

CEO's Statement 總裁報告書

We understand that Rome was not built in a day, yet, we are more courageous in facing our deficiencies than ever before. We are dedicated to perfect our internal systems and procedures through constant effort, so as to introduce gradual fundamental changes from inside out, and from details to the whole.

In 2013, taking into account the long-term development of Mengniu, we worked with a renowned consultancy firm to formulate a new Five-Year Strategic Plan, which has been implemented since 2013. According to the plan, we will fully integrate the value of responsibility into each of our internal systems and the daily operations. We will adopt scientific approach in coordination and planning, and focus closely on branding, channels, business structure, human resources, etc.

Driven by Mengniu's constant efforts to appreciate the diversified demands of consumers, we look forward to achieving a more balanced development by fully enhancing the quality system of the entire production chain, optimising the product structure and focusing on competitive product categories and brands. Meanwhile, Mengniu will further strengthen its collaboration with the world's leading dairy enterprises. We will leverage the advanced management experience from Arla Foods to adopt a more scientific and systematic approach to boost our own production and management efficiency. In addition, by fully introducing the production chain management systems of COFCO Group and Arla Foods, two major strategic partners of Mengniu, we will improve the management of ranch and quality assurance. In order to enhance the efficiency of milk sources management, we have redeployed the strategic road map for business structure and matching of supply and demand to align milk sources in a scientific manner and perfect the milk sources infrastructure.

我們深知，這些變革絕非一蹴而就。但是與以往相比，我們更加勇於正視自己的不足，並通過持續不斷的努力來完善內部體系建設，實現由內而外、從點滴到整體的轉變。

二零一三年，基於對企業長遠發展的考慮，我們與國際知名諮詢公司一起制訂了新的五年規劃，並在二零一三年伊始即投入積極實施。根據新的五年規劃，我們將負責任的價值觀全面融入到各系統及蒙牛員工的日常工作中，科學統籌、全面規劃，緊密圍繞品牌、渠道、產業佈局、人力資源等幾方面展開工作。

展望未来，蒙牛將會立足於更加全面地了解消費者的多元化需求，全面提升整個產業鏈的質量體系建設，繼續優化產品結構，聚焦優勢品類和品牌，實現更加均衡的發展。與此同時，蒙牛與國際領先乳業的合作將會進一步強化 and 緊密，例如藉助Arla Foods先進的管理經驗，提升蒙牛的生產和管理效率，實現更加科學系統的管理模式；全面引入中糧集團和Arla Foods兩大战略合作夥伴的產業鏈管理體系，改善蒙牛的牧場管理和質量控制。為此，我們重新設計了產業佈局和供需匹配的戰略實施路徑圖，完善奶源匹配及奶源基礎建設，提高奶源管理效率。

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We strive to restore our brand, further strengthen our product competitiveness and optimise our product portfolio in the five years to come. Meanwhile, we will improve market penetration and channel expansion, and thus enhance our nationwide sales capability and realise a leaner management structure. Enhancement and optimisation of human resources is also our focus. On the one hand, we will fully develop the corporate culture of "Sunshine, Nobility, Responsibility and Innovation" (陽光、高尚、責任、創新), and attract more talents to join us; and on the other hand, we will provide training and promotion opportunities to existing key staff through the "Dawn Scheme" (晨曦計劃). We hope to increase team cohesiveness by creating a good working environment and offering an incentive mechanism for the purpose of laying a solid foundation in terms of human resources reserves and intellect for the reformation of Mengniu.

In recent years, the development of China's dairy industry has attracted great concern of the community that every single member of the industry should fully appreciate the huge responsibility he or she bears. Looking ahead, we will dedicate every effort to attentively refine every detail in quality control, products and branding. As such, we can offer consumers dairy products that are safe, premium and healthy, as well as realise our brand concept of spreading happiness to more and more people. Through perseverance, we crave for creating greater value for our consumers, staff and shareholders, and turning Mengniu into a century-old enterprise and scoring more successes!

未來五年，我們將以「恢復品牌力，進一步提升產品力和優化產品結構」作為品牌管理的目標；同時，我們將加強市場滲透和渠道擴張，進一步提升全國銷售能力，實現精益化管理。人力資源建設也是我們工作的重點。一方面要全面形成蒙牛「陽光、高尚、責任、創新」的企業文化，吸引更多的國內外優秀人才加入我們；另一方面，通過「晨曦計劃」為現有骨幹員工提供培訓提升的機會。我們希望，通過創造良好的工作氛圍和激勵機制，提高團隊的凝聚力，為蒙牛的「二次創業」打下堅實的人力儲備和智力基礎。

近年來，中國乳製品行業的發展備受社會的高度關注，每一位中國乳製品行業的成員，都能深切地感受到我們自身的責任之重大。面向未來，只有用心抓好質量的細節、產品的細節、品牌的細節，通過不斷的點滴努力，才能為消費者奉獻安全、優質、健康的乳製品；才能全力踐行蒙牛的品牌主張，把「點滴幸福」傳遞到更多人身邊。我們期待通過堅持不懈的努力，可以為我們的消費者、員工和股東創造更大的價值，一步一步成就蒙牛百年企業的梦想！

Sun Yiping
Chief Executive Officer

Hong Kong, 26 March 2013

孫伊萍
總裁

香港，二零一三年三月二十六日



塑造優質奶源，打造點滴營養
Nutritious products from quality milk sources

 蒙牛 只為點滴幸福



點滴營養 點滴健康

Deliver Nutrition,
Deliver Health



Management Discussion and Analysis

管理層討論及分析

Economic Environment in China

There was a slight slowdown in China's economic growth under difficult global environment for the year 2012. However, guided by the PRC government's principle of progressing with stability, the GDP for the year exceeded RMB50 trillion, representing a year-on-year growth of 7.8%, down by 1.4 percentage points as compared with 2011. The actual growth of urban household income per capita and rural household net income per capita were 9.6% and 10.7% respectively. Retail sales of consumer goods for the year totaled RMB20,716.7 billion, representing an actual year-on-year growth of 12.1% eliminating the impact of price changes. The consumer price for the year showed a 2.6% year-on-year rise, down by 2.8 percentage points as compared with 2011.

Fast-moving Consumer Goods and Dairy Industry

Structural upgrade of products remained a key driver for the growth in the fast-moving consumer goods sector. During the year, total sales of the sector grew by 16% comparing with 2011. The slowdown in the pace of growth was mainly due to difficult external economic conditions and fiercer market competition.

For the dairy industry, the government and society continued to reinforce regulated development through stringent supervision and media scrutiny. Driven by external environment and consumer demand, total sales of the dairy industry maintained steady growth. Meanwhile, product mix within the industry was further upgraded in response to the rising consumer demand for high end dairy products. Furthermore, high priced and high value-added products grew at an accelerated rate. However, affected by the continuous rise in prices, the price of raw milk also increased as a result of the relatively fast growth of feeding costs.

中國經濟形勢

二零一二年，中國經濟在外部環境偏緊的情況下，增速稍有放緩。中國政府持續穩中求進的指導方針，令全年國內生產總值突破人民幣50萬億元，同比增長7.8%，增速較二零一一年回落1.4個百分點。城鎮居民人均收入實際增長9.6%，農村居民人均純收入實際增長10.7%。全年社會消費品零售總額為人民幣20,716.7億元，扣除價格因素後同比實際增長12.1%。全年居民消費價格同比上漲2.6%，漲幅較二零一一年回落2.8個百分點。

快消品及乳製品行業情況

產品結構升級仍然是快消品市場增長的主要驅動力。年內，快消品行業銷售額同比增長16%，增速有所放緩，主要是受外部經濟環境及愈加激烈的競爭環境影響所致。

乳製品行業方面，國家及社會繼續通過加強監管及媒體監督等方式促進行業規範化發展。在外部環境和消費需求的共同推動下，乳製品行業銷售額保持穩定增長。同時，因應消費者對高端乳製品需求不斷增加的趨勢，行業內部產品結構進一步升級，高價位、高附加值的產品逐漸獲得市場青睞，增速加快。然而，受物價水平持續上漲影響，牧場飼養成本增長較快，使原奶價格亦相應上漲。



Created the "Happy Hours for Basketball Fans" (球迷幸福時刻) at the sixth NBA China Games

於第六屆NBA中國賽場打造「球迷幸福時刻」



Market Inspectors for MENGNIU ARLA (歐世蒙牛) "Trustworthy Milk Powder" (放心乳粉) visited the production base in Inner Mongolia

歐世蒙牛「放心乳粉」市場監督員考察內蒙古生產基地

Management Discussion and Analysis 管理層討論及分析

According to AC Nielsen, Mengniu's liquid milk products captured 27.4% of the market share of the sales of domestic liquid milk during the year, maintaining its top position in the market. Star brands such as *Milk Deluxe* (特倫蘇) also continued to lead the high-end market.

BUSINESS REVIEW**Action One – Quality System Reform**

In 2012, by aligning its quality management system with the international market-leading counterparts, Mengniu optimised its processes including milk sources, production and sales, and set up a new quality and safety management structure. Firstly, Mengniu established a quality and safety administration centre, which is responsible for formulating quality systems, developing uniformed standards, and assessing and inspecting quality management work. In addition, Mengniu established three separate quality administration centres in milk sources, operations and sales to manage quality and safety throughout the entire process. By establishing a comprehensive organisational structure, the quality and safety management duties and responsibilities of each department were more clearly defined and assigned, enabling effective coordination among departments and quality management across the entire production chain.

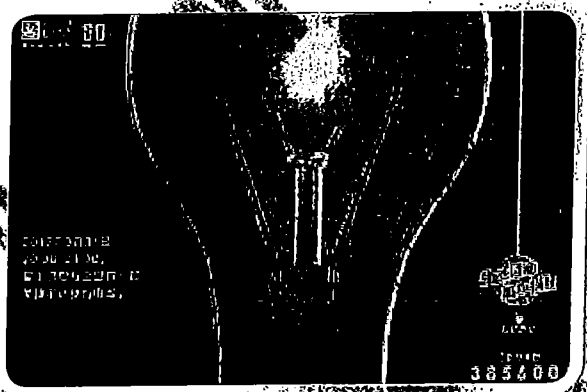
During the year, Mengniu devoted considerable resources in the quality and safety management system to enhance its overall quality management level. Important measures included engaging a quality assurance expert from the international fast-moving consumer goods industry, allocating more staff and equipment to different operational segments for quality assurance purpose and strengthening the training of staff to bolster their quality inspection skills.

根據AC尼爾森監測資料顯示，年內蒙牛液體奶產品佔全國整體液體奶市場銷售額份額達27.4%，繼續位居市場第一位，而明星品牌特倫蘇等亦持續領銜高端市場。

業務回顧**行動之一——質量體系改革**

二零一二年，蒙牛對標國際領先企業的質量管理模式，梳理了奶源、生產、銷售的各項環節，建立起新的質量安全管理架構。首先，蒙牛成立質量安全管理中心，負責建立質量體系，制定統一質量標準，並對質量管理工作進行評估和檢驗。其次，蒙牛成立了奶源質量管理中心、營運質量管理中心、銷售質量管理中心，分別將質量安全工作具體落實到從生產源頭到消費者手中的全過程。通過建立完善的架構，蒙牛對各部門質量安全管理的職能和責任工作有更清晰的劃分和定位，促進各部門能夠有效協作，將蒙牛的質量管理覆蓋到全產業鏈。

蒙牛在年內對質量安全管理體系投入了大量的資源，包括聘請國際快消品行業品質管控專家、在各運營環節增加品質檢測人員及設備、加強員工質量檢驗技能的培訓等，全面提升蒙牛的質量管理水平。



Participated in the "Earth Hour" (地球一小時) activity

參與「地球一小時」熄燈活動



Continued to build the "Charity Well" (愛心井)

持續建設「愛心井」

Management Discussion and Analysis 管理層討論及分析

These measures have laid a solid foundation for quality management within Mengniu. In 2013, Mengniu will further implement standardised quality and safety management and introduce more advanced internationalised inspection techniques into the production process through cooperation with Arla Foods. Mengniu will also encourage all staff to participate in quality management so that quality control can be brought into full play.

To reinforce the commitment to quality, Mengniu will take concrete actions by caring and refining every detail with sincerity and practicality, to spread happiness among consumers.

Action Two – Milk Sources Enhancement

Mengniu continued to enhance its strength in milk sources by promoting scaled ranching and monitoring quality sources more strictly. Through provision of entrusted loans, raw milk prepayment, investment in large-scale ranches and construction of modernised ranch facilities, the proportion of Mengniu's milk sources provided by ranches and scaled farms further increased to 93%, a leading position within the industry.

To enhance the milk sources, Mengniu established two platforms in regard to ranch management, namely the Entrusted Management Centre and the Resource and Technology Integration Centre. The Entrusted Management Centre separates the ownership and management of Mengniu's collaborative ranches by introducing Mengniu's own professional team to manage and standardise the management standards of the ranches, and help increase their effectiveness and revenue, thereby ensure the safety of raw milk supply. The Resource and Technology Centre streamlines the workflow and reduces the operating costs by consolidating production materials including pasture, fodder, veterinary drugs, equipment, etc. In addition, Mengniu set up the Dairy Cattle University (奶牛大學) to consolidate domestic and international technical resources and enhance the management level of ranches in terms of yield rate per dairy cattle and somatic cell control, etc.

Mengniu proceeded with eight self-built ranches during the year. The design of the standardised ranch in cooperation with Arla Foods was also completed during the year. The project covers processes from forage grass planting to preliminary processing of milk, and was a combination of advanced, scientific, intelligent and environmentally-friendly international farming concepts with Mengniu's self-built ranch management. It will be served as the model ranch of milk sources management of the Group.

上述的舉措為蒙牛打下堅實的品質基礎。在二零一三年，蒙牛還將進一步實施質量安全的標準化管理，並通過與Arla Foods合作將更多先進的國際化檢測技術引入生產環節，以及營造全員參與質量管理的工作氛圍，使質量管理工作能充分落到實處。

為由始至終的堅持質量，蒙牛將踏踏實實地做好每一步，用誠懇的態度和實際的行動打造產品的細節，使消費者能夠感受到「點滴幸福」。

行動之二 – 奶源建設加強

蒙牛繼續加強奶源資源優勢，推廣規模化的養殖模式，嚴格把關質量源頭。通過提供委託貸款、預收奶款、參股大型牧場及投資建設現代化牧場設備，蒙牛來自規模化、集約化牧場奶源比例進一步提高到93%，居於行業的領先地位。

為了加強奶源建設，蒙牛成立了兩個牧場管理相關平台——委託管理中心和資源技術中心。委託管理中心通過分隔合作牧場之擁有權與管理權，由蒙牛專業團隊規範管理標準及進行管理，幫助合作牧場提高效率及增加收入，並保障原奶供應安全。資源技術中心則對合作牧場的牧草、飼料、獸藥、設備等生產資料進行整合，從而減少中間環節，提升運營效率，降低運營成本。另外，蒙牛成立奶牛大學，整合國內外技術資源，提升奶牛單產、體細胞控制等牧場管理水平。

蒙牛亦已於年內開始建設八座自建牧場。與Arla Foods合作的標準化牧場設計也在年內完成，涵蓋了從牧草種植到牛奶初加工的環節，將領先、科學、智能、環保的先進國際化養殖理念與蒙牛自建牧場管理融合，將會成為本集團奶源管理的示範牧場。

Management Discussion and Analysis 管理層討論及分析

Leveraging its position as a large-scale dairy product producer, Mengniu aims at facilitating the transformation of upstream industries to scaled ranching, so as to ensure reliable product quality for Mengniu, and contribute to the upgrade of dairy industry in China as well.

Action Three – International Strategic Collaboration

On 15 June 2012, Mengniu entered into a long-term strategic cooperation agreement with Arla Foods, an European dairy enterprise. Arla Foods became the second largest strategic shareholder of Mengniu by acquiring its equity interest, and began to participate in its daily operations.

Mengniu and Arla Foods efficiently formulated a range of plans to expedite cooperation, which has been implemented in phase. Supported by the Ministry of Agriculture of the PRC and the Ministry of Food, Agriculture and Fisheries of the Kingdom of Denmark, and prepared over the course of several rounds of negotiation, the China-Denmark Cooperation Centre was officially established on 26 November 2012. Combining the resources of both parties, a professional team was set up to facilitate technical exchanges.

During the year, the China-Denmark Cooperation Centre completed the design of the standardised model ranch. The quality management system model of Arla Foods will also be applied to Mengniu's self-built ranches which are currently under construction. The China-Denmark Cooperation Centre introduced the Fourier Transform Infra Red spectrum method on fingerprint technology (指紋圖譜原奶檢測方法) to enhance the accuracy of raw milk testing. The China-Denmark Cooperation Centre also proactively pushed forward the "Dawn Scheme" (晨曦計劃) to cultivate talents. The first group of outstanding staff selected from each department will be sent to Denmark to study dairy management and broaden their international horizon in 2013. The China-Denmark Cooperation Centre has also initiated several projects for cooperation and exchange over milk sources and quality inspection techniques, which will be further launched in 2013.

Moreover, quality dairy products including UHT milk, milk powder, cheese and butter produced by Arla Foods will also be brought to consumers in China through Mengniu's channels.

The collaboration between Mengniu and Arla Foods has gained full support from respective government departments of both countries. Mengniu believes that Arla Foods' 140-year long history and

蒙牛希望藉助自身大型乳製品生產商的地位，推動上游產業向規模化奶牛養殖模式的轉化。一方面能為蒙牛的產品提供可靠的質量保障，另一方面也能為中國乳品行業的升級作出貢獻。

行動之三－國際戰略合作

二零一二年六月十五日，蒙牛與歐洲乳品企業Arla Foods訂立戰略合作協議，建立長期戰略合作關係。此外，Arla Foods入股蒙牛，成為第二大戰略股東，參與蒙牛的實際運營。

蒙牛與Arla Foods迅速制定了一系列合作計劃並陸續開展。獲中國農業部和丹麥食品及漁農業部的支持，經過數輪磋商準備的中丹合作中心於二零一二年十一月二十六日正式成立，集合雙方資源組建起一支專業團隊，共同促進技術方面的交流。

年內，中丹合作中心已經完成了標準化示範牧場的設計工作，而蒙牛正處於建設中的自建牧場亦將引入Arla Foods的質量管理體系模式。中丹合作中心為奶源系統引入了指紋圖譜原奶檢測方法，提升原奶的檢測精準度。中丹合作中心還積極推進培養人才的「晨曦計劃」，蒙牛已於各部門選拔出首批優秀員工，將於二零一三年派往丹麥接受培訓，學習乳製品行業管理經驗，拓展國際化視野。中丹合作中心更就奶源和質量檢驗技術的合作交流設立了多個項目，將於二零一三年進一步開展。

此外，由Arla Foods生產的UHT奶、奶粉、奶酪及黃油等優質乳製品，也將經蒙牛的渠道帶給中國的消費者。

蒙牛與Arla Foods的合作得到了兩國政府部門的大力支持。藉助Arla Foods長達140年的悠久歷史和先進行業經驗，相信將為兩家企業共同搭建起國

Management Discussion and Analysis 管理層討論及分析

advanced industrial experience will be beneficial to the establishment of an international technical exchange platform between the two enterprises. At the same time, the partnership will open a window for Chinese dairy industry, so as to promote the development of the whole industry.

Action Four – Branding Strategy Reform

The vision of “New Mengniu” has been reconstructed with a brand concept focusing on “Quality” and “Happiness”. Under this theme, the overall sub-brand structure was established, marking the birth of a brand-oriented vision driven by consumer needs. Through the concept, Mengniu delivered the corporate vision of caring for the needs of consumers and bringing happiness to consumers by paying every bit of attention to every drop of raw milk.

In line with this concept, Mengniu has not only enhanced its product quality, but also actively launched a diversity of branding activities to deliver the brand promise of “Quality” and “Happiness” to its consumers. Mengniu has adopted a refreshing colour in the new packaging of its pure milk and basic functional milk products, and used the pattern of a drop of milk to demonstrate Mengniu’s determination to change by “beginning from a drop” (從點滴做起). Mengniu held several interactive activities under the theme of “The New Mengniu Listens with Heart” (新蒙牛·心溝通) to present its corporate motto to the public sincerely and openly. Such activities included inviting internet opinion leaders and consumers to visit its production bases and communicate with Mengniu physically. Targeting major sports events, including the NBA Finals, the World Table Tennis Championships and the UEFA

國際化技術交流平台，同時也為中國乳製品行業發展打開了一扇對外的窗口，推動行業的共同進步。

行動之四 – 品牌策略更新

蒙牛重新構建了「新蒙牛」品牌理念，確立了以「品質」和「幸福」為中心的品牌形象，並圍繞這個中心構建整體子品牌架構。以消費者需求為驅動的品牌理念破繭而出，蒙牛藉由該理念，傳達關注消費者需求，由每一滴原奶的品質抓起，憑藉點滴努力為消費者創造幸福的企業發展思路。

配合這個理念，蒙牛不僅從自身出發加強產品品質，還積極開展多元化的品牌活動，將「品質」及「幸福」的品牌形象傳達給消費者。蒙牛更換了純牛奶和基礎功能奶包裝，以清新的顏色和一滴奶的圖案創意傳達蒙牛「從點滴做起」的轉變；蒙牛多次開展「新蒙牛·心溝通」交流活動，真誠透明的與社會各界交流企業理念，包括主動邀請網絡意見領袖及大眾消費者親臨生產基地，考察各項生產活動及面對面進行溝通；針對NBA總決賽季、世界乒乓球錦標賽、歐洲杯足球賽季等多個體育賽事推出「因為信賴，所以選擇」的主題電視廣告，將品牌形象與健康、力量的體育明星聯繫起來；榮獲蒙古體育總局及蒙古奧林匹克發展基金會聯合頒發「二零一二年倫敦奧運會蒙古運動員



Launched the new brand image “A Little Happiness Matters”

發佈「只為點滴幸福」之新品牌形象

Management Discussion and Analysis 管理層討論及分析

Euro football competitions, Mengniu launched a series of television advertisements under the theme of "Selection Through Trust" (因為信賴, 所以選擇) to connect the brand image with healthy and energetic sports stars. Mengniu was also designated as the "Official Milk Products for Mongolian Athletes at the London 2012 Olympic Games" (2012年倫敦奧運會蒙古運動員指定牛奶) by the General Administration of Sport of Mongolia (蒙古體育總局) and the Mongolian Foundation for the Promotion of the Olympic Games (蒙古奧林匹克發展基金會). In addition, Mengniu has been sponsoring China's space programme for nine consecutive years and took the opportunity of the successful launch of Shenzhou 9 Spacecraft (神舟九號) to promote its quality products.

Mengniu reorganised the overall structure of its sub-brands by eliminating certain brands and formulating the strategy of focusing its resources on selected key brands. Mengniu regrouped the sub-brands under four categories in light of consumer needs and market trends, namely daily nutrition, leisure nutrition, professional nutrition and luxurious nutrition, and set up brand centres to manage these diversified brand categories. Each brand centre implemented tailor-made branding strategies with different directions and focuses.

In the future, Mengniu will continue to build its brand under the two main themes of "Quality" and "Happiness", and communicate with consumers and stakeholders more proactively and openly. In order to gradually enhance consumers' confidence in the brand and deliver positive message to the consumers, Mengniu will also carry out more interactive thematic campaigns to meet consumer needs.

Action Five – Sales Channel Consolidation

During the year, Mengniu embarked on comprehensive consolidation of its sales channel aiming at taking more controls over sales terminals and increasing overall efficiency. At present, Mengniu has finished the consolidation on the three below aspects.

First, Mengniu has reduced layers between sales management headquarters and points-of-sale, which greatly enhanced efficiency of internal communication and approval process and shortened the response time. The decision-making point was also shifted from the headquarters to the points-of-sale to better cater for the demand of the distributors and increase overall operational efficiency with a view to facilitating business development.

Mengniu integrated sales resources of UHT milk, chilled products and ice cream, and set up centralised platforms based on key functions such as sales management and channel. The platforms were built for the purpose of sharing marketing resources and enhancing the utilisation efficiency of resources.

指定牛奶]稱號; 蒙牛連續第九年助力航天事業, 結合「神舟九號」成功發射, 打造航天優質產品形象。

蒙牛重新梳理子品牌整體架構, 淘汰部分品牌, 制訂了集中資源打造個別重點品牌的策略。結合消費者需求及市場趨勢, 蒙牛將所有子品牌重新整合規劃為基礎營養、休閒營養、專業營養、高端營養共四大類別, 並成立了分管不同品牌類別的品牌中心, 依據不同的方向和重點管理每一類品牌, 落實品牌策略。

未來, 蒙牛的品牌建設仍將圍繞「品質」和「幸福」兩條主線繼續發展, 以更加陽光和透明的姿態與消費者及各利益相關方展開誠意溝通, 並以消費者需求為出發點, 開展更具互動性的主題活動, 一步一步增強消費者對品牌的信任, 傳遞正能量。

行動之五 – 銷售渠道整合

蒙牛於年內開始對銷售渠道體系進行全面調整, 以掌控終端為目標, 提升銷售渠道體系整體效率, 目前主要完成了以下三方面的整合。

首先, 蒙牛縮減了自銷售管理系統總部到終端售點之間的層級, 內部溝通及審批環節因而大大減少, 內部反應速度得以提升; 並將決策方由系統總部向銷售前端前移, 更好的關注經銷商需求, 提升整體營運效率, 促進業務發展。

其次, 蒙牛對原有的常溫、低溫、冰淇淋營銷中心進行資源整合, 依據銷售管理、渠道行銷等關鍵職能搭建統一平台, 營銷資源得以充分共享, 提升了資源使用效率。

Management Discussion and Analysis 管理層討論及分析

Mengniu has formulated workflow and inspection standards to standardise the management process of all points-of-sale so that front-end sales will become more controllable with professional and standardised operational procedures.

With regard to channel promotion, Mengniu has adjusted its branding strategies to focus on key brands with an aim to boost their sales performance and channel penetration.

The integration of the sales channel is still in progress. In the future, Mengniu intends to establish a standardised and informationalised operation model and perfect its system through resources consolidation and brands competitiveness.

Action Six – Information System Upgrade

With an aim of establishing an informationalised operation management system that can quickly adapt to changes and meet internal control requirements, Mengniu launched a project to upgrade the information system in accordance with the industry standards during the year. Both the human resources management system and the financial budget management system were standardised accordingly.

Besides, Mengniu has optimised the transportation system by deploying base stations and GPS systems, which not only enabled control of refrigeration and tracking of transportation vehicles, but also shortened the transportation distance, thereby lowered logistics costs and slowed down the melting of chilled products.

FINANCIAL REVIEW

Food quality and safety incidents during the year adversely affected consumer confidence and sales to a certain extent. In face of the severe challenges, Mengniu took the initiative to identify its shortcomings and perfect its quality management system. By devoting greater efforts to sales activities and enhancing communications with consumers, Mengniu has been regaining the affected market share and restoring its brand credibility gradually. During the year under review, revenue of the Group amounted to RMB36,080.4 million (2011: RMB37,387.8 million). Profit attributable to owners of the Company was RMB1,257.1 million (2011: RMB1,589.3 million). Basic earnings per share were RMB0.711 (2011: RMB0.908).

Revenue

Revenue for 2012 amounted to RMB36,080.4 million, representing a decline of 3.5% as compared with the revenue of RMB37,387.8 million in 2011. The decrease was mainly attributable to the drop in sales volume, partially offset by the price increase as a result of

蒙牛制定了終端標準化流程及檢查流程，未來將對所有終端售點實行標準化管理，以專業化配置、標準化作業使前端銷售工作得以規範可控。

在渠道銷售活動方面，蒙牛配合品牌策略的調整，聚焦於重點品牌，著力提升其銷售表現及渠道滲透。

蒙牛對銷售渠道體系的調整仍在繼續，未來將加緊標準化、信息化作業模式的建立，利用整合資源，結合優勢品牌完善系統建設。

行動之六 – 信息系統改革升級

為建立能快速適應業務變化，符合內控要求的信息化業務管理系統，蒙牛於年內對照行業標準，推動內部信息系統升級項目，成功實現了人力資源管理系統和財務預算管理系統的標準化、系統化管理。

另外，蒙牛還採用基站和GPS定位優化運輸系統，不僅可對運輸車輛進行製冷監控及追蹤，並可助於縮短運輸路徑，從而降低了物流成本和低溫產品的融化率。

財務回顧

年內，食品質量安全事件對消費者信心及市場銷售帶來一定影響。面對嚴峻挑戰，蒙牛積極查找不足，加強完善質量管理體系，並通過加大營銷活動的投入及加強與消費者的溝通，逐步恢復受影響的市場份額及重建品牌的公信力。於回顧年內，本集團之收入為人民幣360.804億元（二零一一年：人民幣373.878億元）。本公司擁有人應佔利潤為人民幣12.571億元（二零一一年：人民幣15.893億元）。每股基本盈利為人民幣0.711元（二零一一年：人民幣0.908元）。

收入

二零一二年全年收入為人民幣360.804億元，較二零一一年收入人民幣373.878億元下降3.5%。這主要是由於受銷量下降影響，而產品結構優化帶來的價格上漲，則部分抵銷了上述影響。重點

Management Discussion and Analysis 管理層討論及分析

the optimisation of product mix. Meanwhile, revenue of key brands including Milk Deluxe (特倫蘇), Champion (冠益乳), Future Star (未來星) and Fruit Milk Drink (真果粒) has maintained fast growth since their launch into the market, all of which recorded a double-digit increase in 2012, while Youyi C (優益C) enjoyed a three-digit growth during the year.

Gross Profit

Gross profit of the Group for the year ended 31 December 2012 amounted to RMB9,054.6 million (2011: RMB9,592.2 million), a decrease of 5.6% as compared with 2011. During the year under review, the Group continued to enhance the control over product quality and restore consumer confidence in its brand and dairy products by increasing the proportion of milk sources purchased from ranches and scaled farms, resulting in a rise in the cost of raw milk. Meanwhile, the Group devoted more resources to adding quality inspection staff and deploying more inspection equipment. As a result, the overall gross profit margin for the year was adjusted to 25.1% (2011: 25.7%).

To cope with the continued increase in raw milk and quality control costs, the Group enhanced operational efficiency through optimising the internal production and operation management flow, thereby lowered the production cost. The Group also reduced the procurement cost of raw and auxiliary materials and equipment by rationalising and optimising the deployment of suppliers. In addition, the Group optimised logistics and reduced transportation cost through effective production, sales and distribution arrangements and flexible deployment of conveyances.

Operating Expenses

The operating expenses of the Group for 2012 were RMB7,817.3 million (2011: RMB7,992 million), accounting for approximately 21.7% of the Group's revenue (2011: 21.4%). Among which, the selling and distribution expenses for the year decreased by 4% compared with the previous year to approximately RMB6,425.8 million (2011: RMB6,694.7 million), representing 17.8% of the Group's revenue (2011: 17.9%). Starting from the second half of 2012, the Group modified its sales channels strategies in light of the diversity of the market, and optimised its brand portfolio and distribution channels, in order to make better and more flexible use of sales and promotional resources. The percentage of advertising and promotion expenses to revenue for the year slightly declined to 6.4% (2011: 7.6%).

品牌特倫蘇、冠益乳、未來星和真果粒自上市以來收入一直保持高增長，二零一二年亦保持雙位數增長，優益C實現三位數增長。

毛利

本集團於年內錄得毛利為人民幣90.546億元(二零一一年：人民幣95.922億元)，較二零一一年減少5.6%。回顧年內，本集團為強化產品的質量管控及逐步恢復消費者對品牌及乳製品的信任度，一方面提升對牧場及養殖小區規模化奶源的採購比例，導致原奶成本上漲；同時加大對品質檢測人員及設備的投入。全年整體毛利率調整至25.1%(二零一一年：25.7%)。

面對原奶成本和質檢成本的不斷上漲，本集團一方面優化內部生產和經營管理流程，提高經營效率以降低生產成本；另一方面梳理和優化輔料供應商和設備供應商的區域佈局，令原輔料和設備的採購成本得以降低；同時，本集團通過有效的產銷及配送安排和靈活運用不同的運輸工具等，優化物流及降低運輸成本。

經營費用

於二零一二年，本集團的經營費用為人民幣78.173億元(二零一一年：人民幣79.92億元)，約佔本集團收入21.7%(二零一一年：21.4%)。其中，全年銷售及經銷費用較上年下降4%，約為人民幣64.258億元(二零一一年：人民幣66.947億元)，佔本集團收入17.8%(二零一一年：17.9%)。自二零一二年下半年開始，本集團針對多元化市場調整銷售渠道策略，梳理並優化品牌管理和銷售渠道，致力更加有效地使用營銷資源，合理安排廣告及宣傳資源的投入，全年的廣告及宣傳費用佔收入比例輕微下調至6.4%(二零一一年：7.6%)。

Management Discussion and Analysis 管理層討論及分析

During the year, the Group not only devoted more resources to the quality management system, but also recruited a renowned professional agency to optimise its internal structure to increase the management efficiency. This led to a slight increase in the administrative and other operating expenses to RMB1,391.5 million (2011: RMB1,297.3 million), and its percentage to the Group's revenue has increased to 3.9% (2011: 3.5%).

Profit from Operating Activities and Profit Attributable to Owners of the Company

Owing to the decrease in turnover year-on-year and the increase in costs, the Group's earnings before interest, taxes, depreciation and amortisation (EBITDA) was RMB2,525.0 million (2011: RMB2,812.1 million). EBITDA margin declined to 7.0% (2011: 7.5%).

Profit attributable to owners of the Company was RMB1,257.1 million (2011: RMB1,589.3 million). Net profit margin was 3.5% for the year (2011: 4.3%).

Income Tax Expenses

The effective income tax rate of the Group for 2012 was 14.6%, up by 1.2 percentage points as compared with 2011, primarily due to the less utilisation amount of the tax credit limit related to purchases of domestic equipment in 2012 as compared with 2011.

Capital Expenditure

As at the end of 2012, the total capital expenditure of the Group amounted to RMB2,266.5 million, generally consistent with that of 2011. The capital expenditure for 2012 was mainly used for constructing production plants and equipments, enhancing milk sources, etc. Its investment in the enhancement of milk sources reached RMB193.6 million, demonstrating the Group's determination and efforts to enhance the safety of milk sources.

Capital Structure, Working Capital and Financial Resources

The Group's net cash flows from operating activities amounted to RMB2,006.9 million (2011: RMB2,520.1 million). The decrease in net cash flows was mainly due to the decrease in profit. Net cash balances (cash and bank balances net of total bank loans) of the Group reached RMB5,204.6 million as at 31 December 2012 (31 December 2011: RMB5,985.5 million), indicating a strong financial position and healthy cash flow of the Group.

The outstanding bank loans of the Group amounted to RMB573.8 million (31 December 2011: RMB537.5 million), which was repayable within one year. Furthermore, the bank loans totaling RMB93.4 million (31 December 2011: RMB167.1 million) were fixed interest-bearing loans.

年內集團加大了質量管制體系的投入，同時聘請國際知名專業機構對公司組織結構進行優化，提高管理效率，行政及其他經營費用較上年略有上升，為人民幣13.915億元(二零一一年：人民幣12.973億元)，佔本集團收入比例上升至3.9%(二零一一年：3.5%)。

經營業務利潤及本公司擁有人應佔利潤

由於營業額同比有所下降及成本上漲，本集團的息稅折舊攤銷前利潤(EBITDA)為人民幣25.250億元(二零一一年：人民幣28.121億元)。EBITDA利潤率下調至7.0%(二零一一年：7.5%)。

本公司擁有人應佔利潤為人民幣12.571億元(二零一一年：人民幣15.893億元)，全年淨利潤率為3.5%(二零一一年：4.3%)。

所得稅支出

本集團二零一二年的所得稅有效稅率為14.6%，較二零一一年上升1.2個百分點，主要是由於2012年利用的與購置國內設備有關的稅項抵免額度少於2011年。

資本支出

截至二零二二年底，本集團資本支出總額為人民幣22.665億元，與二零一一年基本一致。年內的資本支出主要用於生產廠房和設備建設、奶源建設等方面，其中奶源建設投入達到人民幣1.936億元，充分證明了本集團在提高奶源供應安全的決心和付出的努力。

資本架構、流動資金及財務資源

本集團經營業務產生的淨現金流量為人民幣20.069億元(二零一一年：人民幣25.201億元)，淨現金流量減少的原因主要來自利潤下降，而本集團於二零一二年十二月三十一日之淨現金(現金及銀行存款扣除銀行貸款總額)為人民幣52.046億元(二零一一年十二月三十一日：人民幣59.855億元)，顯示本集團之財務狀況穩健，且現金流量健康。

本集團的尚未償還銀行貸款為人民幣5.738億元(二零一一年十二月三十一日：人民幣5.375億元)，均為一年內償還貸款。另外，人民幣0.934億元之銀行貸款(二零一一年十二月三十一日：人民幣1.671億元)為按固定利率計算。

Management Discussion and Analysis 管理層討論及分析

The total equity of the Group was RMB13,071.8 million as at 31 December 2012 (31 December 2011: RMB12,048.8 million), and the debt-to-equity ratio (total bank loans over total equity) of the Group was 4.4% (31 December 2011: 4.5%).

The Group's finance costs amounted to RMB41.75 million (2011: RMB60.94 million), representing approximately 0.1% of the Group's revenue (2011: 0.2%).

PRODUCTS

To meet the ever-increasing consumer needs for natural dairy products, Mengniu concentrated on category expansion along with research and development of pure natural and additive-free products, in addition to its continuous efforts in developing high-end products catering for diversified market segments. Mengniu will exert efforts to develop a safe, premium and healthy product structure.

Mengniu's business is mainly divided into three categories, which are liquid milk, ice cream and other dairy products. The performance during the year are highlighted as follows:

本集團於二零一二年十二月三十一日的總權益為人民幣130.718億元(二零一一年十二月三十一日：人民幣120.488億元)，及債務權益比率(銀行貸款總額除以總權益)為4.4%(二零一一年十二月三十一日：4.5%)。

本集團的融資成本為人民幣41.75萬元(二零一一年：人民幣60.94萬元)，佔收入比重約0.1%(二零一一年：0.2%)。

產品

由於消費者對天然乳製品需求不斷增加，蒙牛立足市場需要，在持續發展高端乳製品及功能細分化產品的同時，集中對產品品類進行拓展，加強純天然、無添加產品的研發，致力於推動整體產品結構向安全、高端、健康方向全面發展。

蒙牛的業務主要包括液體奶、冰淇淋及其他乳製品三大類別，年內的表現如下：



Management Discussion and Analysis 管理層討論及分析

Product category 產品品類	Financial performance 財務表現	Highlights 年內動向
Liquid milk 液體奶	Revenue amounted to RMB32,337.0 million (2011: RMB33,701.2 million), accounting for 89.6% (2011: 90.1%) of the total revenue of Mengniu 收入為人民幣323.370億元(二零一一年：人民幣337.012億元)，佔蒙牛總收入的89.6%(二零一一年：90.1%)	
UHT milk UHT奶	Revenue amounted to RMB19,706.2 million (2011: RMB20,837.6 million), accounting for 60.9% (2011: 61.8%) of the liquid milk segment revenue 收入為人民幣197.062億元(二零一一年：人民幣208.376億元)，佔液體奶收入的60.9%(二零一一年：61.8%)	<ul style="list-style-type: none"> To match Mengniu's new brand image, new packages have been used for basic functional products, such as Pure Milk (純牛奶) and High Calcium Milk (高鈣牛奶) 基礎產品純牛奶及高鈣牛奶配合蒙牛品牌新形象更換新包裝 Milk Deluxe (特倫蘇) remained the top seller. Promotional activities were carried out at the experience stores to enhance communication with consumers and build a high-end brand image 特倫蘇保持銷量冠軍，藉助品牌體驗店宣傳活動增加與消費者溝通，樹立高端品牌形象 Launched functional products Awakening Youth Guli Milk (煥輕骨力牛奶) and Awakening Youth Shuhuo Milk (煥輕舒活牛奶), which help to improve the health of the bones and the cardiovascular system for the middle-aged and the elderly 細化功能性產品，推出有助中老年人骨骼健康及心血管健康的煥輕骨力牛奶及煥輕舒活牛奶 Expanded the Future Star (未來星) product category by launching Future Star Kid Milk (未來星小小兒童成長牛奶) and Future Star Milk-Nutrition Balance (未來星兒童成長牛奶營養均衡型) 延伸未來星產品品類，未來星小小兒童成長牛奶及未來星兒童成長牛奶營養均衡型先後上市 Developed the innovative brand Latte (奶特) with several flavours including chocolate, vanilla and banana to bring leisure nutrition to consumers 重點培養創新品牌奶特，含朱古力、香草、香蕉等多種口味，為消費者帶來休閒營養 Arla Foods Pure Milk (Arla Foods 純牛奶), which is imported from Europe, was launched in China 從歐洲原裝進口的Arla Foods純牛奶正式登陸中國市場



Management Discussion and Analysis 管理層討論及分析

Product category 產品品類	Financial performance 財務表現	Highlights 年內動向
Milk beverages 乳飲料	Revenue amounted to RMB8,038.8 million (2011: RMB8,309.6 million), accounting for 24.9% (2011: 24.7%) of the liquid milk segment revenue 收入為人民幣80.388億元(二零一一年：人民幣83.096億元)，佔液體奶收入的24.9%(二零一一年：24.7%)	<ul style="list-style-type: none"> Focused on the chilled product <i>Yoyi C</i> (優益C) by strengthening interactive experience and promotion under the theme of "Intestinal Exercises Help to Stay Young" (腸活動·常年輕) 主推低溫產品優益C，圍繞「腸活動·常年輕」之主題，加強互動體驗及推廣 Continued to expand the market coverage of <i>Suan Suan Ru</i> (酸酸乳) and launched the campaign "Mengniu Suan Suan Ru Superstar Dream Academy" (蒙牛酸酸乳巨星夢想學院) to enhance interaction with young consumers 持續擴大酸酸乳市場覆蓋，開展「蒙牛酸酸乳巨星夢想學院」主題活動，增強與年輕消費者互動 Maintained the market share by expanding the product category of <i>Fruit Milk Drink</i> (真果粒) 拓展真果粒產品品類，保持市場份額 The PET-packaged milk beverages <i>Peanut Milk</i> (花生奶) and <i>Oat Milk</i> (燕麥奶) were launched into the market PET包裝乳飲料花生奶、燕麥奶上市
Yogurt 酸奶	Revenue amounted to RMB4,592 million (2011: RMB4,554 million), accounting for 14.2% (2011: 13.5%) of the liquid milk segment revenue 收入為人民幣45.92億元(二零一一年：人民幣45.54億元)，佔液體奶收入的14.2%(二零一一年：13.5%)	<ul style="list-style-type: none"> <i>Champion</i> (冠益乳) remained the top seller 冠益乳保持銷量冠軍 New product <i>Truly Pure Yogurt</i> (純甄)，an additive-free pure natural healthy yogurt, was launched into the market 純甄新品上市，打造無添加純天然健康酸奶 <i>Future Star Kid Yogurt</i> (未來星兒童成長酸牛奶) was launched to bring brand synergy into full play 未來星兒童成長酸牛奶新品上市，發揮品牌協同效應



Yogurt
酸奶



Management Discussion and Analysis 管理層討論及分析

Product category 產品品類	Financial performance 財務表現	Highlights 年內動向
Ice cream 冰淇淋	<p>Revenue amounted to RMB3,171.5 million (2011: RMB3,258.6 million), accounting for 8.8% (2011: 8.7%) of the revenue of Mengniu.</p> <p>收入為人民幣31.715億元(二零一一年：人民幣32.586億元)，佔蒙牛總收入的8.8%(二零一一年：8.7%)</p>	<ul style="list-style-type: none"> Deluxe (蒂蘭聖雪) launched a pure natural high-end new product named <i>Gelato</i>, which is made of pure natural materials using traditional Italian techniques. 蒂蘭聖雪推出純天然高端新品<i>Gelato</i>，採用意大利傳統工藝及純天然原料製作 Certain products under Ice+ (冰+) use natural mango juice imported from India, which are free from artificial pigment to give an original flavour. 冰+部分產品使用印度進口芒果原漿，不添加人工合成色素，品味原洲原味雪泥
Other dairy products 其他乳製品	<p>Revenue amounted to RMB571.9 million (2011: RMB428 million), accounting for 1.6% (2011: 1.2%) of the revenue of Mengniu.</p> <p>收入為人民幣5.719億元(二零一一年：人民幣4.28億元)，佔蒙牛總收入的1.6%(二零一一年：1.2%)</p>	<ul style="list-style-type: none"> The sales coverage of milk powder was expanded. The "Trustworthy Milk Powder" (放心乳粉) project pioneered a pilot project with the Administration of Quality and Technology Supervision of Inner Mongolia. 奶粉產品擴大銷售範圍；「放心乳粉」工程獲內蒙古質量監督局試點合作，開行業質量保證之先河 Product lines were added to the cheese segment; the sales of new products such as <i>Cheese Baby</i> (酪趣貝) and <i>European Yogurt Cheese</i> (歐式酸奶酪) increased. 奶酪業務增加產品線；酪趣貝及歐式酸奶酪等新品類提升銷售

Apart from the Mainland China market, Mengniu's products are also being sold in Hong Kong, Macau, Singapore and Mongolia. During the year under review, despite the slowdown in overall sales growth due to the food safety incidents, the business in overseas markets still achieved stable performance through targeted marketing and sales strategies.

蒙牛的產品除在中國內地銷售外，亦已在香港、澳門、新加坡及蒙古等市場推出。回顧年內，雖然食品安全事件令整體銷售增長放緩，但通過針對性的市場及營銷策略，各市場表現逐漸取得穩定進展。

Management Discussion and Analysis 管理層討論及分析

In the future, Mengniu will continue to monitor the consumer demands and market trends closely, and seize the market opportunities in chilled products, organic products and infant milk formula. Mengniu will step up its efforts on developing potential new business. Meanwhile, Mengniu will continue to develop and expand high-end brands and diversify product portfolio to increase the profitability of each business segment.

PRODUCTION

In response to market demands, Mengniu's annual production capacity reached 7.58 million tons by December 2012 (December 2011: 7.05 million tons).

SOCIAL RESPONSIBILITY

With its strong commitment to social responsibility, Mengniu has not only actively participated in various community activities, but also attached great importance to environmental protection and sustainable development of ecology. In 2012, Mengniu set up the Centre of Health, Safety and Environmental Protection to better perform its social responsibilities.

Public Welfare Activities

Mengniu launched the campaign "Looking for the Most Beautiful Teachers in Rural Areas" (尋找最美鄉村教師) to support teachers in rural areas. Mengniu established cooperation with the World Wide Fund for Nature (WWF) to promote the "Earth Hour" (地球一小時) activity and went on with the "Charity Well Project" (愛心井項目) to help relieve the water shortage problem in remote areas. Mengniu also founded an education fund to support the "Dream Realisation" under "Project Hope" in Hainan Province (海南省希望工程圓夢行動), spreading happiness within the society.

Upstream Ecosystem Building

Mengniu has always been taking initiatives in ecosystem building. During the year, the Group has set up a wholly-owned subsidiary Inner Mongolia Fuyuan Farming Co., Ltd. (內蒙古富源牧業有限責任公司) to offer professional services in dairy farm management. To resolve potential pollutions caused by manure, biogas slurry, biogas residue and sewage, Mengniu applied advanced technologies and equipment to minimise negative impact on the surrounding environment, and at the same time transformed those excessive energy and materials from ranch waste into renewable resources, such as electricity and organic fertilisers, so as to achieve recycling use of resources and balanced ecological development.

未來，蒙牛將繼續緊貼消費者需求及市場趨勢，因應低溫產品、有機產品和嬰兒配方奶粉產品良好的發展前景，加強開發具有潛力的新業務；並持續培養及拓展高端產品品牌，豐富重點產品品類，提升各類業務盈利能力。

生產

蒙牛繼續根據市場需求佈局產能，截至二零一二年十二月，合計年產能達758萬噸（二零一一年十二月：705萬噸）。

社會責任

蒙牛一直積極承擔社會責任，不僅透過參與及舉辦各類型公益活動來回饋社會，亦非常重視企業對生態環境的保護和可持續發展。蒙牛於二零一二年成立健康安全環保中心，全面履行相關領域職責。

公益活動

回顧年內，蒙牛先後舉辦了「尋找最美鄉村教師」活動，身體力行為鄉村教師服務；與WWF(世界自然基金會)合作，推動「地球一小時」活動；持續推行「愛心井項目」，幫助水資源短缺的邊疆地區解決用水困難；及設立助學基金支持「海南省希望工程圓夢行動」等，透過實際行動將「幸福」回饋給社會。

上游生態建設

蒙牛一如既往履行企業生態環保責任。於年內成立全資子公司—內蒙古富源牧業有限責任公司，對蒙牛所屬現代化牧場進行專業管理。在對牧場周邊環境影響較大的牛糞處理、沼液、沼渣和污水處理等環節，引入國內領先技術與硬件設施，將乳牛養殖過程中所產生的剩餘能量和物質轉化為電能和有機肥等再生資源，實現了資源的循環使用和生態的平衡發展。

Management Discussion and Analysis 管理層討論及分析

Water Resource Preservation

Mengniu pays great attention to water resource preservation, and also devotes considerable resources to build and improve water ecology environment. During the year, Mengniu set up 28 sewage disposal plants (with an annual treatment capacity of 15 million tons) under real-time supervision. The processed water complied with the national discharge standards and was reused for afforestation, road cleaning and toilet flushing in the plants. Besides, Mengniu managed to rebuild and restore rivers around the headquarters so as to improve the functions of floods and droughts prevention, wind-shielding and sand stabilisation, water preservation (with a reserving capacity of about 60,000 tons of water) to optimise the ecosystem. The renovation added an extra 80,000 square metres of greenbelt. Through technological upgrade and elimination of energy consuming equipment, Mengniu managed to save a total of 350,000 tons of water annually.

Low Carbon Value Chain and Green Innovations

Mengniu has greatly reduced carbon emissions and improved efficiency in its logistics throughout the country by deploying the strategy of "selling to where it is produced and producing at where it is sold" (產地銷、銷地產). In addition, Mengniu has achieved satisfactory improvements on energy savings by means of implementing scientific design and optimising the combination of functional layout, lighting system and power facilities within workshops. With regard to the supply chain, Mengniu has worked closely with its suppliers to identify and use FSC certified (a global forestry certification system) packaging materials. Mengniu has also established a green supply chain together with its upstream partners through innovative measures such as producing environmentally-friendly stools made from discarded packaging materials.

HUMAN RESOURCES

As at 31 December 2012, the Group had approximately 28,000 employees in Mainland China and Hong Kong. Total staff costs for the year, excluding directors' and chief executives' remuneration, were approximately RMB1,930.2 million (2011: RMB1,745.1 million).

Mengniu has recruited more senior management talents from international fast-moving consumer goods companies. Management experts have been employed particularly in areas of quality control, branding and sales, thus adding new expertise to power the strategic development of Mengniu.

水資源保護

蒙牛亦高度重視對水資源的節約和保護，並積極投入資源改造和建設水資源生態環境。回顧年內，蒙牛對旗下工廠配套了28座污水處理廠（年總污水處理量達1,500萬噸），並實現在線監測。經處理的水符合國家排放標準，並被三次利用於工廠內部綠化、工廠道路清洗以及衛生沖廁。此外，蒙牛對總部基地園區內的河流進行了重點重修和改造，改善其防洪排澇、防風固沙、蓄水調節生態（蓄水能力約六萬噸）等功能。通過改造，新增的綠化面積達八萬平方米。蒙牛通過技術升級和淘汰高能耗設備，年節水量達35萬噸。

低碳價值鏈和綠色創新

蒙牛通過「產地銷、銷地產」的價值鏈運營策略，大幅降低了於全國範圍內物流環節的碳排放量，並提高了運輸效率。此外，通過對工廠車間內功能佈局、採光照明系統和動力配套設施的科學設計和優化組合，蒙牛亦在節能減排方面取得良好效果。在供應鏈環節，蒙牛聯合供應商積極探索，使用經森林管理委員會(FSC)認證的包裝材料，並通過將廢舊包材重新加工成環保凳等創新手段，與上游合作夥伴共同構建綠色供應鏈。

人力資源

於二零一二年十二月三十一日，本集團於中國大陸及香港合共聘用僱員約28,000位。年內僱員總成本（不包括董事及最高行政人員酬金）約為人民幣19.302億元（二零一一年：人民幣17.451億元）。

蒙牛著重加強向國際化快消品公司招聘高級管理人才，尤其在質量、品牌、銷售等方面引進了管理專家，為蒙牛的戰略發展增添了新生力量。

Management Discussion and Analysis 管理層討論及分析

Mengniu draws great emphasis on internal staff cultivation while bringing in professional expertise from the outside. To develop and reserve more outstanding talents for long-term development, Mengniu launched the "Dawn Scheme" (晨曦計劃), a talent cultivation program allowing outstanding staff to study advanced management and techniques at Arla Foods in Denmark every year.

PROSPECTS

Stepping into 2013, there is still great development potential and room for improvement for China's dairy industry, in view of the continuous urbanisation and the ever-increasing spending power and health awareness of consumers. Under the government's stringent supervision, the dairy industry would maintain a healthy development along with a more concentrated industry trend. As one of the leaders in China's dairy market, Mengniu is continuing to lead the healthy development of the industry by proactively seizing industry opportunities and leveraging its strength.

Organisational restructuring in 2012 has prepared Mengniu for its overall enhancement in the coming years. By adhering to principles of strategy orientation, market-driven business, transformational upgrade and shared growth, Mengniu has developed a new Five-Year Strategic Plan. In the future, Mengniu will continue to enhance its cross-departmental collaboration, strengthen team cohesiveness and management capability by integrating the new and existing culture. Meanwhile, Mengniu will continue to carry forward the upgrade of information system and rebuild the core operating system in accordance with the benchmark software platform adopted by the fast-moving consumer goods industry. This will standardise the management system of purchase, sales and inventory, enabling Mengniu to respond quickly to market trends and feedback. At the same time, Mengniu will continue to make efforts on research and development to develop new star brands and products that meet market demands, product mix optimisation and sales channel expansion, in order to achieve a balanced development of Mengniu.

2013 will continue to be a challenging year. Mengniu will start afresh and implement measures guiding by the new Five-Year Strategic Plan. With an aim to achieve the transformation into "New Mengniu", Mengniu will sustainably strengthen milk sources and quality control, rationalise brand structure, enhance brand image, adjust product portfolio based on market demands and enhance the international management level. Mengniu is committed to becoming a dairy enterprise that delivers products of the best quality and in the most professional and devoted manner in China, and bringing happiness to consumers.

在引進人才的同時，蒙牛十分重視內部人才培養。本集團建立了人才儲備機制，啟動「晨曦計劃」，每年將選拔優秀的員工派往丹麥 Arla Foods 學習先進的管理經驗和技術，為蒙牛的長期發展培養及儲備更多優秀的人才。

展望

踏入二零一三年，中國城市化進程繼續推進，人民消費水平不斷提升，消費者的健康訴求日益增長，乳製品行業仍存在很大的發展潛力和提升空間。在國家的嚴格監管下，乳製品行業將保持健康發展的趨勢，且趨向集中化方向發展。蒙牛作為中國乳製品行業的領導者之一，將積極抓住行業機遇，結合自身優勢，繼續引領行業健康發展。

二零一二年的內部調整，為蒙牛今後的整體升級做好了充分的準備。基於「戰略導向、市場驅動、升級轉型、共同成長」的發展原則，蒙牛制定了新的五年發展總體戰略規劃。未來，蒙牛將繼續加強跨部門協同工作能力，將新的管理文化與蒙牛現有組織文化融合，增強在不同層級的團隊凝聚力和各職能部門的管理能力；同時，蒙牛將繼續推進信息系統改革，以快消品行業標準軟件平台重構核心業務系統，並實現進、銷、存管理系統的標準化，亦能夠掌握市場趨勢及快速回應市場。蒙牛還將繼續積極研發符合消費者需求的新產品並培養新明星品牌，持續優化產品結構，並積極擴張渠道，推動蒙牛全面均衡發展。

二零一三年仍將是充滿挑戰的一年，蒙牛將以此為新的起點，按照五年規劃和發展目標，持續加強奶源建設和質量管控，梳理品牌結構和提升品牌形象，以市場需求為導向調整產品組合，提升國際化管理水平，逐步實現「新蒙牛」的轉變，以真誠的心意「成為中國質量最好、最專業、最專注的乳製品企業」，為消費者帶來「點滴幸福」。



對標國際水平 成就點滴品質

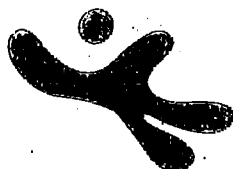
High product quality conforms to international standards

 蒙牛 只為點滴幸福



點滴品質
從小做起

Excellence springs
from the Smallest Detail



Directors and Senior Management 董事及高級管理層

Executive Directors

Ms. Sun Yiping, aged 46, was appointed as the Chief Executive Officer ("CEO") of the Group and an executive Director of the Company in April 2012. Ms. Sun graduated from China Agricultural University (formerly known as Beijing Agricultural Engineering University) in 1993 with a Bachelor's degree with specialisation in food engineering and a Master's degree with specialisation in agricultural products processing engineering. She also holds an Executive Master of Business Administration degree from the Olin School of Business of the University of Washington in the United States. She joined COFCO Group in 1993 and was involved in the management of COFCO's investment in Coca-Cola bottling business. In 1997, she became the deputy general manager of Swire Guangdong Coca-Cola Limited and subsequently the general manager of Hainan Coca-Cola Beverages Co., Ltd. in 2002. Ms. Sun also concurrently became the general manager of Zhanjiang COFCO Coca-Cola Beverages Ltd. in 2005. Prior to joining the Group as CEO, Ms. Sun was the deputy general manager of COFCO Property (Group) Co., Ltd. and the general manager of COFCO Group (Southwest region). Throughout her nearly 20 years of work experience, Ms. Sun has acquired extensive management experience in sales and marketing of brand food, processing of food and oil, and real estate in addition to which she has over 10 years of extensive management experience in the international fast-moving consumer goods industry.

Mr. Yang Wenjun, aged 46, was appointed as an executive Director of the Company in February 2004. Mr. Yang was the former CEO of the Group and is one of the founders of Inner Mongolia Mengniu Dairy (Group) Company Limited ("Inner Mongolia Mengniu"). He was appointed as a Vice-Chairman of the Company with effect from 10 June 2011. Mr. Yang graduated from Inner Mongolia Light Industry Institute and holds a Master's degree from Inner Mongolia Agricultural University. Mr. Yang has over 20 years of management experience in the large-scale dairy industry and extensive experience in production management and sales and marketing of dairy products. Mr. Yang was elected as one of the "World Economy's Top 10 Outstanding Chinese Professional Managers" by the Professional System Assessment Committee of the appraisal system of World Chinese Economy (WCE) at the Annual Conference for Investment and Financing in Asia Pacific in 2008, and as one of the "China's Top 10 Celebrities for Industry Leaders" and "Tenth Session of Top 10 Celebrities for China's Reform Programme" in 2010. Mr. Yang resigned from his positions as CEO of the Group with effect from 12 April 2012 and an executive Director and a Vice-Chairman of the Company with effect from 30 July 2012.

執行董事

孫伊萍女士，46歲，於二零一二年四月獲委任為本集團總裁及本公司執行董事。孫女士於一九九三年畢業於中國農業大學（原北京農業工程大學），並獲食品工程專業學士學位和農產品加工工程專業碩士學位。她亦獲美國華盛頓大學奧林工商管理學院高級管理人員工商管理碩士學位。一九九三年加入中糧集團，從事中糧集團對可口可樂裝瓶業務的投資管理業務。一九九七年任廣東太古可口可樂有限公司副總經理，二零零二年任海南可口可樂飲料有限公司總經理，二零零五年兼任湛江中糧可口可樂飲料有限公司總經理。就任本集團總裁前，孫女士曾任中糧地產（集團）股份有限公司副總經理、中糧集團（西南）大區總經理。孫女士在其從業近二十年間積累了豐富的品牌食品營銷、糧油食品加工及地產的管理經驗，同時其本人亦在國際品牌快速消費品行業具有十幾年的資深管理經驗。

楊文俊先生，46歲，於二零零四年二月獲委任為本公司執行董事。楊先生為本集團前總裁及內蒙古蒙牛乳業（集團）股份有限公司（「內蒙蒙牛」）發起人之一，並由二零一一年六月十日起獲委任為本公司副主席。楊先生於內蒙古輕工業學院畢業，並持有內蒙古農業大學碩士學位。楊先生擁有二十多年的大型乳品行業管理經歷，積累了豐富的乳製品生產管理和營銷經驗。楊先生二零零八年在亞太（投融資）經濟年會上被世界華人經濟（WCE）測評體系專家系統評審委員會評為「世界經濟十大華人傑出職業經理人獎」，二零一零年被選為「中國十大產業領軍經濟新聞人物」及「第十屆中國改革十大新聞人物」。楊先生由二零一二年四月十二日起辭任本集團總裁及由二零一二年七月三十日起辭任本公司執行董事及副主席職務。

Directors and Senior Management 董事及高級管理層

Mr. Bai Ying, aged 42, was appointed as an executive Director of the Company in July 2008 and is a Vice President in Operation of Inner Mongolia Mengniu. Mr. Bai graduated with a Master's degree from Inner Mongolia Agricultural University and holds a Master of Business Administration degree from China Europe International Business School. Mr. Bai was the Vice President of Inner Mongolia Mengniu and the General Manager of UHT milk division of Inner Mongolia Mengniu. He has been working in the dairy industry for almost 20 years and has extensive experience and advanced management concepts in the dairy industry. In 2010, Mr. Bai was elected as "Advanced Staff of Hohhot" and "Inner Mongolia Autonomous Region Labour Model" for the second time.

Mr. Wu Jingshui, aged 47, was appointed as an executive Director and the Chief Financial Officer of the Company in March 2010 and is a Vice President (Finance) of Inner Mongolia Mengniu. Mr. Wu graduated from Inner Mongolia Light Industry Institute majoring in industrial enterprise financial accounting and holds a Master's degree from Inner Mongolia Agricultural University and a Master of Business Administration degree from China Europe International Business School. He also holds a senior accountant qualification. Before being appointed as the Vice President (Finance) of Inner Mongolia Mengniu in April 2008, Mr. Wu served as the Financial General Manager of liquid milk division and the Chief Financial Officer of Inner Mongolia Mengniu, and has extensive experience in financial management. In 2010, Mr. Wu was honoured as a "Labour Model (Advanced Staff) of Hohhot".

Mr. Ding Sheng, aged 45, was appointed as an executive Director of the Company in March 2010 and is a Vice President of Inner Mongolia Mengniu. Mr. Ding graduated from Inner Mongolia Light Industry Institute majoring in dairy products techniques and is a senior engineer. During his work, he pursued studies in Inner Mongolia University and Nankai University majoring in economics and management and business administration. Mr. Ding joined Inner Mongolia Mengniu in 2003. He served as a Vice President and the General Manager of yogurt division of Inner Mongolia Mengniu and has extensive management experience in the dairy industry. Mr. Ding was elected as a "Labour Model (Advanced Staff) of Inner Mongolia Autonomous Region" in 2010. Mr. Ding currently serves as a member of the Chinese Institute of Food Science and Technology and the vice-chairman of the lactic acid bacteria branch of the Chinese Institute of Food Science and Technology.

白瑛先生，42歲，於二零零八年七月獲委任為本公司執行董事，並為內蒙牛營運副總裁。白先生畢業於內蒙古農業大學，持有碩士學位，並持有中歐國際工商學院工商管理碩士學位。白先生曾任內蒙牛副總裁及歷任內蒙牛常溫液體奶本部總經理，從事乳製品行業將近二十年，擁有豐富的乳品業從業經驗及先進的管理理念。白先生於二零一零年第一度當選「呼和浩特市先進工作者」及「內蒙古自治區勞動模範」。

吳景水先生，47歲，於二零一零年三月獲委任為本公司執行董事兼首席財務官，並為內蒙牛副總裁（分管財務工作）。吳先生畢業於內蒙古輕工業學院工業企業財務會計專業，持有內蒙古農業大學碩士學位、中歐國際工商學院工商管理碩士學位及持有高級會計師職稱。二零零八年四月獲委任為內蒙牛副總裁（分管財務工作）前，吳先生曾任內蒙牛液體奶本部財務總經理、內蒙牛財務總監等職務，擁有豐富的財務管理經驗。二零一零年，吳先生榮獲「呼和浩特市勞動模範（先進工作者）」稱號。

丁聖先生，45歲，於二零一零年三月獲委任為本公司執行董事，並為內蒙牛副總裁。丁先生畢業於內蒙古輕工業學院乳品工藝專業，具有高級工程師資格。工作期間曾先後在內蒙古大學、南開大學學習經濟管理專業、工商管理專業。丁先生於二零零三年加盟內蒙牛，曾任內蒙牛副總裁及低溫本部總經理，擁有豐富的乳品業管理經驗。丁先生二零一零年當選「內蒙古自治區勞動模範（先進工作者）」。丁先生目前還擔任中國食品科學技術學會理事、中國食品科學技術學會乳酸菌分會副理事長。

Directors and Senior Management 董事及高級管理層

Non-Executive Directors

Mr. Ning Gaoning, aged 54, was appointed as a non-executive Director of the Company in August 2009 and the Chairman of the Board of Directors of the Company in June 2011. Mr. Ning is currently the chairman of COFCO Corporation and COFCO (Hong Kong) Limited, an executive director of China Foods Limited, a company listed in Hong Kong, a non-executive director of China Agri-Industries Holdings Limited, a company listed in Hong Kong, a non-executive director of CPMC Holdings Limited, a company listed in Hong Kong, and an independent director of Huayuan Property Co., Ltd., a company listed in Shanghai. Mr. Ning is also a director of BOC International Holdings Limited and an independent non-executive director of BOC Hong Kong (Holdings) Limited, a company listed in Hong Kong. Mr. Ning was a non-executive director of Lippo China Resources Limited, a company listed in Hong Kong, from December 1998 to August 2009 and a director of Smithfield Foods, Inc., a company listed in New York, from 27 August 2008 to 2 March 2011. Before joining COFCO Corporation, Mr. Ning held various positions such as vice-chairman, director and general manager of China Resources (Holdings) Company Limited. Mr. Ning has over 20 years of experience in corporate management, investment and corporate finance, business restructurings and governmental relations. Mr. Ning graduated from Shandong University in China with a Bachelor's degree in Economics and from the University of Pittsburgh in the United States with a Master of Business Administration degree in Finance.

Mr. Yu Xubo, aged 47, was appointed as a non-executive Director of the Company in August 2009 and a Vice-Chairman of the Board of Directors of the Company in June 2011. Mr. Yu is currently the president of COFCO Corporation and a director of COFCO (Hong Kong) Limited, the chairman of both COFCO Meat Investment Co. Ltd. and COFCO Coca-Cola Beverages Ltd. and also an executive director and the chairman of China Agri-Industries Holdings Limited, a company listed in Hong Kong. Mr. Yu holds a Bachelor's degree in Economics from the University of International Business and Economics in Beijing and an Executive Master of Business Administration degree from China Europe International Business School.

非執行董事

寧高寧先生，54歲，於二零零九年八月獲委任為本公司非執行董事，並由二零一一年六月起獲委任為本公司董事會主席。寧先生現為中糧集團有限公司及中糧集團(香港)有限公司董事長、香港上市公司中國食品有限公司執行董事、香港上市公司中國糧油控股有限公司非執行董事、香港上市公司中糧包裝控股有限公司非執行董事、上海上市公司華遠地產股份有限公司獨立董事。寧先生亦為中銀國際控股有限公司董事及香港上市公司中銀香港(控股)有限公司獨立非執行董事。寧先生自一九九八年十二月至二零零九年八月曾任香港上市公司為實華潤有限公司非執行董事、自二零零八年八月二十七日至二零一一年三月二日曾任紐約上市公司Smithfield Foods, Inc.董事。加入中糧集團有限公司前，寧先生曾於華潤(集團)有限公司擔任副主席、董事、總經理等多個職位。寧先生於企業管理、投資及企業融資、業務重組及政府關係方面擁有逾二十年經驗。寧先生畢業於中國山東大學，獲經濟學學士學位，其後畢業於美國匹茲堡大學，獲金融學工商管理碩士學位。

于旭波先生，47歲，於二零零九年八月獲委任為本公司非執行董事，並於二零一一年六月獲委任為本公司董事會副主席。于先生現為中糧集團有限公司總裁、中糧集團(香港)有限公司董事、中糧肉食投資有限公司董事長及中糧可口可樂飲料有限公司董事長，亦為香港上市公司中國糧油控股有限公司執行董事兼主席。于先生畢業於北京對外經濟貿易大學並獲經濟學學士學位，後又獲中歐國際工商學院高級管理人員工商管理碩士學位。

Directors and Senior Management 董事及高級管理層

Mr. Niu Gensheng, aged 55, is a non-executive Director of the Company, one of the members in the team founding Yili Group, the founder of Inner Mongolia Mengniu and the founder of Laoniu Foundation. Mr. Niu graduated from Inner Mongolia University with a degree in Administration and Management and obtained a Master's degree in Enterprise Management at the Chinese Academy of Social Sciences Graduate School. With his extensive experience and insights in China's dairy industry, Mr. Niu receives high reputation in the industry. In 2007, Mr. Niu was elected as one of "China's Most Influential Business Leaders" for the fifth consecutive year, and was honoured the "2007 Hong Kong Bauhinia Award". Mr. Niu is devoted to charity. He was among "China's Top 10 Philanthropists" guided and published by the Ministry of Civil Affairs of the People's Republic of China in 2007 and ranked third in the "2007 Hurun Top 10 for Charity", and received the first and only "Lifetime Achievement in Philanthropy Award" presented by the "China Philanthropists List" in 2010. Mr. Niu was an independent non-executive director of Alibaba.com Limited, a company previously listed in Hong Kong and withdrew from listing in June 2012, until 21 June 2012, and was an independent director of Shanghai Metersbonwe Fashion & Accessories Company, a company listed in Shenzhen, until 22 April 2011.

Mr. Ma Jianping, aged 49, was appointed as a non-executive Director of the Company in August 2009. Mr. Ma is currently a vice president of COFCO Corporation. He is also a non-executive director of China Foods Limited and an executive director and the chairman of The Hong Kong Parkview Group Limited, both companies listed in Hong Kong, and a director of COFCO Property (Group) Co., Ltd., a company listed in Shenzhen. Mr. Ma graduated from the University of International Business and Economics in Beijing with a degree of Executive Master of Business Administration. Mr. Ma has extensive experience in corporate finance, investment, strategic planning and management and worked in Japan for over five years.

Mr. Fang Fenglai, aged 61, was appointed as a non-executive Director of the Company in August 2009. Mr. Fang is currently the chairman of HOPU Investment Management Co., Ltd. and the chairman of Goldman Sachs Gaohua Securities Company Limited. Previously, Mr. Fang was a deputy CEO of China International Capital Corporation Limited, CEO of BOC International Holdings Limited and CEO of ICEA Finance Holdings Limited. He was an independent non-executive director of Central China Real Estate Limited, a company listed in Hong Kong, from January 2008 to December 2009. Mr. Fang holds a Bachelor of Arts degree from Sun Yat-sen University. Mr. Fang resigned from his position as a non-executive Director of the Company with effect from 30 July 2012.

牛根生先生，55歲，本公司非執行董事及伊利集團創始團隊成員、內蒙蒙牛創始人和老牛基金會創始人。牛先生畢業於內蒙古大學，持有行政管理學位，並在中國社會科學院研究生院取得企業管理碩士學位。牛先生對中國乳品業的認識透徹，憑藉豐富的行業經驗，於行業中擁有崇高地位。牛先生於二零零七年第五度當選「中國最具影響力的企業領袖」，並獲授「二零零七年香港紫荊花獎」。牛先生致力於慈善事業，於二零零七年入選中華人民共和國民政部指導發佈的「中國十大慈善家」名單，並於「二零零七年胡潤十大慈善榜」中排名第三，又於二零一零年獲「中國慈善排行榜」首次設立及唯一的「慈善終身成就獎」。牛先生曾擔任阿里巴巴網絡有限公司（前香港上市公司，於二零一二年六月撤銷上市）獨立非執行董事直至二零一二年六月二十一日及曾擔任深圳上市公司上海美特斯邦威服飾股份有限公司獨立董事直至二零一一年四月二十二日。

馬建平先生，49歲，於二零零九年八月獲委任為本公司非執行董事。馬先生現為中糧集團有限公司副總裁。馬先生亦為兩家香港上市公司——中國食品有限公司非執行董事及僑福建設企業機構執行董事兼主席，以及深圳上市公司中糧地產（集團）股份有限公司董事。馬先生畢業於北京對外經濟貿易大學，獲高級管理人員工商管理碩士學位。馬先生於企業融資、投資、戰略規劃及管理方面具備廣泛經驗，並曾於日本工作逾五年。

方風雷先生，61歲，於二零零九年八月獲委任為本公司非執行董事。方先生現任厚樸投資管理公司董事長及高盛高華證券有限責任公司董事長。此前，方先生曾先後擔任中國國際金融有限公司執行副總裁、中銀國際控股有限公司執行總裁、工商東亞金融控股有限公司執行總裁。方先生於二零零八年一月至二零零九年十二月曾任香港上市公司建業地產股份有限公司獨立非執行董事。方先生擁有中山大學文學學士學位。方先生由二零一二年七月三十日起辭任本公司非執行董事。

Directors and Senior Management 董事及高級管理層

Mr. Ma Wangjun, aged 48, was appointed as a non-executive Director of the Company in March 2010. Mr. Ma is currently an assistant president and the chief accountant of COFCO Corporation. He is also a non-executive director of China Agri-Industries Holdings Limited and The Hong Kong Parkview Group Limited, both companies listed in Hong Kong. Mr. Ma holds a Bachelor's degree in Economics from Beijing Technology and Business University and an Executive Master of Business Administration degree from Cheung Kong Graduate School of Business. Mr. Ma resigned as a non-executive Director of the Company with effect from 12 April 2012.

馬王軍先生，48歲，於二零一零年三月獲委任為本公司非執行董事。彼現為中糧集團有限公司總裁助理兼總會計師。馬先生亦為兩家香港上市公司——中國糧油控股有限公司及僑福建設企業機構非執行董事。馬先生持有北京工商大學經濟學學士學位及長江商學院高級工商管理碩士學位。馬先生由二零一二年四月十二日起辭任本公司非執行董事。

Mr. Tim Ørting Jørgensen, aged 48, was appointed as a non-executive Director of the Company in July 2012. Mr. Jørgensen graduated from Copenhagen Business School in 1991 with a Master of Economics degree, specialising in international strategy and marketing. He joined Arla Foods Amba in 1991 and has held several management positions within Arla Foods Amba's international business group, including a three-year position in the Middle East and a three-year position in Brazil. In 2005, he became the business group director for Arla Foods Amba's Danish division and in 2007, he was appointed as executive vice president with the overall responsibility for Arla Foods Amba's international activities outside Scandinavia and the United Kingdom. Since 2010, Mr. Jørgensen has also been a director of Mengniu Arla (Inner Mongolia) Dairy Products Co., Ltd., a Mengniu-Arla joint venture engaging in the principal activities of manufacture and sale of dairy products. In 2012, he was appointed to lead Arla Foods Amba's newly established German/Dutch business group with the clear objective of establishing Arla Foods Amba as a leading dairy company in Germany through mergers and acquisitions. Throughout his 20 years in Arla Foods Amba, Mr. Jørgensen has acquired extensive management experience with international sales, brand building, supply chain efficiency and general management. Mr. Jørgensen has especially been focused on growing the business significantly both organically and through acquisitions.

Tim Ørting Jørgensen先生，48歲，於二零一二年七月獲委任為本公司非執行董事。Jørgensen先生於一九九一年於哥本哈根商學院經濟碩士畢業，專修國際策略與市場推廣。一九九一年加入Arla Foods Amba，曾任其國際業務部多個管理職位，包括三年在中東工作，三年在巴西工作。二零零五年晉升為Arla Foods Amba丹麥分公司的業務集團董事，二零零七年獲委任為Arla Foods Amba的執行副總裁，負責Arla Foods Amba北歐和英國以外地區的整體國際業務。二零一零年起，Jørgensen先生兼任蒙牛與Arla Foods Amba主營乳製品生產銷售業務的合營企業——內蒙古歐世蒙牛乳製品有限責任公司的董事；二零一二年獲委任領導Arla Foods Amba新設的德國／荷蘭業務部，冀能通過併購將Arla Foods Amba建立為德國具領導地位的乳業公司。Jørgensen先生在Arla Foods Amba具備二十年經驗，積累了豐富的國際銷售、品牌建立、供應鏈效益與一般管理經驗。Jørgensen先生集中以實質增長與收購方式壯大業務。

Directors and Senior Management 董事及高級管理層

Mr. Finn S. Hansen, aged 53, was appointed as a non-executive Director of the Company in July 2012. Mr. Hansen graduated from Haderslev Business College in 1986 with a Bachelor's degree in Commerce. He joined Arla Foods Amba in 1977 and has held several management positions within Arla Foods Amba's international business group, including a three-year position in Canada and more than ten years in different countries in the Middle East. In 2006, he became senior vice president with responsibility for Arla Foods Amba's activities in the Middle East and North Africa. Mr. Hansen was appointed as executive vice president in 2012, with the overall responsibility for Arla Foods Amba's activities outside Scandinavia and the United Kingdom.

Finn S. Hansen 先生，53歲，於二零一二年七月獲委任為本公司非執行董事。Hansen先生一九八六年畢業於Haderslev Business College，獲商學士學位，一九七七年加入Arla Foods Amba，曾任其國際業務部多個管理職位，包括三年在加拿大工作，超過十年在中東不同國家工作。二零零六年晉升為高級副總裁，負責Arla Foods Amba在中東和北非地區的業務。Hansen先生二零一二年獲委任為執行副總裁，負責Arla Foods Amba北歐和英國以外地區的整體國際業務。

Ms. Liu Ding, aged 58, was appointed as a non-executive Director and a Vice-Chairwoman of the Board of Directors of the Company in January 2013. Ms. Liu graduated from Beijing Normal University with a Bachelor's degree in History and holds an Executive Master degree in Business Administration from Cheung Kong Graduate School of Business. Ms. Liu was appointed as a non-executive director of China Foods Limited, a company listed in Hong Kong, on 28 March 2011. Ms. Liu joined COFCO Corporation in April 2005 and is currently a director and the head of the Communist Party Discipline and Inspection Team of COFCO Corporation. She was a director of COFCO Property (Group) Co., Ltd., a company listed in Shenzhen, until 21 July 2011. Prior to joining COFCO Corporation, she was a deputy director of the Propaganda and Education Bureau of the Propaganda Department of the Chinese Communist Party. Ms. Liu has more than 20 years of experience in legal affairs, general management, governmental relations, public relations, corporate culture development, organisation development and propaganda and education.

柳丁女士，58歲，於二零一三年一月獲委任為本公司非執行董事及董事會副主席。畢業於北京師範大學並獲歷史學學士學位，亦持有長江商學院高級工商管理碩士學位。柳女士於二零一一年三月二十八日獲香港上市公司中國食品有限公司委任為非執行董事。柳女士於二零零五年四月加入中糧集團有限公司，現為中糧集團有限公司董事兼黨組紀檢組組長。她曾擔任深圳上市公司中糧地產(集團)股份有限公司董事直至二零一一年七月二十一日。在加入中糧集團有限公司前，她曾任中共中央宣傳部宣傳教育局副局長(正局級)。柳女士在法律事務、綜合性管理、政府關係、公共關係、企業文化建設、組織發展及宣傳教育等方面有超過二十年的經驗。

Directors and Senior Management 董事及高級管理層

Independent Non-Executive Directors

Mr. Jiao Shuge (alias Jiao Zhen), aged 47, was appointed as a non-executive Director of the Company in February 2004 and is a Vice-Chairman of the Board of Directors of the Company. Mr. Jiao has been re-designated from a non-executive Director of the Company to an independent non-executive Director of the Company with effect from 12 April 2012. Mr. Jiao joined the Group in September 2002 and is currently a director and Managing Partner of CDH China Management Company Limited. Mr. Jiao received a Bachelor's degree in Mathematics from Shandong University and a Master's degree in Engineering from the Ministry of Aeronautics and Astronautics. Currently, Mr. Jiao also serves as a non-executive director of China Shanshui Cement Group Limited, a company listed in Hong Kong and a director of Joyoung Company Limited and a director of Henan Shuanghui Investment & Development Co., Ltd., both companies listed in Shenzhen. Mr. Jiao was a non-executive director of China Yurun Food Group Limited, a company listed in Hong Kong, from 13 April 2005 to 22 September 2012.

Mr. Julian Juul Wolhardt, aged 39, was appointed as a non-executive Director of the Company in January 2006 and has been re-designated from a non-executive Director of the Company to an independent non-executive Director of the Company with effect from 12 April 2012. Mr. Wolhardt is currently a partner of KKR Asia Limited focusing on private equity transactions in the Greater China region. Mr. Wolhardt is a Certified Public Accountant and Certified Management Accountant and received a Bachelor's degree in Accounting from the University of Illinois (Urbana-Champaign) in the United States. Mr. Wolhardt currently serves as a non-executive director and the chairman of China Modern Dairy Holdings Ltd., a company listed in Hong Kong and an independent non-executive director of China Cord Blood Corporation, a company listed on the New York Stock Exchange. He was a non-executive director of United Envirotech Ltd., a company listed on the Singapore Stock Exchange, from October 2011 to August 2012.

Mr. Liu Fuchun, aged 67, was appointed as an independent non-executive Director of the Company in May 2009. Mr. Liu was a graduate of the Beijing Foreign Trade Institute and is now a senior commerce specialist. Prior to his retirement in 2007, Mr. Liu acted as an executive director and the CEO of COFCO Group. He served various departments in COFCO Group in the past, including the finance department, business planning department, general office

獨立非執行董事

焦樹閣(亦稱焦震)先生，47歲，於二零零四年二月獲委任為本公司非執行董事，並為本公司董事會副主席。焦先生已由二零零二年四月十三日起由本公司非執行董事調任為本公司獨立非執行董事。焦先生於二零零二年九月加盟本集團，現時為CDH China Management Company Limited的董事兼執行合夥人。焦先生畢業於山東大學，持有數學學士學位及航空航太工業部工程碩士學位。焦先生目前亦擔任香港上市公司中國山水水泥集團有限公司非執行董事及兩家深圳上市公司九陽股份有限公司董事及河南雙匯投資發展股份有限公司董事。焦先生自二零零五年四月十三日至二零一二年九月二十二日曾任香港上市公司中國雨潤食品集團有限公司非執行董事。

Julian Juul Wolhardt先生，39歲，於二零零六年一月獲委任為本公司非執行董事，並已由二零一二年四月十二日起由本公司非執行董事調任為本公司獨立非執行董事。Wolhardt先生現任KKR Asia Limited的合夥人，主要致力於大中華區私募股權交易。Wolhardt先生為執業註冊會計師及美國註冊管理會計師，於美國伊利諾大學Urbana-Champaign分校取得會計學學士學位。Wolhardt先生目前擔任香港上市公司中國現代牧業控股有限公司非執行董事兼主席，以及紐約證券交易所上市公司中國濟帶血庫企業集團獨立非執行董事。他於二零一一年十月至二零一二年八月期間曾任新加坡證券交易所上市公司United Envirotech Ltd非執行董事。

劉福春先生，67歲，於二零零九年五月獲委任為本公司獨立非執行董事。劉先生於北京外貿學院畢業，現為高級商務師。二零零七年退休前任中糧集團執行董事兼總裁。劉先生有在中糧集團多個部門工作經歷。例如中糧集團財務部、計劃部、綜合辦公室、油脂部、中糧集團駐美國代表處、中糧集團駐英國鵬利(倫敦)有限公司。曾任

Directors and Senior Management 董事及高級管理層

and oils and fats department of COFCO Group, the representative office of COFCO Group in the United States and Top Glory (London) Ltd., the base of COFCO Group in the United Kingdom. Mr. Liu was the deputy consulate of the Chinese Consulate-General in Vancouver. Currently, Mr. Liu serves as an independent non-executive director of DaChan Food (Asia) Limited, a company listed in Hong Kong, and an independent director of China Aviation Oil (Singapore) Corporation Ltd., a company listed in Singapore.

Mr. Zhang Xiaoya, aged 50, was appointed as an independent non-executive Director of the Company in May 2009. Mr. Zhang was a graduate of the Shandong University and the school of management at the Beihang University and is now a senior engineer. Mr. Zhang is the chairman of Unibank Media, and is also an independent director of SYSWIN INC., which is listed on the New York Stock Exchange, and an independent director of Guangzhou Zhujiang Digital Group. Mr. Zhang previously served as a director and president of Airmedia which was listed on NASDAQ, and is experienced in the management of media operations and initial public offering.

Mr. Xie Tao, aged 49, was appointed as an independent non-executive Director of the Company in June 2011. Mr. Xie was the chief executive officer and a director of Agnat Corporation, a company listed on the New York Stock Exchange, and a director of PGG Wrightson Limited, a company listed on the New Zealand Stock Exchange, both until September 2012. Mr. Xie is also an independent non-executive director of China Merchants China Direct Investments Limited, a company listed in Hong Kong, and an independent non-executive director of Tongyu Heavy Industry Ltd., a company listed on the Shenzhen Stock Exchange. Mr. Xie has previously been engaged in the advisory practice at PricewaterhouseCoopers for 22 years where he led the China market corporate finance practice of PricewaterhouseCoopers and served on the firm's management board. Mr. Xie has extensive experience in China-related cross-border investments and mergers and acquisitions and corporate restructuring. Mr. Xie received his Bachelor's degree in Physics from Peking University in China and is a member of The Association of Chartered Certified Accountants of the United Kingdom.

中國駐溫哥華總領事館副領事。劉先生現為香港上市公司大成食品(亞洲)有限公司的獨立非執行董事，新加坡上市公司中國航油(新加坡)股份有限公司的獨立董事。

張曉亞先生，50歲，於二零零九年五月獲委任為本公司獨立非執行董事。張先生畢業於山東大學及北京航空航天大學管理學院，現為高級工程師。現任銀廣通傳媒集團董事長，同時還擔任紐約證券交易所上市公司思源經紀獨立董事、廣州珠江數碼集團獨立董事。張先生之前擔任納斯達克交易所上市的航美傳媒集團董事兼總裁，擁有豐富媒體經營管理和融資上市經驗。

謝韜先生，49歲，於二零一一年六月獲委任為本公司獨立非執行董事。謝先生為紐約證券交易所上市公司華奧物種集團總裁兼董事及新西蘭證券交易所上市公司PGG Wrightson Limited董事，直至二零一二年九月為止。謝先生亦為香港上市公司招商局中國基金有限公司的獨立非執行董事以及深圳證券交易所上市公司通裕重工股份有限公司獨立非執行董事。謝先生之前曾於羅兵咸永道會計師事務所從事諮詢業務達二十二年，彼帶領羅兵咸永道會計師事務所中國市場企業融資業務，並為公司之管治委員會成員。謝先生在中國相關跨境投資、併購及企業重組方面積累了豐富經驗。謝先生獲頒中國北京大學物理學學士學位，並為英國特許會計師公會會員。

Directors and Senior Management 董事及高級管理層

Mr. Andrew Y. Yan, aged 55, was appointed as an independent non-executive Director of the Company in January 2013. Mr. Yan is the founding managing partner of SAIF Partners ("SAIF"). Prior to joining SAIF, he was the managing director and head of the Hong Kong office of Emerging Markets Partnership from 1994 until 2001. From 1989 to 1994, he worked in the World Bank in Washington, the Hudson Institute and Sprint International Corporation as an economist, a research fellow and a director for strategic planning and business development for Asia Pacific Region respectively. From 1982 to 1984, he was a chief engineer at Jianghuai Airplane Corporation.

Mr. Yan received a Bachelor's degree in Engineering from Nanjing Aeronautic Institute in 1982. He studied in the Master Program in Department of Sociology of Peking University from 1984 to 1986 and received a Master of Arts degree from Princeton University in International Political Economy in 1989. Mr. Yan also studied advanced finance and accounting courses at the Wharton Business School in 1995.

Mr. Yan holds a number of directorships in listed companies. He is (a) an independent non-executive director of China Petroleum & Chemical Corporation (SinoPec), China Resources Land Limited and Fosun International Limited; (b) a non-executive director of Guodian Technology & Environment Group Corporation Limited, Digital China Holdings Limited, China Huiyuan Juice Group Limited, eSun Holdings Limited and MOBI Development Co. Ltd.; (c) the chairman and a non-executive director of NVC Lighting Holding Limited (all listed in Hong Kong, other than that China Petroleum & Chemical Corporation is also listed on the Shanghai Stock Exchange, London Stock Exchange and New York Stock Exchange); (d) an independent director of Giant Interactive Group Inc. (listed on the New York Stock Exchange); and (e) a director of Acorn International Inc. (listed on the New York Stock Exchange), ATA Inc. (listed on the NASDAQ) and Eternal Asia Supply Chain Management Ltd. (listed on the Shenzhen Stock Exchange). Mr. Yan was a director of Global Education & Technology Group Ltd. (which was formerly listed on the NASDAQ) from March 2007 to December 2011, the shares of which were withdrawn from listing on the NASDAQ in December 2011.

閻焱先生，55歲，於二零一三年一月獲委任為本公司獨立非執行董事。閻先生為賽富亞洲投資基金（「賽富」）的創始管理合夥人。在賽富工作之前，閻先生曾於一九九四至二零零一年任職 Emerging Markets Partnership 的董事總經理及香港辦公室主任。一九八九至一九九四年間，他先後在華盛頓世界銀行總部擔任經濟學家、哈德遜研究所擔任研究員和 Sprint International Corporation 擔任亞太區戰略規劃及業務發展董事。於一九八二年至一九八四年，他曾在江淮航空儀錶廠擔任主管工程師。

閻先生於一九八二年從南京航天學院取得工程學士學位，於一九八四年至一九八六年在北大學習社會學碩士學位，於一九八九年從普林斯頓大學取得國際政治經濟碩士學位，並在一九九五年在沃頓商學院學習過高級金融和會計課程。

閻先生在多家上市公司擔任董事職位。他是(a)中國石油化工股份有限公司、華潤置地有限公司及復星國際有限公司的獨立非執行董事；(b)國電科技環保集團股份有限公司、神州數碼控股有限公司、中國滙源果汁集團有限公司、豐德麗控股有限公司和摩比發展有限公司的非執行董事；(c)雷士照明控股有限公司的主席兼非執行董事（以上公司均在香港上市，此外，中國石油化工股份有限公司也在上海證券交易所、倫敦證券交易所及紐約證券交易所上市）；(d)巨人網絡有限公司（在紐約證券交易所上市）的獨立董事；及(e)橡果國際（在紐約證券交易所上市）、ATA公司（在納斯達克上市）及深圳怡亞通供應鏈股份有限公司（在深圳證券交易所上市）的董事。閻先生於二零零七年三月至二零一一年十二月期間曾為環球天下教育科技集團（過往在納斯達克上市）的董事，該公司股份於二零一一年十二月撤銷在納斯達克上市。

Directors and Senior Management 董事及高級管理層

Senior Management

Mr. Lu Jianjun, aged 36, is the Chief Administrative Officer of the Company and the Secretary of the Board of Directors of Inner Mongolia Mengniu. Mr. Lu graduated from Inner Mongolia Normal University with an Art degree in Chinese Language. Mr. Lu joined the Group in June 2000, and served as various positions including Secretary to CEO Office, Secretary to CEO and Executive Assistant to Chairman. Mr. Lu was re-designated as the Secretary of the Board of Directors of Inner Mongolia Mengniu in 2009 and was responsible for the office management of the board and the audit department as well as investor relations. In 2013, he started to be in charge of the office management of the CEO. In May 2010, Mr. Lu was awarded the professional qualification as secretary of board of directors by the Shanghai Stock Exchange.

Mr. Yao Haitao, aged 50, is a Vice President of Inner Mongolia Mengniu. He graduated from Inner Mongolia Finance and Economics College with a Bachelor's degree in Economics and holds a Master of Business Administration degree from China Europe International Business School. He also holds an accountant qualification. Mr. Yao joined Inner Mongolia Mengniu in 2003 and served as various positions including Deputy General Manager of the liquid milk division, Assistant to President and Vice President of Inner Mongolia Mengniu during his term. He has solid experience in administrative management. Mr. Yao currently serves as the deputy chairman of the China Dairy Industry Association.

高級管理層

盧建軍先生，36歲，本公司首席行政官兼內蒙牛董事會秘書。盧先生畢業於內蒙古師範大學漢語言文學系。盧先生於二零零零年六月加盟本集團，先後擔任集團總裁辦公室綜合事務秘書、總裁秘書、董事長行政助理等職務。二零零九年調任內蒙蒙牛董事會秘書，負責董事會辦公室事務管理及審計辦公室事務管理工作，同期兼管投資者關係工作。二零一三年，開始負責總裁辦公室事務管理。二零一零年五月，獲上海證券交易所頒發的董事會秘書從業資格認證。

姚海濤先生，50歲，內蒙蒙牛副總裁。姚先生畢業於內蒙古財經學院，持有經濟學士學位，並於中國國際工商學院取得工商管理碩士學位，具有會計師職稱。姚先生於二零零三年加盟內蒙蒙牛，期間曾擔任內蒙蒙牛液體奶本部行政副總經理、內蒙蒙牛總裁助理、副總裁等多項職務，有豐富的行政管理經驗。姚先生目前擔任中國乳製品工業協會副理事長。

Directors and Senior Management 董事及高級管理層

Ms. Liu Yan, aged 54, is a Vice President in Strategy of Inner Mongolia Mengniu. Ms. Liu obtained a Master's degree in Business Administration from China Europe International Business School. Ms. Liu graduated with a Master's degree in Industrial Science from the Chinese Academy of Agricultural Mechanisation Sciences ("CAAMS") and was qualified as a senior engineer. Ms. Liu also held the position of senior engineer in CAAMS. She served as vice president of customer relationship management of Tetra Pak (Beijing) Co., Ltd. and is very experienced in the management of dairy industry. Ms. Liu joined Inner Mongolia Mengniu in December 2010 and is responsible for the research and planning of international strategies, planning and development of international businesses, including the planning and execution of mergers and acquisitions and investments of the Group.

劉燕女士，54歲，內蒙蒙牛國際戰略部副總裁。劉女士於中歐國際工商學院取得工商管理碩士學位。劉女士畢業於中國農業機械化科學研究院，取得工學碩士學位及高級工程師資格。劉女士並曾在此任職高級工程師。其後就職於利樂(北京)有限公司，任客戶管理副總裁，擁有豐富的乳品行業管理經驗。劉女士二零一零年十二月份加盟內蒙蒙牛，負責集團國際戰略研究與規劃、國際業務規劃與開發，其中包括併購投資計劃與實施。

Mr. Liu Shengli, aged 47, has served as a Vice President of Inner Mongolia Mengniu since September 2012. Mr. Liu was graduated from Dalian Ocean University majoring in aquaculture. During his work, he pursued studies in Hubei University of Technology and China Europe International Business School in Beijing. Mr. Liu joined Inner Mongolia Mengniu in 2002. He served as a Vice President, Assistant to President and the General Manager of ice cream division of Inner Mongolia Mengniu and has extensive management experience in the dairy industry. Mr. Liu was elected as a "Labour Model of Hohhot" of Inner Mongolia in 2010.

劉勝利先生，47歲，二零一二年九月任內蒙蒙牛副總裁。劉先生畢業於大連水產學院水產養殖專業。工作期間先後在湖北工業大學、北京中歐國際工商學院學習。劉先生於二零零二年加入內蒙蒙牛，曾擔任副總裁、總裁助理、冰淇淋事業本部總經理，擁有豐富的乳品業管理經驗。劉先生於二零一零年當選獲內蒙古「呼和浩特市勞動模範」。

Directors and Senior Management 董事及高級管理層

Mr. Jesper Fournaise Colding, aged 42, a Vice President of Inner Mongolia Mengniu. Mr. Colding obtained a Bachelor's degree in Macro Economics and a Master of International Marketing from Southern Denmark University and the University of Denver in the United States. Before joining Inner Mongolia Mengniu, he was the senior vice president of Arla Foods in Global Categories and Operations from September 2009. From January 2007, he worked as the general manager of Royal Unibrew Baltic countries, a leading beer and beverage company in the region. From 1994 to 2007, Mr. Colding had taken various roles within sales/marketing in P&G and worked in leading roles in Denmark, Sweden, and Norway before he worked as an associate director in P&G Malaysia/Singapore. He has extensive experience in sales/marketing and general management and a record of building strong organisations and results. Mr. Colding joined Inner Mongolia Mengniu in 2012 and is responsible for managing the Marketing Division.

Company Secretary and Qualified Accountant

Mr. Kwok Wai Cheong, Chris, aged 40, the Financial Controller and Company Secretary of the Company, joined the Group in May 2007. Prior to joining the Group, Mr. Kwok was the financial controller of a Hong Kong Main Board listed company and he also served in an international accounting firm. Mr. Kwok graduated from The Hong Kong Polytechnic University with a Bachelor's degree in Accountancy. Mr. Kwok is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of Association of Chartered Certified Accountants.

Jesper Fournaise Colding 先生，42歲，內蒙蒙牛副總裁。Colding先生畢業於南丹麥大學及美國丹佛大學，取得宏觀經濟學學士學位及國際市場學碩士學位。在加盟內蒙蒙牛前，他曾自二零零九年九月起擔任Arla Foods的全域分類及營運部高級副總裁。自二零零七年一月起，他出任區內領先的啤酒及飲料公司Royal Unibrew Baltic countries總經理。於一九九四年至二零零七年間，Colding先生曾於寶潔公司(P&G)擔任各項銷售/市場推廣職務，並曾在丹麥、瑞典及挪威出任領導職務，其後更出任馬來西亞/新加坡寶潔公司(P&G Malaysia/Singapore)副總監。Colding先生擁有豐富的營銷及一般管理經驗，在壯大企業方面屢創佳績。Colding先生於二零一二年加盟內蒙蒙牛，負責管理市場推廣部。

公司秘書及合資格會計師

郭偉昌先生，40歲，本公司財務總監兼公司秘書，於二零零七年五月加盟本集團。在加盟本集團前，郭先生曾任一香港主板上市公司之財務總監，並曾於國際性會計師事務所工作。郭先生畢業於香港理工大學，取得會計學學士學位，亦為香港會計師公會會員及英國特許公認會計師公會資深會員。



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Corporate Governance Report

企業管治報告

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

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (effective until 31 March 2012) during the period from 1 January 2012 to 31 March 2012 (the "Old Code") and the Corporate Governance Code (effective from 1 April 2012) during the period from 1 April 2012 to 31 December 2012 (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as its own code of corporate governance practices.

Throughout the year, the Board has reviewed the Company's corporate governance practices and is satisfied that the Company has been in compliance with all applicable code provisions of the Old Code and the CG Code, except that nine Directors (1 executive Director (also the Chief Executive Officer), 6 non-executive Directors (including the Chairman) and 2 independent non-executive Directors) were unable to attend the annual general meeting of the Company (the "AGM") held on 15 June 2012 due to unavoidable business engagements and other commitments outside of Hong Kong. The AGM was attended by 3 executive Directors, and 3 independent non-executive Directors. For details, please refer to the section headed "Investor Relations and Communications".

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

本公司於二零一二年一月一日起至二零一二年三月三十一日期間採納香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治常規守則（有效直至二零一二年三月三十一日，「舊守則」）及於二零一二年四月一日起至二零一二年十二月三十一日期間採納企業管治守則（由二零一二年四月一日起生效，「企業管治守則」）的守則條文作為其本身的企業管治常規守則。

董事會已於本年度內檢討本公司之企業管治常規，並確信除九名董事（一名執行董事（亦為總裁）、六名非執行董事（包括主席）及兩名獨立非執行董事）因不可避免的公務及其他香港境外的事務而未能出席本公司於二零一二年六月十五日舉行的股東週年大會（「股東週年大會」）外，本公司已符合舊守則及企業管治守則的所有適用守則條文。三名執行董事及三名獨立非執行董事已出席股東週年大會。詳情請參閱「投資者關係及溝通」一節。

Corporate Governance Report 企業管治報告

The Board

As at 31 December 2012, the Board comprised fifteen Directors, including four executive Directors, namely, Ms. Sun Yiping, Mr. Bai Ying, Mr. Wu Jingshui and Mr. Ding Sheng, six non-executive Directors, namely, Mr. Ning Gaoning, Mr. Yu Xubo, Mr. Niu Gensheng, Mr. Ma Jianping, Mr. Tim Ørting Jørgensen and Mr. Finn S. Hansen and five independent non-executive Directors, namely, Mr. Jiao Shuge (alias Jiao Zhen), Mr. Julian Juul Wolhardt, Mr. Liu Fuchun, Mr. Zhang Xiaoya and Mr. Xie Tao. The Chairman of the Board is Mr. Ning Gaoning and the Chief Executive Officer of the Company is Ms. Sun Yiping. Each of Mr. Yu Xubo and Mr. Jiao Shuge (alias Jiao Zhen) is a Vice-Chairman of the Board. Subsequent to the year ended 31 December 2012 and up to the date of this report, two additional Directors were appointed. On 10 January 2013, Ms. Liu Ding was appointed as a non-executive Director and Mr. Andrew Y. Yan was appointed as an independent non-executive Director. Ms. Liu Ding is also a Vice-Chairwoman of the Board.

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

Biographies of the Directors are set out on pages 32 to 43 of the annual report, which demonstrates a diversity of skills, expertise, experience and qualifications of the Directors. There is no other material financial, business or relevant relationships among the Directors.

董事會

於二零一二年十二月三十一日，董事會有董事十五名，包括四名執行董事（孫伊萍女士、白瑛先生、吳景水先生及丁聖先生），六名非執行董事（寧高寧先生、于旭波先生、牛根生先生、馬建平先生、Tim Ørting Jørgensen先生及Finn S. Hansen先生）和五名獨立非執行董事（焦樹閣（又名焦震）先生、Julian Juul Wolhardt先生、劉福春先生、張曉亞先生及謝韜先生）。本公司董事會主席是寧高寧先生，本公司總裁是孫伊萍女士。于旭波先生及焦樹閣（又名焦震）先生為董事會的副主席。於截至二零一二年十二月三十一日止年度後及截至本報告日期，已另外委任兩名董事。於二零一三年一月十日，柳丁女士獲委任為非執行董事而閻焱先生獲委任為獨立非執行董事。柳丁女士亦為董事會副主席。

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

董事簡歷載於年報第32頁至第43頁，當中列出董事多方面的技能、專長、經驗和資格。董事之間概無其他重大財務、業務或相關關係。

Independence of Independent Non-Executive Directors

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

During the year, Mr. Jiao Shuge (alias Jiao Zhen) and Mr. Julian Juul Wolhardt have been re-designated from non-executive Directors to independent non-executive Directors with effect from 12 April 2012. Notwithstanding their positions as non-executive Directors and a director of the board of Inner Mongolia Mengniu Dairy (Group) Company Limited ("Inner Mongolia Mengniu"), the main operating subsidiary of the Company, the Board considers Mr. Jiao and Mr. Wolhardt to be sufficiently independent to act as independent non-executive Directors as, prior to their re-designation, Mr. Jiao and Mr. Wolhardt did not have any executive function or any day-to-day or operational management role in the Group, except for attending meetings of the Board, the relevant Committees and the board of Inner Mongolia Mengniu, carrying out supervising and monitoring functions.

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

獨立非執行董事的獨立性

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

本年度內，焦樹閣(又名焦震)先生及Julian Juul Wolhardt先生由非執行董事調任為獨立非執行董事，均自二零一二年四月十二日生效。儘管他們擔任非執行董事及本公司主要營運子公司內蒙古牛乳業(集團)股份有限公司(「內蒙蒙牛」)的董事，惟董事會認為焦先生及Wolhardt先生足夠獨立擔任獨立非執行董事，原因是焦先生及Wolhardt先生在調任前除了出席董事會、相關委員會及內蒙蒙牛董事會的會議以及執行監督與監察職務外，並無於本集團擔任任何行政職務或日常或營運管理職責。

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

Corporate Governance Report 企業管治報告

Corporate Governance Functions

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

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

Directors' Training

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

企業管治職能

董事會負責釐定本公司的企業管治政策及履行企業管治職責，其中包括：

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

董事培訓

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

Corporate Governance Report 企業管治報告

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company has arranged in-house training for Directors in the form of a seminar and reading materials since the new CG Code became effective from 1 April 2012, with appropriate emphasis on the roles, functions and duties of the Directors. During the year, a Guide on Directors' Duties published by the Companies Registry of Hong Kong and a Guide for Independent Non-Executive Directors published by The Hong Kong Institute of Directors have been sent to each relevant Director for his/her information and ready reference. Directors' visit to the Group's operations and local management in the PRC, with briefings by senior PRC staff was arranged for the Board members to enable them to gain an up-to-date understanding on the businesses of the Group. A summary of training received by Directors during the period from 1 April 2012 up to 31 December 2012 according to the records provided by the Directors is as follows:

本公司鼓勵所有董事參與持續專業發展，以發展並更新其知識及技能。自新企業管治守則於二零一二年四月一日生效以來，本公司曾以研討會及讀物形式為董事安排內部培訓，以及適切著重董事的角色、職能及責任。年內，本公司已向各相關董事發出由香港公司註冊處刊發的《董事責任指引》及由香港董事學會刊發的《獨立非執行董事指南》，以供他們參考及閱覽。本公司亦安排董事參觀本集團在中國的業務及地方管理，並由中國高級職員向他們進行簡介，以便董事會成員了解本集團業務的最新情況。根據董事所提供的紀錄，董事於二零一二年四月一日至二零一二年十二月三十一日期間所接受的培訓概述如下：

Directors	董事	Type of trainings 培訓類別
Executive Directors	執行董事	
Sun Yiping (Note 1)	孫伊平(附註1)	A, C, D
Yang Wenjun (Note 2)	楊文俊(附註2)	C, D
Bai Ying	白瑛	A, C, D
Wu Jingshui	吳景水	C, D
Ding Sheng	丁聖	A, C, D
Non-Executive Directors	非執行董事	
Ning Gaoning	寧高寧	A, B, C, D
Yu Xubo	于旭波	A, C, D
Niu Gensheng	牛根生	A, C, D
Ma Jianping	馬建平	A, C, D
Fang Fenglei (Note 3)	方風雷(附註3)	C
Ma Wangjun (Note 4)	馬王軍(附註4)	C
Tim Ørting Jørgensen (Note 5)	Tim Ørting Jørgensen(附註5)	A, C, D
Finn S. Hansen (Note 5)	Finn S. Hansen(附註5)	A, C, D
Independent Non-Executive Directors	獨立非執行董事	
Jiao Shuge (alias Jiao Zhen)	焦樹閣(又名焦震)	A, C, D
Julian Juul Wolhardt	Julian Juul Wolhardt	A, B, C, D
Liu Fuchun	劉福春	C, D
Zhang Xiaoya	張曉亞	C, D
Xie Tao	謝韜	A, C, D

Corporate Governance Report 企業管治報告

- A: attending seminars and/or conferences and/or forums relevant to the business or directors' duties
- B: giving talks at seminars and/or conferences and/or forums
- C: reading materials relevant to directors' duties and responsibilities and regulatory updates
- D: visiting the Group's operations and local management in the PRC

Notes:

1. Ms. Sun was appointed as an executive Director with effect from 12 April 2012.
2. Mr. Yang resigned as an executive Director with effect from 30 July 2012.
3. Mr. Fang resigned as a non-executive Director with effect from 30 July 2012.
4. Mr. Ma resigned as a non-executive Director with effect from 12 April 2012.
5. Mr. Jørgensen and Mr. Hansen were appointed as non-executive Directors with effect from 30 July 2012.

A: 出席與業務或董事職責有關的研討會及／或會議及／或論壇

B: 在研討會及／或會議及／或論壇發表演說

C: 與董事職責及責任及最新規管資料有關的讀物

D: 參觀本集團在中國的業務及地方管理

附註:

1. 孫女士已獲委任為執行董事，自二零一二年四月十二日生效。
2. 楊先生已辭任執行董事，自二零一二年七月三十日生效。
3. 方先生已辭任非執行董事，自二零一二年七月三十日生效。
4. 馬先生已辭任非執行董事，自二零一二年四月十二日生效。
5. Jørgensen先生及Hansen先生已獲委任為非執行董事，均自二零一二年七月三十日生效。

Board Proceedings

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

董事會處理事務程序

董事會每年最少舉行四次會議，並在有需要時也會舉行其他業務會議。公司秘書負責編製會議議程和通告。本集團高級管理層亦適時向董事提供有關本集團主要業務發展和影響本集團事項的資料。一般而言，議程和其他資料會一併在舉行會議前寄發給董事。而董事也可就營運事宜個別與高級管理層商討。董事可在適當情況下徵詢獨立專業意見，以便履行職責，費用由本公司負擔。

Corporate Governance Report 企業管治報告

The Board held six meetings during the year ended 31 December 2012 and two further meetings since 1 January 2013 up to the date of this report. Details of the Directors' attendance at the Board and Board Committee meetings and the AGM held in 2012 are set out in the following table.

董事會截至二零一二年十二月三十一日止年度舉行了六次會議，並於二零一三年一月一日至本報告日期期間另外舉行了兩次會議。各董事出席於二零一二年舉行之董事會及董事委員會會議以及股東週年大會的情況詳情載於下表。

Directors	董事	Meeting Attended/Held				Annual General Meeting
		Board Meetings ⁽¹⁾	Audit Committee	Remuneration Committee	Nomination Committee	
		董事會會議 ⁽¹⁾	審核委員會	薪酬委員會	提名委員會	股東週年大會
Executive Directors	執行董事					
Sun Yiping ⁽²⁾	孫伊萍 ⁽²⁾	4/4				0/1
Yang Wenjun ⁽²⁾	楊文俊 ⁽²⁾	3/4				0/1
Bai Ying	白瑛	5/6				1/1
Wu Jingshui	吳景水	5/6				1/1
Ding Sheng	丁聖	5/6				1/1
Non-executive Directors	非執行董事					
Ning Gaoning	寧高寧	3/6			1/3	0/1
Yu Xubo	于旭波	6/6		3/3		0/1
Niu Gensheng	牛根生	6/6				0/1
Ma Jianping	馬建平	6/6				0/1
Fang Fenglei ⁽²⁾	方風雷 ⁽²⁾	2/4				0/1
Ma Wangjun ⁽²⁾	馬王軍 ⁽²⁾	2/2	1/1			0/0
Tim Ørting Jørgensen ⁽²⁾	Tim Ørting Jørgensen ⁽²⁾	2/2				0/0
Finn S. Hansen ⁽²⁾	Finn S. Hansen ⁽²⁾	2/2				0/0
Independent Non-executive Directors	獨立非執行董事					
Jiao Shuge (alias Jiao Zhen) ⁽²⁾	焦樹閣(又名焦震) ⁽²⁾	6/6	4/4		3/3	0/1
Julian Juul Wolhardt ⁽²⁾	Julian Juul Wolhardt ⁽²⁾	6/6		3/3		1/1
Liu Fuchun	劉福春	5/6	2/4	3/3	3/3	0/1
Zhang Xiaoya	張曉亞	5/6	3/4	3/3	3/3	1/1
Xie Tao	謝頌	6/6	4/4	3/3	3/3	1/1

Corporate Governance Report 企業管治報告

Notes:

- (1) During the year, the Company held four quarterly meetings and two other meetings to handle operational-level matters. According to the Company's articles of association, the quorum for convening a Board meeting is two members.
- (2) Ms. Sun Yiping was appointed while Mr. Yang Wenjun resigned as an executive Director with effect from 12 April 2012 and 30 July 2012 respectively.
- (3) Mr. Fang Fenglei resigned as a non-executive Director with effect from 30 July 2012.
- (4) Mr. Ma Wangjun resigned as a non-executive Director with effect from 12 April 2012.
- (5) Mr. Tim Ørting Jørgensen and Mr. Finn S. Hansen were appointed as non-executive Directors with effect from 30 July 2012.
- (6) Mr. Jiao Shuge (alias Jiao Zhen) and Mr. Julian Juul Wolhardt were re-designated from non-executive Directors to independent non-executive Directors with effect from 12 April 2012.

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

Chairman and Chief Executive Officer

The role of the Chairman is separate from that of the Chief Executive Officer to ensure a balance of power and authority. The Chairman is responsible for overseeing the functioning of the Board while the Chief Executive Officer is responsible for managing the Group's business. For the financial year ended 31 December 2012, the Chairman of the Board is Mr. Ning Gaoning, a non-executive Director and the Chief Executive Officer of the Company is Ms. Sun Yiping, an executive Director.

附註:

- (1) 本公司於年內舉行了四次季度會議及兩次其他會議以處理運作層面事宜。根據本公司組織章程細則，召開董事會會議的法定人數為二人。
- (2) 孫伊萍女士已獲委任為執行董事，自二零一二年四月十二日生效，而楊文俊先生已辭任執行董事，自二零一二年七月三十日生效。
- (3) 方風雷先生已辭任非執行董事，自二零一二年七月三十日生效。
- (4) 馬王軍先生已辭任非執行董事，自二零一二年四月十二日生效。
- (5) Tim Ørting Jørgensen先生及Finn S. Hansen先生已獲委任為非執行董事，均自二零一二年七月三十日生效。
- (6) 焦樹閣(又名焦震)先生及Julian Juul Wolhardt先生已由非執行董事調任為獨立非執行董事，均自二零一二年四月十二日生效。

董事會和董事委員會的會議紀錄由本公司的公司秘書負責存置，其後不但供董事查閱，同時也呈交各董事以作記錄。全體董事均可與本公司的公司秘書聯絡，公司秘書負責確保董事會程序已經符合並就遵例事宜向董事會提出意見。

主席及總裁

本公司對主席與總裁角色加以區分，以確保權力得到平衡。主席負責監察董事會履行職能，而總裁則負責管理本集團的業務。截至二零一二年十二月三十一日止財政年度，本公司董事會主席為非執行董事寧高寧先生，總裁為執行董事孫伊萍女士。

Corporate Governance Report 企業管治報告

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

Appointment, Re-election and Removal of Directors

Each Director has entered into a letter of appointment with the Company for a term of three years. The Directors are subject to retirement by rotation and re-election at each annual general meeting of the Company in accordance with article 112 of the Company's articles of association. The Directors appointed as an addition to the Board or to fill a casual vacancy on the Board will be subject to re-election by the shareholders at the next following annual general meeting or next following general meeting of the Company respectively after the appointment.

Board Committees

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

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

董事之委任、重選和罷免

每名董事均與本公司訂立為期三年的委聘書。董事須根據本公司的組織章程細則第112條在本公司每屆股東週年大會上輪值告退和重選。委任為董事會新增成員或填補董事會臨時空缺的董事，將於獲委任後分別在下一個本公司股東週年大會或下一個本公司股東大會上由股東重選。

董事委員會

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

Corporate Governance Report 企業管治報告

Remuneration Committee

As at 31 December 2012, the Remuneration Committee comprised five members, four of whom are independent non-executive Directors (Mr. Julian Juul Wolhardt, Mr. Liu Fuchun, Mr. Zhang Xiaoya and Mr. Xie Tao) and the remaining one member is a non-executive Director (Mr. Yu Xubo). The Remuneration Committee is chaired by Mr. Xie Tao.

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

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

薪酬委員會

於二零一二年十二月三十一日，薪酬委員會有五名成員，其中四名為獨立非執行董事（Julian Juul Wolhardt先生、劉福春先生、張曉亞先生及謝韜先生），其餘一名為非執行董事（于旭波先生）。謝韜先生擔任薪酬委員會主席。

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

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

Corporate Governance Report 企業管治報告

The Remuneration Committee held three meetings during the year ended 31 December 2012. During the year, the Remuneration Committee had performed the following:

- assessed the performance of the Directors and senior management;
- reviewed and approved the remuneration for the Directors and senior management including terms of letters of appointments;
- reviewed the remuneration policy and recommended to the Board; and
- reviewed the proposal of granting of share options according to the Company's share option scheme, and made recommendations to the Board.

薪酬委員會於截至二零一二年十二月三十一日止年度舉行了三次會議。本年度內，薪酬委員會完成了下列各項工作：

- 評估董事及高級管理層表現；
- 檢討及批准董事及高級管理層的薪酬，包括委聘書的條款；
- 檢討薪酬政策並向董事會提出建議；及
- 審議本公司按購股權計劃授出購股權的方案，並向董事會提出建議。

Remuneration of Directors and Senior Management

董事及高級管理層薪酬

The remuneration of the members of the senior management by band for the year ended 31-December 2012 is set out below:

截至二零一二年十二月三十一日止年度高級管理層成員按組別劃分的薪酬載列如下：

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

Further particulars regarding Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in note 7 to the financial statements.

根據上市規則附錄十六須予披露的董事及五名最高薪人士的薪酬詳情，載於財務報表附註7。

Corporate Governance Report 企業管治報告

Nomination Committee

As at 31 December 2012, the Nomination Committee comprised five members, four of whom are independent non-executive Directors (Mr. Jiao Shuge (alias Jiao Zhen), Mr. Liu Fuchun, Mr. Zhang Xiaoya and Mr. Xie Tao) and the remaining one member is a non-executive Director (Mr. Ning Gaoning). The Nomination Committee is chaired by Mr. Ning Gaoning.

The responsibilities of the Nomination Committee are to determine the nomination policy, review the structure, size and composition, including the skills, knowledge and experiences of the Board and make recommendations to the Board regarding any proposed changes. The Nomination Committee is also responsible for identifying and nominating suitable candidates qualified to become Board members and makes recommendations to the Board on relevant matters relating to the appointment or re-appointment of directors if necessary, in particular, candidates who can add value to the management through their contributions in the relevant strategic business areas and which appointments will result in the constitution of a stronger and more diverse Board. In the selection process of a candidate to act as a Director, the Nomination Committee makes reference to criteria including, inter alia, reputation for integrity, accomplishment and experience in the dairy industry, professional and educational background, and commitment in respect of available time and assesses the independence of the independent non-executive Directors.

The Nomination Committee held three meetings during the year ended 31 December 2012 to discuss mainly, the change of the Board Committees chairman, re-designation of Directors, the new appointments of Directors and the Chief Executive Officer of the Company and the resignations of Directors.

提名委員會

於二零一二年十二月三十一日，提名委員會有五名成員，其中四名為獨立非執行董事（焦樹閣（又名焦震）先生、劉福春先生、張曉亞先生及謝韜先生），其餘一名為非執行董事（寧高寧先生）。寧高寧先生擔任提名委員會主席。

提名委員會負責制定提名政策、就董事會的架構、規模和組成（包括技能、知識和經驗）作出檢討，並就任何變動方案向董事會提出建議。提名委員會亦負責識別並提名適合成為董事會成員的人選，並就有關董事之委任或重新委任（如有需要）的相關事宜，向董事會提出建議；倘若有關人選能夠在有關的策略性業務領域作出貢獻，尤其對管理層起增值作用，並且有關委任會導致董事會成員組合更為強健和全面，則更為合適。在董事候選人的篩選過程中，提名委員會所參照的標準包括有關人選的持正信譽、乳業的成就和經驗、專業和教育背景以及其對時間投入的承擔，並會評估獨立非執行董事的獨立性。

提名委員會於截至二零一二年十二月三十一日止年度舉行了三次會議，主要討論更改董事委員會主席、調任董事、新委任董事及本公司總裁以及董事辭任事宜。

Corporate Governance Report 企業管治報告

Audit Committee

As at 31 December 2012, the Audit Committee comprised four independent non-executive Directors (Mr. Jiao Shuge (alias Jiao Zhen), Mr. Liu Fuchun, Mr. Zhang Xiaoya and Mr. Xie Tao) in which one possesses the relevant professional qualifications required under the Listing Rules. The Audit Committee is chaired by Mr. Xie Tao.

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

The Audit Committee held four meetings during the year ended 31 December 2012. During the year, the Audit Committee has performed the following:

審核委員會

於二零一二年十二月三十一日，審核委員會成員包括四名獨立非執行董事(焦樹閣(又名焦震)先生、劉福春先生、張曉亞先生及謝韜先生)，其中一名擁有上市規則所規定的相關專業資格。謝韜先生擔任審核委員會主席。

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

審核委員會於截至二零一二年十二月三十一日止年度舉行了四次會議。在本年度內，審核委員會完成了下列各項工作：

- met with the external auditors to discuss the general scope and findings of their audit and interim review works;
- reviewed external auditors' management letter and management's response;
- reviewed and recommended to the Board for approval of the external auditors' remuneration;
- made recommendations to the Board on the re-appointment of the external auditors;
- reviewed the external auditors' independence, objectivity and the effectiveness of the audit process;
- reviewed and monitored the integrity of financial statements, annual and interim reports, and annual and interim announcements of the Company;
- 與外部核數師討論其核數和中期審閱工作的一般範疇和結果；
- 審閱外部核數師的管理建議書和管理層的回應；
- 檢討外部核數師酬金並建議董事會予以批准；
- 就重新委任外部核數師事宜，向董事會提出建議；
- 檢討外部核數師的獨立性、客觀性和核數程序的效益；
- 檢討並監察本公司的財務報表、年報和中期報告以及年度和中期業績公佈的完整；

Corporate Governance Report 企業管治報告

- discussed auditing, internal control, risk management and financial reporting matters before recommending them to the Board for approval; and
- reviewed the arrangements that employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal controls or other matters.

— 就審核、內部監控、風險管理和財務報告事項，於建議董事會予以批准前進行討論及

— 檢討本公司設定的以下安排，本公司僱員可暗中就財務匯報、內部監控或其他方面可能發生的不正當行為提出關注。

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

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

Other than the reporting responsibilities of the Company's auditors (please refer to the independent auditors' report set out on pages 81 to 82), the Directors acknowledge their responsibility for preparing the financial statements of the Group and the Company which give a true and fair view of the state of affairs of the Group and the Company as at 31 December 2012 and the profit and cash flows of the Group for the year then ended.

董事會知悉，除本公司核數師肩負申報責任（請參閱第81至第82頁所載的獨立核數師報告）外，董事亦須負責編製本集團及本公司的財務報表，此等財務報表須真實公允地反映本集團及本公司於二零一二年十二月三十一日的財政狀況及本集團截至該日止年度的利潤及現金流量。

Internal Control

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

內部監控

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

Corporate Governance Report 企業管治報告

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

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

- Control environment – The Group has established defined organizational structures. Authority to operate various business functions is delegated to respective management within limits set by senior management of the headquarters or the executive Directors. The senior management meets on a regular basis to discuss and approve business strategies, plans and budgets prepared by individual business units. The performance of the Group is reported to the Board on a regular basis.
 - Risk assessment – The Group identifies, assesses and ranks the risks that are most relevant to the Group's business according to their likelihood, financial consequence and reputational impact on the Group.
 - Control activities – Policies and procedures are set for each business function, in which approvals, authorization, verification, recommendations, performance reviews, asset security and segregation of duties are included.
 - Information and communication – The Group's working systems document operational procedures of all Business units, as well as authorization and approval procedures for significant decision making.
 - Monitoring – The Group adopts a control and risk self-assessment methodology, continuously assessing and managing its business risks by way of assessment by the headquarters of the Group and each business unit on a regular basis, and communication of key control procedures to employees.
- 監控環境—本集團有清晰的組織架構，授權各管理層經營不同業務職能之權力，惟該權力乃受限於總部高級管理團隊或執行董事之限制。高級管理團隊定期討論及批核個別業務單位所編製之業務策略、計劃及預算，而本集團的表現將定期向董事會報告。
 - 風險評估—本集團根據業務最關鍵的風險發生的可能性、及該等風險對本集團之財務及信譽所造成的影響，進行識別、評估及評級。
 - 監控活動—為各業務功能設定政策及程序，當中包括批文、認可、核證、建議、表現檢討、資產擔保及職責劃分。
 - 資訊及溝通—本集團的工作制度書面列明所有業務單位的經營程序，以及重大決策的授權及批准程序。
 - 監察—本集團採用監控及風險自我評估方法，透過本集團總部及各業務單位定期進行的考核及向員工傳遞主要監控程序，以持續評估及管理其業務風險。

Corporate Governance Report 企業管治報告

During the year ended 31 December 2012, the Board had examined the internal control system and reviewed the evaluation performed by the Audit Committee, the management and internal and external auditors, on the effectiveness of the internal control system of the Group. No significant areas of concern were identified.

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

External Auditors

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

Details of fees paid or payable to Ernst & Young for the year ended 31 December 2012 are as follows:

Services rendered	提供的服務	2012	2011
		二零一二年 RMB'000 人民幣千元	二零一一年 RMB'000 人民幣千元
Annual audit	年度審計	3,600	3,540
Interim review	中期審閱	580	560
Non-audit service	非審計服務		
Review on continuing connected transactions	審閱持續關連交易	40	40
Other professional services	其他專業服務	760	300
		4,980	4,440

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

截至二零一二年十二月三十一日止年度，董事會已審查內部監控系統，並已檢討由審核委員會、管理層和內部及外部核數師執行有關集團內部監控系統效能的評審。概無發現重大事宜。

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

外部核數師

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

截至二零一二年十二月三十一日止年度支付或應支付予安永會計師事務所的費用詳情如下：

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

Corporate Governance Report 企業管治報告

Strategy and Development Committee

The Company has established a Strategy and Development Committee on 27 August 2009, which currently comprised two executive Directors, Ms. Sun Yiping and Mr. Wu Jingshui, two non-executive Directors, Mr. Ma Jianping and Mr. Tim Ørting Jørgensen and one independent non-executive Director, Mr. Jiao Shuge (alias Jiao Zhen). The Strategy and Development Committee is chaired by Mr. Ma Jianping.

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

The Strategy and Development Committee held one meeting since 1 January 2013 up to the date of this report to discuss mainly the budget and performance target for 2013.

Company Secretary

The Company Secretary is a full time employee of the Company and has day-to-day knowledge of the Company's affairs. The Company Secretary is responsible for facilitating the Board process, as well as communication among Board members, with shareholders of the Company (the "Shareholders") and management. For the year ended 31 December 2012, the Company Secretary has confirmed that he has taken no less than 15 hours of relevant professional training.

Constitutional Documents

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

戰略及發展委員會

本公司於二零零九年八月二十七日成立戰略及發展委員會，目前由兩名執行董事（孫伊萍女士及吳景水先生）、兩名非執行董事（馬建平先生及 Tim Ørting Jørgensen 先生）及一名獨立非執行董事（焦樹閣（又名焦震）先生）組成。馬建平先生擔任戰略及發展委員會主席。

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

戰略及發展委員會於二零一三年一月一日至本報告日期期間舉行了一次會議，主要討論二零一三年的預算及表現目標。

公司秘書

公司秘書為本公司全職僱員，對本公司的日常事務有所認識。公司秘書負責安排董事會程序，以及促進董事會成員、與本公司股東（「股東」）及管理層之間的溝通。公司秘書確認，彼於截至二零一二年十二月三十一日止年度已參加不少於15小時的相關專業培訓。

組織章程文件

本年內，本公司組織章程文件概無任何重大變動。

Corporate Governance Report 企業管治報告

Directors' Securities Transactions

The Company has adopted, in terms no less exacting than, the standard required by the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules as the Company's code of conduct and rules governing dealings by all the directors in the securities of the Company (the "Model Code"). Having made specific enquiry of all the Directors, the Company confirms that, during the year ended 31 December 2012, all the Directors have strictly complied with the Model Code.

Investor Relations and Communications

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

The AGM of the Company was held on 15 June 2012. Due to unavoidable business engagements and other commitments outside of Hong Kong, nine Directors (1 executive Director (also the Chief Executive Officer), 6 non-executive Directors (including the Chairman) and 2 independent non-executive Directors) were unable to attend the AGM. Reasons for their absence were explained to the shareholders at the AGM.

Six Directors (three executive Directors (including the Chief Financial Officer) and three independent non-executive Directors (including the chairman of the Audit Committee)) attended the AGM and they were available in person for answering questions from shareholders and investors at the "Questions and Answers" session of the AGM.

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

董事的證券交易

本公司已採納不遜於上市規則附錄十所載上市發行人董事進行證券交易的標準守則之規定準則，作為規管本公司所有董事進行本公司證券交易的行為守則和規則（「標準守則」）。對所有董事作出特定查詢後，本公司確認所有董事於截至二零一二年十二月三十一日止年度一直嚴格遵守標準守則。

投資者關係及溝通

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

本公司於二零一二年六月十五日舉行股東週年大會。九名董事（一名執行董事（亦為總裁）、六名非執行董事（包括主席）及兩名獨立非執行董事）因不可避免的公務及其他香港境外的事務而未能出席股東週年大會。本公司已在股東週年大會上向股東解釋他們缺席的原因。

六名董事（包括首席財務官在內的三名執行董事，以及包括審核委員會主席在內的三名獨立非執行董事）已出席股東週年大會，並親身於股東週年大會「答問環節」解答股東及投資者的提問。

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

Shareholders' Rights

Convening of extraordinary general meeting on requisition by shareholders

According to the articles of association of the Company, any two or more shareholders of the Company or any one shareholder of the Company which is a recognized clearing house (or its nominee(s)) holding as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company shall have the right, by written requisition, to convene an extraordinary general meeting by depositing the written requisition at the principal office of the Company in Hong Kong at Suite 1602, 16th Floor, Top Glory Tower, 262 Gloucester Road, Causeway Bay, Hong Kong for the attention of the Company Secretary, specifying the objects of the meeting, the name(s) and contact details of the requisitionist(s) and signed by the requisitionist(s).

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

股東權利

應股東要求召開股東特別大會

根據本公司組織章程細則，於送達要求之日持有附帶本公司股東大會投票權的不少於十分之一繳足股本的本公司任何兩名或以上股東或本公司任何一名股東（為一間認可結算所（或其代理人）），有權提出書面要求召開股東特別大會，書面要求應送達本公司於香港的主要辦事處（地址：香港銅鑼灣告士打道262號騰利中心16樓1602室），並以公司秘書為收件人，當中須列明大會的主要商議事項、請求人的姓名及聯絡資料，並由請求人簽署。

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

Corporate Governance Report 企業管治報告

Procedures for directing shareholders' enquiries to the Board

For enquiries to the Board, the shareholders of the Company may contact the Company Secretary at the Hong Kong office of the Company at Suite 1602, 16th Floor, Top Glory Tower, 262 Gloucester Road, Causeway Bay, Hong Kong or by email to info@mengniu.com. The Company will endeavor to respond to their queries in a timely manner. Shareholders may also make enquiries with the Directors at the general meetings of the Company.

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

Procedures for putting forward proposals at general meetings by shareholders

A shareholder of the Company may, during the period commencing no earlier than the day after the despatch of the notice of any general meeting and ending no later than seven days prior to the date of such general meeting, give a notice in writing to the Nomination Committee of the Board of his/her intention to propose any person (other than himself/herself) for election to the office of a Director and a notice in writing signed by the person to be proposed of his/her willingness to be elected. Such notices shall be sent to Suite 1602, 16th Floor, Top Glory Tower, 262 Gloucester Road, Causeway Bay, Hong Kong for the attention of the Company Secretary, specifying the name and contact details of the shareholder putting forward the proposal for election of Director and the name and contact details of the person proposed to be elected.

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

股東可向董事會提出查詢的程序

本公司股東如欲向董事會作出查詢，可聯絡本公司公司秘書，地址為香港銅鑼灣告士打道262號鵬利中心16樓1602室，或電郵至 info@mengniu.com。本公司定當盡力及時回應他們的查詢。股東亦可於本公司股東大會上向董事查詢。

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

股東在股東大會提出建議的程序

在不早於寄發任何股東大會通知翌日起至不遲於該股東大會舉行日期前七日止之期間內，本公司股東可向董事會提名委員會發出表明有意建議任何人士（不包括其本人）選舉董事的書面通知；及由該獲建議人士簽署表明願意獲選舉的通知。該等通知須送交香港銅鑼灣告士打道262號鵬利中心16樓1602室，並以公司秘書為收件人，當中須列明提出選舉董事建議的股東的姓名及聯絡資料，以及獲建議選舉的人士的姓名及聯絡資料。

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

Report of the Directors

董事會報告

The board of directors (the "Directors") presents its report together with the audited financial statements of the Company and the Group for the year ended 31 December 2012.

Principal Activities and Analysis of Operations

The principal activity of the Company is investment holding. The principal activities of the Group's main operating subsidiary, Inner Mongolia Mengniu Dairy (Group) Company Limited ("Inner Mongolia Mengniu"), and its subsidiaries are manufacturing and distribution of dairy products including liquid milk (comprising UHT milk, milk beverages and yogurt), ice cream and other dairy products (such as milk powder) in China.

Particulars of the Company's subsidiaries are set out in note 19 to the financial statements.

The Group's revenue is derived principally from business activities in China. An analysis of the Group's performance for the year ended 31 December 2012 by business segments is set out in note 3 to the financial statements.

Results and Appropriations

The results of the Group for the year ended 31 December 2012 are set out in the consolidated income statement on page 83.

The Directors have recommended the payment of a final dividend of RMB0.16 (2011: RMB0.198) per share, amounting to approximately RMB282,917,000 (2011: RMB349,953,000), in total, to shareholders whose names appear on the register of members on Friday, 14 June 2013.

Property, Plant and Equipment

Details of the movements in the property, plant and equipment of the Group and the Company during the year are set out in note 12 to the financial statements.

Reserves

Details of the movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on pages 87 to 88 and note 43 to the financial statements. The Company's distributable reserves, calculated in accordance with statutory provisions applicable in the Company's place of incorporation, amounted to approximately RMB8,003,854,000 as at 31 December 2012 (2011: RMB8,055,410,000).

董事會(「董事」)提呈其年度報告,連同本公司及本集團截至二零一二年十二月三十一日止年度的經審核財務報表。

主要業務及營運分析

本公司主要業務為投資控股。本集團主要子公司—內蒙古蒙牛乳業(集團)股份有限公司(「內蒙蒙牛」)及其子公司的主要業務為在中國生產及經銷乳製品,產品計有液體奶(包括超高溫滅菌奶(「UHT奶」)、乳飲料及酸奶)、冰淇淋及其他乳製品(例如奶粉等)。

本公司子公司的詳情載於財務報表附註19。

本集團的收入主要來自中國業務。本集團截至二零一二年十二月三十一日止年度按業務分部資料劃分的業績分析載於財務報表附註3。

業績及分配

本集團截至二零一二年十二月三十一日止年度的業績載於第83頁綜合利潤表。

董事建議向二零一三年六月十四日(星期五)名列股東名冊的股東派付期末股息每股人民幣0.16元(二零一一年:人民幣0.198元),合共約人民幣282,917,000元(二零一一年:人民幣349,953,000元)。

物業、廠房及設備

本集團及本公司本年度物業、廠房及設備的變動詳情載於財務報表附註12。

儲備

本集團及本公司年內的儲備變動詳情載於第87至88頁綜合權益變動表及財務報表附註43。本公司於二零一二年十二月三十一日的可供分派儲備(根據本公司註冊成立地點適用的法定條文計算)約為人民幣8,003,854,000元(二零一一年:人民幣8,055,410,000元)。

Report of the Directors 董事會報告

Donations

Charitable and other donations made by the Group during the year amounted to approximately RMB6,046,000 (2011: RMB7,924,000).

捐款

本集團於年內捐獻約人民幣6,046,000元(二零一一年：人民幣7,924,000元)作為慈善及其他捐款。

Share Capital and Share Options

Details of movement in the Company's share capital and share options during the year are set out in notes 42 and 45 to the financial statements.

股本及購股權

本公司年內股本及購股權變動的詳情載於財務報表附註42與45。

Directors

The Directors during the year ended 31 December 2012 were:

董事

於截至二零一二年十二月三十一日止年度內，董事如下：

Executive Directors

Ms. SUN Yiping (appointed on 12 April 2012)
Mr. YANG Wenjun (resigned on 30 July 2012)
Mr. BAI Ying
Mr. WU Jingshui
Mr. DING Sheng

執行董事

孫伊萍女士 (於二零一二年四月十二日獲委任)
楊文俊先生 (於二零一二年七月三十日辭任)
白瑛先生
吳景水先生
丁聖先生

Non-Executive Directors

Mr. NING Gaoning
Mr. YU Xubo
Mr. NIU Gensheng
Mr. MA Jianping
Mr. FANG Fenglei (resigned on 30 July 2012)
Mr. MA Wangjun (resigned on 12 April 2012)
Mr. Tim Ørting JØRGENSEN (appointed on 30 July 2012)
Mr. Finn S. HANSEN (appointed on 30 July 2012)

非執行董事

寧高寧先生
于旭波先生
牛根生先生
馬達平先生
方風雷先生 (於二零一二年七月三十日辭任)
馬王軍先生 (於二零一二年四月十二日辭任)
Tim Ørting JØRGENSEN (於二零一二年七月三十日獲委任)
先生
Finn S. HANSEN先生 (於二零一二年七月三十日獲委任)

Independent Non-Executive Directors

Mr. JIAO Shuge (re-designated to an independent non-executive director on 12 April 2012)
Mr. Julian Juul WOLHARDT (re-designated to an independent non-executive director on 12 April 2012)
Mr. Liu Fuchun
Mr. ZHANG Xiaoya
Mr. XIE Tao

獨立非執行董事

焦樹閣(亦稱焦震)先生 (於二零一二年四月十二日調任為獨立非執行董事)
Julian Juul WOLHARDT (於二零一二年四月十二日調任為獨立非執行董事)
先生
劉福春先生
張曉亞先生
謝韜先生

Report of the Directors 董事會報告

Subsequent to the end of the reporting period and up to the date of this report, Ms. Liu Ding was appointed as a non-executive Director and Mr. Andrew Y. Yan was appointed as an independent non-executive Director both with effect from 10 January 2013.

In accordance with Article 112 of the Company's articles of association, Mr. Bai Ying, Mr. Wu Jingshui, Mr. Ding Sheng and Mr. Niu Gensheng will retire by rotation and Mr. Tim Ørting Jørgensen, Mr. Finn S. Hansen, Ms. Liu Ding and Mr. Andrew Y. Yan will also retire in accordance with the Company's articles of association and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

The Company considers that all the independent non-executive Directors are independent pursuant to the criteria set out in Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and that a confirmation of independence has been received from each of them.

Biographical Details of Directors and Senior Management

Brief biographical details of the Directors and the senior management are set out on pages 32 to 43.

Directors' Service Contracts

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

Directors' Interests in Contracts

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

於報告期末後及截至本報告日期，柳丁女士獲委任為非執行董事，閻焱先生獲委任為獨立非執行董事，均自二零一三年一月十日起生效。

根據本公司組織章程細則第112條，白瑛先生、吳景水先生、丁聖先生及牛根生先生將會輪值告退，以及根據本公司組織章程細則，Tim Ørting Jørgensen先生、Finn S. Hansen先生、柳丁女士及閻焱先生亦將會告退。惟彼等合資格及願意於應屆股東週年大會膺選連任。

根據香港聯合交易所有限公司證券上市規則（「上市規則」）第3.13條所載之準則，以及所有獨立非執行董事各人之獨立性確認書，本公司認為彼等均為獨立人士。

董事及高級管理人員履歷詳情

董事及高級管理人員履歷概要詳情載於第32頁至第43頁。

董事之服務合約

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

董事之合約權益

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

Report of the Directors 董事會報告

Directors' Interests, Long and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2012, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance) (the "SFO") as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules were as follows:

Long positions in the shares of the Company/Associated Corporation: 本公司/相聯法團股份之好倉：

Name of Director 董事姓名	Company/Name of Associated Corporation 公司/相聯法團名稱	Nature of Interest 權益性質	Total Number of Ordinary Shares 普通股總數	Percentage of the Company's/ Associated Corporation's Issued Share Capital 佔本公司/相聯 法團已發行 股本之百分比 (Note 1) (附註1)
Bai Ying 白瑛	The Company 本公司	Personal Interest 個人權益	603,209 (L)	0.03%
	Inner Mongolia Mengniu 內蒙蒙牛	Personal Interest 個人權益	448,201 (L)	0.03%

Note:

附註：

1. The total issued shares of the Company as at 31 December 2012 was 1,768,232,712.

1. 於二零一二年十二月三十一日，本公司之已發行股份總數為1,768,232,712股。

(L) Indicates a long position.

(L) 表示好倉。

Certain Directors of the Company have been granted options under the Company's share option scheme, details of which are set out in the section "Share Option Scheme" below.

本公司若干董事根據本公司之購股權計劃獲授購股權，詳情載於下文「購股權計劃」一節。

Report of the Directors 董事會報告

Save as disclosed above, as at 31 December 2012, none of the Directors and the chief executive of the Company and their respective associates had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register of the Company required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' Interests

As at 31 December 2012, the interests or short positions of substantial shareholders, other than the Directors or the chief executive of the Company whose interests and short positions in the shares of the Company and of its associated corporations (within the meaning of Part XV of the SFO) are set out above, in the shares and underlying shares of the Company as recorded in the register required to be maintained under section 336 of the SFO were as follows:

除上文所披露者外，於二零一二年十二月三十一日，本公司各董事及主要行政人員及各自之聯繫人士於本公司或任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中，概無擁有須登記在根據證券及期貨條例第352條規定存置的登記冊內，或根據標準守則須知會本公司和聯交所之權益及淡倉。

主要股東權益

於二零一二年十二月三十一日，根據證券及期貨條例第336條規定存置之登記冊所紀錄，主要股東（於本公司及其相聯法團（定義見證券及期貨條例第XV部）的股份中所擁有的權益及淡倉已於上文載列的本公司董事及主要行政人員除外）於本公司股份及相關股份中的權益或淡倉如下：

Name of Substantial Shareholder	主要股東姓名／名稱	Number of Ordinary Shares 普通股數目	Percentage of the Company's Issued Share Capital ^(a) 佔本公司已發行股本百分比 ^(a)
COFCO Corporation	中糧集團有限公司	496,014,022 (L) ⁽¹⁾	28.05%
COFCO (Hong Kong) Limited	中糧集團(香港)有限公司	495,614,022 (L) ⁽²⁾	28.03%
Farwill Limited	Farwill Limited	495,614,022 (L) ⁽³⁾	28.03%
COFCO Dairy Holdings Limited	COFCO Dairy Holdings Limited	347,600,000 (L) ⁽⁴⁾	19.66%
COFCO Dairy Investments Limited	COFCO Dairy Investments Limited	347,600,000 (L)	19.66%
Arla Foods Amba	Arla Foods Amba	495,614,022 (L) ⁽⁵⁾	28.03%
Morgan Stanley	Morgan Stanley	91,000,570 (L)	5.15%
		25,162,491 (S)	1.42%
UBS AG	UBS AG	99,695,166 (L)	5.64%
		5,548,457 (S)	0.31%
Commonwealth Bank of Australia	Commonwealth Bank of Australia	160,884,000 (L)	9.10%

Report of the Directors 董事會報告

Notes:

- (1) COFCO Corporation is deemed interested in (a) 495,614,022 shares in the Company through its wholly-owned subsidiary, COFCO (Hong Kong) Limited and (b) 400,000 shares in the Company through another of its wholly-owned subsidiary, COFCO (BVI) Limited. COFCO (BVI) Limited is deemed interested in 400,000 shares in the Company through its wholly-owned subsidiary, COFCO (BVI) No. 9 Limited.
- (2) COFCO (Hong Kong) Limited is deemed interested in 495,614,022 shares in the Company through its wholly-owned subsidiary, Farwill Limited.
- (3) Farwill Limited is deemed interested in 347,600,000 shares in the Company through its 70% owned subsidiary, COFCO Dairy Holdings Limited. Farwill Limited is also beneficially interested in 148,014,022 shares in the Company.
- (4) COFCO Dairy Holdings Limited is deemed interested in 347,600,000 shares in the Company through its wholly-owned subsidiary, COFCO Dairy Investments Limited.
- (5) On 15 June 2012, Arla Foods Amba entered into a shareholders agreement in relation to COFCO Dairy Holdings Limited with COFCO (Hong Kong) Limited, Farwill Limited and COFCO Dairy Holdings Limited, which constitutes an agreement under Section 317 of the SFO. Accordingly, Arla Foods Amba is deemed interested in 495,614,022 shares in the Company.
- (6) The total issued shares of the Company as at 31 December 2012 was 1,768,232,712.
- (5) Indicates a short position.
- (L) Indicates a long position.

Saved as disclosed above, as at 31 December 2012, no other interests or short position in the shares or underlying shares of the Company were recorded in the register maintained under Section 336 of the SFO.

附註:

- (1) 中糧集團有限公司被視為(a)透過其全資子公司中糧集團(香港)有限公司於本公司495,614,022股股份及(b)透過其另一全資子公司COFCO (BVI) Limited於本公司400,000股股份中擁有權益。COFCO (BVI) Limited被視為透過其全資子公司COFCO (BVI) No. 9 Limited於本公司400,000股股份中擁有權益。
- (2) 中糧集團(香港)有限公司被視為透過其全資子公司Farwill Limited於本公司495,614,022股股份中擁有權益。
- (3) Farwill Limited被視為透過其70%子公司COFCO Dairy Holdings Limited於本公司347,600,000股股份中擁有權益。Farwill Limited亦實益擁有本公司148,014,022股股份。
- (4) COFCO Dairy Holdings Limited被視為透過其全資子公司COFCO Dairy Investments Limited於本公司347,600,000股股份中擁有權益。
- (5) 於二零一二年六月十五日, Arla Foods Amba與中糧集團(香港)有限公司、Farwill Limited及COFCO Dairy Holdings Limited訂立有關COFCO Dairy Holdings Limited的股東協議, 其根據證券及期貨條例第317條構成協議。據此, Arla Foods Amba被視為於本公司495,614,022股股份中擁有權益。
- (6) 於二零一二年十二月三十一日, 本公司的已發行股份總數為1,768,232,712股。
- (5) 表示淡倉。
- (L) 表示好倉。

除上文所披露者外, 於二零一二年十二月三十一日, 根據證券及期貨條例第336條規定存置之登記冊所示, 概無任何其他於本公司股份或相關股份中之權益或淡倉。

Report of the Directors 董事會報告

Continuing Connected Transactions

On 20 February 2012 the Company entered into a new Master Sale and Purchase Agreement with COFCO Corporation, a substantial shareholder of the Company holding approximately 28.05% in the shares of the Company as at 31 December 2012 and therefore a connected person of the Company, pursuant to which the Group will continue to, subject to the Group's regular review and at the Group's option, purchase white sugar, edible oil, other raw materials and related products from COFCO Corporation, its subsidiaries and certain associated companies (collectively "COFCO Corporation Group Companies") for a term commencing from 20 January 2012 to 31 December 2014.

The transactions under the new Master Sale and Purchase Agreement constituted continuing connected transactions of the Group. The annual transaction amount under the new Master Sale and Purchase Agreement for the year ended 31 December 2012 and each of the two years ending 2014 was/is not expected to exceed RMB600,000,000:

For the year ended 31 December 2012, the total amount paid/payable by the Group to the COFCO Corporation Group Companies for the purchase of white sugar, edible oil, other raw materials and related products was approximately RMB411,311,000.

The independent non-executive directors of the Company have reviewed the continuing connected transactions set out above and have confirmed that these continuing connected transactions were entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole. The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

持續關連交易

於二零一二年二月二十日，本公司與中糧集團有限公司（為於二零一二年十二月三十一日在本公司的股份中持有約28.05%權益的主要股東，故此為本公司的關連人士）訂立新總購銷協議，據此，在本集團定期檢討及本集團有權選擇之情況下，由二零一二年一月二十日至二零一四年十二月三十一日期間，本集團繼續從中糧集團有限公司、其子公司及其若干聯營公司（統稱「中糧集團公司」）購入白砂糖、食用油、其他原料及相關產品。

新總購銷協議項下的交易構成本集團的持續關連交易。新總購銷協議於截至二零一二年十二月三十一日止年度及截至二零一四年止兩年各年之交易額按每年計算並無超過／預期不超過人民幣600,000,000元。

截至二零一二年十二月三十一日止年度，本集團就購入白砂糖、食用油、其他原料及相關產品已付／應付中糧集團公司之總金額約為人民幣411,311,000元。

本公司獨立非執行董事已審閱上文所載之持續關連交易，並已確認該等持續關連交易乃(i)於本集團日常及一般業務過程中進行；(ii)按正常商業條款，或不遜於本集團向獨立第三方提供或獲獨立第三方提供之條款而進行；及(iii)根據規管上述交易的相關協議條款進行，而該等條款屬公平合理並符合本公司股東之整體利益。本公司確認其已遵守上市規則第14A章的披露規定。

Report of the Directors 董事會報告

Ernst & Young, the Company's auditors, were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and with reference to Practice Note 740 *Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules* issued by the Hong Kong Institute of Certified Public Accountants. Ernst & Young have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.38 of the Listing Rules. A copy of the auditors' letter has been provided by the Company to the Hong Kong Stock Exchange.

Connected Transactions

On 8 November 2012, the Company announced that Inner Mongolia Mengniu, a subsidiary owned as to 93.29% by the Company, has entered into the Equity Transfer Agreement with Mr. Yang Wenjun ("Mr. Yang"), a former director and chief executive officer of the Company and Inner Mongolia Mengniu, on 8 November 2012, pursuant to which, Inner Mongolia Mengniu has agreed to sell (the "Disposal"), and Mr. Yang has agreed to purchase, 32,000,000 ordinary shares in Inner Mongolia Saikexing Reproductive Biotechnology Co., Ltd. ("Saikexing"), a company incorporated in the PRC which is engaged in the business of cultivation and sale of cattle embryos, representing approximately 17.78% equity interest in Saikexing, at a cash consideration of RMB101,760,000, of which RMB50,880,000 has been paid within 30 business days from the date of the Equity Transfer Agreement. The balance of the consideration has been paid within 10 business days after all the approvals from the PRC governmental and regulatory authorities for the Disposal have been obtained. The Board believes that after the Disposal, the Company's management can focus on its principal business. After the Disposal, Saikexing will cease to be accounted for as associated corporation of the Company and Inner Mongolia Mengniu will continue to hold a minority equity interest of approximately 4.14% in Saikexing. By keeping a minority equity interest in Saikexing, the Company will continue to gain first hand insight of the dairy industry market trend. In particular, the new development in cultivation and sale of cattle embryos which are related to the Group's core business. The Disposal has been completed as at the date of this report.

Since Mr. Yang is a former executive Director within the preceding 12 months of the date of the Equity Transfer Agreement and is therefore a connected person under Rule 14A.11(2) of the Listing Rules, the entering into of the Equity Transfer Agreement with Mr. Yang constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

本公司之核數師安永會計師事務所獲委聘根據香港會計師公會頒佈的香港核證委聘準則第3000號「對過往財務資料進行審核或審閱以外的核證委聘」及參考實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」對本集團的持續關連交易進行報告。安永會計師事務所已根據上市規則第14A.38條發出無保留意見函件，當中載有彼等就本集團於上文披露之持續關連交易之發現及結論。本公司已向香港聯交所提供核數師函件之副本。

關連交易

二零一二年十一月八日，本公司宣佈本公司擁有93.29%權益的子公司內蒙古牛已於二零一二年十一月八日與本公司及內蒙古牛前董事兼總裁楊文俊先生（「楊先生」）簽訂《股份轉讓協議》，據此內蒙古牛已同意以現金對價人民幣101,760,000元出售內蒙古賽科星繁育生物技術股份有限公司（「賽科星」，一家在中國註冊成立的公司，從事培育及出售牛胚胎的業務）的32,000,000股普通股，相當於賽科星約17.78%的股權（「售股交易」），而楊先生亦已同意以該現金對價購買股權，其中人民幣50,880,000元已於《股份轉讓協議》簽訂之日後30個營業日內支付，而對價餘款已於取得中國政府及監管機構對售股交易授予的所有審批後10個營業日內支付。董事會相信，在售股交易後，本公司的管理層可專注處理其主要業務。在售股交易後，賽科星將不再列為本公司的聯營公司，而內蒙古牛將繼續持有賽科星約4.14%的少數股東權益。本公司透過持有賽科星的少數股東權益，將能夠繼續把握先機洞悉乳製品行業的市場走勢，特別是與本集團核心業務有關的培育及出售牛胚胎業務的最新發展。截至本報告日期，售股交易已告完成。

由於楊先生在《股份轉讓協議》日期前12個月內為前執行董事，因此根據上市規則第14A.11(2)條，楊先生為關連人士，與楊先生訂立《股份轉讓協議》構成上市規則第14A章所指的本公司關連交易。

Report of the Directors 董事會報告

Share Option Scheme

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The following share options were outstanding under the Scheme during the year.

購股權計劃

本公司採納一項購股權計劃(「計劃」)，藉此向對本集團業務成功有貢獻之合資格參與者作出鼓勵及獎賞。年內，計劃內尚未行使之購股權如下。

Name or Category of Participant 參與者姓名或類別	As at 1 January 2012 於二零一二年一月一日	Granted during the year 年內授出	Exercised during the year ⁽¹⁾ 年內行使	Lapsed during the year 年內失效	As at 31 December 2012 於二零一二年十二月三十一日	Date of grant of share options 授出購股權日期	Exercise period of share options (both dates inclusive) ⁽¹⁾ 購股權行使期間 (包括首尾兩天) ⁽¹⁾	Exercise price of share options 購股權行使價 HK\$ 港元
Executive Directors 執行董事								
Bai Ying 白瑛	1,840,000	-	-	-	1,840,000	18.8.2008 二零零八年八月十八日	18.8.2010 to 17.8.2014 二零一零年八月十八日至二零一四年八月十七日	22.03
	3,210,000	-	-	-	3,210,000	23.11.2009 二零零九年十一月二十三日	23.11.2011 to 22.11.2015 二零一一年十一月二十三日至二零一五年十一月二十二日	24.40
	3,200,000	-	-	-	3,200,000	10.10.2011 二零一一年十月十日	10.10.2015 to 9.10.2018 二零一五年十月十日至二零一八年十月九日	24.10
Wu Jingshui 吳景水	1,100,000	-	-	-	1,100,000	18.8.2008 二零零八年八月十八日	18.8.2010 to 17.8.2014 二零一零年八月十八日至二零一四年八月十七日	22.03
	1,500,000	-	-	-	1,500,000	23.11.2009 二零零九年十一月二十三日	23.11.2011 to 22.11.2015 二零一一年十一月二十三日至二零一五年十一月二十二日	24.40
	2,400,000	-	-	-	2,400,000	10.10.2011 二零一一年十月十日	10.10.2015 to 9.10.2018 二零一五年十月十日至二零一八年十月九日	24.10
Ding Sheng 丁聖	1,150,000	-	-	-	1,150,000	18.8.2008 二零零八年八月十八日	18.8.2010 to 17.8.2014 二零一零年八月十八日至二零一四年八月十七日	22.03
	1,800,000	-	-	-	1,800,000	23.11.2009 二零零九年十一月二十三日	23.11.2011 to 22.11.2015 二零一一年十一月二十三日至二零一五年十一月二十二日	24.40
	3,200,000	-	-	-	3,200,000	10.10.2011 二零一一年十月十日	10.10.2015 to 9.10.2018 二零一五年十月十日至二零一八年十月九日	24.10

Report of the Directors 董事會報告

Name of Category of Participant 參與者姓名或類別	As at 31 January 2012 於二零一二年一月三十一日	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed during the year 年內失效	As at 31 December 2012 於二零一二年十二月三十一日	Date of grant of share options 授出購股權日期	Exercise period of share options (both dates inclusive) 購股權行使期間	Exercise price of share options (HK\$) 行使價 港元
Former Director 前董事								
Yang Wenjun 楊文俊	9,000,000	-	-	-	9,000,000	18.8.2008 二零零八年八月十八日	18.8.2010 to 17.8.2014 二零一零年八月十八日至二零一四年八月十七日	22.03
	6,600,000	-	-	(2,200,000)	14,400,000	23.11.2009 二零零九年十一月二十三日	23.11.2011 to 22.11.2015 二零一一年十一月二十三日至二零一五年十一月二十二日	24.40
	9,000,000	-	-	(9,000,000)	-	10.10.2011 二零一一年十月十日	10.10.2015 to 9.10.2018 二零一五年十月十日至二零一八年十月九日	24.10
Employees in Aggregate 僱員總計	212,108	-	(212,108)	-	-	26.10.2006 二零零六年十月二十六日	26.10.2007 to 25.10.2012 二零零七年十月二十六日至二零一二年十月二十五日	13.40
	24,780,494	-	(579,590)	-	24,200,904	18.8.2008 二零零八年八月十八日	18.8.2010 to 17.8.2014 二零一零年八月十八日至二零一四年八月十七日	22.03
	61,588,868	-	(4,201,473)	-	57,387,395	23.11.2009 二零零九年十一月二十三日	23.11.2011 to 22.11.2015 二零一一年十一月二十三日至二零一五年十一月二十二日	24.40
	4,370,000	-	(300,000)	-	4,070,000	6.12.2010 二零一零年十二月六日	6.12.2012 to 5.12.2016 二零一二年十二月六日至二零一六年十二月五日	22.80
	47,200,000	-	(3,000,000)	-	44,200,000	10.10.2011 二零一一年十月十日	10.10.2015 to 9.10.2018 二零一五年十月十日至二零一八年十月九日	24.10
	91,821,514.70	-	(791,698)	(18,701,473)	162,658,299			

Report of the Directors 董事會報告

Notes:

- (1) The exercise period of the share options granted commences after a certain vesting period and the fulfilment of certain performance targets, and ends on a date which is no later than seven years from the date of grant of such options. Further details of the Scheme are set out in note 45 to the financial statements.
- (2) The weighted average closing price of the Company's shares immediately before the dates on which the options were exercised was HK\$23.14.
- (3) Mr. Yang Wenjun resigned as executive Director with effect from 30 July 2012.
- (4) As at the date of this report, the total number of the Company's shares available for issue under the Scheme (excluding the share options granted but not yet to be exercised) is 67,323,001 shares, which represented approximately 3.8% of the Company's shares in issue as at that date.

附註:

- (1) 該等購股權之行使期由若干歸屬期及達成若干表現目標後開始生效，並至授出該等購股權日期起屆不超過七年當日為止。有關計劃的其他詳情載於財務報表附註45。
- (2) 本公司緊接購股權獲行使日期前之加權平均收市價為23.14港元。
- (3) 楊文俊先生已辭任執行董事，自二零一二年七月三十日起生效。
- (4) 於本報告日期，根據計劃本公司可供發行股份總數（不包括已授出但尚未行使之購股權）為67,323,001股股份，佔本公司於該日期已發行股份約3.8%。

The values of share options calculated using the binomial model are subject to certain fundamental limitations, due to the subjective nature of and uncertainty related to a number of assumptions of the expected future performance input to the model, and certain inherent limitations of the model itself. Details of the valuation are set out in note 45 to the financial statements.

購股權之價值採用二項計價模式計算，但由於模式所採納的多項未來表現假設所存在的主觀性及不肯定因素，以及模式本身之若干內在限制，故此計算方法受到若干基本限制。估值詳情載於財務報表附註45。

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

購股權價值隨著若干主觀假設之不同變數而變動。所使用變數之任何變動或會對購股權之估計公允值造成重大影響。

Pre-emptive Rights

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

優先認購權

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

Purchase, Sale or Redemption of the Company's Listed Securities

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

購買、出售或贖回本公司上市證券

年內，本公司或其任何子公司概無購買、出售或贖回本公司任何上市證券。

Public Float

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

公眾持股量

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

Report of the Directors 董事會報告

Management Contracts

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

管理合約

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

Major Customers and Suppliers

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

主要客戶及供應商

本集團五大供應商合共應佔的採購百分比不足本集團總採購額的30%。

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

本集團五大客戶合共應佔的收入百分比不足本集團收入總額的30%。

Pledge of Assets

As at 31 December 2012, the Group has pledged certain bank deposits, bills receivable, land use rights and certain property, plant and equipment aggregating to approximately RMB347,306,000 (2011: RMB555,103,000). Details are set out in the respective notes to the financial statements.

資產抵押

於二零一二年十二月三十一日，本集團已抵押之若干銀行存款、應收票據、土地使用權及若干物業、廠房及設備合共約人民幣347,306,000元（二零一一年：人民幣555,103,000元）。有關詳情載於財務報表相關附註。

Contingent Liabilities and Commitments

Details of contingent liabilities and commitments are set out in notes 47 and 50, respectively, to the financial statements.

或然負債及承擔

或然負債及承擔的詳情分別載於財務報表附註47及50。

Financial Summary

A summary of the results for the year and of the assets and liabilities of the Group as at 31 December 2012 and for the previous four financial periods are set out on page 244.

財務概要

本集團於二零一二年十二月三十一日及過去四個財政年度期間的年度業績及資產負債概要載於第244頁。

Corporate Governance

The Company's corporate governance principles and practices are set out in the Corporate Governance Report on pages 46 to 65.

企業管治

本公司的企業管治原則及慣例載於第46頁至第65頁所載的企業管治報告內。

Report of the Directors 董事會報告

Auditors

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

核數師

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

By order of the Board of Directors

承董事會命

Sun Yiping
Chief Executive Officer

孫伊萍
總裁

Hong Kong, 26 March 2013

香港，二零一三年三月二十六日

Corporate Information

公司資料

Board of Directors

Executive Directors

Ms. SUN Yiping (appointed on 12 April 2012)
(Chief Executive Officer)

Mr. YANG Wenjun (resigned on 30 July 2012)

Mr. BAI Ying

Mr. WU Jingshui

Mr. DING Sheng

Non-Executive Directors

Mr. NING Gaoning (Chairman)

Mr. YU Xubo (Vice-Chairman)

Mr. NIU Gensheng

Mr. MA Jianping

Mr. FANG Fenglei (resigned on 30 July 2012)

Mr. MA Wangjun (resigned on 12 April 2012)

Mr. Tim Ørting JØRGENSEN (appointed on 30 July 2012)

Mr. Finn S. HANSEN (appointed on 30 July 2012)

Ms. LIU Ding (Vice-Chairwoman) (appointed on 10 January 2013)

Independent Non-Executive Directors

Mr. JIAO Shuge (alias JIAO Zhen) (re-designated to an independent non-executive director on 12 April 2012)
(Vice-Chairman)

Mr. Julian Juul WOLHARDT (re-designated to an independent non-executive director on 12 April 2012)

Mr. LIU Fuchun

Mr. ZHANG Xiaoya

Mr. XIE Tao

Mr. Andrew Y. YAN (appointed on 10 January 2013)

Senior Management

Mr. LU Jianjun

Mr. YAO Haitao

Ms. LIU Yan

Mr. LIU Shengli

Mr. Jesper Fournaise COLDING

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

Stock Code

Hong Kong Stock Exchange 2319

董事會

執行董事

孫伊萍女士(總裁) (於二零一二年四月十日委任)

楊文俊先生 (於二零一二年七月三十日辭任)

白瑛先生

吳景水先生

丁聖先生

非執行董事

寧高寧先生(主席)

于旭波先生(副主席)

牛根生先生

馬建平先生

方鳳貴先生 (於二零一二年七月三十日辭任)

馬建軍先生 (於二零一二年四月十二日辭任)

Tim Ørting JØRGENSEN先生 (於二零一二年七月三十日委任)

Finn S. HANSEN先生 (於二零一二年七月三十日委任)

柳丁女士(副主席) (於二零一三年一月十日委任)

獨立非執行董事

焦樹閣(亦稱焦震)先生 (於二零一二年四月十二日
(副主席) 調任為獨立非執行董事)

Julian Juul WOLHARDT (於二零一二年四月十二日
先生 調任為獨立非執行董事)

劉福春先生

張曉亞先生

謝韜先生

閻焱先生 (於二零一三年一月十日委任)

高級管理層

盧建軍先生

姚海濤先生

劉燕女士

劉勝利先生

Jesper Fournaise COLDING先生

郭偉昌先生
(合資格會計師及公司秘書)

股份代號

香港聯合交易所2319

Corporate Information 公司資料

Investor Relations Contact

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Chaoyang District
Beijing, China
Email: info@mengniu.com
Website: www.mengniu.com

Place of Business in Hong Kong

Suite 1602, 16th Floor, Top Glory Tower
262 Gloucester Road, Causeway Bay
Hong Kong

Registered Office

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

Principal Share Registrar

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

Hong Kong Branch Share Registrar

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

Legal Advisors

As to Hong Kong Law
Norton Rose Hong Kong

As to Cayman Islands Law
Maples and Calder Asia

Principal Bankers

Agricultural Bank of China
Bank of China
Industrial Commercial Bank of China
BNP Paribas

Auditors

Ernst & Young

Investor Relations Consultant

Strategic Financial Relations (China) Limited

投資者關係聯絡人

吳文楠小姐
中國北京朝陽區
建國門外大街甲8號
國際財源中心
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電郵地址: info@mengniu.com
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香港營業地點

香港
銅鑼灣告士打道262號
鵬利中心16樓1602室

註冊辦事處

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

主要股份過戶登記處

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

香港股份過戶登記分處

香港中央證券登記有限公司
香港
灣仔皇后大道東183號
合和中心46樓

法律顧問

香港法律
諾頓羅氏律師事務所

開曼群島法律

Maples and Calder Asia

主要往來銀行

中國農業銀行
中國銀行
中國工商銀行
法國巴黎銀行

核數師

安永會計師事務所

投資者關係顧問

縱橫財經公關顧問(中國)有限公司

Independent Auditors' Report

獨立核數師報告



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

致：中國蒙牛乳業有限公司全體股東
(於開曼群島註冊成立之有限公司)

We have audited the consolidated financial statements of China Mengniu Dairy Company Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 83 to 243, which comprise the consolidated and company statements of financial position as at 31 December 2012, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

我們已完成審核中國蒙牛乳業有限公司(「貴公司」)及其子公司(統稱「貴集團」)刊於第83至243頁的綜合財務報表，包括於二零一二年十二月三十一日的綜合及公司財務狀況表、截至該日止年度的綜合利潤表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及重大會計政策概要及其他解釋資料。

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board 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.

董事對綜合財務報表的責任

貴公司董事須遵照國際會計準則委員會頒佈的國際財務報告準則以及香港公司法的披露規定，負責編製作出真實而公允反映的綜合財務報表，並落實董事認為就編製並無重大錯誤陳述(不論其由欺詐或錯誤引起)的綜合財務報表而言屬必要的內部監控。

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

核數師的責任

我們則負責根據我們的審核結果對綜合財務報表發表意見。本報告僅為全體股東編製，並不能作其他用途。我們概不會就本報告內容對任何其他人士承擔或接受任何責任。

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

我們按照香港會計師公會頒佈的香港核數準則進行審核工作。該等準則要求我們遵守道德規範，策劃和進行審核工作以合理確定該等綜合財務報表是否不存在重大錯誤陳述。

Independent Auditors' Report 獨立核數師報告

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2012, and of the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

審核範圍包括進程序以取得與綜合財務報表所載數額及披露事項有關的審核憑證。選用之程序須視乎核數師的判斷，包括評估綜合財務報表的重大錯誤陳述（不論由欺詐或錯誤引起）的風險。在作出該等風險評估時，核數師將考慮與公司編製作出真實而公允反映的綜合財務報表有關的內部監控，以為不同情況設計適當審核程序，但並非旨在就公司內部監控是否有效表達意見。審核範圍亦包括評估所用會計政策的恰當性，董事所作會計估算的合理性，並就綜合財務報表的整體呈列方式作出評估。

我們相信，就得出審核意見而言，我們所獲審核憑證屬充分而恰當。

意見

我們認為，綜合財務報表符合國際財務報告準則且能真實公允地反映 貴公司及 貴集團於二零一二年十二月三十一日的財務狀況以及 貴集團截至該日止年度的利潤和現金流量狀況，並已按照香港公司法的披露規定妥為編製。

Ernst & Young
Certified Public Accountants

Hong Kong

26 March 2013

安永會計師事務所
執業會計師

香港

二零一三年三月二十六日

Consolidated Income Statement

綜合利潤表

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

			2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
	Notes 附註			
REVENUE				
Cost of sales	4	收入 銷售成本	36,080,453 (27,025,786)	37,387,844 (27,795,692)
GROSS PROFIT		毛利	9,054,567	9,592,152
Other income and gains		其他收入及收益	257,054	296,265
Selling and distribution expenses		銷售及經銷費用	(6,425,842)	(6,694,705)
Administrative expenses		行政費用	(1,195,416)	(1,110,089)
Other expenses	5	其他費用	(196,046)	(187,162)
PROFIT FROM OPERATING ACTIVITIES		經營業務利潤	1,494,317	1,896,461
Interest income		利息收入	218,616	173,052
Finance costs	8	融資成本	(41,754)	(60,942)
Share of profits and losses of associates	20	應佔聯營公司利潤及虧損	13,855	52,059
PROFIT BEFORE TAX		稅前利潤	1,685,034	2,060,630
Income tax expense	9	所得稅支出	(245,476)	(276,081)
PROFIT FOR THE YEAR		本年利潤	1,439,558	1,784,549
Attributable to:		以下各方應佔：		
Owners of the Company		本公司擁有人	1,257,148	1,589,274
Non-controlling interests		非控股股東	182,410	195,275
			1,439,558	1,784,549
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (EXPRESSED IN RMB PER SHARE)		本公司普通股擁有人應佔每股盈利 (以每股人民幣元計)		
Basic	11	— 基本	0.711	0.908
Diluted		— 攤薄	0.711	0.905

Details of the dividends payable and proposed for the year are disclosed in note 10 to the financial statements.

本年應付及建議派付股息的詳情於財務報表附註10披露。

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
	Notes 附註		
PROFIT FOR THE YEAR	本年利潤	1,439,558	1,784,549
OTHER COMPREHENSIVE INCOME	其他全面收益		
Available-for-sale investments:	可供出售投資：		
Changes in fair value	公允值變動	22 61,504	(108,536)
Income tax effect	所得稅的影響	22 (10,221)	17,035
		51,283	(91,501)
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	474	(196,303)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	年度其他全面收益扣除稅項	51,757	(287,804)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年度全面收益總額	1,491,315	1,496,745
Attributable to:	以下各方應佔：		
Owners of the Company	本公司擁有人	1,306,848	1,304,899
Non-controlling interests	非控股股東	184,467	191,846
		1,491,315	1,496,745

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2012 於二零一二年十二月三十一日

			2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 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	12	7,894,914	6,806,539
Construction in progress	在建工程	13	596,812	887,103
Land use rights	土地使用權	14	807,443	585,007
Long term prepayments	長期預付款	29	299,947	243,942
Goodwill	商譽	15	482,436	482,436
Other intangible assets	其他無形資產	16	225,977	224,887
Investments in associates	於聯營公司的投資	20	77,921	153,352
Available-for-sale investments	可供出售投資	22	509,788	295,206
Deferred tax assets	遞延所得稅資產	23	72,093	66,749
Other financial assets	其他金融資產	24	53,521	69,961
Biological assets	生物資產	25	211,686	—
			11,229,538	9,815,182
CURRENT ASSETS 流動資產				
Available-for-sale investments	可供出售投資	22	240,000	—
Inventories	存貨	26	1,419,898	1,685,247
Bills receivable	應收票據	27	176,386	261,024
Trade receivables	應收賬款	28	625,087	574,734
Prepayments and deposits	預付款及按金	29	949,956	774,907
Other receivables	其他應收款項	30	359,877	289,427
Investment deposits	投資存款	31	160,000	102,800
Pledged deposits	保證金存款	32	51,602	175,289
Cash and bank balances	現金及銀行結存	32	5,778,390	6,523,075
			9,761,196	10,386,503
CURRENT LIABILITIES 流動負債				
Trade payable	應付賬款	33	2,381,955	2,543,405
Bills payable	應付票據	34	1,296,910	1,141,141
Deferred income	遞延收益	40	19,056	18,912
Other payables	其他應付款項	35	1,632,144	1,581,781
Accruals and customers' deposits	預提費用及客戶訂金	36	993,460	1,180,720
Interest-bearing bank loans	計息銀行貸款	37	573,777	537,544
Other loans	其他貸款	38	24,915	119,094
Income tax payable	應付所得稅		58,426	103,228
			6,980,643	7,225,825
NET CURRENT ASSETS	淨流動資產		2,780,553	3,160,678
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		14,010,091	12,975,860

Consolidated Statement of Financial Position 綜合財務狀況表

As at 31 December 2012 於二零一二年十二月三十一日

		Notes 附註	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
NON-CURRENT LIABILITIES	非流動負債			
Long term payables	長期應付款項	39	144,593	188,739
Deferred income	遞延收益	40	215,740	234,940
Deferred tax liabilities	遞延所得稅負債	23	33,051	22,830
Other financial liabilities	其他金融負債	41	544,858	480,531
			938,242	927,040
NET ASSETS	淨資產		13,071,849	12,048,820
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Issued capital	已發行股本	42	181,151	181,087
Retained earnings	保留利潤		3,745,840	3,074,337
Other reserves	其他儲備	43(A)	8,516,301	8,215,634
			12,443,292	11,471,058
Non-controlling interests	非控股股東權益		628,557	577,762
TOTAL EQUITY	總權益		13,071,849	12,048,820

Ning Gaoning
寧高寧
Director
董事

Sun Yiping
孫伊萍
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔權益				Non-controlling interests 非控股股東	Total equity 總權益
		Issued capital 已發行股本	Other reserves 其他儲備	Retained earnings 保留利潤	Total 合計		
	Notes 附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
		Note 43(A) 附註43(A)	Note 43(A) 附註43(A)				
At 1 January 2011	於二零一一年一月一日	178,679	7,529,169	20,502,416	9,758,064	459,445	10,217,509
Profit for the year	本年利潤			1,589,274	1,589,274	195,275	1,784,549
Other comprehensive income for the year:	年度其他全面收益：						
Changes in fair value of available-for-sale investments, net of tax	可供出售投資公允價值變動，扣除稅項		(88,072)	-	(88,072)	(3,429)	(91,501)
Exchange difference on translation of foreign operations	換算海外業務的匯兌差額		(196,303)	-	(196,303)	-	(196,303)
Total comprehensive income for the year	年度全面收益總額	-	(284,375)	1,589,274	1,304,899	191,846	1,496,745
Shares issued under equity-settled share option arrangements	根據以股份支付的購股權安排發行股份	45	2,408	518,208	-	-	520,616
Equity-settled share option arrangements	以股份支付的購股權安排	45	-	173,541	-	-	173,541
Transfer to statutory reserves	轉撥至法定儲備		285,920	(285,920)	-	-	-
Final 2010 dividend declared	已宣派二零一零年 末期股息	10	-	(279,233)	(279,233)	-	(279,233)
Dividends paid to non-controlling shareholders	向非控股股東派付股息		-	-	-	(51,047)	(51,047)
Acquisition of a subsidiary	收購一家子公司	46	-	-	-	21,635	21,635
Derecognition of puttable non-controlling interests	終止確認可沽售非控股股東權益	41	-	(6,829)	-	(44,117)	(50,946)
At 31 December 2011	於二零一一年 十二月三十一日	181,087	8,215,634	3,074,337	11,471,058	577,762	12,048,820

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

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔權益					Non controlling interests 非控股股東	Total equity 總權益
	Notes 附註	Issued capital 已發行股本 RMB'000 人民幣千元	Other reserves 其他儲備 RMB'000 人民幣千元 Note 43(A) 附註43(A)	Retained earnings 保留利潤 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元			
At 1 January 2012	於二零一二年一月一日	181,087	8,215,634	3,074,337	11,471,058	577,762	12,048,820	
Profit for the year	本年利潤	-	-	1,257,148	1,257,148	182,410	1,439,558	
Other comprehensive income for the year:	年度其他全至收益：							
Changes in fair value of available- for-sale investments, net of tax	可供出售投資公允價值變動，扣除稅項	-	49,226	-	49,226	2,057	51,283	
Exchange difference on translation of foreign operations	換算海外業務的匯兌差額	-	474	-	474	-	474	
Total comprehensive income for the year	年度全面收益總額	-	49,700	1,257,148	1,306,848	184,467	1,491,315	
Shares issued under equity-settled share option arrangements	根據以股份支付的購股權安排發行股份	45	64	12,063	-	12,127	12,127	
Equity-settled share option arrangements	以股份支付的購股權安排	45	-	19,172	-	19,172	19,172	
Transfer to statutory reserves	轉撥至法定儲備	-	235,636	(235,636)	-	-	-	
Final 2011 dividend declared	已宣派二零一一年末期股息	10	-	(350,009)	(350,009)	-	(350,009)	
Dividends paid to non-controlling shareholders	向非控股股東派付股息	-	-	-	-	(79,363)	(79,363)	
Acquisition of non-controlling interests	收購非控股股東權益	-	(2,346)	-	(2,346)	(8,367)	(10,713)	
De-recognition of available non-controlling interests	終止確認可沽售非控股股東權益	41	(13,558)	-	(13,558)	(45,942)	(59,500)	
At 31 December 2012	於二零一二年十二月三十一日	181,151	8,516,301	3,745,840	12,443,292	628,557	13,071,849	

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Notes 附註			
Cash flows from operating activities	經營業務產生的現金流量		
Profit before tax	稅前利潤	1,885,034	2,060,630
Adjustments for:	就下列各項作出調整：		
Interest income	利息收入	(218,616)	(173,052)
Finance costs	融資成本	41,754	60,942
Depreciation of items of property, plant and equipment	物業、廠房及設備折舊	993,853	839,264
Amortisation of land use rights	土地使用權攤銷	14,863	12,538
Amortisation of other intangible assets	其他無形資產攤銷	8,156	11,735
Loss on disposal of items of property, plant and equipment	處置物業、廠房及設備虧損	6,035	8,502
Loss on disposal of biological assets	處置生物資產虧損	428	-
Share-based payment expense	以股份為基礎的支付	19,172	173,541
Provision for trade receivables and other receivables	應收賬款及其他應收款項撥備	31,198	12,973
Share of profits and losses of associates	應佔聯營公司利潤及虧損	(13,855)	(52,059)
Write-down of inventories to net realisable value	存貨撇減至可變現淨值	2,637	1,522
Government grants	政府補助	(103,493)	(55,771)
Amortisation of deferred income	遞延收益攤銷	(19,056)	(17,257)
Foreign exchange differences, net	匯兌差額淨額	289	(143,693)
Gain on deemed disposal of an associate	視同出售一家聯營公司收益	(4,384)	(21,566)
Gain on disposal of associates	出售聯營公司收益	(50,635)	-
Unrealised fair value losses on derivative financial instruments	未變現衍生金融工具公允值虧損	-	6,731
		2,393,380	2,724,980
Decrease/(increase) in other financial assets	其他金融資產減少/(增加)	20,974	(26,230)
Decrease/(increase) in inventories	存貨減少/(增加)	252,085	(512,744)
Increase in trade and bills receivables	應收賬款及應收票據增加	(11,728)	(272,752)
Decrease/(increase) in pledged deposits	保證金存款減少/(增加)	(11,278)	57,175
Increase in prepayments, deposits and other receivables	預付款、按金及其他應收款項增加	(143,577)	(167,288)
Decrease/(increase) in trade and bills payables	應付賬款及應付票據減少/(增加)	(137,781)	252,847
Decrease/(increase) in accruals and other payables	預提費用及其他應付款項減少/(增加)	(36,288)	706,936
		2,325,787	2,762,924
Cash generated from operations	經營業務產生的現金	2,325,787	2,762,924
Interest paid	支付利息	(19,183)	(46,420)
Income taxes paid	支付所得稅	(299,708)	(196,447)
		2,006,896	2,520,057
Net cash flows from operating activities	經營業務產生的淨現金流量	2,006,896	2,520,057

Consolidated Statement of Cash Flows 綜合現金流量表

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

	Notes 附註	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Cash flows from investing activities			
Proceeds from disposal of items of property, plant and equipment		12,738	12,371
Proceeds from disposal of biological asset		300	—
Purchase of items of property, plant and equipment		(770,678)	(586,726)
Purchase of biological assets		(143,893)	—
Purchase of construction in progress		(1,189,527)	(1,705,881)
Purchase of other intangible assets		(3,750)	(6,796)
Purchase of land use rights		(195,146)	(94,110)
Purchase of available-for-sale investments		(370,258)	(106,491)
Disposal of available-for-sale investments		400	3,870
Acquisition of subsidiaries		(5,200)	3,268
Capital injection to associates		(1,871)	(738)
Capital injection to a jointly-controlled entity		—	(20,000)
Receipt of government grants		—	20,630
Withdrawal/(purchase) of time deposits with original maturity of more than three months		(671,297)	759,355
Interest received		175,552	167,721
Dividends received from associates		22,398	11,163
Dividends received from an available-for-sale investment		153	144
Disposal of associates		101,810	—
Advances to a jointly-controlled entity		(135,000)	—
Purchase of investment deposits		(2,800,960)	(102,800)
Withdrawal of investment deposits		2,743,760	—
Acquisition of non-controlling interests		(10,713)	—
Net cash flows used in investing activities		(3,239,182)	(1,645,020)

Consolidated Statement of Cash Flows 綜合現金流量表

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

	Notes 附註	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Cash flows from financing activities	融資活動產生的現金流量		
Proceeds from interest-bearing bank loans	計息銀行貸款所得款項	549,925	404,186
Repayment of interest-bearing bank loans	償還計息銀行貸款	(421,895)	(723,682)
Repayment of other loans	償還其他貸款	-	(2,646)
Decrease/(increase) in pledged deposits for bank loans	銀行貸款的保證金存款減少/(增加)	134,965	(130,065)
Dividends paid to owners of the Company	支付本公司擁有人的股息	(350,009)	(279,233)
Dividends paid to non-controlling shareholders	支付非控股股東的股息	(71,397)	(51,970)
Proceeds from other loans	其他貸款所得款項	18,500	42,493
Repayment of long-term payables	償還長期應付款項	(53,712)	(37,886)
Capital contribution by a joint venture partner	合營夥伴注資	-	20,000
Shares issued under equity-settled share option arrangements	根據以股份支付的購股權安排發行股份	12,127	520,616
Net cash flows from financing activities	融資活動產生的淨現金流量	(181,496)	(238,187)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	(1,413,782)	636,850
Cash and cash equivalents at beginning of year	年初的現金及現金等價物	4,359,872	3,775,255
Effect of foreign exchange rate changes, net	匯率變動的影響(淨額)	(2,200)	(52,233)
Cash and cash equivalents at end of year	年終的現金及現金等價物	2,943,890	4,359,872
Analysis of balances of cash and cash equivalents	現金及現金等價物結餘分析		
Cash and bank balances as stated in the consolidated statement of financial position	於綜合財務狀況表中列賬的現金及銀行結存	5,778,390	6,523,075
Time deposits with original maturity more than three months	原到期日為三個月以上的定期存款	(2,834,500)	(2,163,203)
Cash and cash equivalents as stated in the consolidated statement of cash flows	於綜合現金流量表中列賬的現金及現金等價物	2,943,890	4,359,872

Statement of Financial Position

財務狀況表

As at 31 December 2012 於二零一二年十二月三十一日

		Notes 附註	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 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	12	342	28
Available-for-sale investments	可供出售投資	22	89,642	69,008
Loans to a subsidiary	應收一家子公司款項	18	2,657,176	2,656,684
Investments in subsidiaries	於子公司的投資	19	5,408,191	5,043,682
			7,855,351	7,769,402
CURRENT ASSETS	流動資產			
Other receivables	其他應收款項	30	802,202	647,991
Cash and bank balances	現金及銀行結存	32	751,922	622,766
			1,554,124	1,270,757
CURRENT LIABILITIES	流動負債			
Other payables	其他應付款項		1,629	1,133
Interest-bearing bank loans	計息銀行貸款	37	405,425	—
			407,054	1,133
NET CURRENT ASSETS	淨流動資產		1,147,070	1,269,624
NET ASSETS	淨資產		9,002,421	9,039,026
EQUITY	權益			
Issued capital	已發行股本	42	181,151	181,087
Reserves	儲備	43(B)	8,821,270	8,857,939
TOTAL EQUITY	總權益		9,002,421	9,039,026

Ning Gaoning
寧高寧
Director
董事

Sun Yiping
孫伊萍
Director
董事

Notes to Financial Statements

財務報表附註

1. Corporate Information

The Company was incorporated as an exempted company with limited liability in the Cayman Islands. The Company is an investment holding company and its subsidiaries are engaged in the manufacture and distribution of dairy products mainly in the People's Republic of China (the "PRC").

2.1 Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared on a historical cost basis except for share options, certain available-for-sale equity investments, biological assets and derivative financial instruments, which have been measured at fair value. They are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2012. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The result of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the day that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership of a subsidiary, without a loss of control, is accounted for as an equity transaction.

1. 公司資料

本公司為在開曼群島註冊成立的獲豁免有限公司。本公司乃一家投資控股公司，而其子公司主要在中華人民共和國(中國)從事乳製品生產及經銷業務。

2.1 編製基準

該等財務報表是按照國際會計準則委員會(即國際會計準則委員會)頒佈的國際財務報告準則(即國際財務報告準則)及香港公司法的披露規定編製而成。財務報表以歷史成本法編製，惟購股權、若干可供出售股本投資、生物資產及衍生金融工具以公允值計量。財務報表以人民幣(「人民幣」)呈列，而所有數值除另有指明外，均調整至最接近的千位。

綜合基準

綜合財務報表包括本公司及其子公司(統稱「本集團」)截至二零一二年十二月三十一日止年度的財務報表。編製子公司財務報表的呈報期間與本公司相同，會計政策亦貫徹一致。子公司業績由收購日期(即本集團取得控制權當日)起綜合入賬，直至控制權不再存在當日為止。所有集團內公司間結餘、交易、因集團內公司間交易產生的未變現收益及虧損及股息均已於綜合入賬時全數對銷。

非控股股東須分享子公司的全面收益總額，即使非控股股東權益結餘為負數。

子公司的所有權變動(並無失去控制權)按權益交易入賬。

Notes to Financial Statements 財務報表附註

2.1 Basis of Preparation (continued)**Basis of consolidation (continued)**

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

2.2 Impact of Revised IFRSs

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

IFRS 1 Amendments	Amendments to IFRS 1 <i>First-time Adoption of International Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i>
IFRS 7 Amendments	Amendments to IFRS 7 <i>Financial Instruments: Disclosures – Transfers of Financial Assets</i>
IAS 12 Amendments	Amendments to IAS 12 <i>Income Taxes – Deferred Tax: Recovery of Underlying Assets</i>

The adoption of the revised IFRSs has had no significant financial effect on these financial statements.

2.1 編製基準(續)**綜合基準(續)**

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

2.2 經修訂國際財務報告準則的影響

本集團於本年度的財務報表首次採納以下經修訂國際財務報告準則。

國際財務報告準則第1號的修訂	國際財務報告準則第1號「首次採納國際財務報告準則—嚴重高通脹及剔除首次採用者的固定日期」的修訂
國際財務報告準則第7號的修訂	國際財務報告準則第7號「金融工具：披露—轉讓金融資產」的修訂
國際會計準則第12號的修訂	國際會計準則第12號「所得稅—遞延稅項：收回相關資產」的修訂

採納該等經修訂國際財務報告準則對該等財務報表並無重大財務影響。

Notes to Financial Statements 財務報表附註

2.3 Issued But Not Yet Effective IFRSs

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

IFRS 1 Amendments	Amendments to IFRS 1 <i>First-time Adoption of International Financial Reporting Standards – Government Loans</i> ²
IFRS 7 Amendments	Amendments to IFRS 7 <i>Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities</i> ²
IFRS 9	<i>Financial Instruments</i> ⁴
IFRS 10	<i>Consolidated Financial Statements</i> ^{2,3}
IFRS 11	<i>Joint Arrangements</i> ²
IFRS 12	<i>Disclosure of Interests in Other Entities</i> ²
IFRS 10, IFRS 11 and IFRS 12 Amendments	Amendments to IFRS 10, IFRS 11 and IFRS 12 – <i>Transition Guidance</i> ²
IFRS 10, IFRS 12 and IAS 27 (Revised) Amendments	Amendments to IFRS 10, IFRS 12 and IAS 27 (Revised) – <i>Investment Entities</i> ³
IFRS 13	<i>Fair Value Measurement</i> ²
IAS 1 Amendments	Amendments to IAS 1 <i>Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income</i> ¹
IAS 19 Amendments	<i>Employee Benefits</i> ²
IAS 27 (Revised)	<i>Separate Financial Statements</i> ²
IAS 28 (Revised)	<i>Investments in Associates and Joint Ventures</i> ²
IAS 32 Amendments	Amendments to IAS 32 <i>Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities</i> ³
IFRIC 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i> ²
Annual Improvements 2009-2011 Cycle	Amendments to a number of IFRSs issued in May 2012 ²

2.3 已頒佈惟尚未生效的國際財務報告準則

本集團尚未於本財務報表應用下列已頒佈惟尚未生效的新頒佈及經修訂國際財務報告準則。

國際財務報告準則第1號的修訂	國際財務報告準則第1號「首次採納國際財務報告準則—政府貸款」的修訂 ²
國際財務報告準則第7號的修訂	國際財務報告準則第7號「金融工具：披露—抵銷金融資產及金融負債」的修訂 ²
國際財務報告準則第9號	金融工具 ⁴
國際財務報告準則第10號	綜合財務報表 ^{2,3}
國際財務報告準則第11號	共同安排 ²
國際財務報告準則第12號	於其他實體的權益的披露 ²
國際財務報告準則第10號、國際財務報告準則第11號及國際財務報告準則第12號的修訂	國際財務報告準則第10號、國際財務報告準則第11號及國際財務報告準則第12號的修訂—過渡指引 ²
國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第27號（經修訂）的修訂	國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第27號（經修訂）的修訂—投資實體 ³
國際財務報告準則第13號	公允值計量 ²
國際會計準則第19號的修訂	國際會計準則第19號「財務報表的呈列—其他全面收益項目的呈列」的修訂 ¹
國際會計準則第19號的修訂	僱員福利 ²
國際會計準則第27號（經修訂）	獨立財務報表 ²
國際會計準則第28號（經修訂）	於聯營公司及合營企業的投資 ²
國際會計準則第32號的修訂	國際會計準則第32號「金融工具：呈列—抵銷金融資產及金融負債」的修訂 ³
國際財務報告詮釋委員會第20號	露天礦生產階段的剝採成本 ²
二零零九年至二零一一年週期的年度改進	於二零一二年五月頒佈的多項國際財務報告準則的修訂 ²

Notes to Financial Statements 財務報表附註

2.3 Issued But Not Yet Effective IFRSs (continued)

- 1 Effective for annual periods beginning on or after 1 July 2012
- 2 Effective for annual periods beginning on or after 1 January 2013
- 3 Effective for annual periods beginning on or after 1 January 2014
- 4 Effective for annual periods beginning on or after 1 January 2015

The Group is in the process of determining whether these new and revised standards and interpretations will have any material impact on the Group's results of operations and financial position.

2.4 Summary of Significant Accounting Policies**Subsidiaries**

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in subsidiaries that are not classified as held-for-sale, in accordance with IFRS 5 are stated at cost less any impairment losses.

Jointly-controlled entities

A jointly-controlled entity is a joint venture that is subject to joint control, resulting in none of the participating parties having unilateral control over the economic activity of the jointly-controlled entity.

The Group's investments in its jointly-controlled entities are accounted for by the proportionate consolidation method, which involves recognising its share of the jointly-controlled entities' assets, liabilities, income and expenses with similar items in the consolidated financial statements on a line-by-line basis. Unrealised gains and losses resulting from transactions between the Group and its jointly-controlled entities are eliminated to the extent of the Group's investments in the jointly-controlled entities, except where unrealised losses provide evidence of an impairment of the asset transferred. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

2.3 已頒佈惟尚未生效的國際財務報告準則(續)

- 1 於二零一二年七月一日或之後開始的年度期間生效
- 2 於二零一三年一月一日或之後開始的年度期間生效
- 3 於二零一四年一月一日或之後開始的年度期間生效
- 4 於二零一五年一月一日或之後開始的年度期間生效

本集團現正釐定該等新頒佈及經修訂準則及詮釋是否會對本集團的經營業績及財務狀況造成任何重大影響。

2.4 重大會計政策概要**子公司**

子公司指本公司直接或間接控制其財務及營運政策的公司，以便能從其業務中獲利。

子公司的業績計入本公司的利潤表中，並以已收和應收股息為限。本公司於子公司的投資(並不根據國際財務報告準則第5號分類為持有待售)以成本值減去任何減值損失列賬。

共同控制實體

共同控制實體指受共同控制的合營企業，致使參與各方於共同控制實體的經濟活動中均無單方面控制權。

本集團於共同控制實體的投資以比例綜合法入賬，當中涉及逐項確認其分佔共同控制實體的資產、負債、收入及開支於綜合財務報表中類似項目。本集團與其共同控制實體之間交易所產生的未變現收益及虧損，均以本集團於共同控制實體的投資為限予以抵銷，惟未變現虧損是由所轉讓資產減值導致則除外。任何可能存在的相異會計政策已相應作出調整，以使之貫徹一致。

Notes to Financial Statements 財務報表附註

2.4 Summary of Significant Accounting Policies

(continued)

Jointly-controlled entities (continued)

The results of jointly-controlled entities are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in jointly-controlled entities are treated as non-current assets and are stated at cost less any impairment losses.

Associates

An associate is an entity, not being a subsidiary or a jointly-controlled entity, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and reserves of associates is included in the consolidated income statement and consolidated reserves, respectively. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates and is not individually tested for impairment.

The results of associates are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in associates are treated as non-current assets and are stated at cost less any impairment losses.

2.4 重大會計政策概要(續)**共同控制實體(續)**

共同控制實體業績以已收及應收股息為限計入本公司的利潤表。本公司於共同控制實體的投資當作非流動資產處理並按成本減任何減值損失列賬。

聯營公司

聯營公司指本集團持有其一般不少於20%投票權的長期權益而對其有重要影響力的公司，但該公司既非子公司，亦非共同控制實體。

本集團於聯營公司的投資，是採用權益會計法按本集團所佔資產淨值減任何減值損失在綜合財務狀況表列賬。任何可能存在的相異會計政策已相應作出調整，以使之貫徹一致。本集團所佔聯營公司的收購後業績及儲備分別計入綜合利潤表及綜合儲備。本集團與其聯營公司之間交易所產生的未變現收益及虧損，均以本集團於聯營公司的投資為限予以抵銷，惟未變現虧損是由所轉讓資產減值導致則除外。收購聯營公司產生的商譽乃作為本集團於聯營公司的投資的一部分入賬，且並不會單獨作減值測試。

聯營公司業績以已收及應收股息為限計入本公司的利潤表。本公司於聯營公司的投資當作非流動資產處理並按成本減任何減值損失列賬。

2.4 Summary of Significant Accounting Policies

(continued)

Business combinations and goodwill

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

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at the acquisition date fair value and any resulting gain or loss is recognised in the consolidated income statement.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 is measured at fair value with changes in fair value either recognised in the consolidated income statement or as a change to other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

2.4 重大會計政策概要(續)

業務合併及商譽

業務合併採用收購法入賬。所轉讓的代價按收購日期的公允值計量，乃本集團所轉讓資產、本集團對被收購方前擁有人所承擔的負債及本集團所發行以換取被收購方控制權的股權於收購日期公允值的總和。於各業務合併中，本集團選擇是否以公允值或被收購方可識別資產淨值的應佔比例，計算被賦予現時擁有者權利並將於清盤時按比例分佔實體的淨資產的非控股股東權益。非控股股東權益的一切其他成分乃按公允值計量。收購相關成本於產生時支銷。

當本集團收購業務時，其根據合約條款、經濟情況及於收購日期的相關條件評估金融資產及所承擔的負債以作出適當的分類及指定。這包括被收購方區分主合約的嵌入式衍生工具。

倘業務合併分階段完成，以往持有的股權須按收購日期公允值重新計量，因此產生的收益或虧損將於綜合利潤表確認。

收購方將轉讓的任何或然代價按收購日期的公允值確認。在國際會計準則第39號範疇內分類為屬於金融工具的資產或負債的或然代價乃按公允值計量，而公允值變動將於綜合利潤表或作為其他全面收益變動確認。倘或然代價並不屬於國際會計準則第39號的範疇，則按合適的國際財務報告準則計量。分類為權益的或然代價不會重新計量，其後結算將於權益內入賬。

Notes to Financial Statements 財務報表附註

2.4 Summary of Significant Accounting Policies

(continued)

Business combinations and goodwill (continued)

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

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

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

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

2.4 重大會計政策概要(續)

業務合併及商譽(續)

商譽初步按成本計量，而成本乃指所轉讓代價、就非控股股東權益確認的金額及本集團以往持有被收購方的股權的任何公允值的總和超出所購入可識別資產及所承擔負債淨額的差額。倘此代價與其他項目的總和低於所收購淨資產的公允值，則經重新評估後的差額於綜合利潤表確認為議價購入的收益。

繼最初確認後，商譽按成本值減任何累計減值損失計算。商譽每年測試是否有所減值，若有事件或情況變化顯示賬面值可能出現減值，則會更頻密進行測試。本集團於十二月三十一日進行年度商譽減值測試。就減值測試而言，業務合併收購的商譽自收購日期起分配至本集團各現金產生單位(或現金產生單位組別)，預期彼等將從合併的協同效益中受益，不論本集團其他資產或負債是否分配至該等單位或單位組別。

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

倘商譽獲分配至現金產生單位(現金產生單位組別)並出售該單位中的一部分業務，則於釐定出售收益或虧損時，與該已出售業務相關的商譽計入該業務的賬面值。在此情況下出售的商譽根據所出售業務的相關價值及所保留現金產生單位的部分計量。

2.4 Summary of Significant Accounting Policies

(continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, construction contract assets, financial assets, investment properties, goodwill and non-current assets/ a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the consolidated income statement in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/ amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the consolidated income statement in the period in which it arises.

2.4 重大會計政策概要(續)

非金融資產減值

當有跡象顯示出現減值，或當須進行資產年度減值測試(存貨、建築合約資產、金融資產、投資物業、商譽及分類為持有待售的非流動資產/處置組除外)，則估計資產的可收回金額。資產的可收回金額為選取資產或現金產生單位的使用價值及其公允值減銷售成本的較高者，並對個別資產釐定，惟倘資產並無產生大致獨立於其他資產或資產組別的現金流入，則可收回金額在該資產所屬的現金產生單位基礎上確定。

減值損失僅於資產賬面值超過其可收回金額時確認。在評估使用價值時，估計未來現金流量乃按稅前折現率折現至現值。所用稅前折現率反映了當前市場對貨幣時值及該資產特定風險的評估。減值損失於產生期間自綜合利潤表中與減值資產功能一致的支出類別扣除。

於各報告期末，本集團評估是否有跡象顯示先前確認的減值損失可能不再存在或已經減少。如有該等跡象，本集團會估計可收回金額。僅若用以釐定商譽除外資產的可收回金額的估計有變動，方會撥回先前確認該資產的減值損失，惟金額不得超過假使該資產在過往年度並無確認減值損失時，原應釐定的賬面值(扣減任何折舊/攤銷後)。減值損失撥回計入產生期間的綜合利潤表中。

Notes to Financial Statements 財務報表附註

2.4 Summary of Significant Accounting Policies

(continued)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a); and
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.4 重大會計政策概要(續)

關聯人士

一方被視為與本集團有關聯，倘：

- (a) 該方為該名人士家族的人士或直系親屬，而該名人士
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團施加重大影響；或
 - (iii) 為本集團或本集團母公司主要管理人員的成員；

或

- (b) 該方為符合下列任何條件的實體：
 - (i) 該實體與本集團屬同一集團的成員公司；
 - (ii) 一間實體為另一實體的聯營公司或合營企業(或另一實體的母公司、子公司或同系子公司之旗下)；
 - (iii) 該實體及本集團均為同一第三方的合營企業；
 - (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；
 - (v) 該實體為離職後福利計劃，該計劃的受益人為本集團或與本集團有關的實體僱員；
 - (vi) 該實體由(a)項所述人士控制或共同控制；及
 - (vii) 於(a)(i)項所述人士對該實體有重大影響或屬該實體(或該實體的母公司)主要管理人員的成員。

2.4 Summary of Significant Accounting Policies

(continued)

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the consolidated income statement in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	20 years
Plant and machinery	5 to 10 years
Office equipment	5 years
Motor vehicles	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

2.4 重大會計政策概要(續)

物業、廠房及設備和折舊

物業、廠房及設備是按成本減去累計折舊及任何減值損失後列賬。倘物業、廠房及設備項目分類為持有待售或當其為分類為持有待售的處置組的一部分時，其不予折舊並根據國際財務報告準則第5號「轉售」，進一步闡釋見會計政策「持有待售的非流動資產及處置組」。物業、廠房及設備項目成本包括其購買價及使資產處於特定用途的運作狀況及地點而產生的任何直接應佔成本。

物業、廠房及設備項目投入運作後產生的支出(例如維修及保養)，一般於其產生期間於綜合利潤表扣除。而大修支出在符合確認條件時，計入資產的賬面值作為更換成本。當物業、廠房及設備的重要部件須定期更換，本集團將該等部件確認為獨立的資產，並在特定可使用年期下單獨計提折舊。

折舊乃按物業、廠房及設備的各個項目於其估計可使用年期以直線法撇減其成本至剩餘價值。物業、廠房及設備的估計可使用年期如下：

房屋及建築物	20年
廠房及機器	5至10年
辦公設備	5年
汽車	5年

倘一項物業、廠房及設備的各部分有著不同可使用年期，則有關項目的成本以合理基準分配於各部分，而每部分將作獨立折舊。剩餘價值、可使用年期及折舊方法至少於各財政年度結算日審閱及調整(如適用)。

Notes to Financial Statements 財務報表附註

2.4 Summary of Significant Accounting Policies

(continued)

Property, plant and equipment and depreciation

(continued)

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the consolidated income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress

Construction in progress represents plants and properties under construction, which are stated at cost less any impairment losses, and are not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

2.4 重大會計政策概要(續)

物業、廠房及設備和折舊(續)

物業、廠房及設備項目(包括經初步確認為資產的任何重要部件)為在處置時或在預計未來不可從其使用或處置中獲得經濟利益時終止確認。於終止確認資產當年的綜合利潤表中確認的處置或廢棄而產生的任何收益或虧損為銷售所得款項淨額與相關資產賬面值之間的差額。

在建工程

在建工程是指正在興建的廠房及物業，乃以成本值減任何減值損失列賬。在建工程不計提折舊。成本值包括在建期間的直接建築成本以及已借相關資金所屬已撥充資本的借貸費用。當在建工程竣工、隨時可供使用時，在建工程重新分類歸入物業、廠房及設備內的適當類別。

持有待售的非流動資產及處置組

倘非流動資產及處置組的賬面值將主要透過一項銷售交易而非透過持續使用得以收回，該等非流動資產及處置組則分類為持有待售。為此，該資產(或處置組)必須在其當前情況下僅根據出售此類資產(或處置組)的通常和慣用的條款即可立即出售，並且出售必須極可能發生。所有分類為處置組的子公司資產及負債重新歸類為持有待售，而不論本集團於出售後有否保留其前子公司的非控股股東權益。

分類為持有待售的非流動資產及處置組乃按其賬面值及公允值減銷售成本後的餘額孰低計量。分類為持有待售的物業、廠房及設備以及無形資產不予折舊或攤銷。

Notes to Financial Statements 財務報表附註

2.4 Summary of Significant Accounting Policies

(continued)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Patents and licences

Purchased patents and licences are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 years.

Trademarks

Trademarks acquired separately are measured at cost. Trademarks acquired as part of a business combination are valued at fair value based on the royalty relief method.

Trademarks with finite useful lives are amortised on the straight-line basis over their estimated useful lives of 10 years. Trademarks with indefinite useful lives are tested for impairment annually.

Computer softwares

Acquired computer softwares are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on the straight-line basis over their estimated useful lives of 3 to 10 years.

2.4 重大會計政策概要(續)**無形資產(商譽除外)**

單獨收購的無形資產於初步確認時按成本計量。於業務合併時所收購無形資產的成本相等於收購日期的公允值。

無形資產的可使用年期可評估為有限或無限。年期有限的無形資產於可使用經濟年期內攤銷，並於有跡象顯示無形資產可能出現減值時評估減值。可使用年期有限的無形資產的攤銷年期及攤銷方法至少於各財政年度結算日覆核一次。

可使用年期無限的無形資產於每年按個別或現金產生單位作減值測試，且不予攤銷。對年期無限的無形資產需每年對其使用年期作覆核，以釐定無限可使用年期的評估是否持續可靠。否則，可使用年期評估按預期法自此由無限年期更改為有限年期。

專利及特許權

所購買專利及特許權乃按成本減任何減值損失列賬，且按估計可使用年期10年以直線法攤銷。

商標

所收購商標按成本單獨計量。作為業務合併一部分所收購的商標根據特許權費減免法按公允值進行估值。

可使用年期有限的商標按估計可使用年期10年以直線法攤銷。可使用年期無限的商標每年測試減值。

電腦軟件

購入的電腦軟件根據購買及使用該特定軟件所引起的成本進行資本化。有關成本按其估計可使用年期3至10年以直線法攤銷。

Notes to Financial Statements 財務報表附註

2.4 Summary of Significant Accounting Policies

(continued)

Intangible assets (other than goodwill) (continued)**Research and development costs**

All research costs are charged to the consolidated income statement as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products, commencing from the date when the products are put into commercial production.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the consolidated income statement so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

2.4 重大會計政策概要(續)**無形資產(商譽除外)(續)****研究開發費用**

所有研究費用在產生時於綜合利潤表支銷。

開發新產品的項目產生的支出，僅當本集團可顯示下列各項，方予資本化及遞延：完成該項無形資產使其可供使用或出售在技術上的可行性，其完成的意向，及使用或出售該資產的能力，該資產日後如何產生經濟利益，是否有資源可以完成該項目，以及在開發過程中是否可以可靠地計量該項支出。不符合該等條件的產品開發支出在產生時支銷。

遞延開發費用按成本值減任何減值損失列賬，並以直線法按相關產品自其投產日期起計的商業年期攤銷。

租賃

凡資產擁有權絕大部分回報及風險(不包括法定所有權)轉歸本集團所有的租約，均列作融資租約。於融資租約開始時，租賃資產的成本乃按最低租約付款的現值撥充資本，並連同債務(不包括利息部分)一併入賬，藉以反映購買與融資情況。根據已資本化的融資租約持有的資產(包括經營租賃下的土地租賃預付款)乃納入物業、廠房及設備，並按租期或資產的估計可使用年期兩者中的較短者折舊。有關租約的財務成本乃於綜合利潤表中扣除，以反映租期內的固定週期支出比率。

透過具融資性質的租購合約收購的資產乃列作融資租約，惟有關資產乃按估計可使用年期予以折舊。

2.4 Summary of Significant Accounting Policies

(continued)

Leases (continued)

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the consolidated income statement on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the consolidated income statement on the straight-line basis over the lease terms.

Prepaid land lease payments under operating lease are initially stated at cost and subsequently recognised as an expense in the consolidated income statement on the straight-line basis over the lease terms of 50 years.

When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

Investments and other financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables and available-for-sale investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classifications of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

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

2.4 重大會計政策概要(續)

租賃(續)

若出租者保留資產所有權的絕大部分回報及風險，則有關租賃歸類為經營租賃。當本集團為出租者時，本集團根據經營租賃出租的資產計入在非流動資產，而經營租賃下的應收租金按租賃期以直線法計入綜合利潤表。當本集團為承租人時，經營租賃下的應付租金扣除從出租者收取的任何獎勵按租賃期以直線法自綜合利潤表扣除。

經營租賃下的土地租賃預付款最初按成本值列賬，其後按50年的租賃期以直線法在綜合利潤表確認為支出。

若無法在土地與房屋部分之間可靠劃分租金，則整筆租金將作為物業、廠房及設備分類項下的融資租賃計入土地及房屋的成本。

投資及其他金融資產

初始確認和計量

國際會計準則第39號範圍內的金融資產分類為以公允值計量且其變動計入損益的金融資產、貸款和應收款項及可供出售投資或於有效對沖中指定為對沖工具的衍生工具(如適用)。本集團於初始確認時釐定其金融資產的分類。當金融資產首次確認，乃按公允值計量，倘並非為以公允值計量且其變動計入損益的金融資產，則另加直接應佔的交易成本。

正常的購買和出售金融資產事項全部在交易日(即本集團購買或出售資產之日)確認。所謂正常的購買或出售金融資產事項，是指按市場監管規例或慣例所訂定的時限內交付有關資產的買賣活動。

Notes to Financial Statements 財務報表附註

2.4 Summary of Significant Accounting Policies 2.4 重大會計政策概要(續)

(continued)

Investments and other financial assets (continued)**Subsequent measurement**

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as finance costs in the consolidated income statement. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition" below.

Financial assets designated upon initial recognition at fair value through profit or loss are designated at their initial recognition date and only if the criteria under IAS 39 are satisfied.

The Group evaluates its financial assets held for trading to determine whether the intention to sell them in the near term is still appropriate. When in rare circumstances the Group is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Group may elect to reclassify them. The reclassification from financial assets at fair value through profit or loss to loans and receivables, available-for-sale financial assets or held-to-maturity investments depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation, as these instruments cannot be reclassified after initial recognition.

投資及其他金融資產(續)**後續計量**

金融資產的後續計量取決於其分類如下：

以公允價值計量且其變動計入損益的金融資產
以公允價值計量且其變動計入損益的金融資產包括持作買賣的金融資產及於首次確認時指定為以公允價值計量且其變動計入損益的金融資產。倘收購金融資產的目的是為在短期內出售，則該等資產分類為持作買賣。包括獨立嵌入式衍生工具的衍生工具亦歸類為持作買賣，除非其指定為按國際會計準則第39號定義的有效對沖工具。

以公允價值計量且其變動計入損益的金融資產按公允價值記錄於財務狀況表，並在綜合利潤表中將公允值的正數淨額變動呈列為其他收入及收益，及將公允值的負數淨額變動呈列為融資成本。該等公允淨值變動不包括此等金融資產所賺取的任何股息或利息，此等股息或利息乃根據下文「收入確認」一段所載的政策確認。

於首次確認時指定為以公允價值計量且其變動計入損益的金融資產於首次確認日期及僅於符合國際會計準則第39號時予以指定。

本集團評估其持作買賣的金融資產於短期內出售的意向是否仍適用。在罕見情況下，倘由於在可預見的將來市場不活躍及管理層的出售意向有重大變化，本集團無法交易金融資產，本集團可以選擇重新歸類金融資產。將以公允價值計量且其變動計入損益的金融資產重新分類至貸款及應收款項、可供出售金融資產或持有至到期投資乃基於這些資產的性質。該評估不適用於指定時採用公允價值選擇的指定為以公允價值計量且其變動計入損益的任何金融資產，原因是該等工具於首次確認後不能重新分類。

2.4 Summary of Significant Accounting Policies

(continued)

Investments and other financial assets (continued)**Financial assets at fair value through profit or loss (continued)**

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the consolidated income statement. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in interest income in the consolidated income statement. The loss arising from impairment is recognised in the consolidated income statement in finance costs for loans and in other expenses for receivables.

2.4 重大會計政策概要(續)**投資及其他金融資產(續)****以公允值計量且其變動計入損益的金融資產(續)**

倘衍生工具的經濟特徵及風險與主合約所述者並無密切關係，而主合約並非持作買賣用途或指定按公允值計入損益，主合約的內含衍生工具以個別衍生工具入賬並按公允值記錄。此等內含衍生工具按公允值計量而公允值變動於綜合利潤表內確認。倘合約條款變動大幅改變現金流量，方會就所需重新評估。

貸款及應收款項

貸款及應收款項為並無活躍市場報價而具有固定的或可確認付款額的非衍生金融資產。經初步計算後，該等貸款及應收款項其後採用實際利率法，按攤銷成本減任何減值撥備計量。攤銷成本乃經考慮收購的任何折價或溢價以及屬實際利率組成部分的費用或成本後計算。實際利率攤銷金額列入綜合利潤表的利息收入中。減值產生的虧損在綜合利潤表就貸款確認為融資成本及就應收款項確認為其他費用。

Notes to Financial Statements 財務報表附註

2.4 Summary of Significant Accounting Policies

(continued)

Investments and other financial assets (continued)**Available-for-sale investments**

Available-for-sale investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain and loss is recognised in the consolidated income statement in other income and gains, or until the investment is determined to be impaired when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the consolidated income statement in other expenses. Interest and dividends earned while holding the available-for-sale investments are reported as interest income and dividend income, respectively and are recognised in the consolidated income statement as "Other income and gains" in accordance with the policies set out for "Revenue recognition" below.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

2.4 重大會計政策概要(續)

投資及其他金融資產(續)**可供出售投資**

可供出售投資為上市及非上市權益性投資及債務證券的非衍生金融資產。歸類為可供出售的股本投資為既未被歸類為持有作交易的股本投資亦未指定為以公允值計量且其變動計入損益的股本投資。屬於此類的債務證券指有意無限期持有及可能因應流動資金需要或因應市況變動而出售的投資。

於初步確認後，可供出售投資隨後按公允值計量，而未變現收益或虧損乃於可供出售的投資重估儲備中確認為其他全面收益，直至投資被終止確認，屆時，累計收益及虧損計入綜合利潤表的其他收入及收益，或直至投資被釐定出現減值時，屆時累計收益或虧損從可供出售投資重估儲備重新歸類為綜合利潤表內的其他費用。所賺取並同時持有可供出售投資的利息及股息分別呈報為利息收入及股息收入，並根據下文所載「收入確認」的政策在綜合利潤表內確認為「其他收入及收益」。

當非上市權益性證券的公允值，由於(a)該投資於合理公允值估計數目範圍的變動很重大，或(b)於範圍內不同估計數目的概率不能合理地評估並用於估計公允值時，該等證券將按成本減任何減值損失列賬。

2.4 Summary of Significant Accounting Policies

(continued)

Investments and other financial assets (continued)**Available-for-sale investments (continued)**

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intent to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and the Group has the intent and ability to hold these assets for the foreseeable future or to maturity. Reclassification to the held-to-maturity category is permitted only when the Group has the ability and intent to hold until the maturity date of the financial asset.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to the consolidated income statement over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the consolidated income statement.

2.4 重大會計政策概要(續)**投資及其他金融資產(續)****可供出售投資(續)**

本集團評估其可供出售的金融資產於短期內出售的能力及意向是否仍適用。在罕見情況下，倘本集團無法交易金融資產，乃由於在可預見的將來市場不活躍及管理層的意向有重大變化，本集團可以選擇重新歸類金融資產。當金融資產符合貸款和應收款項的定義，而本集團有意向及能力在可預見的將來持有該等資產或持有該等資產直至到期日，才允許重新歸類金融資產至貸款和應收款項。只有當本集團有能力及意向持有金融資產直至到期日，才被允許重新歸類為持有至到期日類別。

金融資產被重新歸類為不屬於可供出售的類別，於重新歸類日期的公允值賬面值成為其新攤銷成本，而已於權益確認的資產的任何過往收益或虧損，在投資餘下的年期內使用實際利率攤銷至綜合利潤表。任何新攤銷成本與到期款項之間的差額也在資產餘下的年期內使用實際利率攤銷。如果資產隨後被認定為減值，則列入權益的金額被重新歸類入綜合利潤表。

Notes to Financial Statements 財務報表附註

2.4 Summary of Significant Accounting Policies

(continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement, and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4 重大會計政策概要 (續)

終止確認金融資產

金融資產(或, 倘適用, 一項金融資產的一部分或一組類似金融資產的一部分)在下列情況下將終止確認:

- 收取該項資產所得現金流量的權利經已屆滿; 或
- 本集團已轉讓其收取該項資產所得現金流量的權利, 或根據「轉手」安排承擔在無重大延誤下向第三方全數支付已收取現金流量的責任; 及(a)本集團已轉讓資產絕大部分風險及回報, 或(b)本集團並無轉讓或保留資產的絕大部分風險及回報, 但已轉讓資產的控制權。

倘本集團已轉讓從資產收取現金流量的權利或已訂立轉手安排, 則將評估其是否已保留資產所有權的風險及回報並其程度。倘並無轉讓或保留資產絕大部分風險及回報, 亦無轉讓資產的控制權, 則按本集團持續參與資產的程度確認資產。在此情況下, 本集團將確認相應的負債。已轉移資產及相關負債以本集團保留的權利與義務為基礎進行計量。

通過對已轉讓資產作出擔保的形式持續參與的計量, 按資產原賬面值與本集團或須償還的最高代價兩者較低者計算。

2.4 Summary of Significant Accounting Policies 2.4 重大會計政策概要(續)

(continued)

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

金融資產減值

本集團會於各報告期末評估是否有任何客觀證據顯示某項金融資產或一組金融資產出現減值。當及僅當有客觀證據顯示由於其初始確認後發生一宗或多宗事件(發生的「損失事件」)致使某項金融資產或一組金融資產的預計未來現金流量受影響，且該影響金額可以可靠估計而發生減值，則有關資產被視為已發生減值。發生減值的證據可包括債務人或一組債務人出現重大財政困難，違約或拖欠利息或本金支付，有面臨破產或進行其他財務重組的可能以及有公開資料表明其估計未來現金流量確已減少且可計量，如欠款數目變動或出現與違約相關的經濟狀況。

按攤銷成本列賬的金融資產

對於按攤銷成本列賬的金融資產，本集團首先單獨評估單項金額重大的金融資產是否存在減值客觀證據，或對單項金額不重大的金融資產按組合評估是否存在減值客觀證據。對本集團釐定為不存在減值客觀證據的單獨評估金融資產，無論其金額是否重大，其應當包括在具有類似信用風險特性的金融資產組合內並按組合進行減值測試。已單獨進行減值測試及已確認減值損失或繼續確認減值損失的資產，不應包括在組合中進行減值測試。

倘有客觀證據顯示已發生減值損失，虧損金額按該資產的賬面值與估計未來現金流量的現值兩者的差額計量(不包括尚未發生的未來信貸虧損)。估計未來現金流量的現值按該金融資產的原實際利率(即初始確認時使用的實際利率)折現。對於浮動利率貸款，在計算任何減值損失時可採用現行實際利率作為折現率。

Notes to Financial Statements 財務報表附註

2.4 Summary of Significant Accounting Policies

(continued)

Impairment of financial assets (continued)**Financial assets carried at amortised cost (continued)**

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the consolidated income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of the event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in the consolidated income statement.

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured; the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Available-for-sale investments

For available-for-sale investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the consolidated income statement, is removed from other comprehensive income and recognised in the consolidated income statement.

2.4 重大會計政策概要(續)

金融資產減值(續)**按攤銷成本列賬的金融資產(續)**

該資產的賬面值可通過使用備抵賬目方式來抵減，虧損則於綜合利潤表確認。利息收入就削減賬面值持續累算，並按計量減值損失時對未來現金流進行折現時使用的利率累算。當並無可變現的未來減值恢復跡象並且所有抵押品已變現或已轉讓至本集團時，貸款及應收款項連同任何相關備抵可予撇銷。

倘在後續期間，在減值確認後發生致使估計減值損失的金額增加或減少的事件，則會調整備抵賬目以增加或減少先前確認的減值損失。倘其後收回撇銷，則收回金額記入綜合利潤表的其他費用。

按成本列賬的資產

倘有客觀證據表明一項無報價權益工具已產生減值損失，而該項工具由於公允值無法可靠計量而並無按公允值列賬，則損失的金額乃按該資產的賬面值與將該資產的預計未來現金流量按當前市場上相似金融資產的回報率折現的現值兩者的差額計算。該等資產的減值損失不得撥回。

可供出售投資

對於可供出售的投資，本集團於各報告期末評估是否存在客觀證據顯示一項或一組投資出現減值。

倘可供出售金融資產出現減值，則成本(已扣減任何本金及攤銷)與當時公允值的差額，於扣減任何過往在綜合利潤表確認的減值損失後，自其他全面收益轉撥至綜合利潤表確認。

2.4 Summary of Significant Accounting Policies

(continued)

Impairment of financial assets (continued)**Available-for-sale investments (continued)**

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. The determination of what is "significant" or "prolonged" requires judgement. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the consolidated income statement – is removed from other comprehensive income and recognised in the consolidated income statement. Impairment losses on equity instruments classified as available for sale are not reversed through the consolidated income statement. Increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available for sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the consolidated income statement. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. Impairment losses on debt instruments are reversed through the consolidated income statement if the increase in fair value of the instruments can be objectively related to an event occurring after the impairment loss was recognised in the consolidated income statement.

2.4 重大會計政策概要(續)**金融資產減值(續)****可供出售投資(續)**

倘被分類為可供出售的股本投資，客觀證據可包括該投資的公允值大幅或長期低於其成本。界定「大幅」或「長期」需要作出判斷。「大幅」乃與該投資的原始成本對照評估，而「長期」乃經價其公允值低於原始成本的時間。倘有證據顯示出現減值，則累計損失(按照收購成本與當前公允值的差異並扣除該投資之前已在綜合利潤表確認的任何減值損失所計算)自其他全面收益轉出至綜合利潤表確認。分類為可供出售的權益工具減值損失不會通過綜合利潤表撥回。已計減值後公允值的增加直接計入其他全面收益。

倘被分類為可供出售的債務證券，則會按與按攤銷成本列賬的金融資產相同的標準進行減值評估，惟減值金額為按攤銷成本與當前公允值的差異計量的累計損失(減過往就該項投資於綜合利潤表確認的減值損失)。日後利息收入會就該項資產的削減賬面值持續累算，並按計量減值損失時對未來現金流量進行折現時使用的利率累算。利息收入作為融資收入的一部分列賬。若債務工具的公允值增加可客觀地連繫至於減值損失在綜合利潤表確認後發生的事件，債務工具的減值損失可透過綜合利潤表撥回。

Notes to Financial Statements 財務報表附註

2.4 Summary of Significant Accounting Policies

(continued)

Financial liabilities**Initial recognition and measurement**

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings or as derivatives designated as hedging instruments in an effective hedge as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables, financial guarantee contracts, interest-bearing bank loans, other loans, and other financial liabilities.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the consolidated income statement. The net fair value gain or loss recognised in the consolidated income statement does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

2.4 重大會計政策概要(續)**金融負債****初始確認和計量**

國際會計準則第39號範圍內的金融負債分類為以公允值計量且其變動計入損益的金融負債、貸款及借款，或指定為有效對沖的對沖工具的衍生工具(如適用)。本集團在初始確認時釐定其金融負債的分類。

所有金融負債按公允值確認，而貸款和借款則須在此基礎上扣除直接應佔交易成本。

本集團的金融負債包括應付賬款及應付票據、其他應付款項、財務擔保合約、計息銀行貸款、其他貸款及其他金融負債。

後續計量

金融負債的後續計量取決於其分類如下：

以公允值計量且其變動計入損益的金融負債

以公允值計量且其變動計入損益的金融負債包括持作買賣的金融負債及於首次確認時指定為以公允值計量且其變動計入損益的金融負債。

倘收購金融負債的目的是為在短期內出售，則該等負債分類為持作買賣。該分類包括本集團訂立但在對沖關係(定義見國際會計準則第39號)中並無指定為對沖工具的衍生金融工具。個別嵌入式衍生工具亦分類為持作買賣，惟彼等被指定為有效對沖工具除外。持作買賣的負債的收益或虧損乃於綜合利潤表中確認。於綜合利潤表中確認的公允值淨額收益或虧損不包括有關該等金融負債的任何利息。

於首次確認時指定為以公允值計量且其變動計入損益的金融負債於首次確認日期及僅於符合國際會計準則第39號的準則時予以指定。

2.4 Summary of Significant Accounting Policies

(continued)

Financial liabilities (continued)

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the consolidated income statement when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the consolidated income statement.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference between the respective carrying amounts is recognised in the consolidated income statement.

2.4 重大會計政策概要(續)

金融負債(續)

貸款和借款

於初始確認後，計息貸款和借款其後採用實際利率法以攤銷成本計量，除非折現影響非屬重大，在此情況下，則按成本列賬。當負債終止確認並透過以實際利率法攤銷時，收益及虧損於綜合利潤表確認。

攤銷成本乃經考慮收購的任何折價或溢價以及屬實際利率組成部分的費用或成本後計算。實際利率攤銷金額列入綜合利潤表的融資成本中。

財務擔保合約

本集團發行的財務擔保合約乃因特定債務人不能支付到期款項(與債務工具所述條款一致)而應向持有人支付款項以彌補其由此招致的損失的合約。財務擔保合約首次按公允值並對發行擔保的直接應佔交易成本進行調整後確認為負債。於首次確認後，本集團按下列兩者的較高者計量財務擔保合約：(i)於報告期末履行現時責任的最佳估計開支金額；及(ii)首次確認金額減累計攤銷金額(如適用)。

終止確認金融負債

當負債項下的責任解除、註銷或屆滿，即終止確認金融負債。

倘現有的金融負債被另一項從同一貸款人按相當不同的條款訂定的金融負債取代，或現有負債的條款有相當修改，該項交換或修改乃被視作終止確認原負債並確認新負債，而各賬面值的差額乃於綜合利潤表中確認。

Notes to Financial Statements 財務報表附註

2.4 Summary of Significant Accounting Policies

(continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair value of financial instruments that are traded in active financial markets is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments where there is no active market, fair value is determined using appropriate valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis; and option pricing model.

Derivative financial instruments**Initial recognition and subsequent measurement**

The Group uses derivative financial instruments to hedge certain business risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The fair value of commodity purchase contracts that meet the definition of a derivative under IAS 39 are recognised in the consolidated income statement as cost of sales. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the consolidated income statement, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

2.4 重大會計政策概要(續)**金融工具的抵銷**

倘且僅倘目前有強制執行的法律權力要求抵銷已確認的金額且有按照淨額結清，或同時變現資產和結清負債的意圖，金融資產和金融負債可抵銷並按淨值列報於財務狀況表中。

金融工具的公允值

在活躍金融市場交易的金融工具的公允值乃參考市場報價或交易商報價(多頭的買價及空頭的賣價)而釐定，不扣除任何交易成本。沒有活躍市場的金融工具，公允值的釐定使用適當估值技術。該等技術包括採用近期公平市場交易、參考大致上相同的另一工具的當前市場價值、折現現金流量分析及期權定價模型。

衍生金融工具**初始確認及其後計量**

本集團利用衍生金融工具對沖特定商業風險。該等衍生金融工具乃按訂立衍生工具合約當日的公允值初步確認，其後按公允值重新計量。當公允值為正數時，該等衍生工具入賬列為金融資產，當公允值為負數時，則列為金融負債。

符合國際會計準則第39號項下衍生工具定義的商品購買合約的公允值乃於綜合利潤表中確認為銷售成本。按本集團預計買賣或使用要求就收款或交付非金融項目之目的而訂立及持續持有的商品合約以成本持有。

衍生工具公允值變動所產生的任何收益或虧損，直接列入綜合利潤表內，惟現金流量對沖的有效部分則在其他全面收益內確認。

Notes to Financial Statements 財務報表附註

2.4 Summary of Significant Accounting Policies

(continued)

Derivative financial instruments (continued)**Current versus non-current classification**

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows):

- Where the Group expects to hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the reporting date, the derivative is classified as non-current (or separated into current and non-current portions) consistent with the classification of the underlying item.
- Embedded derivatives that are not closely related to the host contract are classified consistent with the cash flows of the host contract.
- Derivative instruments that are designated as and are effective hedging instruments, are classified consistently with the classification of the underlying hedged item. The derivative instruments are separated into a current portions and non-current portions only if a reliable allocation can be made.

Biological assets**Dairy cows**

Dairy cows, including milkable cows, heifers and calves, are measured on initial recognition and at the end of the reporting period at their fair value less costs to sell, with any resultant gain or loss recognised in the consolidated income statement for the year in which it arises. Costs to sell are the incremental costs directly attributable to the disposal of an asset, mainly transportation cost and excluding finance costs and income taxes. The fair value of dairy cows is determined based on its present location and condition and is determined independently by a professional valuer.

The feeding costs and other related costs including the depreciation charge, utilities cost and consumables incurred for the raising of heifers and calves are capitalised, until such time as the heifers and calves begin to produce milk.

2.4 重大會計政策概要(續)**衍生金融工具(續)****流動與非流動分類**

並無指定為有效對沖工具的衍生工具乃根據對事實及情況的評估(即相關合約現金流量)分類為流動或非流動,或單獨列為流動及非流動部分:

當本集團預期持有衍生工具作為經濟對沖(而並無應用對沖會計處理方法)至超過報告日期後十二個月期間,該衍生工具乃與相關項目的分類一致分類為非流動(或拆分為流動及非流動部分)。

與主合約並非密切聯繫的嵌入式衍生工具乃與主合約的現金流量一致分類。

- 指定為及為有效對沖工具的衍生工具乃與相關對沖項目的分類一致分類。衍生工具僅於可作出可靠分配時拆分為流動部分及非流動部分。

生物資產**乳牛**

乳牛(包括奶牛、小母牛及小牛)於初步確認時及報告期末按公允值減銷售成本計量,所得收益或虧損於產生年度在綜合利潤表內確認。銷售成本為出售資產直接應佔的增量成本(主要為運輸成本,融資成本及所得稅除外)。乳牛的公平值由專業估值師按其目前所處位置及狀況獨立釐定。

飼養成本及其他相關成本(包括飼養小母牛及小牛所產生的折舊開支、水電成本及消耗品)乃撥充資本,直至小母牛及小牛開始產奶為止。

Notes to Financial Statements 財務報表附註

2.4 Summary of Significant Accounting Policies

(continued)

Agricultural produce**Milk**

Agricultural produce represents milk. Milk is recognised at the point of harvest at its fair value less costs to sell. The fair value of milk is determined based on market prices in the local area.

Inventories

Inventories are stated at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials — cost on a weighted average basis;
- Finished goods — cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs on a weighted average basis.

Net realisable value is the estimated selling price less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

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

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

2.4 重大會計政策概要(續)

農產品**牛奶**

農產品指牛奶。牛奶於出產時按公允價值減銷售成本確認。牛奶的公允價值按當地市價釐定。

存貨

存貨以其成本值與可變現淨值兩者中的較低數額列賬。

將各產品運至現址和達致現狀產生的成本的會計處理方法如下：

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

可變現淨值按估計售價減去完工及銷售所需的任何估計成本釐定。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款以及可隨時轉換為已知數額現金、價值變動風險極微及一般自購入後三個月或三個月內到期的短期高流動性投資，扣減須應要求償還及構成本集團現金管理不可分割部分的銀行透支。

就財務狀況表而言，現金及現金等價物包括用途不受限制的手頭現金及銀行存款(包括定期存款)及與現金性質相似的資產。

2.4 Summary of Significant Accounting Policies 2.4 重大會計政策概要(續)

(continued)

Provisions

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

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

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

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into considerations interpretations and practices prevailing in the countries in which the Group operates.

Deferred income tax

Deferred tax is provided, using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

撥備

本集團若因過往事項而現時有法定或推定債務，而且可能需要有涉及經濟利益的資源外流以償付這些債務，並能對債務數額作出可靠估計，便確認撥備。

如折現的影響重大，則確認的撥備額為預期需用作償還債務的未來支出於報告期末的現值。因時間流逝而增加的折現現值，列作融資成本計入綜合利潤表。

於業務合併中確認的或然負債按其公允值初步計量。其後以(i)根據上述計提準備的一般原則確認的金額；及(ii)初始確認金額扣減按照收入確認原則確認的累計攤銷金額(如適用)中較高者計量。

所得稅

所得稅包括即期及遞延稅項。損益賬外確認的相關所得稅項目，計入損益賬外的其他全面收益或直接計入權益。

即期所得稅

當期或前期的即期稅項資產及負債乃根據於報告期末已頒佈或實質上已頒佈的稅率(及稅法)按預期可收回的數額或支付予稅務機關數額計算，並考慮本集團經營所在國家的現行詮釋及慣例。

遞延所得稅

於報告期末的資產及負債的稅基與其就財務報告而言的賬面值之間的暫時性差異，須按債務法計提遞延稅項撥備。

Notes to Financial Statements 財務報表附註

2.4 Summary of Significant Accounting Policies

(continued)

Income tax (continued)**Deferred income tax (continued)**

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and a joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

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

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

2.4 重大會計政策概要(續)

所得稅(續)**遞延所得稅(續)**

所有應課稅暫時性差異均會確認遞延稅項負債，惟下列各項除外：

- 倘若遞延稅項負債的起因，是產生於商譽或非業務合併交易中資產或負債的初始確認，而且在交易時，對會計利潤或應課稅利潤或虧損均無影響；及
- 對於涉及子公司、聯營公司及合營企業的投資的應課稅暫時性差異，倘若撥回暫時性差異的時間可以控制，且該暫時性差異在可預見的將來很可能不會撥回。

對於所有可扣減暫時性差異及結轉的未用稅項抵免及未用稅項虧損，若日後有可能出現應課稅利潤，可用以抵扣該等可扣減暫時性差異、結轉的未用稅項抵免及未用稅項虧損的，則遞延稅項資產一律確認入賬，惟下列各項除外：

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

遞延稅項資產的賬面值，在報告期末予以審閱。若不再可能有足夠應課稅利潤用以抵扣遞延稅項資產的全部或部分金額，則扣減遞延稅項資產賬面值。並無確認的遞延稅項資產，在報告期末重新評估，若日後可能有應課稅利潤將可收回遞延稅項資產，則予確認。

2.4 Summary of Significant Accounting Policies

(continued)

Income tax (continued)**Deferred income tax (continued)**

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current income tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Government grants**Grants relating to biological assets**

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

Other grants

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

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

2.4 重大會計政策概要(續)

所得稅(續)**遞延所得稅(續)**

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

若存在法律上可強制執行的權利，藉以用即期所得稅資產抵銷即期所得稅負債，而遞延稅項與同一應課稅實體及同一稅務當局相關，則遞延稅項資產及遞延稅項負債相互抵銷。

政府補助金**與生物資產有關的補助金**

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

其他補助金

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

若補助金與資產有關，即將其公允值計入遞延收益賬戶，並於有關資產的預計可使用年期內，以等額年金調撥往綜合利潤表或從資產賬面值中扣減並以經扣減折舊開支調撥往綜合利潤表。

Notes to Financial Statements 財務報表附註

2.4 Summary of Significant Accounting Policies

(continued)

Government grants (continued)**Other grants (continued)**

Where the Group receives a non-monetary grant, the asset and the grant are recorded at the fair value of the non-monetary asset and released to the consolidated income statement over the expected useful life of the relevant asset by equal annual instalments.

Where the Group receives government loans granted with no or at a below-market rate of interest for the construction of a qualifying asset, the initial carrying amount of the government loans is determined using the effective interest rate method, as further explained in the accounting policy for "Financial liabilities" above. The benefit of the government loans granted with no or at a below-market rate of interest, which is the difference between the initial carrying value of the loans and the proceeds received, is treated as a government grant and released to the consolidated income statement over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

Rental income

Revenue is recognised on a time proportion basis over the lease terms.

Interest income

Revenue is recognised as interest accrues using the effective interest method by applying the rate that exactly discounts estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividends

Revenue is recognised when the shareholders' right to receive the payment has been established.

2.4 重大會計政策概要(續)

政府補助金(續)

其他補助金(續)

當本集團收取非貨幣補助金，資產及補助金按非貨幣資產的公允值入賬，並於有關資產的預計可使用年期內，以等額年金調撥往綜合利潤表。

當本集團因興建合資格資產而收取無息或低於市場利率的政府貸款，則政府貸款的初步賬面值採用實際利率法釐定(上文有關「金融負債」的會計政策中有進一步解釋)。所授出無息或低於市場利率的政府貸款的利益(即貸款的初步賬面值與所收取款項的差額)視為政府補助金並於有關資產的預計可使用年期內，以等額年金調撥往綜合利潤表。

收入確認

收入是在經濟利益很可能流入本集團以及能夠可靠地計量時按下列準則確認入賬：

貨品銷售

當貨品所有權附帶的重大風險及回報轉給買家，且本集團不再對所售貨品具有通常與所有權有關的管理權，亦無實際控制權時即確認收入。

租金收入

收入乃按租期的時間比例確認。

利息收入

在利息產生時確認利息收入，採用實際利率法計算，該比率為將金融工具估計未來收回現金按金融工具的估計年期或更短期間(如適用)折現至金融資產賬面淨值的折現率。

股息

當股東收取款項的權利得以確立時確認收入。

2.4 Summary of Significant Accounting Policies

(continued)

Employee benefits

Retirement benefits

The Group's subsidiaries operating in the People's Republic of China except for Hong Kong ("Mainland China") participate in a central defined contribution retirement benefit plan managed by the local municipal government in the locations in which they operate. Contributions are made based on a percentage of the companies' payroll costs and are charged to the consolidated income statement as they become payable in accordance with the rules of the central defined contribution retirement benefit plan.

The Company also participates in the defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") in Hong Kong under the Mandatory Provident Fund Schemes Ordinance for its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 45 to the financial statements.

2.4 重大會計政策概要(續)

僱員福利

退休福利

本集團在中華人民共和國(香港除外)(「中國大陸」)營運的子公司，參與其營業所在地的地方政府管理的中央界定供款退休福利計劃，有關供款乃根據公司薪金費用的某百分比計算，並根據中央界定供款退休福利計劃的規則，應付時在綜合利潤表內支銷。

本公司亦根據《強制性公積金計劃條例》就其僱員參與香港一項界定供款強制性公積金退休福利計劃(「強積金計劃」)。供款乃根據僱員基本薪金的某個百分比計算，並根據強積金計劃的規則，應付時在綜合利潤表內支銷。強積金計劃的資產乃以獨立於本集團的一項獨立管理的基金持有。當本集團就強積金計劃作出僱主供款時，供款全數歸屬僱員。

以股份為基礎的支付

本公司採納一項購股權計劃，藉此對本集團業務有貢獻的合資格參與者作出鼓勵及獎賞。本集團僱員(包括董事)會收取以股份為基礎的支付形式的酬金，而僱員會提供服務作為換取股本工具的代價(「股權結算交易」)。

與僱員進行的股權結算交易乃參考授出權利當日的公允值計算成本。公允值乃由外聘估值師按二項式計價模式釐定(詳情見財務報表附註45)。

Notes to Financial Statements 財務報表附註

2.4 Summary of Significant Accounting Policies

(continued)

Employee benefits (continued)**Share-based payments** (continued)

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the consolidated income statement for the period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognised is the expense if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payments or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2.4 重大會計政策概要(續)

僱員福利(續)**以股份為基礎的支付(續)**

股權結算交易的成本連同權益的相應增加會於業績及服務條件達到的期間內確認。歸屬日之前的各報告期末就股權結算交易確認的累計支出反映歸屬期屆滿的部分以及本集團對最終將歸屬的股本工具數目的最佳估計。期間內於綜合利潤表扣除或計入的數額指於該期間初及終已確認累計支出的變動。

最終未完成歸屬的報酬不會確認支出，除非歸屬的股權結算交易附帶市況或非歸屬條件，則該情況下不論是否達到該市況或非歸屬條件均會視作歸屬處理，惟其他所有業績及／或服務條件必須達成。

當股權結算報酬條款修訂時，倘報酬的原條款達到，需按條款並無進行修訂的情形確認最少的支出。此外，倘任何修訂導致於修訂日期所計量的以股份為基礎的支付的總公允價值增加或以其他方式令僱員受惠，則所產生的任何額外支出予以確認。

當股權結算報酬註銷時，視作報酬於註銷當日已經歸屬，而報酬尚未確認的任何支出會即時確認。此包括本集團或僱員並未達致其可控制的非歸屬條件的任何報酬。然而，倘註銷的報酬有任何替代的新報酬，並指定為授出當日的替代報酬，則該項註銷及新報酬會如上段所述被視為對原有報酬的修訂處理。

尚未行使購股權的攤薄影響應通過計算每股盈利時的額外股份攤薄反映。

2.4 Summary of Significant Accounting Policies

(continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to prepare for their intended use, are capitalised as a part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised.

All other borrowing costs are recognised as expenses in the consolidated income statement in the period in which they are incurred.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained earnings within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. When these dividends are approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

2.4 重大會計政策概要(續)**借貸費用**

若借貸費用直接屬於購買、興建或生產合資格資產(即需要相當長時間才可擬定用途的資產),即撥充資本作為該等資產成本的一部分,而當相關資產大致達到擬定用途時,即不再把該等借貸費用撥充資本。用以支付合資格資產的特定借款的臨時投資所賺取的投資收益從撥充資本的借貸費用中扣除。

所有其他借貸費用皆於產生期間在綜合利潤表支銷。

借貸費用包括利息及實體因資金借貸而產生的其他成本。

股息

董事擬派付的期末股息,未經股東在股東大會上批准以前,須作為保留利潤的單獨分配歸入綜合財務狀況表中權益項內。該等股息一經股東批准及宣派,即確認為負債。

由於本公司的組織章程大綱及細則授權董事宣派中期股息,故中期股息同時建議及宣派。因此,中期股息在建議及宣派時直接確認為負債。

Notes to Financial Statements 財務報表附註

2.4 Summary of Significant Accounting Policies

(continued)

Foreign currencies

Each entity in the Group determines its own functional currency based on the assessment of its specific facts and circumstances. The Company, established in the Cayman Islands, uses the Hong Kong dollar as its functional currency and the subsidiaries, established in the PRC, use the Renminbi ("RMB") as their functional currency. As the Group mainly operates in Mainland China, RMB is used as the presentation currency of the Group. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the consolidated income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or the consolidated income statement is also recognised in other comprehensive income or the consolidated income statement, respectively).

As at the reporting date, the assets and liabilities of companies whose functional currency differs from the presentation currency are translated into the presentation currency of the Group at the rates of exchange prevailing at the end of the reporting period and their income statements are translated at the weighted average exchange rates for the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated in a separate component of equity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the consolidated income statement.

2.4 重大會計政策概要(續)**外幣**

本集團各實體按其特定事實及情況釐定其功能貨幣。本公司於開曼群島成立，功能貨幣為港元，各子公司則於中國成立，功能貨幣為人民幣（「人民幣」）。由於本集團主要於中國大陸營業，故使用人民幣作為本集團的呈列貨幣。由本集團實體記錄的外幣交易最初以交易當日各通行功能貨幣匯率記錄入賬。以外幣列值的貨幣性資產及負債，則按報告期末的適用功能貨幣匯率換算。結算或換算貨幣項目產生的差額於綜合利潤表確認。

以外幣列值及按歷史成本計量的非貨幣項目，乃按最初進行交易當日的匯率換算。以外幣列值及按公允值計量的非貨幣項目，須按釐定公允值當日的匯率換算。換算按公允值計量的非貨幣項目而產生的收益或虧損，按確認該項目的公允值變動的收益或虧損一致的方法處理（即其他全面收益或綜合利潤表已確認的項目的公允值收益或虧損，其換算差額亦分別於其他全面收益或綜合利潤表確認）。

於報告日期，倘公司的功能貨幣與呈列貨幣不同，其資產及負債乃按報告期末通行的匯率換算為本集團的呈列貨幣，而利潤表則按該報告期間的加權平均匯率換算。因此產生的匯兌差額乃於其他全面收益內確認並於權益的一個獨立組成部分內累計。於處置外國業務時，與該特定外國業務有關的其他全面收益的組成部分於綜合利潤表內確認。

Notes to Financial Statements 財務報表附註

2.4 Summary of Significant Accounting Policies

(continued)

Foreign currencies (continued)

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

2.5 Significant Accounting Judgements and Estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Withholding tax arising from the distribution of dividends

The Group's determination as to whether to accrue for withholding taxes arising from the distributions of dividends from certain subsidiaries according to the relevant tax jurisdictions is subject to judgement on the timing of the payment of the dividends or on whether certain companies of the Group is determined to be a Chinese resident enterprise by the PRC governing tax authorities in the future. Management considered that it is not probable that the Group's PRC subsidiaries will distribute profits earned on or after 1 January 2008 till the end of 2012 in the foreseeable future, and accordingly no additional provision for withholding tax was made in 2012. Where the final outcome of these matters is different from the amounts originally rewarded, the difference will impact the deferred tax provision in the period in which the differences realise.

2.4 重大會計政策概要(續)**外幣(續)**

就綜合現金流量表而言，海外子公司的現金流量按產生現金流量當日的適用匯率換算為人民幣。海外子公司全年經常產生的現金流量則按當年的加權平均匯率換算為人民幣。

2.5 重大會計判斷及估計

管理層於編製本集團的財務報表時，須對收入、開支、資產及負債及其隨附披露事項，以及或然負債的披露作出判斷、估計及假設。由於該等假設及估計具有不確定性，可能導致資產或負債的賬面值須於未來作出重大調整。

判斷

於應用本集團的會計政策的過程中，管理層已作出以下判斷，乃對綜合財務報表內已確認金額構成最重大影響：

分派股息產生的預扣稅

本集團根據相關稅務機關的規定計提從若干子公司分配股息所產生的預扣稅，是否計提取決於股息支付的時間或本集團的某些公司在未來期間是否被中國政府稅務當局認定為中國居民企業納稅人。管理層認為在可預見的未來，本集團的中國子公司不可能分派於二零零八年一月一日或之後直至二零一二年結束為止所賺取的利潤，因此對於二零一二年沒有計提額外的預扣稅。當該事件的最終結果與當初預計的不一樣時，差異所產生的遞延稅項將在差異變現的當期計提。

Notes to Financial Statements 財務報表附註

2.5 Significant Accounting Judgements and Estimates (continued)**Judgements** (continued)**Operating lease commitments – group as lessor**

The Group has entered into commercial leases on certain of its ranch facilities comprising of plant and machinery included in the property, plant and equipment account. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Operating lease commitments – group as lessee

The Group has entered into commercial leases on certain machinery. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it does not bear all the significant risks and rewards of ownership of these machinery and accounts for the contracts as operating leases.

Classification between investment properties and own-occupied properties

The Group determines whether a property qualified as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

2.5 重大會計判斷及估計(續)**判斷(續)**

經營租賃承擔 – 本集團作為出租人
本集團已就其若干牧場設備(包括計入物業、廠房及設備的廠房及機器)訂立商業租約。本集團根據對該等安排的條款及條件進行評估,已決定保留此等按經營租賃租出的物業所有權的所有重大風險及回報。

經營租賃承擔 – 本集團作為承租人

本集團已就若干機器訂立商業租約。本集團根據對該等安排的條款及條件進行評估,已決定不會承擔此等機器所有權的所有重大風險及回報,並將合約歸類為經營租賃。

投資物業與自置物業的分類

本集團決定物業是否符合投資物業的資格,並已制訂出作此判斷的準則。投資物業是為賺取租金或資本增值或同時為此兩項目的而持有的物業。因此,本集團會考慮一項物業產生現金流量時是否基本上與本集團持有的其他資產無關。若干物業包括就賺取租金或資本增值而持有的部分及持作生產或供應貨品或服務或作行政用途的另一部分。倘此等部分可獨立出售或根據融資租約獨立出租,本集團會將該等部分個別列賬。倘該等部分無法獨立出售,則僅於非重大部分乃持作生產或供應貨品或服務或作行政用途的情況下,該項物業方分類為投資物業。本集團按個別物業基準作出判斷,以釐定輔助服務是否極為重大,以致物業不合資格列為投資物業。

2.5 Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Details of goodwill are given in note 17 to the financial statements.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

2.5 重大會計判斷及估計(續)

估計的不確定性

對未來事項的主要假設及於報告期末估計的不確定性的其他主要來源(存有重大風險可能導致資產及負債賬面值須於下一財政年度內作出重大調整者)於下文論述。

商譽減值

本集團每年最少一次釐定商譽是否減值。釐定商譽是否減值須對獲分派商譽的現金產生單位的使用價值作出估計。估計使用價值時，本集團須估計預期來自現金產生單位之日後現金流量，並挑選合適的折現率以計算該等現金流量的現值。商譽詳情請參閱財務報表附註17。

非金融資產(商譽除外)減值

於每個報告期末，本集團評估所有非金融資產是否存在任何減值跡象。無特定年限的無形資產按年及於該等跡象出現時測試減值。倘跡象顯示其他非金融資產的賬面值可能無法收回時，將對該等資產進行減值測試。減值存在於當某一資產或某一現金產生單位的賬面值超過其可回收金額時，即其公允值減其銷售成本與其使用價值的較高者。公允值減銷售成本的計算基於在相似資產公平交易中，可獲得的具約束性銷售交易信息或可觀察市場價格減處置該資產的增量成本。計算使用價值時，管理層須估計來自資產或現金產生單位的預期未來現金流量，並選擇合適的折現率，以計算現金流量的現值。

Notes to Financial Statements 財務報表附註

2.5 Significant Accounting Judgements and Estimates (continued)**Estimation uncertainty (continued)****Deferred tax assets**

Deferred tax assets are recognised for all deductible temporary differences and all unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, which affects the probability of utilisation and the tax rate to be used in the calculations. Details of deferred tax assets are contained in note 23 to the financial statements.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of available-for-sale investments

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration or extent to which the fair value of an investment is less than its cost.

2.5 重大會計判斷及估計(續)**估計的不確定性(續)****遞延稅項資產**

遞延稅項資產就所有可扣減暫時性差異及所有未用稅項虧損加以確認，惟僅限於日後有可能出現應課稅利潤，可用以抵扣該等可扣減暫時性差異及未用稅項虧損的情況。在釐定可予確認的遞延稅項資產金額時，須就會影響可用作扣減的可能性及用於計算的稅率的日後應稅利潤的大致時間及水平，作出重要的管理層判斷。遞延稅項資產的詳情請參閱財務報表附註23。

金融工具的公允值

當於綜合財務狀況表內入賬的金融資產及金融負債的公允值不能由交投活躍市場取得時，則使用估值法(包括折現現金流量模式)釐定其公允值。該等模式的輸入數據在可能情況下從可觀察市場取得，惟在不可行情況下，則須作一定程度的判斷以釐定公允值。判斷包括考慮如流動資金風險、信貸風險及波動性等輸入數據。有關該等因素假設的變動可能對金融工具的已呈報公允值造成影響。

可供出售投資減值

至於可供出售金融投資，本集團於每個報告期末評估有否客觀證據顯示一項投資或一組投資項目出現減值。倘被列為可供出售股本投資，客觀證據應包括一項投資的公允值大幅或持續低於其成本。在釐定何謂「大幅」或「持續」時須作出判斷。在作出這判斷時，本集團評估(其中包括)歷史股價變動及投資的公允值低於其成本的期間或程度。

2.5 Significant Accounting Judgements and Estimates (continued)

Estimation uncertainty (continued)

Impairment of trade and other receivables

The Group determines the provision for impairment of trade and other receivables based on an assessment of the recoverability of the receivables. This assessment is based on the credit history of its customers and other debtors and the current market condition. Management reassesses the provisions at the end of each reporting period.

Fair value of contingent considerations

Contingent considerations, resulting from business combinations, are valued at fair value at the acquisition date as part of the business combinations. Where the contingent consideration meets the definition of a derivative and thus a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factors.

Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them. The assumptions and models used are disclosed in note 45 to the financial statements.

2.5 重大會計判斷及估計(續)

估計的不確定性(續)

應收賬款及其他應收款項減值

本集團按應收款項可收回程度的評估就應收賬款及其他應收款項釐定減值撥備。該等評估乃基於客戶及其他債務人的信貸紀錄及現時市況。管理層於各報告期末重新評估撥備。

或然代價的公允值

業務合併產生的或然代價按收購日期的公允值進行估值作為業務合併的一部分。倘或然代價符合衍生工具的定義，則作為金融負債於各報告日期其後重新計量至公允值。公允值按照折現現金流量釐定。所考慮的主要假設為達致各表現目標的可能性及折現因素。

以股份為基礎的支付

本集團計量與僱員的股權結算交易的成本時乃參考權益工具授出當日的公允值。估算公允值須釐定授出權益工具(視乎授出的條款及條件)的最合適估值模式，亦須釐定估值模式最適合的輸入數據，包括購股權的預計年期、波動率及股息率，以及就此作出假設。各項假設及所採用的模式於財務報表附註45披露。

Notes to Financial Statements 財務報表附註

2.5 Significant Accounting Judgements and Estimates (continued)**Estimation uncertainty (continued)****Useful lives, residual values and depreciation of property, plant and equipment**

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charges where useful lives are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives; actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore depreciation expenses in the future periods.

Fair value of dairy cows

The Group's dairy cows are valued at fair value less costs to sell. The fair value of dairy cows is determined based on either the market-determined prices as at the end of the reporting period adjusted with reference to the species, age, growing condition, costs incurred and expected yield of the milk to reflect differences in characteristics and/or stages of growth of the dairy cows, or the present value of expected net cash flows from the dairy cows discounted at a current market-determined rate, when market-determined prices are unavailable, or the cost when appropriate. Any change in the estimates may affect the fair value of the dairy cows significantly. The independent qualified professional valuer and management review the assumptions and estimates periodically to identify any significant change in the fair value of dairy cows. Details of assumptions used are disclosed in note 25.

2.5 重大會計判斷及估計(續)**估計的不確定性(續)****物業、廠房及設備的使用年期、剩餘價值及折舊**

本集團就其物業、廠房及設備釐定估計可使用年期及相關折舊開支。此項估計乃按照性質及用途相似的物業、廠房及設備的實際可使用年期的過往經驗而作出。倘可使用年期與過往的估計年期有出入，本集團將調整折舊開支，或將撇銷或撇減技術上陳舊或非策略性而自遺廢棄或出售的資產。實際經濟年期或會與估計可使用年期有所不同；實際剩餘價值亦可能會與估計剩餘價值有所不同。定期審閱可導致可予折舊年期及剩餘價值有所更改，從而導致未來期間的折舊開支有所更改。

乳牛的公允值

本集團的乳牛乃按公允值減銷售成本後估值。乳牛的公允值乃按報告期末的市場定價釐定，並參考品種、年齡、生長狀況、所招致成本及預期產奶量作出調整，以反映乳牛的不同特點及／或生長階段；或如沒有市場定價，則以來自乳牛的按現行市場利率貼現的預期現金流量淨額的現值；或在適當情況下按成本釐定。任何估計變動均可能顯著影響乳牛的公允值。獨立合資格專業估值師及管理層定期複核各項假設及估計，以識別乳牛公允值的任何重大變動。所用假設詳情載於附註25。