為26,479,000港元(相當於人民幣23,998,000元)及26,479,000港元(相當於人民幣23,998,000元)，此乃根據本公司股份在授予日的市場價格釐定。

本集團於報告期內確認的股份獎勵開支概要如下：

	2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Share Award – i 股份獎勵 – i	3,820	19,255
Share Award – ii 股份獎勵 – ii	132	2,641
Share Award – iii 股份獎勵 – iii	22,419	28,153
Share Award – iv 股份獎勵 – iv	25,340	-
Total 總計	51,711	50,049

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

39. BUSINESS COMBINATION

Year ended 31 December 2024:

As disclosed in Note 20, the Acquirees (Safei, Lanhao, Ruifuyuan, Hengshi and Jingyuan) were associates of the Group as at 31 December 2023. During the year ended 31 December 2024, the Group has made additional capital injection to these five associates and after the capital injection, the Acquirees become non-wholly owned subsidiaries of the Company as set out below. These acquisitions have been accounted for as acquisition of businesses using the acquisition method. These acquired subsidiaries are principally engaged in business of dairy farming. These acquisitions were made as part of the Group's strategy to strengthen its position in dairy farming industry, and further leverage the industrial chain synergy advantages.

Consideration transferred and goodwill arising on acquisition:

		Safei 薩菲	Lanhao 藍浩	Ruifuyuan 瑞福源	Hengshi 恆實	Jingyuan 景源	Total 總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note a)	(Note b)	(Note c)	(Note d)	(Note e)	
		(附註a)	(附註b)	(附註c)	(附註d)	(附註e)	
Purchase consideration	購買代價	29,140	26,890	6,138	38,250	10,000	110,418
Add: fair value of the equity interest previously held by the Group (Note)	加：本集團之前持有股權的公平值 (附註)	58,540	54,460	48,032	64,660	44,173	269,865
Add: non-controlling interests	加：非控股權益	91,836	81,557	56,793	105,279	50,155	385,620
Less: recognised amounts of net assets acquired after capital injection from the Group	減：所收購資產淨值 (於本集團注資後) 的確認金額	(185,466)	(164,490)	(118,323)	(219,332)	(104,496)	(792,107)
Goodwill arising on acquisition	收購產生的商譽	(5,950)	(1,583)	(7,360)	(11,143)	(168)	(26,204)

Note: The equity interests of Safei, Lanhao, Ruifuyuan, Hengshi and Jingyuan previously held by Modern Farming was remeasured at fair value at the date of acquisition and the difference of RMB15,212,000 of the fair value over the carrying value was credited to profit or loss.

39. 業務合併

截至2024年12月31日止年度：

誠如附註20所披露，被收購公司(薩斐、藍浩、瑞福源、恆實及景源)為本集團於2023年12月31日的聯營公司。截至2024年12月31日止年度，本集團已向該五家聯營公司額外注資，注資後，被收購公司成為本公司的非全資附屬公司(如下所列)。該等收購事項已使用收購法入賬為業務收購。該等被收購的附屬公司主要從事奶牛養殖業務。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、進一步發揮產業鏈協同優勢的戰略的一部分。

轉讓代價及收購產生的商譽：

附註：現代牧業(集團)之前持有的薩斐、藍浩、瑞福源、恆實及景源股權按照購買日的公平值重新計量，公平值與賬面價值的差額人民幣15,212,000元計入損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

39. BUSINESS COMBINATION (continued)

Year ended 31 December 2024: (continued)

In the opinion of the directors of the Company, the original shareholders of these acquired subsidiaries agreed to accept the consideration which is lower than the fair value of net identifiable assets acquired due to that these acquired subsidiaries appreciate the leading position of the Group in the industry and its stable strategic customer relationships, which can bring sustained and stable economic value to the acquired subsidiaries, thereby achieving an increase in their investment value..

Notes:

(a) Acquisition of Safei

Modern Farming made additional capital injection to acquire additional 16.8% equity interests in Safei, and upon the completion of capital injection on 3 July 2024, the Group owns 50.5% equity interests in Safei.

Assets acquired and liabilities recognised at the date of acquisition

39. 業務合併(續)

截至2024年12月31日止年度：(續)

本公司董事認為，該等被收購附屬公司的原股東同意接受低於被收購附屬公司可辨認淨資產公平值的代價，因為該等被收購的附屬公司看重本集團在業界的領先地位及穩定的策略客戶關係，能為被收購的附屬公司帶來持續穩定的經濟價值，進而實現其投資價值的提升。

附註：

(a) 收購薩菲

現代牧業(集團)額外注資收購薩菲額外16.8%的股權，於2024年7月3日完成注資後，本集團擁有薩菲的50.5%股權。

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	177,808
Intangible assets	無形資產	450
Equity instruments at FVTOCI	按公平值計入其他全面收入的權益工具	6,437
Biological assets	生物資產	233,488
Right – of – use assets	使用權資產	2,774
Inventories	存貨	43,925
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	38,099
Bank balances and cash	銀行結餘及現金	34,262
Trade and other payables	應付貿易賬款及其他應付款項	(113,619)
Bank borrowings	銀行借款	(185,863)
Other borrowings	其他借款	(52,295)
		185,466

The receivables acquired with a fair value of RMB36,218,000 at the date of acquisition had gross contractual amounts of RMB36,218,000. At acquisition date, it is estimated that there are no contractual cash flows that will not be collected.

所收購的應收款項於收購日期的公平值為人民幣36,218,000元，其合約總額為人民幣36,218,000元。估計於收購日期並無不能收取的合約現金流量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

39. BUSINESS COMBINATION (continued)

Year ended 31 December 2024: (continued)

Notes: (continued)

(a) Acquisition of Safei (continued)

Non-controlling interests

The non-controlling interests of 49.5% equity interests in Safei recognised at the acquisition date amounted to approximately RMB91,836,000 was measured by reference to the proportionate share of recognised amounts of net assets of Safei.

Net cash inflow on acquisition of Safei

39. 業務合併(續)

截至2024年12月31日止年度：(續)

附註：(續)

(a) 收購薩菲(續)

非控股權益

於收購日期確認薩菲49.5%股權的非控股權益約為人民幣91,836,000元，乃參照薩菲資產淨值確認金額的比例計量。

收購薩菲的現金流入淨額

RMB'000
人民幣千元

Purchase consideration	購買代價	29,140
Less: cash and cash equivalents acquired	減：取得的現金及現金等價物	(34,262)
		(5,122)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

39. BUSINESS COMBINATION (continued)

Year ended 31 December 2024: (continued)

Notes: (continued)

(b) Acquisition of Lanhao

Modern Farming made additional capital injection to acquire additional 16.7% equity interests in Lanhao, and upon the completion of capital injection on 3 July 2024, the Group owns 50.4% equity interests in Lanhao.

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	154,127
Intangible assets	無形資產	113
Equity instruments at FVTOCI	按公平值計入其他全面收入的權益工具	6,437
Biological assets	生物資產	156,134
Right-of-use assets	使用權資產	7,485
Inventories	存貨	34,168
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	21,191
Bank balances and cash	銀行結餘及現金	37,693
Trade and other payables	應付貿易賬款及其他應付款項	(70,418)
Bank borrowings	銀行借款	(149,842)
Other borrowings	其他借款	(32,598)
		164,490

The receivables acquired with a fair value of RMB17,381,000 at the date of acquisition had gross contractual amounts of RMB17,381,000. 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 49.6% equity interests in Lanhao recognised at the acquisition date amounted to approximately RMB81,557,000 was measured by reference to the proportionate share of recognised amounts of net assets of Lanhao.

39. 業務合併(續)

截至2024年12月31日止年度：(續)

附註：(續)

(b) 收購藍浩

現代牧業(集團)額外注資收購藍浩額外16.7%的股權，於2024年7月3日完成注資後，本集團擁有藍浩的50.4%股權。

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	154,127
Intangible assets	113
Equity instruments at FVTOCI	6,437
Biological assets	156,134
Right-of-use assets	7,485
Inventories	34,168
Trade and other receivables and prepayments	21,191
Bank balances and cash	37,693
Trade and other payables	(70,418)
Bank borrowings	(149,842)
Other borrowings	(32,598)
	164,490

所收購的應收款項於收購日期的公平值為人民幣17,381,000元，其合約總額為人民幣17,381,000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

於收購日期確認藍浩49.6%股權的非控股權益約為人民幣81,557,000元，乃參照藍浩資產淨值確認金額的比例計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

39. BUSINESS COMBINATION (continued)

Year ended 31 December 2024: (continued)

Notes: (continued)

(b) Acquisition of Lanhao (continued)

Net cash inflow on acquisition of Lanhao

39. 業務合併(續)

截至2024年12月31日止年度：(續)

附註：(續)

(b) 收購藍浩(續)

收購藍浩的現金流入淨額

RMB'000
人民幣千元

Purchase consideration	購買代價	26,890
Less: cash and cash equivalents acquired	減：取得的現金及現金等價物	(37,693)
		(10,803)

(c) Acquisition of Ruifuyuan

Modern Farming made additional capital injection to acquire additional 5.9% equity interests in Ruifuyuan, and upon the completion of capital injection on 3 July 2024, the Group owns 52.0% equity interests in Ruifuyuan.

(c) 收購瑞福源

現代牧業(集團)額外注資收購瑞福源額外5.9%的股權，於2024年7月3日完成注資後，本集團擁有瑞福源的52.0%股權。

Assets acquired and liabilities recognised at the date of acquisition

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	71,893
Intangible assets	無形資產	35
Equity instruments at FVTOCI	按公平值計入其他全面收入的權益工具	2,146
Biological assets	生物資產	131,097
Right-of-use assets	使用權資產	4,526
Inventories	存貨	24,679
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	50,138
Bank balances and cash	銀行結餘及現金	21,492
Trade and other payables	應付貿易賬款及其他應付款項	(49,855)
Bank borrowings	銀行借款	(129,619)
Other borrowings	其他借款	(8,209)
		118,323

The receivables acquired with a fair value of RMB41,675,000 at the date of acquisition had gross contractual amounts of RMB41,675,000. At acquisition date, it is estimated that there are no contractual cash flows that will not be collected.

所收購的應收款項於收購日期的公平值為人民幣41,675,000元，其合約總額為人民幣41,675,000元。估計於收購日期並無不能收取的合約現金流量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

39. BUSINESS COMBINATION (continued)

Year ended 31 December 2024: (continued)

Notes: (continued)

(c) Acquisition of Ruifuyuan (continued)

Non-controlling interests

The non-controlling interests of 48.0% equity interests in Ruifuyuan recognised at the acquisition date amounted to approximately RMB56,793,000 was measured by reference to the proportionate share of recognised amounts of net assets of Ruifuyuan.

Net cash inflow on acquisition of Ruifuyuan

39. 業務合併(續)

截至2024年12月31日止年度：(續)

附註：(續)

(c) 收購瑞福源(續)

非控股權益

於收購日期確認瑞福源48.0%股權的非控股權益約為人民幣56,793,000元，乃參照瑞福源資產淨值確認金額的比例計量。

收購瑞福源的現金流入淨額

RMB'000
人民幣千元

Purchase consideration	購買代價	6,138
Less: cash and cash equivalents acquired	減：取得的現金及現金等價物	(21,492)
		(15,354)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

39. BUSINESS COMBINATION (continued)

Year ended 31 December 2024: (continued)

Notes: (continued)

(d) Acquisition of Hengshi

Modern Farming made additional capital injection to acquire additional 19.3% equity interests in Hengshi, and upon the completion of capital injection on 3 July 2024, the Group owns 52.0% equity interests in Hengshi.

Assets acquired and liabilities recognised at the date of acquisition

39. 業務合併(續)

截至2024年12月31日止年度：(續)

附註：(續)

(d) 收購恆實

現代牧業(集團)額外注資收購恆實額外19.3%的股權，於2024年7月3日完成注資後，本集團擁有恆實的52.0%股權。

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	184,691
Intangible assets	無形資產	6
Equity instruments at FVTOCI	按公平值計入其他全面收入的權益工具	6,437
Biological assets	生物資產	216,796
Right-of-use assets	使用權資產	8,370
Inventories	存貨	37,290
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	19,578
Bank balances and cash	銀行結餘及現金	47,595
Trade and other payables	應付貿易賬款及其他應付款項	(84,671)
Bank borrowings	銀行借款	(189,185)
Other borrowings	其他借款	(27,575)
		219,332

The receivables acquired with a fair value of RMB18,419,000 at the date of acquisition had gross contractual amounts of RMB18,419,000. 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 48.0% equity interests in Hengshi recognised at the acquisition date amounted to approximately RMB105,279,000 was measured by reference to the proportionate share of recognised amounts of net assets of Hengshi.

Net cash inflow on acquisition of Hengshi

所收購的應收款項於收購日期的公平值為人民幣18,419,000元，其合約總額為人民幣18,419,000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

於收購日期確認恆實48.0%股權的非控股權益約為人民幣105,279,000元，乃參照恆實資產淨值確認金額的比例計量。

收購恆實的現金流入淨額

		RMB'000 人民幣千元
Purchase consideration	購買代價	38,250
Less: cash and cash equivalents acquired	減：取得的現金及現金等價物	(47,595)
		(9,345)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

39. BUSINESS COMBINATION (continued)

Year ended 31 December 2024: (continued)

Notes: (continued)

(e) Acquisition of Jingyuan

Modern Farming made additional capital injection to acquire additional 9.6% equity interests in Jingyuan, and upon the completion of capital injection on 25 September 2024, the Group owns 52.0% equity interests in Jingyuan.

Assets acquired and liabilities recognised at the date of acquisition

39. 業務合併(續)

截至2024年12月31日止年度：(續)

附註：(續)

(e) 收購景源

現代牧業(集團)額外注資收購景源額外9.6%的股權，於2024年9月25日完成注資後，本集團擁有景源的52.0%股權。

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	113,229
Intangible assets	無形資產	25
Biological assets	生物資產	67,226
Right – of – use assets (Note)	使用權資產(附註)	4,635
Inventories	存貨	19,287
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	7,955
Bank balances and cash	銀行結餘及現金	13,663
Trade and other payables	應付貿易賬款及其他應付款項	(81,726)
Other borrowings	其他借款	(35,163)
Lease liabilities (Note)	租賃負債(附註)	(4,635)
		104,496

Note: The lessor is a subsidiary of the Group and after acquisition this intragroup transaction is eliminated.

The receivables acquired with a fair value of RMB7,529,000 at the date of acquisition had gross contractual amounts of approximately RMB7,529,000. 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 48.0% equity interests in Jingyuan recognised at the acquisition date amounted to RMB50,155,000 was measured by reference to the proportionate share of recognised amounts of net assets of Jingyuan.

附註：出租人為本集團的附屬公司，收購後，該集團內部交易被抵銷。

所收購的應收款項於收購日期的公平值為人民幣7,529,000元，其合約總額約為人民幣7,529,000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

於收購日期確認景源48.0%股權的非控股權益為人民幣50,155,000元，乃參照景源資產淨值確認金額的比例計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

39. BUSINESS COMBINATION (continued)

Year ended 31 December 2024: (continued)

Notes: (continued)

(e) Acquisition of Jingyuan (continued)

Net cash inflow on acquisition of Jingyuan

		RMB'000 人民幣千元
Purchase consideration	購買代價	10,000
Less: cash and cash equivalents acquired	減：取得的現金及現金等價物	(13,663)
		(3,663)

Impact of acquisition on the results of the Group

Included in the loss for the year ended 31 December 2024 is loss of RMB30,478,000, loss of RMB10,299,000, loss of RMB8,683,000, loss of RMB12,575,000 and profit of RMB4,588,000 attributable to the additional business generated by Safei, Lanhao, Ruifuyuan, Hengshi and Jingyuan, respectively. Revenue for the year ended 31 December 2024 included RMB82,339,000, RMB78,184,000, RMB54,549,000, RMB85,149,000 and nil generated from Safei, Lanhao, Ruifuyuan, Hengshi and Jingyuan, respectively.

Had the acquisition of Safei, Lanhao, Ruifuyuan, Hengshi and Jingyuan, been completed on 1 January 2024, revenue for the year ended 31 December 2024 of the Group would have been RMB13,320,292,000, RMB13,304,928,000, RMB13,318,417,000, RMB13,285,390,000 and RMB13,254,341,000, respectively and loss for the year ended 31 December 2024 would have been RMB1,468,635,000, RMB1,467,152,000, RMB1,465,829,000, RMB1,469,656,000 and RMB1,464,302,000, 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 2024, nor is it intended to be a projection of future results.

In determining the 'pro – forma' profit of the Group had Safei, Lanhao, Ruifuyuan, Hengshi and Jingyuan been acquired on 1 January 2024, the Directors calculated depreciation of property, plant and equipment, right – of – use assets and other intangible assets based on the recognised amounts of property, plant and equipment, right – of – use assets and other intangible assets at the date of the acquisition.

39. 業務合併(續)

截至2024年12月31日止年度：(續)

附註：(續)

(e) 收購景源(續)

收購景源的現金流入淨額

	RMB'000 人民幣千元
購買代價	10,000
減：取得的現金及現金等價物	(13,663)
	(3,663)

收購事項對本集團業績的影響

截至2024年12月31日止年度的虧損已包括薩菲、藍浩、瑞福源、恆實及景源產生的新增業務分別應佔的虧損人民幣30,478,000元、虧損人民幣10,299,000元、虧損人民幣8,683,000元、虧損人民幣12,575,000元及溢利人民幣4,588,000元。截至2024年12月31日止年度的收入包括薩菲、藍浩、瑞福源、恆實及景源分別產生的人民幣82,339,000元、人民幣78,184,000元、人民幣54,549,000元、人民幣85,149,000元及零元。

倘於2024年1月1日完成收購薩菲、藍浩、瑞福源、恆實及景源，本集團截至2024年12月31日止年度的收入將分別為人民幣13,320,292,000元、人民幣13,304,928,000元、人民幣13,318,417,000元、人民幣13,285,390,000元及人民幣13,254,341,000元，而截至2024年12月31日止年度的虧損將分別為人民幣1,468,635,000元、人民幣1,467,152,000元、人民幣1,465,829,000元、人民幣1,469,656,000元及人民幣1,464,302,000元。備考資料僅供說明之用，並不必然表示倘收購於2024年1月1日完成，本集團實際會實現的收入及經營業績，亦無意作為對未來業績的預測。

在釐定倘於2024年1月1日已收購薩菲、藍浩、瑞福源、恆實及景源的情況下本集團的「備考」溢利時，董事已根據物業、廠房及設備、使用權資產及其他無形資產於收購日期的已確認金額計算物業、廠房及設備、使用權資產及其他無形資產的折舊。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

39. BUSINESS COMBINATION (continued)

Year ended 31 December 2023:

Modern Farming made investment of RMB8,640,000 for 48% equity interest in Inner Mongolia Yunyangniu Technology Co., Ltd. ("Yunyangniu") in March 2022. In March 2023, Aiyangniu, a non – wholly owned subsidiary of the Company which is owned by Modern Farming and Inner Mongolia Mengniu as to 75% and 25%, entered into an equity transfer agreement with Modern Farming, Inner Mongolia Mengniu and other sellers (the "Sellers"), pursuant to which the Sellers agreed to sell, Aiyangniu agreed to purchase, 100% equity interests in Yunyangniu at a total consideration of RMB19,080,000, among which RMB8,640,000 was payable to Modern Farming and RMB10,440,000 was payable to Inner Mongolia Mengniu and other sellers.

Upon the completion of the above transaction in April 2023, Yunyangniu became a non – wholly owned subsidiary of the Company. The 48% equity interests previously held by Modern Farming was remeasured at fair value at the date of acquisition and the excess of RMB5,050,000 of the fair value over the carrying value was credited to profit or loss.

This acquisition has been accounted for as acquisition of business using the acquisition method.

The Directors believe that the acquisition can further leverage the advantages of synergy between Yunyangniu and the Group as a leading dairy farming operator within the industrial chain and enhance the Group's capability to provide services on dairy farm – related information technology solutions and artificial intelligence of things solutions for agriculture and animal husbandry through the Group's existing ecological sharing platform to downstream customers.

39. 業務合併(續)

截至2023年12月31日止年度：

現代牧業(集團)於2022年3月以人民幣8,640,000元投資內蒙古雲養牛科技有限公司(「雲養牛」)以獲得48%股權。愛養牛(本公司的非全資附屬公司，由現代牧業(集團)與內蒙古蒙牛各持有75%及25%權益)於2023年3月與現代牧業(集團)、內蒙古蒙牛及其他賣方(「賣方」)訂立股權轉讓協議，據此，賣方同意出售及愛養牛同意購買雲養牛的全部股權，總代價為人民幣19,080,000元(其中應向現代牧業(集團)支付的代價人民幣8,640,000元以及應向內蒙古蒙牛及其他賣方支付的代價人民幣10,440,000元)。

於上述交易在2023年4月完成後，雲養牛成為本公司的非全資附屬公司。現代牧業(集團)之前持有的48%股權按照購買日的公平值重新計量，公平值高於賬面價值的差額人民幣5,050,000元計入損益。

此收購事項已使用收購法入賬為業務收購。

董事相信，收購事項可進一步發揮雲養牛與本集團(作為奶業領軍企業)的產業鏈協同優勢，並通過本集團現有的生態共享平台，提升本集團為下遊客戶提供農牧業牧場相關信息技術解決方案及人工智能物聯網解決方案服務的能力。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

39. BUSINESS COMBINATION (continued)

Year ended 31 December 2023: (continued)

Consideration transferred and goodwill arising on acquisition:

39. 業務合併(續)

截至2023年12月31日止年度：(續)

轉讓代價及收購產生的商譽：

RMB'000
人民幣千元

Cash consideration	現金代價	10,440
Add: fair value of the equity interest in Yunyangniu previously held by the Group	加：本集團之前持有雲養牛股權的公平值	8,640
Less: recognised amounts of net assets acquired	減：所收購資產淨值的確認金額	(8,608)
Goodwill arising on acquisition	收購時產生的商譽	10,472

Goodwill arose from the acquisition of Yunyangniu 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.

Goodwill arising on the acquisition is not expected to be deductible for tax purposes.

收購雲養牛產生了商譽，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。

預計收購事項產生的商譽均不可用於抵稅。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

39. BUSINESS COMBINATION (continued)

Year ended 31 December 2023: (continued)

Assets acquired and liabilities recognised at the date of acquisition

39. 業務合併(續)

截至2023年12月31日止年度：(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	588
Right-of-use assets	使用權資產	1,408
Other intangible assets	其他無形資產	5,109
Inventories	存貨	54
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	3,973
Bank balances and cash	銀行結餘及現金	8,761
Trade and other payables	應付貿易賬款及其他應付款項	(10,098)
Lease liabilities	租賃負債	(1,187)
		8,608

The receivables acquired with a fair value of RMB1,421,000 at the date of acquisition had gross contractual amounts of RMB1,421,000. At acquisition date, it is estimated that there are no contractual cash flows that will not be collected.

所收購的應收款項於收購日期的公平值為人民幣1,421,000元，其合約總額為人民幣1,421,000元。估計於收購日期並無不能收取的合約現金流量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

39. BUSINESS COMBINATION (continued)

Year ended 31 December 2023: (continued)

Net cash outflow on acquisition of Yunyangniu

39. 業務合併(續)

截至2023年12月31日止年度：(續)

收購雲養牛的現金流出淨額

RMB'000
人民幣千元

Cash consideration paid	已付現金代價	10,440
Less: cash and cash equivalents acquired	減：取得的現金及現金等價物	(8,761)
		1,679

Impact of acquisition on the results of the Group

Included in the profit for the year is loss of RMB4,995,000 incurred by Yunyangniu. Revenue for the year included RMB15,126,000 from Yunyangniu.

Had the acquisition of Yunyangniu been completed on 1 January 2023, revenue for the year of the Group would have been RMB13,458,310,000 and profit for the year would have been RMB183,380,000. 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 2023, nor is it intended to be a projection of future results.

In determining the 'pro – forma' profit of the Group had Yunyangniu been acquired at the beginning of the current year, the Directors calculated depreciation of property, plant and equipment, right – of – use assets and other intangible assets based on the recognised amounts of property, plant and equipment, right – of – use assets and other intangible assets at the date of the acquisition.

收購事項對本集團業績的影響

年內溢利包括雲養牛產生的虧損人民幣4,995,000元。年內收入包括來自雲養牛的人民幣15,126,000元。

倘於2023年1月1日完成對雲養牛的收購，本集團的年內收入將為人民幣13,458,310,000元，而年內溢利將為人民幣183,380,000元。備考資料僅供說明之用，並不必然表示倘收購於2023年1月1日完成，本集團實際會實現的收入及經營業績，亦無意作為對未來業績的預測。

在釐定倘於本年度初已收購雲養牛的情況下本集團的「備考」溢利時，董事已根據物業、廠房及設備、使用權資產及其他無形資產於收購日期的已確認金額計算物業、廠房及設備、使用權資產及其他無形資產的折舊。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

40. FINANCIAL INSTRUMENTS

Categories of financial instruments

40. 金融工具

金融工具類別

		2024 2024年 RMB'000 人民幣千元	2023 2023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	5,350,281	4,416,379
Equity instruments at FVTOCI	按公平值計入其他全面收入的 權益工具	40,368	57,342
Derivative financial instruments	衍生金融工具	179,846	118,451
		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Financial liabilities:	金融負債：		
Financial liabilities at amortised cost	按攤銷成本計量的金融負債	19,453,875	16,661,463
Derivative financial instruments	衍生金融工具	1,083	20,359
Commitment to non-controlling interests	對非控股權益的承諾	217,322	68,289

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, trade and other payables, bank borrowings, other borrowings, long term bonds, derivative financial instruments and certain other liabilities. Details of these financial instruments are disclosed in the respective notes.

The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price 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、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、衍生金融工具及若干其他負債。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、利息風險及其他價格風險)、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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

40. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Market risk

(i) Currency risk

As at the end of the reporting period, the Group had the following major monetary items and intra-group balances denominated in foreign currency:

40. 金融工具(續)

金融風險管理的目標及政策(續)

市場風險

(i) 貨幣風險

截至報告期末，本集團擁有以下以外幣計值的主要貨幣項目及集團內部結餘：

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
USD denominated items	美元計值項目		
– pledged bank deposits and bank balances	– 已質押銀行存款以及銀行結餘	173,271	76,577
– bank borrowings	– 銀行借款	–	(636,807)
– long term bonds	– 長期債券	(3,258,790)	(3,559,003)
– intra-group balances	– 集團內結餘	(9,356)	(102,412)

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.

Sensitivity analysis

2024: 2% (2023: 2%) is the sensitivity rate changes which represented management's assessment of the reasonably possible change in foreign exchange rates.

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。

敏感度分析

於2024年，2%(2023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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

40. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis (continued)

The Group was primarily subject to foreign currency risk from the movement of the exchange rates between USD and RMB. At the end of the reporting period, without considering the related derivatives which may reduce the Group's exposures, if the exchange rate had been strengthened in USD against RMB by 2% and all other variables were held constant, the Group's post-tax loss (profit) for the reporting period would increase/decrease as follow (comparative figures have been presented to conform with current year's presentation):

	Increase in post-tax loss 除稅後虧損增加	Decrease in post-tax profit 除稅後溢利減少
2024	2023	
2024年	2023年	
RMB'000	RMB'000	
人民幣千元	人民幣千元	
	61,898	84,433

For a 2% weakening of the USD against RMB, there would be an equal and opposite impact on the post-tax loss (profit).

倘美元兌人民幣貶值2%，則將對除稅後(虧損)溢利產生同等相反的影響。

40. 金融工具(續)

金融風險管理的目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

敏感度分析(續)

本集團主要面臨來自美元兌人民幣匯率波動的外幣風險。於報告期末，於不考慮可能降低本集團風險敞口的相關衍生工具的情況下，倘美元兌人民幣升值2%，而所有其他可變因素維持不變，則本集團於報告期間的除稅後虧損(溢利)將有如下增加／減少(已呈列比較數字以與本年度的呈列一致)：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

40. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Market risk (continued)

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to term deposits, fixed-rate bank borrowings, other borrowings, long term bonds and lease liabilities. The Group's cash flow interest rate risk is mainly 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.

The sensitivity analysis below has been determined based on the exposure to interest rates for variable interest rate bank borrowings. 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 outstanding at the end of the reporting period were outstanding for the whole year. A 50 (2023: 50) basis points increase or decrease represented management's assessment of the reasonably possible change in interest rates.

Sensitivity analysis

At the end of reporting period, if interest rates had been increased/decreased by 50 (2023: 50) basis points and all other variables were held constant, the Group's post-tax loss would have increased/decreased by RMB3,374,000 (profit for the year ended 31 December 2023 would have decreased/increased by RMB5,704,000) for the current year.

40. 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

本集團面臨與定期存款、定息銀行借款、其他借款、長期債券及租賃負債有關的公平值利率風險。本集團的現金流量利率風險主要來自銀行結餘、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。

以下敏感度分析乃根據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。該分析乃根據假設於報告期末仍未償還的浮息銀行借款於整個年度未償還而編製。50個基點(2023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。

敏感度分析

於報告期末，倘利率增加／減少50個基點(2023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虧損將增加／減少人民幣3,374,000元(於截至2023年12月31日止年度的溢利將減少／增加人民幣5,704,000元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

40. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Market risk (continued)

(iii) Other price risk

The Group is exposed to equity price risk mainly through its investments in listed equity securities measured at FVTOCI.

Sensitivity analysis

The sensitivity analysis has been determined based on the exposure to the fair value of equity price risk at the reporting date.

If the prices of the investments in listed equity securities had been 10% (2023: 10%) higher/lower, the other comprehensive expense would decrease/increase by RMB1,154,000 (2023: RMB2,208,000).

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 holds an insurance to credit risks of certain trade receivables of feeds. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

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 with appropriate groupings. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

40. 金融工具(續)

金融風險管理的目標及政策(續)

市場風險(續)

(iii) 其他價格風險

本集團主要因按公平值計入其他全面收入計量的上市權益證券投資而面對股本價格風險。

敏感度分析

敏感度分析乃根據面對的股本價格風險於報告日期的公平值而釐定。

倘上市權益證券投資的價格上漲／下跌10%(2023年：10%)，則其他全面開支將減少／增加人民幣1,154,000元(2023年：人民幣2,208,000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。本集團就飼料若干應收貿易賬款的信貸風險購有保險。本集團並無持有任何抵押品或其他信用增級措施以覆蓋與其金融資產相關的信用風險。

客戶合約產生之應收貿易賬款

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集體地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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

40. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Credit risk and impairment assessment (continued)

Trade receivables arising from contracts with customers

(continued)

The Group has concentration of credit risk as approximately 62.04% (31 December 2023: 57.14%) of total trade receivables as at 31 December 2024 was due from Customer A (31 December 2023: Customer A).

Bank balances and pledged bank deposits

The credit risks on pledged bank deposits and bank balances are limited because the counterparties are reputable banks with high credit ratings and/or authorised banks in the PRC.

Approximately 13%, 11% and 8% of total pledged bank deposits and bank balances were deposited in bank A, bank B and bank C respectively as at 31 December 2024 (31 December 2023: 21%, 13% and 11% of total pledged bank deposits and bank balances were deposited in bank C, bank E and bank F respectively).

Other receivables

The management makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the year ended 31 December 2024, the Group recognised loss allowance of other receivables of RMB36,000 (2023: RMB62,000).

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.

40. 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)

客戶合約產生之應收貿易賬款(續)

本集團存在信貸風險集中的情況，原因為於2024年12月31日的應收貿易賬款總額中約62.04%(2023年12月31日：57.14%)為應收客戶A(2023年12月31日：客戶A)的款項。

銀行結餘及已質押銀行存款

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高信貸評級的信譽良好的銀行及／或中國的認可銀行。

於2024年12月31日，約13%、11%及8%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(2023年12月31日：21%、13%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E及銀行F)。

其他應收款項

管理層基於歷史支付記錄、過往經驗以及合理及支持性前瞻性資訊對其他應收款項的可回收性作出定期個別評估。管理層相信，該等款項的信貸風險自初次確認後概無重大增加，且本集團已按12個月預期信貸虧損作出減值撥備。於截至2024年12月31日止年度，本集團確認其他應收款項虧損撥備人民幣36,000元(2023年：人民幣62,000元)。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

40. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Credit risk and impairment assessment (continued)

Other receivables (continued)

The Group's internal credit risk grading assessment comprises the following categories:

40. 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(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 描述	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 對手方違約的風險較低，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 有證據顯示資產已發生信貸減值	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

40. 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:

40. 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：

	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 204 賬面總值2024年 RMB'000 人民幣千元	Gross carrying amount 2023 賬面總值2023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	26	N/A 不適用	12m ECL 12個月預期信貸虧損	31,017	42,002
Bank balances 銀行結餘	26	N/A 不適用	12m ECL 12個月預期信貸虧損	3,636,711	2,641,470
Other receivables 其他應收款項	24	Low risk 低風險	12m ECL 12個月預期信貸虧損	238,029	196,238
Bills receivable 應收票據	24	Low risk 低風險	12m ECL 12個月預期信貸虧損	67	6,657
Trade receivables (Note) 應收貿易賬款(附註)					
- raw milk - 原料奶	24	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)	1,003,715	976,705
- feeds and farm supplies - 飼料及牧場物資	24	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)	439,545	538,412
- feeds and farm supplies - 飼料及牧場物資	24	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)	33,948	34,002
- breeding products - 育種產品	24	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)	4,979	-

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 with appropriate groupings, of which these receivables are grouped based on shared credit risk characteristics by reference to past due information for the customers.

附註：就應收貿易賬款，本集團已應用國際財務報告準則第9號內的簡化方法以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集體地(其中該等應收款項按照共同的信貸風險特徵參照客戶的過往逾期資料)進行減值評估。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

40. 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.

40. 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 2023	於2023年1月1日	1,965	–	1,965
Changes for trade receivables recognised as at 1 January 2023:	於2023年1月1日確認的應收貿易賬款變動：			
Impairment loss recognised	已確認減值虧損	–	5,955	5,955
Transfer	轉撥	(497)	497	–
Write-offs	撤銷	–	(74)	(74)
New financial assets originated:	源生的新金融資產：	–	11,261	11,261
As at 31 December 2023	於2023年12月31日	1,468	17,639	19,107
Changes for trade receivables recognised as at 1 January 2024:	於2024年1月1日確認的應收貿易賬款變動：			
Impairment loss recognised	已確認減值虧損	–	16,336	16,336
Impairment loss reversed	已撥回減值虧損	(1,468)	–	(1,468)
Write-offs	撤銷	–	(27)	(27)
New financial assets originated:	源生的新金融資產：	3,782	–	3,782
As at 31 December 2024	於2024年12月31日	3,782	33,948	37,730

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)，本集團將撤銷應收貿易賬款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

40. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Liquidity risk

The Group had net current liabilities of RMB551,063,000 as at 31 December 2024 (31 December 2023: RMB1,594,681,000). 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 RMB6,541,132,000 which remain unutilised as at 31 December 2024, of which an amount of RMB1,000,000,000 is from Inner Mongolia Mengniu, a subsidiary of Mengniu, and the remaining facilities 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.

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.

40. 金融工具(續)

金融風險管理的目標及政策(續)

流動資金風險

本集團於2024年12月31日的流動負債淨額為人民幣551,063,000元(2023年12月31日：人民幣1,594,681,000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2024年12月31日的可供動用信貸融資約人民幣6,541,132,000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)，剩餘融資來自持牌銀行)；(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。

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

40. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Liquidity risk (continued)

The Group entered into supplier finance arrangement to ease access to credit for its suppliers and facilitate early settlement to the suppliers. A substantial portion of the Group's trade payables is subject to supplier finance arrangement with a few financial companies, this results in the Group having obligation of settlement concentrated in those parties. The management does not consider the supplier finance arrangement result in significant liquidity risk of the Group. Details of the arrangements are set out in Note 27.

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 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 is 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.

40. 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)

本集團訂立供應商融資安排，以方便其供應商取得信貸並促進早日向供應商結算。本集團大部分應付貿易賬款乃與數家金融公司訂立供應商融資安排，導致本集團的結算義務集中在該等公司。管理層並不認為供應商融資安排會導致本集團面臨重大流動資金風險。有關安排的詳情載於附註27。

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了解衍生工具現金流量的時間至關重要。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

40. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Liquidity risk (continued)

40. 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	181天 至365天內 RMB'000	1至2年 RMB'000	超過2年 RMB'000	未貼現現金流量總額 RMB'000	賬面值 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
As at 31 December 2024	於2024年12月31日							
Non-derivative financial liabilities	非衍生金融負債							
Trade and other payables	應付貿易賬款及其他應付款項	-	4,181,856	805,760	2,081	1,040	4,990,737	4,990,737
Fixed interest rate bank borrowings	定息銀行借款	2.20-4.85	1,411,737	1,034,885	2,923,950	3,914,517	9,285,089	8,584,434
Variable interest rate bank borrowings	浮息銀行借款	2.50-4.50	85,726	100,603	146,462	386,376	719,167	674,826
Fixed interest rate other borrowings	定息其他借款	3.00-8.00	305,569	290,042	421,407	1,077,895	2,094,913	1,945,088
Fixed interest rate long term bonds	定息長期債券	2.13	35,150	34,577	3,306,045	-	3,375,772	3,258,790
Lease liabilities	租賃負債	3.22-5.90	199,519	44,558	231,209	2,891,482	3,366,768	2,433,698
Other liabilities	其他負債		-	27,179	31,777	-	58,956	58,956
			6,219,557	2,337,604	7,062,931	8,271,310	23,891,402	21,946,529
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		-	-	-	(34,769)	(34,769)	(34,769)
- outflow	- 流出		-	-	-	35,852	35,852	35,852

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

40. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Liquidity risk (continued)

40. 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	181天至365天內	1至2年	超過2年	現金流量總額	賬面值
		%	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
As at 31 December 2023	於2023年12月31日							
Non-derivative financial liabilities	非衍生金融負債							
Trade and other payables	應付貿易賬款及其他應付款項		4,563,322	596,269	2,081	3,120	5,164,792	5,164,792
Fixed interest rate bank borrowings	定息銀行借款	1.65-8.16	1,189,256	1,026,641	2,444,978	1,939,196	6,600,071	6,233,012
Variable interest rate bank borrowings	浮息銀行借款	1.50-6.85	42,340	100,796	80,706	1,103,883	1,327,725	1,157,431
Fixed interest rate other borrowings	定息其他借款	3.35-7.65	264,867	92,966	4,186	226,011	588,030	547,225
Fixed interest rate long term bonds	定息長期債券	2.13	38,463	38,045	76,299	3,693,948	3,846,755	3,559,003
Lease liabilities	租賃負債	3.22-5.90	180,683	65,817	194,127	2,390,058	2,830,685	2,020,095
Other liabilities	其他負債		-	-	9,109	10,650	19,759	19,759
			6,278,931	1,920,534	2,811,486	9,366,866	20,377,817	18,701,317
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		-	-	-	(24,700)	(24,700)	(24,700)
- outflow	- 流出		-	-	-	42,042	42,042	42,042
Foreign currency forward contracts	外幣遠期合約							
- inflow	- 流入		(212,481)	-	-	-	(212,481)	(211,593)
- outflow	- 流出		215,511	-	-	-	215,511	214,610

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

41. 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.

41. 融資活動所產生負債的對賬

下表詳列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 28)	Long term bonds (Note 30)	Short term debenture	Other borrowings (Note 29)	Lease liabilities (Note 31)	Derivative financial instruments (Note 25)	Other liabilities - commitment to non-controlling interests (Note 34)	Total
		銀行借款 (附註28)	長期債券 (附註30)	短期融資券	其他借款 (附註29)	租賃負債 (附註31)	衍生金融工具 (附註25)	其他負債—對非控股權益的承諾 (附註34)	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2023	於2023年1月1日	8,583,585	3,493,016	100,522	293,819	1,068,045	16,678	-	13,555,665
Financing cash flows	融資現金流量	(1,541,884)	(73,829)	(101,508)	234,551	(166,543)	(34,806)	68,289	(1,615,730)
Acquired on business combination	業務合併時收購	-	-	-	-	1,187	-	-	1,187
New leases entered	新訂立租賃	-	-	-	-	1,046,490	-	-	1,046,490
Eliminated on termination of leases	終止租賃時撤銷	-	-	-	-	(1,486)	-	-	(1,486)
Foreign exchange	外匯	18,217	57,072	-	-	-	-	-	75,289
Interest expenses	利息開支	330,525	82,744	986	18,855	72,402	-	-	505,512
Fair value adjustments	公平值調整	-	-	-	-	-	(79,964)	-	(79,964)
At 31 December 2023	於2023年12月31日	7,390,443	3,559,003	-	547,225	2,020,095	(98,092)	68,289	13,486,963
Financing cash flows	融資現金流量	898,625	(407,346)	-	1,277,432	(261,934)	(20,982)	190,968	1,676,763
Acquired on business combination	業務合併時收購	654,509	-	-	155,840	-	-	-	810,349
New leases entered	新訂立租賃	-	-	-	-	556,628	-	-	556,628
Modification of leases	修訂租賃	-	-	-	-	35,291	-	-	35,291
Eliminated on early termination of leases	提前終止租賃時撤銷	-	-	-	-	(13,391)	-	-	(13,391)
Gain on partial redemption of long term bonds	部分贖回長期債券收益	-	(20,901)	-	-	-	-	-	(20,901)
Offset after acquisition (Note 42)	收購後抵銷(附註42)	-	-	-	(72,640)	-	-	-	(72,640)
Foreign exchange	外匯	4,359	44,924	-	-	-	-	-	49,283
Interest expenses	利息開支	311,324	83,110	-	37,231	97,009	-	-	528,674
Fair value adjustments	公平值調整	-	-	-	-	-	(59,689)	(41,935)	(101,624)
At 31 December 2024	於2024年12月31日	9,259,260	3,258,790	-	1,945,088	2,433,698	(178,763)	217,322	16,935,395

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

42. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2024, the Group entered into certain new lease agreements for the use of leased properties, lands, and farms. On the lease commencement, the Group recognised right-of-use assets of RMB556,628,000 (2023: RMB1,046,490,000), lease liabilities of RMB556,628,000 (2023: RMB1,046,490,000) respectively.

During the year 31 December 2024, the Group early terminated certain leases, derecognised the right-of-use assets of RMB17,331,000 and lease liabilities of RMB13,391,000, resulting in a loss of RMB3,940,000 recognised in profit or loss. In addition, the Group remeasured the lease liabilities of RMB35,291,000 and made corresponding adjustments of RMB35,291,000 to the right-of-use assets and the Group remeasured provision for obligation to return dairy cows of RMB36,297,000 and made a corresponding adjustment of RMB36,297,000 to the right-of-use assets.

The Group had entrusted loan receivables of RMB72,640,000 in aggregate due from Safei, Lanhao, Hengshi and Jingyuan and receivables from selling biological assets of RMB50,499,000 due from Jingyuan. These amounts were eliminated at group level upon the business combination completed in current year.

During the year ended 31 December 2023, other receivable of RMB30,000,000 was offset by the same amount of consideration payable to the seller of Yilei according to the agreement.

42. 重大非現金交易

於截至2024年12月31日止年度，本集團訂立有關租賃物業、土地及牧場使用的若干新租賃協議。租賃開始時，本集團分別確認使用權資產人民幣556,628,000元(2023年：人民幣1,046,490,000元)及租賃負債人民幣556,628,000元(2023年：人民幣1,046,490,000元)。

於截至2024年12月31日止年度，本集團提前終止部分租賃，終止確認使用權資產人民幣17,331,000元及租賃負債人民幣13,391,000元，導致於損益中確認虧損人民幣3,940,000元。此外，本集團重新計量租賃負債人民幣35,291,000元，並對使用權資產作出相應調整人民幣35,291,000元；本集團重新計量退還奶牛義務撥備人民幣36,297,000元，並對使用權資產作出相應調整人民幣36,297,000元。

本集團共有來自薩菲、藍浩、恆實及景源的委託貸款應收款項人民幣72,640,000元，以及來自景源的生物資產出售應收款項人民幣50,499,000元。該等金額已於本年度完成業務合併後在集團層級予以抵銷。

於截至2023年12月31日止年度，人民幣30,000,000元的其他應收款項被根據協議應付伊磊賣方的相同金額代價所抵銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

43. FAIR VALUE MEASUREMENTS

Fair value of the Group's biological assets, financial assets and financial liabilities that are measured at fair value less costs to sell or fair value on a recurring basis

The Group's biological assets are measured at fair value less costs to sell, certain 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.

43. 公平值計量

按經常性基準以公平值減銷售成本或公平值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，若干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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

43. FAIR VALUE MEASUREMENTS (continued)

Fair value of the Group's biological assets, financial assets and financial liabilities that are measured at fair value less costs to sell or fair value 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 (Level 1, 2 and 3) based on the degree to which the inputs to the fair value measurements is observable.

Fair value hierarchy

43. 公平值計量(續)

按經常性基準以公平值減銷售成本或公平值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(第一、第二及三級)的資料。

公平值級別

Assets (liabilities)		Fair value as at 31 December 2024 於2024年 12月31日 的公平值 RMB'000 人民幣千元	Fair value as at 31 December 2023 於2023年 12月31日 的公平值 RMB'000 人民幣千元	Fair value hierarchy 公平值級別
資產(負債)				
Biological assets	生物資產	12,435,776	11,927,977	Level 3 第三級
Derivative financial instruments	衍生金融工具			
– Foreign currency forward contracts	– 外幣遠期合約	–	460	Level 2 第二級
– CFCCS	– CFCCS	179,846	117,991	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			
– Listed equity securities	– 上市權益證券	11,538	22,082	Level 1 第一級
– Unlisted equity investments	– 非上市權益投資	28,830	35,260	Level 3 第三級
Derivative financial instruments	衍生金融工具			
– Foreign currency option contracts	– 外匯期權合約	(1,083)	(17,342)	Level 2 第二級
– Foreign currency forward contracts	– 外幣遠期合約	–	(3,017)	Level 2 第二級
Other liabilities	其他負債			
– Commitment to non-controlling interests	– 對非控股權益的承諾	(217,322)	(68,289)	Level 3 第三級

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

43. 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:

43. 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：

Types	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 flows 貼現現金流量 Future cash flows are estimated based on forward exchange rates (from observable exchange rate at the end of reporting period) and contracted exchange rates, discounted at a rate that reflects the credit risk of various counterparties. 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

43. FAIR VALUE MEASUREMENTS (continued)

Valuation techniques used in fair value measurements

(continued)

43. 公平值計量 (續)

公平值計量使用的估值方法(續)

Types	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	不適用	不適用
	Garman – Kohlhagen模型及貼現現金流量		
	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.		
	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。		
Unlisted equity investments	Market approach	Fair value is estimated based on value of comparable listed companies and discounted for lack of liquidity.	An increase/decrease in the discount for lack of liquidity would result in a decrease/increase in the fair value measurement of the unquoted equity investments.
非上市權益投資	市場法	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。	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減少／增加。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

43. FAIR VALUE MEASUREMENTS (continued)

Valuation techniques used in fair value measurements

(continued)

43. 公平值計量(續)

公平值計量使用的估值方法(續)

Types	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
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。 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 the 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 the reporting period plus the margins that would normally be required by a raiser. 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。	Average local market selling prices of the heifers of 14 months old were estimated at RMB21,100 per head at 31 December 2024 (2023: RMB21,300). 於2024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21,100元(2023年：人民幣21,300元)。 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 RMB 17,985 at 31 December 2024 (2023: RMB17,869); 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 15,699 at 31 December 2024 (2023: RMB17,976). 於2024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17,985元(2023年：人民幣17,869元)；於2024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15,699元(2023年：人民幣17,976元)。	An increase in the estimated local market selling price used would result in an increase 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將導致小母牛及小牛公平值計量增加，反之亦然。 An increase in the estimated feeding costs plus the margin that would normally be required by a raiser used would result in an increase/decrease in the fair value measurement of the heifers and calves older/younger than 14 months old, and vice versa. 所用的估計飼養成本加培育商一般所須利潤增加將導致大於／小於十四個月的小母牛及小牛公平值計量增加／減少，反之亦然。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

43. FAIR VALUE MEASUREMENTS (continued)

Valuation techniques used in fair value measurements

(continued)

43. 公平值計量 (續)

公平值計量使用的估值方法 (續)

Types	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 range from RMB 1.70 to RMB 1.80 as at 31 December 2024 (2023: range from RMB 2.01 to RMB 2.13), based on the historical average feed costs per kg of raw milk after taking into consideration of inflation. 於2024年12月31日，估值過程中使用的每公斤原料奶估計飼養成本為人民幣1.70元至人民幣1.80元(2023年：人民幣2.01元至人民幣2.13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。 A milkable cow could have as many as six lactation cycles. Estimated average daily milk yield at each lactation cycle ranges from 33.98kg to 36.18 kg as at 31 December 2024 (2023: 33.50kg to 35.70 kg), depending on the number of the lactation cycles and the individual physical condition. 奶牛有六個哺乳期。於2024年12月31日，各哺乳期的估計平均每日產奶量介乎33.98公斤至36.18公斤(2023年：33.50公斤至35.70公斤)，視哺乳期數目以及個別身體狀況而定。	An increase in the estimated feed costs per kg of raw milk used would result in a decrease 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可導致奶牛公平值計量下降，反之亦然。 An increase in the estimated daily milk yield per head used would result in an increase 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可導致奶牛公平值計量提高，反之亦然。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

43. FAIR VALUE MEASUREMENTS (continued)

Valuation techniques used in fair value measurements

(continued)

43. 公平值計量(續)

公平值計量使用的估值方法(續)

Types	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 (continued) 奶牛(續)		Estimated future market price for raw milk range from RMB3.50 to RMB3.91 per kg at 31 December 2024 (2023: RMB3.91 to RMB4.15 per kg). 於2024年12月31日，估計未來原料奶市價為每公斤人民幣3.50元至3.91元(2023年：每公斤人民幣3.91元至4.15元)。 Discount rate for estimated future cash flow used is 12.70% at 31 December 2024 (2023: 12.50%). 於2024年12月31日，所用估計未來現金流量的貼現率為12.70%(2023年：12.50%)。	An increase 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可導致奶牛公平值計量的極大比例增加，反之亦然。 An increase in the estimated discount rate used would result in a decrease in the fair value measurement of the milkable cows, and vice versa. 所用的估計貼現率增加可導致奶牛公平值計量下降，反之亦然。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

43. FAIR VALUE MEASUREMENTS (continued)

Valuation techniques used in fair value measurements

(continued)

43. 公平值計量(續)

公平值計量使用的估值方法(續)

Types	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
Commitment to non-controlling interests 對非控股權益的承諾	Black-Scholes Option Pricing Model (The obligation to make up the corresponding shortfall is considered as put option granted to Anhui Suida) 布萊克－舒爾斯期權定價模型(彌補相應缺口的義務被視為授予安徽穗達的認沽期權)	Volatility of 28.79% (2023: 30.62%) was estimated based on median of historical volatilities of the comparable companies for a period from 31 December 2024 to maturity date. 根據可比較公司2024年12月31日至到期日期間的歷史波動率中位數估計，波動率為28.79%(2023年：30.62%)。 Dividend yield of 3.29% at 31 December 2024 (2023: 3.29%). 於2024年12月31日的股息收益率3.29%(2023年：3.29%)。	An increase in the volatility would result in an increase in the obligation, and vice versa. 波動率的增加將導致義務的增加，反之亦然。 An increase in the risk-free interest would result in a decrease in the obligation, and vice versa. 無風險利率的增加將導致義務的減少，反之亦然。 An increase in dividend yield would result in an increase in the obligation, and vice versa. 股息收益率的增加將導致義務的增加，反之亦然。
	Discounted cash flow 貼現現金流量	The fair value of obligation to pay the dividends are estimated based on profit estimation of Modern Farming Wuhe in respect of the years ending 31 December 2024 and 2025. 支付股息義務的公平值乃根據現代牧業五河截至2024年及2025年12月31日止年度的溢利預測估計。	An increase in the profit estimation would result in an increase in the obligation. 溢利預測的增加將導致義務的增加。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

43. FAIR VALUE MEASUREMENTS (continued)

Reconciliation of Level 3 fair value measurements

43. 公平值計量(續)

第三級公平值計量的對賬

		Commitment to non-controlling interests	Equity instruments at FVTOCI
		對非控股權益 的承諾	按公平值計入 其他全面收入的 權益工具
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Balance at 1 January 2023	於2023年1月1日的結餘	—	38,768
Addition	添置	(68,289)	—
Total losses in other comprehensive income	於其他全面收入的虧損總額	—	(3,508)
At 31 December 2023	於2023年12月31日	(68,289)	35,260
Addition	添置	(190,968)	35,260
Total losses in other comprehensive income	於其他全面收入的虧損總額	—	(6,430)
Gains on fair value change	公平值變動的收益	41,935	—
At 31 December 2024	於2024年12月31日	(217,322)	28,830

The reconciliations for fair value measurements of the biological assets are disclosed in Note 22.

生物資產公平值計量的對賬披露於附註22。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

43. FAIR VALUE MEASUREMENTS (continued)

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The fair value of the long term bonds was USD421,981,000 (equivalent to RMB3,033,369,000) (31 December 2023: USD440,961,500 (equivalent to RMB3,123,198,000)) which was classified as Level 1 of the fair value hierarchy based on quoted prices in active markets and its carrying amount amounted to USD453,340,000 (equivalent to RMB3,258,790,000) (31 December 2023: USD502,492,000 (equivalent to RMB3,559,003,000)) as at 31 December 2024.

The Directors consider that the carrying amounts of other financial assets and financial liabilities measured at amortised cost in the consolidated financial statements approximate their fair values.

43. 公平值計量(續)

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

長期債券的公平值為421,981,000美元(相當於人民幣3,033,369,000元)(2023年12月31日: 440,961,500美元(相當於人民幣3,123,198,000元)), 根據於活躍市場上的報價被分類為公平值級別的第一級, 其於2024年12月31日的賬面值為453,340,000美元(相當於人民幣3,258,790,000元)(2023年12月31日: 502,492,000美元(相當於人民幣3,559,003,000元))。

董事認為綜合財務報表內按攤銷成本計量的其他金融資產及金融負債的賬面值與其公平值相若。

44. CAPITAL COMMITMENTS

44. 資本承擔

	2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Capital expenditure contracted but not provided for in respect of acquisition of property, plant and equipment	247,174	281,130
就收購物業、廠房及設備已訂約但未計提撥備的資本開支		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

45. RELATED PARTY TRANSACTIONS

- (a) Other than as disclosed elsewhere in the consolidated financial statements, during the current year, the Group entered into the following transactions with related parties:

45. 關聯方交易

- (a) 除綜合財務報表其他部分所披露者外，於本年度，本集團與關聯方訂立以下交易：

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Mengniu Group	蒙牛集團		
Sales	銷售		
– raw milk	– 原料奶	9,617,092	9,518,407
– others	– 其他	4,977	–
Purchase	購買		
– liquid milk	– 液態奶	5,422	2,350
– others	– 其他	2,040	8,496

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

45. RELATED PARTY TRANSACTIONS (continued)

- (a) Other than as disclosed elsewhere in the consolidated financial statements, during the current year, the Group entered into the following transactions with related parties: (continued)

45. 關聯方交易 (續)

- (a) 除綜合財務報表其他部分所披露者外，於本年度，本集團與關聯方訂立以下交易：(續)

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Associates and a joint venture	聯營公司及合營企業		
Sales	銷售		
– feeds	– 飼料	69,958	44,557
– biological assets	– 生物資產	50,499	–
– others	– 其他	6,569	–
Purchase	購買		
– feeds	– 飼料	329,681	48,188
– biological assets	– 生物資產	2,518	–
– power and utilities	– 能源及公用設施	42,862	44,034
– others	– 其他	14,311	7,785

The sales and purchase prices were determined on mutually agreed terms based on prices offered to independent third parties.

買賣價格乃根據向獨立第三方提供的價格按雙方協定的條款釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

45. RELATED PARTY TRANSACTIONS (continued)

- (b) Other than as disclosed elsewhere in the consolidated financial statements, at the end of the reporting period, the Group had the following balances with related parties:

45. 關聯方交易 (續)

- (b) 除綜合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：

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Mengniu Group	蒙牛集團		
Trade and other receivables	應收貿易賬款及其他應收款項		
– raw milk	– 原料奶	896,113	874,274
– others	– 其他	2,592	–
Prepayments	預付款項		
– liquid milk	– 液態奶	2,862	–
– others	– 其他	37	–
Trade and other payables	應付貿易賬款及其他應付款項		
– liquid milk	– 液態奶	58	47
– outsourced research and development	– 外包研發	5,202	6,242
– others	– 其他	54	19
Trade payables under supplier finance arrangements	供應商融資安排下的應付貿易賬款	2,268,626	2,860,604
Associates and a joint venture	聯營公司及合營企業		
Trade and other receivables	應收貿易賬款及其他應收款項		
– feeds	– 飼料	14,255	21,954
– biological assets	– 生物資產	–	36,785
– others	– 其他	414	–
Trade and other payables	應付貿易賬款及其他應付款項		
– feeds	– 飼料	137,580	4,609
– power and utilities	– 能源及公用設施	3,898	3,293
– others	– 其他	5,977	5,186

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

45. RELATED PARTY TRANSACTIONS (continued)

(c) Other borrowings

Category	As at 1 January 2024 於2024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	Interest expense accrued during the year 年內累計 利息開支 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 2024 於2024年 12月31日 RMB'000 人民幣千元
Mengniu loans	255,998	1,653,951	23,113	(333,600)	1,599,462
Mengniu loans	35,785	255,000	5,449	(40,236)	255,998

Mengniu loans carry interests at fixed rates from 3.00% to 4.00% (31 December 2023: 3.35% to 3.90% per annum as at 31 December 2024. Mengniu loans as at 31 December 2024 can be repaid either in cash or by deducting the relevant amount from the trade receivables from Mengniu Group.

於2024年12月31日，蒙牛貸款按固定年利率3.00%至4.00%(2023年12月31日：3.35%至3.90%)計息。於2024年12月31日的蒙牛貸款可以現金或從蒙牛集團的應收貿易賬款中扣除相關金額的方式償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

45. RELATED PARTY TRANSACTIONS (continued)

(d) Compensation of key management personnel

The emoluments of key management during the reporting period are as follows:

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Salaries and other benefits	薪金及其他福利	14,826	11,822
Performance related bonuses	表現掛鉤花紅	14,675	10,916
Recognition of equity-settled share-based payments	確認按股權結算以股份支付的付款	19,675	16,882
Retirement benefits scheme contributions	退休福利計劃供款	1,227	921
		50,403	40,541

45. 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：

46. SUBSIDIARIES

Particulars of the Company's principal subsidiaries at 31 December 2024 are as follows:

46. 附屬公司

於2024年12月31日，本公司的主要附屬公司詳情如下：

Name of subsidiaries	Place of incorporation/ establishment/ operations 註冊成立／ 成立／業務地點	Paid up capital at 31 December 2024 於2024年12月31日 已繳足資本	Equity interest attributable to the Company				Principal activities
附屬公司名稱			本公司應佔股權				主要活動
			2024 2024年		2023 2023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	RMB4,264,696,441 人民幣4,264,696,441元	-	98.36	-	98.36	Production of milk 生產牛奶
Modern Farming (Shanghe) Co., Ltd. (Note ii) 現代牧業(尚河)有限公司(附註ii)	The PRC 中國	RMB840,000,000 人民幣840,000,000元	-	98.36	-	98.36	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 2024 截至2024年12月31日止年度

46. SUBSIDIARIES (continued)

46. 附屬公司 (續)

Name of subsidiaries	Place of incorporation/ establishment/ operations 註冊成立／ 成立／業務地點	Paid up capital at 31 December 2024 於2024年12月31日 已繳足資本	Equity interest attributable to the Company				Principal activities
附屬公司名稱			本公司應佔股權				主要活動
			2024 2024年		2023 2023年		
			Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	
Modern Farming (Zhangjiakou) Co., Ltd. (Note ii)	The PRC	RMB430,000,000	-	98.36	-	98.36	Breeding dairy cows and production of milk
現代牧業(張家口)有限公司(附註ii)	中國	人民幣430,000,000元					飼養奶牛及生產牛奶
Modern Farming (Baoji) Co., Ltd. (Note ii)	The PRC	RMB50,000,000	-	98.36	-	98.36	Breeding dairy cows and production of milk
現代牧業(寶雞)有限公司(附註ii)	中國	人民幣50,000,000元					飼養奶牛及生產牛奶
Modern Farming Wuhe (Note ii& Note 34(ii))	The PRC	RMB529,275,411	-	66.13	-	87.15	Breeding dairy cows and production of milk
現代牧業五河(附註ii及附註34(ii))	中國	人民幣529,275,411元					飼養奶牛及生產牛奶
Modern Farming (Shuangcheng) Co., Ltd. (Note ii)	The PRC	RMB20,000,000	-	98.36	-	98.36	Breeding dairy cows and production of milk
現代牧業(雙城)有限公司(附註ii)	中國	人民幣20,000,000元					飼養奶牛及生產牛奶
Modern Farming (Chabei) Co., Ltd. (Note ii)	The PRC	RMB90,000,000	-	98.36	-	98.36	Breeding dairy cows and production of milk
現代牧業(察北)有限公司(附註ii)	中國	人民幣90,000,000元					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 2024 截至2024年12月31日止年度

46. SUBSIDIARIES (continued)

46. 附屬公司 (續)

Name of subsidiaries	Place of incorporation/ establishment/ operations 註冊成立／ 成立／業務地點	Paid up capital at 31 December 2024 於2024年12月31日 已繳足資本	Equity interest attributable to the Company				Principal activities
附屬公司名稱			本公司應佔股權				主要活動
			2024 2024年		2023 2023年		
			Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	
Zhongyuan Muye Co., Ltd. ("Zhongyuan") (Notes ii & iii) 中元牧業有限公司(「中元」)(附註ii及iii)	The PRC 中國	RMB380,000,000 人民幣380,000,000元	-	98.36	-	98.36	Breeding dairy cows and production of milk 飼養奶牛及生產牛奶
Dengkou Jinmahu Mufeng Dairy Farming Co., Ltd. ("Mufeng") (Notes ii & iii) 磴口縣金馬湖牧豐乳牛養殖有限公司 （「牧豐」)(附註ii及iii)	The PRC 中國	RMB22,150,000 人民幣22,150,000元	-	51.15	-	51.15	Breeding dairy cows and production of milk 飼養奶牛及生產牛奶
Fuyuan (Notes i& iii) 富源(附註i及iii)	The PRC 中國	RMB1,522,400,000 人民幣1,522,400,000元	-	99.07	-	99.07	Production of milk 生產牛奶
Modern Grass Industry Co., Ltd. (Note ii) 現代草業有限公司(附註ii)	The PRC 中國	RMB328,965,800 人民幣328,965,800元	-	98.49	-	98.49	Feed business 飼料業務
Aiyangniu (Note ii) 愛養牛(附註ii)	The PRC 中國	RMB40,000,000 人民幣40,000,000元	-	73.77	-	73.77	Digital intelligence platform business 數智平台業務

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.
- As at 31 December 2024, 100.00% (2023: 100.00%) of equity interests in Zhongyuan, 56.65% (2023: 56.65%) of equity interests in Fuyuan and 52.00% (2023: 52.00%) of equity interests in Mufeng were pledged to secure borrowings of the Group (Note 28).

None of the subsidiaries had issued any debt securities at the end of years 2024 and 2023.

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。
- 於2024年12月31日，中元的100.00%(2023年：100.00%)股權、富源的56.65%(2023年：56.65%)股權及牧豐的52.00%(2023年：52.00%)股權已被質押作為本集團借款的擔保(附註28)。

於截至2024年及2023年12月31日止年度結束時附屬公司均未發行任何債務證券。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

47. 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	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		Accumulated non-controlling interests	
附屬公司名稱		2024	2023	2024	2023	2024	2023
		2024年	2023年	2024年	2023年	2024年	2023年
		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
Modern Farming 現代牧業(集團)	The PRC 中國	1.64%	1.64%	(25,307)	2,566	151,700	179,504

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.

47. 擁有重大非控股權益的非全資附屬公司的詳情

下表載列擁有重大非控股權益的本集團非全資附屬公司的詳情：

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

47. DETAILS OF NON-WHOLLY-OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS (continued)

Modern Farming and its subsidiaries

47. 擁有重大非控股權益的非全資附屬公司的詳情(續)

現代牧業(集團)及其附屬公司

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
Current assets	流動資產	8,252,870	7,192,884
Non-current assets	非流動資產	25,056,726	23,741,808
Current liabilities	流動負債	(8,728,535)	(8,738,926)
Non-current liabilities	非流動負債	(12,521,936)	(9,425,133)
Equity attributable to owners of the Company	本公司擁有人應佔權益	10,467,380	12,128,854
Non-controlling interests of Modern Farming attributable to outside shareholders	外部股東應佔的現代牧業(集團)非控股權益	151,700	179,504
Non-controlling interests of Modern Farming's subsidiaries	現代牧業(集團)附屬公司的非控股權益	1,440,045	462,275

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

47. DETAILS OF NON-WHOLLY-OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS (continued)

Modern Farming and its subsidiaries (continued)

47. 擁有重大非控股權益的非全資附屬公司的詳情(續)

現代牧業(集團)及其附屬公司(續)

		Year ended 31/12/2024 截至2024年 12月31日 止年度 RMB'000 人民幣千元	Year ended 31/12/2023 截至2023年 12月31日 止年度 RMB'000 人民幣千元
Revenue	收入	13,254,341	13,458,223
Expenses	開支	14,817,155	13,273,848
(Loss) profit attributable to owners of the Company	本公司擁有人應佔(虧損)溢利	(1,510,132)	174,100
(Loss) profit attributable to non-controlling interests of Modern Farming attributed to outside shareholders	外部股東應佔現代牧業(集團)非控股權益應佔的(虧損)溢利	(25,307)	2,566
(Loss) profit attributable to non-controlling interests of Modern Farming's subsidiaries	現代牧業(集團)附屬公司非控股權益應佔的(虧損)溢利	(27,375)	7,709
Net cash inflow from operating activities	經營活動現金流入淨額	2,405,389	5,460,305
Net cash outflow from investing activities	投資活動現金流出淨額	(4,131,104)	(3,854,375)
Net cash inflow (outflow) from financing activities	融資活動現金流入(流出)淨額	1,856,280	(1,666,723)
Net cash inflow (outflow)	現金流入(流出)淨額	230,565	(60,793)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

48. 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:

48. 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：

		2024 2024年 RMB'000 人民幣千元	2023 2023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	9,602,479	9,551,553
Amounts due from subsidiaries	應收附屬公司款項	1,741,197	3,191,055
Derivative financial instruments	衍生金融工具	179,846	117,991
Bank balances	銀行結餘	—	32,089
		11,523,522	12,892,688
CURRENT ASSETS	流動資產		
Prepayments and other receivables	預付款項及其他應收款項	—	15
Bank balances and cash	銀行結餘及現金	298,090	87,866
Amounts due from subsidiaries	應收附屬公司款項	150,000	—
Derivative financial instruments	衍生金融工具	—	460
		448,090	88,341
CURRENT LIABILITIES	流動負債		
Other payables	其他應付款項	311	287
Amounts due to subsidiaries	應付附屬公司款項	270,705	388,555
Long term bonds	長期債券	32,476	35,536
Derivative financial instruments	衍生金融工具	—	3,017
		303,492	427,395
NET CURRENT ASSETS (LIABILITIES)	流動資產(負債)淨額	144,598	(339,054)
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	11,668,120	12,553,634

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2024 截至2024年12月31日止年度

48. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

48. 本公司的財務狀況表及儲備(續)

		2024 2024年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	675,869	675,869
Reserves	儲備	7,764,854	7,700,149
TOTAL EQUITY	總權益	8,440,723	8,376,018
NON-CURRENT LIABILITIES	非流動負債		
Bank borrowings	銀行借款	—	636,807
Derivative financial instruments	衍生金融工具	1,083	17,342
Long term bonds	長期債券	3,226,314	3,523,467
		3,227,397	4,177,616
		11,668,120	12,553,634

Zhao ZJiejun

趙傑軍

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 2024 截至2024年12月31日止年度

48. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

Movements in equity

48. 本公司的財務狀況表及儲備(續)

權益變動

		Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Other reserve 其他儲備 RMB'000 人民幣千元	Share award reserve 股份獎勵儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Balance at 1 January 2023	於2023年1月1日的結餘	675,869	6,691,946	1,382,199	27,440	(311,513)	8,465,941
Profit and total comprehensive income for the year	年內溢利及全面收入總額	-	-	-	-	5,091	5,091
Vesting of award shares	獎勵股份歸屬	-	-	-	(27,475)	(5,591)	(33,066)
Recognition of equity-settled share-based payments	確認按股權結算以股份支付的 付款	-	-	-	50,049	-	50,049
Dividends recognised as distribution	確認為分派的股息	-	(111,997)	-	-	-	(111,997)
Balance at 31 December 2023	於2023年12月31日的結餘	675,869	6,579,949	1,382,199	50,014	(312,013)	8,376,018
Profit and total comprehensive income for the year	年內溢利及全面收入總額	-	-	-	-	98,134	98,134
Vesting of award shares	獎勵股份歸屬	-	-	-	(53,784)	3,532	(50,252)
Recognition of equity-settled share-based payments	確認按股權結算以股份支付的 付款	-	-	-	51,711	-	51,711
Dividends recognised as distribution	確認為分派的股息	-	(34,888)	-	-	-	(34,888)
Balance at 31 December 2024	於2024年12月31日的結餘	675,869	6,545,061	1,382,199	47,941	(210,347)	8,440,723

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 132 to 298, which comprise the consolidated statement of financial position as at 31 December 2023, 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 material accounting policy information and other explanatory information.

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 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“**IFRSs**”) 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132至298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2023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(包括重大會計政策資料及其他說明性資料)。

我們認為，綜合財務報表已根據國際財務報告準則(「**國際財務報告準則**」)真實而公平地反映 貴集團於2023年12月31日的綜合財務狀況以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)

Key audit matter 關鍵審核事項

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 2023 and the significant degree of estimates made by the management in determining such fair values.

The Group reported milkable cows of Renminbi ("RMB") 7,385 million as at 31 December 2023. These biological assets are measured at fair value less costs to sell at the end of the reporting period.

As disclosed in Notes 4 and 44 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, 22 and 44 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2023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2023年12月31日，貴集團報告人民幣（「人民幣」）7,385百萬元的奶牛。此等生物性資產以公平值減報告期末出售成本計量。

誠如綜合財務報表附註4及44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、22及44。

關鍵審核事項(續)

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

Our procedures in relation to the fair value of milkable cows included:

- Understanding and evaluating the Group's design and implementation of relevant control 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 rate applied in the discounted future cash flows calculation against independent benchmark data;
- 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 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 reasonableness 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 貴集團設計及實施釐定奶牛公平值的相關控制措施；
- 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獨立對標數據進行比較；
- 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合理性。



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

Impairment assessment of goodwill arising from the acquisition of ADH Companies
收購ADH公司產生的商譽的減值評估

We identified the impairment assessment of goodwill arising from the acquisition of Asia Dairy Holdings and Asia Dairy Holdings II ("ADH Companies"), as a key audit matter due to the significance of the balance and the significant degree of estimates and underlying assumptions made by the management in determining the recoverable amount of ADH Companies.

The Group reported goodwill, net of impairment, of RMB1,012 million relating to the acquisition of ADH Companies as at 31 December 2023.

As disclosed in Notes 4 and 18 to the consolidated financial statements, goodwill impairment assessment requires an estimation of the recoverable amount of the cash-generating unit to which goodwill has been allocated and the Group determines the recoverable amount of cash-generating unit based on a value in use calculation. The management's estimation is primarily based on the estimated future market price of raw milk, the estimated average daily milk yield at each lactation cycle, the estimated feed costs per kg of raw milk, the discount rate and the growth rate used to extrapolate the cash flows beyond the budget period.

我們將產生自收購Asia Dairy Holdings及Asia Dairy Holdings II (「ADH公司」)商譽的減值評估識別為關鍵審核事項，乃由於重大結餘以及管理層於釐定ADH公司的可收回金額時進行相當程度估計及相關假設。

於2023年12月31日，貴集團報告有關收購ADH公司的商譽(扣除減值)為人民幣1,012百萬元。

誠如綜合財務報表附註4及18所披露，商譽減值評估需要估計獲分配商譽的現金產生單位的可收回金額，貴集團基於使用價值計算釐定現金產生單位的可收回金額。管理層的估計主要基於預計未來原料奶市場價格、預計各泌乳週期平均日產乳量、預計每公斤原料奶飼料成本、折現率及用於推斷超出預算期間的現金流量的增長率。

Our procedures in relation to the impairment assessment of goodwill arising from the acquisition of ADH Companies included:

- Understanding and evaluating the Group's design and implementation of relevant control over the impairment assessment of goodwill;
- Comparing discount rate applied to cash flow projections and the growth rate used to extrapolate cash flows beyond the budget period against independent benchmark data with the assistance of our internal valuation specialists;
- Comparing the key assumptions including the estimated future market price of raw milk, 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 reasonableness of management's budgeting process.

我們就收購ADH公司產生的商譽的減值評估的程序包括：

- 了解及評估 貴集團設計及實施商譽減值評估的相關控制措施；
- 在我們內部估值專家的協助下，將現金流量預測所採用的折現率與用於推斷預算期間外現金流量的增長率與獨立基準數據進行比較；
- 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合理性。



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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 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。



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 HKSAs 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 HKSAs, 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。



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

We communicate with 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, Wing Hung David.

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永雄。

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
25 March 2024

德勤•關黃陳方會計師行
執業會計師
香港
2024年3月25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 2023 截至2023年12月31日止年度

		NOTES 附註	2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Revenue	收入	5	13,458,223	12,295,091
Cost of sales	銷售成本	8	(13,008,256)	(11,915,660)
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	22	2,678,046	2,887,548
Gross profit	毛利		3,128,013	3,266,979
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	22	(1,280,373)	(988,215)
Other income	其他收入	7	221,126	201,559
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	10	(17,278)	(1,995)
Other gains and losses, net	其他收益及虧損淨額	8	5,173	(376,662)
Selling and distribution costs	銷售及分銷開支		(377,784)	(369,887)
Administrative expenses	行政開支		(852,386)	(730,203)
Other expenses	其他開支		(72,309)	(42,386)
Share of results of associates and a joint venture	應佔聯營公司及合營企業業績		(3,939)	15,410
Profit before finance costs and tax	除融資成本及稅項前溢利	8	750,243	974,600
Finance costs	融資成本	9	(521,247)	(379,559)
Profit before tax	除稅前溢利		228,996	595,041
Income tax expense	所得稅開支	11	(43,562)	(14,775)
Profit for the year	年內溢利		185,434	580,266
Other comprehensive (expense) income:	其他全面(開支)/收入：			
<i>Item 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 on investments in equity instruments at fair value through other comprehensive income ("FVTOCI")	按公平值計入其他全面收入 (「按公平值計入其他全面收入」)的權益工具投資 公平值虧損		(48,887)	(14,573)
<i>Item 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 arising on translation of foreign operations	換算海外業務產生的匯兌差額		4,839	21,332
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		(44,048)	6,759
Total comprehensive income for the year	年內全面收入總額		141,386	587,025



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 2023 截至2023年12月31日止年度

		NOTE 附註	2023 2023年 RMB'000 人民幣千元	2022 2022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		175,159	562,497
Non-controlling interests	非控股權益		10,275	17,769
			185,434	580,266
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		131,091	569,067
Non-controlling interests	非控股權益		10,295	17,958
			141,386	587,025
Earnings per share (RMB)	每股盈利(人民幣)	15		
Basic	基本		2.23 cents分	7.16 cents分
Diluted	攤薄		2.21 cents分	7.13 cents分



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

AT 31 DECEMBER 2023 於2023年12月31日

		NOTES 附註	2023 2023年 RMB'000 人民幣千元	2022 2022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	16	6,264,934	5,702,907
Right-of-use assets	使用權資產	17	2,198,546	1,256,949
Goodwill	商譽	18	2,417,915	2,406,658
Other intangible assets	其他無形資產	19	40,866	45,258
Interests in associates and a joint venture	於聯營公司及合營企業的權益	20	771,047	458,917
Equity instruments at FVTOCI	按公平值計入其他全面收入的 權益工具	21	57,342	106,229
Biological assets	生物資產	22	11,927,977	10,631,171
Prepayments	預付款項	24	12,914	29,936
Derivative financial instruments	衍生金融工具	25	117,991	19,154
Pledged bank deposits	已質押銀行存款	26	32,089	—
Bank balances	銀行結餘	26	677,843	236,281
Deferred tax assets	遞延稅項資產	11	6,677	827
			24,526,141	20,894,287
CURRENT ASSETS	流動資產			
Inventories	存貨	23	2,940,968	3,379,346
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	24	1,935,932	2,183,907
Derivative financial instruments	衍生金融工具	25	460	22,202
Pledged bank deposits	已質押銀行存款	26	9,913	187,339
Bank balances	銀行結餘	26	1,963,627	2,125,628
			6,850,900	7,898,422
Assets classified as held for sale	分類為持作出售的資產	16	17,203	28,644
			6,868,103	7,927,066
CURRENT LIABILITIES	流動負債			
Derivative financial instruments	衍生金融工具	25	3,017	14,388
Trade and other payables	應付貿易賬款及其他應付款項	27	5,534,188	3,288,701
Tax payable	應課稅項		42,309	5,004
Bank borrowings	銀行借款	28	2,206,484	4,831,164
Other borrowings	其他借款	29	353,251	22,704
Short term debenture	短期融資券	30	—	100,522
Long term bonds	長期債券	31	35,536	34,944
Lease liabilities	租賃負債	32	238,925	111,392
Other liabilities	其他負債	33	9,856	4,573
Contract liabilities	合約負債	34	26,648	43,204
Deferred income	遞延收入	35	12,570	11,563
			8,462,784	8,468,159



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

AT 31 DECEMBER 2023 於2023年12月31日

		NOTES 附註	2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
NET CURRENT LIABILITIES	流動負債淨額		(1,594,681)	(541,093)
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		22,931,460	20,353,194
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	36	675,869	675,869
Reserves	儲備		10,525,116	10,588,248
Equity attributable to owners of the Company	本公司擁有人應佔權益		11,200,985	11,264,117
Non-controlling interests	非控股權益		641,779	379,183
TOTAL EQUITY	總權益		11,842,764	11,643,300
NON-CURRENT LIABILITIES	非流動負債			
Derivative financial instruments	衍生金融工具	25	17,342	43,646
Other payables	其他應付款項	27	5,201	—
Bank borrowings	銀行借款	28	5,183,959	3,752,421
Other borrowings	其他借款	29	193,974	271,115
Long term bonds	長期債券	31	3,523,467	3,458,072
Lease liabilities	租賃負債	32	1,781,170	956,653
Other liabilities	其他負債	33	160,531	—
Deferred tax liabilities	遞延稅項負債	11	13,389	22,454
Deferred income	遞延收入	35	209,663	205,533
			11,088,696	8,709,894
			22,931,460	20,353,194

The consolidated financial statements on pages 132 to 298 were approved and authorised for issue by the board of directors on 25 March 2024 and are signed on its behalf by:

載於第132至298頁的綜合財務報表於2024年3月25日經董事會批准及授權刊發並代表簽署：

Zhao Jiejun
趙杰軍
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 2023 截至2023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	Statutory reserve	Share award reserve	Shares held under the Share Award Scheme 股份獎勵計劃項下持有的股份	Fair value through other comprehensive income reserve 按公平值計入其他全面收入儲備	Translation reserve	Retained earnings	Sub-total	Non-controlling interests	Total
		股本 RMB'000 人民幣千元	股份溢價 RMB'000 人民幣千元	其他儲備 RMB'000 人民幣千元 (Note 36) (附註36)	法定儲備 RMB'000 人民幣千元 (Note 36) (附註36)	股份獎勵儲備 RMB'000 人民幣千元	股份獎勵儲備 RMB'000 人民幣千元	按公平值計入其他全面收入儲備 RMB'000 人民幣千元	換算儲備 RMB'000 人民幣千元	保留盈利 RMB'000 人民幣千元	小計 RMB'000 人民幣千元	非控股權益 RMB'000 人民幣千元	合計 RMB'000 人民幣千元
At 1 January 2022	於2022年1月1日	675,869	6,896,336	920,109	241,302	20,266	(86,531)	(22,978)	(40)	2,220,598	10,864,931	249,803	11,114,734
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	562,497	562,497	17,769	580,266
Other comprehensive (expense) income for the year	年內其他全面(開支)收入	-	-	-	-	-	-	(14,412)	20,982	-	6,570	189	6,759
Total comprehensive (expense) income for the year	年內全面(開支)收入總額	-	-	-	-	-	-	(14,412)	20,982	562,497	569,067	17,958	587,025
Share purchase for the Share Award Scheme (as defined in Note 38)	就股份獎勵計劃的股份購買(定義見附註38)	-	-	-	-	-	(13,300)	-	-	-	(13,300)	-	(13,300)
Vesting of award shares (Note 38)	獎勵股份歸屬(附註38)	-	-	-	-	(37,776)	36,272	-	-	1,504	-	-	-
Recognition of equity-settled share-based payments (Note 38)	確認按股權結算以股份支付的付款(附註38)	-	-	-	-	44,950	-	-	-	-	44,950	-	44,950
Equity transactions related to interest free loans	有關免息貸款的股權交易	-	-	2,859	-	-	-	-	-	-	2,859	(2,859)	-
Dividends distribution (Note 14)	股息分派(附註14)	-	(204,390)	-	-	-	-	-	-	-	(204,390)	-	(204,390)
Acquisition of subsidiaries (Note 39)	收購附屬公司(附註39)	-	-	-	-	-	-	-	-	-	-	76,481	76,481
Establishment of non-wholly-owned subsidiaries	成立非全資附屬公司	-	-	-	-	-	-	-	-	-	-	37,800	37,800
Transfer to statutory reserves	轉撥至法定儲備	-	-	-	36,690	-	-	-	-	(36,690)	-	-	-
At 31 December 2022	於2022年12月31日	675,869	6,691,946	922,968	277,992	27,440	(63,559)	(37,390)	20,942	2,747,909	11,264,117	379,183	11,643,300
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	175,159	175,159	10,275	185,434
Other comprehensive (expense) income for the year	年內其他全面(開支)收入	-	-	-	-	-	-	(48,826)	4,758	-	(44,068)	20	(44,048)
Total comprehensive (expense) income for the year	年內全面(開支)收入總額	-	-	-	-	-	-	(48,826)	4,758	175,159	131,091	10,295	141,386
Share purchase for the Share Award Scheme (Note 38)	就股份獎勵計劃的股份購買(附註38)	-	-	-	-	-	(47,409)	-	-	-	(47,409)	-	(47,409)
Vesting of award shares (Note 38)	獎勵股份歸屬(附註38)	-	-	-	-	(27,475)	33,066	-	-	(5,591)	-	-	-
Recognition of equity-settled share-based payments (Note 38)	確認按股權結算以股份支付的付款(附註38)	-	-	-	-	50,049	-	-	-	-	50,049	-	50,049
Equity transactions related to interest free loans	有關免息貸款的股權交易	-	-	(1,727)	-	-	-	-	-	-	(1,727)	1,727	-
Dividends distribution (Note 14)	股息分派(附註14)	-	(111,997)	-	-	-	-	-	-	-	(111,997)	-	(111,997)
Injection of capital from non-controlling interests (Note 33)	非控股權益注資(附註33)	-	-	(83,139)	-	-	-	-	-	-	(83,139)	214,850	131,711
Establishment of non-wholly-owned subsidiaries	成立非全資附屬公司	-	-	-	-	-	-	-	-	-	-	35,724	35,724
Transfer to statutory reserves	轉撥至法定儲備	-	-	-	54,694	-	-	-	-	(54,694)	-	-	-
At 31 December 2023	於2023年12月31日	675,869	6,579,949	838,102	332,686	50,014	(77,902)	(86,216)	25,700	2,862,783	11,200,985	641,779	11,842,764



CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
OPERATING ACTIVITIES	經營活動		
Profit before tax	除稅前溢利	228,996	595,041
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	377,146	352,032
Depreciation of right-of-use assets charged to profit or loss	自損益扣除的使用權資產折舊	66,712	42,520
Amortisation of other intangible assets	其他無形資產攤銷	9,249	4,207
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	17,278	1,995
Impairment loss on property, plant and equipment, net	物業、廠房及設備的減值虧損淨額	-	1,895
Interest income	利息收入	(67,505)	(60,393)
Government grants released to income	撥至收入的政府補貼	(89,582)	(78,506)
Finance costs	融資成本	521,247	379,559
Share of results of associates and a joint venture	應佔聯營公司及合營企業業績	3,939	(15,410)
(Gain) loss on fair value changes of derivative financial instruments	衍生金融工具公平值變動(收益)虧損	(95,699)	18,695
Loss (gain) on disposal of property, plant and equipment	出售物業、廠房及設備虧損(收益)	12,081	(15,322)
Gain on disposal of assets classified as held for sale	出售分類為持作出售的資產的收益	(4,470)	-
Gain on remeasurement of previously held interests	重新計量之前持有的權益的收益	(5,050)	-
Loss on disposal of other intangible assets	出售其他無形資產虧損	12,386	165
Loss on liquidation of a subsidiary	清算附屬公司的虧損	215	-
Loss (gain) on termination of lease agreements	終止租賃協議的虧損(收益)	10	(3,652)
Gains on fair value changes of structured deposits	結構性存款公平值變動收益	-	(2,465)
Net foreign exchange loss	外匯虧損淨額	75,583	380,181
Equity-settled share-based payments	按股權結算以股份支付的付款	50,049	44,950
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	1,280,373	988,215
Loss on provisions	撥備虧損	1,249	-
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	2,394,207	2,633,707
Decrease (increase) in inventories	存貨減少(增加)	417,320	(940,089)
Decrease (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減少(增加)	172,100	(585,679)
Increase in trade and other payables	應付貿易賬款及其他應付款項增加	2,460,338	399,185
(Decrease) increase in contract liabilities	合約負債(減少)增加	(16,556)	37,861
Increase in deferred income	遞延收入增加	42,928	52,283
Cash generated from operations	業務產生的現金	5,470,337	1,597,268
Income taxes paid	已付所得稅	(21,368)	(20,160)
NET CASH FROM OPERATING ACTIVITIES	經營活動所得現金淨額	5,448,969	1,577,108



CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

	NOTE 附註	2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
INVESTING ACTIVITIES	投資活動		
Interest received	已收利息	56,165	49,228
Purchases of property, plant and equipment	購入物業、廠房及設備	(1,019,478)	(1,112,602)
Purchases of other intangible assets	購入其他無形資產	(12,134)	(8,272)
Payments for right-of-use assets	使用權資產付款	(36,031)	(34,243)
Purchases of biological assets	購入生物資產	(20,280)	(232,070)
Addition in biological assets in relation to feeding and other related costs	有關飼養及其他相關成本的生物資產增置	(3,240,715)	(2,714,285)
Placement of pledged bank deposits	存入已質押銀行存款	(36,506)	(14,748)
Withdrawal of pledged bank deposits	提取已質押銀行存款	181,843	5,886
Placement of term deposits with original maturity over three months and restricted bank deposits	存入原到期日超過三個月的定期存款及受限制銀行存款	(531,540)	(229,359)
Withdrawal of term deposits with original maturity over three months and restricted bank deposits	提取原到期日超過三個月的定期存款及受限制銀行存款	199,082	150,000
Placement of structured deposits	存入結構性存款	(137,000)	(1,293,000)
Withdrawal of structured deposits	提取結構性存款	137,064	1,295,465
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	15,865	85,720
Proceeds from sales of assets classified as held for sale	銷售分類為持作出售的資產所得款項	16,197	—
Proceeds from disposal of dairy cows	出售乳牛所得款項	1,048,581	1,060,659
Government grants received	已收政府補貼	51,791	49,386
Investment in associates and a joint venture	聯營公司及合營企業投資	(321,334)	(86,641)
Net cash outflow on business combination in current year	本年度業務合併現金流出淨額	(1,679)	(398,019)
Net cash outflow on business combination in prior years	過往年度業務合併現金流出淨額	(204,435)	(378,700)
Net cash outflow on asset acquisitions in prior years	過往年度資產收購現金流出淨額	—	(1,750)
Purchases of equity instruments at FVTOCI	購入按公平值計入其他全面收入的權益工具	—	(118,147)
Loans to associates	向聯營公司貸款	(94,600)	(68,000)
Loan repayment from associates	聯營公司償還貸款	68,000	—
Loan repayment from a third party	第三方償還貸款	—	2,000
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(3,881,144)	(3,991,492)



CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
FINANCING ACTIVITIES	融資活動		
Dividends paid	已派股息	(111,997)	(204,390)
Interest paid	已付利息	(427,587)	(384,625)
New bank borrowings raised	新籌得銀行借款	5,665,179	8,099,765
Repayment of bank borrowings	償還銀行借款	(6,898,014)	(4,467,747)
New other borrowings raised	新籌得其他借款	305,942	183,365
Repayment of other borrowings	償還其他借款	(58,859)	(584,486)
Proceeds on issue of short term debenture	發行短期融資券所得款項	—	100,000
Repayments of short term debenture	償還短期融資券	(100,000)	—
Repayments of leases liabilities	償還租賃負債	(135,874)	(66,650)
Payment for repurchase of ordinary shares	購回普通股付款	(47,409)	(13,300)
Receipts arising from net settlement of interest rate swaps	利率掉期淨額結算產生的收入	1,210	5,760
Gross cash inflow from foreign currency option contracts	外匯期權合約的總現金流入	—	264,256
Gross cash outflow from foreign currency option contracts	外匯期權合約的總現金流出	—	(270,800)
Receipts arising from net settlement of currency option contracts	貨幣期權合約淨額結算產生的收入	38,995	—
Gross cash inflow from capped and floored cross currency swap ("CFCCS")	封頂封底交叉貨幣掉期 ("CFCCS")的總現金流入	59,017	55,753
Gross cash outflow from CFCCS	CFCCS的總現金流出	(77,214)	(77,214)
Gross cash inflow from foreign currency forward contracts	外匯遠期合約的總現金流入	290,601	135,640
Gross cash outflow from foreign currency forward contracts	外匯遠期合約的總現金流出	(296,966)	(137,812)
Payments arising from net settlement of foreign currency forward contracts	外匯遠期合約淨額結算產生的付款	(50,449)	—
Acquisition of non-controlling interests	收購非控股權益	(20,894)	(20,894)
Payments for acquisition of original non-controlling interests in an acquired subsidiary	收購被收購附屬公司原非控股權益的付款	—	(43,680)
Dividends paid to the original shareholders of an acquired subsidiary	向被收購附屬公司原股東派付股息	—	(17,155)
Addition of other liabilities	其他負債增置	68,289	—
Dividends paid to non-controlling shareholders	向非控股股東派付股息	(5,341)	(5,341)
Capital contribution from non-controlling shareholders	來自非控股股東的出資	167,435	37,800
NET CASH (USED IN) FROM FINANCING ACTIVITIES	融資活動(所用)所得現金淨額	(1,633,936)	2,588,245
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物(減少)/增加淨額	(66,111)	173,861



CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

		2023 2023年 RMB'000 人民幣千元	2022 2022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	1,924,409	1,737,683
Effect of foreign exchange rate changes	匯率變動的影響	1,440	12,865
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	於12月31日的現金及 現金等價物	1,859,738	1,924,409
Represented by Bank balances and cash	以以下各項呈列 銀行結餘及現金	2,641,470	2,361,909
Less: restricted bank deposits and term deposits with original maturity over three months	減：受限制銀行存款及 原到期日超過三個月的 定期存款	(781,732)	(437,500)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023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.

As at 31 December 2023, 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 “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 also 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。

於2023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，該貨幣亦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 2023 截至2023年12月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

(a) New and amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to IFRSs issued by the International Accounting Standards Board ("IASB") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform- Pillar Two Model Rules
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

The application of the new and 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. 應用新訂國際財務報告準則(「國際財務報告準則」)及修訂

(a) 於本年度強制生效的新訂國際財務報告準則及修訂

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2023年1月1日開始的本集團年度期間強制生效的以下新訂國際財務報告準則及修訂，以編製綜合財務報表：

國際財務報告準則第17號(包括國際財務報告準則第17號的2020年6月及2021年12月的修訂)	保險合約
國際會計準則第8號的修訂	會計估計的定義
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稅項
國際會計準則第12號的修訂	國際稅務改革－第二支柱範本規則
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

本年度採用新訂國際財務報告準則及修訂，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 2023 截至2023年12月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

(b) Amendments to IFRSs in issue but not yet effective

The Group has not early applied the following amendments to IFRSs that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to IAS 1	Classification of Liabilities as Current or Non-current ²
Amendments to IAS 1	Non-current Liabilities with Covenants ²
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements ²
Amendments to IAS 21	Lack of Exchangeability ³

1. Effective for annual periods beginning on or after a date to be determined.

2. Effective for annual periods beginning on or after 1 January 2024.

3. Effective for annual periods beginning on or after 1 January 2025.

Except as described below, the directors of the Company (the “**Directors**”) anticipate that the application of all other amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

2. 應用新訂國際財務報告準則(「國際財務報告準則」)及修訂(續)

(b) 已頒佈惟尚未生效的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國際財務報告準則的修訂：

國際財務報告準則第10號及國際會計準則第28號的修訂	投資者與其聯營公司或合營企業之間的資產銷售或投入 ¹
國際財務報告準則第16號的修訂	售後回租中的租賃責任 ²
國際會計準則第1號的修訂	負債分類為流動或非流動 ²
國際會計準則第1號的修訂	有契約的非流動負債 ²
國際會計準則第7號及國際財務報告準則第7號的修訂	供應商融資安排 ²
國際會計準則第21號的修訂	缺乏交換性 ³

1. 於待定日期或之後開始的年度期間生效。

2. 於2024年1月1日或之後開始的年度期間生效。

3. 於2025年1月1日或之後開始的年度期間生效。

除下文所述者外，本公司董事(「董事」)預期應用國際財務報告準則的所有其他修訂於可見將來不會對綜合財務報表造成重大影響。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

(b) Amendments to IFRSs in issue but not yet effective (continued)

Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 *Statement of Cash flows* stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 *Financial Instruments: Disclosures* was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term ‘supplier finance arrangements’ is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements;
- The carrying amount and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements, and the non-cash changes in the carrying amounts of these financial liabilities;
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers;
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement; and liquidity risk information.

2. 應用新訂國際財務報告準則(「國際財務報告準則」)及修訂(續)

(b) 已頒佈惟尚未生效的國際財務報告準則的修訂(續)

國際會計準則第7號及國際財務報告準則第7號的修訂供應商融資安排

該等修訂向國際會計準則第7號現金流量表增加了一項披露目標，規定實體必須披露有關其供應商融資安排的資料，以便財務報表使用者能夠評估這些安排對該實體負債及現金流量的影響。此外，國際財務報告準則第7號金融工具：披露經修訂，以於規定中加入供應商融資安排作為範例，披露有關實體面臨的集中流動性風險的資料。

「供應商融資安排」一詞未經界定。相反，該等修訂描述了要求實體提供資料的安排的特徵。

為了實現披露目標，實體將須披露其供應商融資安排的總結資料：

- 安排的條款及條件；
- 實體財務狀況表中列報的賬面金額及相關項目、構成安排一部分的負債以及這些金融負債賬面金額的非現金變動；
- 供應商已從融資提供者收到付款的賬面金額以及相關行項目；
- 屬於供應商融資安排一部分的金融負債及不屬於供應商融資安排一部分的可比較應付貿易賬款的付款到期日範圍；以及流動資金風險資料。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (continued)

(b) Amendments to IFRSs in issue but not yet effective (continued)

Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements (continued)

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

The application of the amendments is not expected to have impact on the financial position or performance of the Group but may affect the disclosures of liabilities, cash flows and the Group's exposure to liquidity risk related to the supplier finance arrangements entered into by the Group. The impacts of application, if any, will be disclosed in the Group's future consolidated financial statements.

2. 應用新訂國際財務報告準則(「國際財務報告準則」)及修訂(續)

(b) 已頒佈惟尚未生效的國際財務報告準則的修訂(續)

國際會計準則第7號及國際財務報告準則第7號的修訂供應商融資安排(續)

該等修訂包含實體應用該等修訂的第一個年度報告期間的具體過渡減免，適用於2024年1月1日或之後開始的年度報告期間。允許提前應用。

應用該等修訂預計不會對本集團的財務狀況或業績產生影響，但可能會影響與本集團所訂立供應商融資安排相關的負債、現金流量以及本集團面臨的流動資金風險的披露。應用的影響(如有)將在本集團日後的綜合財務報表中披露。

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRSs issued by 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 and by the Hong Kong Companies Ordinance.

3. 綜合財務報表的編製基準及重大會計政策資料

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，綜合財務報表包括聯交所證券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 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Basis of preparation of consolidated financial statements (continued)

In preparation of the consolidated financial statements for the year ended 31 December 2023, 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 current assets by RMB1,594,681,000 (2022: RMB541,093,000). Taking into account, (i) the available credit facilities of approximately RMB6,989,029,000 which remain unutilised as at 31 December 2023 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 facilities 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 biological assets, which are measured at fair value less costs to sell and certain 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.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.1 綜合財務報表的編製基準(續)

在編製截至2023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流動資產人民幣1,594,681,000元(2022年：人民幣541,093,000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2023年12月31日的可供動用信貸融資約人民幣6,989,029,000元並未動用(其中人民幣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」)，剩餘融資來自持牌銀行)；(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，惟按公平值減銷售成本計量的生物資產及按各報告期末的公平值計量的若干衍生金融工具除外(如附註3.2所載會計政策所闡釋)。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information

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.

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 item 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.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料

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。

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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Basis of consolidation (continued)

All intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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大會計政策資料(續)

3.2 重大會計政策資料(續)

綜合基準(續)

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。

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變動

本集團於附屬公司的權益變動，若沒有導致本集團喪失對附屬公司的控制權，則作為權益交易進行會計處理。本集團相關權益組成部分及非控股權益的賬目金額進行調整，以反映其於附屬公司中相關權益的變動，包括依本集團與非控股權益的權益比例重新歸屬本集團與非控股權益的相關儲備。

非控股權益調整金額與支付或收到代價的公平值之間的任何差額均直接於權益中確認並歸屬於本公司擁有人。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

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.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

業務合併

業務是一組綜合活動及資產，包括一項投入及一項實質性過程，共同對創造產出的能力作出重大貢獻。倘收購過程對繼續生產產出的能力至關重要，包括具備執行相關過程所必需的技能、知識或經驗的有組織勞動力，或對持續生產產出的能力有重大貢獻，則被認為屬實質性及被認為屬獨特或稀缺，或在無重大成本、努力或持續生產產出能力出現延遲的情況下不可取代。

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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Business combinations (continued)

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Conceptual Framework for Financial Reporting* (the “**Conceptual Framework**”) except for transactions and events within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC 21 *Levies*, in which the Group applies IAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

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 *Leases*) 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大會計政策資料(續)

3.2 重大會計政策資料(續)

業務合併(續)

所取得的可辨認資產及所承擔的負債必須符合財務報告概念框架(「**概念框架**」)對資產及負債的定義，不包括在國際會計準則第37號撥備、或然負債及或然資產或國際財務報告詮釋委員會第21號徵費範圍內的交易及事件，其中本集團採用國際會計準則第37號或國際財務報告詮釋委員會第21號範圍下而非概念框架識別其在業務合併中承擔的負債。或然資產不予確認。

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號租賃)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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (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.

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大會計政策資料(續)

3.2 重大會計政策資料(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。

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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (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 and joint ventures

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures 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 or a joint venture 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 or joint venture. Changes in net assets of the associate/joint venture 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 or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), 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 or joint venture.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(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。

於聯營公司及合營企業的投資

聯營公司及合營企業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及合營企業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，於聯營公司或合營企業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或合營企業損益及其他全面收入作出調整。該聯營公司／合營企業資產淨值(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或合營企業的虧損超出本集團於該聯營公司或合營企業的權益(包括實質上構成本集團於聯營公司或合營企業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，或已代表聯營公司或合營企業支付款項的情況下，方會確認額外虧損。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Investments in associates and joint ventures (continued)

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, 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.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in Note 5.

Leases

Definition of a lease

For contracts entered into or modified on or after the date of initial application of IFRS 16, 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.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

於聯營公司及合營企業的投資(續)

聯營公司或合營企業投資自被投資者成為聯營公司或合營企業該日起使用權益法入賬。於收購於聯營公司或合營企業的投資時，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。

當集團實體與本集團的聯營公司或合營企業進行交易時，與該聯營公司或合營企業進行交易而產生的損益僅在聯營公司或合營企業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。

客戶合約收入

本集團與客戶合約相關的會計政策資料請參閱附註5。

租賃

租賃的定義

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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Leases (continued)

The Group as a lessee

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability; and
- any lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

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); and
- 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大會計政策資料(續)

3.2 重大會計政策資料(續)

租賃(續)

本集團作為承租人

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；及
- 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。

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。

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。

租賃款項包括：

- 固定付款(包括實質固定付款)；及
- 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

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (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 in which the event or condition that triggers the payment occurs.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

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. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income. 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 retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(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。

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。以公平值計量的外幣計值非貨幣項目按釐定公平值當日的匯率重新換算。當非貨幣項目的公平值收益或虧損在其他全面收入中確認時，該收益或虧損的任何匯兌部分亦在其他全面收入中確認。以外幣按歷史成本計量的非貨幣項目不予重新換算。

結算及再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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Foreign currencies (continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign 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).

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.

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大會計政策資料(續)

3.2 重大會計政策資料(續)

外幣(續)

就綜合財務報表的呈列而言，本集團海外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))。

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。

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

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (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".

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

A government grant related to a biological asset measured at its fair value less costs to sell was recognised in profit or loss when, and only when, the conditions attaching to the government grant are met.

Share-based payments

Equity-settled share-based payment transactions

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 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 award reserve.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(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。有關補貼已呈列於「其他收入」。

低於市場利率的政府貸款的好處在於會被視為政府補貼，按收到的所得款項與基於現行市場利率的貸款公平值之間的差額計量。

與按公平值減去銷售成本計量的生物資產相關的政府補貼，與且僅當政府補貼所附條件滿足時，計入當期損益。

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(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，並對股份獎勵儲備作出相應調整。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Share-based payments (continued)

Equity-settled share-based payment transactions (continued)

Shares granted to employees (continued)

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 scheme is reversed and the differences arising from the reversal is adjusted to retained earnings.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

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 amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. 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 and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. 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大會計政策資料(續)

3.2 重大會計政策資料(續)

以股份支付的付款(續)

按股權結算以股份支付的付款交易(續)

授予僱員的股份(續)

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。

稅項

所得稅支出指即期及遞延所得稅支出總和。

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。遞延所得稅負債通常對所有應課稅暫時差額進行確認。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)資產及負債所產生且交易發生時不產生同等應課稅及可抵扣暫時性差異，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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, 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.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

稅項(續)

遞延稅項負債乃就與附屬公司及聯營公司投資以及於合營企業的權益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稅項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。

就計量本集團確認使用權資產及相關租賃負債的租賃交易遞延稅項而言，本集團首先確定稅項扣減是否歸因於使用權資產或租賃負債。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Taxation (continued)

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

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 are 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.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

稅項(續)

就稅項扣減歸因於租賃負債的租賃交易而言，本集團將國際會計準則第12號規定分別應用於租賃負債及相關資產。本集團以很可能獲得用來抵扣可扣減暫時差額的應課稅溢利為限，確認與租賃負債相關的遞延稅項資產，並就所有應課稅暫時差額確認遞延稅項負債。

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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Property, plant and equipment (continued)

Freehold lands are not depreciated and are measured at cost less subsequent accumulated impairment losses.

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. 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 freehold land and 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大會計政策資料(續)

3.2 重大會計政策資料(續)

物業、廠房及設備(續)

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。

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。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(不包括永久業權土地及在建工程)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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (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.

3. 綜合財務報表的編製基準及重大會計政策資料_(續)

3.2 重大會計政策資料_(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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

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.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

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。

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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

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*. 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大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

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

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (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.

All other financial assets of the Group 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.

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 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.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產

金融資產的分類及其後計量

滿足下列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。

本集團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。

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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (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.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(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.

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. The net gain or loss recognised in profit or loss include any dividend or interest earned on the financial asset and is included in the "other gains and losses, net" line item.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(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

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。

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。於損益內確認之淨盈虧包括金融資產所收取之任何股息或利息，並計入「其他收益及虧損淨額」科目。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments
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.

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. Assessments 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大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

根據國際財務報告準則第9號金融工具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。

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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments (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 instrument 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;
- 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;

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

根據國際財務報告準則第9號金融工具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(尚可獲得)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；
- 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；



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments (continued)

(i) Significant increase in credit risk (continued)

- 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大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

根據國際財務報告準則第9號金融工具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)

- 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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments (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 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大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

根據國際財務報告準則第9號金融工具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)；



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments (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大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

根據國際財務報告準則第9號金融工具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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments (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. The Group uses a practical expedient in estimating ECL on trade receivables of feeds using a provision matrix taking into consideration historical credit loss experience and forward looking information that is available without undue cost or effort.

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 with appropriate groupings.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

根據國際財務報告準則第9號金融工具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。本集團在考慮過往信貸虧損經驗及無需過度成本或努力即可獲得的前瞻性資料的情況下，使用撥備矩陣估計飼料應收貿易賬款的預期信貸虧損。

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單獨或通過適當分組集體評估。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments (continued)

(v) Measurement and recognition of ECL (continued)

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.

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 asset.

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 receivables where the corresponding adjustment is recognised through a loss allowance account.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

根據國際財務報告準則第9號金融工具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)

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。

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除外。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost, exchange differences are recognised in profit or loss in the 'other gains and losses, net' line item;
- For financial assets measured at FVTPL, exchange differences are recognised in profit or loss in the 'other gains and losses, net' line item as part of fair value gain/(loss) on financial assets;
- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the FVTOCI reserve.

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.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

外匯損益

外幣計值金融資產的賬面金額以報告期末的即期匯率換算為外幣金額。具體來說：

- 對於按攤銷成本計量的金融資產，匯兌差額計入損益中的「其他收益及虧損淨額」項目；
- 對於按公平值計入損益的金融資產，匯兌差額作為金融資產公平值收益／(虧損)的一部分，計入損益中的「其他收益及虧損淨額」項目；
- 對於按公平值計入其他全面收入的權益工具，匯兌差額在其他全面收入中計入按公平值計入其他全面收入儲備。

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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets (continued)

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to retained earnings.

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.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融資產(續)

取消確認金融資產(續)

於取消確認本集團於初步確認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。

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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Compound instruments

The component parts of the compound instruments are classified separately as financial liability and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

At the date of issue, the fair value of the liability component (including any embedded non-equity derivatives features) is estimated by measuring the fair value of similar liability that does not have an associated equity component. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole, and is not subsequently remeasured.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融負債及權益(續)

複合工具

根據合約安排的實質以及金融負債及權益工具的定義，將複合工具的組成部分分別分類為金融負債及權益。

於發行日期，負債部分(包括任何嵌入式非股權衍生工具特徵)的公平值透過計量不具有相關權益部分的類似負債的公平值來估計。權益部分依照複合工具整體的公平值減去負債部分的金額釐定，且不再進行後續重新計量。

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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

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.

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 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, short term debenture 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大會計政策資料(續)

3.2 重大會計政策資料(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

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。

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、短期融資券及長期債券)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

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other gains and losses, net' line item in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

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.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

金融負債及權益(續)

外匯損益

對於於每個報告期末以攤銷成本計量的外幣金融負債，外匯損益根據該工具的攤銷成本釐定。該等外匯損益在損益的「其他收益及虧損淨額」行項目中確認。

外幣計值金融負債的公平值採用該外幣確定，並以報告期末的即期匯率換算。對於按公平值計入損益計量的金融負債，外匯成分構成公平值損益的一部分，並於損益確認。

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。

如果衍生工具的剩餘期限超過12個月且在12個月內不會變現或結算，則該工具列示為非流動資產或非流動負債。其他衍生工具以流動資產或流動負債列示。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Generally, multiple embedded derivatives in a single instrument that are separated from the host contracts are treated as a single compound embedded derivative unless those derivatives relate to different risk exposures and are readily separable and independent of each other.

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.

3. 綜合財務報表的編製基準及重大會計政策資料(續)

3.2 重大會計政策資料(續)

金融工具(續)

嵌入式衍生工具

嵌入非衍生工具主合約中且不屬於國際財務報告準則第9號範圍內的金融資產的衍生工具，當符合衍生工具的定義，其風險及特徵與主合約的風險及特徵並不密切相關，且主合約不按公平值計入損益的方式計量時，將被視為單獨的衍生工具。

一般來說，單一工具中與主合約分離的多個嵌入式衍生工具被視為單一複合嵌入式衍生工具，除非該等衍生工具涉及不同的風險敞口且易於分離且彼此獨立。

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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

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.

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.

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。

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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Fair value measurements of biological assets

The Group's biological assets are measured at fair value less costs to sell at the end of the 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 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 2023 was RMB11,927,977,000 (2022: RMB10,631,171,000). Further details are set out in Notes 22 and 44.

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 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, a suitable pre-tax discount rate and the growth rate used to extrapolate the cash flows beyond the budget period 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 2023, the carrying amount of goodwill is RMB2,417,915,000 (2022: RMB2,406,658,000), net of accumulated impairment loss of RMB213,429,000 (2022: RMB213,429,000). Details of the impairment test are disclosed in Note 18.

4. 估計不確定性的主要來源(續)

生物資產的公平值計量

本集團的生物資產於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2023年12月31日，本集團生物資產的賬面值為人民幣11,927,977,000元(2022年：人民幣10,631,171,000元)。進一步詳情載於附註22及44。

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及用於推斷超預算期間現金流量的增長率以計算現值。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2023年12月31日，商譽的賬面值為人民幣2,417,915,000元(2022年：人民幣2,406,658,000元)，扣除累計減值虧損人民幣213,429,000元(2022年：人民幣213,429,000元)。減值測試的詳情披露於附註18。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

5. REVENUE

(i) Disaggregation of revenue from contracts with customers

5. 收入

(i) 客戶合約收入細分

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Segments 分部	Types of goods or service 商品或服務類型		
Raw milk business 原料奶業務	Raw milk 原料奶	10,263,657	9,945,090
Offline feed business 線下飼料業務	Feeds 飼料	2,537,792	1,851,325
Digital intelligence platform business 數智平台業務	Feeds and farm supplies 飼料及牧場物資	605,278	498,676
Digital intelligence platform business 數智平台業務	Platform and other services 平台及其他服務	51,496	—
		13,458,223	12,295,091
Timing of revenue recognition At a point in time Overtime	收入確認時間 時間點 隨著時間的推移	13,436,007 22,216	12,295,091 —
		13,458,223	12,295,091
Geographical markets Mainland China Other countries	地理市場 中國內地 其他國家	13,173,701 284,522	11,944,167 350,924
		13,458,223	12,295,091



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

5. REVENUE (continued)

(ii) Performance obligations for contracts with customers and revenue recognition policies

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 and accepted the raw milk, the normal credit term of which is 30 days. For the sales of feeds and farm supplies, revenue is recognised when control of the feeds and farm supplies has been transferred, being at the point the customers received the feeds and farm supplies or at the point being despatched, depending on the terms of the contracts, the normal credit term is generally 30 to 90 days.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

Sales of raw milk, feeds and farm supplies 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) Information about major customers

Revenue from customers contributing over 10% of the total sales of the Group is as follows:

5. 收入(續)

(ii) 客戶合約的履約義務及收入確認政策

就銷售原料奶而言，收入於已轉移原料奶控制權時獲確認(即客戶收到並接受原料奶時)，一般信貸期為30天。就銷售飼料及牧場物資而言，收入於已轉移飼料及牧場物資控制權時獲確認(即客戶收到飼料及牧場物資時或發出時(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、飼料及牧場物資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) 有關主要客戶的資料

對本集團銷售總額貢獻10%以上的客戶收入如下：

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Customer A	客戶A		
Raw milk	原料奶	9,518,407	9,201,510



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

6. SEGMENT INFORMATION

IFRS 8 *Operating Segments* 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 assess performance. From July 2022, the Group commenced the business of digital intelligence platform after acquisition of Inner Mongolia Ai Yang Niu Technology Co., Ltd. (“Aiyangniu”) on 28 June 2022, which was considered as a new reportable segment by the CODM during the current year. Prior year segment disclosures have been represented to conform with the current year’s presentation. Information reported to the CODM for the purposes of resources allocation and assessment of segment performance focuses on the types and channels of goods and services delivered.

The Group’s reportable segments under IFRS 8 are as follows:

- Raw milk business – raising and breeding dairy cows to produce and sell raw milk.
- Offline feed business – trading, production and sales of feeds offline.
- Digital intelligence platform business – sales of feeds and farm supplies online through digital intelligence platform and provision of platform and other services.

6. 分部資料

國際財務報告準則第8號經營分部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。自2022年7月起，本集團於2022年6月28日收購內蒙古愛養牛科技有限公司(「愛養牛」)後開始數智平台業務，於本年度被主要營運決策者視為新的呈報分部。上一年度分部披露已作重列以與本年度的呈列一致。為分配資源及評估分部表現而向主要營運決策者報告的資料集中於所交付貨物及服務的類型及渠道。

本集團於國際財務報告準則第8號下的呈報分部如下：

- 原料奶業務 – 飼養及養殖奶牛以生產及銷售原料奶。
- 線下飼料業務 – 線下買賣、生產及銷售飼料。
- 數智平台業務 – 通過數智平台線上銷售飼料及牧場物資以及提供平台及其他服務。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

6. SEGMENT INFORMATION (continued)

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments:

For the year ended 31 December 2023

6. 分部資料(續)

分部收入及業績

以下為按呈報分部呈列的本集團的收入及業績分析：

截至2023年12月31日止年度

		Raw milk business 原料奶 業務 RMB'000 人民幣千元	Offline feed business 線下飼料 業務 RMB'000 人民幣千元	Digital intelligence platform business 數智平台 業務 RMB'000 人民幣千元	Total reportable segments 呈報分部 總額 RMB'000 人民幣千元	Eliminations 抵銷 RMB'000 人民幣千元	Consolidated 綜合 RMB'000 人民幣千元
Segment revenue	分部收入						
External sales	對外銷售	10,263,657	2,537,792	656,774	13,458,223	-	13,458,223
Inter-segment sales	分部間銷售	-	2,199,157	108,797	2,307,954	(2,307,954)	-
		10,263,657	4,736,949	765,571	15,766,177	(2,307,954)	13,458,223
Segment profit	分部溢利	499,487	37,008	2,812	539,307	(14,959)	524,348
Unallocated share of results of associates	未分配應佔聯營公 司業績						17,097
Unallocated other income	未分配其他收入						12,551
Unallocated other gains and losses	未分配其他收益及 虧損						23,763
Unallocated expenses	未分配開支						(348,763)
Profit before tax	除稅前溢利						228,996



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

6. SEGMENT INFORMATION (continued)

Segment revenues and results (continued)

For the year ended 31 December 2022

6. 分部資料(續)

分部收入及業績(續)

截至2022年12月31日止年度

		Raw milk business 原料奶 業務 RMB'000 人民幣千元	Offline feed business 線下飼料 業務 RMB'000 人民幣千元	Digital intelligence platform business 數智平台 業務 RMB'000 人民幣千元	Total reportable segments 呈報分部 總額 RMB'000 人民幣千元	Eliminations 抵銷 RMB'000 人民幣千元	Consolidated 綜合 RMB'000 人民幣千元
Segment revenue	分部收入						
External sales	對外銷售	9,945,090	1,851,325	498,676	12,295,091	–	12,295,091
Inter-segment sales	分部間銷售	–	1,807,085	74,977	1,882,062	(1,882,062)	–
		9,945,090	3,658,410	573,653	14,177,153	(1,882,062)	12,295,091
Segment profit	分部溢利	1,264,352	51,668	19,228	1,335,248	(9,278)	1,325,970
Unallocated share of results of associates	未分配應佔 聯營公司業績						15,018
Unallocated other income	未分配其他收入						8,255
Unallocated other gains and losses	未分配其他收益及 虧損						(369,429)
Unallocated expenses	未分配開支						(384,773)
Profit before tax	除稅前溢利						595,041

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3. Segment profit represents the profit before tax earned by each segment without allocation of central administration expenses, corporate income and expenses, certain other gains and losses and share of results of associates that are not directly attributable to operating segments. This is the measure reported to the CODM for the purposes of resources allocation and assessment of segment performance. Inter-segment revenue is charged at prices agreed between group entities, which are determined by reference to the prices offered to third party customers.

經營分部的會計政策與附註3所述本集團的會計政策相同。分部溢利指各分部所賺取的除稅前溢利，未分配中央行政開支、企業收入及開支、若干其他收益及虧損及應佔聯營公司業績(並非直接歸屬於經營分部)。此乃報告給主要營運決策者用於資源分配及分部表現評估的措施。分部間收入按集團實體之間協定的價格扣除，有關價格乃參考向第三方客戶提供的價格釐定。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

6. SEGMENT INFORMATION (continued)

Segment assets and liabilities

The CODM makes decisions according to operating results of each segment. No analysis of segment assets and segment liabilities is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Other segment information

For the year ended 31 December 2023

6. 分部資料(續)

分部資產及負債

主要營運決策者根據各分部的經營業績作出決策。由於主要營運決策者不會出於資源分配及表現評估之目的而定期審閱此類資料，因此未呈列分部資產及分部負債分析。因此，僅呈列分部收入及分部業績。

其他分部資料

截至2023年12月31日止年度

		Raw milk business 原料奶 業務 RMB'000 人民幣千元	Offline feed business 線下飼料 業務 RMB'000 人民幣千元	Digital intelligence platform business 數智平台 業務 RMB'000 人民幣千元	Total reportable segments 呈報分部 總額 RMB'000 人民幣千元	Unallocated 未分配 RMB'000 人民幣千元	Consolidated 綜合 RMB'000 人民幣千元
Amounts included in the measure of segment profit or loss:	計入分部損益計 量的金額：						
Depreciation and amortisation charged to profit or loss	扣除自損益的 折舊及攤銷	394,407	36,391	2,170	432,968	20,139	453,107
Impairment losses of trade and other receivables	應收貿易賬款及 其他應收款項的 減值虧損	-	159	16,933	17,092	186	17,278
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備的虧損	12,075	6	-	12,081	-	12,081
Loss on disposal of other intangible assets	出售其他無形資產 的虧損	-	-	12,386	12,386	-	12,386
Finance costs	融資成本	490,463	26,949	3,835	521,247	-	521,247



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

6. SEGMENT INFORMATION (continued)

Other segment information (continued)

For the year ended 31 December 2022

6. 分部資料(續)

其他分部資料(續)

截至2022年12月31日止年度

	Raw milk business 原料奶 業務 RMB'000 人民幣千元	Offline feed business 線下飼料 業務 RMB'000 人民幣千元	Digital intelligence platform business 數智平台 業務 RMB'000 人民幣千元	Total reportable segments 呈報分部 總額 RMB'000 人民幣千元	Unallocated 未分配 RMB'000 人民幣千元	Consolidated 綜合 RMB'000 人民幣千元
Amounts included in the measure of segment profit or loss:	計入分部損益計量的金額：					
Depreciation and amortisation charged to profit or loss	扣除自損益的折舊及攤銷					
	370,880	16,236	1,348	388,464	10,295	398,759
Impairment losses of trade and other receivables	應收貿易賬款及其他應收款項的減值虧損					
	-	1,520	445	1,965	30	1,995
Impairment losses on property, plant and equipment	物業、廠房及設備的減值虧損					
	1,895	-	-	1,895	-	1,895
Loss (gain) on disposal of property, plant and equipment	出售物業、廠房及設備的虧損(收益)					
	5,978	-	-	5,978	(21,300)	(15,322)
Gain on termination of lease agreements	終止租賃協議的收益					
	(3,652)	-	-	(3,652)	-	(3,652)
Loss on disposal of other intangible assets	出售其他無形資產的虧損					
	165	-	-	165	-	165
Finance costs	融資成本					
	362,455	16,233	871	379,559	-	379,559



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

6. 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.

6. 分部資料(續)

地區資料

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)	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元	2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Mainland China	中國內地	13,103,259	11,877,865	23,508,297	20,429,080
USA	美國	354,964	417,226	125,902	102,716
		13,458,223	12,295,091	23,634,199	20,531,796

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。

7. OTHER INCOME

7. 其他收入

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Interest income	利息收入	67,505	60,393
Government grants related to	就以下各項授出的政府補貼		
– Assets (Note 35)	– 資產(附註35)	89,582	78,506
– Others (Note)	– 其他(附註)	37,934	31,391
		127,516	109,897
Others	其他	26,105	31,269
		221,126	201,559

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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

8. PROFIT BEFORE FINANCE COSTS AND TAX

Profit before finance costs and tax is arrived at after charging (crediting):

8. 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：

		2023 2023年 RMB'000 人民幣千元	2022 2022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	7,350,674	6,850,047
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	2,678,046	2,887,548
Cost of feeds and farm supplies sold	已售出飼料及牧場物資成本	2,962,537	2,178,065
Cost of platform and other services	平台及其他服務成本	16,999	—
		13,008,256	11,915,660
Other gains and losses, net:	其他收益及虧損淨額：		
Net foreign exchange loss	外匯虧損淨額	77,638	377,346
Loss (gain) on disposal of property, plant and equipment	出售物業、廠房及設備的虧損(收益)	12,081	(15,322)
Loss (gain) on termination of lease agreements	終止租賃協議的虧損(收益)	10	(3,652)
Loss on disposal of other intangible assets	出售其他無形資產的虧損	12,386	165
Gain on disposal of assets classified as held for sale	出售分類為持作出售的資產的收益	(4,470)	—
Loss on liquidation of a subsidiary	清算附屬公司的虧損	215	—
Impairment losses of property, plant and equipment	物業、廠房及設備的減值虧損	—	1,895
Gain on remeasurement of previously held interests (Note 20)	重新計量之前持有的權益的收益(附註20)	(5,050)	—
Fair value gain on structured deposits	結構性存款的公平值收益	—	(2,465)
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	59,371	2,172
Foreign currency option contracts	外匯期權合約	(74,430)	(53,321)
CFCCS	CFCCS	(80,640)	69,844
Changes in other liabilities (Note 33(i))	其他負債變動(附註33(i))	(4,034)	—
Others	其他	1,750	—
		(5,173)	376,662



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

8. PROFIT BEFORE FINANCE COSTS AND

TAX (continued)

Profit before finance costs and tax is arrived at after charging (crediting): (continued)

8. 除融資成本及稅項前溢利(續)

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：(續)

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Depreciation of property, plant and equipment	物業、廠房及設備折舊	652,610	656,706
Depreciation of right-of-use assets	使用權資產折舊	152,552	73,924
Amortisation of other intangible assets	其他無形資產攤銷	9,249	4,207
Less: capitalised in biological assets	減：生物資產資本化金額	(361,304)	(336,078)
Depreciation and amortisation charged to profit or loss	扣除自損益的折舊及攤銷	453,107	398,759
Short-term lease expense	短期租賃開支	25,238	39,687
Less: capitalised in biological assets	減：生物資產資本化金額	(10,662)	(16,577)
Short-term lease expense charged to profit or loss	扣除自損益的短期租賃開支	14,576	23,110
Employee benefits expense:	僱員福利開支：		
Salaries and allowances	薪金及津貼	1,004,636	907,665
Retirement benefit schemes contributions	退休福利計劃供款	82,346	68,368
Equity-settled share award expense	以股權結算的股份獎勵開支	50,049	44,950
Less: capitalised in biological assets	減：生物資產資本化金額	(309,840)	(272,379)
Employee benefits charged to profit or loss	扣除自損益的僱員福利	827,191	748,604
Auditors' remuneration	核數師薪酬	4,250	4,400



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

9. FINANCE COSTS

9. 融資成本

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Interest expenses on:	利息開支：		
Bank borrowings	銀行借款	330,525	277,311
Long term bonds	長期債券	82,744	79,117
Short term debenture	短期融資券	986	522
Other borrowings	其他借款	18,855	11,920
Lease liabilities	租賃負債	72,402	36,840
Total borrowing cost	借款成本總額	505,512	405,710
Fair value loss (gain) on interest rate swaps	利率掉期公平值虧損(收益)	15,735	(26,151)
		521,247	379,559

10. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

10. 預期信貸虧損模型下減值虧損，扣除撥回

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Impairment losses recognised in respect of:	就下列各項確認的減值虧損：		
Trade receivables	應收貿易賬款	17,216	1,965
Other receivables	其他應收款項	62	30
		17,278	1,995

Details of impairment assessment are set out in Note 41.

減值評估詳情載列於附註41。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

11. INCOME TAX EXPENSE AND DEFERRED TAXATION

Income tax expense

11. 所得稅開支及遞延稅項

所得稅開支

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Current tax:	即期稅項：		
PRC Enterprise Income Tax	中國企業所得稅	18,634	11,295
Other jurisdiction	其他司法權區	3,897	1,820
Under provision in respect of prior years:	過往年度的撥備不足：		
PRC Enterprise Income Tax	中國企業所得稅	36,142	5,969
Deferred tax:	遞延稅項：	(15,111)	(4,309)
		43,562	14,775

The Company is incorporated as an exempted company and as such is not subject to Cayman Islands taxation.

本公司作為獲豁免公司註冊成立，因此不受開曼群島稅項的約束。

No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from Hong Kong.

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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

11. INCOME TAX EXPENSE AND DEFERRED TAXATION (continued)

Income tax expense (continued)

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the statutory income tax rate of the PRC subsidiaries is 25% for both years.

Taxation arising in other jurisdiction is calculated at the rate prevailing in the relevant jurisdiction.

According to the prevailing tax rules and regulation of the EIT Law, 49 subsidiaries of the Group is exempted from enterprise income tax for taxable profit from the operation of agricultural business in the PRC for the year ended 31 December 2023 (2022: 42 subsidiaries).

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 RMB5,348,821,000 as at 31 December 2023 (31 December 2022: RMB4,448,225,000) 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.

11. 所得稅開支及遞延稅項(續)

所得稅開支(續)

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，於中國的附屬公司於兩個年度的法定所得稅率為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2023年12月31日止年度，本集團的49間附屬公司(2022年：42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。

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2023年12月31日，並未就中國附屬公司累計溢利人民幣5,348,821,000元(2022年12月31日：人民幣4,448,225,000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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

11. INCOME TAX EXPENSE AND DEFERRED TAXATION (continued)

Income tax expense (continued)

The income 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:

11. 所得稅開支及遞延稅項(續)

所得稅開支(續)

以下是本年度所得稅開支與綜合損益及其他全面收益表內除稅前溢利的對賬：

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Profit before tax	除稅前溢利	228,996	595,041
Tax at applicable income tax rate at 25% (2022: 25%)	按適用所得稅稅率25%計算的稅項(2022年：25%)	57,249	148,760
Effect of tax exemption granted to agricultural entities	農業實體免稅待遇的影響	(261,171)	(377,081)
Effect of unutilised 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	202,376	234,352
Effect of different tax rates of entities operating in other jurisdictions	於其他司法權區經營的實體的不同稅率的影響	(2,615)	(234)
Effect of tax losses not recognised	未確認稅項虧損的影響	12,497	6,817
Utilisation of tax losses previously not recognised	動用過往未確認稅項虧損	(916)	(3,808)
Under provision in respect of prior years	過往年度的撥備不足	36,142	5,969
Income tax expense	所得稅開支	43,562	14,775



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

11. INCOME TAX EXPENSE AND DEFERRED TAXATION (continued)

Income tax expense (continued)

As at 31 December 2023, the Group's PRC subsidiaries had unused tax losses of RMB124,598,000 (2022: RMB109,898,000) incurred by non-agricultural business in the PRC. These unused tax losses as at 31 December 2023 will expire in year 2024 to year 2028 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 tax losses can be utilised.

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
2023	2023年	–	31,624
2024	2024年	592	592
2025	2025年	11,882	15,547
2026	2026年	34,867	34,867
2027	2027年	27,268	27,268
2028	2028年	49,989	–
		124,598	109,898

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:

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Deferred tax assets	遞延稅項資產	6,677	827
Deferred tax liabilities	遞延稅項負債	(13,389)	(22,454)
		(6,712)	(21,627)

11. 所得稅開支及遞延稅項(續)

所得稅開支(續)

於2023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124,598,000元(2022年：人民幣109,898,000元)。倘於2023年12月31日該等未動用稅項虧損未獲動用，其將於2024年至2028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稅項虧損，因此並無就有關稅項虧損確認遞延稅項資產。

遞延稅項

就於綜合財務狀況表中的呈列而言，若干遞延稅項資產及負債已經抵銷。以下是出於財務報告目的對遞延稅項結餘的分析：



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

11. INCOME TAX EXPENSE AND DEFERRED TAXATION (continued)

Deferred taxation (continued)

11. 所得稅開支及遞延稅項(續)

遞延稅項(續)

		Temporary difference of property, plant 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 收購時作出公平值調整 RMB'000 人民幣千元 (Note i) (附註i)	ECL provision 預期信貸虧損撥備 RMB'000 人民幣千元	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
At 1 January 2022	於2022年1月1日	(15,062)	(4,977)	-	1,508	(18,531)
Acquisition of subsidiaries	收購附屬公司	-	(6,563)	-	345	(6,218)
Exchange adjustments	匯兌調整	(1,290)	-	-	103	(1,187)
Credit (charge) to profit or loss	計入損益(自損益扣除)	2,284	2,351	491	(817)	4,309
At 31 December 2022	於2022年12月31日	(14,068)	(9,189)	491	1,139	(21,627)
Exchange adjustments	匯兌調整	(216)	-	-	20	(196)
Credit to profit or loss	計入損益	2,544	5,858	4,273	2,436	15,111
At 31 December 2023	於2023年12月31日	(11,740)	(3,331)	4,764	3,595	(6,712)

Notes:

- 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.
- Others mainly comprised the temporary differences arising from leases in the PRC and accrued expenses, inventory capitalization adjustment etc., due to the temporary differences under federal and state income tax in the USA.

附註：

- 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。
- 其他主要包括因美國聯邦及州所得稅暫時差額導致的中國租約及預提費用、存貨資本化調整等產生的暫時差額。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Details of the directors' and the chief executive's emoluments are as follows:

12. 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：

		2023 2023年				
		Directors' fees	Salaries, allowances and benefits-in-kind 薪金、津貼及 董事袍金	Performance related bonuses 表現掛鈎花紅	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 (Note iv) (附註iv)	RMB'000 人民幣千元	RMB'000 人民幣千元
Executive directors 執行董事						
Mr. Sun Yugang (Note iii)	孫玉剛先生(附註iii)	-	2,385	3,450	132	5,967
Mr. Zhu Xiaohui (Note iii)	朱曉輝先生(附註iii)	-	1,540	2,200	132	3,872
Non-executive directors 非執行董事						
Mr. Zhao Jiejun	趙傑軍先生	-	-	-	-	-
Mr. Zhang Ping	張平先生	-	-	-	-	-
Mr. Chen Yiyi (Note ii)	陳易一先生(附註ii)	-	-	-	-	-
Mr. Lu Minfang (Note ii)	盧敏放先生(附註ii)	-	-	-	-	-
Ms. Gan Lu	甘璐女士	-	-	-	-	-
Independent non-executive directors 獨立非執行董事						
Mr. Lee Kong Wai Conway	李港衛先生	217	-	-	-	217
Mr. Li Shengli	李勝利先生	200	-	-	-	200
Mr. Chow Ming Sang	周明笙先生	217	-	-	-	217
		634	3,925	5,650	264	10,473



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

Details of the directors' and the chief executive's emoluments are as follows: (continued)

12. 董事及主要行政人員酬金(續)

董事及主要行政人員酬金詳情如下：(續)

		2022 2022年				
		Directors' fees	Salaries, allowances and benefits-in-kind 薪金、津貼及 董事袍金	Performance related bonuses 表現掛鈎花紅	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 (Note iv) (附註iv)	RMB'000 人民幣千元	RMB'000 人民幣千元
Executive directors	執行董事					
Mr. Sun Yugang (Note iii)	孫玉剛先生(附註iii)	—	2,147	4,200	108	6,455
Mr. Zhu Xiaohui (Note iii)	朱曉輝先生(附註iii)	—	1,535	2,280	108	3,923
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	—	—	—	—	—
Independent non-executive directors	獨立非執行董事					
Mr. Lee Kong Wai Conway	李港衛先生	205	—	—	—	205
Mr. Li Shengli	李勝利先生	200	—	—	—	200
Mr. Chow Ming Sang	周明笙先生	205	—	—	—	205
		610	3,682	6,480	216	10,988



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

The emoluments disclosed above for executive directors were for the management of the affairs of the Company and the Group.

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 2023 (2022: nil).
- ii. Mr. Lu Minfang resigned from his position of non-executive director with effect from 1 February 2023, while Mr. Chen Yiyi was appointed as a non-executive director on the same day.
- iii. Certain directors were granted share awards in respect of their services to the Group under the share award scheme of the Company, further details of which are set out in Note 38. During the year, the equity-settled share-based payments relating to the share awards granted to Mr. Sun Yugang who is also the chief executive and Mr. Zhu Xiaohui were RMB4,377,000 (2022: RMB3,172,000) and RMB2,586,000 (2022: RMB2,170,000), respectively. The equity-settled share-based payments relating to the share award granted to these directors are not included in the details of emoluments above.
- iv. Performance related bonuses are determined based on the Group's performance, performance of the relevant individual within the Group and comparable market statistics.

12. 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。

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2023年12月31日止年度，概無董事放棄或同意放棄任何薪酬(2022年：無)。
- ii. 盧敏放先生辭任非執行董事職務，自2023年2月1日起生效，陳易一先生同日獲委任為非執行董事。
- iii. 根據本公司的股份獎勵計劃，若干董事就其為本集團提供的服務獲授股份獎勵，詳情載於附註38。年內，與向孫玉剛先生(亦為主要行政人員)及朱曉輝先生授出的股份獎勵有關的按股權結算以股份支付的付款分別為人民幣4,377,000元(2022年：人民幣3,172,000元)及人民幣2,586,000元(2022年：人民幣2,170,000元)。與授予該等董事的股份獎勵有關的按股權結算以股份支付的付款不包括在上述酬金詳情中。
- iv. 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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

13. FIVE HIGHEST PAID EMPLOYEES

The five highest paid individuals of the Group during the year included two (2022: two) directors of the Company, details of whose remuneration are included in the disclosures in Note 12 above. Details of the remuneration of the remaining three (2022: three) highest paid individuals for the year are as follows:

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Salaries, allowances and benefits-in-kind	薪金、津貼及實物福利	4,586	4,478
Performance related bonuses	表現掛鈎花紅	3,358	6,474
Retirement benefits scheme contributions	退休福利計劃供款	395	335
Equity-settled share award expense	按股權結算股份獎勵開支	6,644	5,235
		14,983	16,522

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 2023 (2022: nil).

The number of the highest paid employees who are not the directors nor chief executive of the Company whose remuneration (including equity-settled share-based payments) fell within the following bands in Hong Kong dollars ("HKD") is as follows:

13. 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兩名(2022年：兩名)董事，其薪酬詳情披露於上文附註12。年內其餘三名(2022年：三名)最高薪酬人士的薪酬詳情如下：

截至2023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(2022年：無)。

以港元(「港元」)計值的薪酬(包括按股權結算以股份支付的付款)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：

		2023 2023年	2022 2022年
HKD4,500,001 to HKD5,000,000	4,500,001港元至5,000,000港元	1	—
HKD5,500,001 to HKD6,000,000	5,500,001港元至6,000,000港元	2	1
HKD6,000,001 to HKD6,500,000	6,000,001港元至6,500,000港元	—	1
HKD6,500,001 to HKD7,000,000	6,500,001港元至7,000,000港元	—	1
		3	3



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

13. FIVE HIGHEST PAID EMPLOYEES (continued)

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 38.

14. DIVIDENDS

During the year, a final dividend of RMB0.0142 per share in respect of the year ended 31 December 2022 (2022: RMB0.026 per share in respect of the year ended 31 December 2021) 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 RMB111,997,000 (2022: RMB204,390,000) and was appropriated from the Company's distributable share premium.

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2023 of RMB0.0045 per share has been proposed by the Directors and is subject to approval by the shareholders at the forthcoming general meeting.

13. 五名最高薪酬人士(續)

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38。

14. 股息

年內，就截至2022年12月31日止年度向本公司擁有人宣派及派付每股人民幣0.0142元(2022年：就截至2021年12月31日止年度之每股人民幣0.026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111,997,000元(2022年：人民幣204,390,000元)，並自本公司可分派的股份溢價中撥付。

於報告期末後，董事建議就截至2023年12月31日止年度派發末期股息每股人民幣0.0045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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

15. 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:

15. 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：

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Profit	溢利		
Profit for the year attributable to owners of the Company	本公司擁有人應佔年內溢利	175,159	562,497
Profit for the purpose of basic and diluted earnings per share	用於計算每股基本及攤薄盈利的溢利	175,159	562,497
		2023 2023年 Shares 股	2022 2022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	7,861,049,217	7,859,032,978
Effect of dilutive potential ordinary shares: Share awards	攤薄潛在普通股的影響：股份獎勵	51,084,645	25,269,600
		7,912,133,862	7,884,302,578

The number of shares adopted in the calculation of the basic earnings per share has been arrived at after adjusting the effect of shares repurchased by the Company and the shares 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調整本公司回購股份及本公司股份獎勵計劃所持股份的影響後得出。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

16. PROPERTY, PLANT AND EQUIPMENT

16. 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 2022	於2022年1月1日的結餘	48,211	6,779,126	22,977	2,391,859	141,485	9,383,658
Additions	添置	-	128,623	59,839	251,867	595,409	1,035,738
Transfer	轉撥	-	266,061	2,861	55,438	(324,360)	-
Reclassification	重新分類	-	(62,915)	142,926	(80,011)	-	-
Acquired on business combination	業務合併時收購	-	73,989	3,848	18,042	1,871	97,750
Exchange adjustments	匯兌調整	5,150	7,374	315	9,247	604	22,690
Disposals	出售	-	(27,767)	(8,728)	(239,482)	-	(275,977)
Reclassified as held for sale (Note)	重新分類為持作出售(附註)	(26,620)	(8,258)	-	-	-	(34,878)
Balance at 31 December 2022	於2022年12月31日的結餘	26,741	7,156,233	224,038	2,406,960	415,009	10,228,981
Additions	添置	-	77,527	70,004	312,788	780,034	1,240,353
Transfer	轉撥	-	401,416	4,933	137,782	(544,131)	-
Reclassification	重新分類	-	(28,754)	134,800	(106,046)	-	-
Acquired on business combination	業務合併時收購	-	-	-	588	-	588
Exchange adjustments	匯兌調整	453	1,047	65	1,939	114	3,618
Disposals	出售	-	(25,631)	(38,032)	(99,068)	-	(162,731)
Balance at 31 December 2023	於2023年12月31日的結餘	27,194	7,581,838	395,808	2,654,943	651,026	11,310,809
Accumulated depreciation	累計折舊						
Balance at 1 January 2022	於2022年1月1日的結餘	-	(2,640,573)	(3,750)	(1,243,568)	-	(3,887,891)
Charge for the year	年內開支	-	(399,836)	(30,779)	(226,091)	-	(656,706)
Reclassification	重新分類	-	18,990	(68,327)	49,337	-	-
Exchange adjustments	匯兌調整	-	(2,760)	(230)	(5,608)	-	(8,598)
Eliminated on disposals	出售撇銷	-	7,999	4,384	132,450	-	144,833
Reclassified as held for sale (Note)	重新分類為持作出售(附註)	-	6,234	-	-	-	6,234
Balance at 31 December 2022	於2022年12月31日的結餘	-	(3,009,946)	(98,702)	(1,293,480)	-	(4,402,128)
Charge for the year	年內開支	-	(371,033)	(51,420)	(230,157)	-	(652,610)
Reclassification	重新分類	-	9,510	(83,199)	73,689	-	-
Exchange adjustments	匯兌調整	-	(692)	(45)	(1,239)	-	(1,976)
Eliminated on disposals	出售撇銷	-	16,805	36,260	78,524	-	131,589
Balance at 31 December 2023	於2023年12月31日的結餘	-	(3,355,356)	(197,106)	(1,372,663)	-	(4,925,125)
Impairment	減值						
Balance at 1 January 2022	於2022年1月1日的結餘	-	(113,459)	-	(69,338)	-	(182,797)
Charge for the year	年內開支	-	(1,532)	-	(363)	-	(1,895)
Eliminated on disposals	出售撇銷	-	-	-	60,746	-	60,746
Balance at 31 December 2022	於2022年12月31日的結餘	-	(114,991)	-	(8,955)	-	(123,946)
Charge for the year	年內開支	-	-	-	-	-	-
Eliminated on disposals	出售撇銷	-	1,533	-	1,663	-	3,196
Balance at 31 December 2023	於2023年12月31日的結餘	-	(113,458)	-	(7,292)	-	(120,750)
Carrying amounts	賬面值						
Balance at 31 December 2023	於2023年12月31日的結餘	27,194	4,113,024	198,702	1,274,988	651,026	6,264,934
Balance at 31 December 2022	於2022年12月31日的結餘	26,741	4,031,296	125,336	1,104,525	415,009	5,702,907



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

16. PROPERTY, PLANT AND EQUIPMENT

(continued)

Note: In 2022, certain land and buildings of Haykingdom International, Inc ("Haykingdom") were classified as non-current assets held for sale as the Group ceased operations at two non-major locations in the USA and has initiated actions to locate a buyer, and expects to sell the land and buildings in 2023. In 2023, part of the land and building were sold, and a gain of RMB4,470,000 (Note 8) was recognized in other gains and losses. The remaining land and buildings were still classified as held for sale as at 31 December 2023 as the Group remains committed to its plan to sell the assets by taking actions actively to locate a buyer, and expects to sell these assets in 2024. These assets are presented separately in the consolidated statement of financial position at its carrying amount of RMB17,203,000 (2022: RMB28,644,000) as at 31 December 2023 and the net proceeds of disposal are expected to exceed the carrying amount of the relevant assets.

Depreciation is charged using straight-line method over the expected useful life other than freehold land and construction in progress, after taking into account its estimated residual value, at the following rates per annum:

Buildings	4.75%-9.50%
Motor vehicles	9.50%-19.00%
Plant and equipment	9.50%-19.00%

As at 31 December 2023, the Group's properties of RMB23,991,000 (2022: RMB126,988,000) were pledged to secure bank and other borrowings of the Group (Notes 28 and 29).

16. 物業、廠房及設備(續)

附註：於2022年，Haykingdom International, Inc (「Haykingdom」)的若干土地及樓宇被分類為持作出售的非流動資產，原因是本集團已停止在美國兩個非主要地點的業務並已開始尋找買家，預計於2023年出售土地及樓宇。2023年，已出售部分的土地及樓宇，並於其他收益及虧損中確認收益人民幣4,470,000元(附註8)。於2023年12月31日，餘下土地及樓宇仍被歸類為持作出售，因為本集團仍然致力於透過積極尋找買家來出售該等資產的計劃，並預計於2024年出售該等資產。於2023年12月31日，該等資產以其賬面值人民幣17,203,000元(2022年：人民幣28,644,000元)於綜合財務狀況表中單獨列報，出售所得款項淨額預期超過相關資產的賬面值。

折舊於預期可使用年期(永久業權土地及在建工程除外)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：

樓宇	4.75%-9.50%
汽車	9.50%-19.00%
廠房及設備	9.50%-19.00%

於2023年12月31日，本集團金額為人民幣23,991,000元(2022年：人民幣126,988,000元)的物業已質押以擔保本集團的銀行及其他借款(附註28及29)。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

17. RIGHT-OF-USE ASSETS

17. 使用權資產

		Leasehold lands 租賃土地 RMB'000 人民幣千元	Leased properties 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	Leased farms 租賃牧場 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost	成本					
Balance at 1 January 2022	於2022年1月1日的結餘	744,507	10,442	48,993	—	803,942
Additions	添置	98,353	1,786	—	439,682	539,821
Termination of leases (Note)	終止租賃(附註)	(3,279)	—	(48,993)	—	(52,272)
Acquired on business combination	業務合併時收購	4,075	3,456	—	92,040	99,571
Balance at 31 December 2022	於2022年12月31日的結餘	843,656	15,684	—	531,722	1,391,062
Additions	添置	210,479	455	—	883,303	1,094,237
Termination of leases	終止租賃	(1,869)	—	—	—	(1,869)
Acquired on business combination	業務合併時收購	—	1,408	—	—	1,408
Balance at 31 December 2023	於2023年12月31日的結餘	1,052,266	17,547	—	1,415,025	2,484,838
Accumulated depreciation	累計折舊					
Balance at 1 January 2022	於2022年1月1日的結餘	(62,284)	(816)	(15,678)	—	(78,778)
Charge for the year	年內開支	(52,180)	(1,508)	(2,554)	(17,682)	(73,924)
Eliminated on termination of leases (Note)	終止租賃時撇銷(附註)	357	—	18,232	—	18,589
Balance at 31 December 2022	於2022年12月31日的結餘	(114,107)	(2,324)	—	(17,682)	(134,113)
Charge for the year	年內開支	(80,518)	(2,830)	—	(69,204)	(152,552)
Eliminated on termination of leases	終止租賃時撇銷	373	—	—	—	373
Balance at 31 December 2023	於2023年12月31日的結餘	(194,252)	(5,154)	—	(86,886)	(286,292)
Carrying amounts	賬面值					
Balance at 31 December 2023	於2023年12月31日的結餘	858,014	12,393	—	1,328,139	2,198,546
Balance at 31 December 2022	於2022年12月31日的結餘	729,549	13,360	—	514,040	1,256,949

Note: During the year 2022, the Group negotiated with the lessors and early terminated certain leases. The Group derecognised the right-of-use assets of RMB33,683,000 and lease liabilities of RMB37,335,000, resulting in gain of RMB3,652,000 in profit or loss.

附註：於2022年，本集團與出租人磋商並提前終止若干租賃。本集團終止確認使用權資產人民幣33,683,000元及租賃負債人民幣37,335,000元，導致損益中出現收益人民幣3,652,000元。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

17. RIGHT-OF-USE ASSETS (continued)

17. 使用權資產(續)

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Expense relating to short-term leases	有關短期租賃的開支	25,238	39,687
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	—	136
Total cash outflow for leases	租賃現金流出總額	227,812	167,194

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, farms, 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、牧場、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。

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任何承租人的任何延長、提早終止權或購買權。

As at 31 December 2023, leasehold lands with a carrying amount of RMB23,133,000 (31 December 2022: RMB23,855,000) were pledged to other borrowings of the Group (Note 29).

於2023年12月31日，賬面值為人民幣23,133,000元(2022年12月31日：人民幣23,855,000元)的永久業權土地已作抵押，作為本集團的其他借款的擔保(附註29)。

The Group regularly entered into short-term leases for land, property, machinery, motor vehicles and office equipment. As at 31 December 2023 and 2022, 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 8.

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2023年及2022年12月31日，短期租賃組合與短期租賃開支於附註8所披露的短期租賃組合相若。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

18. GOODWILL

18. 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	Aiyangniu 愛養牛 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 2022	於2022年1月1日的結餘	310,426	1,225,460	695,329	-	57,805	2,289,020
Arising on acquisition of subsidiaries (Note 39)	收購附屬公司時產生 (附註39)	-	-	-	231,647	95,532	327,179
Exchange adjustments	匯兌調整	-	-	3,888	-	-	3,888
Balance at 31 December 2022	於2022年12月31日的結餘	310,426	1,225,460	699,217	231,647	153,337	2,620,087
Arising on acquisition of a subsidiary (Note 39)	收購附屬公司時產生 (附註39)	-	-	-	-	10,472	10,472
Exchange adjustments	匯兌調整	-	-	785	-	-	785
Balance at 31 December 2023	於2023年12月31日的結餘	310,426	1,225,460	700,002	231,647	163,809	2,631,344
Impairment	減值						
Balance at 1 January 2022, 31 December 2022 and 31 December 2023	於2022年1月1日、2022年12月31日及2023年12月31日的結餘	-	(213,429)	-	-	-	(213,429)
Carrying amounts	賬面值						
Balance at 31 December 2023	於2023年12月31日的結餘	310,426	1,012,031	700,002	231,647	163,809	2,417,915
Balance at 31 December 2022	於2022年12月31日的結餘	310,426	1,012,031	699,217	231,647	153,337	2,406,658

The Group's goodwill of RMB310,426,000 arose from acquisition of Modern Farming (Group) Co., Ltd. ("Modern Farming") in 2009, RMB1,225,460,000 arose from acquisition of the Asia Dairy Holdings and Asia Dairy Holdings II ("ADH Companies") in 2015 and RMB695,329,000 arose from acquisition of Inner Mongolia Fuyuan International Industrial (Group) Co. Ltd. ("Fuyuan") in 2021.

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。本集團的商譽金額為人民幣695,329,000元，因於2021年收購內蒙古富源國際實業(集團)有限公司(「富源」)而產生。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

18. GOODWILL (continued)

During the years ended 31 December 2023 and 2022, the Group acquired certain subsidiaries which resulted in goodwill arising on acquisitions, further details of which are set out in Note 39.

For the purpose of impairment testing, goodwill allocated to each of the CGU or group of CGUs are as follows:

		2023 2023年 RMB'000 人民幣千元	2022 2022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	630,271
Fuyuan feeds – China	富源飼料 – 中國	22,680	22,680
Fuyuan feeds – USA	富源飼料 – 美國	47,051	46,266
Aiyangniu	愛養牛	231,647	231,647
Others	其他	163,809	153,337
		2,417,915	2,406,658

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.

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 costs for feeds – such assumptions are based on the CGU's or group of CGUs' past performance and management's expectations for the market development.

18. 商譽(續)

截至2023年及2022年12月31日止年度，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39。

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：

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。

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成本 – 該等假設基於現金產生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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

18. GOODWILL (continued)

- 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 are based on the estimated growth rate of each CGU, 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 budget period are as follows:

18. 商譽(續)

- 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 – 用於推斷超過5年的現金流量增長率是基於每個現金產生單位的估計增長率，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預算期間的現金流量增長率如下：

		Discount rate (%) 貼現率(%)		Growth rate (%) 增長率(%)	
		2023 2023年	2022 2022年	2023 2023年	2022 2022年
Modern Farming	現代牧業(集團)	12.5	12.5	2.5	2.5
ADH Companies	ADH公司	12.5	12.5	2.5	2.5
Fuyuan dairy farming	富源奶牛養殖	12.5	12.5	2.5	2.5
Fuyuan feeds – China	富源飼料 – 中國	9.3	9.2	2.5	2.5
Fuyuan feeds – USA	富源飼料 – 美國	10.5	10.0	2.5	2.5
Aiyangniu	愛養牛	14.8	14.4	2.5	2.5
Others	其他	11.0–12.5	12.5	2.5	2.5

During the year ended 31 December 2023, management of the Group determines that there is no impairment on goodwill, hence no further impairment loss was recognised (2022: nil).

Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the CGU or group of CGUs to exceed its recoverable amount as at 31 December 2023 and 2022.

於截至2023年12月31日止年度，本集團管理層認定商譽並無出現減值，故並無確認進一步的減值虧損(2022年：無)。

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現金產生單位或現金產生單位組別的賬面金額超過截至2023年及2022年12月31日的可收回金額。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

19. OTHER INTANGIBLE ASSETS

19. 其他無形資產

		Computer software 電腦軟件 RMB'000 人民幣千元	Distribution channels and customer relationships 分銷渠道及客戶關係 RMB'000 人民幣千元	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 2022	於2022年1月1日的結餘	3,831	–	–	3,831
Acquired on acquisition of subsidiaries	收購附屬公司時收購	460	26,251	10,870	37,581
Additions	添置	6,031	–	2,241	8,272
Disposals	出售	(394)	–	–	(394)
Balance at 31 December 2022	於2022年12月31日的結餘	9,928	26,251	13,111	49,290
Acquired on acquisition of a subsidiary	收購附屬公司時收購	–	–	5,109	5,109
Additions	添置	11,583	–	551	12,134
Disposals	出售	(188)	–	(12,910)	(13,098)
Balance at 31 December 2023	於2023年12月31日的結餘	21,323	26,251	5,861	53,435
Amortisation	攤銷				
Balance at 1 January 2022	於2022年1月1日的結餘	(54)	–	–	(54)
Charge for the year	年內開支	(862)	(2,625)	(720)	(4,207)
Eliminated on disposals	出售撇銷	229	–	–	229
Balance at 31 December 2022	於2022年12月31日的結餘	(687)	(2,625)	(720)	(4,032)
Charge for the year	年內開支	(2,942)	(5,250)	(1,057)	(9,249)
Eliminated on disposals	出售撇銷	34	–	678	712
Balance at 31 December 2023	於2023年12月31日的結餘	(3,595)	(7,875)	(1,099)	(12,569)
Carrying amounts	賬面值				
Balance at 31 December 2023	於2023年12月31日的結餘	17,728	18,376	4,762	40,866
Balance at 31 December 2022	於2022年12月31日的結餘	9,241	23,626	12,391	45,258



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

19. OTHER INTANGIBLE ASSETS (continued)

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Computer software	5–10 years
Distribution channels and customer relationships	5 years
Others	10 years

19. 其他無形資產(續)

上述無形資產的使用壽命有限。該等無形資產在下列期間內按直線法攤銷：

電腦軟件	5–10年
分銷渠道及客戶關係	5年
其他	10年

20. INTERESTS IN ASSOCIATES AND A JOINT VENTURE

20. 於聯營公司及合營企業的權益

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Cost of investments in associates (Notes i & ii)	於聯營公司的投資成本 (附註i及ii)	599,676	288,657
Cost of investment in a joint venture	於合營企業的投資成本	27,000	27,000
Share of post-acquisition profits and other comprehensive income in associates	分佔聯營公司的收購後溢利及 其他全面收入	142,558	142,868
Share of post-acquisition profits and other comprehensive income in a joint venture	分佔合營企業的收購後溢利及 其他全面收入	1,813	392
		771,047	458,917



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

20. INTERESTS IN ASSOCIATES AND A JOINT VENTURE (continued)

Details of the Group's material associate at the end of the reporting period are as follows:

Name of company 公司名稱	Place of establishment 成立地點	Proportion of ownership interest 擁有權益比例		Voting rights 投票權		Principal activity 主要業務
		31/12/2023 2023年12月31日 %	31/12/2022 2022年12月31日 %	31/12/2023 2023年12月31日 %	31/12/2022 2022年12月31日 %	
Modern Farming (Bengbu) Co., Ltd. ("Bengbu") (Note iii) 現代牧業(蚌埠)有限公司(「蚌埠」)(附註iii)	The PRC 中國	49.18	49.18	49.00	49.00	Liquid milk producing business 生產液態奶業務

Notes:

- i. During the current year, Modern Farming and its subsidiary invested RMB308,659,000 to seven entities. Modern Farming can exercise significant influence over these entities because it has the power to appoint director under the articles of association and hence the investments in these entities were accounted for by using the equity method.

Modern Farming also made additional proportionate investment of RMB11,000,000 in two existing associates.

20. 於聯營公司及合營企業的權益 (續)

本集團重要聯營公司於報告期末的詳情如下：

附註：

- i. 於本年度，現代牧業(集團)及其附屬公司向七個實體投資了人民幣308,659,000元。現代牧業(集團)能夠對該等實體施加重大影響，因為其有權根據公司章程任命董事，因此使用權益法入賬於該等實體的投資。

現代牧業(集團)亦向按比例兩家現有聯營公司再投資人民幣11,000,000元。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

20. INTERESTS IN ASSOCIATES AND A JOINT VENTURE (continued)

Notes: (continued)

- ii. Modern Farming made investment of RMB8,640,000 for 48% equity interest in Inner Mongolia Yunyangniu Technology Co., Ltd. ("Yunyangniu") in March 2022. In March 2023, Aiyangniu, a non-wholly owned subsidiary of the Company which is owned by Modern Farming and Inner Mongolia Mengniu as to 75% and 25%, entered into an equity transfer agreement with Modern Farming, Inner Mongolia Mengniu and other sellers (the "Sellers"), pursuant to which the Sellers agreed to sell, Aiyangniu agreed to purchase, 100% equity interests in Yunyangniu at a total consideration of RMB19,080,000, among which RMB8,640,000 was payable to Modern Farming and RMB10,440,000 was payable to Inner Mongolia Mengniu and other sellers.

Upon the completion of the above transaction in April 2023, Yunyangniu became a non-wholly owned subsidiary of the Company. Details of the acquisition are disclosed in Note 39. The 48% equity interests previously held by Modern Farming was remeasured at fair value at the date of acquisition and the excess of RMB5,050,000 of the fair value over the carrying value was credited to profit or loss.

- iii. For Bengbu, the proportion of ownership interest owned by Modern Farming is 50% and the voting rights held by Modern Farming is 49%.

Summarised financial information of the material associate

Summarised financial information in respect of each of the Group's material associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs.

20. 於聯營公司及合營企業的權益(續)

附註：(續)

- ii. 現代牧業(集團)於2022年3月以人民幣8,640,000元投資內蒙古雲養牛科技有限公司(「雲養牛」)以獲得48%股權。愛養牛(本公司的非全資附屬公司，由現代牧業(集團)與內蒙古蒙牛各持有75%及25%權益)於2023年3月與現代牧業(集團)、內蒙古蒙牛及其他賣方(「賣方」)訂立股權轉讓協議，據此，賣方同意出售及愛養牛同意購買雲養牛的全部股權，總代價為人民幣19,080,000元(其中應向現代牧業(集團)支付的代價人民幣8,640,000元以及應向內蒙古蒙牛及其他賣方支付的代價人民幣10,440,000元)。

於上述交易在2023年4月完成後，雲養牛成為本公司的非全資附屬公司。收購的詳情於附註39披露。現代牧業(集團)之前持有的48%股權按照購買日的公平值重新計量，公平值高於賬面價值的差額人民幣5,050,000元計入損益。

- iii. 對於蚌埠，現代牧業(集團)擁有的股權比例為50%，現代牧業(集團)持有的投票權為49%。

重要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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

20. INTERESTS IN ASSOCIATES AND A JOINT VENTURE (continued)

Summarised financial information of the material associate (continued)

This associate is accounted for using the equity method in these consolidated financial statements.

Bengbu

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Current assets	流動資產	487,124	492,147
Non-current assets	非流動資產	87,511	103,905
Current liabilities	流動負債	108,314	171,180
Non-current liabilities	非流動負債	2,649	4,891
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Revenue	收入	1,114,937	1,062,076
Profit and total comprehensive income for the year	年內溢利及全面收入總額	43,692	51,740
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	(4,690)	(874)
		39,002	50,866

20. 於聯營公司及合營企業的權益(續)

重要聯營公司的財務資料概要(續)

於該等綜合財務報表中，該聯營公司採用權益法入賬。

蚌埠



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

20. INTERESTS IN ASSOCIATES AND A JOINT VENTURE (continued)

Bengbu (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Net assets of Bengbu	蚌埠淨資產	463,672	419,981
Proportion of Modern Farming's ownership interest in Bengbu	現代牧業(集團)於蚌埠的擁有權權益比例	50%	50%
The Group's share of net asset of Bengbu	本集團分佔蚌埠淨資產	231,836	209,990
Goodwill	商譽	33	33
Fair value adjustments	公平值調整	—	2,345
		231,869	212,368

Information of associates and joint venture that are not individually material

個別並非重大的聯營公司及合營企業的資料

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
The Group's share of profit of other associates and a joint venture	本集團應佔其他聯營公司及合營企業的溢利	(23,440)	(10,023)
Carrying amount of the Group's interests in other associates and a joint venture	本集團於其他聯營公司及合營企業的權益賬面值	539,178	246,549



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

21. EQUITY INSTRUMENTS AT FVTOCI

21. 按公平值計入其他全面收入的權益工具

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Listed:	上市：		
– Equity securities	– 權益證券	22,082	67,461
Unlisted:	非上市：		
– Equity investments	– 權益投資	35,260	38,768
Total	總計	57,342	106,229

The Directors have elected to designate these equity instruments at FVTOCI as the investments are not held for trading purpose.

董事已選擇指定按公平值計入其他全面收入計量該等權益工具，因為該等投資並非出於交易目的而持有。

22. 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.

22. 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。

		2023 2023年 Heads 頭	2022 2022年 Heads 頭
Milkable cows	奶牛	218,711	199,793
Heifers and calves	小母牛及小牛	231,851	205,565
Total dairy cows	乳牛總計	450,562	405,358



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

22. 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.

22. 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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

22. BIOLOGICAL ASSETS (continued)

B – Quantity of the agricultural produce of the Group's biological assets

		2023 2023年 kg 千克	2022 2022年 kg 千克
Volume of milk sold	奶銷量	2,546,924,000	2,327,351,000

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:

22. 生物資產(續)

B – 本集團生物資產的農業生產的數量

		2023 2023年 kg 千克	2022 2022年 kg 千克
Volume of milk sold	奶銷量	2,546,924,000	2,327,351,000

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：

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Milkable cows	奶牛	7,384,921	6,570,971
Heifers and calves	小母牛及小牛	4,543,056	4,060,200
Total dairy cows	乳牛總計	11,927,977	10,631,171



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

22. BIOLOGICAL ASSETS (continued)

C – Value of dairy cows (continued)

22. 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 2022	於2022年1月1日的結餘	3,344,700	6,060,224	9,404,924
Acquired on acquisition of subsidiaries (Note 39)	收購附屬公司時收購(附註39)	114,174	215,077	329,251
Increase due to purchase	收購導致增加	154,570	–	154,570
Feeding cost and other related costs	飼養成本及其他相關成本	2,855,704	–	2,855,704
Transfer	轉撥	(3,156,661)	3,156,661	–
Decrease due to disposal	出售導致減少	(188,395)	(936,668)	(1,125,063)
Gain (loss) arising from changes in fair value less costs to sell	公平值變動減銷售成本產生的收益(虧損)	936,108	(1,924,323)	(988,215)
Balance at 31 December 2022	於2022年12月31日的結餘	4,060,200	6,570,971	10,631,171
Increase due to purchase	收購導致增加	104,840	–	104,840
Feeding cost and other related costs	飼養成本及其他相關成本	3,502,389	–	3,502,389
Transfer	轉撥	(3,389,482)	3,389,482	–
Decrease due to disposal	出售導致減少	(200,042)	(830,008)	(1,030,050)
Gain (loss) arising from changes in fair value less costs to sell	公平值變動減銷售成本產生的收益(虧損)	465,151	(1,745,524)	(1,280,373)
Balance at 31 December 2023	於2023年12月31日的結餘	4,543,056	7,384,921	11,927,977

The Group has engaged Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent firm of professional valuer, 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 44.

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44。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

22. BIOLOGICAL ASSETS (continued)

C – Value of dairy cows (continued)

As at 31 December 2023, the Group's dairy cows with carrying amount of RMB695,354,000 (2022: RMB831,830,000) were pledged to banks to secure certain bank borrowings of the Group (Note 28).

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:

		2023 2023年 RMB'000 人民幣千元	2022 2022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	2,678,046	2,887,548
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	(1,280,373)	(988,215)
		1,397,673	1,899,333

22. 生物資產(續)

C – 乳牛的價值(續)

於2023年12月31日，本集團賬面值為人民幣695,354,000元(2022年：人民幣831,830,000元)的奶牛已抵押予銀行，作為本集團的若干銀行借款的擔保(附註28)。

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：

23. INVENTORIES

23. 存貨

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Feeds to be consumed	將消耗的飼料	2,484,855	2,601,037
Feeds held for sale	持作銷售的飼料	409,330	591,049
Others	其他	46,783	187,260
		2,940,968	3,379,346



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

24. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

24. 應收貿易賬款及其他應收款項以及預付款項

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Trade receivables	應收貿易賬款	1,549,119	1,633,165
Bills receivable	應收票據	6,657	14,268
Less: allowance for credit losses	減：信貸虧損撥備	(19,107)	(1,965)
		1,536,669	1,645,468
Prepayments for feeds, materials, insurance and others	飼料、材料、保險及其他的預付款項	198,359	337,218
Prepayments for property, plant and equipment	物業、廠房及設備的預付款項	12,914	29,936
Input value added tax recoverable	可收回進項增值稅	4,666	8,364
Receivables from the original shareholders of an acquired subsidiary	新收購附屬公司原始股東的應收款項	—	30,000
Short term entrusted loans to associates (Note)	向聯營公司提供短期委託貸款(附註)	94,786	68,620
Guarantee deposit receivables	應收保證金	29,624	11,236
Receivables from selling biological assets	出售生物資產應收款項	36,785	61,915
Others	其他	35,043	21,086
		1,948,846	2,213,843
Analysed as:	按下列分析：		
Current	即期	1,935,932	2,183,907
Non-current	非即期	12,914	29,936
		1,948,846	2,213,843

Note: As at 31 December 2023 and 2022, the Group granted entrusted loans to certain associates with the annual interest rate of 5% which will mature in 1 year.

附註：於2023年及2022年12月31日，本集團向若干聯營公司授予委託貸款，年利率為5%，期限為一年。

As at 1 January 2022, trade receivables from contracts with customers amounted to RMB1,044,160,000.

於2022年1月1日，來自客戶合約的應收貿易賬款為人民幣1,044,160,000元。

As at 31 December 2023, the Group's trade receivables with carrying amount of RMB12,925,000 (2022: RMB19,697,000) were pledged to secure certain other borrowings (2022: bank and other borrowings) of the Group (Notes 28 and 29).

於2023年12月31日，本集團賬面值為人民幣12,925,000元(2022年：人民幣19,697,000元)的應收貿易賬款已質押以擔保本集團的若干其他借款(2022年：銀行及其他借款)(附註28及29)。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

24. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (continued)

Trade receivables at the end of the reporting period principally represent receivables from sales of raw milk, feeds and farm supplies. 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 and farm supplies.

The following is an aged analysis of trade receivables and bills receivable, 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:

24. 應收貿易賬款及其他應收款項以及預付款項(續)

報告期末的應收貿易賬款主要指銷售原料奶、飼料及牧場物資的應收款項。本集團給予其原料奶客戶30天的信貸期及其飼料及牧場物資客戶不多於90天的信貸期。

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：

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Trade receivables	應收貿易賬款		
– within 30 days	– 30天以內	1,360,978	1,295,769
– beyond 30 days but within 90 days	– 超過30天但90天以內	126,007	244,447
– beyond 90 days but within 1 year	– 超過90天但一年以內	43,027	90,984
Bills receivable	應收票據		
– within 30 days	– 30天以內	572	7,094
– beyond 30 days but within 90 days	– 超過30天但90天以內	6,085	7,174
		1,536,669	1,645,468

Details of impairment assessment of trade and other receivables are set out in Note 41.

應收貿易賬款及其他應收款項的減值評估詳情載於附註41。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

25. DERIVATIVE FINANCIAL INSTRUMENTS

25. 衍生金融工具

		Assets 資產		Liabilities 負債	
		31 December 2023 2023年 12月31日 RMB'000 人民幣千元	31 December 2022 2022年 12月31日 RMB'000 人民幣千元	31 December 2023 2023年 12月31日 RMB'000 人民幣千元	31 December 2022 2022年 12月31日 RMB'000 人民幣千元
Interest rate swaps (Note i)	利率掉期(附註i)	—	16,945	—	—
Foreign currency forward contracts (Note ii)	外匯遠期合約(附註ii)	460	—	(3,017)	—
Foreign currency option contracts (Note ii)	外匯期權合約(附註ii)	—	5,257	(17,342)	(58,034)
CFCCS (Note iii)	CFCCS(附註iii)	117,991	19,154	—	—
		118,451	41,356	(20,359)	(58,034)
Analysed as:	分析為：				
Current	流動	460	22,202	(3,017)	(14,388)
Non-current	非流動	117,991	19,154	(17,342)	(43,646)
		118,451	41,356	(20,359)	(58,034)

Notes:

附註：

i. Key terms of the interest rate swaps are as follows:

i. 利率掉期主要條款如下：

Nominal amounts
名義金額

Swaps
掉期

At 31 December 2022

於2022年12月31日

United States dollars ("USD") 80,000,000

80,000,000美元(「美元」)

USD42,300,000

42,300,000美元

From London Inter Bank Offered Rate ("LIBOR") to 0.66%-0.945%

自倫敦銀行同業拆息(「倫敦銀行同業拆息」)至0.66%至0.945%

From LIBOR+1% to 1.50%-1.90%

自倫敦銀行同業拆息+1%至1.50%至1.90%

The Group entered into several interest rate swaps contracts with certain banks as an economic hedge of the risk of interest rate fluctuation arising from certain bank borrowings at floating interest rate. The fair value changes of the swaps were presented within finance costs.

本集團與若干銀行訂立若干利率掉期合約，以對若干按浮動利率的銀行借款產生的利率波動風險進行經濟對沖。掉期的公平值變動於融資成本內呈列。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

25. DERIVATIVE FINANCIAL INSTRUMENTS

(continued)

Notes: (continued)

- ii. Key items of the foreign currency forward contracts and the foreign currency option contracts are as follows:

Nominal amounts 名義金額		Forward exchange rates 遠期匯率	
At 31 December 2023 於2023年12月31日			
USD60,000,000 60,000,000美元		RMB7.0775 to RMB7.2497: USD1 人民幣7.0775元至人民幣7.2497元：1美元	
Nominal amounts 名義金額	Type 類型	Position 好倉／淡倉	Prices 價格
At 31 December 2023 於2023年12月31日			
USD100,000,000* 100,000,000美元*	Call 認購	Long 好倉	RMB6.8850: USD1 人民幣6.8850元：1美元
	Put 認沽	Short 淡倉	RMB6.8850: USD1 人民幣6.8850元：1美元
	Call 認購	Short 淡倉	RMB7.1500: USD1 人民幣7.1500元：1美元
At 31 December 2022 於2022年12月31日			
USD282,300,000* 282,300,000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

* These are currency call/put option portfolios.

The Group entered into several foreign currency forward contracts and foreign currency option contracts with certain banks as an economic hedge of the currency risk arising from certain of its bonds and bank borrowings denominated in USD. The fair value changes of the foreign currency forward contracts and the foreign currency option contracts were recognised in other gains and losses.

25. 衍生金融工具(續)

附註：(續)

- ii. 外匯遠期合約及外匯期權合約主要項目如下：

* 該等為貨幣認購／認沽期權組合。

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，以對若干以美元計值的債券及銀行借款產生的貨幣風險進行經濟對沖。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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

25. 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 as an economic hedge of the risk arising from the USD Bonds (as defined in Note 31) in the amount of USD400,000,000. The fair value changes of the CFCCS contracts were recognised in other gains and losses.

According to the CFCCS contracts, 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 2023 and 2022
於2023年及2022年12月31日

USD400,000,000
400,000,000美元

Fixed Rate
固定利率
Floor Rate
下限匯率
Cap Rate
上限匯率

2.84% – 3.12%
6.00
7.00 – 7.20

The valuation techniques used in determination of fair values of the interest rate swaps, foreign currency forward contracts, foreign currency options and CFCCS are disclosed in Note 44.

25. 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，以其400,000,000美元的美元債券(定義見附註31)產生的風險進行經濟對沖。CFCCS合約的公平值變動計入其他收益及虧損。

根據CFCCS合約，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、外匯遠期合約、外匯期權及CFCCS公平值所使用的估值技術均披露於附註44。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

26. PLEDGED BANK DEPOSITS AND BANK BALANCES

26. 已質押銀行存款及銀行結餘

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Pledged bank deposits	已抵押銀行存款		
Current	流動	9,913	187,339
Non-current	非流動	32,089	—
		42,002	187,339

Note: The pledged bank deposits carry interest at prevailing market rates ranging from 0.00% to 1.45% (31 December 2022: 0.25% to 1.35%) per annum and represent deposits pledged for bank borrowings, letter of credit and bills payable.

附註：已質押銀行存款按每年介乎0.00%至1.45%(2022年12月31日：0.25%至1.35%)的現行市場利率計息，並作為銀行借款、信用證及應付票據的質押存款。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

26. PLEDGED BANK DEPOSITS AND BANK BALANCES (continued)

26. 已質押銀行存款及銀行結餘(續)

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Bank balances	銀行結餘		
Restricted bank deposits (Note i)	受限制銀行存款(附註i)	—	89,081
Term deposits with original maturity over three months (Note ii)	原到期日超過三個月的定期存款(附註ii)	781,732	348,419
Cash and cash equivalents as stated in the consolidated statement of cash flows (Note iii)	綜合現金流量表所示現金及現金等價物(附註iii)	1,859,738	1,924,409
		2,641,470	2,361,909
Analysed as:	分析為：		
Current	流動	1,963,627	2,125,628
Non-current	非流動	677,843	236,281
		2,641,470	2,361,909

Notes:

- As at 31 December 2022, bank deposits RMB89,081,000 can be used only to finance the Group's investments in new dairy farms and the balances were all used in 2023.
- Term deposits with original maturity over three months were held within banks and carry interest at prevailing market rate of 3.10% to 3.55% (31 December 2022: 3.30% to 3.55%) per annum at 31 December 2023.
- Cash and cash equivalents comprise cash at banks and term deposits with original maturity of three months or less which are held within banks and carry interest at prevailing market rate of 0.01% to 1.90% (31 December 2022: 0.01% to 2.10%) per annum at 31 December 2023.

附註：

- 於2022年12月31日，銀行存款人民幣89,081,000元僅可用作本集團投資新奶牛場的資金，結餘於2023年已全部用完。
- 於2023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3.10%至3.55%(2022年12月31日：3.30%至3.55%)的現行市場利率計息。
- 於2023年12月31日，現金及現金等價物包括銀行現金及存入銀行按現行市場利率每年0.01%至1.90%(2022年12月31日：0.01%至2.10%)計息的原到期日為三個月或以內的定期存款。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

26. PLEDGED BANK DEPOSITS AND BANK BALANCES (continued)

The Group's pledged bank deposits and bank balances that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

26. 已質押銀行存款及銀行結餘(續)

以有關集團實體的功能貨幣以外的貨幣計值的本集團已質押銀行存款及銀行結餘載列如下：

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
USD	美元	76,577	73,711
Euro ("EUR")	歐元(「歐元」)	419	378
HKD	港元	15,665	12,430
Australian dollar ("AUD")	澳元(「澳元」)	3,023	2,939



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

27. TRADE AND OTHER PAYABLES

27. 應付貿易賬款及其他應付款項

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Trade payables	應付貿易賬款	1,373,517	2,064,492
Trade payables under supplier finance arrangements (Note i)	供應商融資安排下的應付貿易賬款(附註i)	3,022,045	84,486
Bills payables (Note ii)	應付票據(附註ii)	41,870	67,921
		4,437,432	2,216,899
Payable for acquisition of property, plant and equipment	購買物業、廠房及設備應付款項	481,547	277,694
Accrued staff costs	應計員工成本	358,533	314,268
Receipts in advance from disposal of dairy cows	就出售乳牛的預收款項	8,418	15,017
Guarantee deposit	保證金	159,955	123,742
Payables for acquisition of subsidiaries	收購附屬公司應付款項	29,101	263,536
Payables for acquisition of non-controlling interests	收購非控股權益應付款項	—	20,894
Dividends payable to non-controlling shareholders	應向非控股股東派付的股息	—	5,341
Others	其他	64,403	51,310
		5,539,389	3,288,701
Analysed as:	分析為：		
Current	即期	5,534,188	3,288,701
Non-current	非即期	5,201	—
		5,539,389	3,288,701



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

27. TRADE AND OTHER PAYABLES (continued)

Notes:

- i. These supplier finance arrangements permit certain suppliers of the Group to be paid a discounted amount by certain financial companies earlier than the due date. As the arrangements do not permit the Group to extend payment terms from financial companies by paying financial companies later than the credit period which the Group would have paid its suppliers, the Group considers amounts payable to financial companies should be classified as trade payables. In the consolidated statement of cash flows, settlements of these trade payables are included within operating cash flows based on the nature of the arrangements.
- ii. Bills payables are with maturities within twelve months from the respective issuance dates.

The credit period granted by suppliers for trade purchases is generally within 180 days (2022: 120 days). The following is an aged analysis of trade payables based on invoice dates at the end of the reporting period:

27. 應付貿易賬款及其他應付款項(續)

附註：

- i. 該等供應商融資安排允許本集團若干供應商在到期日前由若干財務公司向其支付貼現金額。由於該等安排不允許本集團透過晚於本集團向其供應商付款的信貸期向財務公司付款以向財務公司獲得付款期延長，因此本集團認為應付財務公司的款項應分類為應付貿易賬款。於綜合現金流量表中，該等應付票據的結算根據安排的性質計入經營現金流量。
- ii. 應付票據於各自發行日期起計十二個月內到期。

供應商授予採購賬款的信貸期一般為180天(2022年：120天)。以下為根據發票日期於報告期末的應付貿易賬款的賬齡分析：

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
within 120 days	120天以內	3,936,553	2,076,387
beyond 120 days but within 180 days	超過120天但180天以內	420,756	36,237
beyond 180 days but within 360 days	超過180天但360天以內	26,751	14,606
beyond 360 days but within 720 days	超過360天但720天以內	11,502	21,748
		4,395,562	2,148,978



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

28. BANK BORROWINGS

28. 銀行借款

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Bank borrowings:	銀行借款：		
Unsecured	無抵押	5,949,895	7,071,053
Secured (Note)	有抵押(附註)	1,440,548	1,512,532
		7,390,443	8,583,585
Carrying amounts repayable:	應償還賬面值：		
Within one year	一年以內	2,206,484	4,831,164
Between one to two years	一年至兩年內	2,364,698	1,772,370
Between two to five years	兩年至五年內	2,634,750	1,453,997
Over five years	五年以上	184,511	526,054
		7,390,443	8,583,585
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	(2,206,484)	(4,831,164)
		5,183,959	3,752,421

Note: Certain bank borrowings as at 31 December 2023 and 2022 were secured by property, plant and equipment, biological assets, trade receivables, bank deposits and equity interests in subsidiaries owned by the Group as set out in Notes 16, 22, 24, 26 and 47, respectively.

附註：於2023年及2022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、銀行存款及於附屬公司的股權(分別載於附註16、22、24、26及47)作抵押。

The bank borrowings comprise:

銀行借款包括：

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Fixed-rate borrowings	定息借款	6,233,012	7,050,995
Variable-rate borrowings	浮息借款	1,157,431	1,532,590
		7,390,443	8,583,585



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

28. 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) in 2021 and repaid USD15,000,000 (equivalent to RMB103,359,000) in 2022, and repaid USD125,000,000 (equivalent to RMB865,500,000) in 2023, and the effective interest rate is 3.88% per annum (2022: 3.49%) as at 31 December 2023.

In February 2023, the Company entered into a facility agreement with several banks, under which the Group was allowed to borrow USD130,000,000 loan which will mature in February 2026 at floating interest rate determined as Secured Overnight Financing Rate ("SOFR") +1.5% per annum and the upfront fee amounted to USD1,350,000. The Group withdrew the net borrowing of USD128,650,000 (equivalent to RMB890,773,000) after deduction of the upfront fee in March 2023, and repaid USD40,000,000 (equivalent to RMB282,232,000) in 2023, and the effective interest rate is 7.52% per annum as at 31 December 2023.

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:

		2023 2023年	2022 2022年
Fixed-rate borrowings	定息借款	1.65%-8.16%	1.65%-8.16%
Variable-rate borrowings	浮息借款	1.50%-6.85%	1.65%-6.85%

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 and the SOFR.

28. 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)，2021年部分償還60,000,000美元(相當於人民幣387,612,000元)、2022年償還15,000,000美元(相當於人民幣103,359,000元)及2023年償還125,000,000美元(相當於人民幣865,500,000元)，且2023年12月31日的實際年利率為3.88%(2022年：3.49%)。

於2023年2月，本公司與若干銀行訂立融資協議，據此，本集團獲准借入貸款130,000,000美元，將於2026年2月到期，每年按有抵押隔夜融資利率(「有抵押隔夜融資利率」)+1.5%的浮動利率及為數1,350,000美元的前期付款計息。本集團於2023年3月提取了經扣除前期付款後的借款淨額128,650,000美元(相當於人民幣890,773,000元)並於2023年償還40,000,000美元(相當於人民幣282,232,000元)，且2023年12月31日的實際年利率為7.52%。

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、倫敦銀行同業拆息及有抵押隔夜融資利率而釐定。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

28. BANK BORROWINGS (continued)

The Group's bank borrowings denominated in currency other than the functional currencies of the relevant group entities are set out below:

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
USD	美元	636,807	1,048,268

28. 銀行借款(續)

以有關集團實體的功能貨幣以外的貨幣計值的本集團銀行借款載列如下：

29. OTHER BORROWINGS

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Other borrowings:	其他借款：		
– From Mengniu (Note 46(c))	– 來自蒙牛(附註46(c))	255,998	35,785
– From a state-owned enterprise (Note i)	– 來自一間國有企業(附註i)	194,349	147,615
– Others	– 其他	96,878	110,419
		547,225	293,819
Unsecured	無抵押	531,807	268,403
Secured (Note ii)	有抵押(附註ii)	15,418	25,416
		547,225	293,819
Carrying amounts repayable:	應償還賬面值：		
Within one year	一年以內	353,251	22,704
Between one to two years	一年至兩年內	–	79,833
Between two to five years	兩年至五年內	5,418	43,667
Over five years	五年以上	188,556	147,615
		547,225	293,819
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	(353,251)	(22,704)
Amounts shown under non-current liabilities	非流動負債項下所示金額	193,974	271,115



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

29. OTHER BORROWINGS (continued)

Notes:

- i: Pursuant to an investment agreement entered into between the Group and an enterprise owned by a local government of Inner Mongolia (the “SOE”) in regard to the establishment of a target company, the SOE invested RMB172,431,000 and RMB47,291,000 respectively in 2022 and 2023 to the target company, the objective of which is to invest in newly constructed dairy farms in local area with certain conditions attaching to it. The SOE is entitled to a fixed return of 2% per annum from its investment and will not share any variable returns from the target company. The investment period for each individual dairy farm should not exceed 7 years from the date the amount is invested. Upon the end of the investment period the target company will withdraw the capital from the relevant farm and the Group is obliged to return the portion of investment amount to the SOE. In addition, the SOE has the right to request the Group to purchase its investment in the target company in any particular invested farm upon the occurrence of certain contingent events. The target company has been accounted for as a wholly-owned subsidiary of the Company and the investment from the SOE is regarded as borrowings granted to the Group in the consolidated financial statements to reflect the economic substance of the arrangement as the SOE does not expose to any risks or entitle to any rewards (including profit distribution) as equity holder of the target company but receives fixed return. The borrowings with preferential interest rate are initially measured at fair value based on prevailing market interest rate and the difference of RMB26,735,000 and RMB6,349,000 between proceeds received and the fair value of the loan on initial recognition is treated as government grants respectively in 2022 and 2023.
- ii: Certain other borrowings as at 31 December 2023 are secured by property, plant and equipment, leasehold lands and trade receivables owned by the Group as set out in Notes 16, 17 and 24, respectively.

Other than the borrowings set out in Note i above, the Group's other borrowings are loans with fixed interest rates from 3.35% to 7.65% (31 December 2022: 3.59% to 12.00%) per annum as at 31 December 2023.

29. 其他借款(續)

附註：

- i: 根據本集團與內蒙古地方政府所屬企業(「國有企業」)就設立目標公司簽訂的投資協議，國有企業於2022年及2023年分別向目標公司投資人民幣172,431,000元及人民幣47,291,000元，目的是在當地投資新建牧場並在其中附有若干條件。國有企業有權從其投資中獲得每年2%的固定回報，且不會分享目標公司的任何可變回報。單個牧場的投資期限不應超過自投資金額之日起計的7年。直至投資期結束，目標公司將從相關牧場撤資，本集團有義務將部分投資金額退還予國有企業。此外，在某些或然事件發生時，國有企業有權要求本集團購買其於目標公司在任何特定投資牧場的投資。目標公司已作為本公司的全資附屬公司入賬，來自國有企業的投資在綜合財務報表中被視為授予本集團的借款以反映該安排的經濟實質，因為國有企業不承擔任何風險，也不享有任何作為目標公司股東的回報(包括利潤分配)，而是獲得固定回報。優惠利率借款按現行市場利率的公平值進行初始計量，收到的所得款項與借款初始確認時的公平值之間的差額人民幣26,735,000元及人民幣6,349,000元於2022年及2023年分別作為政府補貼處理。
- ii: 於2023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、永久業權土地及應收貿易賬款(分別載於附註16、17及24)作抵押。

除上文附註i所載的借款外，本集團的其他借款為於2023年12月31日固定年利率為3.35%至7.65%(2022年12月31日：3.59%至12.00%)的貸款。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

30. SHORT TERM DEBENTURE

30. 短期融資券

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Short term debenture	短期融資券	—	100,522

On 15 November 2022, Modern Farming issued short term debenture at a principal amount of RMB100,000,000 with a term of three months, bearing a fixed interest rate of 4.00% per annum. The short term debenture was repaid in February 2023.

於2022年11月15日，現代牧業(集團)發行了短期融資券，其本金為人民幣100,000,000元，為期三個月，固定利率為每年4.00%。短期融資券在2023年2月償還。

31. LONG TERM BONDS

31. 長期債券

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Carrying amounts repayable:	應償還賬面值：		
Within one year	一年以內	35,536	34,944
Between two to five years	兩年至五年內	3,523,467	3,458,072
		3,559,003	3,493,016
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	(35,536)	(34,944)
Amounts shown under non-current liabilities	非流動負債項下所示金額	3,523,467	3,458,072

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 amount repayable within one year at the balance sheet date represented interest 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。於資產負債表日期的一年內應償還賬面值指應付利息。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

32. LEASE LIABILITIES

32. 租賃負債

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Lease liabilities payable:	應付租賃負債：		
Within one year	一年內	238,925	111,392
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	182,095	111,165
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	459,817	272,505
Within a period of more than five years	超過五年的期間內	1,139,258	572,983
		2,020,095	1,068,045
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	(238,925)	(111,392)
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	1,781,170	956,653

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 3.22% to 5.90% (31 December 2022: from 3.38% to 5.90%) per annum as at 31 December 2023.

租賃負債按未支付的租賃付款現值計量。於2023年12月31日，就租賃負債所應用增量借款利率介乎每年3.22%至5.90%(2022年12月31日：介乎3.38%至5.90%)。

In May 2022, a subsidiary of the Group leases a parcel of land for the period from January 2022 to December 2024. According to the lease agreement, the total rent of RMB9,816,000 is borne by the local government. As such, no lease liabilities have been recognised for this lease. The fair value of the lease payments subsidised by the local government amounting to RMB9,371,000 at the commencement date was recognised as government grants and the same amount was included in the cost of right-of-use assets correspondingly.

2022年5月，本集團的一間附屬公司從2022年1月至2024年12月租賃了一塊土地。根據租賃協議，當地政府全部補貼了人民幣9,816,000元的總租金。因此，並無就此項租賃確認任何租賃負債。地方政府補貼的租賃付款在租賃期開始日的公平值為人民幣9,371,000元，被確認為政府補貼，相同金額相應計入使用權資產成本。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

33. OTHER LIABILITIES

33. 其他負債

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Provision for obligation to return dairy cows (Note i)	退還奶牛義務的撥備 (附註i)	92,242	—
Commitment to non-controlling interests (Note ii)	對非控股權益的承諾 (附註ii)	68,289	—
Litigation provision (Note 39(b))	訴訟撥備(附註39(b))	9,856	4,573
		170,387	4,573
Analysed as:	分析為：		
Current	流動	9,856	4,573
Non-current	非流動	160,531	—
		170,387	4,573



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

33. OTHER LIABILITIES (continued)

Notes:

- i. In August 2021, the Group entered into an agreement with a third party (the **"Third Party"**) to lease certain dairy cows from the Third Party for a period of 20 years (the **"Lease Period"**). Pursuant to the agreement, the Group is required to return the dairy cows according to the agreed number and age composition in the agreement to the Third Party at the end of the Lease Period. On 30 September 2023, the leased dairy cows have been delivered to the Group, the provision for the obligation to return dairy cows of RMB96,276,000 has been recognised accordingly. During the year ended 31 December 2023, change in provision of the above obligation of RMB4,034,000 was recognised in profit or loss.
- ii. In December 2023, Modern Farming (Wuhe) Co., Ltd. (**"Modern Farming Wuhe"**, the then wholly-owned subsidiary of Modern Farming), Anhui Suida Rongyao Equity Investment Fund Partnership (Limited Partnership) (**"Anhui Suida"**) and Modern Farming entered into a capital injection agreement, pursuant to which Anhui Suida has agreed to subscribe for approximately 11.4% equity interest of Modern Farming Wuhe by way of capital injection in cash of RMB200 million. The capital injection was completed on 28 December 2023. The injection of capital from non-controlling interests contains liability components and equity component, which are classified separately in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. At the date of issue, the liability components, mainly represented the obligation to make up the corresponding shortfall to the extent that Anhui Suida is unable to exit its investment at the agreed amount through the sales of equity to a third party in the event of the specific circumstances and events of the agreement and the obligation to pay the dividends of Modern Farming Wuhe in respect of the years ending 31 December 2024 and 2025, are measured at fair values. The difference of RMB131,711,000 between the total capital injection of RMB200,000,000 and the fair value of the financial liabilities of RMB68,289,000 is recognised in equity at initial recognition.

33. 其他負債(續)

附註：

- i. 於2021年8月，本集團與第三方(「**第三方**」)訂立協議，向第三方租賃若干奶牛，為期20年(「**租賃期**」)。根據協議，本集團須於租賃期結束時向第三方退還協議中協定的數目及日齡構成的奶牛。於2023年9月30日，出租奶牛已交付予本集團，因此已確認退還奶牛義務的撥備人民幣96,276,000元。於截至2023年12月31日止年度，上述義務撥備變動人民幣4,034,000元已於損益中確認。
- ii. 於2023年12月，現代牧業(五河)有限公司(「**現代牧業五河**」，現代牧業(集團)當時的全資附屬公司)、安徽穗達榮耀股權投資基金合夥企業(有限合夥)(「**安徽穗達**」)與現代牧業(集團)訂立一份注資協議，據此安徽穗達以現金注資人民幣200百萬元的方式認購現代牧業五河股權的約11.4%。注資事項已於2023年12月28日完成。非控股權益注資包括了負債部分及權益部分，根據已訂合約安排的具體內容及金融負債與權益工具的定義單獨分類。於發行當日，負債部分主要為安徽穗達於發生協議中的特定情況及事件時無法透過向第三方出售股權的方式依約定金額退出投資時，需補足相應缺口的義務，而截至2024年及2025年12月31日止年度現代牧業五河的股息派付義務以公平值計量。總注資人民幣200,000,000元與金融負債公平值人民幣68,289,000元之間的差額人民幣131,711,000元於初始確認時於權益中確認。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

34. CONTRACT LIABILITIES

34. 合約負債

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Sales of raw milk	銷售原料奶	1,224	462
Sales of feeds	銷售飼料	25,424	42,742
		26,648	43,204

As at 1 January 2022, contract liabilities amounted to RMB5,343,000.

於2022年1月1日，合約負債為人民幣5,343,000元。

35. DEFERRED INCOME

35. 遞延收入

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Current	即期	12,570	11,563
Non-current	非即期	209,663	205,533
		222,233	217,096



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

35. DEFERRED INCOME (continued)

35. 遞延收入(續)

		Arising from government grants 政府補貼所產生 RMB'000 人民幣千元
Balance at 1 January 2022	於2022年1月1日的結餘	184,562
Addition	添置	111,040
Release to income	撥至收入	(78,506)
At 31 December 2022	於2022年12月31日	217,096
Addition	添置	94,719
Release to income	撥至收入	(89,582)
At 31 December 2023	於2023年12月31日	222,233

Deferred income represents government grants obtained in relation to (i) compensations of the capital expenditure incurred for addition of property, plant and equipment and right-of-use assets, which are recognised over the useful life of the related assets; (ii) the purchase of inventories, which are credited to the profit or loss over the periods in which the inventories were consumed and (iii) purchase of biological assets measured at fair value less costs to sell, which are credited to the profit or loss, when the conditions attaching to the government grant are met.

遞延收入指以下各項獲得的政府補貼：(i)購買額外物業、廠房及設備以及使用權資產的資本支出的補償(於有關資產的可使用年內確認)；(ii)購買存貨(於存貨消耗的期間內計入損益)及(iii)購買按其公平值減銷售成本計量的生物資產(於政府補貼所附條件滿足時計入損益)。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

36. SHARE CAPITAL AND RESERVES

Share capital

36. 股本及儲備

股本

		Number of shares 股份數目 '000 千股	Share capital 股本 HKD'000 千港元
Ordinary shares of HKD0.10 each Authorised At 1 January 2022, 31 December 2022 and 2023	每股0.10港元的普通股 法定 於2022年1月1日、2022年及 2023年12月31日	10,000,000	1,000,000
Issued and fully paid At 1 January 2022, 31 December 2022 and 2023	已發行及繳足 於2022年1月1日、2022年及 2023年12月31日	7,915,662	791,566
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Presented as	呈列為	675,869	675,869



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

36. SHARE CAPITAL AND RESERVES (continued)

Other reserve

36. 股本及儲備(續)

其他儲備

		Other reserve 其他儲備 RMB'000 人民幣千元 (Note) (附註)
Balance at 1 January 2022	於2022年1月1日的結餘	920,109
Equity transactions related to interest free intra-group loans	有關集團內部貸款的權益交易	2,859
At 31 December 2022	於2022年12月31日	922,968
Equity transactions related to interest free intra-group loans	有關集團內部貸款的權益交易	(1,727)
Injection of capital from non-controlling interests	非控股權益注資	(83,139)
At 31 December 2023	於2023年12月31日	838,102

Note: Other reserve mainly represented the contribution from the owners of the Company for the operation of the Group.

附註：其他儲備主要指本公司擁有人對本集團營運作出的出資。

Statutory reserve

In accordance with the articles of association of the subsidiaries established in the PRC and relevant PRC laws and regulations, these subsidiaries are required to transfer at least 10% of their profit after tax, which is determined in accordance with the Accounting Standards for Business Enterprises and Financial Regulations applicable in the PRC to a statutory reserve until the balance of such fund has reached 50% of the registered capital of the respective subsidiaries. Statutory reserve can only be used to offset accumulated losses or to increase capital of the relevant subsidiaries.

法定儲備

根據在中國設立的附屬公司的公司章程及中國相關法律法規，該等附屬公司須將至少10%的稅後利潤(根據適用於中國的企業會計準則和財務法規確定)轉入法定儲備，直至基金餘額達到各附屬公司註冊資本的50%。法定儲備僅可用於抵銷相關附屬公司的累計虧損或增加資本。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

37. 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 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.

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 2023 and 2022, the Group had no forfeited contributions under the above retirement benefit schemes which may be used by the Group to reduce the existing level of contributions. There were also no forfeited contributions available at 31 December 2023 and 2022 under such schemes which may be used by the Group to reduce the contribution payable in future years.

The retirement benefit cost incurred are disclosed in Note 8.

37. 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。

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及法規而定）釐定。

於2023年及2022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2023年及2022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8中披露。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

38. SHARE-BASED PAYMENT TRANSACTIONS

On 26 March 2018 (the “**Adoption Date**”), the Company adopted a share award scheme (the “**Share Award Scheme**”) 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 of directors, the Share Award Scheme is valid and effective for a period of 10 years commencing on the Adoption Date.

The shares to be awarded under the Share Award Scheme (the “**Award Shares**”) 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. 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. 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 heading of “shares held under the Share Award Scheme” in the consolidated statement of changes in equity.

38. 以股份支付的付款交易

於2018年3月26日（「**採納日期**」），本公司採納一項股份獎勵計劃（「**股份獎勵計劃**」），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，股份獎勵計劃有效期十年，自採納日期起生效。

根據股份獎勵計劃將獎勵的股份（「**獎勵股份**」）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。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%。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，並列示於綜合權益變動表的「股份獎勵計劃項下所持有的股份」項下。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

38. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

During the current year, Dairy Fortune purchased 62,123,000 (2022: 9,200,000) ordinary shares from the open market at a total consideration of approximately HKD48,488,000 (equivalent to RMB44,470,000) (2022: HKD10,962,000 (equivalent to RMB9,073,000)). In addition, the Group retained a total number of 3,323,871 (2022: 4,112,062) vested shares as a consideration of approximately HKD3,357,000 (equivalent to RMB2,939,000) (2022: HKD5,222,000 (equivalent to RMB4,227,000)) for paying the individual income tax on behalf of those selected participants under the Share Award Scheme during the current year. The retained vested shares were considered as repurchase from those selected participants and the Group remits the cash value of the repurchased equity instruments to the tax authority on behalf of those selected participants to settle the individual income tax in relation to the share-based payment.

Share Award –i

On 25 March 2021, a total number of 23,200,000 Award Shares (“**Share Award –i**”) were granted to selected participants. If certain performance and service conditions are met, out of the total shares granted, 11,600,000 Award Shares will be vested on 31 March 2022 (the “**Award Shares A**”), the remaining Award Shares 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 B**”).

The following table discloses movements of the Award Shares A and Award Shares B during the prior year:

Categories 類別		Outstanding as at 1 January 2022 於2022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 2022 於2022年 12月31日 尚未行使
Award Shares A	獎勵股份A	10,348,000	(61,000)	(10,287,000)	–
Award Shares B	獎勵股份B	10,348,000	(61,000)	(10,287,000)	–
		20,696,000	(122,000)	(20,574,000)	–

38. 以股份支付的付款交易 (續)

於本年度內，Dairy Fortune從公開市場購買62,123,000股普通股(2022年：9,200,000股)，總代價約為48,488,000港元(相當於人民幣44,470,000元(2022年：10,962,000港元(相當於人民幣9,073,000元)))。此外，本集團本年度根據股份獎勵計劃代該等選定參與者支付個人所得稅時，保留合共3,323,871股歸屬股份(2022年：4,112,062股)作為代價約3,357,000港元(相當於人民幣2,939,000元)(2022年：5,222,000港元(相當於人民幣4,227,000元))。保留的歸屬股份被視為從該等選定參與者回購，本集團代該等選定參與者將回購股權工具的現金價值寄回予以稅務機關，以結算與以股份支付的付款有關的個人所得稅。

股份獎勵 –i

於2021年3月25日，合共23,200,000股獎勵股份(「**股份獎勵-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，11,600,000股獎勵股份將於2022年3月31日歸屬(「**獎勵股份A**」)，而餘下11,600,000股獎勵股份將於2022年3月31日歸屬，自歸屬日期起一年禁售期(「**獎勵股份B**」)。

下表披露獎勵股份A及獎勵股份B於上一年度的變動：



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

38. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

Share Award -i (continued)

A total number of 20,574,000 shares of Award Shares A and Award Shares B were vested during the year ended 31 December 2022, and the difference of RMB3,530,000 between the share award reserve of RMB29,140,000 and shares held under the Share Award Scheme of RMB25,610,000 for the shares vested was recognised in retained earnings.

Share Award -ii

On 9 December 2021, a total number of 8,565,000 Award Shares ("Share Award -ii") 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 will be vested on 31 March 2022 (the "Award Shares C"). The remaining Award Shares 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 D").

The following table discloses movements of the Award Shares C and Award Shares D during the prior year:

Categories 類別		Outstanding as at 1 January 2022 於2022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 2022 於2022年 12月31日 尚未行使
Award Shares C	獎勵股份C	4,282,500	-	(4,282,500)	-
Award Shares D	獎勵股份D	4,282,500	-	(4,282,500)	-
		8,565,000	-	(8,565,000)	-

A total number of 8,565,000 shares of Award Shares C and Award Shares D were vested during the year ended 31 December 2022, and the difference of RMB2,026,000 between the share award reserve of RMB8,636,000 and shares held under the Share Award Scheme of RMB10,662,000 for the shares vested was recognised in retained earnings.

38. 以股份支付的付款交易 (續)

股份獎勵 -i (續)

於截至2022年12月31日止年度，合共20,574,000股獎勵股份A及獎勵股份B獲歸屬，股份獎勵儲備人民幣29,140,000元與就所歸屬股份根據股份獎勵計劃持有的人民幣25,610,000元股份之間的差額金額人民幣3,530,000元於保留盈利確認。

股份獎勵 -ii

於2021年12月9日，合共8,565,000股獎勵股份(「股份獎勵-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，4,282,500股獎勵股份將於2022年3月31日歸屬(「獎勵股份C」)。餘下4,282,500股獎勵股份將於2022年3月31日歸屬，自歸屬日期起一年禁售期(「獎勵股份D」)。

下表披露獎勵股份C及獎勵股份D於上一個年度的變動：

於截至2022年12月31日止年度，合共8,565,000股獎勵股份C及獎勵股份D獲歸屬，股份獎勵儲備人民幣8,636,000元與就所歸屬股份根據股份獎勵計劃持有的人民幣10,662,000元股份之間的差額人民幣2,026,000元於保留盈利確認。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

38. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

Share Award –iii

On 12 April 2022, a total number of 52,549,000 Award Shares (“**Share Award –iii**”) were granted to selected participants. If certain performance and service conditions are met, out of the total shares granted, 26,274,500 Award Shares will be vested on the first anniversary of the grant date (the “**Award Shares E**”), the remaining Award Shares of 26,274,500 will be vested on the second anniversary of the grant date (the “**Award Shares F**”).

The following table discloses movements of the Award Shares E and Award Shares F during the reporting period:

Categories 類別		Outstanding as at 1 January 2023 於2023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 2023 於2023年 12月31日 尚未行使
Award Shares E	獎勵股份E	26,124,500	(535,500)	(25,589,000)	–
Award Shares F	獎勵股份F	26,124,500	(1,060,000)	–	25,064,500
		52,249,000	(1,595,500)	(25,589,000)	25,064,500

Categories 類別		Outstanding as at 1 January 2022 於2022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 2022 於2022年 12月31日 尚未行使
Award Shares E	獎勵股份E	–	26,274,500	(150,000)	26,124,500
Award Shares F	獎勵股份F	–	26,274,500	(150,000)	26,124,500
		–	52,549,000	(300,000)	52,249,000

38. 以股份支付的付款交易 (續)

股份獎勵 –iii

於2022年4月12日，合共52,549,000股獎勵股份(「**股份獎勵 –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，26,274,500股獎勵股份將於授出日期的第一個週年歸屬(「**獎勵股份E**」)，而餘下26,274,500股獎勵股份將於授出日期的第二個週年歸屬(「**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：



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

38. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

Share Award –iii (continued)

The fair values of Award Shares E and Award Shares F were HKD32,318,000 (equivalent to RMB26,304,000) and HKD32,318,000 (equivalent to RMB26,304,000), respectively, which were determined based on the market price of the Company's shares at the grant date.

A total number of 25,589,000 shares of Award Shares E were vested during the current year, and the difference of RMB4,870,000 between the share award reserve of RMB25,618,000 and shares held under the Share Award Scheme of RMB30,488,000 for the shares vested was recognised in retained earnings.

Share Award –iv

On 25 November 2022, a total number of 4,415,000 Award Shares ("Share Award –iv") were granted to selected participants. If certain performance and service conditions are met, out of the total shares granted, 2,207,500 Award Shares will be vested on 12 April 2023 (the "Award Shares G"), the remaining Award Shares of 2,207,500 will be vested on 12 April 2024 (the "Award Shares H").

38. 以股份支付的付款交易 (續)

股份獎勵 –iii (續)

獎勵股份E及獎勵股份F的公平值分別為32,318,000港元(相當於人民幣26,304,000元)及32,318,000港元(相當於人民幣26,304,000元)，此乃根據本公司股份在授予日的市場價格釐定。

於本年度，合共25,589,000股獎勵股份E獲歸屬，股份獎勵儲備人民幣25,618,000元與就所歸屬股份根據股份獎勵計劃持有的人民幣30,488,000元股份之間的差額人民幣4,870,000元於保留盈利確認。

股份獎勵 –iv

於2022年11月25日，合共4,415,000股獎勵股份(「股份獎勵–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，2,207,500股獎勵股份將於2023年4月12日歸屬(「獎勵股份G」)，而餘下2,207,500股獎勵股份將於2024年4月12日歸屬(「獎勵股份H」)。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

38. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

Share Award –iv (continued)

The following table discloses movements of the Award Shares G and Award Shares H during the reporting period:

Categories 類別		Outstanding as at 1 January 2023 於2023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 2023 於2023年 12月31日 尚未行使
Award Shares G	獎勵股份G	2,207,500	(44,000)	(2,163,500)	–
Award Shares H	獎勵股份H	2,207,500	(77,500)	–	2,130,000
		4,415,000	(121,500)	(2,163,500)	2,130,000

Categories 類別		Outstanding as at 1 January 2022 於2022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 2022 於2022年 12月31日 尚未行
Award Shares G	獎勵股份G	–	2,207,500	–	2,207,500
Award Shares H	獎勵股份H	–	2,207,500	–	2,207,500
		–	4,415,000	–	4,415,000

The fair values of Award Shares G and Award Shares H were HKD2,075,000 (equivalent to RMB1,895,000) and HKD2,075,000 (equivalent to RMB1,895,000), respectively, which were determined based on the market price of the Company's shares at the grant date.

A total number of 2,163,500 shares of Award Shares G were vested during the current year, and the difference of RMB721,000 between the share award reserve of RMB1,857,000 and shares held under the Share Award Scheme of RMB2,578,000 for the shares vested was recognised in retained earnings.

38. 以股份支付的付款交易 (續)

股份獎勵 –iv(續)

下表披露獎勵股份G及獎勵股份H於報告期間的變動：

獎勵股份G及獎勵股份H的公平值分別為2,075,000港元(相當於人民幣1,895,000元)及2,075,000港元(相當於人民幣1,895,000元)，此乃根據本公司股份在授予日的市場價格釐定。

於本年度，合共2,163,500股獎勵股份G獲歸屬，股份獎勵儲備人民幣1,857,000元與就所歸屬股份根據股份獎勵計劃持有的人民幣2,578,000元股份之間的差額人民幣721,000元於保留盈利確認。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

38. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

Share Award –v

On 28 April 2023, a total number of 69,882,000 Award Shares (“**Share Award –v**”) were granted to selected participants. If certain performance and service conditions are met, out of the total shares granted, 34,941,000 Award Shares will be vested on the first anniversary of the grant date (the “**Award Shares I**”), the remaining Award Shares of 34,941,000 will be vested on the second anniversary of the grant date (the “**Award Shares J**”).

The following table discloses movements of the Award Shares I and Award Shares J during the reporting period:

Categories 類別		Outstanding as at 1 January 2023 於2023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 2023 於2023年 12月31日 尚未行使
Award Shares I	獎勵股份I	–	34,941,000	(608,000)	34,333,000
Award Shares J	獎勵股份J	–	34,941,000	(608,000)	34,333,000
		–	69,882,000	(1,216,000)	68,666,000

The fair values of Award Shares I and Award Shares J were HKD33,893,000 (equivalent to RMB29,896,000) and HKD33,893,000 (equivalent to RMB29,896,000), respectively, which were determined based on the market price of the Company’s shares at the grant date.

38. 以股份支付的付款交易 (續)

股份獎勵 –v

於2023年4月28日，合共69,882,000股獎勵股份(「**股份獎勵 –v**」)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，34,941,000股獎勵股份將於授出日期的第一個週年歸屬(「**獎勵股份I**」)，而餘下34,941,000股獎勵股份將於授出日期的第二個週年歸屬(「**獎勵股份J**」)。

下表披露獎勵股份I及獎勵股份J於報告期間的變動：

獎勵股份I及獎勵股份J的公平值分別為33,893,000港元(相當於人民幣29,896,000元)及33,893,000港元(相當於人民幣29,896,000元)，此乃根據本公司股份在授予日的市場價格釐定。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

38. SHARE-BASED PAYMENT TRANSACTIONS

(continued)

Share Award –v (continued)

A summary of the share award expense of the Group recognised during the reporting period is as follows:

38. 以股份支付的付款交易 (續)

股份獎勵 –v(續)

本集團於報告期內確認的股份獎勵開支概要如下：

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Share Award –i	股份獎勵 –i	–	10,784
Share Award –ii	股份獎勵 –ii	–	6,727
Share Award –iii	股份獎勵 –iii	19,255	26,841
Share Award –iv	股份獎勵 –iv	2,641	598
Share Award –v	股份獎勵 –v	28,153	–
Total	總計	50,049	44,950



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

39. BUSINESS COMBINATION

Year ended 31 December 2023:

As detailed in Note 20, Aiyangniu, a non-wholly owned subsidiary of the Company, acquired 100% equity interests in Yunyangniu in April 2023 and since then Yunyangniu became a non-wholly owned subsidiary of the Company. This acquisition has been accounted for as acquisition of business using the acquisition method.

The Directors believe that the acquisition can further leverage the advantages of synergy between Yunyangniu and the Group as a leading dairy farming operator within the industrial chain and enhance the Group's capability to provide services on dairy farm-related information technology solutions and artificial intelligence of things solutions for agriculture and animal husbandry through the Group's existing ecological sharing platform to downstream customers.

Consideration transferred and goodwill arising on acquisition:

		RMB'000 人民幣千元
Cash consideration	現金代價	10,440
Add: fair value of the equity interest in Yunyangniu previously held by the Group	加：本集團之前持有雲養牛股權的公平值	8,640
Less: recognised amounts of net assets acquired	減：所收購資產淨值的確認金額	(8,608)
Goodwill arising on acquisition	收購時產生的商譽	10,472

Goodwill arose from the acquisition of Yunyangniu 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.

Goodwill arising on the acquisition is not expected to be deductible for tax purposes.

39. 業務合併

截至2023年12月31日止年度：

誠如附註20所詳述，本公司非全資附屬公司愛養牛於2023年4月收購雲養牛的全部股權，自此雲養牛成為本公司的非全資附屬公司。此收購事項已使用收購法入賬為業務收購。

董事相信，收購事項可進一步發揮雲養牛與本集團（作為奶業領軍企業）的產業鏈協同優勢，並通過本集團現有的生態共享平台，提升本集團為下游客戶提供農牧業牧場相關信息技術解決方案及人工智能物聯網解決方案服務的能力。

轉讓代價及收購產生的商譽：

收購雲養牛產生了商譽，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。

預計收購事項產生的商譽均不可用於抵稅。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

39. BUSINESS COMBINATION (continued)

Year ended 31 December 2023: (continued)

Assets acquired and liabilities recognised at the date of acquisition

39. 業務合併(續)

截至2023年12月31日止年度：(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	588
Right-of-use assets	使用權資產	1,408
Other intangible assets	其他無形資產	5,109
Inventories	存貨	54
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	3,973
Bank balances and cash	銀行結餘及現金	8,761
Trade and other payables	應付貿易賬款及其他應付款項	(10,098)
Lease liabilities	租賃負債	(1,187)
		8,608

The receivables acquired with a fair value of RMB1,421,000 at the date of acquisition had gross contractual amounts of RMB1,421,000. At acquisition date, it is estimated that there are no contractual cash flows that will not be collected.

所收購的應收款項於收購日期的公平值為人民幣1,421,000元，其合約總額為人民幣1,421,000元。估計於收購日期並無不能收取的合約現金流量。

Net cash outflow on acquisition of Yunyangniu

收購雲養牛的現金流出淨額

RMB'000
人民幣千元

Cash consideration paid	已付現金代價	10,440
Less: cash and cash equivalents acquired	減：取得的現金及現金等價物	(8,761)
		1,679



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

39. BUSINESS COMBINATION (continued)

Year ended 31 December 2023: (continued)

Impact of acquisition on the results of the Group

Included in the profit for the year is loss of RMB4,995,000 incurred by Yunyangniu. Revenue for the year included RMB15,126,000 from Yunyangniu.

Had the acquisition of Yunyangniu been completed on 1 January 2023, revenue for the year of the Group would have been RMB13,458,310,000 and profit for the year would have been RMB183,380,000. 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 2023, nor is it intended to be a projection of future results.

In determining the 'pro-forma' profit of the Group had Yunyangniu been acquired at the beginning of the current year, the Directors calculated depreciation of property, plant and equipment, right-of-use assets and other intangible assets based on the recognised amounts of property, plant and equipment, right-of-use assets and other intangible assets at the date of the acquisition.

39. 業務合併(續)

截至2023年12月31日止年度：(續)

收購事項對本集團業績的影響

年內溢利包括雲養牛產生的虧損人民幣4,995,000元。年內收入包括來自雲養牛的人民幣15,126,000元。

倘於2023年1月1日完成對雲養牛的收購，本集團的年內收入將為人民幣13,458,310,000元，而年內溢利將為人民幣183,380,000元。備考資料僅供說明之用，並不必然表示倘收購於2023年1月1日完成，本集團實際會實現的收入及經營業績，亦無意作為對未來業績的預測。

在釐定倘於本年度初已收購雲養牛的情況下本集團的「備考」溢利時，董事已根據物業、廠房及設備、使用權資產及其他無形資產於收購日期的已確認金額計算物業、廠房及設備、使用權資產及其他無形資產的折舊。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

39. BUSINESS COMBINATION (continued)

Year ended 31 December 2022:

During the year ended 31 December 2022, the Group has acquired certain subsidiaries as set out below. These acquisitions have been accounted for as acquisition of businesses using the acquisition method.

Consideration transferred and goodwill arising on acquisition:

39. 業務合併(續)

截至2022年12月31日止年度：

於截至2022年12月31日止年度，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：

		Mufeng 牧豐	Yilei 伊磊	Aiyangniu 愛養牛	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
		(Note a) (附註a)	(Note b) (附註b)	(Note c) (附註c)	
Purchase consideration	購買代價	105,486	66,000	287,775	459,261
Plus: non-controlling interests	加：非控股權益	53,189	4,583	18,709	76,481
Less: recognised amounts of net assets acquired	減：所收購資產淨值的 確認金額	(110,810)	(22,916)	(74,837)	(208,563)
Goodwill arising on acquisition	收購產生的商譽	47,865	47,667	231,647	327,179

These acquired subsidiaries are principally engaged in business of dairy farming and sale of feedstuffs, additives and veterinary medicine. These acquisitions were made as part of the Group's strategy to strengthen its position in dairy farming industry, and further leverage the industrial chain synergy advantages.

該等被收購的附屬公司主要從事奶牛養殖以及飼料、添加劑及獸藥銷售業務。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、進一步發揮產業鏈協同優勢的戰略的一部分。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

39. BUSINESS COMBINATION (continued)

Year ended 31 December 2022: (continued)

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Notes:

(a) Acquisition of Dengkou Jinmahu Mufeng Dairy Farming Co., Ltd. ("Mufeng")

Modern Farming acquired 52% equity interests in Mufeng on 21 March 2022.

Acquisition-related costs amounting to RMB372,000 have been excluded from the consideration transferred and have been recognised as an expense in 2022.

Assets acquired and liabilities recognised at the date of acquisition

39. 業務合併(續)

截至2022年12月31日止年度：(續)

預計該等收購事項產生的商譽均不可用於抵稅。

附註：

(a) 收購磴口縣金馬湖牧豐奶牛養殖有限公司(「牧豐」)

現代牧業(集團)於2022年3月21日收購牧豐的52%股權。

收購相關成本人民幣372,000元不計入轉讓代價，並已於2022年確認為開支。

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	85,864
Right-of-use assets	使用權資產	4,075
Other intangible assets	其他無形資產	296
Biological assets	生物資產	207,881
Inventories	存貨	35,442
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	30,647
Bank balances and cash	銀行結餘及現金	271
Pledged bank deposits	已質押銀行存款	1,000
Trade and other payables	應付貿易賬款及其他應付款項	(128,299)
Bank borrowings	銀行借款	(74,680)
Other borrowings	其他借款	(48,193)
Lease liabilities	租賃負債	(3,494)
		110,810

The receivables acquired with a fair value of RMB28,215,000 at the date of acquisition had gross contractual amounts of RMB28,215,000. At acquisition date, it is estimated that there are no contractual cash flows that will not be collected.

所收購的應收款項於收購日期的公平值為人民幣28,215,000元，其合約總額為人民幣28,215,000元。估計於收購日期並無不能收取的合約現金流量。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

39. BUSINESS COMBINATION (continued)

Year ended 31 December 2022: (continued)

Notes: (continued)

(a) Acquisition of Dengkou Jinmahu Mufeng Dairy Farming Co., Ltd. ("Mufeng") (continued)

Non-controlling interests

The non-controlling interests of 48% equity interests in Mufeng recognised at the acquisition date amounted to RMB53,189,000 was measured by reference to the proportionate share of recognised amounts of net assets of Mufeng.

Goodwill arising on acquisition

Goodwill arose from the acquisition of Mufeng 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 Mufeng

39. 業務合併 (續)

截至2022年12月31日止年度：(續)

附註：(續)

(a) 收購磴口縣金馬湖牧豐奶牛養殖有限公司(「牧豐」) (續)

非控股權益

於收購日期確認牧豐48%股權的非控股權益為人民幣53,189,000元，乃參照牧豐資產淨值確認金額的比例計量。

收購產生的商譽

收購牧豐產生了商譽，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。

收購牧豐的現金流出淨額

RMB'000
人民幣千元

Cash consideration paid	已付現金代價	105,486
Less: cash and cash equivalents acquired	減：取得的現金及現金等價物	(271)
		105,215



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

39. BUSINESS COMBINATION (continued)

Year ended 31 December 2022: (continued)

Notes: (continued)

(b) Acquisition of Datong Yilei Second Animal Husbandry Co., Ltd. ("Yilei")

Modern Farming acquired 80% equity interests in Yilei on 6 May 2022.

Acquisition-related costs amounting to RMB462,000 have been excluded from the consideration transferred and have been recognised as an expense in 2022.

Assets acquired and liabilities recognised at the date of acquisition

39. 業務合併(續)

截至2022年12月31日止年度：(續)

附註：(續)

(b) 收購大同伊磊二牧牧業有限公司(「伊磊」)

現代牧業(集團)於2022年5月6日收購伊磊的80%股權。

收購相關成本人民幣462,000元不計入轉讓代價，並已於2022年確認為開支。

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	10,194
Right-of-use assets	使用權資產	92,040
Biological assets	生物資產	121,370
Inventories	存貨	31,094
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	44,339
Bank balances and cash	銀行結餘及現金	3,498
Trade and other payables	應付貿易賬款及其他應付款項	(102,820)
Other liabilities (Note)	其他負債(附註)	(4,573)
Bank borrowings	銀行借款	(57,043)
Other borrowings	其他借款	(24,185)
Lease liabilities	租賃負債	(90,998)
		22,916

Note: Yilei has been the respondent of an ongoing arbitration proceeding, the claimant accused that Yilei failed to supply goods to it in accordance with the terms of contract and the claimed compensation was approximately RMB43,313,000. Provisions of RMB4,573,000 was recognised under other liabilities in respect of this ongoing arbitration at the date of acquisition. Yilei had received a conclusive arbitral award from the arbitration commission during the current year and an additional provision of RMB5,283,000 was recognised in profit or loss.

The receivables acquired with a fair value of RMB42,742,000 at the date of acquisition had gross contractual amounts of RMB42,742,000. At acquisition date, it is estimated that there are no contractual cash flows that will not be collected.

附註：伊磊是一項正在進行的仲裁程序的被申請人，當中申索人控訴伊磊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43,313,000元。已於收購日期就本次進行中仲裁於其他負債項下確認撥備人民幣4,573,000元。伊磊於本年度已收到仲裁委員會的最終仲裁裁決，額外撥備人民幣5,283,000元計入損益。

所收購的應收款項於收購日期的公平值為人民幣42,742,000元，其合約總額為人民幣42,742,000元。估計於收購日期並無不能收取的合約現金流量。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

39. BUSINESS COMBINATION (continued)

Year ended 31 December 2022: (continued)

Notes: (continued)

(b) Acquisition of Datong Yilei Second Animal Husbandry Co., Ltd. ("Yilei") (continued)

Non-controlling interests

The non-controlling interests of 20% equity interests in Yilei at the acquisition date amounted to RMB4,583,000 was measured by reference to the proportionate share of recognised amounts of net assets of Yilei.

Goodwill arising on acquisition

Goodwill arose on the acquisition of Yilei because of the expected enhancement of the Group's position in dairy farming industry 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 Yilei

		RMB'000 人民幣千元
Cash consideration	現金代價	66,000
Consideration payable	應付代價	(38,000)
Consideration paid	已付代價	28,000
Less: cash and cash equivalents acquired	減：取得的現金及現金等價物	(3,498)
		24,502

(c) Acquisition of Inner Mongolia Ai Yang Niu Technology Co., Ltd. ("Aiyangniu")

Pursuant to the Company's announcement dated 15 March 2022, Modern Farming entered into an equity transfer agreement with certain sellers (the "Sellers") and Aiyangniu on 15 March 2022, pursuant to which the Sellers agreed to sell, and Modern Farming agreed to purchase, 75% equity interests in Aiyangniu at a total consideration of RMB287,775,000. The above transaction constituted a connected transaction of the Company and was completed on 28 June 2022.

Acquisition-related costs in relation to the acquisition of Aiyangniu amounting to RMB2,331,000 have been excluded from the consideration transferred and have been recognised as an expense in 2022.

39. 業務合併 (續)

截至2022年12月31日止年度：(續)

附註：(續)

(b) 收購大同伊磊二牧牧業有限公司 (「伊磊」) (續)

非控股權益

於收購日期確認伊磊20%股權的非控股權益為人民幣4,583,000元，乃參照伊磊資產淨值確認金額的比例計量。

收購產生的商譽

收購伊磊產生了商譽，是因為預期會提升本集團在奶牛養殖行業的地位及提高經營效率。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。

收購伊磊的現金流出淨額

(c) 收購內蒙古愛養牛科技有限公司 (「愛養牛」)

根據本公司日期為2022年3月15日的公告，現代牧業(集團)與若干賣方(「賣方」)及愛養牛於2022年3月15日訂立股權轉讓協議，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287,775,000元。上述交易構成本公司的關連交易並於2022年6月28日完成。

與收購愛養牛有關的收購相關成本人民幣2,331,000元不計入轉讓代價，並已於2022年確認為開支。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

39. BUSINESS COMBINATION (continued)

Year ended 31 December 2022: (continued)

Notes: (continued)

(c) Acquisition of Inner Mongolia Ai Yang Niu Technology Co., Ltd. ("Aiyangniu") (continued)

Assets acquired and liabilities recognised at the date of acquisition

39. 業務合併(續)

截至2022年12月31日止年度：(續)

附註：(續)

c) 收購內蒙古愛養牛科技有限公司(「愛養牛」)(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	1,692
Right-of-use assets	使用權資產	3,456
Other intangible assets	其他無形資產	37,285
Inventories	存貨	20,032
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	136,083
Deferred tax assets	遞延稅項資產	345
Bank balances and cash	銀行結餘及現金	19,473
Pledged bank deposits	已質押銀行存款	4,454
Trade and other payables	應付貿易賬款及其他應付款項	(111,066)
Tax payable	應課稅項	(4,177)
Bank borrowings	銀行借款	(22,721)
Lease liabilities	租賃負債	(3,456)
Deferred tax liabilities	遞延稅項負債	(6,563)
		74,837

The receivables acquired from Aiyangniu with a fair value of RMB129,678,000 at the date of acquisition had gross contractual amounts of RMB130,191,000. The best estimate at acquisition date of the contractual cash flows not expected to be collected amounted to RMB513,000.

Non-controlling interests

The non-controlling interests of 25% equity interests in Aiyangniu recognised at the acquisition date amounted to RMB18,709,000 was measured by reference to the proportionate share of recognised amounts of net assets of Aiyangniu.

Goodwill arising on acquisition

Aiyangniu is mainly engaged in feed business. Goodwill arose on the acquisition of Aiyangniu because the acquisition was expected to leverage the industrial chain synergy advantages. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

愛養牛的所收購應收款項於收購日期的公平值為人民幣129,678,000元，其合約總額為人民幣130,191,000元。預期收不回的合約現金流量於收購日期的最佳估計為人民幣513,000元。

非控股權益

於收購日期確認愛養牛25%股權的非控股權益為人民幣18,709,000元，乃參照愛養牛資產淨值確認金額的比例計量。

收購產生的商譽

愛養牛主要從事飼料業務。收購愛養牛產生了商譽，是因為此次收購有望發揮產業鏈協同優勢。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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

39. BUSINESS COMBINATION (continued)

Year ended 31 December 2022: (continued)

Notes: (continued)

- (c) Acquisition of Inner Mongolia Ai Yang Niu Technology Co., Ltd. ("Aiyangniu") (continued)

Net cash outflow on acquisition of Aiyangniu

39. 業務合併(續)

截至2022年12月31日止年度：(續)

附註：(續)

- c) 收購內蒙古愛養牛科技有限公司(「愛養牛」)(續)

收購愛養牛的現金流出淨額

RMB'000
人民幣千元

Purchase consideration	購買代價	287,775
Less: cash and cash equivalents acquired	減：取得的現金及現金等價物	(19,473)
		268,302

Impact of acquisition on the results of the Group

Included in the profit for the year ended 31 December 2022 is profit of RMB21,252,000, loss of RMB3,783,000, and profit of RMB15,731,000 attributable to the additional business generated by Mufeng, Yilei, and Aiyangniu, respectively. Revenue for the year ended 31 December 2022 included RMB149,926,000, RMB65,902,000 and RMB497,754,000 generated from Mufeng, Yilei and Aiyangniu, respectively.

Had the acquisition of Mufeng, Yilei and Aiyangniu, been completed on 1 January 2022, revenue for the year ended 31 December 2022 of the Group would have been RMB12,374,630,000, RMB12,329,813,000 and RMB12,670,422,000, respectively and profit for the year ended 31 December 2022 would have been RMB582,570,000, RMB576,219,000 and RMB597,150,000, 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 2022, nor is it intended to be a projection of future results.

In determining the 'pro-forma' profit of the Group had Mufeng, Yilei and Aiyangniu been acquired on 1 January 2022, the Directors calculated depreciation of property, plant and equipment, right-of-use assets and other intangible assets based on the recognised amounts of property, plant and equipment, right-of-use assets and other intangible assets at the date of the acquisition.

收購事項對本集團業績的影響

截至2022年12月31日止年度的溢利已包括牧豐、伊磊及愛養牛產生的新增業務分別應佔的溢利人民幣21,252,000元、虧損人民幣3,783,000元及溢利人民幣15,731,000元。截至2022年12月31日止年度的收入包括牧豐、伊磊及愛養牛分別產生的人民幣149,926,000元、人民幣65,902,000元及人民幣497,754,000元。

倘於2022年1月1日完成收購牧豐、伊磊及愛養牛，本集團截至2022年12月31日止年度的收入將分別為人民幣12,374,630,000元、人民幣12,329,813,000元及人民幣12,670,422,000元，而截至2022年12月31日止年度的溢利將分別為人民幣582,570,000元、人民幣576,219,000元及人民幣597,150,000元。備考資料僅供說明之用，並不必然表示倘收購於2022年1月1日完成，本集團實際會實現的收入及經營業績，亦無意作為對未來業績的預測。

在釐定倘於2022年1月1日已收購牧豐、伊磊及愛養牛的情況下本集團的「備考」溢利時，董事已根據物業、廠房及設備、使用權資產及其他無形資產於收購日期的已確認金額計算物業、廠房及設備、使用權資產及其他無形資產的折舊。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

40. 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 mainly includes bank borrowings, other borrowings, short term debenture, long term bonds and lease liabilities as disclosed in Notes 28, 29, 30, 31 and 32 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.

40. 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(主要包括銀行借款、其他借款、短期融資券、長期債券及租賃負債(分別披露於附註28、29、30、31及32)，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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

41. FINANCIAL INSTRUMENTS

Categories of financial instruments

41. 金融工具

金融工具類別

		2023 2023年 RMB'000 人民幣千元	2022 2022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	4,416,379	4,387,573
Equity instruments at FVTOCI	按公平值計入其他全面收入的 權益工具	57,342	106,229
Derivative financial instruments	衍生金融工具	118,451	41,356
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Financial liabilities:	金融負債：		
Financial liabilities at amortised cost	按攤銷成本計量的金融負債	16,661,463	15,417,637
Derivative financial instruments	衍生金融工具	20,359	58,034
Commitment to non-controlling interests	對非控股權益的承諾	68,289	—

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, trade and other payables, bank borrowings, other borrowings, long term bonds, short term debenture, derivative financial instruments and certain other liabilities. Details of these financial instruments are disclosed in the respective notes.

The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price 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、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、短期融資券、衍生金融工具及若干其他負債。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、利息風險及其他價格風險)、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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

41. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Market risk

(i) Currency risk

As at the end of the reporting period, the Group had the following major monetary items and intra-group balances denominated in foreign currency:

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
USD denominated items	美元計值項目		
– pledged bank deposits and bank balances	– 已質押銀行存款以及銀行結餘	76,577	73,711
– bank borrowings	– 銀行借款	(636,807)	(1,048,268)
– long term bonds	– 長期債券	(3,559,003)	(3,493,016)
– intra-group balances	– 集團內結餘	(102,412)	112,644

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.

Sensitivity analysis

2023: 2% (2022: 2%) is the sensitivity rate changes which represented management's assessment of the reasonably possible change in foreign exchange rates.

41. 金融工具(續)

金融風險管理的目標及政策(續)

市場風險

(i) 貨幣風險

截至報告期末，本集團擁有以下以外幣計值的主要貨幣項目及集團內部結餘：

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。

敏感度分析

於2023年，2%(2022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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

41. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis (continued)

The Group was primarily subject to foreign currency risk from the movement of the exchange rates between RMB against USD. The sensitivity analysis below includes USD denominated monetary items that are not associated with a foreign currency forward contract, a foreign currency option contract or CFCCS, as the Group uses these derivative contracts as an economic hedge of its currency risk on USD denominated monetary items and its net exposure to variability in changes in foreign currency rate is insignificant. At the end of the reporting period, if the exchange rate had been strengthened in RMB against USD by 2% and all other variables were held constant, the Group's post-tax profit for the reporting period would increase/(decrease) as follow:

41. 金融工具(續)

金融風險管理的目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

敏感度分析(續)

本集團主要面臨來自人民幣兌美元匯率波動的外幣風險。以下敏感度分析包括與外幣遠期合約、外幣期權合約或CFCCS無關的以美元計值的貨幣項目，因為本集團使用該等衍生工作合約作為其美元計值貨幣項目的貨幣風險的經濟對沖且其對外幣匯率變動的風險淨額並不重大。於報告期末，倘人民幣兌美元升值2%，而所有其他可變因素維持不變，則本集團於報告期間的除稅後溢利將有如下增加／(減少)：

	2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
	517	(3,724)

For a 2% weakening of the RMB against USD, there would be an equal and opposite impact on the post-tax profit.

倘人民幣兌美元貶值2%，則將對除稅後溢利產生同等相反的影響。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

41. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Market risk (continued)

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to term deposits, fixed-rate bank borrowings, other borrowings, short term debenture, long term bonds and lease liabilities. The Group's cash flow interest rate risk is mainly 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.

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.

The sensitivity analysis below has 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 outstanding at the end of the reporting period were outstanding for the whole year. A 50 (2022: 50) basis points increase or decrease represented management's assessment of the reasonably possible change in interest rates.

Sensitivity analysis

At the end of reporting period, if interest rates had been increased/decreased by 50 (2022: 50) basis points and all other variables were held constant, the Group's post-tax profit would have decreased/increased by RMB5,704,000 (2022: RMB2,272,000) for the current year.

41. 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

本集團面臨與定期存款、定息銀行借款、其他借款、短期融資券、長期債券及租賃負債有關的公平值利率風險。本集團的現金流量利率風險主要來自銀行結餘、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。

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。

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。該分析乃根據假設於報告期末仍未償還的浮息銀行借款於整個年度未償還而編製。50個基點(2022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。

敏感度分析

於報告期末，倘利率增加／減少50個基點(2022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5,704,000元(2022年：人民幣2,272,000元)。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

41. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Market risk (continued)

(iii) Other price risk

The Group is exposed to equity price risk mainly through its investments in listed equity securities measured at FVTOCI.

Sensitivity analysis

The sensitivity analysis has been determined based on the exposure to the fair value of equity price risk at the reporting date.

If the prices of the investments in listed equity securities had been 10% (2022: 10%) higher/lower, the other comprehensive income would increase/decrease by RMB2,208,000 (2022: RMB6,746,000).

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 holds an insurance to credit risks of certain trade receivables of feeds. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

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 with appropriate groupings. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

41. 金融工具(續)

金融風險管理的目標及政策(續)

市場風險(續)

(iii) 其他價格風險

本集團主要因按公平值計入其他全面收入計量的上市權益證券投資而面對股本價格風險。

敏感度分析

敏感度分析乃根據面對的股本價格風險於報告日期的公平值而釐定。

倘上市權益證券投資的價格上漲／下跌10%(2022年：10%)，則其他全面收入將增加／減少人民幣2,208,000元(2022年：人民幣6,746,000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。本集團就飼料若干應收貿易賬款的信貸風險購有保險。本集團並無持有任何抵押品或其他信用增級措施以覆蓋與其金融資產相關的信用風險。

客戶合約產生之應收貿易賬款

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集體地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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

41. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Credit risk and impairment assessment (continued)

Trade receivables arising from contracts with customers

(continued)

The Group has concentration of credit risk as approximately 57.14% (31 December 2022: 52.06%) of total trade receivables as at 31 December 2023 was due from Customer A (31 December 2022: Customer A).

Bank balances and pledged bank deposits

The credit risks on pledged bank deposits and bank balances are limited because the counterparties are reputable banks with high credit ratings and/or authorised banks in the PRC.

Approximately 21%, 13% and 11% of total pledged bank deposits and bank balances were deposited in bank A, bank B and bank C respectively as at 31 December 2023 (31 December 2022: 20%, 15% and 14% of total pledged bank deposits and bank balances were deposited in bank C, bank D and bank A respectively).

Other receivables

The management makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the year ended 31 December 2023, the Group recognised loss allowance of other receivables of RMB62,000(2022: RMB30,000).

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.

41. 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)

客戶合約產生之應收貿易賬款(續)

本集團存在信貸風險集中的情況，原因為於2023年12月31日的應收貿易賬款總額中約57.14%(2022年12月31日：52.06%)為應收客戶A(2022年12月31日：客戶A)的款項。

銀行結餘及已質押銀行存款

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高信貸評級的信譽良好的銀行及／或中國的認可銀行。

於2023年12月31日，約21%、13%及11%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(2022年12月31日：20%、15%及14%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)。

其他應收款項

管理層基於歷史支付記錄、過往經驗以及合理及支持性前瞻性資訊對其他應收款項的可回收性作出定期個別評估。管理層相信，該等款項的信貸風險自初次確認後概無重大增加，且本集團已按12個月預期信貸虧損作出減值撥備。於截至2023年12月31日止年度，本集團確認其他應收款項虧損撥備人民幣62,000元(2022年：人民幣30,000元)。

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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

41. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Credit risk and impairment assessment (continued)

Other receivables (continued)

The Group's internal credit risk grading assessment comprises the following categories:

41. 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(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 描述	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 對手方違約的風險較低，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 有證據顯示資產已發生信貸減值	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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

41. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Credit risk and impairment assessment (continued)

Other receivables (continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

41. 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(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：

	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 2023 賬面總值2023年 RMB'000 人民幣千元	Gross carrying amount 2022 賬面總值2022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	26	N/A 不適用	12m ECL 12個月預期信貸虧損	42,002	187,339
Bank balances 銀行結餘	26	N/A 不適用	12m ECL 12個月預期信貸虧損	2,641,470	2,361,909
Other receivables 其他應收款項	24	Low risk 低風險	12m ECL 12個月預期信貸虧損	196,238	192,857
Bills receivable 應收票據	24	Low risk 低風險	12m ECL 12個月預期信貸虧損	6,657	14,268
Trade receivables (Note)					
應收貿易賬款(附註)					
- raw milk - 原料奶	24	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)	976,705	922,754
- feeds - 飼料	24	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)	538,412	710,411
- feeds - 飼料	24	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)	34,002	-

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 with appropriate groupings, of which these receivables are grouped based on shared credit risk characteristics by reference to past due information for the customers.

附註：就應收貿易賬款，本集團已應用國際財務報告準則第9號內的簡化方法以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集體地(其中該等應收款項按照共同的信貸風險特徵參照客戶的過往逾期資料)進行減值評估。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

41. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Credit risk and impairment assessment (continued)

Other receivables (continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

41. 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(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 2022	於2022年1月1日	—	—	—
New financial assets originated:	源生的新金融資產：	1,965	—	1,965
As at 31 December 2022	於2022年12月31日	1,965	—	1,965
Changes for trade receivables recognised as at January 1, 2023:	於2023年1月1日確認的應收貿易賬款變動：			
Impairment loss recognised	已確認減值虧損	—	5,955	5,955
Transfer	轉移	(497)	497	—
Write-offs	撤銷	—	(74)	(74)
New financial assets originated:	源生的新金融資產：	—	11,261	11,261
As at 31 December 2023	於2023年12月31日	1,468	17,639	19,107

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)，本集團將撤銷應收貿易賬款。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

41. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Liquidity risk

The Group had net current liabilities of RMB1,594,681,000 as at 31 December 2023 (31 December 2022: RMB541,093,000). 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 RMB6,989,029,000 which remain unutilised as at 31 December 2023, of which an amount of RMB1,000,000,000 is from Inner Mongolia Mengniu, a subsidiary of Mengniu, and the remaining facilities 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.

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.

41. 金融工具(續)

金融風險管理的目標及政策(續)

流動資金風險

本集團於2023年12月31日的流動負債淨額為人民幣1,594,681,000元(2022年12月31日：人民幣541,093,000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2023年12月31日的可供動用信貸融資約人民幣6,989,029,000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)，剩餘融資來自持牌銀行)；(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。

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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

41. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Liquidity risk (continued)

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 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 is 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.

41. 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)

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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

41. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Liquidity risk (continued)

41. 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	至365天內	1至2年	超過2年	現金流量總額	賬面值
		%	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
As at 31 December 2023	於2023年12月31日							
Non-derivative financial liabilities	非衍生金融負債							
Trade and other payables	應付貿易賬款及其他應付款項		4,563,322	596,269	2,081	3,120	5,164,792	5,164,792
Fixed interest rate bank borrowings	定息銀行借款	1.65-8.16	1,189,256	1,026,641	2,444,978	1,939,196	6,600,071	6,233,012
Variable interest rate bank borrowings	浮息銀行借款	1.50-6.85	42,340	100,796	80,706	1,103,883	1,327,725	1,157,431
Fixed interest rate other borrowings	定息其他借款	3.35-7.65	264,867	92,966	4,186	226,011	588,030	547,225
Fixed interest rate long term bonds	定息長期債券	2.13	38,463	38,045	76,299	3,693,948	3,846,755	3,559,003
Lease liabilities	租賃負債	3.22-5.90	180,683	65,817	194,127	2,390,058	2,830,685	2,020,095
Other liabilities	其他負債		-	-	9,109	10,650	19,759	19,759
			6,278,931	1,920,534	2,811,486	9,366,866	20,377,817	18,701,317
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		-	-	-	(24,700)	(24,700)	(24,700)
- outflow	- 流出		-	-	-	42,042	42,042	42,042
Foreign currency forward contracts	外幣遠期合約							
- inflow	- 流入		(212,481)	-	-	-	(212,481)	(211,593)
- outflow	- 流出		215,511	-	-	-	215,511	214,610



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

41. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

(continued)

Liquidity risk (continued)

41. 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	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 2022	於2022年12月31日							
Non-derivative financial liabilities	非衍生金融負債							
Trade and other payables	應付貿易賬款及其他應付款項		2,221,314	725,381	-	-	2,946,695	2,946,695
Fixed interest rate bank borrowings	定息銀行借款	1.65-8.16	1,872,524	1,718,037	1,779,113	2,045,188	7,414,862	7,050,995
Variable interest rate bank borrowings	浮息銀行借款	1.65-6.85	1,381,708	13,534	63,839	107,030	1,566,111	1,532,590
Fixed interest rate other borrowings	定息其他借款	3.59-12.00	10,161	13,328	83,143	198,166	304,798	293,819
Fixed interest short term debenture	定息短期融資券	4.00	101,000	-	-	-	101,000	100,522
Fixed interest rate long term bonds	定息長期債券	2.13	37,822	37,205	75,232	3,632,353	3,782,612	3,493,016
Lease liabilities	租賃負債	3.38-5.90	62,736	51,460	118,728	1,294,484	1,527,408	1,068,045
			5,687,265	2,558,945	2,120,055	7,277,221	17,643,486	16,485,682
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		(15,964)	-	-	(23,679)	(39,643)	(39,643)
- outflow	- 流出		30,352	-	-	67,325	97,677	97,677

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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

42. 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.

42. 融資活動所產生負債的對賬

下表詳列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 28)	Long term bonds (Note 31)	Short term debenture (Note 30)	Other borrowings (Note 29)	Lease liabilities (Note 32)	Derivative financial instruments (Note 25)	Other liabilities - commitment to non-controlling interests (Note 33) 其他負債－對非控股權益的承諾	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	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2022	於2022年1月1日	4,666,016	3,191,719	-	637,004	567,512	48,551	-	9,110,802
Financing cash flows	融資現金流量	3,369,955	(69,723)	100,000	(427,483)	(93,127)	(24,417)	-	2,855,205
Acquired on business combination	業務合併時收購	154,444	-	-	72,378	97,948	-	-	324,770
New leases entered	新訂立租賃	-	-	-	-	496,207	-	-	496,207
Eliminated on termination of leases	終止租賃時撇銷	-	-	-	-	(37,335)	-	-	(37,335)
Foreign exchange	外匯	115,859	291,903	-	-	-	-	-	407,762
Interest expenses	利息開支	277,311	79,117	522	11,920	36,840	-	-	405,710
Fair value adjustments	公平值調整	-	-	-	-	-	(7,456)	-	(7,456)
At 31 December 2022	於2022年12月31日	8,583,585	3,493,016	100,522	293,819	1,068,045	16,678	-	13,555,665
Financing cash flows	融資現金流量	(1,541,884)	(73,829)	(101,508)	234,551	(166,543)	(34,806)	68,289	(1,615,730)
Acquired on business combination	業務合併時收購	-	-	-	-	1,187	-	-	1,187
New leases entered	新訂立租賃	-	-	-	-	1,046,490	-	-	1,046,490
Eliminated on termination of leases	終止租賃時撇銷	-	-	-	-	(1,486)	-	-	(1,486)
Foreign exchange	外匯	18,217	57,072	-	-	-	-	-	75,289
Interest expenses	利息開支	330,525	82,744	986	18,855	72,402	-	-	505,512
Fair value adjustments	公平值調整	-	-	-	-	-	(79,964)	-	(79,964)
At 31 December 2023	於2023年12月31日	7,390,443	3,559,003	-	547,225	2,020,095	(98,092)	68,289	13,486,963



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

43. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2023, the Group entered into certain new lease agreements for the use of leased properties, lands, and farms. On the lease commencement, the Group recognised right-of-use assets of RMB1,046,490,000 (2022: RMB505,578,000), lease liabilities of RMB1,046,490,000 (2022: RMB496,207,000) and deferred income of nil (2022: RMB9,371,000), respectively.

In addition, during the year ended 31 December 2023, other receivable of RMB30,000,000 was offset by the same amount of consideration payable to the seller of Yilei according to the agreement.

During the year ended 31 December 2022, trade receivables of RMB38,961,000 was offset by the same amount of consideration payable to the seller of Zhongyuan Muye Company Limited ("Zhongyuan") according to a supplementary agreement.

44. FAIR VALUE MEASUREMENTS

Fair value of the Group's biological assets, financial assets and financial liabilities that are measured at fair value less costs to sell or fair value on a recurring basis

The Group's biological assets are measured at fair value less costs to sell, certain 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.

43. 重大非現金交易

於截至2023年12月31日止年度，本集團訂立有關租賃物業、土地及牧場使用的若干新租賃協議。租賃開始時，本集團分別確認使用權資產、租賃負債及遞延收入人民幣1,046,490,000元（2022年：人民幣505,578,000元）、人民幣1,046,490,000元（2022年：人民幣496,207,000元）及零（2022年：人民幣9,371,000元）。

此外，於截至2023年12月31日止年度，其他應付款項人民幣30,000,000元被根據協議應付伊磊賣方的相同金額代價所抵銷。

於截至2022年12月31日止年度，應收貿易賬款人民幣38,961,000元被根據補充協議應付中元牧業有限公司（「中元」）賣方的相同金額代價所抵銷。

44. 公平值計量

按經常性基準以公平值減銷售成本或公平值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，若干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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

44. FAIR VALUE MEASUREMENTS (continued)

Fair value of the Group's biological assets, financial assets and financial liabilities that are measured at fair value less costs to sell or fair value 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 (Level 1, 2 and 3) based on the degree to which the inputs to the fair value measurements is observable.

Fair value hierarchy

44. 公平值計量(續)

按經常性基準以公平值減銷售成本或公平值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。

公平值級別

Assets (liabilities)		Fair value as at 31 December 2023 於2023年 12月31日 的公平值 RMB'000 人民幣千元	Fair value as at 31 December 2022 於2022年 12月31日 的公平值 RMB'000 人民幣千元	Fair value hierarchy 公平值級別
資產(負債)				
Biological assets	生物資產	11,927,977	10,631,171	Level 3 第三級
Derivative financial instruments	衍生金融工具			
– Interest rate swaps	– 利率掉期	–	16,945	Level 2 第二級
– Foreign currency option contracts	– 外匯期權合約	–	5,257	Level 2 第二級
– Foreign currency forward contracts	– 外匯遠期合約	460	–	Level 2 第二級
– CFCCS	– CFCCS	117,991	19,154	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			
– Listed equity securities	– 上市權益證券	22,082	67,461	Level 1 第一級
– Unlisted equity investments	– 非上市權益投資	35,260	38,768	Level 3 第三級
Derivative financial instruments	衍生金融工具			
– Foreign currency option contracts	– 外匯期權合約	(17,342)	(58,034)	Level 2 第二級
– Foreign currency forward contracts	– 外匯遠期合約	(3,017)	–	Level 2 第二級
Other liabilities	其他負債			
– Commitment to non-controlling interests	– 對非控股權益的承諾	(68,289)	–	Level 3 第三級



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

44. 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:

44. 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：

Types	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 貼現現金流量 Future cash flows are estimated based on forward exchange rates (from observable exchange rate at the end of reporting period) and contracted exchange rates, discounted at a rate that reflects the credit risk of various counterparties. 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 貼現現金流量 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. 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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

44. FAIR VALUE MEASUREMENTS (continued)

Valuation techniques used in fair value measurements

(continued)

44. 公平值計量(續)

公平值計量使用的估值方法(續)

Types	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	不適用	不適用
	Garman-Kohlhagen模型及貼現現金流量		
	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.		
	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。		
Unlisted equity investments	Market approach	Fair value is estimated based on value of comparable listed companies and discounted for lack of liquidity.	An increase/decrease in the discount for lack of liquidity would result in a decrease/increase in the fair value measurement of the unquoted equity investments.
非上市權益投資	市場法	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。	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減少／增加。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

44. FAIR VALUE MEASUREMENTS (continued)

Valuation techniques used in fair value measurements

(continued)

44. 公平值計量(續)

公平值計量使用的估值方法(續)

Types	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
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 RMB21,300 per head at 31 December 2023 (2022: RMB22,000). 於2023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21,300元(2022年：人民幣22,000元)。	An increase in the estimated local market selling price used would result in an increase 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將導致小母牛及小牛公平值計量增加，反之亦然。
	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 the 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 the reporting period plus the margins that would normally be required by a raiser. 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。	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 RMB17,869 at 31 December 2023 (2022: RMB19,287); average estimated feeding costs per head plus margin that would normally be required by a raiser for heifers older than 14 months old are RMB17,976 at 31 December 2023 (2022: RMB19,415). 於2023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17,869元(2022年：人民幣19,287元)；於2023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17,976元(2022年：人民幣19,415元)。	An increase in the estimated feeding costs plus the margin that would normally be required by a raiser used would result in an increase/decrease in the fair value measurement of the heifers and calves older/younger than 14 months old, and vice versa. 所用的估計飼養成本加培育商一般所須利潤增加將導致大於／小於十四個月的小母牛及小牛公平值計量增加／減少，反之亦然。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

44. FAIR VALUE MEASUREMENTS (continued)

Valuation techniques used in fair value measurements

(continued)

44. 公平值計量(續)

公平值計量使用的估值方法(續)

Types	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 range from RMB2.01 to RMB2.13 as at 31 December 2023 (2022: range from RMB2.13 to RMB2.30), based on the historical average feed costs per kg of raw milk after taking into consideration of inflation. 截至2023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2.01元至人民幣2.13元(2022年：人民幣2.13元至人民幣2.30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。 A milkable cow could have as many as six lactation cycles. Estimated average daily milk yield at each lactation cycle ranges from 33.50 kg to 35.70 kg as at 31 December 2023 (2022: 32.36kg to 34.56 kg), depending on the number of the lactation cycles and the individual physical condition. 奶牛有六個哺乳期。於2023年12月31日，各哺乳期的估計平均每日產奶量介乎33.50公斤至35.70公斤(2022年：32.36公斤至34.56公斤)，視哺乳期數目以及個別身體狀況而定。	An increase in the estimated feed costs per kg of raw milk used would result in a decrease 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可導致奶牛公平值計量下降，反之亦然。 An increase in the estimated daily milk yield per head used would result in an increase 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可導致奶牛公平值計量提高，反之亦然。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

44. FAIR VALUE MEASUREMENTS (continued)

Valuation techniques used in fair value measurements

(continued)

44. 公平值計量(續)

公平值計量使用的估值方法(續)

Types	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 (continued) 奶牛(續)		Estimated future market price for raw milk range from RMB3.91 to RMB4.15 per kg at 31 December 2023 (2022: RMB4.27 to RMB4.38 per kg). 於2023年12月31日，估計未來原料奶市價為每公斤人民幣3.91元至4.15元(2022年：每公斤人民幣4.27元至4.38元)。	An increase 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 12.50% at 31 December 2023 (2022: 12.50%). 於2023年12月31日，所用估計未來現金流量的貼現率為12.50%(2022年：12.50%)。	An increase in the estimated discount rate used would result in a decrease in the fair value measurement of the milkable cows, and vice versa. 所用的估計貼現率增加可導致奶牛公平值計量下降，反之亦然。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

44. FAIR VALUE MEASUREMENTS (continued)

Valuation techniques used in fair value measurements

(continued)

44. 公平值計量(續)

公平值計量使用的估值方法(續)

Types	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
Commitment to non-controlling interests 對非控股權益的承諾	Black-Scholes Option Pricing Model (The obligation to make up the corresponding shortfall is considered as put option granted to Anhui Suida) 布萊克-舒爾斯期權定價模型 (彌補相應缺口的義務被視為授予安徽穗達的認沽期權)	Volatility of 30.62% was estimated based on median of historical volatilities of the comparable companies for a period from 31 December 2023 to maturity date. 根據可比較公司2023年12月31日至到期日期間的歷史波動率中位數估計，波動率為30.62%。 Risk-free interest rate of 3.14% was estimated based on the Hong Kong Govt BVAL Curve with maturity matching to the expected maturity date. 3.14%的無風險利率乃根據香港政府BVAL曲線估算，期限與預期到期日相符。 Dividend yield of 3.29% 股息收益率3.29%	An increase in the volatility would result in an increase in the obligation, and vice versa. 波動率的增加將導致義務的增加，反之亦然。 An increase in the risk-free interest would result in a decrease in the obligation, and vice versa. 無風險利率的增加將導致義務的減少，反之亦然。 An increase in dividend yield would result in an increase in the obligation, and vice versa. 股息收益率的增加將導致義務的增加，反之亦然。
	Discounted cash flow 貼現現金流量	The fair value of obligation to pay the dividends are estimated based on profit estimation of Modern Farming Wuhe in respect of the years ending 31 December 2024 and 2025. 支付股息義務的公平值乃根據現代牧業五河截至2024年及2025年12月31日止年度的溢利預測估計。	An increase in the profit estimation would result in an increase in the obligation. 溢利預測的增加將導致義務的增加。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

44. FAIR VALUE MEASUREMENTS (continued) Reconciliation of Level 3 fair value measurements

44. 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 2022	於2022年1月1日的結餘	2,655
Additions	添置	45,495
Total losses in other comprehensive income	於其他全面收入的虧損總額	(9,382)
At 31 December 2022	於2022年12月31日	38,768
Total losses in other comprehensive income	於其他全面收入的虧損總額	(3,508)
At 31 December 2023	於2023年12月31日	35,260

The reconciliations for fair value measurements of the biological assets are disclosed in Note 22.

生物資產公平值計量的對賬披露於附註22。

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The fair value of the long term bonds was USD440,961,500 (equivalent to RMB3,123,198,000) (31 December 2022: USD424,362,500 (equivalent to RMB2,955,515,000)) which was classified as Level 1 of the fair value hierarchy based on quoted prices in active markets and its carrying amount amounted to USD502,492,000 (equivalent to RMB3,559,003,000) (31 December 2022: USD501,539,000 (equivalent to RMB3,493,016,000)) as at 31 December 2023.

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

長期債券的公平值為440,961,500美元(相當於人民幣3,123,198,000元)(2022年12月31日: 424,362,500美元(相當於人民幣2,955,515,000元))，根據於活躍市場上的報價被分類為公平值級別的第一級，其於2023年12月31日的賬面值為502,492,000美元(相當於人民幣3,559,003,000元)(2022年12月31日: 501,539,000美元(相當於人民幣3,493,016,000元))。

The Directors consider that the carrying amounts of other financial assets and financial liabilities measured at amortised cost in the consolidated financial statements approximate their fair values.

董事認為綜合財務報表內按攤銷成本計量的其他金融資產及金融負債的賬面值與其公平值相若。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

45. CAPITAL COMMITMENTS

45. 資本承擔

		2023 2023年 RMB'000 人民幣千元	2022 2022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	281,130	261,798

46. RELATED PARTY TRANSACTIONS

46. 關聯方交易

- (a) Other than as disclosed elsewhere in the consolidated financial statements, during the current year, the Group entered into the following transactions with related parties:

- (a) 除綜合財務報表其他部分所披露者外，於本年度，本集團與關聯方訂立以下交易：

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Mengniu Group	蒙牛集團		
Sales of raw milk	銷售原料奶	9,518,407	9,201,510
Purchase of liquid milk	採購液態奶	2,350	690
Purchase of feeds	採購飼料	8,496	60,144
Associates and a joint venture	聯營公司及合營企業		
Sales of feeds	銷售飼料	44,557	10,549
Sales of biological assets	銷售生物資產	—	84,115
Purchase of feeds	採購飼料	48,188	26,634
Purchase of power and utilities	採購能源及公用設施	44,034	39,182
Purchase of raw materials	採購原材料	5,785	6,550
Purchase of equipment	採購設備	—	11,084

The sales and purchase prices were determined on mutually agreed terms based on prices offered to independent third parties.

買賣價格乃根據向獨立第三方提供的價格按雙方協定的條款釐定。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

46. RELATED PARTY TRANSACTIONS (continued)

- (b) Other than as disclosed elsewhere in the consolidated financial statements, at the end of the reporting period, the Group had the following balances with related parties:

46. 關聯方交易 (續)

- (b) 除綜合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：

		2023 2023年 RMB'000 人民幣千元	2022 2022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	874,274	849,273
Prepayments	預付款項		
– liquid milk	– 液態奶	–	3,118
Trade and other payables	應付貿易賬款及其他應付款項		
– liquid milk	– 液態奶	47	–
– feeds	– 飼料	19	–
– outsourced research and development	– 外包研發	6,242	–
Trade payables under supplier finance arrangements	供應商融資安排下的應付貿易賬款	2,860,604	–
Associates and a joint venture	聯營公司及合營企業		
Trade and other receivables	應收貿易賬款及其他應收款項		
– feeds	– 飼料	21,954	9,398
– biological assets	– 生物資產	36,785	61,915
Prepayments	預付款項		
– equipment	– 設備	–	2,677
Trade and other payables	應付貿易賬款及其他應付款項		
– feeds	– 飼料	4,609	23,390
– power and utilities	– 能源及公用設施	3,293	6,591
– raw materials	– 原材料	3,186	1,878
– equipment	– 設備	–	10,029



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

46. RELATED PARTY TRANSACTIONS (continued)

(c) Other borrowings

Category	As at 1 January 2023 於2023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	Interest expense accrued during the year 年內累計 利息開支 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 2023 於2023年 12月31日 RMB'000 人民幣千元
Mengniu loans 蒙牛貸款	35,785	255,000	5,449	(40,236)	255,998

	As at 1 January 2022 於2022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	Interest expense during the year 年內利息開支 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 2022 於2022年 12月31日 RMB'000 人民幣千元
Mengniu loans 蒙牛貸款	495,466	69,269	35,749	5,216	(569,915)	35,785

Mengniu loans carry interests at fixed rates from 3.35% to 3.90% (31 December 2022: 3.85% to 5.70%) per annum as at 31 December 2023.

於2023年12月31日，蒙牛貸款按固定年利率3.35%至3.90%(2022年12月31日：3.85%至5.70%)計息。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

46. RELATED PARTY TRANSACTIONS (continued)

(d) Compensation of key management personnel

The emoluments of key management during the reporting period are as follows:

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Salaries and other benefits	薪金及其他福利	11,822	11,239
Performance related bonuses	表現掛鈎花紅	10,916	17,060
Recognition of equity-settled share-based payments	確認按股權結算以股份支付的付款	16,882	13,935
Retirement benefits scheme contributions	退休福利計劃供款	921	776
		40,541	43,010

46. 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：

47. SUBSIDIARIES

Particulars of the Company's principal subsidiaries at 31 December 2023 are as follows:

47. 附屬公司

於2023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/ operations 註冊成立／ 成立／業務地點	Paid up capital at 31 December 2023 於2023年12月31日 已繳足資本	Equity interest attributable to the Company				Principal activities 主要活動
			本公司應佔股權				
			2023 2023年		2022 2022年		
			Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	
Modern Farming (Notes i) 現代牧業(集團)(附註i)	The PRC 中國	RMB3,774,696,441 人民幣3,774,696,441元	-	98.36	-	98.36	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	RMB840,000,000 人民幣840,000,000元	-	98.36	-	98.36	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	-	98.36	-	98.36	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 2023 截至2023年12月31日止年度

47. SUBSIDIARIES (continued)

47. 附屬公司 (續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立／ 成立／業務地點	Paid up capital at 31 December 2023 於2023年12月31日 已繳足資本	Equity interest attributable to the Company				Principal activities 主要活動
			本公司應佔股權				
			2023 2023年		2022 2022年		
			Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	
Modern Farming (Baoji) Co., Ltd. (Note ii)	The PRC	RMB50,000,000	-	98.36	-	98.36	Breeding dairy cows and production of milk
現代牧業(寶雞)有限公司(附註ii)	中國	人民幣50,000,000元					飼養奶牛及生產牛奶
Modern Farming Wuhe (Note ii& Note 33 (ii))	The PRC	RMB394,818,853	-	87.15	-	98.36	Breeding dairy cows and production of milk
現代牧業五河(附註ii 及附註33(ii))	中國	人民幣394,818,853元					飼養奶牛及生產牛奶
Modern Farming (Shuangcheng) Co., Ltd. (Note ii)	The PRC	RMB20,000,000	-	98.36	-	98.36	Breeding dairy cows and production of milk
現代牧業(雙城)有限公司(附註i)	中國	人民幣20,000,000元					飼養奶牛及生產牛奶
Modern Farming (Chabei) Co., Ltd. (Note ii)	The PRC	RMB90,000,000	-	98.36	-	98.36	Breeding dairy cows and production of milk
現代牧業(察北)有限公司(附註ii)	中國	人民幣90,000,000元					飼養奶牛及生產牛奶
Zhongyuan (Notes ii&iii)	The PRC	RMB380,000,000	-	98.36	-	98.36	Breeding dairy cows and production of milk
中元(附註ii及iii)	中國	人民幣380,000,000元					飼養奶牛及生產牛奶
Fuyuan (Notes i&iii)	The PRC	RMB1,522,400,000	-	99.07	-	99.07	Production of milk
富源(附註i&iii)	中國	人民幣1,522,400,000元					生產牛奶
Modern Grass Industry Co., Ltd. (Note ii)	The PRC	RMB328,965,800	-	98.49	-	98.36	Feed business
現代草業有限公司(附註ii)	中國	人民幣328,965,800元					飼料業務
Aiyangniu (Note ii)	The PRC	RMB40,000,000	-	73.77	-	73.77	Digital intelligence platform business
愛養牛(附註ii)	中國	人民幣40,000,000元					數智平台業務



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

47. SUBSIDIARIES (continued)

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.
- As at 31 December 2023, 100.00% (2022: 100.00%) of equity interests in Zhongyuan and 56.65% (2022: 56.65%) of equity interests in Fuyuan were pledged to bank borrowings of the Group (Note 28).

None of the subsidiaries had issued any debt securities at the end of year 2023 and 2022 except for Modern Farming which has issued short term debenture at a principal amount of RMB100,000,000 during the year ended 31 December 2022, as detailed in Note 30.

47. 附屬公司(續)

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。
- 於2023年12月31日，中元的100.00%(2022年：100.00%)股權及富源的56.65%(2022年：56.65%)股權已被質押作為本集團銀行借款的擔保(附註28)。

除現代牧業(集團)於截至2022年12月31日止年度已發行本金人民幣100,000,000元短期融資券(詳見附註30)外，於截至2023年及2022年12月31日止年度結束時附屬公司均未發行任何債務證券。

48. 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:

48. 擁有重大非控股權益的非全資附屬公司的詳情

下表載列擁有重大非控股權益的本集團非全資附屬公司的詳情：

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	
		2023	2022	2023	2022	2023	2022
		2023年	2022年	2023年	2022年	2023年	2022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	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	1.64%	1.64%	2,566	15,096	179,504	175,762

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。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

48. DETAILS OF NON-WHOLLY-OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS (continued)

Modern Farming and its subsidiaries

48. 擁有重大非控股權益的非全資附屬公司的詳情(續)

現代牧業(集團)及其附屬公司

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Current assets	流動資產	7,192,884	8,283,631
Non-current assets	非流動資產	23,741,808	20,195,963
Current liabilities	流動負債	(8,738,926)	(8,940,036)
Non-current liabilities	非流動負債	(9,425,133)	(7,439,860)
Equity attributable to owners of the Company	本公司擁有人應佔權益	12,128,854	11,720,515
Non-controlling interests of Modern Farming attributable to outside shareholders	外部股東應佔的現代牧業(集團)非控股權益	179,504	175,762
Non-controlling interests of Modern Farming's subsidiaries	現代牧業(集團)附屬公司的非控股權益	462,275	203,421



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

48. DETAILS OF NON-WHOLLY-OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS (continued)

Modern Farming and its subsidiaries (continued)

48. 擁有重大非控股權益的非全資附屬公司的詳情(續)

現代牧業(集團)及其附屬公司(續)

		Year ended 31/12/2023 截至2023年 12月31日 止年度 RMB'000 人民幣千元	Year ended 31/12/2022 截至2022年 12月31日 止年度 RMB'000 人民幣千元
Revenue	收入	13,458,223	12,295,091
Expenses	開支	13,273,848	11,467,320
Profit attributable to owners of the Company	本公司擁有人應佔溢利	174,100	810,002
Profit attributable to non-controlling interests of Modern Farming attributed to outside shareholders	外部股東應佔現代牧業(集團)非控股權益應佔的溢利	2,566	15,096
Profit attributable to non-controlling interests of Modern Farming's subsidiaries	現代牧業(集團)附屬公司非控股權益應佔的溢利	7,709	2,673
Net cash inflow from operating activities	經營活動現金流入淨額	5,460,305	1,585,679
Net cash outflow from investing activities	投資活動現金流出淨額	(3,854,375)	(3,923,505)
Net cash (outflow) inflow from financing activities	融資活動現金(流出)流入淨額	(1,666,723)	2,742,035
Net cash inflow	現金流入淨額	(60,793)	404,209



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

49. 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:

49. 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：

		2023 2023年 RMB'000 人民幣千元	2022 2022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	9,551,553	9,398,519
Amounts due from subsidiaries	應收附屬公司款項	3,191,055	3,792,622
Derivative financial instruments	衍生金融工具	117,991	19,154
Bank balances	銀行結餘	32,089	—
		12,892,688	13,210,295
CURRENT ASSETS	流動資產		
Prepayments and other receivables	預付款項及其他應收款項	15	581
Bank balances and cash	銀行結餘及現金	87,866	92,969
Derivative financial instruments	衍生金融工具	460	18,260
		88,341	111,810
CURRENT LIABILITIES	流動負債		
Other payables	其他應付款項	287	571
Amounts due to subsidiaries	應付附屬公司款項	388,555	437,534
Long term bonds	長期債券	35,536	34,944
Bank borrowings	銀行借款	—	867,009
Derivative financial instruments	衍生金融工具	3,017	14,388
		427,395	1,354,446
NET CURRENT LIABILITIES	流動負債淨額	(339,054)	(1,242,636)
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	12,553,634	11,967,659



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2023 截至2023年12月31日止年度

49. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

49. 本公司的財務狀況表及儲備(續)

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	675,869	675,869
Reserves	儲備	7,700,149	7,790,072
TOTAL EQUITY	總權益	8,376,018	8,465,941
NON-CURRENT LIABILITIES	非流動負債		
Bank borrowings	銀行借款	636,807	—
Derivative financial instruments	衍生金融工具	17,342	43,646
Long term bonds	長期債券	3,523,467	3,458,072
		4,177,616	3,501,718
		12,553,634	11,967,659

Zhao Jiejun
趙傑軍
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 2023 截至2023年12月31日止年度

49. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

Movements in equity

49. 本公司的財務狀況表及儲備(續)

權益變動

		Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Other reserve 其他儲備 RMB'000 人民幣千元	Share award reserve 股份獎勵儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Balance at 1 January 2022	於2022年1月1日的結餘	675,869	6,896,336	1,382,199	20,266	(67,675)	8,906,995
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	-	-	(245,342)	(245,342)
Vesting of award shares	獎勵股份歸屬	-	-	-	(37,776)	1,504	(36,272)
Recognition of equity-settled share-based payments	確認按股權結算以股份支付的付款	-	-	-	44,950	-	44,950
Dividends recognised as distribution	確認為分派的股息	-	(204,390)	-	-	-	(204,390)
Balance at 31 December 2022	於2022年12月31日的結餘	675,869	6,691,946	1,382,199	27,440	(311,513)	8,465,941
Profit and total comprehensive income for the year	年內溢利及全面收入總額	-	-	-	-	5,091	5,091
Vesting of award shares	獎勵股份歸屬	-	-	-	(27,475)	(5,591)	(33,066)
Recognition of equity-settled share-based payments	確認按股權結算以股份支付的付款	-	-	-	50,049	-	50,049
Dividends recognised as distribution	確認為分派的股息	-	(111,997)	-	-	-	(111,997)
Balance at 31 December 2023	於2023年12月31日的結餘	675,869	6,579,949	1,382,199	50,014	(312,013)	8,376,018

50. EVENT AFTER THE REPORTING PERIOD

Reference is made to the announcement dated 1 February 2024, that Modern Farming Wuhe, China Agricultural Reclamation Industry Development Fund (Limited Partnership) ("China Agricultural"), Anhui Suida and Modern Farming entered into a capital injection agreement on 1 February 2024, pursuant to which China Agricultural subscribed for 25.4% of the enlarged registered capital of Modern Farming Wuhe by way of capital injection in cash for the sum of RMB600 million.

50. 匯報期後事項

茲提述日期為2024年2月1日的公告，現代牧業五河、中國農墾產業發展基金(有限合夥)(「中墾基金」)、安徽穗達與現代牧業(集團)於2024年2月1日訂立注資協議，據此，中墾基金同意以現金注資人民幣600百萬元的方式認購現代牧業五河經擴大註冊資本的25.4%。



ISSUER

China Modern Dairy Holdings Ltd.

Registered office
P.O. Box 309, Ugland House
Grand Cayman KY1-1104
Cayman Islands

Principal place of business in Hong Kong
Room A, 32nd Floor, COFCO Tower
262 Gloucester Road
Causeway Bay
Hong Kong

REPORTING ACCOUNTANT AND AUDITOR OF THE ISSUER

Deloitte Touche Tohmatsu
35/F One Pacific Place
88 Queensway
Hong Kong

TRUSTEE

**China Construction Bank
(Asia) Corporation Limited**
(中國建設銀行(亞洲)股份
有限公司)
28/F, CCB Tower
3 Connaught Road Central,
Central, Hong Kong

PRINCIPAL PAYING AGENT, REGISTRAR AND TRANSFER AGENT

**China Construction Bank
(Asia) Corporation Limited**
(中國建設銀行(亞洲)股份
有限公司)
28/F, CCB Tower
3 Connaught Road Central,
Central, Hong Kong

LEGAL ADVISERS TO THE ISSUER

As to
English and Hong Kong laws

As to
PRC law

As to
Cayman Islands law

Clifford Chance
27th Floor Jardine House
One Connaught Place
Central
Hong Kong

**Commerce & Finance
Law Offices**
20/F
6F Tower, A
12 Jianguomenwai Avenue
Beijing, PRC

**Maples and Calder
(Hong Kong) LLP**
26th Floor, Central Plaza
18 Harbour Road, Wanchai
Hong Kong

LEGAL ADVISERS TO THE JOINT LEAD MANAGERS

As to
English and Hong Kong laws

As to
PRC law

Linklaters
11/F, Alexandra House
18 Chater Road, Central
Hong Kong

JunHe LLP
20/F China Resources Building
8 Jianguomenbei Avenue
Beijing, PRC

LEGAL ADVISERS TO THE TRUSTEE

Linklaters
11/F, Alexandra House
18 Chater Road, Central
Hong Kong