

西藏水資源有限公司
**TIBET WATER
RESOURCES LTD.**

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)
Stock code 股份代號:1115

Annual Report 2016
年 報



*PREMIUM GLACIER MINERAL
WATER IN THE MARKET*
市場上的高端冰川礦泉水



The cover page shows the
image taken from our water
source at altitude 5100 meters
封面顯示我們在海拔5100米
水源地的景象

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OUR MISSION:
SERVE THE BEST QUALITY
WATER TO THE WORLD

我們的使命：
向全世界提供最好的水





西藏水資源有限公司與Thirst雙方合作將強化5100在企業社會責任方面的影響



Mina Guli, an amazing water environmentalist and founder of the water NGO Thirst ran through seven deserts around the world in 2016, a distance equivalent to 40 marathons, to promote her mission of water protection and responsible water consumption. Mina was awarded the title of "World Youth Leader" by the World Economic Forum in 2010, chosen as one of 50 outstanding future Australian leaders in 2011, and selected by Fortune in 2016 as one of the 50 greatest leaders in the world - a list that she shared with Tim Cook (CEO Apple), Jeff Bezos (CEO Amazon), Angela Merkel (German Chancellor) and the Pope.

Mina Guli是一名傑出的水資源環保人士和水資源非政府組織Thirst的創辦人。為傳遞其保護水資源及節約用水的使命，Mina於2016年跑遍全球七大沙漠，行程相當於40個馬拉松。Mina於2010年榮獲世界經濟論壇授予之「世界青年領袖」稱號，2011年當選澳大利亞未來50位傑出領袖之一，並於2016年被《財富》雜誌選為全球50位傑出領袖之一，同時入選的亦有蘋果公司首席執行官Tim Cook、亞馬遜公司首席執行官Jeff Bezos、德國總理安格拉·默克爾及教宗方濟各。

西藏水資源有限公司與Thirst的合作始於2015年11月，與之合作反映我們於可持續發展及環保實務的堅定承諾。過去一年，通過贊助CNN、BBC、ABC及CCTV等多個國際媒體機構及其他網絡和網絡媒體，西藏5100品牌的影響力與日俱增。Thirst通過在中國各中小學舉辦多種活動推廣節水教育，以激勵節水理念及態度。迄今為止，已有逾700,000名學生參與其中。此外，Thirst通過舉辦各種活動吸引廣泛媒體報導，以此宣傳其使命，例如Run4Water（為「水」而跑）計劃，Mina於2016年穿越七大漠及於2017年跑遍六大洲六條河。



Thirst為一間致力於透過全球下一代消費者教育及參與而解決世界水短缺危機的組織。

*THE COOPERATION BETWEEN
TIBET WATER RESOURCES
LTD. AND THIRST WILL
STRENGTHEN 5100'S IMPACT
ON CORPORATE SOCIAL
RESPONSIBILITY*



“丝绸之路挑战”—2016年青少年节水设计大赛启动仪式



The cooperation between Tibet Water Resources Ltd. and Thirst began in November 2015. The cooperation reflects our commitment to sustainability and environmentally responsible practices. Over the past year Tibet 5100 has enjoyed a strong brand exposure through our sponsorship in many international media outlets including CNN, BBC, ABC, CCTV as well as other networks and web media. Thirst promoted water saving education through programmes in primary and secondary schools in China so as to inspire the ideas and attitude of saving water. So far more than 700,000 students have been involved. Furthermore, Thirst promoted its missions through events with high media coverage such as the Run4Water programme, in 2016 Mina's run through 7 deserts and in 2017 run for water along 6 rivers in 6 continents.



Thirst is an organization which tackling the world's water scarcity crisis by educating and engaging the next generation of global consumers.

NATIONAL GOLF TEAM
COMPETITION 2016
2016 全國高爾夫團體賽



5100
5100

本旅

本旅

5100 TIBET

5100



FINANCIAL CALENDAR

Announcement of 2016 final results	24 March 2017	二零一六年全年業績公告	二零一七年三月二十四日
AGM 2017	29 May 2017	二零一七年股東周年大會	二零一七年五月二十九日
Announcement of 2017 interim results (tentative)	August 2017	公佈二零一七年年中期業績 (暫定)	二零一七年八月
Announcement of 2017 final results (tentative)	March 2018	公佈二零一七年全年業績 (暫定)	二零一八年三月

財務日誌

ANNUAL GENERAL MEETING 2017 (“AGM 2017”)

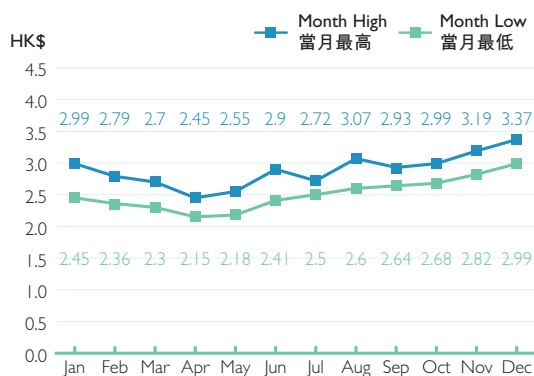
The AGM 2017 will be held on Monday, 29 May 2017. The notice of the AGM 2017, which constitutes part of the circular to shareholders of the Company (the “Shareholders”), is sent together with this Annual Report to Shareholders. This Annual Report, the circular to Shareholders, the notice of the AGM 2017 and the proxy form are also available on the Stock Exchange’s website (<http://www.hkexnews.hk>) and the Company’s website (<http://www.twr1115.net>).

二零一七年股東周年大會(「二零一七年股東周年大會」)

二零一七年股東周年大會將於二零一七年五月二十九日(星期一)舉行。二零一七年股東周年大會通告載於發給本公司股東(「股東」)的通函內；該通函連同本年報已一併寄發予股東。本年報、股東的通函、二零一七年股東周年大會通告及代表委任表格亦登載於聯交所網站(<http://www.hkexnews.hk>)及本公司網站(<http://www.twr1115.net>)。

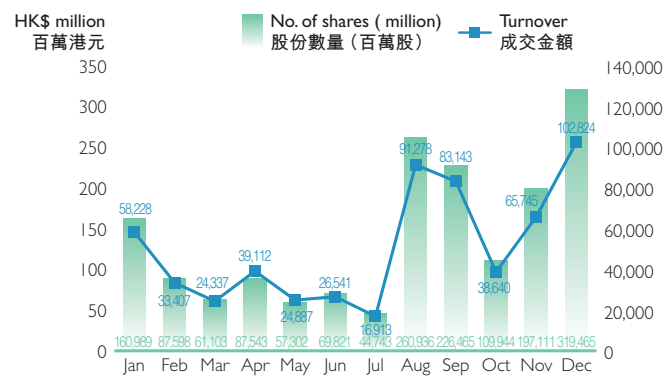
Summary of 2016 price of the shares of the Company

2016年本公司股份股價一覽



Summary of 2016 turnover of the shares of the Company

2016年本公司股份成交一覽



Source: Bloomberg
資料來源：彭博

CLOSURE OF REGISTER OF MEMBERS

For determining Shareholders' eligibility to attend and vote at the AGM 2017:

Latest time to lodge transfer documents for registration 4:00 p.m. on 22 May 2017

Closure of register of members 23 May 2017 to 29 May 2017 (both dates inclusive)

Record date 29 May 2017

暫停辦理股份過戶登記手續

為確定股東出席二零一七年股東周年大會並於會上投票的資格：

交回股份過戶文件以作登記的最後時限 二零一七年五月二十二日下午四時

暫停辦理股份過戶登記手續 二零一七年五月二十三日 至 二零一七年五月二十九日 (首尾兩天包括在內)

記錄日期 二零一七年五月二十九日



○ Key Date 重要日期

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301-04, 33/F.
Two Chinachem Exchange Square
338 King's Road
North Point, Hong Kong
Phone: +852 2849 3399
Fax: +852 2849 3319

香港股份登記及過戶分處

聯合證券登記有限公司
香港北角
英皇道 338 號
華懋交易廣場 2 期
33 樓 3301-04 室
電話：+852 2849 3399
傳真：+852 2849 3319

5100[®]

格桑泉[®]

TIBET GLACIER
MINERAL WATER
CO., LTD.
西藏冰川礦泉水
有限公司

UNIQUENESS • PURITY
獨特 • 純淨



PREMIUM GLACIAL
MINERAL WATER
高端冰川礦泉水

HIGH QUALITY
NATURAL DRINKING
WATER
優質天然飲用水



TIBET TIANDI
GREEN BEVERAGE
DEVELOPMENT
CO., LTD.
西藏天地綠色飲品發展
有限公司



PREMIUM TIBET HIGHLAND BARLEY BEER
高端西藏高原青稞啤酒



TIBET
HIGHLAND NATURAL
WATER LIMITED
西藏高原天然水
有限公司

12-LITER "ZHUOMA
SPRING" BARRELLED
NATURAL DRINKING
WATER

12公升「卓瑪泉」桶裝
天然飲用水

"EASY JOY • ZHUOMA
SPRING" BOTTLED
NATURAL DRINKING
WATER

「易捷•卓瑪泉」瓶裝
天然飲用水

TIBET WATER RESOURCES LTD. (THE “COMPANY”) THE BOARD (THE “BOARD”) OF DIRECTORS (THE “DIRECTORS”) OF THE COMPANY

EXECUTIVE DIRECTORS

Mr. FU Lin (*Chief Executive Officer*)
Mr. YUE Zhiqiang
Mr. LIU Chen
Mr. WONG Hak Kun

NON-EXECUTIVE DIRECTOR

Ms. JIANG Xiaohong

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Jesper Bjoern MADSEN (*Chairman*)
Mr. LEE Conway Kong Wai
Mr. Kevin Cheng WEI

COMPANY SECRETARY

Mr. CHOW Wai Kit

AUTHORISED REPRESENTATIVES

Mr. CHOW Wai Kit
Mr. LIU Chen

INDEPENDENT EXTERNAL AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

LEGAL ADVISORS

Kirkland & Ellis
Sit, Fung, Kwong & Shum Solicitors

INVESTOR RELATIONS CONSULTANT

PR Concepts Asia Limited
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西藏水資源有限公司（「本公司」） 本公司董事（「董事」）會（「董事會」）

執行董事

付琳先生(*行政總裁*)
岳志強先生
劉晨先生
王克勤先生

非執行董事

姜曉虹女士

獨立非執行董事

麥奕鵬先生(*主席*)
李港衛先生
蔚成先生

公司秘書

周偉傑先生

授權代表

周偉傑先生
劉晨先生

獨立外聘核數師

羅兵咸永道會計師事務所
執業會計師

法律顧問

凱易律師事務所
薛馮鄺岑律師行

投資者關係顧問

靈思公共關係亞洲有限公司
香港灣仔軒尼詩道36號
循道衛理大廈16樓
電話: +852 2117 0861
傳真: +852 2117 0869

REGISTERED OFFICE

Cricket Square, Hutchins Drive
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Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 3401, 34th Floor, China Resources Building
No. 26 Harbour Road, Wanchai
Hong Kong

HONG KONG BRANCH SHARE REGISTRAR

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Phone: +852 2849 3399
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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman, KY1-1111
Cayman Islands

WEBSITES TO ACCESS COMPANY INFORMATION*

<http://www.twr1115.net>
<http://www.hkexnews.hk>

STOCK CODE ON MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

1115

* contents of the websites do not form part of this Annual Report

註冊辦事處

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman, KY1-1111
Cayman Islands

總部及香港主要營業地點

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港灣道26號
華潤大廈34樓3401室

香港股份登記分處

聯合證券登記有限公司
香港北角
英皇道338號
華懋交易廣場2期
33樓3301-04室
電話: +852 2849 3399
傳真: +852 2849 3319

主要股份登記及過戶處

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman, KY1-1111
Cayman Islands

公司資料查閱網址*

<http://www.twr1115.net>
<http://www.hkexnews.hk>

香港聯合交易所有限公司 (「聯交所」) 主板股份代號

1115

* 網站內容不構成本年報的一部分



格奇泉

5100

BARLEY
5100

格奇泉

5100

格奇泉

格奇泉

BARLEY
5100

ON BEHALF OF THE COMPANY AND ITS SUBSIDIARIES (TOGETHER, THE "GROUP"), I AM PLEASED TO PRESENT THE GROUP'S ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2016.

本人謹代表本公司及其附屬公司（統稱「本集團」）欣然提呈截至二零一六年十二月三十一日止年度的年報。

DIVERSIFICATION STRATEGY ON PRODUCT PORTFOLIO

The Company is committed to provide quality water from Tibet to the market. In the past two years, as we reinforced the leading position of our flagship Tibet 5100 Glacial Spring Water product in the high-end mineral water market in China, we also rolled out new packaging formats as well as launching new brand series in response to market demand. Now, our clearly stratified series of products forms a pyramid structure portfolio, covering all segments of the market. As at the end of 2016, our "Tibet 5100 Glacial Spring Water" ("5100 Glacial Water") included our premium "Diamond Series" which we now also distribute in attractive glass bottles, and flagship PET bottles with classic and convenient packaging. We also offered 10L and 12L sizes as part of our "5100 Family Soft Barrelled Water" line to meet demands from households and office. The Group's newest product was launched at a relatively lower price point under the "Gesang Spring" label and targets a broader market. Our associated company, Tibet Highland Natural Water Limited ("Highland Natural Water") also developed the "Easy Joy Zhuoma Spring" brand, which is jointly launched with Sinopec's sales companies.

多元化的產品戰略

本公司致力向市場提供「西藏好水」。近兩年來，我們在繼續穩固5100旗艦產品在中國高端礦泉水市場領軍地位的基礎上，因應市場的需求推出了新的產品包裝和品牌系列，搭建起了滿足不同定位的金字塔型的產品組合。截至二零一六年年末，我們的「5100西藏冰川礦泉水」（「5100冰川水」）已包括以吸引人的玻璃瓶包裝的高端「鑽石系列」和以經典和便捷的PET瓶包裝的旗艦產品「5100冰川水」、滿足家庭和辦公用戶需求的10L/12L「5100家庭裝軟瓶水」、以相對較低價位定位更廣大市場的新產品「格桑泉」天然水、以及與中石化的銷售公司合作發展的由我們的聯營公司，西藏高原天然水有限公司（「高原天然水」）推出的聯標產品「易捷·卓瑪泉」。



STEADY GROWTH OF RESULTS

2016 was a very satisfactory year for the Group in terms of both sales and profit. We have successfully strengthened our growth platform.

With our continuous endeavor throughout the year, our water business segment maintained steady growth. During the year of 2016, the water business segment's sales volume reached 51,630 tonnes and revenue reached RMB484 million, representing a year-on-year increase of 5% and 10%, respectively. Sales volume of 5100 Glacial Water was down 20% from 2015 to 2016 as the procurement agreement with China Railway Express Co., Ltd. ("CRE") expired in June 2015; however, if excluding CRE's sales volume, sales volume of 5100 Glacial Water and total water products sales volume increased 30% and 71% respectively in the same period, largely due to strong performance in the retail channel. Products under our new "Gesang Spring" brand, which was launched in early 2016, recorded promising sales volume of 12,611 tonnes and generated revenue of RMB39.71 million. Major brand "Easy Joy • Zhuoma Spring" sold by Highland Natural Water achieved an impressive sales volume of 156,788 tonnes in 2016, representing an increase of 98% over 2015 and achieved revenue of RMB411 million which was up 82% over 2015. The enhanced sales performance of the Group resulted in a corresponding increase in profit, which will be further elaborated in the "Management Discussion & Analysis" ("MD&A") section below. Our diversified product portfolio helps us build a stronger brand identity and allows us to extend our reach through different channels to various segments of the market. Our quality water from Tibet has built a unique segment in the market.

Our beer business continued to record satisfactory results in terms of both revenue and profit despite a challenging market environment. In 2016, Tibet Tiandi Green Beverage Development Co., Ltd.'s ("Tiandi Green") sales volume of beer products reached 60,456 tonnes and revenue of beer products reached RMB384 million, which represented a year-on-year decrease of 3% and 2%, respectively; while the gross profit margin improved and remained at a high level among the industry peers. At present, 98% of our beer products are sold in the Tibet Autonomous Region. Our plan is to leverage the synergies generated from our water business to expand the sales of our beer business through quality channels outside the Tibet Autonomous Region so we can introduce our unique beer products to more consumers.

穩定的業績增長

二零一六年對本集團而言是非常滿意的一年，無論收入還是利潤都向好。我們成功地鞏固了發展平台。

經過這一年的努力，我們的水業務整體保持穩定增長，二零一六年產品銷量達51,630噸，水業務分部實現收入人民幣4.84億元，同比增長5%及10%。因對中鐵快運股份有限公司(「中鐵快運」)的供應合同於二零一五年六月結束，自二零一五年到二零一六年，5100冰川水的銷售量下降20%；但若不包括對中鐵快運的銷售量，在相同期間內，5100冰川水的以及水產品的總銷售量分別增長30%及71%，該增長得益於在零售管道的強勢表現。在二零一六年初新推出的「格桑泉」產品銷量達12,611噸，收入為人民幣3,971萬元。高原天然水的主打品牌「易捷•卓瑪泉」在二零一六年銷售量達到可觀的156,788噸，比二零一五年增加了98%，收入達到人民幣4.11億元，比二零一五年增加82%。本集團提升的銷售表現使得利潤也相應增加，這部分將會在下面管理層討論與分析當中進一步闡述。多元的產品結構使得我們的品牌內涵更豐富，渠道滲透能力更強，我們的「西藏好水」已經異軍突起，形成獨特的細分市場。

儘管面對嚴峻的市場環境，我們的啤酒業務繼續實現了令人滿意的收入和利潤，二零一六年西藏天地綠色飲品發展有限公司(「天地綠色」)的啤酒產品銷量達60,456噸，收入為人民幣3.84億元，同比降低3%及2%。毛利率提升並繼續保持在行業高位。目前98%的啤酒產品在西藏自治區內銷售，我們的計劃是發揮與水業務的協同效應，選擇其優質的渠道資源在西藏自治區外開展啤酒銷售，向更多消費者提供口味獨特的啤酒產品。

MARKET-ORIENTED BUSINESS STRATEGY

In 2016, we further strengthened our retailing business. In particular and in addition to traditional retail channels, we targeted a number of selected channels for development, including star hotels, cinemas, airports, e-commerce platforms, restaurants and healthcare and entertainment venues, and has resulted in significant sales growth in these channels.

Also, we targeted the domestic family market in China as well as the overseas markets. For the domestic family market, we fully leveraged our diversified product mix and offered flexible combo packages to household customers, who can choose between our large barrel sizes (10L/12L) "5100 Family Soft Barrelled Water", our bottled packaging sizes for our flagship "5100 Glacial Water" and the "Gesang Spring" label. This strategy has allowed a greater number of consumers and giving them opportunities to enjoy our high quality water from Tibet. We also took advantage of our highly efficient logistics network to provide convenient delivery services to household users, thereby adding more value to our product offerings.

For the overseas markets, we successfully launched our "Diamond Series" "5100 Glacial Water" in Hong Kong in early 2016. It was the first time that we started selling our products outside the mainland China. Currently, our "Diamond Series" water products are available in most of Hong Kong's major retailers and are gradually being sold in a number of high-end channels, including star hotels and entertainment outlets. We also work with some international brands to promote co-brand water products in their chain stores. This is an important first step in developing our international business.

DEEPEN STRATEGIC CHANNEL COOPERATION AND DRIVE PRODUCT PROMOTION

During the past year, we developed new strategic partnership and enhanced our cooperation with existing partners. This strategy yielded solid results in terms of both sales performance and brand building. We continued to cooperate with Air China, Hainan Airlines and a number of other airlines in an effort to place our flagship "5100 Glacial Water" bottled product on more flights. We also launched a new cooperation program with CRE where our new "Gesang Spring" product is now available to passengers on its railway network. Our coverage of gas station convenience stores now reaches a remarkable number of 20,000 Sinopec store locations, and we have started working with PetroChina and our products will be available in its convenience stores across 10 provinces in China. As for household customers, we have partnered with Country Garden to provide our bottled water products to its users of hotels and apartments. We have invested in an associate together with Kweichow Moutai Winery (Group) Co., Ltd to promote "5100 Family Soft Barrelled Water", and we have quickly expanded the distribution of our new "Gesang Spring" product through community convenience stores via their key supplier, Zhongshang Huimin.

市場化的經營方針

於二零一六年，我們繼續努力加強零售渠道業務。我們有選擇地著力發展包括傳統零售渠道及星級酒店、電影院線、機場、電子商務平台、餐飲和健康娛樂等目標渠道，並取得了很好的收入增長。

此外，我們瞄準國內家庭和境外兩大潛力市場。針對國內家庭用水市場，一方面我們充分利用多元化的產品結構，以10L/12L「5100家庭裝軟瓶水」結合瓶裝「5100冰川水」和「格桑泉」推出不同的家庭飲水解決方案，讓更多的消費者均能有機會品嚐西藏好水；另一方面依託高效的物流網絡，我們為家庭用戶提供便捷的配送服務，為產品附加更高的服務價值。

針對境外市場，二零一六年初，我們的鑽石系列「5100冰川水」成功登陸香港，首次在中國大陸地區境外銷售，目前已全面進駐香港主要零售商，並逐步開始在星級酒店及娛樂店點等高端渠道銷售，我們也與國際品牌合作，於其連鎖店內推廣聯標產品，這是我們開始國際化戰略的重要的第一步。

深化渠道戰略合作，全面推廣產品

在過去的一年，我們一邊開發新的戰略夥伴，一邊加深和現有戰略夥伴的合作，實現了銷售業績和品牌建設雙豐收。我們繼續與國航、海航及其他一些航空公司合作，旗艦產品瓶裝「5100冰川水」得以在更多航班上發放，同時我們還與中鐵開展了新一輪的合作，在鐵路系統銷售我們的新產品「格桑泉」，繼續服務廣大旅客；我們的加油站渠道覆蓋策略成效顯著，產品已全面覆蓋中石化加油站渠道超過2萬個店點，並將逐步進入10個省市的中石油加油站便利店；我們瞄準家庭用戶，一方面與碧桂園合作向其酒店及社區住戶提供高品質瓶裝礦泉水產品，另一方面與茅台集團合資推廣「5100家庭裝軟瓶水」，更通過中商惠民向以其作為主要供貨商的社區便利店快速開拓新產品「格桑泉」。

SUPPORT TIBET AND CONTRIBUTE TO SOCIETY

We have always strived to balance corporate growth with regional economic development in Tibet. In August 2016, the United Nations Development Program (UNDP), in collaboration with the Development Research Centre of the State Council, jointly released the "China National Human Development Report 2016" in Beijing. The report used our Group as an example of developing local economy in Tibet and highlighted our experience in promoting the unique local water industry. Our case study emphasized the benefits of providing development-oriented aid to underdeveloped regions in Tibet instead of just handing out one-off relief measures. In 2016, we continued to support the conservation and protection of water sources and the environment in Tibet, and actively participated in a variety of "water conservation" and other charitable activities in Tibet. As a national enterprise with deep roots in Tibet, we are dedicated to improving the well-being of the people in Tibet in terms of living standards and cultural quality, and at the same time raise awareness of respecting the pristine environment in which we operate.

INTRODUCTION OF STRATEGIC SHAREHOLDER

In January 2017, Khorgos Tianshan No.1 Industrial Investment Fund Limited Partnership ("Khorgos Tianshan No.1") entered into an agreement with Tibet Water Resources Limited ("Water Resources"), the controlling shareholder of the Company, to acquire 18% of the shares of the Company. Upon completion of the transaction, Khorgos Tianshan No.1 will become the single largest shareholder of the Company. Khorgos Tianshan No.1 is an industrial investment fund that specializes in cross-border mergers and acquisitions. It is managed by Xinjiang Tianshan Industrial Investment Fund Management Co., Ltd. as the general partner and co-funded by Xinjiang Financial Investment Co., Ltd., Shenwanhongyuan Group Co., Ltd. and other limited partners. According to Khorgos Tianshan No.1, the transaction is a significant strategic investment project in response to China's Western Development strategy and in support of the economic development of Tibet and Xinjiang regions, and Khorgos Tianshan No.1 will leverage its advantage as an industrial investment fund with its state-owned mixed-ownership, mobilize and allocate its resources to support the Company's management team with the aim of expanding the market share of our products and increasing the competitiveness of the Group. Furthermore, Khorgos Tianshan No.1 hopes to contribute to the economic development of China and its border areas. As always, our senior management team will make our best efforts to deliver better performance for the Group and create greater value for both our shareholders and our society.

支持西藏，回饋社會

一直以來，我們努力做到將企業成長與西藏當地經濟發展和諧共處。於二零一六年八月，聯合國開發計劃署聯合國務院發展研究中心在北京發佈了《中國人類發展報告2016》，報告分享了以本集團為代表的西藏地方特色水產業發展當地經濟的經驗，實現西藏自治區從「輸血式」扶貧向「造血式」幫扶的發展。二零一六年，我們繼續堅持西藏水資源和環境保護，積極參與「愛水節水」活動，以及在西藏當地開展各種形式的公益行動。作為植根西藏的民族企業，我們致力於為西藏自治區人民的生活水平提高和文化素質提升貢獻力量，並同時喚起對我們所運營的原生態環境的尊重意識。

戰略股東的加入

於二零一七年一月，霍爾果斯天山一號產業投資基金有限合夥企業（「霍爾果斯天山一號」）與本公司控股股東西藏水資源有限公司（「水資源」）達成協議，擬受讓本公司18%的股份，該交易完成後，霍爾果斯天山一號將成為本公司的單一最大股東。霍爾果斯天山一號是由新疆天山產業投資基金管理有限公司作為執行事務合夥人進行管理，新疆金融投資有限公司、申萬宏源集團股份有限公司及其他有限合夥人共同出資設立的、專注於跨境併購的產業投資專項基金。據霍爾果斯天山一號介紹，本次交易是其為響應國家西部大開發戰略，支持西藏和新疆地區經濟發展而進行的一個具有重大戰略意義的投資項目，成為本公司的第一大股東後，其將發揮自身國有混合所有制產業投資基金的優勢，充分調配各項資源，支持本公司現有管理團隊，擴大我們產品的市場佔有率，提升本集團的競爭力，霍爾果斯天山一號將為國家及邊疆地區經濟發展作出應有的貢獻。本集團高管團隊也將一如既往地竭盡所能，為集團創造更優異的業績，為股東和社會創造更大的價值回報。

PROSPECTS

In 2017, our Group will continue our diversification, market-oriented and internationalization strategy, develop retail channels and strategic partnerships, further generate synergies between our water business and our beer business, in order to realize our mission of “sharing quality Tibet water with the whole world”. We have confidence that the good growth momentum we have experienced in 2016 will continue in the year to come.

APPRECIATION

On behalf of the Board, I would like to express our gratitude to our management team and all our employees for their hard work and contribution to the Group over the past year. I would also like to thank our shareholders, investors, business partners and loyal customers for their support over the years. We look forward to continue on positive performance in the year to come.

Mr. Jesper Bjoern MADSEN

Chairman

24 March 2017

展望

在二零一七年，本集團將繼續我們的多元化、市場化和國際化策略，發展零售渠道和戰略合作夥伴，進一步發揮水業務和啤酒業務之間的協同效應，致力實現「西藏好水·世界共享」的美好願景。我們有信心在下一年繼續二零一六年良好的增長態勢。

致謝

本人謹代表董事會對管理層及全體員工過去一年對本集團付出的竭誠努力及寶貴貢獻致以誠摯的謝意，亦對各位股東、投資者、商界合作夥伴及忠實客戶多年以來的支持表示感謝。我們期待下一年更創佳績。

麥奕鵬先生

主席

二零一七年三月二十四日



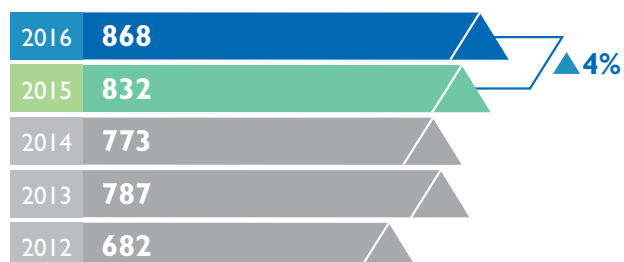
FINANCIAL HIGHLIGHTS

財務摘要

		Year ended 31 December 截至十二月三十一日止年度		
		2016 二零一六年	2015 二零一五年	Change 變動
Revenue (RMB million)	收入(人民幣百萬元)	868	832	↑ 4%
Profit attributable to the owners of the Company (RMB million)	本公司擁有人應佔利潤 (人民幣百萬元)	308	277	↑ 11%
Earnings per share – Basic and diluted (RMB cents)	每股盈利 – 基本及攤薄(人民幣分)	11.98	10.78	↑ 11%
Sales Volume (in tonnes)	銷售量(噸)	112,086	111,512	↑ 1%
Gross profit margin	毛利率	60%	60%	–
Average selling price per tonne (RMB'000)	平均每噸售價 (人民幣千元)	7.0	7.0	–

		As at 31 December 於十二月三十一日		
		2016 二零一六年 (RMB million) (人民幣百萬元)	2015 二零一五年 (RMB million) (人民幣百萬元)	Change 變動
Total assets	資產總額	4,818	3,660	↑ 32%
Equity attributable to owners of the Company	本公司擁有人應佔權益	3,123	2,878	↑ 9%

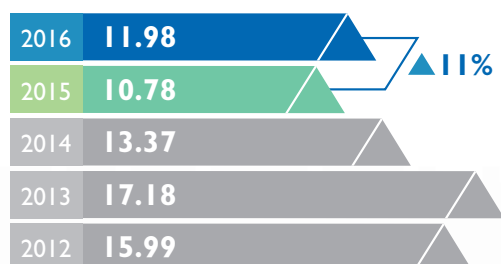
Revenue (RMB million)
收入(人民幣百萬元)



Profit attributable to owners of the company (RMB million)
本公司擁有人應佔利潤(人民幣百萬元)



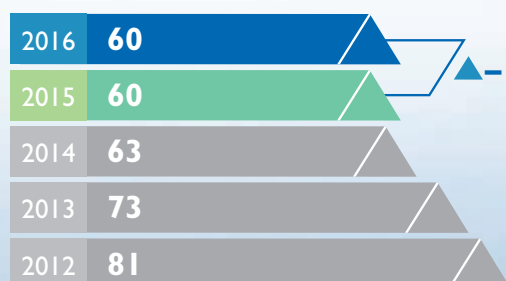
Earnings per share-basic and diluted (RMB cents)
每股盈利 - 基本及攤薄(人民幣分)



Sales volume (in tonnes)
銷售量(噸)



Gross profit margin (%)
毛利率(%)



*MANAGEMENT
DISCUSSION
AND ANALYSIS*
管理層討論及分析





BUSINESS REVIEW

In 2016, we continued our endeavors in supplying high quality products and premium services to our customers.

Also in 2016, the market was characterized by strong competition and a challenging economic environment, which has a general impact on premium products. Nevertheless, the Group has continued to increase its total revenue in 2016 by 4% and increase its profit attributable to owners of the Company in 2016 by 11%, in comparison with 2015, largely as a result of a continuation of diversifying product profiles, deeply penetrating its retail channels, and developing more strategic partnerships.

Regarding the core business of our water business segment, sales volume of 5100 Glacial Water was down 20% from 2015 to 2016 as the procurement agreement with CRE expired in June 2015; however, if excluding sales of 5100 Glacial Water to CRE, sales volume and revenue of the Group's 5100 Glacial Water have achieved impressive growth rates of 30% and 8%, respectively, in the same period, largely due to strong performance in the retail channel. Also, products under our new "Gesang Spring" brand, which was launched in early 2016, recorded satisfactory sales volume of 12,611 tonnes and generated revenue of RMB39.71 million. "Easy Joy • Zhuoma Spring" sold by our associate, Highland Natural Water, saw a pickup in popularity at Easy Joy convenience stores at Sinopec gas stations throughout China in 2016. The Group's share of

業務回顧

在二零一六年，我們持續致力為客戶提供高品質的產品和優質的服務。

雖然面對著特別會令高端產品受創的強烈競爭和具挑戰性的經濟環境，本集團仍能在二零一六年繼續發展產品多元化，深入滲透目標零售渠道，以及發展更多的戰略夥伴，將二零一六年收入同比增加了4%，歸屬於本公司擁有人的淨利潤增加了11%。

有關於我們水業務分部的核心業務，因對中鐵快運的供應合同於二零一五年六月結束，自二零一五年到二零一六年，5100冰川水的銷售量下降20%；如若不包括二零一五年六月已終止的對中鐵快運關於5100冰川水的銷售，本集團5100冰川水的銷量和銷售額在相同期間內分別增長30%和8%，該增長得益於在零售渠道的強勢表現。此外，我們在二零一六年初推出新的「格桑泉」品牌產品銷售量達到12,611噸，收入為人民幣3,971萬元。我們的聯營公司高原天然水的聯標產品





post-tax profits of Highland Natural Water was RMB29 million, representing a year-on-year increase of 38%.

In 2016, our water products have been sold throughout the mainland China and Hong Kong, mainly through our strategic partners and other retail channels including supermarkets, convenient stores, hotels, cinemas, airports, e-commerce platforms, restaurants and healthcare and entertainment venues, etc. As at 31 December 2016, in mainland China, the geographical coverage of our third party retail sales channel of our water products covered 108 cities, and the numbers of distributors and sales outlets were 249 and 9,776, respectively. In 2016, the revenue of our water products from retail distribution channel accounts for more than 60% of the total revenue of our water products. Revenue from our 5100 Glacial Water bottled water redemption card ("Water Card") business accounted for approximately 8% of revenue in our water products business in 2016.

Regarding our beer business segment, in 2016, sales volume of our beer products reached 60,456 tonnes and revenue of our beer products reached RMB384 million, which represented a year-on-year decrease of 3% and 2%, respectively; while the gross profit margin improved and remained at a high level among the industry. In 2016, our beer products were sold in the Tibet Autonomous Region ("Tibet") mainly through retail channels including supermarkets, convenient stores, restaurants and entertainment outlets. The proportion of revenue of our beer products within and outside Tibet to the total revenue of our beer products remained at 98% and 2%, respectively.



「易捷·卓瑪泉」於二零一六年繼續在中石化全國加油站的易捷便利店上熱銷，本集團應佔高原天然水除稅後利潤為人民幣2,900萬元，同比增長38%。

在二零一六年，通過戰略合作夥伴，以及包括超市、便利店、酒店、電影院線、機場、電商平台、餐飲和健康娛樂店點在內的零售渠道，我們的水產品已經在中國大陸和香港銷售。於二零一六年十二月三十一日，在中國大陸，通過第三方零售經銷商，我們的水產品的地域範圍已經覆蓋了108個城市，經銷商和零售銷售網點的數目已經分別達到249個和9,776家。在二零一六年，來自於零售渠道的水產品銷售收入已經佔全部水產品銷售收入的60%以上。我們的5100冰川水的瓶裝水兌換卡（「水卡」）收入在二零一六年佔全部水產品銷售收入的8%。

在啤酒業務分部方面，在二零一六年，我們的啤酒產品銷量達60,456噸，而啤酒產品銷售收入達人民幣3.84億元，同比分別下降3%和2%；並且毛利率提高及在行業內保持較高的水平。在二零一六年，我們的啤酒產品主要通過超市、便利店、餐飲和娛樂店點在西藏自治區銷售。在西藏自治區內及區外的收入佔啤酒產品總收入的比重保持在98%及2%。



FINANCIAL REVIEW

REVENUE

In 2016, total sales of the Group amounted to RMB868 million, representing an increase of RMB36 million or 4% from the total sales of the Group of RMB832 million in 2015. In 2016, both the water business and the beer business were developing stably, and the revenue generated from our water business segment was RMB484 million, representing an increase of 10% from the sales of RMB441 million in 2015, contributed by the increase of sales of water products and sales of bottle preforms and caps; the revenue generated from our beer business segment in 2016 was RMB384 million, representing a decrease of 2% from the sales of RMB392 million in 2015.

SALES VOLUME

In 2016, the total sales volume of the Group amounted to 112,086 tonnes (2015: 111,512 tonnes), and consisted of 51,630 tonnes (2015: 49,045 tonnes) from our water products and 60,456 tonnes (2015: 62,467 tonnes) from our beer products; the sales volume of water products increased by 5% in comparison with that of 2015, and the sales volume of beer products decreased by 3% in comparison with that of 2015.



財務回顧

收入

在二零一六年，本集團的總銷售額為人民幣8.68億元，相較二零一五年的總銷售額人民幣8.32億元增加了人民幣3,600萬元或4%。在二零一六年，水產品業務和啤酒產品業務均發展穩定，水業務分部的總銷售額從二零一五年的人民幣4.41億元增加了10%至二零一六年的人民幣4.84億元，主要是因為水產品銷售額和瓶坯瓶蓋銷售額的增加造成。啤酒業務分部的銷售額從二零一五年的人民幣3.92億元下降了2%至二零一六年的人民幣3.84億元。

銷量

在二零一六年，本集團的總銷量為112,086噸(2015: 111,512噸)，包括51,630噸(二零一五年: 49,045噸)水產品銷量和60,456噸(二零一五年: 62,467噸)啤酒產品銷量；水產品銷量比二零一五年增加5%，啤酒產品銷量比二零一五年下降3%。

AVERAGE SELLING PRICE

As the Group continued to launch new products during the past two years, the average selling price fluctuated along with the change of products mix. The average selling price of our water products decreased by 3% from RMB7,927 per tonne in 2015 to RMB7,657 per tonne in 2016. However, the average selling price of 5100 Glacial Water increased 15% in the same period from RMB7,928 to RMB9,114. The average selling price of our beer products increased by 1% from RMB6,272 per tonne in 2015 to RMB6,346 per tonne in 2016.

GROSS PROFIT MARGIN

In 2016, the gross profit margin of the water business segment is 69%, in comparison with 74% in 2015, and such decrease was mainly attributable to the change in mix of the sales of water products and the non-core business in the water business segment, and the gross profit margin of water products remained stable from 2015 to 2016. In 2016, the gross profit margin of the beer business segment is 49%, in comparison with 46% in 2015, and such increase was mainly due to the increase in the average selling price and decrease in average unit costs of the beer products. The overall gross profit margin of the Group in 2016 is 60%, which is in line with 2015.

平均售價

由於過去兩年本集團持續推出新產品，平均售價會隨著產品結構的變化而波動。二零一六年水產品的平均售價為每噸人民幣7,657元，較二零一五年的每噸人民幣7,927元下降了3%，但我們的5100冰川水的平均售價在同期由人民幣7,928元上升了15%到人民幣9,114元。二零一六年啤酒產品的平均售價為每噸人民幣6,346元，較二零一五年的每噸人民幣6,272元上升了1%。

毛利率

在二零一六年，水業務分部的毛利率為69%，相比較二零一五年的74%下降主要是因為水產品銷售和水業務分部的非核心業務之間的銷售結構比例變化所致，水產品的毛利率從二零一五年至二零一六年維持穩定。在二零一六年，啤酒業務分部的毛利率為49%，相比較二零一五年的46%上升是因為啤酒產品平均售價的上升以及單位成本下降所致。本集團的總毛利率在二零一六年為60%，與二零一五年持平。



OTHER NET GAINS

Other net gains mainly included government grants and gain on disposal of available-for-sale financial assets ("AFS").

The government grants increased by approximately 18% from RMB38 million in 2015 to RMB45 million in 2016. Such increase was in line with the revision to government grants policies from 2015 to 2016 by the Tibet local government. As our main production processes are carried out in Tibet, we enjoy relevant government grants from time to time. The amount of grants we are entitled to receive from the government of Tibet was mainly calculated with reference to our fiscal contribution to the local economic development as a major tax payer and employer in Tibet. Grants from the government are recognized where there is a reasonable assurance that the grant will be received and the Group will comply with all associated conditions. According to the newly updated and issued policies enforced by the Tibet government in 2016, we enjoyed the government grants in 2016 and will continue to enjoy them in future.

In 2016, gain on disposal of AFS increased by approximately 43% from RMB7 million in 2015 to RMB10 million, as more available-for-sale structured financial products were bought and disposed in 2016.

其他淨利得

其他淨利得主要包括政府補助、可供出售金融資產(「有可供出售金融資產」)的處置利得。

隨著西藏當地政府自二零一五年到二零一六年更新其政府補助政策，政府補助收入由二零一五年的人民幣3,800萬元上升了約18%至二零一六年的人民幣4,500萬元。由於我們主要在西藏完成生產過程，故不時享有政府相關的扶持基金。我們獲西藏政府的扶持金額主要參照我們作為西藏主要的納稅人及僱主對當地經濟所作出的財政貢獻而計算。在本集團滿足所有相關的條件，且政府補助的取得有合理保證時確認相關政府補助收入。根據西藏政府在二零一六年更新並施行的新政策，我們在二零一六年享受了相關的政府補助，未來也將繼續享受該等政府補助。

在二零一六年，由於取得和處置了更多的可供出售金融產品，可供出售金融資產的處置利得由二零一五年的人民幣700萬元上升了約43%至二零一六年的人民幣1,000萬元。



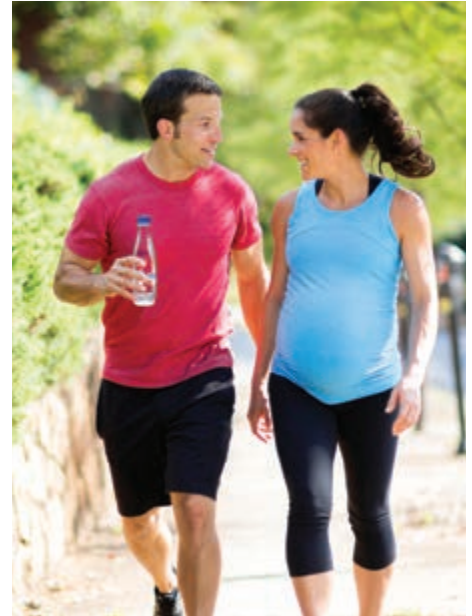


SHARE OF POST-TAX PROFITS OF ASSOCIATES

The share of post-tax profits of associates mainly included the share of post-tax profit of Highland Natural Water whose ultimate controlling shareholder is Sinopec. In September 2016, the Group acquired further 7% equity interests of Highland Natural Water from its other shareholders thereby increasing the Group's ownership in Highland Natural Water to 40%. In 2016, the Group's 40% equity interests in Highland Natural Water has generated a share of the post-tax profits of an associate at the amount of RMB29 million. The sales volume and revenue in respect of Highland Natural Water in 2016 were approximately 180,827 tonnes and RMB472 million, respectively, representing an increase of 75% and 59%, respectively, compared to those in 2015. Such increase was a result of Highland Natural Water's major water products, Easy Joy• Zhuoma Spring, being merchandised at more Easy Joy convenience stores at Sinopec gas stations throughout China and its increase in popularity at those stores.

FINANCE NET COSTS

In 2016, the Group incurred finance costs of RMB40 million and gained finance income of RMB21 million. Compared to 2015, finance costs in 2016 increased by RMB20 million mainly due to the decrease of RMB6 million in interest costs on borrowings from government and banks, together with an increase of RMB16 million in interest costs on convertible bond, and the fair value loss of RMB8 million, which represented the difference in fair values on the convertible bond between the commitment date and the issuance date and was a one-off loss with



應佔聯營公司除稅後利潤

應佔聯營公司除稅後利潤主要為應佔高原天然水(最終控股股東為中石化)的除稅後利潤。在二零一六年九月,本集團自高原天然水的其他股東處收購了7%的股權後,本集團對高原天然水的持股權益上升至40%。在二零一六年,本集團對高原天然水40%的權益產生了人民幣2,900萬元的應佔聯營公司除稅後利潤。在二零一六年,高原天然水的銷量和銷售額分別約為180,827噸和人民幣4.72億元,較二零一五年分別增長了75%和59%,這歸因於在二零一六年,高原天然水的主要水產品「易捷•卓瑪泉」遍布全國更多中石化加油站易捷便利店並在這些便利店上熱銷。

財務費用淨額

在二零一六年,本集團支出了人民幣4,000萬元財務費用及獲得了人民幣2,100萬元財務收益。與二零一五年比較,財務費用增加了人民幣2,000萬元,主要是由於銀行及政府借款利息費用下降了人民幣600萬元,同時可換股債券的利息費用增加了人民幣1,600萬元,以及公允價值損失人民幣800萬元,

no cash implication for the year. Finance income increased by RMB11 million mainly due to the increase in interest-bearing loans to third parties.

INCOME TAX EXPENSE

The income tax expense decreased by RMB10 million or 19% from RMB52 million in 2015 to RMB42 million in 2016. The effective tax rate in 2016 and in 2015 was 10% and 14%, respectively. Although the profit before income tax increased, the decrease in effective tax rate resulted in the decrease in income tax expense. The decrease in effective tax rate was mainly attributable to the decrease of withholding tax incurred from proposed distribution of profit from the People's Republic of China (the "PRC") subsidiaries to their overseas holding companies.

PROFIT FOR THE YEAR

The profit for the year increased by RMB36 million or 11% from RMB323 million in 2015 to RMB359 million in 2016. On operational level, the result of 2016 has improved with an increase in operating profit of RMB30 million mainly resulting from the increase in revenue as mentioned above. Besides, the improved result was also attributable to an increase in the share of post-tax profits of associates of RMB6 million, and a decrease in income tax expense of RMB10 million.

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

Profit attributable to owners of the Company increased by RMB31 million or 11% from RMB277 million in 2015 to RMB308 million in 2016, which increased in line with the increase in profit for the year as mentioned above.

FINANCIAL POSITION

As at 31 December 2016, investment in associates of the Group amounted to RMB1,308 million, compared to RMB1,063 million as at 31 December 2015. In September 2016, the Group acquired 7% of the share capital of Highland Natural Water for a cash consideration of RMB210 million; and in January 2016, the Group acquired 2% of the share capital of Beijing GT Express Limited (北京貫通雲網有限公司; "GT Express") for a cash consideration of RMB8 million. The

其主要為可換股債券在承擔日和債券發行日之間的公允價值差異造成，為一次性損失，並對當年現金沒有影響。財務收益增加了人民幣1,100萬元，主要是由於對第三方生息貸款增加所致。

所得稅費用

所得稅費用自二零一五年的人民幣5,200萬元減少了人民幣1,000萬元或19%至二零一六年的人民幣4,200萬元。二零一六年和二零一五年的有效稅率分別為10%和14%。雖然稅前利潤增加，但由於有效稅率降低，相應的所得稅費用降低。有效稅率的降低主要是因為中華人民共和國(「中國」)境內附屬公司向境外控股公司分配相關利潤減少導致相關的代扣所得稅減少。

年度利潤

年度利潤自二零一五年的人民幣3.23億元增加了人民幣3,600萬元或11%至二零一六年的人民幣3.59億元。在營運層面，二零一六年的業績提升，由於前述收入增加導致營運利潤增加了人民幣3,000萬元。除此之外，業績提升也主要來自於應佔聯營公司除稅後利潤增加了人民幣600萬元，以及所得稅費用下降了人民幣1,000萬元。

本公司權益所有人應佔利潤

歸屬於本公司權益所有人的利潤自二零一五年的人民幣2.77億元增加了人民幣3,100萬元或11%至二零一六年的人民幣3.08億元，該波動與上述年度利潤的增加一致。

財務狀況

於二零一六年十二月三十一日，本集團於聯營公司的投資為人民幣13.08億元，而於二零一五年十二月三十一日為人民幣10.63億元。於二零一六年九月，本集團收購了高原天然水7%的股權，現金對價為人民幣2.1億元；於二零一六年一月，本集團收購了北



increase in investment in associates of RMB245 million was mainly attributable to the above two investments. Further details of the investment in associates of the Group are set out in Note 12 to the consolidated financial statements of this Annual Report.

As at 31 December 2016, net trade receivables of the Group amounted to RMB194 million compared to RMB205 million as at 31 December 2015. Among the net trade receivables of RMB194 million, there was a decrease in the accumulated amount due from a customer of the Group from RMB154 million as at 31 December 2015 to RMB37 million as at 31 December 2016. As at 31 December 2016, trade receivables due from such customer included RMB35 million aged over 1 year but within 2 years, and RMB2 million aged within 1 year, of which RMB28 million had been further collected before 24 March 2017.

京貫通雲網有限公司(「貫通雲網」)2%的股權，現金對價為人民幣800萬元。於聯營公司的投資增加了人民幣2.45億元主要是由於上述兩項對外投資。關於本集團於聯營公司投資的具體詳情已載於本年報綜合財務報表附註12。

於二零一六年十二月三十一日，本集團應收貿易款淨額為人民幣1.94億元，於二零一五年十二月三十一日為人民幣2.05億元。在人民幣1.94億元應收貿易款淨額中，應收一名客戶的款項由二零一五年十二月三十一日的人民幣1.54億元減少至二零一六年十二月三十一日的人民幣3,700萬元。於二零一六年十二月三十一日，來自該客戶賬齡超過一年但不超過兩年的應收貿易款為人民幣3,500萬元，及賬齡不超過一年的應收貿易款為人民幣200萬元，其中人民幣2,800萬元已於二零一七年三月二十四日之前收回。

In view of the decrease in the trade receivables of the Group from such customer in the proportion of the total trade receivables of the Group, and taking into account the history of business dealings and the strategic business relationship with such customer, the Group considers that there is no objective evidence of an impairment loss for the trade receivables due from such customer. The Group also expects to receive further sums of moneys from such customer before the end of December 2017 as settlement of its trade receivables. There has never been any write-off on the trade receivables due from such customer in the past.

Besides, the Group continuously develops strategic cooperation partnerships and retail distributorships. As at 31 December 2016, net trade receivables (excluding the above mentioned customer) due from third party distributors amounted to RMB104 million (of which RMB85 million had been further collected before 24 March 2017), and trade receivables due from associates amounted to RMB53 million, which increased in comparison with those as at 31 December 2015, offsetting the impact of the decrease in trade receivables due from a single customer as mentioned above. The Group maintains regular contact with our major debtors through meetings and telephone conversations to understand the status of their operations, their continuing business needs and ways in which the Group can improve its services. During such meetings and conversations, the Group is not aware of any material circumstances indicating any problems in recovering its trade receivables from its major debtors. In 2016, the Group recognized provision for impairment loss of trade receivables of RMB2 million (2015: nil).

As at 31 December 2016, prepayments (including current and non-current) of the Group increased to RMB256 million from RMB28 million as at 31 December 2015. The increase was mainly attributable to an increase of RMB213 million of prepayments made for purchase of raw materials, services and equipment and an increase of RMB17 million of prepayment made for investment in a third party.

As at 31 December 2016, other receivables and other assets (including current and non-current) of the Group amounted to RMB250 million compared to RMB88 million as at 31 December 2015. The amounts due from third parties increased by RMB94 million, and the amounts due from an associate increased by RMB34 million, and government grant receivable increased by RMB31 million, mainly leading to an overall increase in the total amount of other receivables and other assets.

鑒於來自該客戶的應收貿易款佔本集團應收貿易款的比重越來越小，及在考慮過與該客戶的業務交易歷史及戰略業務關係後，本集團認為無客觀證據表明該客戶所欠的應收貿易款出現減值虧損。本集團亦預期二零一七年十二月底前收取該客戶更多的款項作為應收貿易款的結算。以往來自於該客戶的應收貿易款概無受到銷帳。

除此之外，本集團持續發展戰略合作夥伴和零售經銷商。於二零一六年十二月三十一日，應收第三方經銷商(除上述該客戶外)的貿易款淨額為人民幣1.04億元(其中人民幣8,500萬元已於二零一七年三月二十四日之前收回)，應收聯營公司貿易款為人民幣5,300萬元，均較二零一五年十二月三十一日增加，抵消了上述應收單一客戶賬款減少的影响。本集團透過會議及電話對話定期與我們的主要債務人保持聯絡，以瞭解彼等的經營狀況，持續業務需要及本集團能改善的服務方式。在該等會議及電話對話過程中，本集團未發現到任何重大情況顯示對收回主要債務人的應收貿易款有任何難題。於二零一六年，本集團就應收貿易款作出人民幣200萬元之壞賬準備(二零一五年：無)。

於二零一六年十二月三十一日，本集團的預付款項(包括流動和非流動)由二零一五年十二月三十一日的人民幣2,800萬元增加至人民幣2.56億元。該增加主要是因為購買原材料、服務和設備的預付款項增加了人民幣2.13億元，以及對第三方的預付投資款項增加了人民幣1,700萬元。

於二零一六年十二月三十一日，本集團的其他應收款及其他資產(包括流動和非流動)自二零一五年十二月三十一日的人民幣8,800萬元增加至人民幣2.50億元。應收第三方款項增加了人民幣9,400萬元，應收一所聯營公司款項增加了人民幣3,400萬元，以及應收政府補助款增加了人民幣3,100萬元，這主要導致了其他應收款和其他資產的總額整體增加。

As at 31 December 2016, AFS of the Group increased by RMB186 million which were undue structured financial products.

As at 31 December 2016, cash and cash equivalents of the Group increased by RMB414 million, which was mainly attributable to the cash inflows from operating activities of RMB215 million, cash outflows for investing activities of RMB608 million, and cash inflows from financing activities of RMB801 million. The cash outflows for investing activities of RMB608 million in 2016 mainly included purchase of property, plant and equipment ("PP&E") of RMB93 million, net cash outflows for purchases and disposal of AFS of RMB172 million, net cash outflows for loan granted to and received from third parties of RMB73 million, net cash outflows for amounts received from and paid to third parties and a related party of RMB39 million, prepayment for investment in a third party of RMB17 million and investments in associates of RMB218 million. The cash inflows from financing activities of RMB801 million in 2016 mainly included net cash inflows from bank borrowings of RMB435 million and net cash inflows from issue of convertible bond of RMB454 million, offsetted by dividends paid to shareholders of RMB88 million.

As at 31 December 2016, deferred income tax liabilities of the Group decreased by RMB18 million, which was mainly attributable to the settlement of withholding tax for dividend declared.

The Group issued 6.0% convertible bond due 2019 at an aggregate principal amount of HKD525 million on 24 June 2016. The convertible bond can be converted into ordinary shares of the Company at the bondholder's option at a price of HKD3.50 per share. As at 31 December 2016, the amortized remaining balances of the liability component of the convertible bond of the Group was RMB458 million. Further details of the convertible bond are set out in Note 28 to the consolidated financial statements of this Annual Report.

As at 31 December 2016, deferred revenue and advances received from customers (current) of the Group decreased by RMB30 million, which was mainly attributable to the decrease in deferred revenue of RMB19 million relating to sales of Water Cards and decrease in advances received from customers of RMB11 million.

於二零一六年十二月三十一日，本集團可供出售金融資產增加了人民幣1.86億元，為未到期的結構性理財產品。

於二零一六年十二月三十一日，本集團的現金及現金等價物增加了人民幣4.14億元，主要是由於二零一六年經營活動產生的現金流入人民幣2.15億元，投資活動產生的現金流出人民幣6.08億元以及籌資活動產生的現金流入人民幣8.01億元。在二零一六年，投資活動產生的現金流出人民幣6.08億元包括購買物業、廠房、設備（「物業、廠房及設備」）等人民幣9,300萬元，購買和處置可供出售金融資產產生的淨現金流出人民幣1.72億元，向第三方借款產生的淨現金流出人民幣7,300萬元，與第三方及一名關聯方資金往來產生的淨現金流出人民幣3,900萬元，預付投資款項人民幣1,700萬元，以及投資聯營公司人民幣2.18億元。在二零一六年，籌資活動產生的現金流入人民幣8.01億元主要包括銀行借款產生淨現金流入人民幣4.35億元以及發行可換股債券產生的淨現金流入人民幣4.54億元，抵減支付股東股利人民幣8,800萬元。

於二零一六年十二月三十一日，本集團遞延所得稅負債減少了人民幣1,800萬元，主要是因為結算與宣告股利相關的代扣所得稅。

本集團於二零一六年六月二十四日發行了於二零一九年到期的6.0%可換股債券，本金共計5.25億港元。這些可換股債券的持有人將其轉為本公司普通股的轉股價格為3.50港元。於二零一六年十二月三十一日，本集團可換股債券負債部分的攤餘價值為人民幣4.58億元。關於可換股債券的具體詳情已載於本年報綜合財務報表附註28。

於二零一六年十二月三十一日，本集團的遞延收益和預收客戶款項（流動）減少了人民幣3,000萬元，主要是由於與水卡銷售相關的遞延收益減少人民幣1,900萬元，以及預收客戶款項減少人民幣1,100萬元。

As at 31 December 2016, accrual and other payables of the Group decreased by RMB11 million, which was mainly attributable to the increase in welfare payables of RMB5 million, increase in payables for value added tax and other taxes of RMB3 million, and decrease in payables for purchase of equipment of RMB19 million.

As at 31 December 2016, non-current bank borrowings of the Group increased by RMB190 million, and the current bank borrowings of the Group increased by RMB256 million, which was mainly attributable to bank borrowings received amounting to RMB556 million, and repayments of bank borrowings amounting to RMB110 million in 2016. Further details of the bank borrowings are set out in Note 27 to the consolidated financial statements of this Annual Report.

EMPLOYEES

As at 31 December 2016, the total number of employees of the Group was approximately 439 compared to 507 as at 31 December 2015. Relevant staff cost was RMB73 million in 2016, compared to RMB77 million in 2015. The decrease in staff cost was mainly attributable to the decrease in the number of employees as the Group continued to optimize the human resources structure during 2016. The Group's remuneration policies are formulated according to the duty, experience, ability and performance of individual employees and are reviewed annually. In addition to basic salary, employees are entitled to other benefits including social insurance contribution, employee provident fund schemes and discretionary incentive.

GEARING RATIO

The gearing ratio is calculated as borrowings (including borrowings and convertible bond) divided by total capital. The total capital is calculated as "equity" as shown in the consolidated balance sheet plus borrowings (including borrowings and convertible bond). As at 31 December 2016 and 31 December 2015, the gearing ratios of the Group were 24.01 % and 5.89%, respectively. The increase in gearing ratio was mainly attributable to the increase in bank borrowings and liability component of convertible bond as at 31 December 2016.

於二零一六年十二月三十一日，本集團的預提費用及其他應付款項減少了人民幣1,100萬元，主要是由於應付福利款項增加了人民幣500萬元，應付增值稅及其他稅款項增加了人民幣300萬元，以及應付設備採購款項減少了人民幣1,900萬元。

於二零一六年十二月三十一日，本集團的銀行借款非流動部分增加了人民幣1.9億元，本集團的銀行借款流動部分增加了人民幣2.56億元，主要是由於二零一六年借入銀行借款人民幣5.56億元以及歸還銀行借款人民幣1.1億元。關於銀行借款的具體詳情已載於本年報綜合財務報表附註27。

員工

於二零一六年十二月三十一日，本集團員工總數約為439人，於二零一五年十二月三十一日約為507人。在二零一六年，有關僱員成本為人民幣7,300萬元，而二零一五年僱員成本為人民幣7,700萬元。僱員成本的下降主要是由於本集團持續優化人力資源結構，員工總數下降。於二零一六年，本集團的薪酬政策是根據每位員工的崗位、經驗、能力和表現而制定的，並進行年度審核。除支付基本薪金外，員工也享受其他福利，包括社會保險供款、僱員公積金和酌情獎勵。

負債比率

此負債比率是按借款(包括借款和可換股債券)除以資本總額計算。資本總額按綜合資產負債表所示「權益」加借款(包括借款和可換股債券)計算。於二零一六年十二月三十一日及於二零一五年十二月三十一日，本集團的負債比率為24.01%及5.89%。該增加主要是由於二零一六年十二月三十一日銀行借款和可換股債券增加。

SHARE-BASED PAYMENTS

On 16 December 2015, the Company granted share options to China Distribution and Logistics Company Ltd (“China Distribution”). Under the agreement, China Distribution has the right to subscribe up to 25,200,000 ordinary shares of the Company at a price of HKD3.00 per share within 10 years from 1 January 2016, if certain performance conditions are met by China Distribution during the vesting period from 1 January 2016 to 31 December 2018. Further details of the grant of share options are set out in Note 39 to the consolidated financial statements of this Annual Report.

MERGER AND ACQUISITION

In January 2016, the Group acquired 2% of the share capital of GT Express for a cash consideration of RMB8 million. In September 2016, the Group acquired 7% of the share capital of Highland Natural Water for a cash consideration of RMB210 million. Further details of the two acquisitions are set out in Note 12 to the consolidated financial statements of this Annual Report.

SIGNIFICANT INVESTMENTS

In 2016, the Group acquired PP&E of approximately RMB18 million (in 2015: approximately RMB48 million). Regarding the future development and outlook of the Group, please refer to the section headed “Outlook” in this “MD&A” section.

CAPITAL COMMITMENTS

As at 31 December 2016, the Group committed to purchase PP&E of approximately RMB113 million (31 December 2015: nil), and equity investment of RMB54 million (31 December 2015: nil). Regarding the future development and outlook of the Group, please refer to the section headed “Outlook” in this “MD&A” section.

股份基礎給付

於二零一五年十二月十六日，本公司向中進企業有限公司(「中進企業」)授出認股權。根據協議，倘自二零一六年一月一日起至二零一八年十二月三十一日止的行權期間內中進企業達到了若干表現條件，則自二零一六年一月一日開始的十年內，中進企業有權以每股3.00元港幣的價格認購本公司最多25,200,000股普通股。授出購股權的更多詳情已載於本年報綜合財務報表附註39。

兼併與收購

於二零一六年一月，本集團收購了貫通雲網2%的股權，現金代價為人民幣800萬元。於二零一六年九月，本集團收購了高原天然水7%的股權，現金代價為人民幣2.1億元。關於這兩項收購的具體詳情已載於本年報綜合財務報表附註12。

重大投資

於二零一六年，本集團購買物業、廠房及設備約為人民幣1,800萬元(二零一五年：約人民幣4,800萬元)。關於本集團未來的發展和展望，詳情請參閱本管理層討論與分析內標題為「展望」的章節。

資本性承諾

於二零一六年十二月三十一日，本集團已承諾購買物業、廠房及設備約為人民幣1.13億元(二零一五年十二月三十一日：無)，以及承諾股權投資人民幣5,400萬元(二零一五年十二月三十一日：無)。關於本集團未來的發展和展望，詳情請參閱本管理層討論與分析內標題為「展望」的章節。

CHARGES

As at 31 December 2016, a bank loan of RMB200 million of the Group was secured by its factory plant with net book value of RMB72 million and land use rights with net book value of RMB30 million; and a bank loan of RMB66 million of the Group was secured by its factory plant with net book value of RMB35 million and land use rights with net book value of RMB1 million. The convertible bond is secured by the entire issued shares of Wealth Keeper Limited, a wholly-owned subsidiary of the Group. As at 31 December 2015, the Group did not have any asset charges.

EVENTS AFTER THE BALANCE SHEET DATE

On 10 January 2017, the controlling shareholder of the Company entered into agreements with three independent investors to sell approximately 1.83%, 3.50% and 4.67% of the total issued share capital of the Company, respectively, with selling price of HKD3.50 per share. Further details of the transactions are set out in the Company's announcement dated 10 January 2017.

On 11 January 2017, the controlling shareholder of the Company entered into an agreement with an independent investor, Khorgos Tianshan No.1 (霍爾果斯天山一號) to sell 18% of the total issued share capital of the Company with selling price of HKD3.50 per share. Further details of the transactions are set out in the Company's announcement dated 11 January 2017.

Upon completion of the above-mentioned transactions, Khorgos Tianshan No.1 will become the single largest shareholder of the Company.

抵押

於二零一六年十二月三十一日，本集團的一筆人民幣2億元的銀行借款以賬面淨值為人民幣7,200萬元的本集團工廠廠房以及賬面淨值為人民幣3,000萬元的土地使用權作抵押；本集團的一筆人民幣6,600萬元的借款以賬面淨值為人民幣3,500萬元的本集團工廠廠房以及賬面淨值為人民幣100萬元的土地使用權作抵押。可換股債券是以本集團的一家全資附屬公司—Wealth Keeper Limited的全部已發行股份作抵押。於二零一五年十二月三十一日，本集團沒有任何資產抵押。

資產負債表日期後事項

於二零一七年一月十日，本公司控股股東與三位獨立投資人簽署協議出讓約1.83%、3.50%及4.67%本公司合計已發行的股份，出讓價格為每股3.50港元。這些交易的具體詳情已載於本公司二零一七年一月十日的公告。

於二零一七年一月十一日，本公司控股股東與一位獨立投資人霍爾果斯天山一號簽署協議出讓18%本公司合計已發行的股份，出讓價格為每股3.50港元。該交易的具體詳情已載於本公司二零一七年一月十一日的公告。

上述交易完成後，霍爾果斯天山一號將成為本公司的單一最大股東。

CONTINGENT LIABILITIES

The Group provided a financial guarantee to an associate amounting to RMB260 million as at 31 December 2016 (31 December 2015: RMB260 million). The guarantee is provided for bank borrowings obtained by the associate with the remaining amounts of RMB240 million as at 31 December 2016 (31 December 2015: RMB240 million), the period of the guarantee is from 20 July 2015 to 20 July 2017.

FOREIGN EXCHANGE RISK

The Group adopts a conservative approach to cash management and risk control. The Group mainly operates in the PRC with most of its business transactions denominated in RMB. However, the Group is exposed to foreign exchange risk arising from its cash exchange transactions, which are primarily denominated in HKD. To mitigate the impact of exchange rate fluctuations, the Group continually assesses and monitors its exposure to foreign exchange risk. During the year ended 31 December 2016, management did not consider it necessary to enter into any hedging transactions in order to reduce the exposure to foreign exchange risk, because the exposure, after netting off the assets and liabilities subject to foreign exchange risk, is not significant.

VALUATION OF PROPERTIES

For the purpose of listing of the Company's shares on the Main Board of the Stock Exchange on 30 June 2011, a valuation was conducted on the property interests held by the Group. However, those property interests were still carried at historical costs less accumulated depreciation and impairment, if any, on the Group's financial statements.

With reference to the property valuation set out in Note 4 of Appendix II-A of the Company's prospectus dated 20 June 2011, a revaluation surplus of approximately RMB3,947,000 was identified in respect of the property interests of the Group as at 31 March 2011. If the property of the Group were stated at that valuation, the depreciation charge per annum would increase by approximately RMB130,000.

或然負債

於二零一六年十二月三十一日，本集團對一間聯營企業提供了人民幣2.6億元的財務擔保(二零一五年十二月三十一日：人民幣2.6億元)。該擔保是為該聯營企業於二零一六年十二月三十一日剩餘金額為人民幣2.4億元的銀行借款所提供(二零一五年十二月三十一日：人民幣2.4億元)。其擔保期限從二零一五年七月二十日至二零一七年七月二十日。

外匯風險

本集團採用審慎方針管理現金及控制風險。本集團主要在中國營運，大部分的商業交易皆以人民幣為計算單位。本集團的現金匯兌交易主要以港幣計值，故本集團面對外匯風險。為減輕匯率波動的影響，本集團持續評估及監控外匯風險。於截至二零一六年十二月三十一日止年度，管理層認為沒有必要訂立任何對沖交易以減輕外匯風險，因為將承受外匯風險的資產及負債相抵後風險不大。

物業估值

為本公司股份於二零一一年六月三十日在聯交所主板上市的目的，已對集團持有的物業權益進行了估值。然而，該等物業權益仍於本集團財務報表中按歷史成本減累計折舊及減值(如有)列賬。

根據本公司於二零一一年六月二十日刊發的招股章程附錄二A附註四所載物業估值，本集團截至二零一一年三月三十一日的物業權益重估盈餘約人民幣3,947,000元。倘若本集團物業按該估值列賬，每年折舊開支將會增加約人民幣130,000元。

PRODUCTION CAPACITY

The annual water production capacity and annual beer production capacity for the year ended 31 December 2016 are approximately 300,000 tonnes and 200,000 tonnes, respectively (for the year ended 31 December 2015: approximately 238,000 tonnes and 200,000 tonnes, respectively), and the Group will assess the production capacity periodically and consider to increase production capacity to meet the demands of future development.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group has adopted internal control measures to monitor the continuous compliance with relevant laws and regulations such as the Companies Law of the Cayman Islands, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Securities and Futures Ordinance (Chapter 57 of the Laws of Hong Kong, the "SFO"), the Rules Governing the Listing of Securities on the Stock Exchange, (the "Listing Rules") and other rules and regulations implemented in relevant jurisdictions. Also, as the Group's major subsidiaries are located in PRC, relevant regulatory requirements on the Group include PRC government policies and regulations towards the mineral water industry, PRC laws and regulations on environmental protection, PRC laws on regulation of manufacture and sales of general food products, PRC taxes, regulation of foreign currency exchange and dividend distribution, and other relevant PRC laws and regulations. During the financial year ended 31 December 2016, as far as the Board is aware, the Group has complied in all material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group.

The Group continues its commitment to comply with the relevant laws and regulations.

ENVIROMENTAL PROTECTION

In order to maintain the quality and safety of our products, we have established a "water protection zone" of 60 square kilometers around our water source. No human activities are allowed in the most restricted zone and the spring source has been secured in a fully enclosed facility to prevent any potential contamination.

產能

截至二零一六年十二月三十一日止年度的年度水產能和年度啤酒產能分別約為300,000噸和200,000噸(截至二零一五年十二月三十一日止年度：分別約為238,000噸和200,000噸)，本集團將定期評估產能並考慮增加產能以滿足未來發展的需要。

遵守相關法律及規例

本集團已採納內部監控措施監督持續遵守相關法律及法規，例如開曼群島公司法、公司條例（香港法例第622章）、證券及期貨條例（香港法例第571章、「證券及期貨條例」）、聯交所證券上市規例（「上市規則」）以及於相關司法管轄區內執行之其他規則及規例。此外，由於本集團主要附屬公司均位於中國，本集團面臨相關監管規定，包括中國政府有關礦泉水行業的政策及規例、中國環境保護法律及法規、中國有關規管一般食品生產及銷售的法律、中國稅項、外幣匯兌及股息分派規例以及其他相關中國法律及規例。於截止二零一六年十二月三十一日止財政年度，據董事會知悉，本集團已於所有重大方面遵守對本集團之業務及營運產生重大影響的相關法律及規例。

本集團繼續致力遵守相關法律及規例。

環境保護

為維持產品質素及安全，我們已於水源方圓60平方公里內建立「水源保護區」。最嚴禁區內禁止一切人類活動，並已對泉水源頭建立嚴密的封閉設施，防止一些可能污染。

Our production facility generates and/or discharges wastes mainly include waste water, plastics, papers or air pollutants during the production activities. We consider the protection of the environment to be of utmost importance and have implemented procedures for waste storage, handling and/or disposal. The Group aims to minimise the impact of our activities on the environment and requires our staff to follow the same principle. We adhere to the principles of low carbon emission, waste and emission reduction, energy and cost saving and an overall environmentally friendly approach in the way we operate.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Board believes in being people-oriented. The employees of the Group are one of the most important assets of the Group and their contribution and support are highly valued. The Group ensures staff are reasonably remunerated with regular reviews on compensations and benefits policies in accordance with the industry benchmark as well as the individual performance of the employees. Other fringe benefits, training, employee provident fund and share options, if applicable, are provided by the Group to solicit/retain loyal employees with the aim to form a professional and united staff and management team that can bring the Group to higher levels of achievements.

The Group seeks to maintain good relationship with its customers. The Group maintains an after-sales call center to serve the end customers of our products, and the sales personnel make regular visits and/or phone calls to the regular distributors and sales outlets in the market. If there is any complaint from customers, it will be reported to the management and immediate remedial action will be taken. Thereafter, the cause of such complaint will be studied, analysed and evaluated, and recommendations will be made for future improvement.

我們的生產設施於生產活動中所產生及／或排放的廢物主要包括廢水、塑料、紙張或氣體污染物。我們認為環境保護至關重要，並已實施各項措施儲存、處理及／或處置廢物。本集團致力減少我們的業務對環境造成的影響，並將要求員工遵守該原則。我們於業務營運過程中遵循低碳減排、節能節本及環保方針。

與僱員、客戶及供應商之關係

董事會認為本集團堅持以人為本。本集團僱員為本集團最重要的資產之一，他們的貢獻及支持受到高度重視。本集團確保員工合理受償，並根據行業基準以及僱員個人表現定期檢討薪酬及福利政策。本集團提供其他額外福利、培訓、僱員公積金及購股權（如適用）招攬／挽留忠誠僱員，以建設專業及團結的員工及管理層隊伍，促進本集團取得更高成就。

本集團尋求維持與其客戶的良好關係。本集團設有售後服務中心，服務我們的產品終端客戶。銷售人員定期拜訪及／或致電市場常規經銷商及銷售網點。倘接獲客戶投訴，則會匯報至管理層並即時採取補救行動。此後，本集團將研究、分析及評估有關投訴的原因，並提出改善建議。

The Group also seeks to maintain good relationship with its suppliers. During the year, there was no dispute in debts or unsettled debts. In addition, whenever the Group places orders, our suppliers are willing to accept our orders.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board is aware that the Group is exposed to various risks, including some which are specific to the Group or the industry in which the Group operates as well as others that are common to most businesses. The Board has established a procedure to ensure that significant risks which may adversely affect the Group's performance and ability to deliver on its strategies, as well as those which may present positive opportunities, are identified, reported, monitored and managed on a continuous basis.

I. Risks relating to our industry

The Group could be affected by change in consumer preferences, perception and spending patterns relating to bottled water and beer, particularly premium bottled water and premium beer. The growth in demand for bottled water products and beer products in the PRC has been driven in part by the overall growth in the PRC economy and disposable income of consumers. Any macroeconomic changes in the PRC that adversely impact consumer consumption for the beverage products could have a material adverse effect on our business and a decline in the market share of our products.

The Group faces increasing competition from domestic and foreign companies, which may affect our market share and profit margin. The bottled water and beer industry in China is highly competitive, and we expect competition to intensify. Our ability to compete is, to a significant extent, dependent on our ability to distinguish our product from those of our competitors by providing higher quality products and services at reasonable prices that appeal to consumers' tastes and preferences. Some of our competitors may have longer operating histories, may have substantially greater financial and other resources and may be better established in certain markets.

本集團亦尋求與供應商維持良好關係。年內，概無爭議債務或未結債務。此外，當本集團下訂單時，我們的供應商均樂意接納訂單。

主要風險及不明朗因素

董事會知悉，本集團面臨各種風險，包括若干本集團或本集團所經營行業的特有風險以及其他常見業務風險。董事會已制定程序，確保持續識別、報告、監察及管理對本集團表現及執行策略的能力可能造成不利影響或可能帶來良好機遇的重大風險。

I. 有關我們所處行業的風險

本集團可能受客戶對瓶裝水及啤酒尤其是高端瓶裝水及高端啤酒的偏好、認知及消費模式的變動所影響。中國瓶裝水產品及啤酒產品的需求增長部分程度上一直受中國經濟及消費者可支配收入整體增長所推動。中國任何宏觀經濟變動均可能對消費者的飲品消費水平產生不利影響，進而對我們的業務產生重大不利影響及導致我們產品的市場份額下滑。

本集團面臨來自國內外公司的競爭日益激烈，可能影響我們的市場份額及利潤率。中國瓶裝水及啤酒行業競爭激烈，且我們預期競爭將會加劇。我們的競爭能力主要取決於我們以合理的價格提供迎合消費者口味及喜好的優質產品及服務，使我們的產品從其他競爭對手產品當中脫穎而出的能力。我們的若干競爭對手可能營運歷史較長，財務實力及其他資源優勢顯著，及可能在若干市場更加成熟。

2. Risks relating to our Business

Our reliance on limited water source represents a risk to our business if the mineral content and quality of the spring water from that source are adversely affected due to changes in the surrounding geological environment or contamination of the water source. In order to maintain the quality and safety of our products, we have established a “water protection zone” of 60 square kilometers around our water source and also adhere to a strict quality control system over all our operations.

As a premium products provider, we rely heavily on the product's brand names and our reputation to generate sales. Any event that generates negative publicity for us could have an adverse effect on the product's brand names and our reputation, which in turn would affect our ability to market and sell our products.

Our water products are bottled at water sources in Tibet, and our beer products are also manufactured in Tibet. Our business may be interrupted or otherwise affected if relevant transportation is affected, and thus resulting in negative impact on our ability to transport adequate raw materials to our production facilities and the transportation of our products from Tibet.

3. Financial risks

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Details are set out in Note 3 to the consolidated financial statements.

2. 有關我們業務的風險

我們對有限水源地的倚賴使我們業務面臨風險，倘周邊地質環境變動或水源受污染，來自該水源的泉水的礦物質含量及水質將遭到不利影響。為維持我們的產品的質素及安全，我們已於水源方圓60平方公里內設立「水源保護區」，同時亦於我們的整個營運過程遵循嚴格的質量監控系統。

作為高端產品供應商，我們高度倚賴產品的品牌名稱及我們的聲譽推動銷量。任何導致我們形象受損的事件均可能對產品的品牌名稱及我們的聲譽造成不利影響，進而影響我們進行市場推廣及產品銷售的能力。

我們的水產品於西藏水源取水裝瓶，而我們的啤酒產品亦於西藏進行生產。倘相關交通運輸受到影響，我們的業務可能被中斷或受其他影響，因此對我們運輸足夠原材料至生產廠房以及從西藏輸出產品的能力造成負面影響。

3. 財務風險

本集團經營活動面臨各種財務風險：市場風險（包括貨幣風險、現金流量及公允價值利率風險）、信貸風險及流動性風險。本集團的整體風險管理計劃集中於金融市場的不可預測性，並尋求將對本集團的財務表現潛在不利影響降至最低。詳情載於綜合財務報表附註3。

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

The shares of the Company were listed on the Main Board of the Stock Exchange on 30 June 2011 with net proceeds from the global offering of approximately HKD1,472 million (including proceeds from the exercise of over-allotment option and after deducting underwriting commissions and related expenses). On 10 April 2013, the Company resolved to change the usage of the net proceeds from the global offering. Please refer to the Company's announcement dated 10 April 2013 for details. The revised usage of the net proceeds has been allocated and has been partially utilized in the following manner:

來自全球發售所得的所得款項淨額用途

本公司股份於二零一一年六月三十日在聯交所主板上市，來自全球發售的所得款項淨額約為1,472百萬港幣(包括行使超額配股權益經扣除包銷佣金和相關費用)。於二零一三年四月十日，本公司已決議更改全球發售所得款項用途，詳情請參閱本公司於二零一三年四月十日之公告。已更改的所得款項淨額已分配作以下用途：

		As at 31 December 2016 Utilized net proceeds 於 二零一六年 十二月三十一日 已運用的 所得 款項淨額 HKD'Million 百萬港元	As at 31 December 2016 Unutilized net proceeds 於 二零一六年 十二月三十一日 未運用的 所得 款項淨額 HKD'Million 百萬港元
Expand our production capacity by constructing additional facilities and purchasing additional production equipment	用作建設新增廠房及購買額外生產設備以擴大生產能力	133	—
Expand our distribution network and towards promotional activities	用作擴大經銷網絡及宣傳推廣活動	206	186
Mergers and acquisitions that complement our existing business	用作能補充我們現有業務的合併與收購	1,092	—
Working capital and other general corporate purpose	用作營運資金及其他一般企業用途	41	—
		1,472	186

In 2016, the Group has utilized net proceeds amounting to HKD78 million and HKD3 million (i) for expanding our production capacity; and (ii) for expanding our distribution network and towards promotional activities, respectively. The remaining net proceeds were deposited in reputable financial institutions.

在二零一六年，本集團已運用了7,800萬港元及300萬港元分別：(i)用作擴大生產能力；及(ii)用作擴大經銷網絡及宣傳推廣活動，而餘下的所得款項淨額已存入信譽良好的金融機構。

FINAL DIVIDENDS

No dividend has been declared by the Company in respect of 2016 (for the year ended 31 December 2015: HKD4 cents per share).

OUTLOOK

Consumer awareness and recognition of the Group's high quality products are expected to further increase as a result of the Group's activities.

The Group will continue its diversification strategy on product portfolio, market-oriented business strategy, internationalization strategy and further enhance strategic channel cooperation in future along with continued brand development through a range of marketing activities.

During the past two years, the Group launched its premium version of 5100 Glacial Water named as "Diamond Series" product, 10L/12L "5100 Family Soft Barreled Water" and medium priced bottled water products under the brand of "Gesang Spring". The new products will be further promoted in 2017, and the Group will also continue to develop new products in future.

The Group will also continue to expand its retail network, and target to develop key channels not only in traditional retail channel but also in hotels, cinemas, airports, e-commerce platforms, restaurants and healthcare and entertainment venues. Family market and markets beyond the mainland China were identified by the Group as two potential markets, in which the Group will devote resources to develop.

During the past year, the Group has maintained and developed strategic partnerships for the purpose of both sales and marketing. In order to develop the sales of our water products, we will continue to allocate resources to our strategic airline partners to further increase our market share in the airline beverage sector. We will further explore opportunities with CRE to promote our products in railway channels; with Sinopec and PetroChina to cover more petrol stations; with Country Garden to penetrate our supplies in more communities and with Moutai Group and Zhongshang Huimin to promote our "5100 Family Soft Barreled Water" and "Gesang Spring".

年度股息

本公司宣告不派發二零一六年股息(截至二零一五年十二月三十一日止年度：每股港幣4分)。

展望

隨著本集團的活動不斷增加，消費者對本集團優質產品的認知和認可不斷地提高。

本集團將在未來繼續多元化產品戰略，市場化的經營方針，國際化戰略和深化渠道戰略合作，並通過一系列的市場活動繼續品牌推广。

在過去的兩年，本集團已經推出了5100冰川水的高端鑽石系列，10L/12L「5100家庭裝軟瓶水」以及「格桑泉」為品牌推出中價瓶裝水產品。這些新產品將在二零一七年進一步推廣銷售，本集團也將在未來繼續推出新的產品。

本集團將持續擴大零售網絡，不僅在傳統零售渠道，而且致力發展包括酒店、電影院線、機場、電商平台、餐飲以及健康娛樂店點在內的目標零售渠道。本集團認為家庭和境外市場是兩大潛力市場，本集團將分配資源發展該等市場。

在過去的一年，本集團維護並發展了戰略合作夥伴，以實現銷售和品牌營銷雙豐收。為了發展我們水產品的銷售，我們將繼續與我們的戰略合作夥伴優化配置資源，與航空公司合作夥伴一起擴大我們的產品在航空飲品部份的市場份額，與中鐵快運一起在鐵路渠道推廣我們的產品，與中石化和中石油一起覆蓋更多的加油站，與碧桂園一起滲透更多的社區，與茅台集團和中商惠民一起推廣我們的「5100家庭裝軟瓶水」和「格桑泉」。

In January 2017, an independent investor, Khorgos Tianshan No.1 has agreed to buy 18% of the total issued share capital of the Company from the existing controlling shareholder of the Company. After completion of the transaction, Khorgos Tianshan No.1 will be our single largest shareholder and it has declared that it will make good use of its advantages and resources, support the Group's current management team, expand the Group's market share, and strengthen the Group's competitiveness, in order to bring more benefits to the shareholders of the Company and the local economy in both Tibet and Xinjiang Autonomous Region.

While continuing to implement the above mentioned strategies and actively strengthen the integration of our existing resources in both our water business segment and beer business segment, and to generate further synergy between the water business and the beer business, the Group will continue to seek new projects with a business presence in the Chinese beverage industry that focuses on the Group's products' Tibet origins, leading to the diversification of our business and products.

In recognition of the importance of the ongoing projects, the Group will continue to give high priority to strengthen its workforce both qualitatively and quantitatively.

The Group expects strong competition to continue and a challenging economic environment, but will continue to focus on improving our core business.

於二零一七年一月，一家獨立投資人，霍爾果斯天山一號與本公司控股股東達成協議購買本公司18%的股權。交易完成後，霍爾果斯天山一號將成為我們的第一大股東，並且像其介紹的那樣，其將發揮自身優勢和資源，支持本集團現有的管理團隊，擴大本集團的市場份額，以及加強本集團的競爭力，為本公司股東和西藏自治區及新疆自治區當地經濟創造更大價值回報。

在繼續執行前文所提的策略及積極加強對現有水業務和啤酒業務分部的資源整合，進一步發揮水業務和啤酒業務之間的協同效應的同時，本集團將繼續尋覓能體現本集團西藏特色的產品，開拓中國特色飲品產業的新項目，讓本集團的業務和產品更為多元化。

為了實現本集團對眾多項目之重視，本集團將繼續高度重視、不斷地及重質重量地增強我們的人力資源。

本集團預計會繼續面對強大競爭和具挑戰性的經濟環境，但會繼續專注提升我們的核心業務。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. FU Lin, aged 51, is an executive Director and the chief executive officer of our Company and was appointed to the Board on 1 March 2011. Mr. Fu has over 23 years of experience in business and capital operation and is responsible for the overall management, business and strategic planning of our Group. Mr. Fu graduated from Peking University (北京大學) with a bachelor degree in Economics. Mr. Fu studied at the Graduates School of Chinese Academy of Social Sciences (中國社會科學院) and was awarded with a master degree in Economics; Mr. Fu also attended an advanced management program at Harvard Business School, which focused on skills in leading an organization.

Mr. YUE Zhiqiang, aged 52, is an executive Director of our Company and was appointed to the Board on 1 March 2011. Mr. Yue has over 29 years of experience in mechanical engineering and manufacturing plant operation, and is the general manager of our subsidiary company, Tibet Glacier Mineral Water Co. Ltd. Mr. Yue studied at Shandong University of Technology (山東工業大學) (now combined into Shandong University (山東大學)) in Machinery Production and obtained a bachelor degree. Mr. Yue was appointed as the director of Tiandi Green on 25 December 2012.

Mr. LIU Chen, aged 33, is an executive Director and authorized representative of our Company and was appointed to the Board on 1 March 2011. Prior to joining our Group, Mr. Liu gained experience in the areas of law and accounting. Mr. Liu graduated from York University, Canada, with a bachelor of arts degree. Mr. Liu also studied full-time at McMaster University, Canada, and obtained a master degree in Business Administration.

董事及高級管理層履歷

執行董事

付琳先生，51歲，本公司執行董事兼行政總裁，於二零一一年三月一日進入本公司的董事會。付先生擁有逾23年業務和資本運作經驗，負責本集團的整體管理、業務及戰略規劃。付先生畢業於北京大學並獲得經濟學士學位。付先生曾修讀於中國社會科學院研究生院，獲授經濟學碩士學位。彼亦曾在哈佛商學院進修高級管理人員項目，集中在組織領導方面的技巧。

岳志強先生，52歲，本公司執行董事，於二零一一年三月一日進入董事會。岳先生在機械工程及製造工廠運營方面擁有逾29年經驗，並為本公司之子公司西藏冰川礦泉水有限公司的總經理。岳先生於山東工業大學(現已併入山東大學)修讀機械製造專業，並取得學士學位。岳先生在二零一二年十二月二十五日被委任為天地綠色之董事。

劉晨先生，33歲，本公司執行董事兼授權代表，於二零一一年三月一日進入董事會。於加入本集團前，劉先生累積了法律及會計經驗。劉先生畢業於加拿大約克大學(York University)，取得文學學士學位，其後劉先生亦全職在加拿大麥克馬斯特大學(McMaster University)攻讀，取得工商管理碩士學位。

Mr. WONG Hak Kun, aged 61, is an executive Director of our Company and was appointed to the Board on 8 December 2014. He worked for Carlsberg Brewery prior to joining the Company. He was the Chairman of Carlsberg China from September 2011 to March 2014. He served as the chief executive officer of Carlsberg Greater China from March 2007 to September 2011, and as the deputy managing director of Carlsberg China from January 2006 to February 2007. During the period between 2002 and 2006, in his capacity of business development director of Carlsberg China, he led the merger and acquisition team in expanding the company's production bases in the PRC. Mr. Wong has more than 33 years of working experience in the fast-moving consumer goods industry, of which more than 28 years were in the China beverage market. During the said period, he held various senior management positions in top international beer companies including Carlsberg and Bass Brewers.

Mr. Wong graduated from Hong Kong Baptist College (now Hong Kong Baptist University) in 1978 with a Diploma in Business Management and received a Master of Business Administration degree (full time) from Bath University, United Kingdom in 2001.

Non-Executive Director

Ms. JIANG Xiaohong, aged 59, is a non-executive Director of our Company and was appointed to the Board on 1 March 2011. Ms. Jiang is also the vice general manager of our subsidiary company, Tibet Glacier Mineral Water Co. Ltd., and is responsible for the operation, quality control, equipment and production site management. She has over 29 years of experience in operational management. She graduated from Xinjiang Vocational University (新疆職工大學) with a diploma in Economic Management, then from Jiangnan University (江南大學) (formerly known as Wuxi University of Light Industry (無錫輕工大學) with a diploma of Brewery Engineering, and from Xinjiang University (新疆大學) with diploma of Analytical Chemistry.

Independent Non-Executive Directors

Mr. Jesper Bjoern MADSEN, aged 63, joined our Group and was appointed as an independent non-executive Director of our Company on 1 March 2011. He is the chairman of the nomination committee and also a member of the audit committee and remuneration committee of our Company. Mr. Madsen was appointed as chairman of the Board on 7 July 2015.

王克勤先生，61歲，本公司執行董事，於二零一四年十二月八日進入董事會。在加入本公司之前就職於嘉士伯酒廠(Carlsberg Brewery)。彼自二零一一年九月起至二零一四年三月擔任嘉士伯中國的主席，自二零零七年三月起至二零一一年九月擔任嘉士伯大中華區的行政總裁，並自二零零六年一月起至二零零七年二月擔任嘉士伯中國的副總經理。於二零零二年至二零零六年期間，彼擔任嘉士伯中國的業務開發經理，領導兼併及收購團隊擴展公司在中國的生產基地。王先生於快速消費品行業擁有逾33年經驗，其中包括於中國飲料市場的逾28年經驗。於此期間，他曾於嘉士伯及Bass Brewers等頂尖國際啤酒公司擔任多項高級管理層職位。

王先生於一九七八年畢業於香港浸會學院(現稱香港浸會大學)，取得工商管理文憑，並於二零零一年自英國巴斯大學(Bath University)取得工商管理碩士學位(全日制)。

非執行董事

姜曉虹女士，59歲，本公司非執行董事，於二零一一年三月一日進入董事會。姜女士亦為本公司之子公司西藏冰川礦泉水有限公司的副總經理，負責營運、質量控制、設備及生產場所管理。彼擁有超過29年營運管理經驗。彼畢業於新疆職工大學，獲授經濟管理文憑，然後於江南大學(前稱無錫輕工大學)，獲授釀造工程文憑；於新疆大學，獲授分析化學文憑。

獨立非執行董事

麥奕鵬先生，63歲，於二零一一年三月一日加入本集團並獲委任為本公司獨立非執行董事。彼為本公司提名委員會主席，亦為審核委員會以及薪酬委員會成員。麥先生於二零一五年七月七日獲委任為董事會主席。

Mr. Madsen worked with the Carlsberg A/S Group for over 22 years. He held the positions as the vice president responsible for overseas investments and markets, general manager and managing director of Carlsberg Brewery Hong Kong Ltd and Chief Operating Officer of Carlsberg Asia Pte Ltd. Mr. Madsen was the senior vice president of Carlsberg Breweries A/S with responsibility for Asia, among other markets. Mr. Madsen was during his tenure as the said senior president also a non-executive chairman, non-executive vice chairman or non-executive director in a number of Carlsberg's subsidiaries in Asia. Mr. Madsen obtained a master degree in Law from Copenhagen University, Denmark and later studied Scottish/English Law at the University of Edinburgh, Scotland.

Mr. Madsen currently also serves as an independent non-executive director of D&O Green Technologies Berhad (stock code: 7204) and Mega First Corporation Berhad (stock code: 3069), both are companies listed on the Main Board of Bursa Malaysia.

Mr. LEE Conway Kong Wai, aged 62, joined our Group and was appointed as an independent non-executive Director of our Company on 1 March 2011. He is the chairman of the remuneration committee and also a member of the audit committee and nomination committee of our Company.

Mr. Lee served as a partner of Ernst & Young for many years and held key leadership positions in the development of such firm in China. Mr. Lee is a member of the Institute of Chartered Accountants in England and Wales, the Chartered Accountants, Australia and New Zealand, the Chartered Association of Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Macau Society of Certified Practising Accountants. Mr. Lee was appointed as a member of the Chinese People's Political Consultative Conference of Hunan Province (中國湖南省政協委員) in China since 2007. Mr. Lee received a Bachelor of Arts degree in Business Studies from Kingston University (formerly known as Kingston Polytechnic) in London and further obtained his postgraduate diploma in Business from Curtin University of Technology in Australia.

麥奕鵬先生曾於嘉士伯集團(Carlsberg A/S Group)任職超過22年，麥奕鵬先生曾任嘉士伯啤酒廠香港有限公司副總裁(負責海外投資及市場)、總經理及董事總經理，以及嘉士伯亞洲私人有限公司(Carlsberg Asia Pte Ltd.)的營運總裁。麥奕鵬先生也曾為嘉士伯啤酒廠有限公司(Carlsberg Breweries A/S)高級副總裁，負責亞洲及其他市場。於其任職期間，麥奕鵬先生亦在嘉士伯於亞洲的多間子公司擔任非執行主席、非執行副主席或非執行董事。麥奕鵬先生獲授丹麥哥本哈根大學的法學碩士學位，其後於蘇格蘭愛丁堡大學修讀蘇格蘭／英國法律。

麥先生現時亦擔任D&O Green Technologies Berhad(股份代號：7204)和Mega First Corporation Berhad(股份代號：3069)(均於大馬吉隆坡股票交易所主板上市)的獨立非執行董事。

李港衛先生，62歲，於二零一一年三月一日加入本集團並獲委任為本公司獨立非執行董事。彼為本公司薪酬委員會主席，亦為審核委員會及提名委員會成員。

李先生於過去多年為安永會計師事務所合夥人，於開展該行的中國業務擔任主要的領導職位。李先生為英格蘭及威爾斯特許會計師公會、澳洲及新西蘭特許會計師公會、特許執業會計師公會、香港會計師公會及澳門執業會計師公會的會員。李先生自二零零七年起獲委任為中國湖南省政協委員。李先生畢業於倫敦金斯頓大學(Kingston University)(前稱金斯頓理工學院(Kingston Polytechnic))，獲授商業文學士學位，並獲授澳洲科廷科技大學(Curtin University of Technology)的商業研究生文憑。

Mr. Lee currently serves as an independent non-executive director of the following companies listed in Hong Kong and China:

李先生現時擔任多家分別在香港和中國上市的公司獨立非執行董事，如下：

Name of Listed Company 上市公司名稱	Stock Code 股份代號	Place of Listing 上市地點
Chaowei Power Holdings Limited 超威動力控股有限公司	951	Main Board of the Stock Exchange 香港聯交所主板
China Rundong Auto Group Limited (formerly known as China Greenland Rundong Auto Group Limited) 中國潤東汽車集團有限公司 (前稱中國綠地潤東汽車集團有限公司)	1365	Main Board of the Stock Exchange 香港聯交所主板
China Modern Dairy Holdings Ltd. 中國現代牧業控股有限公司	1117	Main Board of the Stock Exchange 香港聯交所主板
GCL New Energy Holdings Limited 協鑫新能源控股有限公司	451	Main Board of the Stock Exchange 香港聯交所主板
GOME Electrical Appliances Holding Limited 國美電器控股有限公司	493	Main Board of the Stock Exchange 香港聯交所主板
NVC Lighting Holding Limited 雷士照明控股有限公司	2222	Main Board of the Stock Exchange 香港聯交所主板
West China Cement Limited 中國西部水泥有限公司	2233	Main Board of the Stock Exchange 香港聯交所主板
WH Group Limited 萬洲國際有限公司	288	Main Board of the Stock Exchange 香港聯交所主板
Yashili International Holdings Ltd 雅士利國際控股有限公司	1230	Main Board of the Stock Exchange 香港聯交所主板

Mr. Kevin Cheng WEI, aged 49, joined our Group and was appointed as an independent non-executive Director of our Company on 1 March 2011. He is the chairman of the audit committee and also a member of the remuneration committee, nomination committee and risk management committee of our Company.

蔚成先生，49歲，於二零一一年三月一日加入本集團並獲委任為本公司獨立非執行董事。彼為本公司審核委員會主席，亦為薪酬委員會，提名委員會及風險管理委員會成員。

Mr. Wei is currently a managing partner of a corporate finance advisory firm. Mr. Wei served as chief financial officer from December 2007 to September 2013 of IFM Investments Limited which is a real estate services company headquartered in Beijing. From 2006 to 2007, Mr. Wei served as the chief financial officer of a Chinese solar company listed on Nasdaq. From 1999 to 2005, Mr. Wei worked in the internal audit and risk management functions with Asia Pacific regional or global coverage for multinational companies including LG Philips Displays International Ltd. (2003 to 2005) headquartered in Hong Kong. From 1991 to 1999, Mr. Wei worked with KPMG LLP and Deloitte Touche LLP in various audit and consulting roles between United States of America and China. Mr. Wei graduated from Central Washington University in 1991, where he received his bachelor's degree (cum laude) with a double major in accounting and business administration. He is also a member of the American Institute of Certified Public Accountant.

Mr. Wei currently also serves as an independent non-executive director of Wisdom Sports Group (stock code: 1661) and Nexteer Automotive Group Limited (stock code: 1316), both companies are listed on the Main Board of the Stock Exchange.

So far as the Company is aware, none of the Directors have any relationship (including financial, business, family or other material/relevant relationship) with each other.

蔚先生現為一個財務諮詢顧問公司的董事合夥人。蔚先生亦自二零零七年十二月起至二零零一三年九月擔任一間總部設於北京的房地產服務公司IFM Investments Limited的財務總監。於二零零六年至二零零七年間，蔚先生曾擔任一間於納斯達克上市的太陽能公司的財務總監。於二零零三年至二零零五年間，蔚先生曾工作於亞太地區或覆蓋全球的國際公司，負責內部核數及風險管理，包括總部設於香港的樂金•飛利浦顯示件國際有限公司(LG Philips Displays International Ltd.)(二零零二年至二零零五年間)。於一九九一年至一九九九年間，蔚先生於美國及中國為KPMG LLP及Deloitte Touche LLP處理不同的審計、顧問及企業併購管理工作。蔚先生於一九九一年畢業於美國中央華盛頓大學，以優等成績取得理學士學位雙主修會計及工商管理。彼亦為美國註冊會計師協會會員。

蔚先生現時擔任智美體育集團(股份代號：1661)及耐世特汽車系統集團有限公司(股份代號：1316)的獨立非執行董事，兩間公司的股份均在香港聯交所主板上市。

據董事所知，董事會成員之間概無存在任何關係，包括財務、業務、家屬或其他重大／相關的關係。

The Board now presents this Corporate Governance Report in the Group's annual report for the year under review.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving and maintaining high standards of corporate governance practices to enhance Shareholders' value and safeguard Shareholders' interests. Accordingly, the Board has considered carefully the requirements of the Corporate Governance Code (the "CG Code") set out in Appendix I4 of the Listing Rules and as described below, has taken actions to further enhance corporate transparency and accountability.

The Board believes good corporate governance is one of the critical factors for achieving sustainable long-term success. The corporate governance principles of the Company emphasize on the importance of a quality Board and its accountability to Shareholders. The Board regularly reviews the corporate governance practices to ensure compliance with the principles and code provisions as set out from time to time in the CG Code and strive to maintain the long-term healthy development of the Company.

In the opinion of the Directors, the Company had complied with the code provisions set out in the CG Code throughout the year ended 31 December 2016.

BOARD OF DIRECTORS

Responsibilities

The Board leads and supervises the overall direction and development of the Group's business and affairs, with the objective of enhancing Shareholders' value including making and approving the Company's strategic implementation, considering substantial investments, reviewing the Group's financial performance and developing and reviewing the Group's policies and practices on corporate governance. The Directors are responsible for, and has also delegated to the chief executive officer the authority and responsibility to oversee the day-to-day management and operation of the Group. In addition, the Board has established four Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of references.

董事會謹此提呈載於本集團回顧年度年報內的企業管治報告。

企業管治常規

董事會致力達致及維持高水平之企業管治常規，藉此維持股東價值及保障股東權益。因此，董事會仔細考慮上市規則附錄14所載企業管治守則（「企業管治守則」），並已採取了下文所述的各項措施，進一步提升企業透明度和問責性。

董事會相信良好的企業管治同樣是達致可長遠持續成功的關鍵因素之一。本公司的企業管治原則著重高質素的董事會和對股東的問責性。董事會不時檢討企業管治常規，以確保遵守企業管治守則內不時所載之原則及守則條文及維持本公司長遠的健康發展。

於二零一六年十二月三十一日止年度，董事認為已遵守企業管治守則內的守則條文。

董事會

職責

董事會帶領和專責監督本公司業務的整體發展及方向，務求提升股東價值，包括制定及審批本公司策略的實施、考慮重大投資、檢討本集團的財務表現，以及制定及檢討本集團的企業管治政策與常規。董事有責任並已授權行政總裁專責監督本集團的日常管理及業務運作。此外，董事會亦已成立四個董事委員會，並向該等董事委員會轉授多項職責，有關職責載於各董事委員會的職權範圍內。

Board Composition

The Board currently comprises of eight Directors, comprising four executive Directors, one non-executive Director and three independent non-executive Directors. The Board is collectively responsible for promoting the success of the Company by directing and supervising the Group's affairs. The Board has a balance of appropriate skill, experience and diversity of perspectives to meet the requirements of the Group's business.

Executive Directors

Mr. FU Lin (*Chief Executive Officer*)
Mr. YUE Zhiqiang
Mr. LIU Chen
Mr. WONG Hak Kun

Non-executive Director

Ms. JIANG Xiaohong

Independent Non-executive Directors

Mr. Jesper Bjoern MADSEN (*Chairman*)
Mr. LEE Conway Kong Wai
Mr. Kevin Cheng WEI

There are four Board committees in the Company. The table below provides the constituents of each of the committees.

董事會組成

董事會現設有八名成員，包括四名執行董事、一名非執行董事及三名獨立非執行董事。通過指示並監督本集團之事務，董事會共同負責推動本公司之成功發展。董事會擁有本集團業務所需之各種合適技能及經驗和多元化的觀點。

執行董事

付琳先生(*行政總裁*)
岳志強先生
劉晨先生
王克勤先生

非執行董事

姜曉虹女士

獨立非執行董事

麥奕鵬先生(*主席*)
李港衛先生
蔚成先生

本公司董事會設立四個委員會。下表提供各董事會成員在這些委員會中所擔任的職位。

		Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Risk Management Committee 風險管理委員會
Mr. FU Lin	付琳先生	—	Member	Member	Chairman
Mr. LIU Chen	劉晨先生	—	—	—	Member
Mr. Jesper Bjoern MADSEN	麥奕鵬先生	Member	Member	Chairman	—
Mr. LEE Conway Kong Wai	李港衛先生	Member	Chairman	Member	—
Mr. Kevin Cheng WEI	蔚成先生	Chairman	Member	Member	Member

The list of Directors and their role and function is available at the Company's and the Stock Exchange's websites. Their profiles are set out in the section headed "Profile of Directors and Senior Management" which is in this Annual Report on pages 45 to 49.

During the year, the Company had eight Directors, of which three were independent non-executive Directors, which is in compliance with the requirements under Rules 3.10A of the Listing Rules.

Chairman and Chief Executive

Under the code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separated and should not be performed by the same individual. The roles of the Chairman and the Chief Executive of the Company are separate and are assumed by Mr. Jesper Bjoern Madsen and Mr. Fu Lin, respectively. The Chairman's primary responsibilities include deciding on the meeting schedule and agenda, formulating Board policies, ensuring Board effectiveness, promoting the Company and upholding the Company's corporate governance standards. The Chief Executive has delegated authority from, and is responsible to, the Board for managing the Group's business, including the implementation of the strategies and initiatives adopted by the Board.

Operation of the Board

All the executive Directors are responsible for dealing with the business of the Group in accordance with all applicable rules and regulations, including, but not limited to, the Listing Rules. All Directors (including non-executive Director and independent non-executive Directors) have been consulted on all major and material matters of the Group.

The Board supervises the management of the business and affairs of the Group, including convening Shareholders' meetings, reporting their work in the Shareholders' meeting, implementing the Shareholders' resolutions, determining the Group's business plans and strategies, formulating the Group's annual budget and final accounts, formulating proposals for dividend and bonus distribution, and determining duties as conferred to it by the Articles of Association of the Company. In discharging its responsibilities, the Board meets and communicates regularly and acts in good faith, with due diligence and care.

董事名單及彼等的職務及職能可於本公司及聯交所網站查詢。彼等的履歷載於本年報第45至49頁「董事及高級管理層履歷」一節。

年內，董事會有八名董事，其中三名為獨立非執行董事，並已符合上市規則第3.10A條的規定。

主席及行政總裁

在企業管治守則第A.2.1守則條文下，主席及行政總裁的角色應該完全分開和不是由同一個人履行。本公司的主席及行政總裁分別由麥奕鵬先生及付琳先生出任。主席主要的職責包括決定會議時間表及議程、制定董事會的政策、確保董事會的成效、推廣本公司及秉承本公司的企業管治方針。行政總裁獲董事會授權負責管理集團業務，包括執行董事會採納的戰略及措施。

董事會的運作

全體執行董事負責根據所有適用的規則及規例(包括但不限於上市規則)處理本集團業務。全體董事(包括非執行董事及獨立非執行董事)已就本集團所有主要及重大事項進行徵詢。

董事會監督本集團業務及事務的管理，包括召開股東會議、在股東會議上報告彼等的工作、執行股東會議的決議案、釐定本集團的業務計劃及策略、編製本集團的年度預算及落實賬目、制定派息及分紅的方案、釐定本公司組織章程細則所賦予的職責。為履行其職責，董事會定期舉行會議，並以真誠、盡責、審慎的方式行事。

The Board meets regularly to review financial statements, material investments in new projects, dividend policy, major financings, treasury policies and changes in accounting policies. All Directors have access to Board papers and related materials which are provided in a timely manner. Directors have access to the advice and services provided by the company secretary of the Company (the “**Company Secretary**”) with a view to ensure that the procedures applicable to Board meetings, and all applicable rules and regulations, are followed. Draft and final versions of the minutes of Board meetings and Board committee meetings, drafted in sufficient detail by the secretary of the meetings, would be circulated to the Directors for their comments and record. Originals of such minutes, being kept by the Company Secretary, are open for inspection at any time upon a reasonable notice period given by any Director.

If a Director has a conflict of interest in a matter to be considered by the Board, the matters of which the Board determines to be material, the relevant Director will abstain from voting on the relevant Board resolution in which he/she or any of his/her associates have a material interest and that he/she shall not be counted in the quorum present at the Board meeting.

Under the respective appointment letters, all the current non-executive Director and independent non-executive Directors are appointed for a period of three years from 1 March 2017 unless terminated in accordance with the terms of the appointment letters. Their appointment may be terminated either by the Company or by the Director by giving three months’ written notice to the other party. All the current non-executive Director and independent non-executive Directors are subject to retirement by rotation and re-election at the coming annual general meetings of the Company in accordance with the Articles of Association of the Company. The Company has received from each independent non-executive Director an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of its independent non-executive Directors independent.

董事會定期召開會議，以檢討財務報表、新項目的重大投資、股息政策、重要融資、庫存政策和會計政策的改變。董事會文件及有關文件乃依時提供予所有董事審閱。董事可獲取本公司公司秘書（「**公司秘書**」）的意見及服務，以確保董事會程序及所有適用規則及規例均獲得遵守。由會議秘書詳細起草的董事會會議及董事委員會會議的會議記錄的初稿及最終版本會向董事傳送，以供彼等審閱及記錄。有關會議紀錄的正本由公司秘書保存，可供任何董事於發出合理通知後在任何時間查閱。

若董事在董事會將予考慮的事項中存有董事會認為屬重大的利益衝突，該董事將就彼或其任何聯繫人擁有重大權益的相關董事會決議案放棄投票，且不會計入出席該董事會會議的法定人數內。

根據各現任非執行董事及獨立非執行董事的委任書，彼等的委任期均為自二零一七年三月一日起計為期三年，惟按照委任書的條款終止的情況除外。彼等的委任均可由本公司或由有關董事向對方發出三個月書面通知而終止。各現任非執行董事及獨立非執行董事均須按本公司組織章程細則於未來的股東周年大會上輪席退任，並重選連任。本公司已接獲各獨立非執行董事根據上市規則第3.13條發出的年度獨立性確認書。本公司認為所有獨立非執行董事均為獨立人士。

At each annual general meeting, one-third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one-third) will retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

The Board believes that the balance between executive and non-executive Directors is reasonable and adequate to provide sufficient checks and balances that safeguard the interests of the Shareholders and the Group. The non-executive Directors provide the Group with diversified knowledge, expertise and experience. Their views and participation in Board and committee meetings bring independent judgement and advice on issues relating to the Group's strategies, performance, conflicts of interest and management process, and ensure that the interests of all Shareholders are taken into account. Two of the independent non-executive Directors possess the appropriate professional accounting qualifications or related financial management expertise, which exceeds the requirements under the Listing Rules. The opinions raised by the independent non-executive Directors in Board meetings facilitate the maintenance of good corporate governance practices.

Directors' Induction and Continuous Professional Development

On appointment to the Board, each newly appointed Director will receive a comprehensive induction package and training provided by the Company's legal advisor, covering business operations, policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities under the Listing Rules and other relevant regulatory requirements.

在每屆股東週年大會上，當時三分一的董事（若其人數並非三的倍數，則以最接近但不少於三分一的人數）將輪流退任，惟每位董事必須最少每三年於股東週年大會上輪席退任一次。

董事會相信執行董事及非執行董事組合之比例合理及適當，並充分發揮制衡作用，以保障股東及本集團之利益。非執行董事為本集團帶來多元化的學問、專業知識及經驗。彼等提出的意見及透過參與董事會及委員會會議，在策略、表現、利益衝突及管理程序等事宜上為本集團帶來獨立之判斷及意見，從而確保所有股東之利益均獲得考慮。其中二名獨立非執行董事具備適當專業會計資格或相關財務管理專業知識，這是超越了上市規則所規定的要求。獨立非執行董事在董事會會議上提出意見有助維持良好的企業管治常規。

董事之入職及持續專業發展

每位新獲委任之董事加入董事會時會收到一份全面之入職資料及由本公司法律顧問提供的培訓，範圍涵蓋本公司之業務營運、政策及程序以及作為董事之一般、法定及監管責任，以確保董事足夠了解其於上市規則及其他相關監管規定下之責任。

The Company updates Directors on the latest development regarding the Listing Rules and other applicable regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices. The Directors are regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. In addition, the Company and the Company Secretary have been encouraging the Directors and other management to enroll in a wide range of professional development courses and seminars relating to the Listing Rules, Companies Ordinance/laws and corporate governance practices organized by professional bodies, independent auditors and/or chambers in Hong Kong so that they can continuously update and further improve their relevant knowledge and skills.

From time to time, Directors are provided with written materials to develop and refresh their professional skills. The Company Secretary also coordinates, organises and arranges seminars on the latest development of applicable laws, rules and regulations for the Directors to assist them in discharging their duties. During the year, seminar materials, articles and updates relating to the latest development of the Listing Rules and other applicable regulatory requirements have been provided to Directors. An in-house seminar has been conducted by our independent external auditor, PricewaterhouseCoopers, covering the topic of "New Auditor Reporting Standards".

In addition, all Directors are provided with monthly updates on the Group's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

本公司不時向董事提供上市規則以及其他適用監管規定的最新發展概況，以確保董事遵守良好的企業管治常規，並提升其對良好企業管治常規的認知。董事定期均會獲知會相關法例、規則及規例之修訂或最新版本。此外，本公司和公司秘書一直鼓勵董事及其他管理人員報讀由香港專業團體、獨立核數師及／或商會舉辦的有關上市規則、公司條例／法例及企業管治常規之廣泛專業發展課程及講座，使彼等可持續更新及進一步提高其相關知識及技能。

董事將不時獲提供旨在發展及更新其專業技能之書面材料；公司秘書亦會為董事舉辦及安排有關適用法例、規則及規例最新發展之講座，以協助彼等履行其職責。在年度內，有關上市規則及其他適用監管規定最新發展的研討會閱讀材料、文章與更新資料已發派各董事。本公司曾邀請本公司的獨立外聘核數師，羅兵永道會計事務所，開辦一次內部研討會，討論議題為「香港上市公司報告的變化與改革」。

此外，董事亦獲提供本集團表現、狀況及前景的每月更新資料，以便董事會整體及各董事履行其職務。

According to the information provided by Directors and records maintained by the Company, the Directors have each received training with an emphasis on the roles, functions and duties of a director of a listed company in compliance with the requirement of the CG Code on continuous professional development during the year:

根據董事提供的資料和本公司存置之記錄，為符合企業管治守則關於持續專業發展之規定，董事於年內接受重點在於上市公司董事之角色、職能及職責之培訓：

		Types of training 培訓類別
Executive Directors	執行董事	
Mr. FU Lin	付琳先生	A, B
Mr. YUE Zhiqiang	岳志強先生	A, B
Mr. LIU Chen	劉晨先生	A, B
Mr. WONG Hak Kun	王克勤先生	A, B
Non-executive Director	非執行董事	
Ms. JIANG Xiaohong	姜曉虹女士	A, B
Independent Non-executive Directors	獨立非執行董事	
Mr. Jesper Bjoern MADSEN	麥奕鵬先生	A, B
Mr. LEE Conway Kong Wai	李港衛先生	A, B
Mr. Kevin Cheng WEI	蔚成先生	A, B
A:	attending in-house training and/or seminars and/or conferences and/or forums	A: 出席內部培訓及／或講座及／或會議及／或論壇
B:	reading seminar handouts, newspapers, journals, the Group's news, industry news and updates relating to the ongoing compliance obligations, corporate governance and other related topics, etc	B: 閱讀研討會刊物、報章、期刊、本集團的資訊、行業資訊及有關持續合規責任、企業管治及其他相關課題的最新消息等

Delegation by the Board

There is a formal schedule of matters specifically reserved to the Board for its consideration and delegation. The Board has given clear directions to management as to matters that must be approved by the Board before decisions can be made on behalf of the Company.

To assist the Board in the execution of its duties and to facilitate effective management, certain functions of the Board have been delegated by the Board to the Audit Committee (the "**Audit Committee**"), Remuneration Committee (the "**Remuneration Committee**") and Nomination Committee (the "**Nomination Committee**") of the Company which were established with written terms of references in compliance with the Listing Rules. The adopted terms of references comply with the code provisions as set out from time to time in Appendix 14 to the Listing Rules. During the year, the Board have also set up a Risk Management Committee (the "**Risk Management Committee**") for the main purpose of formulating policies and making recommendations to improve the Company's internal control and risk management systems.

董事會委派

本公司已設有一個正式程序事項表，列載特別要董事會作出決定及董事會已授權的事項。董事會亦明確指示管理層在代表本公司作出決定前，哪些事項須由董事會批准。

為協助董事會履行其職責及促進有效管理，董事會若干功能已由董事會委派予本公司審核委員會（「**審核委員會**」）、薪酬委員會（「**薪酬委員會**」）及提名委員會（「**提名委員會**」）。本公司根據上市規則的規定成立審核委員會、薪酬委員會及提名委員會，並制定書面職權範圍。獲採納職權範圍亦包括符合不時在上市規則附錄 14 所載守則條文的特定職責。年內，董事會亦成立風險管理委員會（「**風險管理委員會**」），其主要目標為制定政策及為改善內部監控及風險管理系統作出建議。

Each board committee is required to report to the Board on its decisions and recommendations, where appropriate. Each board committee is also provided with sufficient resources to discharge its duties and has access to independent professional advice at the Company's expense according to the Company's policy, if necessary.

Audit Committee

The Audit Committee meets at least twice per annum. Its key responsibilities include:

- a) to make recommendation to the Board on the appointment, reappointment and removal of the external auditor, to approve the remuneration and terms of engagement of the external auditor, and where applicable, to handle any questions relating to the resignation or dismissal of the external auditor;
- b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard;
- c) to monitor the integrity of financial statements of the Company and the Company's annual report, interim report and related financial results (if prepared for publication), and to review significant financial reporting judgments contained in them; and
- d) to review the Company's financial control, internal control and risk management system.

All the three Audit Committee members are independent non-executive Directors. The Chairman of the Audit Committee possesses the relevant financial management expertise and experience. The committee members, together with our external auditor, met three times during 2016 and discharged their principal responsibilities by:

- a) reviewing the interim results and final results of the Group and the relevant financial statements and reports and significant financial reporting judgments contained in them prior to the approval by the Board and reviewing the external auditor's report and findings relating to the work that has been performed;

各董事委員會須就其決策及建議(按適用情況而定)向董事會匯報。根據本公司政策(如有需要)，各董事委員會亦獲得充足資源以履行其職務，並取得獨立專業意見，費用概由本公司承擔。

審核委員會

審核委員會每年至少舉行兩次會議。其主要職責包括：

- a) 就委任、續聘及罷免外聘核數師、批准外聘核數師的薪酬及聘用條款以及有關外聘核數師辭任或撤任的問題向董事會提出建議；
- b) 根據適用準則檢討並監察外聘核數師的獨立性和客觀性，以及審計過程的效用；
- c) 監察本公司財務報表以及本公司年度報告、半年度報告及相關財務業績(倘若為公佈而編製)的真確性，並審閱該等報告所載就財務申報作出的重大判斷；及
- d) 檢討本公司的財務控制、內部控制及風險管理制度。

所有三名審核委員會成員均為獨立非執行董事。審核委員會主席擁有相關財務管理知識及經驗。委員會成員連同外聘核數師於二零一六年內舉行三次會議並透過以下方式履行彼等主要職責：

- a) 於董事會批准前審閱本集團的中期業績和全年業績、有關的財務報表及報告及審閱該等報表所載有關財務申報的重大判斷，以及審閱外聘核數師就已完成的工作所作出的報告及結果；

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| <ul style="list-style-type: none"> b) reviewing the external auditor's audit plan and terms of engagement for the work performed; c) reviewing the independence and objectivity of the external auditor, and the non-audit service fee payable to the external auditor; and d) reviewing the effectiveness of the internal control systems of the Group including financial control, operational control, compliance control and risk management. | <ul style="list-style-type: none"> b) 檢討外聘核數師的審核方案及已完成工作的委聘條款； c) 檢討外聘核數師的獨立性及客觀性，以及應付予外聘核數師的非核數服務費；及 d) 檢討本集團的內部控制系統是否有效，包括財務控制、運作控制、合規控制及風險管理。 |
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Nomination Committee

Its key responsibilities include:

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| <ul style="list-style-type: none"> a) to review the structure, size, composition and diversity of the Board on a regular basis and make recommendations to the Board on any proposed changes; b) to recommend to the Board on matters relating to selection, appointment or reappointment of Directors and succession planning for Directors; c) to ensure sufficient biographical details of the nominated candidates are provided to the Board and Shareholders (when necessary) for them to make decisions regarding selection of Board members; and d) to assess the independence of the independent non-executive Directors. | <ul style="list-style-type: none"> a) 定期檢討董事會的架構、規模、組成及多元化並就任何建議變動向董事會提供意見； b) 就與董事的選擇、委任或連任以及董事繼任計劃向董事會提出建議； c) 確保已向董事會及(如需要時)向股東充份提供獲提名人士的履歷，使彼等可根據該些資料就甄選董事會成員作出決定；及 d) 對獨立非執行董事的獨立性進行評估。 |
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All Board appointment will be based on meritocracy and candidates will be considered against objective criteria, having due regard to the benefits of diversity of the Board. The Board has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. Accordingly, selection of candidates to the Board will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience and qualifications, skills, knowledge and length of service, having due regard to the Company's own business model and specific needs from time to time. Taking into account the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future, the Nomination Committee is comfortable with the existing structure, size, composition and diversity of the Board.

提名委員會

其主要職責包括：

- 所有董事會成員之委任均以用人唯才為原則，在考慮人選時以客觀條件及對董事會成員多元化之好處。董事會已採納了董事會成員多元化政策，為求達致成員多元化而作出的方針。據此，甄選人選將按一系列多元化範疇並考慮公司不時之商業模式和特別需要為基準，包括但不限於性別、年齡、文化及教育背景、專業經驗及資格、技能、知識及服務任期。考慮到本公司的企業策略以及人員技能、知識、經驗及未來多元化的需要，提名委員會對董事會的現行架構、規模、組成及多元化感到滿意。

所有董事會成員之委任均以用人唯才為原則，在考慮人選時以客觀條件及對董事會成員多元化之好處。董事會已採納了董事會成員多元化政策，為求達致成員多元化而作出的方針。據此，甄選人選將按一系列多元化範疇並考慮公司不時之商業模式和特別需要為基準，包括但不限於性別、年齡、文化及教育背景、專業經驗及資格、技能、知識及服務任期。考慮到本公司的企業策略以及人員技能、知識、經驗及未來多元化的需要，提名委員會對董事會的現行架構、規模、組成及多元化感到滿意。

One meeting has been held by the Nomination Committee during 2016 and the following work has been satisfactorily concluded:

- a) reviewing the structure, size, composition and diversity of the Board; and
- b) assessing the independence of the independent non-executive Directors.

Remuneration Committee

Its key responsibilities include:

- a) to make recommendations to the Board on the Company's overall policy and structure on remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing such remuneration policy;
- b) review and approve compensation payable to executive Directors and senior management for any loss of office or appointment to ensure that such compensation is consistent with the contractual terms and is otherwise fair and not excessive; and
- c) to review and approve performance-based remuneration by reference to the corporate goals and objectives resolved by the Board from time to time.

During 2016, the Remuneration Committee has met two times and considered and reviewed the existing remuneration package of all the Directors and senior management. It is considered that the existing terms of remuneration of the Directors and senior management are fair and reasonable.

Risk Management Committee

Its key responsibilities include:

- a) to review and assess the effectiveness of the Company's risk management systems, and propose changes thereto, to identify, measure, manage and/or control risks;
- b) to discuss the risk management system with management to ensure that management has performed its duty to maintain an effective risk management system;
- c) to consider major investigation findings on risk management matters as delegated by the Board or on its own initiative and management's response to these findings; and

提名委員會於二零一六年年內舉行一次會議，所進行並取得滿意結果的工作包括：

- a) 檢討董事會的架構、規模、組成及多元化；及
- b) 對獨立非執行董事的獨立性進行評估。

薪酬委員會

其主要職責包括：

- a) 就本公司董事及高級管理層的整體薪酬政策及架構，並就制訂該等薪酬政策而設立正規及具透明度的程序，向董事會提出建議；
- b) 檢討及批准向執行董事及高級管理人員為任何離職或中止職務或委任而支付的賠償，以確保該等賠償與合約條款一致；若未能與有關合約條款一致，賠償亦須公平合理，不致過多；及
- c) 透過參照董事會不時議決通過的公司方針及目標，審閱及批准按表現而釐定的薪酬。

在二零一六年內，薪酬委員會舉行兩次會議並已考慮及檢討全體董事及高級管理層的現有薪酬待遇。薪酬委員會認為各董事及高級管理層現行的薪酬條款公平合理。

風險管理委員會

其主要職責包括：

- a) 檢討及評核本公司風險管理系統的效用以及對該系統的建議變動，以辨識、計量、管理及／或控制風險；
- b) 與管理層討論風險管理系統，以確保管理層維持有效的風險管理系統；
- c) 應董事會委派或主動就有關風險管理事宜的重要調查結果及管理層對該等結果的回應進行研究；及

d) to formulate policies and make recommendations to improve the Company's internal control and risk management systems.

During 2016, the Risk Management Committee has met once to consider and review the existing internal control system. Management's recommendations on financial management and production function were discussed, considered and adopted to improve the effectiveness of the internal control and risk management systems.

The composition of the Board and the Board members' respective attendance in Board meetings, general meeting, the Audit Committee meetings, the Remuneration Committee meetings, the Nomination Committee meeting and the Risk Management Committee meeting during the year ended 31 December 2016 were as follows:

d) 制訂政策及為改善本公司內部監控及風險管理系統作出建議。

在二零一六年內，風險管理委員會已舉行一次會議，以考慮及檢討現行的內部監控系統。管理層在財務管理和生產運作方面的建議，已被討論、考慮及採納，從而加強內部監控及風險管理系統的有效性。

截至二零一六年十二月三十一日止年度，董事會的組成及彼等各自於董事會會議、股東大會、審核委員會會議、薪酬委員會會議、提名委員會會議及風險管理委員會會議的出席率如下：

		No. of meetings attended/held 已出席／舉行會議數目					Risk Management Committee 風險管理 委員會
		Board 董事會	General meeting 股東大會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	
Executive Directors	執行董事						
Mr. FU Lin	付琳先生	5/5	1/1	—	2/2	1/1	1/1
Mr. YUE Zhiqiang	岳志強先生	4/5	0/1	—	—	—	—
Mr. LIU Chen	劉晨先生	5/5	1/1	—	—	—	1/1
Mr. WONG Hak Kun	王克勤先生	5/5	1/1	—	—	—	—
Non-executive Director	非執行董事						
Ms. JIANG Xiaohong	姜曉虹女士	4/5	0/1	—	—	—	—
Independent Non-executive Directors	獨立非執行董事						
Mr. Jesper Bjoern MADSEN	麥奕鵬先生	5/5	1/1	3/3	2/2	1/1	—
Mr. LEE Conway Kong Wai	李港衛先生	5/5	1/1	3/3	2/2	1/1	—
Mr. Kevin Cheng WEI	蔚成先生	4/5	0/1	3/3	2/2	1/1	1/1

During the year under review, the Chairman of the Company has held a meeting with independent non-executive Directors without the presence of the executive Directors.

於回顧年度，本公司主席曾分別與獨立非執行董事舉行一次沒有執行董事出席的會議。

CORPORATE GOVERNANCE FUNCTION

The Board has undertaken and adopted the responsibility for performing the corporate governance duties pursuant to the CG Code and is committed to ensuring that an effective governance structure is in place to continuously review, monitor and improve the corporate governance practices within the Group with regard to the prevailing legal and regulatory requirements.

During the year, the Board has reviewed the policies and practices on the Group's corporate governance, developed a code of conduct applicable to the Directors and employees, monitored the Company's legal and regulatory compliance, organised training and continuing professional development for Directors and management and reviewed the Company's compliance with the CG Code and the disclosures in this Annual Report.

This corporate governance report has been reviewed by the Board in discharge of its corporate governance function.

INTERNAL CONTROL

The Board has overall responsibility for maintaining a sound and effective internal control system of the Group. Our internal control system includes a well-defined management structure with limits of authority which is designed for the achievement of business objectives, safeguarding assets against unauthorized use or disposition, ensuring proper maintenance of books and records for the provision of reliable and timely financial information for internal use or publication, and ensuring compliance with relevant legislations and regulations. In addition, the Group has established risk management procedures to identify and prioritise risks for the business to be addressed by management. During the year ended 31 December 2016, the Board has supervised a review of the effectiveness of the internal control system and is satisfied with the scope of review and the effectiveness of the system.

The systems of internal control are designed to manage, rather than eliminate, business risk; to help safeguard the Group's assets against fraud and other irregularities; and to give reasonable, but not absolute, assurance against material financial misstatement or loss. In addition, it should provide a basis for the maintenance of proper and fair accounting records and assist in the compliance with relevant rules and regulations.

企業管治職能

董事會負責根據企業管治守則履行企業管治職責，並致力確保實行有效的管治架構，以因應現行法律及監管要求，持續檢討、監察及改善本集團內的企業管治常規。

年內，董事會已審閱本集團之企業管治政策及常規、完善董事及僱員適用之行為守則、監察本公司之法律和監管合規情況、為董事及管理層安排培訓和持續專業發展，以及審閱本公司遵守企業管治守則情況及本年報內之披露情況。

為履行企業管治職責，董事會已審閱本企業管治報告。

內部監控

董事會的整體責任為維持本集團的穩健和有效的內部監控系統。本集團的內部監控系統包括清晰明確且權限分明的管理架構，以助達致業務目標、保障資產以防止未經授權的使用或出售，確保妥善保存賬目及記錄以提供可靠及時的財務資料供內部使用或作公佈用途，以及確保符合相關法律及法規。此外，本集團已建立風險管理程序以確定和區分須提請管理層注意的業務風險。截至二零一六年十二月三十一日止年度，董事會已監督檢討內部監控系統的效用並對檢討的涵蓋範圍和系統的效用感到滿意。

內部監控系統旨在管理(而不是消除)經營風險，以幫助保護集團資產免受欺詐等違規，並對避免重大財務錯報或損失給予合理的(但不是絕對的)保證。此外，其應為備存妥善之會計記錄提供準則，有助遵守有關規則及法規。

During the year, the Board worked with the Audit Committee, the Risk Management Committee and the independent external auditor to review all material internal controls, including financial, operational and compliance control and risk management function in respect of the effectiveness of the Group's internal control system, adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and is satisfied that they were effective and in compliance with our policies.

MANAGEMENT FUNCTION

The management team of the Company meets regularly to review and discuss with the executive Directors on day-to-day operational matters, financial and operating performance as well as to monitor and ensure that the management is properly carrying out the directions and strategies pre-determined by the Board.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions.

Having made specific enquiries to all Directors, all Directors confirmed that they have complied with the requirements set out in the Model Code for the year ended 31 December 2016. Specific employees who are likely to be in possession of unpublished inside information relating to the Group have been requested to comply with the provisions of the Model Code. No incident of non-compliance of specific employees has been noted by the Company.

FINANCIAL REPORTING

The Directors acknowledge their responsibilities for keeping proper accounting books and records and overseeing the preparation of accounts for each financial year/period which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year/period and the profit and loss for the year/period. The Directors have adopted applicable International Financial Reporting Standards in all material respects, selected appropriate accounting policies and then applied them consistently, and have made judgments and estimates that they believe to be fair and reasonable. The Directors use a going concern basis in preparing the accounts unless it is not applicable.

年內，董事會已與審核委員會、風險管理委員會及獨立外聘核數師審閱所有重要的內部監控措施(包括財政、運營及合規控制措施)及風險管理職能。董事會亦已與審核委員會進行審閱，就有關本集團內部監控系統之成效、本公司於會計及財務申報職能方面之資源充足度、員工資格及經驗之資料，亦信納彼等有效並已遵從本集團之政策。

管理職能

本公司管理隊伍定期舉行會議以與執行董事一起審閱及商討日常營運事宜、財務及經營表現，以及監督和確保管理層妥善推行董事會事先決定的指示和策略。

董事進行證券交易的標準守則

本公司已採納上市規則附錄 10 所載的《上市發行人董事進行證券交易的標準守則》(「標準守則」)作為其董事進行證券交易的操守準則。

經向全體董事作出特定查詢後，全體董事確認彼等在二零一六年十二月三十一日止年度遵守標準守則所載的規定。特定僱員若可能擁有關於本集團的尚未公開內幕資料，已被要求遵守標準守則的規定。本公司並無發現有任何特定僱員不遵守有關規定的情況。

財務報告

董事確認其保存適當會計賬簿及記錄及監督編製各財務年度/期間賬目的責任，以真實公平地反映本公司和本集團於財政年度/期間結束時候的財務狀況及該年度/期間的損益。董事已於各重要範疇採納適用國際財務報告準則、選定適當的會計政策且一致地應用、作出彼等認為公平合理的判斷和估計。除非並不適合，否則董事運用持續經營基準來編製賬目。

The Board acknowledges that a clear, balanced and timely presentation of financial information is crucial in maintaining the confidence of Shareholders in the Company. Reasonable disclosure of the Company's financial position and prospects are provided in the reports. Annual and interim results are published within three and two months after the end of the relevant financial year/period, respectively.

The statement of the external auditor of the Company about its reporting responsibilities on the financial statements of the Group is set out in the section headed "Independent Auditor's Report" on pages 80 to 88 of this Annual Report.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE AND INDEMNITY

The Company has arranged appropriate Directors' and Officers' Liability Insurance for its Directors and officers covering the costs, losses, expenses and liabilities arising from the performance of their duties. The insurance policy is reviewed on an annual basis ensuring adequate covers on potential legal action against its Directors and officers arising from the performance of their duties and to comply with the requirement of the CG Code. During the year, no claim was made against the Directors and officers of the Company.

SHAREHOLDER RELATIONS

The general meetings of the Company provide a forum for effective communication with Shareholders. The Chairman of the Board and the Board Committees, or in his absence, fellow Directors and other management members will be made available to answer questions at the general meetings.

Extensive information about the Group's activities is provided in this Annual Report, the interim report and circulars which are sent to Shareholders in a timely manner and are made available on the Company's website (www.twr1115.net). Our website serves as a communication platform where company information including corporate profile, corporate governance materials, announcements, circulars, business news and financial reports are made available to the public. All Shareholders are encouraged to attend the annual general meeting of the Company to understand the business of the Group from the Directors and senior management in the general meeting.

The members of the Board will meet and communicate with Shareholders in the coming AGM 2017 which will be held on Monday, 29 May 2017. The notice of the AGM 2017 will be dispatched to all Shareholders not less than twenty clear business days beforehand. At the AGM 2017, the Chairman of the Board will demand for a poll and the Company's Hong Kong branch share registrar will be appointed as the scrutineer for the vote-taking.

董事會確認清晰、持平且準時地呈列財務資料對維持各股東對本公司的信心十分關鍵，本公司會在報告內對本公司的財務狀況和前景提供合理披露。於相關財政年度／期間結束後，會分別於三個月及兩個月內刊發年度和中期業績。

本公司外聘核數師就其對本集團財務報表的報告責任作出的聲明載於本年報第80至88頁的「獨立核數師報告」一節。

董事及主管人員之責任保險及彌償

本公司已為其董事及主管人員購買合適的董事及主管人員責任保險，涵蓋他們就履行職務所產生之成本、損失、開支及負債。有關保單乃每年檢討，確保充份地涵蓋董事及主管人員就履行職務而可能會面對的法律行動並符合企業管治守則的規定。於本年度內，本公司董事及主管人員概無遭受索償。

股東關係

本公司的股東大會為股東提供一個有效溝通的平台。董事會及各董事委員會主席(倘其未能出席，則相關董事及其他管理人員)將會於股東大會上回應提問。

本年報、中期報告及通函均提供大量有關本集團業務的資料，均適時送予股東及可於本公司網站(www.twr1115.net)上查詢。本公司網站提供一個交流平台，公眾可查詢公司概况、企業管治材料、公告、通函、業務新聞及財務報告等公司資料。本集團鼓勵所有股東出席本公司的股東週年大會，以便於股東大會上向董事及高級管理層理解本集團業務。

董事會成員將於二零一七年五月二十九日星期一舉行的2017股東周年大會席此與股東見面及交流。二零一七年股東周年大會通告將於不少於二十個營業日前寄發予全體股東。在二零一七年股東周年大會上，董事會主席將進行投票表決及本公司香港股份登記分處將被委任為投票的監票人。

SHAREHOLDERS' RIGHTS

Pursuant to the Company's Articles of Association, an extraordinary general meeting shall be convened on the written requisition of any two members of the Company deposited at the registered office specifying the objects of the meeting and signed by such Shareholders, provided that such Shareholders held at the date of deposit of the written requisition not less than one tenth of the paid up capital of the Company as at the date of deposit which carries the right of voting at general meetings of the Company. If the Directors do not within twenty-one days from the date of deposit of the requisition duly proceed to convene the meeting, the Shareholders themselves may convene the general meeting in the same manner, as nearly as possible, as those meetings which may be convened by the Directors, and all reasonable expenses incurred by the Shareholders as a result of the failure of the Directors in convening the said meeting shall be reimbursed to them by the Company.

There is no provision allowing Shareholders to move new resolutions at general meetings under the Cayman Islands Companies Law or the Articles of Association of the Company. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph. As regards nomination of a person as a Director, please refer to the procedures available on the website of the Company.

Shareholders may at any time send their enquiries and concerns to the Board by mail in writing to the Company's principal place of business in Hong Kong at Room 3401, 34th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

CONSTITUTIONAL DOCUMENTS

During the year, there had been no change to the Company's constitutional documents.

COMPANY SECRETARY

Mr. Chow Wai Kit was appointed on a full-time basis as the Company Secretary and during the year ended 31 December 2016, Mr. Chow has taken not less than 15 hours of appropriate professional training as required under Rule 3.29 of the Listing Rules.

股東權利

根據本公司之公司組織章程細則，本公司任何兩名股東可向註冊辦事處遞交召開股東特別大會之書面請求，當中列明會議目的並由相關股東簽署，惟該等股東於遞交書面請求當日所持股份不得少於附有本公司股東大會投票權之已繳足股本十分之一。倘董事並未於遞交請求日期起計二十一日內正式召開大會，則股東盡可能按接近董事召開大會之相同形式自行召開股東大會，而本公司須向股東賠償因董事未能召開大會導致股東產生之一切合理開支。

開曼群島公司法或本公司之公司組織章程細則並無列明股東可在股東大會上提呈任何新決議案。有意提呈決議案之股東可按上段所載程序要求本公司召開股東大會。關於提名董事候選人之事宜，請參閱本公司網站所載之程序。

股東可隨時致函本公司之香港主要營業地點，地址為香港灣仔港灣道26號華潤大廈34樓3401室，向董事會提出查詢及表達意見。

憲法文件

年內，本公司之憲法文件並沒有任何變動。

公司秘書

周偉傑先生獲委任為全職公司秘書。截至二零一六年十二月三十一日為止年度，周先生已參加不少於15小時的相關專業培訓，符合上市規則第3.29條的規定。

EXTERNAL AUDITOR

The Audit Committee is mandated to review and monitor the independence of the external auditor to ensure objectivity and the effectiveness of the audit process of the financial statements in accordance with applicable standards. Members of the Audit Committee were of the view that the Company's external auditor, PricewaterhouseCoopers, is independent and recommended to the Board to re-appoint it as the Company's external auditor at the AGM 2017. For the year, the fees paid/payable to the Company's external auditor in respect of audit and non-audit services provided to the Group are set out below:

Services rendered		提供的服務	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Audit services		審核服務	6,000	6,050
Non-audit services		非審核服務		
Review and other reporting services		審閱及其他申報服務	—	400
			6,000	6,450

COMPLIANCE WITH THE DEED OF NON-COMPETITION

Tibet Water Resources Limited, Maple Essence Investments Limited, True Asset Holdings Limited and Mr. Wang Peter Jian (collectively the "Controlling Shareholders") have entered into a deed of non-competition undertaking dated 14 June 2011 (the "NCU") in favour of the Company. The Company and its Directors have made market enquiries and nothing has come to the attention of the Company or its Directors that the Controlling Shareholders are engaging in any business that may compete with that of the Group in contravention of the terms of the NCU. The Company and its Directors confirmed that the management of the Company has made verbal enquiries periodically with the Controlling Shareholders, to which the Controlling Shareholders have responded that they are not, or have not been, doing any business in competition with that of the Group as prohibited under the NCU. In addition, each of the Controlling Shareholders has made its annual declaration of compliance with the NCU for the year ended 31 December 2016 respectively, and the independent non-executive Directors of the Company have also reviewed the enforcement status of the NCU, and confirmed that the Controlling Shareholders have abided by the undertakings contained in the NCU.

外聘核數師

審核委員會獲授權根據適用標準審閱及監督核數師的獨立性，以確保審計過程中財務報表的客觀性及有效性。審核委員會成員認為，本公司外聘核數師羅兵咸永道會計師事務所屬獨立人士，並向董事會作出建議，於二零一七年股東周年大會上續聘彼為本公司外聘核數師。年內，本公司就外聘核數師向本集團提供之審核及非審核服務的已付／應付之費用載列如下：

遵守不競爭承諾契據

西藏水資源有限公司、楓華投資有限公司、True Asset Holdings Limited及王堅先生(統稱「控股股東」)已訂立以本公司為受益人的日期為二零一一年六月十四日的不競爭承諾契據(「不競爭承諾契據」)。本公司及董事已在市場上作出查詢，而本公司或其董事未曾發現控股股東經營任何違反不競爭承諾契據條款的可構成競爭的業務。本公司及董事確認本公司管理層已定期地向控股股東作出口頭查詢，而控股股東已回應其沒有或不曾經營任何在不競爭承諾契據內禁止的跟本集團業務競爭的業務。再者，每位控股股東已作出遵守不競爭承諾契據的截至二零一六年十二月三十一日止年度聲明，且本公司獨立非執行董事也就執行不競爭承諾契據作出了評核並確認控股股東已信守不競爭承諾契據內的承諾。

INVESTOR RELATIONS

To ensure investors have a better understanding of the Group, our management is pro-active in its investor relations initiatives. Our executive Directors and the investor relations officers communicate with research analysts and institutional investors on an on-going basis and meet with research analysts/investors after our results announcements, attend major investors' conferences and participate in non-deal roadshows to communicate the Company's financial performance and business strategy.

During the year, our executive Directors and the investor relations officers have met with a number of research analysts and investors, attended conferences as well as non-deal roadshows as follows:

Month 月份	Event 事項	Organizer 舉辦方
March/April 2016 二零一六年三／四月	Attended 6 post results non-deal roadshows/ Investors conference calls 出席發佈業績非交易簡報會／ 投資者研討電話會議共6場	Deutsche Bank/investor relations consultant 德意志銀行／投資者關係顧問
August/September 2016 二零一六年八／九月	Attended 10 post results non-deal roadshows/ Investors conference calls 出席發佈業績非交易簡報會／ 投資者研討電話會議共10場	Investor relations consultant 投資者關係顧問
Other period of the year 2016 二零一六年其他期間	Attended over 20 analysts or investors meetings and conferences/Conference calls 出席超過20場分析師或投資者會議／研討會 ／研討電話會議	Investor relations consultant 投資者關係顧問

投資者關係

為確保投資者對本集團有更深入之了解，管理層採取積極參與投資者關係的策略。本公司執行董事與投資者關係主管與研究分析員及機構投資者進行持續溝通，並於本公司業績公佈刊發後與研究分析員／投資者會面，出席主要投資者研討會及參加非交易簡報會，以傳達本公司之財務表現及業務策略。

於本年度內，本公司執行董事與投資者關係主管已與眾多研究分析員及投資者會面，並出席了以下研討會以及非交易簡報會：

Disclaimer

The contents of this section headed "Shareholders' Rights" are for reference and disclosure compliance purposes only. The information does not represent and should not be regarded as legal or other professional advice from the Company to the Shareholders. Shareholders should seek their own independent legal or other professional advice as to their rights as Shareholders. The Company disclaims all liabilities and losses incurred by its Shareholders in reliance on any contents of this section headed "Shareholders' Rights".

免責聲明

「股東權利」一節的內容僅供參考及遵守披露規定之用，並不代表且不應被視為本公司向股東提供的法律或其他專業意見。關於作為股東的權利，股東應就此自行尋求獨立法律或其他專業意見。本公司概不會就股東因依賴「股東權利」一節所載任何內容而招致的一切責任及損失承擔任何責任。

The Directors are delighted to present their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal subsidiaries are set out in note 1 to the consolidated financial statements on page 96 of this Annual Report. There were no significant changes in the nature of the Group's principal activities during the financial year.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2016 is set out in the sections headed "Chairman's Statement" and "Management Discussion & Analysis" on pages 15 to 19 and pages 22 to 44 of this Annual Report respectively. Description of the principal risks and uncertainties faced by the Company are set out under "Business Review" of the "Management Discussion & Analysis" section and note 3 to the consolidated financial statements on page 24 to 25 and pages 125 to 131 of this Annual Report, respectively.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2016 are set out in the consolidated statement of profit or loss and consolidated statement of comprehensive income on pages 91 to 92 of this Annual Report.

The Directors do not recommend the payment of a final dividend for the year 2016.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, the assets and liabilities of the Group for the last five financial years is set out on page 210 of this Annual Report.

董事欣然提呈本集團截至二零一六年十二月三十一日止年度的報告以及經審核綜合財務報表。

主要業務

本公司為投資控股公司。主要附屬公司的業務載於本年報第96頁綜合財務報表附註1。於財政年度內，本集團主要業務的性質並無重大改變。

業務回顧

本集團截至二零一六年十二月三十一日止年度之業務回顧分別載於本年報第15至19頁及第22至44頁之「主席報告書」及「管理層討論及分析」章節內。本集團面對的主要風險及不明朗因素之描述分別載於本年報第24至25頁及第125至131頁之「管理層討論及分析」中的「業務回顧」章節及綜合財務報表附註3內。

業績及盈利分配

本集團截至二零一六年十二月三十一日止年度的業績載於本年報第91至92頁的綜合損益表及綜合全面收益表。

董事不建議於二零一六年年派發股息。

五年財務概要

本集團過去五個財政年度之業績及資產與負債概要載於本年報第210頁。

FIXED ASSETS

Details of the movements during the year in the land use rights and PP&E of the Group are set out in notes 7 and 8 to the consolidated financial statements respectively on pages 144 to 147 of this Annual Report.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 20 to the consolidated financial statements on page 172 of this Annual Report.

BANK BORROWINGS

Details of bank borrowings as at 31 December 2016 are set out in note 27 to the consolidated financial statements on pages 182 to 186 of this Annual Report.

SHARE OPTION SCHEME

The Company has adopted the Share Option Scheme on 7 September 2012. The purpose of the Share Option Scheme is to enable the Board, at its discretion, to grant options to selected eligible participants to motivate them and to optimise their performance and efficiency for the benefit of the Group.

The Board may, at its discretion, grant options pursuant to the Share Option Scheme to Directors (including the independent non-executive Directors), the Company's subsidiaries, employees of the Group and other persons the Board considers have contributed or will contribute to the Group. In general, the maximum number of shares in respect of which options may be granted under the Share Option Scheme must not in aggregate exceed 10% of the issued share capital of the Company, unless otherwise approved by the Shareholders in general meeting and/or other requirements prescribed under the Listing Rules. The maximum number of shares available in respect of which options may be granted under the Share Option Scheme reduced to 231,689,300 shares after the Company's grant of 25,200,000 share options on 16 December 2015. The subscription price of a share in respect of a particular option shall be not less than the highest of (a) the official closing price of the shares on the daily quotation sheet of the Stock Exchange; (b) the average official closing price of the shares on the daily quotation sheet of the Stock Exchange for the five business days immediately preceding the date of grant; and (c) the nominal value of a share. The Share Option Scheme shall remain effective within a period of 10 years from that date.

固定資產

本集團的土地使用權及物業、廠房及設備於年內的變動詳情分別載於本年報第144至147頁的綜合財務報表附註7及8。

股本

本公司股本詳情載於本年報第172頁的綜合財務報表附註20。

銀行借款

本公司於二零一六年十二月三十一日之銀行借款詳情載於本年報第182至186頁的綜合財務報表附註27。

購股權計劃

本公司於二零一二年九月七日採納該計劃。該計劃旨在讓董事會可酌情向選定之合資格參與者授出購股權，以激勵參與者及提升彼等之表現及效率，藉以提高本集團之利益。

董事會根據購股權計劃可酌情決定向董事（包括獨立非執行董事）、本公司的附屬公司、本集團僱員及董事會認為對本集團已作出或將作出貢獻的其他人士授出購股權。一般而言，根據購股權計劃可能授出的購股權所涉及的股份數目上限合共不得超過本公司已發行股本的10%，惟股東在股東大會上另行批准及／或上市規則有其他規定者除外。隨本公司在二零一五年十二月十六日授出25,200,000份購股權，最大可能授出的購股權所涉及的股份數目已下降至231,689,300股股份。某一特定購股權所涉及股份的認購價不得低於以下三者的最高者：(a) 股份於聯交所每日報價表所報的官方收市價；(b) 緊接授出日期前五個營業日股份於聯交所每日報價表所報的官方收市價平均數；及(c) 股份面值。購股權計劃自該日期起計10年期間仍屬有效。

The Company granted 25,200,000 share options for the subscription of 25,200,000 shares of the Company to a distributor of the Group on 16 December 2015, representing 0.98% of the total number of shares of the Company in issue as at the date of this Annual Report. The exercise price of the options granted is HKD3.00 and the exercise period is ten years from the date of the offer for the grant.

The maximum number of shares issued and to be issued in respect of which options may be granted under the Share Option Scheme to each eligible participant in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue at the date of grant, unless with the prior approval from the Company's Shareholders and with such participants and his associates abstaining from voting. Options granted to any Director or substantial shareholder of the Company, or any of their respective associates, shall be subject to the prior approval of the independent non-executive Directors. Where any option granted to a substantial shareholder or an independent non-executive Director, or any of their respective associates, would result in the shares issued and to be issued upon exercise of all options already granted and to be granted to such person in the 12 month period, (i) representing in aggregate over 0.1% of the shares in issue at the date of such grant; and (ii) having an aggregate value, based on the closing price of the shares, in excess of HKD5 million, such grant of options shall be subject to prior approval of the Company's Shareholders in general meeting by way of poll.

An offer of a grant of an option under the Share Option Scheme shall remain open for acceptance for 30 days from the date of grant. Upon acceptance of the option, the grantee shall pay HKD1 to the Company by way of consideration for the grant. Options may be exercised in accordance with the terms of the Share Option Scheme at any time from the date of grant until the expiry of ten years from such date. The subscription price shall be determined by the Board in its absolute discretion, and in any event shall not be less than the highest of (i) the closing price of the shares as stated in the daily quotation sheets of the Stock Exchange on the date of grant, (ii) the average closing price of the shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date of grant, and (iii) the nominal value of a share. An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of ten years from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than ten years after it has been granted. No option may be granted more than ten

本公司於二零一五年十二月十六日向本集團的一個經銷商授出本公司25,200,000份購股權，可認購25,200,000股股份，相當於本公司於本年報日期已發行股份總數的0.98%。該發行股權行使價為3.00港元，行使期為自要約日期起計十年。

於截至授出日期止前任何十二個月期間，根據購股權計劃向各合資格參與者可能授出的購股權所涉及的已發行及將予發行的股份數目上限不得超過授出日期已發行股份的1%，惟除非獲本公司股東事先批准且有關參與者及其聯繫人放棄投票。向本公司任何董事或主要股東或任何彼等各自的聯繫人授出購股權須獲獨立非執行董事事先批准。倘向主要股東或獨立非執行董事或任何彼等各自的聯繫人授出購股權將導致於十二個月期間因行使已授予或將授予有關人士的全部購股權而已發行及將予發行的股份：(i)合共超過於有關授出日期已發行股份的0.1%；及(ii)按股份收市價計算的總值超過5百萬港元，則授出有關購股權須經本公司股東於股東大會以投票方式事先批准。

根據購股權計劃授出購股權的要約自授出日期起計30日內可供接納。於接納有關購股權時，承授人須向本公司支付1港元作為授出代價。購股權可根據購股權計劃條款自授出日期起隨時行使，直至自該日起計十年屆滿。認購價將由董事會全權酌情釐定，且於任何情況下不得低於以下三者的最高者：(i)股份於授出日期在聯交所每日報價表所報的收市價；(ii)緊接授出日期前五個營業日在聯交所每日報價表所報的股份收市價平均數；及(iii)股份面值。購股權可根據購股權計劃的條款於購股權視作已授出並獲接納當日後及自該日起計十年屆滿前期間隨時行使。購股權可行使的期間由董事會全權酌情釐定，惟不得超過授出購股權當日起計十年。於購股權計劃獲批准當日起(即二零一二年九月七日)十年後不得授出購股權。除非本公司

years after the date of approval of the Share Option Scheme (ie. 7 September 2012). Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of ten years from the date of adoption.

Movements during the year of the options granted under the Share Option Scheme of the Company to the participants were as follows:

於股東大會或經由董事會提前終止，否則購股權計劃自採納日期起十年內有效及具效力。

年內根據本公司購股權計劃授予參與人士的購股權的變動情況如下：

Number of share options 購股權數目							Exercise price per share 每股行使價 HK\$ 港元	Date of grant 授出日期	Exercisable period 行使期
outstanding as at 1 January 2016 於二零一六年 一月一日 尚未行使	granted during the year 年內授出	exercised during the year 年內行使	outstanding as at 31 December 2016 於二零一六年 十二月三十一日 尚未行使						
25,200,000	—	—	25,200,000	3.00	16/12/2015	1/1/2016 - 31/12/2025 (Note 附註)			

Note:

The vesting of the share option is conditional, subject to the achievement of the prescribed sales and performance targets by the grantee within three years commencing from 1 January 2016.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association or the Companies Law, Cap. 22 (law 3 of 1961, as consolidated and revised) of the Cayman Islands, the Company's place of incorporation.

附註：

購股權的歸屬受承授人於自二零一六年一月一日開始的三年內達到指定銷售及績效目標等條件的規限。

優先購買權

本公司的組織章程細則或開曼群島(本公司註冊成立地點)第22章公司法(一九六一年第3號法例，經綜合及修訂)並無有關優先購買權的條文。

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 December 2016, the accumulated loss of the Company amounted to approximately RMB5 million (31 December 2015: retained earnings RMB0.1 million). As at 31 December 2016, the share premium of the Company, amounted to approximately RMB1,207 million (31 December 2015: RMB1,207 million), is distributable to Shareholders subject to the solvency test and the sanction of an ordinary resolution.

PURCHASE, SALE OR REDEMPTION OF SHARES

For the year ended 31 December 2016, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

DIRECTORS

The Directors of the Company during the year and up to the date of this report were:

Executive Directors

Mr. FU Lin (*Chief Executive Officer*)
Mr. YUE Zhiqiang
Mr. LIU Chen
Mr. WONG Hak Kun

Non-executive Director

Ms. JIANG Xiaohong

Independent Non-executive Directors

Mr. Jesper Bjoern MADSEN (*Chairman*)
Mr. LEE Conway Kong Wai
Mr. Kevin Cheng WEI

In accordance with the provision of the Company's Articles of Association, Mr. YUE Zhiqiang, Mr. WONG Hak Kun, Ms. JIANG Xiaohong and Mr. Kevin Cheng WEI shall retire at the forthcoming AGM 2017 and, being eligible, offer themselves for re-election as Directors.

DIRECTORS' PROFILES

The profiles of the Directors are set out on pages 45 to 49 of this Annual Report.

本公司可供分配的儲備

於二零一六年十二月三十一日，本公司累計虧損為人民幣500萬元(二零一五年十二月三十一日：留存收益人民幣10萬元)。於二零一六年十二月三十一日，如具償還能力並經一般決議批准，本公司金額為人民幣12.07億元(二零一五年十二月三十一日：人民幣12.07億元)的股本溢價可用於向股東進行分配。

購買、出售或贖回股份

於截至二零一六年十二月三十一日止年度內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何股份。

董事

於年內及截至本報告日期，本公司董事為：

執行董事

付琳先生(*行政總裁*)
岳志強先生
劉晨先生
王克勤先生

非執行董事

姜曉虹女士

獨立非執行董事

麥奕鵬先生(*主席*)
李港衛先生
蔚成先生

根據本公司的組織章程細則的條文，岳志強先生、王克勤先生、姜曉虹女士及蔚成先生將於應屆二零一七年股東周年大會時退任，並合資格膺選連任為董事。

董事履歷

董事履歷載於本年報第45至49頁。

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming AGM 2017 has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

As at 31 December 2016, none of the Directors had or was deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO, which are required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the Model Code.

DISCLOSEABLE INTERESTS OF SHAREHOLDERS UNDER THE SECURITIES AND FUTURES ORDINANCE

As at 31 December 2016, the following persons had an interest or short position in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

董事的服務合約

擬於應屆二零一七年股東周年大會上重選的董事概無訂有本集團不可於一年無賠償付款而終止的服務合約(法定賠償除外)。

董事及主要行政人員於股份中的權益

於二零一六年十二月三十一日，概無董事於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債券中擁有或視作擁有根據證券及期貨條例第352條須記入該條文所指登記冊，或根據標準守則須知會本公司及聯交所的任何權益或淡倉。

根據證券及期貨條例股東的須予披露權益

於二零一六年十二月三十一日，下列人士於根據證券及期貨條例第336條規定須由本公司存置的登記冊記錄的本公司股份或相關股份中擁有權益或淡倉：

Name 姓名	Long/short position 好倉/淡倉	Capacity/Nature of interest 身份/權益性質	Number of shares/ underlying shares 股份的數目	Approximate percentage of shareholding 股權概約百分比
Tibet Water Resources Limited (Note 1) 西藏水資源有限公司(附註1)	Long position 好倉	Beneficial owner 實益擁有人	1,110,572,000 shares 1,110,572,000 股股份	43.23%
Maple Essence Investments Limited (Note 2) 楓華投資有限公司(附註2)	Long position 好倉	Interest of controlled corporation 受控法團的權益	1,110,572,000 shares 1,110,572,000 股股份	43.23%
True Asset Holdings Limited (Note 3) True Asset Holdings Limited (附註3)	Long position 好倉	Interest of controlled corporation 受控法團的權益	1,110,572,000 shares 1,110,572,000 股股份	43.23%
Mr. WANG Peter Jian (also known as Mr. WANG Jian Peter) (Note 3 & 4) 王堅先生(附註3 & 4)	Long position 好倉	Interest of controlled corporation 受控法團的權益	1,110,572,000 shares 1,110,572,000 股股份	43.23%

Name 姓名	Long/short position 好倉/淡倉	Capacity/Nature of interest 身份/權益性質	Number of shares/ underlying shares 股份的數目	Approximate percentage of shareholding 股權概約百分比
Tyee Capital Funds SPC – Tyee Capital Tibet Fund SP (Note 5)	Long position	Investment manager	145,714,285 shares	5.67%
Tyee Capital Funds SPC – Tyee Capital Tibet Fund SP (附註5)	好倉	投資經理	145,714,285 股股份	
Tyee Capital Funds SPC	Long position	Interest of controlled corporation	145,714,285 shares	5.67%
Tyee Capital Funds SPC	好倉	受控法團的權益	145,714,285 股股份	
Tyee Capital Management (Cayman) Limited	Long position	Interest of controlled corporation	145,714,285 shares	5.67%
Tyee Capital Management (Cayman) Limited	好倉	受控法團的權益	145,714,285 股股份	
Tyee Capital Group Limited (BVI)	Long position	Interest of controlled corporation	145,714,285 shares	5.67%
Tyee Capital Group Limited (BVI)	好倉	受控法團的權益	145,714,285 股股份	
Tian Yee Capital Holdings Limited (BVI)	Long position	Interest of controlled corporation	145,714,285 shares	
Tian Yee Capital Holdings Limited (BVI)	好倉	受控法團的權益	145,714,285 股股份	5.67%
Li Jiaman	Long position	Interest of controlled corporation	145,714,285 shares	
李佳蔓	好倉	受控法團的權益	145,714,285 股股份	5.67%
Jiang Jun	Long position	Interest of controlled corporation	145,714,285 shares	5.67%
蔣鈞	好倉	受控法團的權益	145,714,285 股股份	
Tyee Capital Management Limited	Long position	Investment manager	145,714,285 shares	5.67%
Tyee Capital Management Limited	好倉	投資經理	145,714,285 股股份	

Notes:

- (1) Tibet Water Resources Limited is held as to 98.67% by Maple Essence Investments Limited, which is in turn wholly-owned by True Asset Holdings Limited. Tibet Water Resources Limited holds 1,110,572,000 shares in the Company.
- (2) Maple Essence Investments Limited holds 98.67% equity interest in Tibet Water Resources Limited and is therefore deemed to be interested in the 1,110,572,000 shares in the Company in which Tibet Water Resources Limited is interested. Maple Essence Investments Limited is wholly-owned by True Asset Holdings Limited.
- (3) True Asset Holdings Limited holds 98.67% equity interest in Tibet Water Resources Limited through Maple Essence Investments Limited. Therefore, True Asset Holdings Limited is deemed to be interested in 1,110,572,000 shares in the Company.
- (4) True Asset Holdings Limited is wholly-owned by Mr. WANG Peter Jian. Therefore, Mr. WANG Peter Jian is deemed to be interested in 1,110,572,000 Shares in the Company in which Tibet Water Resources Limited is interested. For the purpose of the SFO, the spouse of Mr. WANG Peter Jian is taken to have a duty of disclosure in relation to the said 1,110,572,000 Shares. The interest disclosed by the spouse of Mr. WANG Peter Jian is that of Mr. WANG Peter Jian which is deemed to be attributed to her pursuant to the SFO for disclosure purposes. Nevertheless, she has no interest, legal or beneficial, in those shares.
- (5) Tye Capital Funds SPC – Tye Capital Tibet Fund SP holds the 6% convertible bonds with a principal amount of HK\$510,000,000 due 2019. Upon full exercise of the conversion rights, Tye Capital Funds SPC – Tye Capital Tibet Fund SP will hold 145,714,285 shares in the Company.

Save as disclosed above, as at 31 December 2016, the Directors and the chief executive of the Company were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

附註：

- (1) 西藏水資源有限公司由楓華投資有限公司持有98.67%，楓華投資有限公司由True Asset Holdings Limited全資擁有。西藏水資源有限公司持有本公司1,110,572,000股股份。
- (2) 楓華投資有限公司持有西藏水資源有限公司98.67%股權，因此被視為於西藏水資源有限公司所擁有的本公司1,110,572,000股股份中擁有權益。楓華投資有限公司由True Asset Holdings Limited全資擁有。
- (3) True Asset Holdings Limited透過楓華投資有限公司持有西藏水資源有限公司98.67%股權。因此，True Asset Holdings Limited被視為於本公司1,110,572,000股股份中擁有權益。
- (4) True Asset Holdings Limited由王堅先生全資擁有。因此，王堅先生被視為於西藏水資源有限公司所擁有的本公司1,110,572,000股股份中擁有權益。根據證券及期貨條例，王堅先生的配偶有責任對該1,110,572,000股股份作出披露。王堅先生的配偶所披露的權益是由王堅先生所擁有的；而為了披露的目的，根據證券及期貨條例，該等權益也被視為歸於王堅先生的配偶。然而，她並沒有對該等股份擁有任何法定或實益權益。
- (5) Tye Capital Funds SPC - Tye Capital Tibet Fund SP持有本金額510,000,000港元二零一九年到期6%可換股債券。如全數行使換股權，Tye Capital Funds SPC - Tye Capital Tibet Fund SP將擁有本公司145,714,285股股份。

除上文所披露者外，於二零一六年十二月三十一日，董事及本公司主要行政人員概不知悉任何其他人士（董事或本公司主要行政人員除外）於本公司股份或相關股份中擁有或視作擁有根據證券及期貨條例第XV部第2及第3分部規定須向本公司及聯交所披露或根據證券及期貨條例第336條須由本公司存置的登記冊所記錄或以其他方式須知會本公司及聯交所的權益或淡倉。

Subsequent to 31 December 2016, Tibet Water Resources Limited (our then Controlling Shareholder) had entered into agreements with independent third parties and agreed to sell an aggregate of 719,290,040 shares of the Company, representing an aggregate of 28% of the total issued shares of the Company. For details of these transactions, please refer to the announcements of the Company dated 10 January 2017 and 11 January 2017. Upon completion of these transactions, Tibet Water Resources Limited will hold 391,281,960 shares of the Company, representing approximately 15.23% of the issued share capital of the Company, and will cease to be a controlling shareholder of the Company and Khorgos Tianshan No.1 will become the single largest shareholder of the Company.

DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

No contracts of significance 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.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the financial year had the Company or any of its subsidiaries entered into any arrangement which enables the existing Directors or chief executive to have the right to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other legal entities.

RETIREMENT BENEFITS SCHEMES

Other than operating a Hong Kong Mandatory Provident Fund Scheme and participating in the state managed retirement benefit scheme in the PRC, the Group has not operated any other retirement benefits schemes for the Group's employees.

EMOLUMENT POLICY

The emolument policy for the employees of the Group is set up by the Board on the basis of their merit, qualification and competence.

The emoluments of the Directors are decided by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

於二零一六年十二月三十一日後，西藏水資源有限公司(我們當時的控股股東)與獨立第三方訂立協議並同意出售共719,290,040股本公司股份，共佔本公司已發行股本總額的28%。該些交易的詳情，請查閱本公司於二零一七年一月十日和一十一日的公告。待該些交易完成後，西藏水資源有限公司將持有391,281,960股本公司股份，佔本公司已發行股本總額約15.23%，並將不再是本公司控股股東，而霍爾果斯天山一號將成為本公司的單一最大股東。

董事於重大合約的權益

本公司或其任何附屬公司概無訂立於年末或年內的任何時間仍然有效且董事於當中擁有重大權益(無論直接或間接)的重大合約。

董事購買股份或債券的權利

於財政年度內，本公司或其任何附屬公司概無訂立任何安排，致使現有董事及主要行政人員可透過收購本公司或任何其他法律實體的股份或債券而有權利獲得利益。

退休福利計劃

除設有香港強制性公積金計劃及參與中國的國家管理的退休福利計劃外，本集團並無為本集團的僱員設立任何其他退休福利計劃。

薪酬政策

本集團僱員的薪酬政策乃由董事會根據其貢獻、資歷及能力制訂。

董事的薪酬乃由薪酬委員會參考本集團的經營業績、個人表現及可比較市場統計數據釐定。

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the financial year and up to the date of this report, no Director is considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group, as defined in the Listing Rules.

MAJOR CUSTOMERS AND SUPPLIERS

During the financial year, sales to the Group's five largest customers and purchases from the five largest suppliers accounted for approximately 42% and 64% of the total sales and total purchases for the year, respectively. The Group's largest customer and supplier accounted for approximately 11% and 26% of the total sales and total purchases for the financial year, respectively.

During the financial year, none of (i) the Directors or any of their close associates, or (ii) any Shareholders (which, to the best knowledge of the Directors, owned more than 5% of the Company's issued share capital), had any interest in the Group's five largest customers and suppliers.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors are independent of the Company pursuant to the Listing Rules.

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The utilisation status of the net proceeds from the Company's initial public offering is set out on page 42 of this Annual Report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the reasonable knowledge of the Directors, the Company has maintained sufficient public float of not less than 25% of its Shares in the hands of the public in accordance with the Listing Rules as at the latest practicable date of the issue of this Annual Report.

CHARITABLE DONATIONS

During the year, the Group made charitable donations amounting to approximately RMB0.1 million (2015: nil).

董事於競爭業務的權益

於財政年度內及截至本報告日期，概無董事被視為於與本集團的業務直接或間接競爭或可能競爭的業務中擁有權益(定義見上市規則)。

主要客戶及供應商

於財政年度內，售予本集團的五大客戶的銷售額及向五大供應商的採購額分別約佔年內總銷售額及總採購額的42%及64%。本集團的最大客戶及供應商分別約佔財政年度內總銷售額及總採購額的11%及26%。

於財政年度內，就董事最佳所知，概無(i)董事或其任何緊密聯繫人或(ii)擁有本公司已發行股本逾5%的股東於本集團五大客戶及供應商擁有任何權益。

獨立非執行董事

各獨立非執行董事已根據上市規則第3.13條向本公司提交確認其獨立性的年度確認書。本公司認為本公司的全體獨立非執行董事根據上市規則皆屬獨立人士。

本公司首次公開發售的所得款項用途

本公司首次公開發售的所得款項淨額使用情況載於本年報第42頁。

足夠公眾持股量

根據本公司所得的公開資料及董事合理所知，本公司於刊發本年報之最後實際可行日期已根據上市規則維持足夠之不少於25%股份的公眾持股量。

慈善捐款

於年內，本集團的慈善捐款約達人民幣10萬元(二零一五：無)。

EVENTS AFTER THE BALANCE SHEET DATE

Details of significant events occurring after the balance sheet date are set out in note 40 to the consolidated financial statements and “Events After the Balance Sheet Date” of “MD&A” section on page 204 and page 36 of this Annual Report, respectively.

AUDIT COMMITTEE

The Audit Committee of the Company had reviewed the Group's annual results for the year ended 31 December 2016 and provided advice and comments thereon.

EXTERNAL AUDITOR

The consolidated financial statements for the year ended 31 December 2016 were audited by PricewaterhouseCoopers, who will retire at the conclusion of the forthcoming AGM 2017 and, being eligible, will offer itself for re-appointment as external auditor of the Company.

CONNECTED TRANSACTIONS

Certain transactions summarized in note 38 to the consolidated financial statements for the year ended 31 December 2016 also constituted connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. As those transactions were all de minimis transactions, they were exempt from all the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

On behalf of the Board

Jesper Bjoern MADSEN
Chairman

24 March 2017

資產負債表日期後事項

於資產負債表日期後發生之重大事項之詳情載列於本年報第204頁及第36頁的綜合財務報表附註40及「管理層討論及分析」中的「資產負債表日期後事項」章節內。

審核委員會

本公司的審核委員會已審閱本集團截至二零一六年十二月三十一日止年度的年度業績並就其提供意見及建議。

外聘核數師

截至二零一六年十二月三十一日止年度的綜合財務報表由羅兵咸永道會計師事務所審核，該會計師事務所將於應屆二零一七年股東周年大會結束時退任，惟合資格並願意重選為本公司的外聘核數師。

關連交易

某些載於綜合財務報表附註38內的二零一六年度關聯方交易亦構成上市規則第十四A章定義的關連交易或持續關連交易。由於該等是符合最低豁免水平的交易，所以獲豁免遵守上市規則第十四A章所載的所有申報、公告及獨立股東批准的規定。

代表董事會

麥奕鵬
主席

二零一七年三月二十四日

**MISSION HILLS WORLD
CELEBRITY PRO-AM 2016
2016 觀瀾湖世界明星賽**



10th Global Bottled Water Cong
第十届世界瓶装水大会

观澜湖世界明星赛主要赞助商
Proud Sponsor of Mission World Celeb





羅兵咸永道

To the shareholders of Tibet Water Resources Ltd.
(Incorporated in Cayman Islands with limited liability)

致西藏水資源有限公司股東
(於開曼群島註冊成立的有限公司)

OPINION

What we have audited

The consolidated financial statements of Tibet Water Resources Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 89 to 209, which comprise:

- the consolidated balance sheet as at 31 December 2016;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

意見

我們已審計的內容

列載於第89至209頁西藏水資源有限公司(以下簡稱「貴公司」)及其附屬公司(以下簡稱「貴集團」)的綜合財務報表，當中包括：

- 於二零一六年十二月三十一日的綜合資產負債表；
- 截至該日止年度的綜合損益表；
- 截至該日止年度的綜合全面收益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表附註，包括主要會計政策概要。

我們的意見

我們認為，該等合併財務報表已根據國際財務報告準則(「國際財務報告準則」)真實而中肯地反映 貴集團於二零一六年十二月三十一日的綜合財務狀況及彼等截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

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BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Impairment of goodwill and investment in an associate
- Accounting treatment for convertible bond

意見的基礎

我們已根據國際審計準則(「國際審計準則」)進行審計。我們在該等準則下承擔的責任已在本報告核數師就審計綜合財務報表須承擔的責任部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的意見提供基礎。

獨立性

根據國際會計師職業道德準則理事會的職業會計師道德守則(以下簡稱「IESBA守則」)，我們獨立於貴集團，並已履行IESBA守則中的其他專業道德責任。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

在我們審計中識別的關鍵審計事項概述如下：

- 商譽減值及於聯營公司的投資
- 可換股債券的會計處理

Key Audit Matter

關鍵審計事項

Impairment of goodwill and investment in an associate

Refer to Note 4, Note 10 and Note 12 to the consolidated financial statements

As at 31 December 2016, goodwill recognised in relation to the acquisition of Tiandi Green Beverages Co., Ltd. ("Tiandi Green"), a subsidiary of the Group, amounted to RMB721 million; and the investment in an associate that arose from the acquisition of Tibet Highland Natural Water Limited ("Highland Natural Water") amounted to RMB1,252 million (with goodwill relating to the associate amounting to RMB1,064 million). No impairment loss was provided based on management's impairment analysis.

We focused on the impairment of these areas due to the followings:

- the size of the goodwill/investment in an associate balances;
- the management adopted "value-in-use" of related cash generating units to determine the recoverable amount of goodwill/investment in associate. Such "value-in-use" determination involved significant judgements made by management about the future results of the business and the discount rates applied to future cash flow forecasts. As the assessment involved consideration of future events and uncertainty, there was a risk that the judgement was inappropriate.

商譽減值及於聯營公司的投資

請參閱綜合財務報表附註4、附註10及附註12

於二零一六年十二月三十一日，有關收購本集團附屬公司西藏天地綠色飲品發展有限公司(「天地綠色」)確認的商譽為人民幣七億二千一百萬元；及收購西藏高原天然水有限公司(「高原天然水」)產生的於聯營公司的投資為人民幣十二億五千二百萬元(與該聯營公司相關的商譽為人民幣十億六千四百萬元)。基於管理層的減值分析，未對其計提減值虧損撥備。

由於下列各項因素，我們專注於該等事項的減值：

- 商譽／於聯營公司投資結餘的規模；
- 管理層採用有關現金產生單位的「使用價值」釐定商譽／於聯營公司投資的可收回金額。該「使用價值」釐定涉及管理層對未來業務業績及未來現金流量預測所應用的貼現率作出的重大判斷。由於評估涉及考慮未來事件及不確定性，故存在判斷不當的風險。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

We discussed and evaluated the model used by management in determining the recoverable amount for the impairment analysis and verified the mathematical accuracy of the cash flow model used to estimate value-in-use.

We evaluated management's future cash flow forecasts for Tiandi Green and Highland Natural Water, including the reasonableness of the forecasts in the context of historical results of the businesses and production capacity, and comparing the parameters used with independently obtained market data. We also assessed the appropriateness of the discount rates and long-term growth rates used and considered that they fell within our range of independently obtained market data.

We obtained and evaluated management's sensitivity analysis to ascertain the impact of reasonably possible changes and we performed re-calculation independently for the downside changes in management's sensitivity analysis model, focusing on the most sensitive assumptions, including annual revenue growth rate, long term revenue growth rate, gross margin, discount rate and government subsidy income.

We satisfied ourselves that management's impairment analysis was supported by evidence obtained.

我們已討論及評估管理層就減值分析於釐定可回收金額時所用的模式，並核查用於估計使用價值的現金流量模式的數學準確性。

根據過往業務業績、產能，並比較所用參數與獨立取得的市場數據，我們已評估管理層對天地綠色及高原天然水的未來現金流量預測，包括預測的合理性。我們亦評估了所用的貼現率及長期增長率的適當性，認為彼等處於我們獨立取得的市場數據範圍內。

我們已取得並評估管理層的敏感度分析以確定合理可能變動的影響，就管理層敏感度分析模型中下調變動，我們已重新進行獨立計算，集中於最敏感的假設，包括年度收入增長率、長期收入增長率、毛利率、貼現率及政府補貼收入。

我們信納管理層進行的減值分析是有所取得的證據支持的。

Key Audit Matter
關鍵審計事項

How our audit addressed the Key Audit Matter
我們的審計如何處理關鍵審計事項

Accounting treatment for convertible bond

Refer to Note 28 to the consolidated financial statements

We focused on this area due to the size of the convertible bond (RMB458 million in liability and RMB18 million in equity as at 31 December 2016) as well as the complexity of the accounting treatment involved.

We obtained the subscription agreement of the convertible bond to understand the terms and conditions of the convertible bond. We understood details of the key terms, such as the principal amount; the subscription date; the issuance date; the coupon rate; the conversion price; the adjustments to the conversion price and the early redemption options. We also evaluated and challenged management's assessment of the accounting treatment of the convertible bond, in particular the following:

- the applicable accounting standards used for the convertible bond, IFRS2 – shared-based payment against IAS32 – financial instruments: presentation and IAS39 – financial instruments: recognition and measurement;
- the classification and measurement of the convertible bond under IAS 32 and IAS 39;
- determination of the fair value of the convertible bond at “commitment” date and “issuance” date;
- the accounting treatment of the difference between the nominal value of the convertible bond and the fair value of the convertible bond at the issuance date;
- the identification of embedded derivatives associated with the convertible bond and the related accounting treatment; and
- the accounting treatment of the convertible bond at initial recognition and subsequent measurement under IAS 32 and IAS 39.

We considered that management's accounting treatment for the convertible bond was supported by the evidence we obtained.

Key Audit Matter
關鍵審計事項

可換股債券的會計處理

請參閱綜合財務報表附註28

由於可換股債券的規模(於二零一六年十二月三十一日的負債為人民幣四億五千八百萬元及權益為一千八百萬元)以及所涉及的會計處理的複雜性，我們專注於該事項。

How our audit addressed the Key Audit Matter
我們的審計如何處理關鍵審計事項

我們已取得可換股債券的認購協議以瞭解可換股債券的條款及條件。我們已瞭解主要條款的詳情，如本金額、認購日期、發行日期、票息率、換股價、換股價調整及提前贖回選擇權。我們亦已評估及質疑管理層對可換股債券進行的會計處理評估，尤其是下列各項：

- 可換股債券所用的適用會計準則，即國際財務報告準則第2號—股份基礎給付比較國際會計準則第32號—金融工具：呈列及國際會計準則第39號—金融工具：確認及計量；
- 根據國際會計準則第32號及國際會計準則第39號對可換股債券的分類及計量；
- 釐定可換股債券於「承諾」日期及「發行日期的公允價值」；
- 於發行日期可換股債券的賬面值與可換股債券的公允價值之間的差額的會計處理；
- 識別與可換股債券有關的內含衍生工具及相關會計處理；及
- 根據國際會計準則第32號及國際會計準則第39號於初步確認及其後計量時對可換股債券的會計處理。

我們認為管理層對可換股債券的會計處理與我們取得的審計證據一致。

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

在我們審計綜合財務報表時，我們的責任是閱讀其他資料，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸，或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，倘我們認為此其他資料有重大錯誤陳述，我們須報告該事實。就此我們沒有任何報告。

董事和審核委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據國際財務報告準則及香港《公司條例》的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會負責監督 貴集團財務報告過程。

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

核數師就審計綜合財務報表承擔的責任

我們的目標，是對整體綜合財務報表是否存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向整體股東報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按國際審計準則進行的審計在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們個別或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則使用者依綜合財務報表有關的錯誤陳述可被視作重大。

在根據國際審計準則進行審計的過程中，我們運用了職業判斷，保持了職業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及取得充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所得的審計憑證，確定是否存在與事項或情況有關的重大不確定性，構成而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能繼續持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

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

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is BRIAN MING YAN CHOI.

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

本獨立核數師報告的審計項目合夥人是 BRIAN MING YAN CHOI。

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 24 March 2017

羅兵咸永道會計師事務所
執業會計師

香港，二零一七年三月二十四日

CONSOLIDATED BALANCE SHEET
綜合資產負債表

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
	Note 附註		
Assets	資產		
Non-current assets	非流動資產		
Land use rights	土地使用權 7	30,693	31,417
Property, plant and equipment ("PP&E")	物業、廠房及設備 （「物業、廠房及設備」） 8	619,387	655,505
Intangible assets	無形資產 9	132,552	154,638
Goodwill	商譽 10	721,139	721,139
Investment in associates	於聯營公司的投資 12	1,307,508	1,062,595
Deferred income tax assets	遞延所得稅資產 22	2,818	3,038
Prepayments	預付款項 15	65,476	6,792
Other receivables and other assets	其他應收款及其他資產 16	—	360
		2,879,573	2,635,484
Current assets	流動資產		
Trade receivables	應收貿易款 13	193,926	205,266
Prepayments	預付款項 15	190,147	20,942
Prepaid enterprise income tax	預付企業所得稅 8,508	8,508	10,798
Other receivables and other assets	其他應收款及其他資產 16	249,770	87,341
Inventories	存貨 17	67,516	72,528
Available-for-sale financial assets ("AFS")	可供出售金融資產 （「可供出售金融資產」） 18	186,230	—
Cash and cash equivalents	現金及現金等價物 19	1,042,398	628,132
		1,938,495	1,025,007
Total assets	總資產	4,818,068	3,660,491
Equity	權益		
Equity attributable to owners of the Company	本公司擁有人應佔權益		
Share capital	股本 20	21,363	21,363
Share premium	股份溢價 20	1,206,829	1,206,829
Reserves	儲備 21	279,202	235,269
Retained earnings	留存收益	1,615,205	1,414,344
		3,122,599	2,877,805
Non-controlling interests	非控股權益 11	371,965	319,202
Total equity	權益總額	3,494,564	3,197,007

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
		Note 附註	
Liabilities	負債		
Non-current liabilities	非流動負債		
Bank borrowings	銀行借款	27	190,000
Deferred revenue	遞延收入	24	24,241
Deferred income tax liabilities	遞延所得稅負債	22	20,652
Convertible bond – liability component	可換股債券 – 負債部分	28	458,066
			692,959
Current liabilities	流動負債		
Trade payables	應付貿易款	25	78,055
Deferred revenue and advances received from customers	遞延收入及預收客戶款	23	14,710
Enterprise income tax payable	應付企業所得稅		28,210
Accruals and other payables	預提費用及其他應付款	26	53,570
Bank borrowings	銀行借款	27	456,000
			630,545
Total liabilities	負債總額		1,323,504
Total equity and liabilities	權益及負債總額		4,818,068

The notes on pages 96 to 209 are an integral part of these consolidated financial statements.

The financial statements on pages 87 to 207 were approved by the Board of Directors on 24 March 2017 and were signed on its behalf.

第96至209頁的附註為該等綜合財務報表的組成部份。

董事會已於二零一七年三月二十四日批准載於第87至207頁的財務報表並代其簽字。

FU Lin 付琳
Director 董事

LIU Chen 劉晨
Director 董事

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

			Year ended 31 December 截至十二月三十一日止年度	
			2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
		Note 附註		
Revenue	收入	6	868,092	832,348
Cost of sales	銷售成本	30	(348,408)	(330,168)
Gross profit	毛利		519,684	502,180
Selling and distribution expenses	銷售及分銷費用	30	(103,250)	(108,366)
Administrative expenses	行政費用	30	(78,879)	(74,806)
Other gains, net	其他利得，淨額	29	55,619	44,403
Operating profit	經營利潤		393,174	363,411
Finance income	財務收益		21,038	10,397
Finance costs	財務費用		(40,276)	(20,496)
Finance costs, net	財務費用，淨額	32	(19,238)	(10,099)
Share of profit of associates	應佔聯營公司利潤	12	26,913	21,332
Profit before income tax	除所得稅前利潤		400,849	374,644
Income tax expense	所得稅費用	33	(41,694)	(51,573)
Profit for the year	年度利潤		359,155	323,071
Profit attributable to:	應佔利潤：			
– Owners of the Company	– 本公司擁有人		307,724	276,967
– Non-controlling interests	– 非控股權益		51,431	46,104
			359,155	323,071
Earnings per share for profit attributable to owners of the Company	本公司擁有人應佔利潤 每股盈利			
– Earnings per share (basic and diluted) (RMB cents per share)	– 每股盈利（基本及攤薄） （每股人民幣分）	34	11.98	10.78

The notes on pages 96 to 209 are an integral part of these consolidated financial statements.

第96至209頁的附註為該等綜合財務報表的組成部份。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
	Note 附註		
Profit for the year	年度利潤	359,155	323,071
Other comprehensive income:	其他全面收益：		
<i>Item that will not be reclassified subsequently to profit or loss</i>	<i>將不可於期後被重新分類 至損益的項目</i>		
Currency translation differences	外幣折算差額	1,612	4,391
<i>Items that may be reclassified subsequently to profit or loss</i>	<i>可於期後被重新分類 至損益的項目</i>		
Change in value of AFS	可供出售金融資產價值變動	6,230	—
Other comprehensive income for the year, net of tax	年度其他全面收益，扣除稅項	7,842	4,391
Total comprehensive income for the year	年度總全面收益	366,997	327,462
Attributable to:	歸屬於：		
– Owners of the Company	– 本公司擁有人	314,234	281,358
– Non-controlling interests	– 非控股權益	52,763	46,104
Total comprehensive income for the year	年度總全面收益	366,997	327,462

The notes on pages 96 to 209 are an integral part of these consolidated financial statements.

第96至209頁的附註為該等綜合財務報表的組成部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

		Attributable to owners of the Company 本公司擁有人應佔					Non- controlling interests	Total equity
		Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Reserves 儲備 RMB'000 人民幣千元	Retained earnings 留存收益 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	21,363	1,206,829	210,182	1,239,147	2,677,521	273,098	2,950,619
Profit for the year	年度利潤	—	—	—	276,967	276,967	46,104	323,071
Currency translation differences	外幣折算差額	—	—	4,391	—	4,391	—	4,391
Total comprehensive income for the year	年度全面收益總額	—	—	4,391	276,967	281,358	46,104	327,462
Appropriations to statutory surplus reserve (Note 21)	提取法定盈餘公積金 (附註21)	—	—	20,696	(20,696)	—	—	—
Dividends	股息	—	—	—	(81,074)	(81,074)	—	(81,074)
At 31 December 2015	於二零一五年十二月三十一日	21,363	1,206,829	235,269	1,414,344	2,877,805	319,202	3,197,007
Profit for the year	年度利潤	—	—	—	307,724	307,724	51,431	359,155
Currency translation differences	外幣折算差額	—	—	1,612	—	1,612	—	1,612
Change in value of AFS	可供出售金融資產 價值變動	—	—	4,898	—	4,898	1,332	6,230
Total comprehensive income for the year	年度全面收益總額	—	—	6,510	307,724	314,234	52,763	366,997
Convertible bond-equity component (Note 28)	可換股債券－權益部分 (附註28)	—	—	18,385	—	18,385	—	18,385
Appropriations to statutory surplus reserve (Note 21)	提取法定盈餘公積金 (附註21)	—	—	19,038	(19,038)	—	—	—
Dividends (Note 35)	股息(附註35)	—	—	—	(87,825)	(87,825)	—	(87,825)
At 31 December 2016	於二零一六年十二月三十一日	21,363	1,206,829	279,202	1,615,205	3,122,599	371,965	3,494,564

The notes on pages 96 to 209 are an integral part of these consolidated financial statements.

第96至209頁的附註為該等綜合財務報表的組成部份。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
	Note 附註		
Cash flows from operating activities	經營活動現金流		
Cash generated from operations	經營活動產生的現金	260,008	449,044
Interest received	已收利息	3,770	13,920
Income tax paid	已付所得稅	(49,221)	(24,622)
Net cash generated from operating activities	經營活動產生的現金淨額	214,557	438,342
Cash flows from investing activities	投資活動現金流		
Purchases of PP&E	購買物業、廠房及設備	(93,482)	(23,160)
Cash received from government grants related to fixed assets	已收與固定資產有關的政府補助的現金	4,860	4,950
Purchases of AFS	購買可供出售金融資產	(460,000)	(390,000)
Proceeds from disposal of AFS	出售可供出售金融資產所得款項	287,826	396,732
Loans granted to third parties	授予第三方的貸款	(368,899)	(50,000)
Repayments of loans received from third parties	償還已收第三方貸款	296,000	14,000
Loans granted to a related party	授予關聯方的貸款	—	(57,000)
Repayments of loans received from a related party	償還已收關聯方貸款	—	57,000
Amounts received from third parties	已收第三方款項	1,261,750	595,000
Amounts paid to third parties	已付第三方款項	(1,113,598)	(670,070)
Amounts received from a related party	已收關聯方款項	238,348	265,070
Amounts paid to a related party	已付關聯方款項	(425,000)	(190,000)
Prepayment for equity investment in a third party	於第三方股權投資的預付款項	(17,400)	—
Investment in associates	於聯營公司的投資	(218,000)	(440,000)
Net cash used in investing activities	投資活動所用現金淨額	(607,595)	(487,478)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUE)
綜合現金流量表(續)

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
	Note 附註		
Cash flows from financing activities	融資活動現金流		
Dividends paid to shareholders	已付股東股息	35	(87,825)
Proceeds from bank borrowings	銀行借款所得款項		556,000
Repayments of bank borrowings and interests	償還銀行借款及利息		(120,997)
Repayments of borrowings from government	償還政府借款		—
Proceeds from issue of convertible bond	發行可換股債券所得款項	28	469,613
Transaction costs paid relating to convertible bond	已付有關可換股債券交易費		(1,655)
Coupon payments relating to convertible bond	有關可換股債券的票息付款	28	(14,387)
Net cash generated from/(used in) financing activities	融資活動所得/(所用)現金淨額		800,749
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物的增加/(減少)淨額		407,711
Cash and cash equivalents at beginning of year	年初現金及現金等價物		628,132
Exchange translation gains on cash and cash equivalents	現金及現金等價物匯兌收益		6,555
Cash and cash equivalents at end of year	年末現金及現金等價物	19	1,042,398

The notes on pages 96 to 209 are an integral part of these consolidated financial statements.

第96至209頁的附註為該等綜合財務報表的組成部份。

I GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 8 November 2010. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Group is engaged in production and sales of water products and beer products in the PRC.

The Company's shares have been listed on the Stock Exchange since 30 June 2011.

These financial statements are presented in Renminbi ("RMB"), unless otherwise stated. These financial statements have been approved for issue by the Board on 24 March 2017.

Key event

On 24 June 2016, the Group issued convertible bond at nominal value of Hong Kong Dollar ("HKD") 525,000,000 (equivalent to RMB469,613,000) with annual coupon rate of 6% and conversion price of HKD3.50 per ordinary share. Further details are given in Note 28.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable IFRSs and requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets ("AFS"), which are carried at fair value.

I 一般資料

本公司於二零一零年十一月八日根據公司法於開曼群島註冊成立為獲豁免有限公司。註冊辦事處的地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。

本公司為一間投資控股公司。本集團在中國從事生產及銷售水產品及啤酒產品。

本公司的股份自二零一一年六月三十日起在聯交所上市。

除非另有所指，否則該等財務報表以人民幣（「人民幣」）呈列。董事會已於二零一七年三月二十四日批准刊發該等財務報表。

重要事項

於二零一六年六月二十四日，本集團發行面值為525,000,000港元（「港元」）（等同於人民幣469,613,000元）的可換股債券，年息率為6%，換股價為每股普通股3.50港元。進一步詳情載於附註28。

2 主要會計政策概要

編製該等綜合財務報表時應用的主要會計政策載列如下。除另有所指外，該等政策已一致地應用於所呈列的全部年度。

2.1 編製基準

本公司綜合財務報表乃根據所有適用國際財務報告準則及香港公司條例（第622章）的規定編製，除對按公允價值列賬的可供出售金融資產（「可供出售金融資產」）重估作出修訂以外，綜合財務報表乃按歷史成本編製。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2.2 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2016:

- Accounting for acquisitions of interests in joint operations – Amendments to IFRS 11
- Clarification of acceptable methods of depreciation and amortisation – Amendments to IAS 16 and IAS 38
- Annual improvements to IFRS 2012 – 2014 cycle, and
- Disclosure initiative – amendments to IAS 1.

The adoption of these amendments did not have any impact on the current year or any prior year and is not likely to affect future periods.

2 主要會計政策概要(續)

2.1 編製基準(續)

按照國際財務報告準則編製財務報表需要使用若干重大會計估計，亦要求管理層在應用本集團的會計政策時作出判斷。涉及較高判斷或複雜程度的範疇或假設及估計對綜合財務報表屬重大的範疇在附註4披露。

2.2 會計政策變動及披露

(a) 本集團採納的新準則及對準則的修訂

本集團已於二零一六年一月一日或之後開始的財政年度首次採納下列修改：

- 收購共同營運權益的入賬－國際財務報告準則第11號的修改
- 澄清折舊和攤銷的可接受方法－國際會計準則第16號及國際會計準則第38號的修改
- 國際財務報告準則二零一二年至二零一四年週期的年度改進，及
- 披露倡議－國際會計準則第1號的修改。

採納該等修改對當期和任何前期並無影響，亦不大可能會對未來期間產生影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policy and disclosures (continued)

(b) New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following as set out below:

(i) IFRS 9 Financial instruments

IFRS 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The standard does not need to be applied until 1 January 2018 but is available for early adoption. The Group does not expect to adopt the new standard before 1 January 2018.

While the Group has yet to undertake a detailed assessment of the classification and measurement of financial assets, debt instruments currently classified as AFS would appear to satisfy the conditions for classification as at fair value through other comprehensive income ("FVOCI") and hence there will be no change to the accounting for these assets.

Accordingly the Group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from IAS 39 *Financial Instruments: Recognition and Measurement* and have not been changed. The new hedge accounting rules are not expected to have significant impact to the Group given that the Group does not have any hedging relationships.

2 主要會計政策概要(續)

2.2 會計政策變動及披露(續)

(b) 尚未採納的新訂準則及詮釋

多項新準則和準則的修改及詮釋在二零一六年一月一日後開始的年度期間生效，但未在本綜合財務報表應用。此等準則、修改和解釋預期不會對本集團的綜合財務報表造成重大影響，惟以下列載者除外：

(i) 國際財務報告準則第9號金融工具

國際財務報告準則第9號金融工具闡述金融資產及金融負債的分類、計量及終止確認，為套期會計法引進新條則，及為金融資產引進全新的減值模式。此準則毋須待二零一八年一月一日方可應用，惟可供提前採納。本集團預期於二零一八年一月一日前不會採納此新準則。

本集團尚未對金融資產的分類及計量進行詳細評估，目前分類為可供出售金融資產的債務工具將可滿足按公允價值計入其他全面收益(「按公允價值計入其他全面收益」)的分類條件，因此該等資產的會計方法不會有所變動。

因此，本集團不預期該新指引會對其金融資產的分類及計量造成重大影響。

由於新規定僅影響指定按公允價值計入損益的金融負債會計方法，而本集團並無任何該等負債，故對本集團金融負債的會計方法並無影響。終止確認的規則來自國際會計準則第39號金融工具：確認及計量且並無變動。由於本集團並無任何套期關係，故新套期會計規則預期將不會對本集團造成重大影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policy and disclosures (continued)

(b) New standards and interpretations not yet adopted (continued)

(i) IFRS 9 Financial instruments (continued)

The new impairment model requires the recognition of impairment provisions based on expected credit losses (“ECL”) rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under IFRS 15 *Revenue from Contracts with Customers*, lease receivables, loan commitments and certain financial guarantee contracts. While the Group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in earlier recognition of credit losses.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group’s disclosures about its financial instruments particularly in the year of the adoption of the new standard. The Group will continue to make detailed assessments of the effect from the new standard.

(ii) IFRS 15 Revenue from contracts with customers

The International Accounting Standards Board (“IASB”) has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers revenue arising from the sale of goods and the rendering of services and IAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

2 主要會計政策概要(續)

2.2 會計政策變動及披露(續)

(b) 尚未採納的新訂準則及詮釋(續)

(i) 國際財務報告準則第9號金融工具(續)

新減值模式要求根據預期信貸虧損(「預期信貸虧損」)確認減值撥備，而非如根據國際會計準則第39號的情況般僅產生信貸虧損。該模式適用於按攤銷成本分類的金融資產、按公允價值計入其他全面收益計量的債務工具、根據國際財務報告準則第15號客戶之間的合同產生的收入下的合約資產、應收租賃款項、貸款承擔及若干金融擔保合約。雖然本集團尚未對其減值撥備將如何受該新模式影響進行詳細評估，但其可能造成提早確認信貸虧損。

該新準則亦增加了的披露規定及呈報的改變。預期將改變本集團有關其金融工具作出披露的性質及程度(特別是於採納新準則的年度內)。本集團將繼續對新準則帶來的影響作出詳細的評估。

(ii) 國際財務報告準則第15號客戶之間的合同產生的收入

國際會計準則理事會(「國際會計準則理事會」)已頒佈收入確認的新準則。此將取代涵蓋因銷售貨品及提供服務產生的收入的國際會計準則第18號及涵蓋建築合約的國際會計準則第11號。

此新準則乃根據當貨品或服務的控制權轉讓予客戶時才確認收入的原則下作出。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policy and disclosures (continued)

(b) New standards and interpretations not yet adopted (continued)

(ii) IFRS 15 Revenue from contracts with customers (continued)

The standard permits either a full retrospective or a modified retrospective approach for the adoption. The new standard is effective for first interim periods within annual reporting periods beginning on or after 1 January 2018, and will allow early adoption.

Management is currently assessing the effects of applying the new standard on the Group's financial statements and at this stage, the Group is not able to estimate the overall effect of the new rules on the Group's financial statements. The Group will make more detailed assessments of the effect over the next twelve months. The Group does not expect to adopt the new standard before 1 January 2018.

(iii) IFRS 16 Leasing

IFRS 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. As at 31 December 2016, the Group has non-cancellable operating lease commitments of RMB2,716,000, see Note 37. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

2 主要會計政策概要(續)

2.2 會計政策變動及披露(續)

(b) 尚未採納的新訂準則及詮釋(續)

(ii) 國際財務報告準則第15號客戶之間的合同產生的收入(續)

此準則允許對其採納採用全面追溯法或經修訂追溯法。新準則於二零一八年一月一日或之後開始的年度報告期間內的首個中期期間生效，並將會允許提早採納。

管理層目前正評估應用該新準則對本集團財務報表的影響，於此階段，本集團無法估計新規則對本集團的財務報表的整體影響。本集團將對未來十二個月所帶來的影響進行更詳細評估。本集團預期於二零一八年一月一日前不會採納此新準則。

(iii) 國際財務報告準則第16號租賃
國際財務報告準則第16號將導致幾乎所有租賃在資產負債表內確認，經營租賃與融資租賃的劃分已被刪除。根據該新準則，資產(該租賃項目的使用權)與支付租金的金融負債被確認。唯一例外者為短期和低價值租賃。對出租人的會計處理將不會有重大改變。

此準則將主要影響本集團經營租賃的會計處理。於二零一六年十二月三十一日，本集團有不可取消的經營租賃承擔人民幣2,716,000元(見附註37)。然而，本集團尚未釐定該等承擔導致資產和負債就未來付款確認的程度，以及會如何影響本集團利潤及現金流量的分類。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policy and disclosures (continued)

(b) *New standards and interpretations not yet adopted (continued)*

(iii) IFRS 16 Leasing (continued)

Some of the commitments may be covered by the exception for short-term and low value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.

The new standard is mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

2.3 Subsidiaries

2.3.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

2 主要會計政策概要(續)

2.2 會計政策變動及披露(續)

(b) *尚未採納的新訂準則及詮釋(續)*

(iii) 國際財務報告準則第16號租賃
(續)

部分承擔可能因期限較短及價值較低租賃而無需確認相關資產或負債，而部分承擔可能與不符合國際財務報告準則第16號下租賃要求的安排有關。

新準則須於二零一九年一月一日或之後開始的財政年度強制採用。於此階段，本集團並不擬於其生效日前採納該準則。

並無尚未生效的其他國際財務報告準則或國際財務報告準則詮釋委員會詮釋預期會對本集團產生重大影響。

2.3 附屬公司

2.3.1 合併

附屬公司指本集團擁有控制權的實體(包括結構實體)。倘本集團就參與實體的業務所得可變回報承擔風險或享有權利，及能夠運用對該實體的權力影響該等回報，則本集團對該實體擁有控制權。附屬公司自其控制權轉移至本集團當日起合併入賬，並於控制權終止當日起取消合併入賬。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Subsidiaries (continued)

2.3.1 Consolidation (continued)

(a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

2 主要會計政策概要(續)

2.3 附屬公司(續)

2.3.1 合併(續)

(a) 業務合併

本集團應用收購法為業務合併列賬。收購附屬公司所轉讓的代價包括所轉讓資產、被收購方的前擁有人所產生負債及本集團所發行股權的公允價值。所轉讓代價包括任何或然代價安排所產生的資產或負債的公允價值。於業務合併時所收購的可識別資產及所承擔的負債及或然負債，初步按收購日期的公允價值計量。本集團根據逐項收購基準按公允價值或非控股權益按比例應佔被收購方可識別資產淨值已確認金額確認被收購方的任何非控股權益。

收購相關成本於產生時支銷。

倘業務合併分階段進行，收購方先前持有的被收購方股權於收購日期的賬面值應按收購日期的公允價值重新計量；有關重新計量產生的任何收益或虧損在損益中確認。

本集團按收購日期的公允價值確認將予轉讓的任何或然代價。根據國際會計準則第39號，視作資產或負債的或然代價的公允價值其後變動乃於損益或其他全面收益中確認。分類為權益的或然代價毋須重新計量，而其後結算於權益入賬。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Subsidiaries (continued)

2.3.1 Consolidation (continued)

(a) Business combinations (continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of profit or loss.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

2.3.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2 主要會計政策概要(續)

2.3 附屬公司(續)

2.3.1 合併(續)

(a) 業務合併(續)

所轉讓代價、被收購方的任何非控股權益金額及任何先前於被收購方持有股權於收購日期的公允價值超過所收購可識別資產淨值的公允價值的差額入賬列作商譽。倘所轉讓代價、已確認非控股權益及所計量先前持有股權的總額低於以議價購買方式收購的附屬公司的可識別資產淨值公允價值，則有關差額會直接於損益表確認。

集團內部交易、結餘及集團公司間的交易未變現收益，均予以對銷。未變現虧損亦予以對銷。如有需要，附屬公司所呈報的金額已經調整，以符合本集團的會計政策。

2.3.2 單獨財務報表

於附屬公司的投資按成本減減值列賬。成本亦包括直接應佔投資成本。附屬公司的業績由本公司基於股息及應收款項列賬。

倘股息超過於宣派股息期間附屬公司的全面收益總額或倘單獨財務報表的投資賬面值超過被投資者綜合財務報表上的淨資產(包括商譽)賬面值，於收取該等投資的股息時須對附屬公司的投資進行減值測試。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

2 主要會計政策概要(續)

2.4 聯營公司

聯營公司為本集團對其有重大影響但並無控制權的實體，通常附帶介乎20%至50%投票權的股權。於聯營公司的投資使用權益會計法入賬。根據權益法，有關投資按成本確認，並於收購日期後增加或減少賬面值以確認投資者應佔被投資方的溢利或虧損。本集團於聯營公司的投資包括收購時確定的商譽。收購於一家聯營公司的擁有權權益後，聯營公司的成本與本集團應佔該聯營公司的可識別資產及負債公允價值淨額之間的任何差額入賬計作商譽。

倘於聯營公司的所有權權益減少但仍保留重大影響力，則過往於其他綜合收益確認的金額按比例重新分類至損益(如適用)。

本集團收購後應佔的溢利或虧損於損益表內確認，而收購後應佔其他綜合收益變動於其他綜合收益確認，並就投資賬面值作相應調整。倘本集團應佔聯營公司的虧損等於或超過所持聯營公司的權益(包括任何其他無抵押應收款項)，除非本集團承擔法定或推定責任或已代聯營公司付款，否則不會確認進一步虧損。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Associates (continued)

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of profit/(loss) of an associate" in the statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the statement of profit or loss.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive Directors of the Company that makes strategic decisions for the Group.

2 主要會計政策概要(續)

2.4 聯營公司(續)

本集團於各報告日期釐定是否有客觀證據顯示於聯營公司的投資已減值。倘已減值，則本集團按聯營公司的可收回金額與其賬面值的差額計算減值，並於損益表的「應佔聯營公司溢利／(虧損)」內確認有關金額。

本集團與其聯營公司之間的上下游交易所產生的溢利及虧損於本集團財務報表內確認，惟僅以非相關投資者所持聯營公司的權益為限。除非交易能證明所轉讓資產已減值，否則未變現虧損將予以抵銷。聯營公司的會計政策已於必要時作出變動，以確保與本集團所採用的會計政策一致。

於聯營公司的投資產生的攤薄收益及虧損於損益表內確認。

2.5 分部報告

經營分部按與向首席經營決策者提交的內部報告一致的方式呈報。為本集團作出戰略決定的本公司執行董事被視為負責分配資源及評估經營分部表現的首席經營決策者。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in RMB, which is the Group's presentation currency. The functional currency of the operational entities located in the PRC is RMB, and the Company's functional currency is HKD.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss.

Foreign exchange gains and losses that relate to borrowings, payables and cash and cash equivalents are presented in the consolidated statement of profit or loss within "finance income, net".

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

2 主要會計政策概要(續)

2.6 外幣折算

(a) 功能及列報貨幣

本集團各實體的財務報表所列項目均以該實體經營所在的主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表以人民幣列報，人民幣為本集團的列報貨幣。位於中國的運營實體的功能貨幣為人民幣，而本公司的功能貨幣為港元。

(b) 交易及結餘

外幣折算採用交易日或項目重新計量時的估值日期的現行匯率換算為功能貨幣。結算此等交易產生的匯兌收益和損失，以及以外幣計值的貨幣資產和負債由年終匯率折算產生的匯兌收益和損失，在綜合損益表內確認。

與借款、應付賬款與現金及現金等價物相關的匯兌收益和損失在綜合損益表內的「財務收益，淨額」中呈列。

(c) 集團公司

功能貨幣與列報貨幣不同的所有集團實體(並無擁有惡性通脹經濟體的貨幣的實體)的業績及財務狀況，按以下方式折算為列報貨幣：

- (i) 每份列報的資產負債表內的資產及負債按該資產負債表日的收市匯率折算；
- (ii) 每份損益表內的收入和費用按平均匯率折算(除非此平均值並非交易日期匯率的累計影響的合理約數；在此情況下，收入及費用按交易日期的匯率折算)；及
- (iii) 所有由此而產生的匯兌差額於其他全面綜合收益中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost less accumulated impairment losses of each asset to their residual values over their estimated useful lives, as follows:

	Useful lives
Buildings	12 to 40 years
Machinery	5 to 15 years
Vehicles	3 to 8 years
Furniture and equipment	3 to 5 years
Others	10 to 20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other gains, net" in the consolidated statement of profit or loss.

2 主要會計政策概要(續)

2.7 物業、廠房及設備

物業、廠房及設備按歷史成本減累計折舊及減值虧損列賬。歷史成本包括收購該等項目直接應佔的開支。

後續成本僅在很可能為本集團帶來與該項目有關的未來經濟利益而該項目成本能可靠計量時，方會計入資產的賬面值或確認為一項單獨資產(如適用)。已置換部分的賬面值終止確認。所有其他維修及維護費用在其產生的財務期間於綜合損益表中支銷。

折舊以直線法計算，將各項資產的成本減累計減值虧損按下列估計使用年期分配至其剩餘價值：

	使用壽命
樓宇	12至40年
機器	5至15年
車輛	3至8年
家俱及設備	3至5年
其他	10至20年

資產的剩餘價值及使用年期於各呈報期末檢討，並在適當情況下作出調整。

倘資產賬面值高於估計可收回金額時，該項資產的賬面值即時撇減至可收回金額(附註2.10)。

處置的收益及虧損按所得款項與賬面值的差額釐定，並在綜合損益表內「其他利得，淨額」中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Property, plant and equipment (continued)

Construction-in-progress (the "CIP") represents buildings, plant and machinery under construction or pending installation and is stated at cost less accumulated impairment losses, if any. Cost includes the costs of construction and acquisition and capitalised borrowing costs. No provision for depreciation is made on CIP until such time as the relevant assets are completed and ready for intended use. When the assets concerned are available for use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated above.

2.8 Intangible assets

2.8.1 Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2 主要會計政策概要(續)

2.7 物業、廠房及設備(續)

在建工程(「在建工程」)指興建中或待裝置的樓宇、廠房及機器，按成本減累計減值虧損(如有)入賬。成本包括建造及收購成本以及資本化借貸成本。有關資產落成及可作擬定用途之前，在建工程不作折舊撥備。當有關資產被認定達可投入使用狀態時，成本即轉入物業、廠房及設備並按上述政策折舊。

2.8 無形資產

2.8.1 商譽

商譽於收購附屬公司時產生，指所轉讓代價超出本集團於被收購方可識別淨資產、負債及或然負債淨公允價值的權益及被收購方非控股權益公允價值。

為進行減值測試，於業務合併中獲得的商譽會分配至各預期受惠於合併的現金產生單位(「現金產生單位」)或現金產生單位組別。獲分配商譽的各單位或單位組別指就內部管理監察實體商譽的最低層面。商譽於經營分部層面監察。

商譽每年進行減值審閱，或當有事件或情況改變顯示有潛在減值跡象時，作出更頻密的審閱。商譽的賬面值與可收回金額作比較，可收回金額為使用價值與公允價值減出售成本的較高者。任何減值即時確認為開支，其後不會撥回。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Intangible assets (continued)

2.8.2 Trade name

Trade name acquired in a business combination is recognised at fair value at the acquisition date. Trade name has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trade name over their estimated useful lives of 18.2 years.

2.8.3 Distribution network

Distribution network acquired in a business combination is recognised at fair value at the acquisition date. The distribution network has a finite useful life of 8 years and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the distribution network.

2.9 Land use rights

All land in the PRC is state-owned and no individual land ownership right exists. The Group acquired the rights to use certain land and the premiums paid for such rights are recorded as land use rights, which are stated at cost and amortised over the use terms of 50 years using the straight-line method.

2.10 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 主要會計政策概要(續)

2.8 無形資產(續)

2.8.2 品牌名稱

於業務合併收購的品牌名稱按於收購日期的公允價值確認。品牌名稱有確定的使用壽命，並按成本減累計攤銷列賬。攤銷按直線法計算，以按品牌名稱的18.2年估計使用壽命分配品牌名稱的成本。

2.8.3 分銷網絡

於業務合併收購的分銷網絡按於收購日期的公允價值確認。分銷網絡有確定的8年使用壽命，並按成本減累計攤銷列賬。攤銷按直線法計算，以按分銷網絡估計壽命分配分銷網絡的成本。

2.9 土地使用權

中國所有土地均屬國有，不存在個人土地所有權。本集團購買使用若干土地的權利，而就該等權利支付的出讓金記錄為土地使用權，按成本列賬並於50年使用年期內按直線法攤銷。

2.10 非金融資產的減值

使用年期不確定的資產不作攤銷，但每年須進行減值測試。須予攤銷的資產在有事件發生或情況改變顯示賬面值可能無法收回時進行減值檢討。減值虧損按資產的賬面值超出其可收回金額的差額確認。可收回金額以資產的公允價值扣除銷售成本及使用價值兩者的較高者為準。評估減值時，資產按可分開辨認現金流量的最低層次組合。除商譽外，已蒙受減值的非金融資產在各報告日期均檢討減值是否可以轉回。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and AFS. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's receivables comprise "trade receivables" (Note 13), "other receivables" (Note 16), "cash and cash equivalents" (Note 19) in the consolidated balance sheet. Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

AFS is non-derivative that is either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. AFS are subsequently carried at fair value. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the statement of profit or loss as "other gains, net". Interest on available-for-sale securities calculated using the effective interest method is recognised in the statement of profit or loss as part of other gains.

2 主要會計政策概要(續)

2.11 金融資產

本集團將其金融資產分為以下類別：透過損益按公允價值計量類別、貸款及應收款項類別及可供出售金融資產類別。分類視乎金融資產之收購目的。管理層將於初步確認時為其金融資產分類。

貸款及應收款項為有固定或可確定付款額且並無活躍市場報價的非衍生金融資產。此等項目計入流動資產，惟自報告期末起計超過12個月方到期者，則分類為非流動資產。本集團的應收款項包括綜合資產負債表內的「應收貿易款」(附註13)、「其他應收款」(附註16)、「現金及現金等價物」(附註19)。金融資產的常規買賣於交易日確認—本集團承諾購買或銷售資產的日期。並非透過損益按公允價值列賬的所有金融資產投資初步按公允價值加交易成本確認。倘自投資中收取現金流量的權利過期或已予以轉讓及本集團已轉讓與所有權相關的絕大部分風險及回報，則終止確認金融資產。貸款及應收款項其後通過使用實際利息法按攤銷成本記賬。

可供出售金融資產為指定為此類別或不屬任何其他類別的非衍生工具。除非投資到期或管理層擬於報告期末起計12個月內出售，否則可供出售金融資產列入非流動資產項下。可供金融資產其後按公允價值列賬。分類為可供出售的貨幣及非貨幣證券公允價值變動於其他全面收益中確認。倘分類為可供出售的證券被出售或出現減值，於權益中確認的累計公允價值調整列入損益表中「其他收益，淨額」項下。按實際利率法計算的可供出售證券利息於損益表中確認為其他收益的一部份。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.13 Impairment of financial assets

(a) Loans and receivables

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred 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 (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors 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 where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2 主要會計政策概要(續)

2.12 抵銷金融工具

倘有合法可強制執行權利可抵銷已確認金額，並有意按淨額基準結算或同時變現資產及結算負債時，金融資產及負債互相抵銷並於資產負債表中列報有關淨金額。法定可執行權利必須不得依賴未來事件而定，而在一般業務過程中以及倘本集團或對手方一旦出現違約、無償債能力或破產時，這也必須具有約束力。

2.13 金融資產減值

(a) 貸款及應收款項

本集團於每個報告期末評估是否有客觀證據證明某項金融資產或某組金融資產已經減值。只有當存在客觀證據證明於首次確認資產後發生的一宗或多宗事件導致出現減值(「損失事件」)，而該宗(或該等)損失事件對該項或該組金融資產的估計未來現金流量構成的影響可以可靠估計，有關金融資產或金融資產組別方會出現減值及產生減值虧損。

減值證據或會包括債務人或集團債務人正遇上重大財務困難、拖欠償還利息或本金、彼等可能破產或進行其他財務重組，及有可觀察的資料顯示估計未來現金流量存在可計量減少(如與拖欠有關的欠款或經濟狀況)。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Impairment of financial assets (continued)

(a) Loans and receivables (continued)

For loans and receivables category, 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) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of profit or loss.

(b) AFS

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For debt securities, if any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is reclassified from equity and recognised in profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated statement of profit or loss.

2 主要會計政策概要(續)

2.13 金融資產減值(續)

(a) 貸款及應收款項(續)

就貸款及應收款項類別而言，損失金額乃根據資產賬面值與估計未來現金流量(不包括仍未產生的未來信用損失)按金融資產原實際利率貼現的現值兩者的差額計量。資產賬面值予以扣減，而損失金額則在綜合損益表中確認。

如在後繼期間，減值損失金額減少，而減少可客觀地聯繫至某件於減值確認後發生的事件(例如債務人的信用評級有改善)，則之前所確認的減值損失可在綜合損益表中轉回。

(b) 可供出售金融資產

本集團於各報告期末評估是否有客觀證據顯示一項金融資產或一組金融資產出現減值。

就債務證券而言，倘出現任何有關證據，則累計虧損(按收購成本及目前公允價值之差額減任何先前於損益確認的金融資產減值虧損計量)於權益中重新分類，並於損益中確認。倘，於其後期間，分類為可供出售的債務證券公允價值增加，而有關增幅與於損益確認減值虧損後發生的事件客觀相關，則減值虧損透過綜合損益表撥回。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Impairment of financial assets (continued)

(b) AFS (continued)

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is reclassified from equity and recognised in profit or loss. Impairment losses recognised in the consolidated statement of profit or loss on equity instruments are not reversed through the consolidated statement of profit or loss.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.15 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. See Note 2.11 for further information about group's accounting for trade receivables and Note 2.13 for a description of the group's impairment policies.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2 主要會計政策概要(續)

2.13 金融資產減值(續)

(b) 可供出售金融資產(續)

就股權投資而言，有關證券的公允價值嚴重或長期低於其成本亦屬有關資產出現減值的證據。倘出現任何有關證據，則累計虧損(按收購成本及目前公允價值之差額減任何先前於損益確認的金融資產減值虧損計量)於權益中重新分類，並於損益中確認。權益工具於綜合損益表中確認的減值虧損不得透過綜合損益表撥回。

2.14 存貨

存貨按成本及可變現淨值中的較低者列賬。成本乃使用加權平均法釐定。成品的成本包括原材料、直接勞動力、其他直接費用及相關生產雜項開支(基於正常運營能力)。可變現淨值為日常業務中的估計售價減適用浮動銷售開支。

2.15 應收貿易款及其他應收款

應收貿易款是於日常業務過程中向客戶銷售商品或提供服務而應收的款項。倘應收貿易款及其他應收款預期將在一年或以內收回(如仍在正常經營週期中，則可較長時間)，則分類為流動資產。否則，呈列為非流動資產。有關集團應收貿易款會計處理方法的進一步詳情，請參閱附註2.11，及集團減值政策的描述請參閱附註2.13。

應收貿易款及其他應收款以公允價值為初始確認，其後則以實際利率法按攤銷成本扣除減值撥備計算。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.19 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

2 主要會計政策概要(續)

2.16 現金及現金等價物

於綜合現金流量表中，現金及現金等價物包括手頭現金、銀行通知存款、原到期日為三個月或以內的其他短期高流動性投資。

2.17 股本

普通股分類為權益。直接歸屬於發行新普通股或期權的新增成本於權益呈列為所得款項減少(經扣減稅項)。

2.18 應付貿易款

應付貿易款為在日常經營活動中向供應商購買商品或服務而應支付的債務。如應付貿易款的支付日期在一年或以內(如仍在正常經營週期中，則可較長時間)，則分類為流動負債。否則，呈列為非流動負債。

應付貿易款以公允價值為初始確認，其後則以實際利率法按攤銷成本計量。

2.19 借款

借款初步按公允價值扣除所產生交易成本確認。借款其後按攤銷成本列賬；所得款項(扣除交易成本)及贖回價值的任何差額使用實際利率法於借款期間在損益表中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Borrowings (continued)

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Convertible bond issued by the Company that contain both a liability and equity components are classified separately into these respective items on initial recognition. The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bond. The remainder of the proceeds is allocated to the conversion option. The conversion option is classified as equity since the Group has no contractual obligation to deliver cash or another financial asset nor to deliver a variable number of shares to settle the option. It is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

2 主要會計政策概要(續)

2.19 借款(續)

在很有可能部份或全部提取貸款融資的情況下，設立貸款融資時支付的費用確認為貸款的交易成本。在此情況下，有關費用將遞延至提取貸款融資發生時。在並無證據顯示很有可能部份或全部提取貸款融資的情況下，有關費用撥充資本作為流動資金服務的預付款項，並於其相關融資期間內予以攤銷。

本公司發行的可換股債券包括負債部分和權益部分，其在初始確認時已進行分別劃分。可換股債券負債部分的公允價值乃按等同不可換股債券的市場利率釐定。該金額乃按攤銷成本基準列賬為負債，直至債券獲轉換或於到期時被註銷為止。所得款項餘下部分分配至轉換權，因本集團無交付現金，或其他金融資產，或可變數量的股東來結算該轉換權的合同義務，故將該轉換權計分為權益。扣除所得稅影響後，於股東權益確認及計入。

當合約中規定的責任解除、取消或屆滿時，借款自資產負債表中剔除。已消除或轉移給另一方的財務負債的賬面值與已支付代價(包括已轉移的任何非現金資產或承擔的負債)之間的差額，在損益確認為其他收益或財務費用。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Borrowings (continued)

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.20 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2 主要會計政策概要(續)

2.19 借款(續)

倘重新協商財務負債的條款而實體發行股本工具予債權人以消除全部或部分負債(債務股權互換)，於損益確認收益或虧損，按財務負債的賬面值與已發行股本工具的公允價值之間的差額計量。

除非本集團有權無條件將債務結算日期遞延至報告期末起計至少十二個月後，否則借款將被分類為流動負債。

2.20 借貸成本

直接歸屬於收購、建設或生產合資格資產(即需要經過相當長時間才能達到擬定用途或銷售狀態的資產)的一般及特定借貸成本，計入該等資產的成本內，直至該等資產基本達到擬定用途或銷售狀態。

特定借款臨時投資賺取的投資收入在其用作合資格資產的支出前應自合資格資本化的借貸成本中扣除。

所有其他借貸成本於其產生期間於損益中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Deferred revenue and advance received from customers

Deferred revenue and advance received from customers represent the consideration allocated to the goods to be delivered in future. Deferred revenue also include government grants relating to property, plant and equipment (Note 2.26). Deferred revenue is stated at the consideration allocated less the amount previously recognised as revenue upon the delivery of goods to the wholesaler (Note 2.25).

2.22 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 主要會計政策概要(續)

2.21 遞延收入及預收客戶款

遞延收入及預收客戶款指分配至將於未來交付貨品的對價。遞延收入亦包括與物業、廠房及設備有關的政府補助(附註2.26)。遞延收入按所分配對價扣減之前於貨品交付予經銷商後確認為收入的金額列賬(附註2.25)。

2.22 當期及遞延所得稅

本期間的稅項支出包括當期及遞延稅項。稅項在綜合損益表確認，惟與其他全面收益中或直接在權益中確認的項目有關者則除外。在此情況下，稅項亦分別在其他全面收益或直接在權益中確認。

當期所得稅支出根據本公司及其附屬公司經營業務及產生應課稅收益的國家於結算日已頒布或實質上已頒布的稅法計算。管理層就適用稅務法例須作出解釋的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Current and deferred income tax (continued)

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

2 主要會計政策概要(續)

2.22 當期及遞延所得稅(續)

遞延所得稅使用負債法按資產和負債的稅基與資產和負債在綜合財務報表的賬面值的暫時性差額確認。然而，若遞延稅項負債來自初步確認商譽，則不予確認，若遞延所得稅來自在交易(不包括業務合併)中資產或負債的初始確認，而在交易時不影響會計處理或應課稅利潤或損失，則不入賬。遞延所得稅採用在結算日已頒布或實質上已頒布，並在有關遞延所得稅資產變現或遞延所得稅負債結算時預期將適用的稅率(及法例)釐定。

遞延所得稅資產僅就可能未來應課稅利潤而就此可使用暫時性差額而確認。

就於附屬公司投資產生的應課稅暫時性差額計提遞延所得稅負債，但假若本集團可控制暫時性差額的轉回時間，且暫時性差額在可見將來很可能不會轉回則除外。在一般情況下，本集團無法控制聯營公司暫時性差額的撥回。僅在存在協議賦予本集團能力時，方可控制未確認暫時性差額的撥回。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Current and deferred income tax (continued)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.23 Employee benefits

The employee benefit expenses mainly include salary, bonus, allowances and other expenditures incurred in exchange for the employee services. All employee benefit obligations are recognised during the period when the services are provided, and charged to the consolidated statement of profit or loss or included in the cost of the related assets.

(a) Pension obligations - defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2 主要會計政策概要(續)

2.22 當期及遞延所得稅(續)

當有法定可執行權利將當期稅項資產與當期稅項負債抵銷，且遞延所得稅資產與負債涉及由同一稅務機關對有意以淨額基準結算所得稅結餘的同一應課稅實體或不同應課稅實體徵收的所得稅時，則遞延所得稅資產與負債可互相抵銷。

2.23 僱員福利

僱員福利費用主要包括換取僱員服務產生的薪金、花紅、津貼及其他開支。所有僱員福利債務於服務獲提供時確認，並自綜合利潤表扣除或計入相關資產成本。

(a) 退休金債務—界定供款計劃

界定供款計劃是本集團向獨立實體支付固定供款的退休金計劃。倘有關基金並無足夠資產向所有僱員支付即期或過往期間的僱員服務福利，本集團亦無法定或推定責任支付任何進一步供款。

本集團以向由公共或私人機構管理的退休金保險計劃支付強制、合約或自願性供款。本集團在支付供款後即無進一步付款責任。供款於到期時確認為僱員福利開支。倘若有現金退款或未來供款額出現下調，預付供款可確認為資產。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Employee benefits (continued)

(b) Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceilings. The Group's liability in respect of these funds is limited to the contributions payable in each period.

2.24 Provisions

Provisions for legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2 主要會計政策概要(續)

2.23 僱員福利(續)

(b) 住房公積金、醫療保險及其他社會保險

本集團的中國僱員有權參與多項政府監管的住房公積金、醫療保險及其他僱員社會保險計劃。本集團每月按僱員薪酬的若干百分比就該等公積金供款(受限於若干供款上限)。本集團有關該等公積金的負債僅限於各期間應付供款。

2.24 撥備

在出現以下情況時，就法律索償作出撥備：本集團因已發生的事件而產生現有的法律或推定債務；很可能需要資源流出以結算債務；及金額已可靠估計。不就未來經營虧損確認撥備。

如有多項類似債務，其需要在結算中流出資源的可能性，則可根據債務的類別整體考慮後決定。即使在同一債務類別所包含的任何一個項目相關的資源流出的可能性極低，仍須確認撥備。

撥備採用稅前利率按照預期須結算有關債務的支出的現值計量，該利率反映當時市場對金錢時間值和有關債務固有風險的評估。隨著時間過去而增加的撥備確認為利息費用。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue is shown as net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sales of goods – wholesale and retail

The Group manufactures and sells a range of water products and beer products in the wholesale and retail market. The Group also sells bottle preforms and caps to a related party. Sales of goods are recognised when a group entity has delivered products to the distributors/retailers/related party, the distributors/retailers/related party have full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the distributors/retailers/related party's acceptance of the products. Delivery occurs when the products have been shipped to the specified location and accepted by distributors/retailers/related party; the risks of obsolescence and loss have been transferred to the distributors/retailers/related party.

2 主要會計政策概要(續)

2.25 收入確認

收入包括本集團日常業務活動的過程中銷售產品所收取或應收的對價公允價值。收入於扣除增值稅、退貨、回扣及折扣以及抵銷本集團內部銷售額後列賬。

本集團於收入能夠作可靠計量，而未來的經濟利益很可能流入有關實體，而本集團各項業務活動符合下述特定標準時確認收入。本集團按照過往業績，並考慮客戶類型、交易類型及各項安排細節作出估計。

(a) 商品銷售－批發及零售

本集團製造及於批發及零售市場銷售一系列水產品及啤酒產品。本集團亦向一名關聯方銷售瓶坯及瓶蓋。當集團實體交付產品予經銷商／零售商／關聯方，經銷商／零售商／關聯方對出售產品的渠道及價格有完全決定權，且並無未履行責任從而影響經銷商／零售商／關聯方收取這些產品時，商品銷售方予以確認。在產品運至特定地點且經銷商／零售商／關聯方已收取、陳舊過時及虧損風險已轉移至經銷商／零售商／關聯方時，方為交付。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Revenue recognition (continued)

(a) Sales of goods – wholesale and retail (continued)

Sales of water products to certain distributors or end customers are made in form of Water Cards (“**Water Cards Sales Arrangement**”). Under the Water Cards Sales Arrangement with the distributors, the distributors sell the Water Cards to the end customers and use the logistics network, which is designed by the Group with the Group’s long-term cooperative logistics suppliers, to deliver water products to the designated locations at the request of the end customers when the Water Cards are redeemed before the expiry dates; and relevant logistics expenses are charged to the Group. Sales of goods under the Water Cards Sales Arrangement are deferred as the Group has ultimate obligations towards the card holders. Sales of goods under the Water Cards Sales Arrangement are recognised when the Water Cards are redeemed by the end customers and the water products are delivered, or when the Water Cards are expired, whichever is earlier.

(b) Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

2 主要會計政策概要(續)

2.25 收入確認(續)

(a) 商品銷售－批發及零售(續)

向部分經銷商或終端客戶的水產品銷售以水卡形式作出(「水卡銷售安排」)。在與經銷商水卡銷售安排下，經銷商向終端客戶銷售水卡，並使用本集團與本集團長期物流合作供應商設計的物流網絡在水卡到期日前，按照兌現水卡的終端客戶要求向其指定地點運送水產品。相關的物流費用由本集團承擔。因本集團對持卡人具有最終義務，該水卡銷售安排下的商品銷售收入予以遞延確認。該水卡銷售安排下的商品銷售收入在終端客戶兌現水卡、水產品已交付或者水卡到期時(以較早為準)予以確認。

(b) 利息收入

利息收入採用實際利息法確認。倘貸款或應收款項出現減值，本集團會將賬面值減至可收回款額，即估計未來現金流量按該工具的原實際利率折現值，並繼續將折現計算並確認為利息收入。已減值貸款及應收款項的利息收入利用原實際利率確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Revenue recognition (continued)

(c) Rental income

Rental income from leasing of a production line is recognised in the statement of profit or loss on a straight-line basis over the term of the lease.

2.26 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are recognised in the consolidated statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred revenue and are credited to the consolidated statement of profit or loss on a straight-line basis over the expected lives of the related assets (Note 2.21).

2.27 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases as lessee (net of any incentives received from the lessor) are charged to the consolidated statement of profit or loss on a straight-line basis over the period of the lease. Rental received under operating leases as lessor (net of any incentives given to the lessee) is recorded as revenue in the consolidated statement of profit or loss on a straight-line basis over the period of the lease.

2 主要會計政策概要(續)

2.25 收入確認(續)

(c) 租金收入

一條生產線出租產生的租金收入於租期內以直線法於利潤表中確認。

2.26 政府補助

倘能夠合理保證政府補助可以收取且本集團將會符合所有附帶條件，補助將按其公允價值確認。

與成本有關的政府補助按擬補償的成本配合所需期間於綜合損益表確認。

與物業、廠房及設備有關的政府補助計入非流動負債中遞延收入項下，並於相關資產的預期壽命內按直線法貸記至綜合損益表內(附註2.21)。

2.27 經營租賃

若租賃所有權的重大部分風險及報酬仍歸出租人保留，歸類為經營租賃。根據經營租賃(作為承租人)支付的款項(扣除出租人給予的任何激勵措施後)，於租期內以直線法於綜合損益表支銷。根據經營租賃(作為出租人)收取的租金(扣除給予承租人的任何激勵措施後)，於租期內以直線法作為收入列入綜合損益表。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.28 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.29 Share-based payments

Equity-settled share-based payment transactions

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services as consideration for equity instruments (options) of the Group. For equity-settled share-based payment transactions, the Group measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the Group cannot estimate reliably the fair value of the goods or services received, the Group shall measure their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted. The fair value of the services received in exchange for the grant of the options is charged to the statement of profit or loss when the services are received.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit or loss, with a corresponding adjustment to equity. When the options are exercised, the company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (and share premium).

2 主要會計政策概要(續)

2.28 股息分配

向本公司股東作出的股息分配於本公司股東批准有關股息期間內在本集團財務報表確認為負債。

2.29 股份基礎給付

以權益結算的股份基礎給付交易

本集團設有一項以權益結算的股份基礎薪酬計劃，據此，實體收取服務作為本集團權益工具(購股權)的代價。對於以權益結算的股份基礎給付交易，本集團直接按所收取貨品或服務的公允價值計量所收取的貨品或服務以及權益的相應增幅，除非該公允價值無法可靠估計。倘本集團無法可靠估計所收取貨品或服務的公允價值，則本集團須參考所授出股本工具的公允價值直接計量其價值及權益的相應增幅。就所收取的服務而授出購股權的公允價值於服務收取時自損益表中扣除。

於各報告期末，本集團根據非市場表現及服務條件修訂對預期歸屬的購股權數目所作估計，並在損益表確認原來估計修訂產生的影響(如有)，並對權益作出相應調整。本公司於購股權獲行使時發行新股份。所收款項(扣除任何直接應計交易成本)會撥入股本(及股份溢價)。

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) *Market risk*

(i) Foreign exchange risk

The functional currency of a majority of the entities within the Group is RMB and most of the transactions are settled in RMB. However, the Group is exposed to foreign exchange risk arising from its cash exchange transactions, which are primarily denominated in HKD.

To mitigate the impact of exchange rate fluctuations, the Group continually assesses and monitors its exposure to foreign exchange risk. During the year ended 31 December 2016, management did not consider it necessary to enter into any hedging transactions in order to reduce the exposure to foreign exchange risk, because the exposure, after netting off the assets and liabilities subject to foreign exchange risk, is not significant.

As at 31 December 2016, if RMB had weakened/strengthened by 5% against HKD with all other variables held constant, the total net assets of the Group would have been approximately RMB68,482,000 (2015: RMB62,156,000) higher/lower respectively, mainly as a result of foreign exchange translation of the financial statements for the Company and its Hong Kong subsidiary whose functional currency is HKD; the post-tax profit for the year would have been RMB4,789,000 (2015: RMB4,011,000) higher/lower.

3 財務風險管理

3.1 財務風險因素

本集團經營活動面臨各種財務風險：市場風險(包括貨幣風險、現金流量及公允價值利率風險)、信貸風險及流動性風險。本集團的整體風險管理計劃集中於金融市場的不可預測性，並尋求將對本集團的財務表現潛在不利影響降至最低。

(a) *市場風險*

(i) 外匯風險

本集團的大部分實體的功能貨幣為人民幣，大部分交易以人民幣結算。然而，本集團的現金匯兌交易主要以港元計值，故本集團面對外匯風險。

為減輕匯率波動的影響，本集團持續評估及監控外匯風險。於截至二零一六年十二月三十一日止年度，管理層認為沒有必要訂立任何對沖交易以減輕外匯風險，因為將承受外匯風險的資產及負債相抵後風險不大。

於二零一六年十二月三十一日，假定人民幣兌港元貶值／升值5%，而所有其他可變因素保持不變，本集團淨資產總額將分別增加／減少約人民幣68,482,000元(二零一五年：人民幣62,156,000元)，主要歸因於本公司及其功能貨幣為港元的香港附屬公司的財務報表的外匯折算；年內稅後利潤增加／減少人民幣4,789,000元(二零一五年：人民幣4,011,000元)。

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk

The Group's borrowings obtained at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. During 2016 and 2015, the Group's borrowings at variable rates were all denominated in RMB. At 31 December 2016, if interest rates on RMB-denominated floating-rate borrowings had been 5% higher/lower with all other variables held constant, post-tax profit for the year would have been RMB298,000 (2015: RMB423,000) lower/higher, mainly as a result of higher/lower interest expense on floating-rate borrowings.

At 31 December 2016, the Group has bank borrowings amounting to RMB236,000,000 (2015: nil) and convertible bond of RMB458,066,000 (2015: nil) at fixed interest rates and these expose the Group to fair value interest rate risk. As at 31 December 2016, the carrying amounts of bank borrowings with fixed interest rates approximated their fair value due to their short tenures and the influence of fair value interest rate risk is marginal. If market interest rate for the convertible bond had been 5% higher/lower with all other variables held constant, the fair value of the convertible bond would have been RMB3,681,000 (2015: nil) lower/higher. There was no impact on the Group's post-tax profits or net assets given the liability portion of the convertible bond is carried at amortised cost.

(b) Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, trade receivables and other receivables. The carrying amounts of cash and cash equivalents, trade receivables and other receivables, represent the Group's maximum exposure to credit risk in relation to those financial assets.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 現金流量及公允價值利率風險

本集團按浮息獲得的借款令本集團面臨現金流利率風險，惟部分被按浮息所持的現金所抵銷。於二零一六年及二零一五年，本集團的浮息借款均以人民幣計值。於二零一六年十二月三十一日，倘人民幣浮息借款的利率上升/下降5%，而其他所有可變因素保持不變，年內的稅後利潤減少/增加人民幣298,000元(二零一五年：人民幣423,000元)，主要是由於浮息借款的利息開支增加/減少。

於二零一六年十二月三十一日，本集團擁有按固定利率計息的銀行借款人民幣236,000,000元(二零一五年：無)及可換股債券人民幣458,066,000元(二零一五年：無)，其令本集團面臨公允價值利率風險。於二零一六年十二月三十一日，按固定利率計息的銀行借款的賬面值與其公允價值相若，乃由於其短期性質及公允價值利率風險的影響甚微。倘可換股債券的市場利率上升/下降5%，而其他所有可變因素保持不變，可換股債券的公允價值減少/增加人民幣3,681,000元(二零一五年：零)。鑒於可換股債券的負債部分按攤銷成本列賬，故其對本集團的除稅後利潤及淨資產並無影響。

(b) 信貸風險

信貸風險按照組合方式管理。信貸風險來自現金及現金等價物、應收貿易款及其他應收款。現金及現金等價物、應收貿易款及其他應收款的賬面值為本集團就這些金融資產面對的信貸風險上限。

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

Substantially all of the Group's cash and cash equivalents are held in major financial institutions located in the PRC including the Hong Kong Special Administrative Region, which management believes are of high credit quality. There was no recent history of default of cash and cash equivalents from such financial institutions/authorities.

The Group's trade receivables due from two single external customers are approximately RMB63,063,000, representing 33% of the balance of the Group's trade receivables as at 31 December 2016 (2015: RMB186,588,000, 91%). The trade receivables of one customer is approximately RMB36,522,000, representing 19% of the balance of the Group's trade receivables as at 31 December 2016 (2015: RMB154,000,000, 75%). The Group's previous sales contract with this customer ended on 30 June 2015, and in April 2016, the Group entered into a new sales contract with this customer. The trade receivables of the other customer is approximately RMB26,541,000, representing 14% of the balance of the Group's trade receivables as at 31 December 2016 (2015: RMB32,588,000, 16%). In view of the history of business dealings made with these two customers and the sound financial position and reputation of these two customers, management believes that there is no material credit risk inherent in the Group's outstanding receivables balance due from these two customers. The Group's other trade receivables are due from other third parties and associates (Note 38). The Group performs ongoing credit evaluations of the financial condition of its customers/debtors on an individual basis, taking into account their financial position, past experience and other factors, and generally does not require collateral from the customers/debtors on the outstanding balances. Based on the expected realisation and timing for collection of the outstanding balances, the Group maintains its provision for doubtful accounts and actual losses incurred have been within management's expectation, and management believes that there is no material credit risk inherent in the Group's outstanding trade receivables balances. In the event that the Group fails to collect the outstanding trade receivables due from the two single external customers, the Group's financial position and operating results will be adversely affected.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

本集團幾乎所有的現金及現金等價物存於管理層認為具有高信貸質素的中國(包括香港特別行政區)大型金融機構。這些金融機構/機關的現金及現金等價物近來並無拖欠記錄。

於二零一六年十二月三十一日，本集團應收兩名單一外部客戶的貿易款約為人民幣63,063,000元，佔本集團應收貿易款結餘的33%(二零一五年：人民幣186,588,000元，91%)。於二零一六年十二月三十一日，應收一名客戶的貿易款約為人民幣36,522,000元，佔本集團應收貿易款結餘的19%(二零一五年：人民幣154,000,000元，75%)。本集團與該客戶的先前銷售合約於二零一五年六月三十日終止，而於二零一六年四月，本集團與該客戶訂立一份新的銷售合約。於二零一六年十二月三十一日，應收另一名客戶的貿易款約為人民幣26,541,000元，佔本集團應收貿易款結餘的14%(二零一五年：人民幣32,588,000元，16%)。鑒於與這兩名客戶的過往業務往來及這兩名客戶良好的財務狀況及聲譽，管理層認為本集團應收這兩名客戶未付應收款餘額並無固有的重大信貸風險。本集團的其他應收貿易款為應收其他第三方及聯營公司款項(附註38)。本集團持續對客戶/債務人的財務狀況分別進行信貸評估，當中會考慮其財務狀況、過往經驗及其他因素，本集團一般不會要求客戶/債務人就未支付餘額提供抵押品。基於對未償還餘額回收的可預期實現性及時間性，本集團維持就呆賬作出撥備，而產生的實際損失在管理層預期之內，故管理層認為本集團的未結貿易應收款項結餘並無固有重大信貸風險。倘本集團未能收回應收兩名單一外部客戶的未結貿易應收款項結餘，可能對本集團的財務狀況及經營成果造成重大的負面影響。

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

As at 31 December 2016, the Group has unsecured loans to several independent third parties amounting to RMB156,920,000 (2015: the Group has unsecured loan to two independent third parties amounting to RMB62,599,000) and loan to an associate amounting to RMB54,821,000 (2015: RMB21,321,000). Management performed credit evaluations of the financial conditions of the counter parties and considered that these loans and cash advances will be repaid on time with no collectability risks; management concluded that no impairment provision was necessary accordingly. In the event that the counter parties could not make payments on time or default their payments, the Group's financial position and operating results will be adversely affected.

There was no other financial asset carrying a significant exposure to credit risk.

See Note 14 for further disclosure on credit risk.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group's treasury function allows flexibility in funding by maintaining adequate cash and cash equivalents.

Management monitors rolling forecasts of the Group's liquidity position based on the expected cash flows.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

於二零一六年十二月三十一日，本集團借給若干獨立第三方的無抵押貸款為人民幣156,920,000元(二零一五年：本集團借給兩名獨立第三方的無抵押貸款為人民幣62,599,000元)及給予一家聯營公司的貸款為人民幣54,821,000元(二零一五年：人民幣21,321,000元)。管理層就對方進行了財務狀況信貸評估，並認為這些貸款及現金墊款將可按時償還，沒有收回的風險；因此，管理層認為沒有計提減值準備的需要。倘若對方未能按時付款或拖欠其款項，本集團的財務狀況及經營業績將受到不利影響。

概無其他金融資產附帶重大信貸風險。

有關信貸風險請參與附註14的進一步披露。

(c) 流動性風險

審慎的流動性風險管理包括維持充足的現金及能有足夠的備用信貸融資以維持可供動用資金，及於市場平倉的能力。由於本集團相關業務的動態性，本集團的庫務功能通過維持充足的現金及現金等價物以提供資金的靈活性。

管理層根據預期現金流量監控本集團流動資金狀況的滾動預測。

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The table below analyses the Group's financial liabilities in relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

		Less than 1 year 一年以內 RMB'000 人民幣千元	1-2 years 一至兩年 RMB'000 人民幣千元	2-3 years 兩至三年 RMB'000 人民幣千元
Group	本集團			
At 31 December 2016	於二零一六年十二月三十一日			
Bank borrowings	銀行借款	467,229	193,951	—
Convertible bond	可換股債券	28,177	28,177	483,231
Trade payables (Note 25)	應付貿易款(附註25)	78,055	—	—
Other financial liabilities	其他金融負債	28,261	—	—
At 31 December 2015	於二零一五年十二月三十一日			
Bank borrowings	銀行借款	203,859	—	—
Trade payables (Note 25)	應付貿易款(附註25)	72,827	—	—
Other financial liabilities	其他金融負債	48,111	—	—

The Group provided a financial guarantee amounting to RMB260,000,000 to an associate company for obtaining bank borrowing as at 31 December 2016 (31 December 2015: RMB260,000,000). Given the financial position and earning ability of the associate company, management believe that the risk of default for the associate company for the loan repayment is very low and thus management believes that there is no material liquidity risk arising from the financial guarantee provided by the Group.

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動性風險(續)

下表分析按結算日至合約到期日剩餘期間劃分成相關到期日組別的本集團的金融負債。表中所披露的數額均為合約約定的未折現現金流量。

於二零一六年十二月三十一日，本集團向一家聯營公司的銀行借款人民幣260,000,000元提供財務擔保(二零一五年十二月三十一日：人民幣260,000,000元)。鑒於該聯營公司的財務狀況及盈利能力，管理層認為，該聯營公司還貸的違約風險極低，因此，管理層認為本集團所提供的財務擔保不會產生任何重大流動性風險。

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group's capital is mainly from equity funding and borrowings from banks for the year ended 31 December 2016.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as borrowings divided by total capital. Total capital is calculated as "equity" as shown in the consolidated balance sheet plus borrowings.

The gearing ratios as at 31 December 2016 and 2015 are as follows:

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Bank borrowings (Note 27)	銀行借款(附註27)	646,000	200,000
Convertible bond-liability component (Note 28)	可換股債券－負債部份(附註28)	458,066	—
Total equity	權益總額	3,494,564	3,197,007
Total capital	資本總額	4,598,630	3,397,007
Gearing ratio	資產負債比率	24.01%	5.89%

3 財務風險管理(續)

3.2 資本風險管理

本集團管理資本的目標為保障本集團持續經營的能力，從而為股東提供回報、為其他利益相關者提供利益以及保持最佳資本架構以減低資金成本。

為維持或調整資本架構，本集團可調整將支付予股東的股息、向股東退還資本、發行新股或出售資產以減債。

截至二零一六年十二月三十一日止年度，本集團的資本主要來自股本資金及銀行借款。

與業內其他公司一致，本集團以資產負債比率基準監控資本。該項比率按借款除以資本總額計算。資本總額按綜合資產負債表所示「權益」加借款計算。

於二零一六年及二零一五年十二月三十一日的資產負債比率如下：

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2016 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3 財務風險管理(續)

3.3 公允價值估計

下表按計量公允價值之估值技術所用輸入數據的層級，分析本集團於二零一六年十二月三十一日按公允價值列賬之金融工具。有關輸入數據乃按下文所述而分類歸入公允價值架構內的三個層級：

- 相同資產或負債於活躍市場的報價(未經調整)(第1層)。
- 除了第1層所包括的報價外，該資產或負債的可觀察的其他輸入，可為直接(即例如價格)或間接(即源自價格)(第2層)。
- 資產或負債並非依據可觀察市場數據的輸入(即非可觀察輸入)(第3層)。

		Level 2 第2層 RMB'000 人民幣千元
AFS	可供出售金融資產	
– Investments in structured financial products	– 投資於結構性理財產品	186,230
Total assets	總資產	186,230

As at 31 December 2016, the Group only had level 2 financial instruments, which related to AFS investments-structured financial products issued by a commercial fund company, with return based on the underlying investments mainly in debt instruments and are not traded in an active market. The fair value is determined by using valuation techniques such as expected return from the underlying investments. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

於二零一六年十二月三十一日，本集團僅擁有第2層金融工具，其與由商業基金公司發行的投資結構性金融產品的可供出售金融資產相關，該等產品是以債務工具為基礎作為投資回報和並未於活躍市場買賣。公允價值乃採用估值技術釐定，例如來自潛在投資後預期回報。該等估值技術儘量利用可觀察市場數據(如有)，儘量少依賴實體的特定估計。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Depreciation and amortisation

The Group's management determines the residual value, useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual residual value and useful lives of plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where residual value or useful lives are less than previous estimates, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. The current estimated useful lives are stated in Note 2.7.

(b) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

4 關鍵會計估計及判斷

估計及判斷會持續進行評估，並根據過往經驗及其他因素(包括在有關情況下對未來事件的合理預期)。

本集團對未來作出若干估計及假設。所得的會計估計如其定義，極少與相關的實際結果相同。有很大機會引致下一個財政年度內對資產及負債賬面值作出重大調整風險的估計及假設討論如下。

(a) 折舊及攤銷

本集團管理層釐定其物業、廠房及設備的剩餘價值、使用年期及相關折舊費用。所作估計以類似性質及功能的廠房及設備的實際剩餘價值及使用年期的過往經驗為準。由於技術革新及競爭者就嚴峻的行業週期採取的行動，該估計可能會大幅變動。當剩餘價值或使用年期少於先前估計，管理層將提高折舊費用，或撇銷或撇減技術上過時或已棄用或出售的非戰略性資產。目前預計可使用年期載於附註2.7。

(b) 所得稅

本集團須於多個司法權區繳納所得稅。在釐定所得稅撥備時須作出重大判斷。有多項交易及計算的最終稅款尚未釐定。本集團根據估計會否有額外應付稅項來確認預期稅項審核事項的負債。當這些事項的最終稅務結果有別於先前記入的金額時，差額將影響作出決定期間的當期及遞延所得稅資產及負債。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(CONTINUED)

(b) Income taxes (continued)

Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and taxation in the periods in which such estimates are changed.

Dividends derived from the Company's subsidiaries in the PRC earned after 1 January 2008 are subject to withholding tax at the rate of 10%. The Group reassessed its needs to make distributions out of its subsidiaries in the PRC. As a result, withholding income tax has been provided for the undistributed profits to the extent they are expected to be distributed in future.

Deferred tax assets relating to certain temporary differences are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(c) Impairment review

(i) Goodwill arising from acquisition of a subsidiary – Tiandi Green (Note 10)

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2.8.1. The recoverable amounts of CGU have been determined based on value-in-use calculations. These calculations require the use of estimates.

4 關鍵會計估計及判斷(續)

(b) 所得稅(續)

當預期與原來估計不同時，差額將影響對這些估計出現變動期間的遞延稅項資產及稅項的確認。

於二零零八年一月一日後，自本公司中國附屬公司取得的股息須按10%繳納預扣稅。本集團重新評估了其向中國附屬公司作出分派的需求。因此，倘預期日後將分派有關溢利，則就未分派溢利作出預扣所得稅撥備。

管理層認為未來可能存在可用於抵銷若干暫時性差額應課稅利潤時，會確認與若干暫時性差額相關的遞延稅項資產。

(c) 減值審閱

(i) 收購附屬公司—天地綠色產生的商譽(附註10)

本集團根據附註2.8.1所列的會計政策每年測試商譽是否出現任何減值。現金產生單位的可收回金額按照使用價值計算方法釐定。有關計算須運用估計。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(CONTINUED)

(c) Impairment review (continued)

(i) Goodwill arising from acquisition of a subsidiary – Tiandi Green (Note 10) (continued)

The table below summarised the key assumptions used in the goodwill impairment review and the impacts to the value-in-use calculations upon unfavourable movements of the key assumptions:

Items 項目	Assumptions used 所用假設	Movement of key assumptions 主要假設變動	Decrease of value-in-use 使用價值減少 (RMB'000) (人民幣千元)
Compound annual revenue growth rate 複合年收入增長率	4.00% ~ 6.00%	Decrease by 1% 下降1%	67,775
Long-term growth rate 長期增長率	4.00%	Decrease to 3% 下降至3%	48,698
Gross margin 毛利率	48.12%	Decrease by 5% 下降5%	133,616
Pre-tax discount rate 稅前貼現率	15.21%	Increase to 16.21% 增加至16.21%	97,178
Government subsidy income 政府補貼收入	Continued government subsidy income from 2017 onwards 自二零一七年起 持續政府補貼收入	Discontinued government subsidy income from 2017 onwards 自二零一七年起 終止政府補貼收入	59,358

Based on management's analysis, the goodwill arising from acquisition of Tiandi Green will not suffer impairment loss upon happening of any one of the above mentioned changes of key assumptions.

4 關鍵會計估計及判斷(續)

(c) 減值審閱(續)

(i) 收購附屬公司—天地綠色產生的商譽(附註10)(續)

下表概述商譽減值審閱時所用的主要假設及主要假設出現不利變動時對使用價值計算的影響：

基於管理層的分析，當上述的其中一個主要假設變動發生時，收購天地綠色所產生的商譽將不會產生任何減值。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS
(CONTINUED)

(c) Impairment review (continued)

(ii) Investment in an associate – Highland Natural Water

The Group performs impairment analysis for investment in Highland Natural Water when there is any indicator for impairment noted in accordance with the accounting policy stated in Note 2.4 and Note 2.10. The recoverable amounts of CGU have been determined based on value-in-use calculations. These calculations require the use of estimates.

The table below summarised the key assumptions used in the impairment review for investment in Highland Natural Water and the potential impairment losses arising from unfavourable changes of the key assumptions:

Items 項目	Assumptions used 所用假設	Movement of key assumptions 主要假設變動	Impairment loss 減值虧損 (RMB'000) (人民幣千元)
Compound annual revenue growth rate 複合年收入增長率	14.21%~29.78% from 2017 to 2021; 5.00% ~ 12.97% from 2022 to 2026 二零一七年至二零二一年 14.21%~29.78%；二零二二年至二零二六年 5.00%~12.97%	Decrease by 1% 下降 1%	124,376
Long-term growth rate 長期增長率	3.00%	Decrease to 2% 下降至 2%	46,178
Gross margin 毛利率	58.05%-59.73%	Decrease by 5% 下降 5%	213,675
Pre-tax discount rate 稅前貼現率	13.00%	Increase to 14.00% 增加至 14.00%	121,310
Government subsidy income 政府補貼收入	Continued government subsidy income from 2017 onwards 自二零一七年起 持續政府補貼收入	Discontinued government subsidy income from 2017 onwards 自二零一七年起 終止政府補貼收入	17,421

Based on management's analysis, the negative movements of the key assumptions in the table above are unlikely to happen and thus no impairment loss is noted for the investment in Highland Natural Water for the year ended 31 December 2016 (Note 12).

4 關鍵會計估計及判斷(續)

(c) 減值審閱(續)

(ii) 於聯營公司－高原天然水的投資
根據附註2.4和附註2.10所列的會計政策，當本集團發現減值迹象時，將對高原天然水的投資進行減值分析。現金產生單位的可收回金額按照使用價值計算方法釐定。有關計算須運用估計。

下表概述於高原天然水的投資的減值審閱時所用的主要假設及主要假設出現不利變動時產生的潛在減值虧損：

基於管理層的分析，上表所載的主要假設不太可能發生負向變動，故截至二零一六年十二月三十一日止年度就於高原天然水的投資未發現任何減值虧損(附註12)。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(CONTINUED)

(c) Impairment review (continued)

(iii) Trade and other receivables

Management assesses the impairment of trade and other receivables according to trade and other receivable's aging, management's prior experience and customers' conditions as well as applying management's judgments and estimates when determining the impairment to be recognised. Based on management's best estimates, trade and other receivables amounting to RMB1,995,000 were impaired (2015: nil) as at 31 December 2016 (Note 13). Where the basis of judgements and estimates is different from the initial assessment, such differences will impact the provision for impairment and the carrying values of the trade and other receivables in the year.

(d) Convertible bond

The Group issued convertible bond that is considered hybrid financial instruments. Significant judgement is required in determining the applicable accounting standards used for the convertible bond, *IFRS2 – Shared-based Payment* against *IAS32 – Financial Instruments: Presentation* and *IAS39 – Financial Instruments: Recognition and Measurement* in relation to the difference between the nominal value of the convertible bond and the fair value of the convertible bond at the issuance date. In making this judgement, the Group evaluates, among other factors, the market condition of the convertible bond during commitment date and issuance date, the contract terms of the convertible bond and the arrangement with the counter party.

4 關鍵會計估計及判斷(續)

(c) 減值審閱(續)

(iii) 應收貿易款及其他應收款

當衡量予以確認的減值時，管理層根據應收貿易款及其他應收款的賬齡、管理層的過往經驗和客戶的條件及運用管理層的判斷和估計，評估應收貿易款及其他應收款的減值。基於管理層的最佳估計，於二零一六年十二月三十一日應收貿易款及其他應收款人民幣1,995,000元(二零一五年：無)出現減值(附註13)。若判斷和估計的基礎，與最初的評估有差異，這種差異將影響計提減值撥備，及應收貿易款及其他應收款該年的賬面價值。

(d) 可換股債券

本集團發行被認為屬混合式金融工具的可換股債券。就有關於發行日期可換股債券的面值與可換股債券的公允價值之間的差異，釐定可換股債券所用的適用會計準則時，即國際財務報告準則第2號－股份基礎給付或國際會計準則第32號－金融工具：呈列及國際會計準則第39號－金融工具：確認及計量，須作出重大判斷。本集團在作出判斷時，會評估(其中包括)可換股債券於承諾日期及發行日期的市況、可換股債券的合約條款及與對手方的安排。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(CONTINUED)

(e) Share-based payment

The Group granted share options to a major customer that provide right to the customer to purchase ordinary shares of the Company at a fixed price when certain vesting conditions could be met by the customer within the vesting period. During assessment of the possibility for the customer to meet the vesting conditions, management considered the current completion progress for the vesting conditions and future expected performance of the customer in relation to the vesting conditions, which require significant judgement.

5 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the executive Directors of the Company that are used to make strategic decisions.

The Group has two business segments, being the production and sales of (1) water products, and (2) beer products.

The executive Directors of the Company assess the performance of the operating segments based on review of their revenue, cost of sales and gross profit.

Sales between segments are based on the agreed terms between both segments. The revenue from external parties reported to the executive Directors of the Company is measured in a manner consistent with that in the statement of profit or loss.

The amounts provided to the executive Directors of the Company with respect of total assets and total liabilities are measured in a manner consistent with that of the financial statements.

4 關鍵會計估計及判斷(續)

(e) 股份基礎給付

本集團向一名主要客戶授出購股權，有關購股權向該客戶提供權利，當該客戶於歸屬期內滿足若干歸屬條件時，其可按固定價格購買本公司普通股。於評估該客戶滿足歸屬條件的可能性時，管理層考慮了歸屬條件的當前完成進度及客戶有關歸屬條件的未來預期表現，該等考量須進行重大判斷。

5 分部資料

管理層根據本公司執行董事用於作出戰略決策而審閱的報告釐定了經營分部。

本集團有生產和銷售(1)水產品和(2)啤酒產品的兩個業務分部。

董事會基於收入、銷售成本及毛利的審閱對經營分部的表現進行評估。

分部間銷售乃基於兩個分部協定的條款進行。本公司執行董事獲提供的有關外部客戶的收入按與於損益表呈列者一致的方式計量。

本公司執行董事獲提供的有關總資產及總負債的金額按與於財務報表呈列者一致的方式計量。

5 SEGMENT INFORMATION (CONTINUED)

The segment information provided to the executive Directors of the Company for the reportable segments for the year ended 31 December 2016 is as follows:

		Water products 水產品 RMB'000 人民幣千元	Beer products 啤酒產品 RMB'000 人民幣千元	Inter- segment elimination 分部間撇銷 RMB'000 人民幣千元	Total 本集團 RMB'000 人民幣千元
Total segment revenue	分部收入總額	484,442	388,001	(4,351)	868,092
Cost of sales	銷售成本	152,489	200,270	(4,351)	348,408
Gross profit for the year	年度毛利	331,953	187,731	—	519,684
Share of profit from associates	應佔聯營公司利潤	26,913	—	—	26,913
Adjusted EBITDA	經調整的息稅折舊及攤銷前利潤	273,659	223,671	—	497,330
Finance costs	財務費用	(31,502)	(8,774)	—	(40,276)
Finance income	財務收益	19,742	1,296	—	21,038
Depreciation and amortisation	折舊及攤銷	(23,383)	(53,860)	—	(77,243)
Profit before tax	除所得稅前利潤	238,516	162,333	—	400,849
Income tax expenses	所得稅費用	(26,308)	(15,386)	—	(41,694)
Profit for the year	年度利潤	212,208	146,947	—	359,155

5 分部資料(續)

截至二零一六年十二月三十一日止年度，本公司執行董事獲提供的有關可呈報分部的分部資料如下：

5 SEGMENT INFORMATION (CONTINUED)

5 分部資料(續)

		Water products 水產品 RMB'000 人民幣千元	Beer products 啤酒產品 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment total assets	分部總資產	2,344,374	2,267,631	4,612,005
Investments accounted for using equity method	使用權益法入賬的投資	1,307,508	—	1,307,508
Additions/(reductions) in non-current assets (exclude deferred income tax assets)	非流動資產 (不包括遞延所得稅資產) 增加/(減少)	29,778	(53,067)	(23,289)
Unallocated	未分配			
AFS	可供出售金融資產			186,230
Deferred income tax assets	遞延所得稅資產			2,818
Corporate assets	企業資產			406,300
Inter-segment elimination	分部間撇銷			(389,285)
Total assets	總資產			4,818,068
Segment total liabilities	分部總負債	645,763	575,170	1,220,933
Unallocated	未分配			
Deferred income tax liabilities	遞延所得稅負債			20,652
Corporate liabilities	企業負債			471,204
Inter-segment elimination	分部間撇銷			(389,285)
Total liabilities	總負債			1,323,504

5 SEGMENT INFORMATION (CONTINUED)

The segment information provided to the executive Directors of the Company for the reportable segments for the year ended 31 December 2015 is as follows:

5 分部資料(續)

截至二零一五年十二月三十一日止年度，本公司執行董事獲提供的有關可呈報分部的分部資料如下：

		Water products 水產品 RMB'000 人民幣千元	Beer products 啤酒產品 RMB'000 人民幣千元	Inter- segment elimination 分部間撇銷 RMB'000 人民幣千元	Total 本集團 RMB'000 人民幣千元
Total segment revenue	分部收入總額	441,366	391,785	(803)	832,348
Cost of sales	銷售成本	117,353	213,512	(697)	330,168
Gross profit for the year	年度毛利	324,013	178,273	(106)	502,180
Share of profit from associates	應佔聯營公司利潤	21,332	—	—	21,332
Adjusted EBITDA	經調整的息稅折舊及攤銷前利潤	249,412	211,921	(106)	461,227
Finance costs	財務費用	(5,973)	(14,523)	—	(20,496)
Finance income	財務收益	9,232	1,165	—	10,397
Depreciation and amortisation	折舊及攤銷	(22,789)	(53,695)	—	(76,484)
Profit before tax	除所得稅前利潤	229,882	144,868	(106)	374,644
Income tax expenses	所得稅費用	(38,536)	(13,037)	—	(51,573)
Profit for the year	年度利潤	191,346	131,831	(106)	323,071

5 SEGMENT INFORMATION (CONTINUED)

5 分部資料(續)

		Water products 水產品 RMB'000 人民幣千元	Beer products 啤酒產品 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment total assets	分部總資產	1,931,318	1,872,067	3,803,385
Investments accounted for using equity method	使用權益法入賬的投資	1,062,595	—	1,062,595
Additions/(reductions) in non-current assets (exclude deferred income tax assets)	非流動資產(不包括遞延 所得稅資產)增加/(減少)	486,131	(66,009)	420,122
Unallocated	未分配			
Deferred income tax assets	遞延所得稅資產			3,038
Corporate assets	企業資產			221,696
Inter-segment elimination	分部間撇銷			(367,628)
Total assets	總資產			3,660,491
Segment total liabilities	分部總負債	562,898	215,677	778,575
Unallocated	未分配			
Deferred income tax liabilities	遞延所得稅負債			38,340
Corporate liabilities	企業負債			12,895
Inter-segment elimination	分部間撇銷			(366,326)
Total liabilities	總負債			463,484

5 SEGMENT INFORMATION (CONTINUED)

Entity-Wide information

Breakdown of total revenue is as follows:

Analysis of revenue by category	按類別劃分的收入分析	Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Sales of goods	銷售產品	866,041	830,297
Rental of bottled water production line	瓶裝水生產線的租金	2,051	2,051
Total	總計	868,092	832,348

Revenue from external customers of the Group were all derived in the PRC for the years ended 31 December 2016 and 2015.

Non-current assets, other than financial instruments and deferred income tax assets are all located in the PRC as at 31 December 2016 and 2015.

During the year 2016, sales of approximately RMB89,107,000 are derived from an associate from the water product segment and sales of approximately RMB96,384,000 are derived from one single external customer from the beer product segment. (2015: sales of approximately RMB272,674,000 and RMB107,350,000 are derived from two single external customers, both are attributable to the beer product segment.)

5 分部資料(續)

實體範圍資料

總收入的明細如下：

截至二零一六年及二零一五年十二月三十一日止年度本集團外部客戶的收入均自中國產生。

於二零一六年及二零一五年十二月三十一日，非流動資產(金融工具及遞延所得稅資產除外)均位於中國。

於二零一六年，水產品分部銷售約人民幣89,107,000元來自於一間聯營公司，啤酒產品分部銷售約人民幣96,384,000元來自於一名單一外部客戶。(二零一五年：銷售約人民幣272,674,000元和人民幣107,350,000元來自於兩個個別的外部客戶，這些收入是由啤酒產品分部所產生的。)

6 REVENUE

Revenue from external customers are derived from the sales of water products and beer products. The Group also sells bottle preforms and caps and leases a bottled water production line to an associate and generates revenue from those activities. Breakdown of the revenue is as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Sales of water products	水產品銷售	395,335	388,766
Sales of beer products	啤酒產品銷售	383,650	391,785
Sales of bottle preforms and caps	瓶坯及瓶蓋銷售	87,056	49,746
Rental of a bottled water production line	租賃瓶裝水生產線	2,051	2,051
		868,092	832,348

Revenue from external customers of the Group were derived in the PRC for the years ended 31 December 2016 and 2015.

6 收入

外部客戶的收入來自於銷售水產品及啤酒產品。本集團亦銷售瓶坯及瓶蓋予一間聯營公司並向該聯營公司出租一條瓶裝水生產線，並從該等活動中取得收入。收入明細如下：

截至二零一六年及二零一五年十二月三十一日止年度，本集團對外部客戶的收入來自中國。

7 LAND USE RIGHTS

7 土地使用權

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At beginning of year	年初	31,417	32,141
Amortisation charge (Note 30, Note 36)	攤銷費用 (附註30、附註36)	(724)	(724)
At end of year	年末	30,693	31,417

The Group's interests in land use rights represent operating lease assets. All of the Group's land use rights are located in the PRC and each has a lease period of 50 years.

As at 31 December 2016, land use rights with net book value of RMB30,615,000 (2015: nil) were pledged for bank borrowings with principal amounts of RMB66,000,000 and RMB200,000,000 (Note 27).

本集團土地使用權的權益指經營租賃資產。本集團所有土地使用權均位於中國，租賃期限均為50年。

於二零一六年十二月三十一日，賬面淨值為人民幣30,615,000元(二零一五年：零)的土地使用權已被抵押予本金額為人民幣66,000,000元及人民幣200,000,000元的銀行借款(附註27)。

8 PROPERTY, PLANT AND EQUIPMENT

8 物業、廠房及設備

		Buildings	Machinery	Vehicles	Others	Construction	Total
		樓宇	機器	車輛	其他	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2015	於二零一五年一月一日						
Cost	成本	145,298	677,653	2,937	51,838	33,643	911,369
Accumulated depreciation	累計折舊	(22,871)	(207,438)	(1,609)	(15,884)	—	(247,802)
Impairment (a)	減值(a)	—	(2,311)	—	—	—	(2,311)
Net book amount	賬面淨值	122,427	467,904	1,328	35,954	33,643	661,256
Year ended 31 December 2015	截至二零一五年十二月三十一日止年度						
Opening net book amount	年初賬面淨值	122,427	467,904	1,328	35,954	33,643	661,256
Additions	添置	2,859	1,330	215	674	42,845	47,923
Transfer upon completion	完成時結轉	7,233	2,393	—	—	(9,626)	—
Depreciation charges (Note 30, Note 36)	折舊費用 (附註30、附註36)	(6,560)	(44,091)	(282)	(2,741)	—	(53,674)
Closing net book amount	年末賬面淨值	125,959	427,536	1,261	33,887	66,862	655,505
At 31 December 2015	於二零一五年十二月三十一日						
Cost	成本	155,390	681,376	3,152	52,512	66,862	959,292
Accumulated depreciation	累計折舊	(29,431)	(251,529)	(1,891)	(18,625)	—	(301,476)
Impairment (a)	減值(a)	—	(2,311)	—	—	—	(2,311)
Net book amount	賬面淨值	125,959	427,536	1,261	33,887	66,862	655,505
Year ended 31 December 2016	截至二零一六年十二月三十一日止年度						
Opening net book amount	年初賬面淨值	125,959	427,536	1,261	33,887	66,862	655,505
Additions	添置	1,307	2,335	—	692	13,981	18,315
Transfer upon completion	完成時結轉	—	23,204	—	—	(23,204)	—
Depreciation charges (Note 30, Note 36)	折舊費用 (附註30、附註36)	(6,895)	(44,941)	(267)	(2,330)	—	(54,433)
Closing net book amount	年末賬面淨值	120,371	408,134	994	32,249	57,639	619,387
At 31 December 2016	於二零一六年十二月三十一日						
Cost	成本	156,697	706,915	3,152	53,204	57,639	977,607
Accumulated depreciation	累計折舊	(36,326)	(296,470)	(2,158)	(20,955)	—	(355,909)
Impairment (a)	減值(a)	—	(2,311)	—	—	—	(2,311)
Net book amount	賬面淨值	120,371	408,134	994	32,249	57,639	619,387

8 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- (a) Certain idle machineries with the cost amounting to RMB2,978,000 (2015: RMB2,978,000) were considered obsolete before 2012, and an impairment provision of RMB2,311,000 (2015: RMB2,311,000) had been made accordingly based on the assets' fair value less costs to sell.

Depreciation of property, plant and equipment has been charged to the consolidated statement of profit or loss as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cost of sales	銷售成本	49,536	48,575
Selling and distribution expenses	銷售及分銷費用	73	54
Administrative expenses	行政費用	4,824	5,045
		54,433	53,674

As at 31 December 2016, the Group was in the process of applying for registration of the ownership certificates for certain of its buildings with an aggregate net book value of approximately RMB361,000 (2015: RMB24,980,000). The executive Directors of the Company are of the opinion that the Group is entitled to lawfully and validly occupy or use these properties.

There was interest capitalised amounting to RMB2,347,000 in assets under construction for the year ended 31 December 2016 (2015: nil). Interest was capitalised at the weighted average rate of its general borrowings of 2.35%.

8 物業、廠房及設備(續)

- (a) 於二零一二年前，成本為人民幣2,978,000元(二零一五年：人民幣2,978,000元)的若干閒置機器被視作廢舊，並根據資產的公允價值減銷售成本相應作出人民幣2,311,000元(二零一五年：人民幣2,311,000元)的減值撥備。

物業、廠房及設備折舊已於綜合損益表扣除，詳情如下：

於二零一六年十二月三十一日，本集團正就總賬面淨值約人民幣361,000元(二零一五年：人民幣24,980,000元)的若干樓宇申請辦理所有權證登記。本公司執行董事認為本集團有權合法有效佔用或使用該等物業。

截至二零一六年十二月三十一日止年度，在建工程資產資本化利息約為人民幣2,347,000元(二零一五年：零)。利息按一般借款加權平均利率2.35%資本化。

8 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As at 31 December 2016, buildings with net book value of RMB107,022,000 (2015: nil) were pledged for bank borrowings with principal amounts of RMB66,000,000 and RMB200,000,000 (Note 27).

The category of machinery includes production line leased by the Group to a related party under operating leases with the following carrying amounts:

8 物業、廠房及設備(續)

於二零一六年十二月三十一日，賬面淨值為人民幣107,022,000元(二零一五年：零)的樓宇已被抵押予本金額為人民幣66,000,000元及人民幣200,000,000元的銀行借款(附註27)。

機器的分類包括本集團根據經營租賃向一名關聯方出租的生產線，賬面淨值如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cost	成本	37,145	37,145
Accumulated depreciation at 1 January	一月累計折舊	(15,613)	(13,211)
Depreciation charge for the year	年度折舊費用	(2,402)	(2,402)
Net Book amount	賬面淨值	19,130	21,532

9 INTANGIBLE ASSETS

9 無形資產

		Trade Name	Distribution Network	Total
		商標	分銷網絡	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Year ended 31 December 2015	截至二零一五年 十二月三十一日止年度			
Opening net book amount	年初賬面淨值	53,461	123,263	176,724
Amortisation charge (Note 30, Note 36)	攤銷費用 (附註30、附註36)	(3,198)	(18,888)	(22,086)
Closing net book amount	年末賬面淨值	50,263	104,375	154,638
Year ended 31 December 2016	截至二零一六年 十二月三十一日止年度			
Opening net book amount	年初賬面淨值	50,263	104,375	154,638
Amortisation charge (Note 30, Note 36)	攤銷費用 (附註30、附註36)	(3,198)	(18,888)	(22,086)
Closing net book amount	年末賬面淨值	47,065	85,487	132,552

Amortisation of approximately RMB3,198,000 (2015: RMB3,198,000) is included in the "Administrative expenses" and RMB18,888,000 (2015: RMB18,888,000) is included in "Selling and distribution expenses" in the statement of profit or loss.

約人民幣3,198,000元的攤銷(二零一五年：人民幣3,198,000元)計入損益表的「行政費用」，而人民幣18,888,000元的攤銷(二零一五年：人民幣18,888,000元)計入損益表的「銷售及分銷費用」。

10 GOODWILL

10 商譽

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Goodwill	商譽	721,139	721,139

The goodwill of RMB721,139,000 was generated from acquisition of a controlling stake in Tiandi Green in PRC in 2014. Tiandi Green was viewed as one CGU within the beer segment. The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period when optimum market share is expected to be reached. Cash flows beyond the five-year period are extrapolated using the estimated growth rates.

人民幣721,139,000元的商譽產生於二零一四年在中國收購了天地綠色的控股權。天地綠色被視為在啤酒分部內的一項現金產生單位。現金產生單位的可收回金額乃基於使用價值的計算釐定。該等計算使用了基於管理層批准的，覆蓋了其時為有望達到最佳市場份額的五年期間的財務預算的稅前現金流量預測。超過五年期間的現金流量乃使用估計增長率推測。

The key assumptions used for value-in-use calculations in 2016 and 2015 are as follows:

二零一六年及二零一五年使用價值的計算所使用的主要假設如下：

		2016 二零一六年	2015 二零一五年
Compound annual revenue growth rate	複合年收入增長率	4.00%~6.00%	2.00%~6.00%
Long-term growth rate	長期增長率	4.00%	4.00%
Gross margin	毛利率	48.12%	45.66%~47.31%
Pre-tax discount rate	稅前貼現率	15.21%	14.98%
Government subsidy income	政府補貼收入	Continued government subsidy income from 2017 onwards 自二零一七年起 持續政府補貼收入	Continued government subsidy income from 2016 onwards 自二零一六年起 持續政府補貼收入

Revenue growth rate and gross margin are based on past performance and management's expectations of market development. The long term growth rates used are estimated with reference to industry forecasts. The discount rate used is pre-tax and reflects specific risks relating to the business.

收入增長率及毛利率乃根據過往表現及管理層對市場發展的預期計算。所用的長期增長率乃參考行業預測估計。所用的貼現率為稅前貼現率，反映與業務有關的特定風險。

The Directors are of the view that there was no impairment of goodwill as at 31 December 2016 and 2015.

董事認為於二零一六年及二零一五年十二月三十一日商譽並無出現減值。

II SUBSIDIARIES

The following is a list of significant principal subsidiaries of the Group as at 31 December 2016:

II 附屬公司

於二零一六年十二月三十一日，本集團重大主要附屬公司的名單如下：

Company name 公司名稱	Place/date of incorporation/ type of legal entities 註冊成立地點/日期/法律實體類型	Issued/paid-in capital 已發行/實繳股本		Effective interest held 實際所持權益		Principal activities 主要活動
		2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年	
<i>Indirectly held:</i> 間接持有：						
Tibet Zhongji Jiahua Industry Co., Ltd.	PRC/1 January 2004/Limited liability company	USD16,000,000	USD16,000,000	100%	100%	Investment holding
西藏中稷佳華實業發展有限公司	中國/二零零四年一月一日/有限公司	16,000,000美元	16,000,000美元			投資控股
Tibet Glacier Mineral Water Co., Ltd.	PRC/31 October 2005/Limited liability company	RMB118,000,000	RMB118,000,000	100%	100%	Water products manufacturing and sales
西藏冰川礦泉水有限公司（「西藏冰川礦泉水」）	中國/二零零五年十月三十一日/有限公司	人民幣 118,000,000元	人民幣 118,000,000元			製造及銷售水產品
Beijing 5100 Management Consulting Co., Ltd.	PRC/13 July 2007/Limited liability company	RMB1,000,000	RMB1,000,000	100%	100%	Water products market operation and management
北京五一零零管理諮詢有限公司（前稱「北京五一零零企業策劃俱樂部有限公司」）	中國/二零零七年七月十三日/有限公司	人民幣 1,000,000元	人民幣 1,000,000元			水產品市場營運及管理
Tibet Glacier Mineral Water Marketing Co., Ltd.	PRC/21 April 2010/Limited liability company	RMB3,000,000	RMB3,000,000	100%	100%	Water products marketing, promotion, distribution and retailing
西藏冰川礦泉水營銷有限公司	中國/二零一零年四月二十一日/有限公司	人民幣 3,000,000元	人民幣 3,000,000元			營銷、推廣、分銷及零售水產品
Tibet Tiandi Green Beverage Development Co., Ltd.	PRC/28 April 2009/Limited liability company	RMB200,000,000	RMB200,000,000	65%	65%	Beer manufacturing and sales
西藏天地綠色飲品發展有限公司	中國/二零零九年四月二十八日/有限公司	人民幣 200,000,000元	人民幣 200,000,000元			啤酒生產及銷售
Wealth Keeper Ltd.	Hong Kong/30 October 2012/Limited liability company	HKD1	HKD1	100%	100%	Investment holding
	香港/二零一二年十月三十日/有限公司	1港元	1港元			投資控股
Tibet 5100 Water Resources (HK) Ltd.	Hong Kong/6 September 2013/Limited liability company	HKD100	HKD100	100%	100%	Investment holding and raw material purchases and sales
西藏5100水資源（香港）有限公司	香港/二零一三年九月六日/有限公司	100港元	100港元			投資控股及買賣原料

II SUBSIDIARIES (CONTINUED)

(a) Material non-controlling interests

The total non-controlling interest of RMB371,965,000 (2015: RMB319,202,000) represents 35% equity shares of Tiandi Green.

Significant restrictions

Cash and short-term deposits of RMB503,861,000 (2015: RMB204,549,000) are held in China and are subject to local exchange control regulations. These local exchange control regulations provide restrictions on exporting capital from Mainland China, other than through normal dividends.

Summarised financial information on a subsidiary with material non-controlling interests

Set out below is the summarised financial information for Tiandi Green that has non-controlling interests which is material to the Group.

Summarised balance sheet

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Current	流動		
Assets	資產	1,172,132	611,309
Liabilities	負債	(373,961)	(207,359)
Total current net assets	總流動資產淨值	798,171	403,950
Non-current	非流動		
Assets	資產	486,555	539,622
Liabilities	負債	(221,970)	(31,566)
Total non-current net assets	總非流動資產淨值	264,585	508,056
Net assets	資產淨值	1,062,756	912,006

II 附屬公司(續)

(a) 重大非控股權益

天地綠色的35%權益，是其總額為人民幣371,965,000元(二零一五年：人民幣319,202,000元)的非控股權益。

重大限制

在中國持有現金及短期存款人民幣503,861,000元(二零一五年：人民幣204,549,000元)，且須受地方外匯管制規定的規限。該等地方外匯管制對從中國內地匯出資本作出限制，惟透過普通股息匯出則除外。

有著重大非控股權益的一間附屬公司的財務資料概要

下文載列對本集團而言有著屬重大非控股權益的天地綠色的財務資料概要。

資產負債表概要

II SUBSIDIARIES (CONTINUED)

(a) Material non-controlling interests (continued)

Summarised statement of profit or loss

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收入	388,001	391,785
Profit before income tax	除所得稅前利潤	162,333	144,868
Income tax expense	所得稅費用	(15,386)	(13,037)
Profit after tax	稅後利潤	146,947	131,831
Other comprehensive income	其他全面收益	3,807	—
Total comprehensive income	全面收益總額	150,754	131,831
Total comprehensive income allocated to non-controlling interests	分配至非控股權益的全面收益總額	52,763	46,104

There is no dividend paid by Tiandi Green in 2016 and 2015.

天地綠色於二零一六年及二零一五年並無派付股息。

II 附屬公司(續)

(a) 重大非控股權益(續)

損益表概要

II SUBSIDIARIES (CONTINUED)

(a) Material non-controlling interests (continued)

Summarised cash flows

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash flows from operating activities	經營活動現金流		
Cash generated from operations	經營活動產生的現金	88,092	177,468
Interest received	已收利息	1,296	1,166
Income tax paid	已付所得稅	(15,787)	(6,159)
Net cash generated from operating activities	經營活動產生的現金淨額	73,601	172,475
Net cash used in investing activities	投資活動所用的現金淨額	(125,644)	(234,012)
Net cash generated from/(used in) financing activities	融資活動產生/(所用)的現金淨額	351,355	(55,640)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	299,312	(117,177)
Cash and cash equivalents at beginning of year	於年初的現金及現金等價物	204,549	321,726
Cash and cash equivalents at end of year	於年末的現金及現金等價物	503,861	204,549

The information above is the amount before inter-company eliminations.

II 附屬公司(續)

(a) 重大非控股權益(續)

現金流量概要

上述資料為公司間撇銷前金額。

12 INVESTMENT IN ASSOCIATES

12 於聯營公司的投資

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Opening net book amount	年初賬面淨值	1,062,595	601,263
Additions (a)	添置(a)	218,000	440,000
Share of profits (Note 36)	應佔利潤(附註36)	26,913	21,332
Closing net book amount	年末賬面淨值	1,307,508	1,062,595

12 INVESTMENT IN ASSOCIATES (CONTINUED)

(a) The following additional investments in associates were made by the Group:

(i) On 23 September 2016, the Group acquired 7% of the share capital of Highland Natural Water for a cash consideration of RMB210,000,000 (On 29 January 2015, the Group acquired 13% of the share capital of Highland Natural Water for a cash consideration of RMB390,000,000). Highland Natural Water is a company specialising in the manufacturing of water products. No significant transaction costs were incurred in the above acquisitions. Taking into consideration of all past acquisitions, a goodwill of RMB1,064,053,000 has been identified in the investment in Highland Natural Water.

(ii) In January 2016, the Group acquired 2% of the share capital of GT Express for a cash consideration of RMB8,000,000. GT Express is a company specialising in internet-based express services. Based on the articles of association of GT Express, the Group can appoint 1 out of 7 directors for GT Express and participate in the operational decision making of GT Express.

12 於聯營公司的投資(續)

(a) 本集團於聯營公司作出的額外投資如下：

(i) 於二零一六年九月二十三日，本集團以人民幣210,000,000元的現金代價收購高原天然水7%的股本(於二零一五年一月二十九日，本集團以人民幣390,000,000元的現金代價收購高原天然水13%的股本)。高原天然水為一家專注於生產水產品的公司。上述收購並無產生重大交易成本。考慮對高原天然水已往年度所有收購活動，已獲識別的商譽為人民幣1,064,053,000元。

(ii) 在二零一六年一月，本集團以人民幣8,000,000元的現金代價收購了貫通雲網2%股本。貫通雲網為專業從事以互聯網為基礎的快遞服務公司。根據貫通雲網的組織章程細則，本集團可委任貫通雲網7名董事中的1名，並可參與貫通雲網的營運決策。

12 INVESTMENT IN ASSOCIATES (CONTINUED)

- (a) The following additional investments in associates were made by the Group: (continued)

Details of net assets acquired and goodwill arising from the acquisition of Highland Natural Water are as follows:

		As at 23 September 2016 (date of acquisition) 於二零一六年 九月二十三日 (收購日期) RMB'000 人民幣千元	As at 29 January 2015 (date of acquisition) 於二零一五年 一月二十九日 (收購日期) RMB'000 人民幣千元	As at 5 November 2014 (date of acquisition) 於二零一四年 十一月五日 (收購日期) RMB'000 人民幣千元
Purchase consideration:	購買代價：			
– Cash paid	– 已付現金	210,000	390,000	600,000
Less: share of fair value of net assets acquired (see below)	減：應佔所收購淨資產 的公允價值 (見下文)	(36,809)	(39,665)	(59,473)
Goodwill	商譽	173,191	350,335	540,527

The goodwill is attributable to Highland Natural Water's strong market position and profitability in the sales of water products in the market, which cannot be separately recognised as an intangible asset.

12 於聯營公司的投資(續)

- (a) 本集團於聯營公司作出的額外投資如下：(續)

所收購淨資產及因收購高原天然水出現的商譽的詳情如下：

該商譽歸因於高原天然水在銷售水產品市場上的優越市場地位及盈利能力，其不可單獨確認為無形資產。

12 INVESTMENT IN ASSOCIATES (CONTINUED)

12 於聯營公司的投資(續)

		As at 23 September 2016 (date of acquisition) 於二零一六年 九月二十三日 (收購日期) RMB'000 人民幣千元	As at 29 January 2015 (date of acquisition) 於二零一五年 一月二十九日 (收購日期) RMB'000 人民幣千元	As at 5 November 2014 (date of acquisition) 於二零一四年 十一月五日 (收購日期) RMB'000 人民幣千元
Fair value of net assets acquired: 所收購淨資產的公允價值：				
Cash and cash equivalents	現金及現金等價物	83,301	26,576	111,572
Inventories	存貨	24,586	11,202	15,764
Trade and other receivables	應收貿易款及 其他應收款	281,661	33,331	68,829
PP&E	物業、廠房及設備	468,578	400,507	391,827
Land use right	土地使用權	31,900	41,494	37,360
Intangible assets	無形資產	262,542	187,333	196,535
Trade and other payables	應付貿易款及 其他應付款	(288,324)	(96,576)	(159,745)
Borrowings	借款	(290,000)	(265,000)	(270,000)
Dividend to original shareholders	應付原股東股息	(8,095)	(3,882)	(64,700)
Deferred tax liabilities	遞延稅負債	(40,304)	(29,869)	(30,076)
Net assets acquired	所收購淨資產	525,845	305,116	297,366
Ownership interest acquired	所收購所有權權益	7%	13%	20%
Share of fair value of net assets acquired	應佔所收購淨資產 的公允價值	36,809	39,665	59,473

12 INVESTMENT IN ASSOCIATES (CONTINUED)

Management performed impairment analysis for the investment in Highland Natural Water. The recoverable amount of the investment is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a ten-year period when optimum market share is expected to be reached. Cash flows beyond the ten-year period are extrapolated using the estimated growth rates.

The key assumptions used for value-in-use calculations in 2016 and 2015 are as follows:

		2016 二零一六年	2015 二零一五年
Compound annual revenue growth rate	複合年收入增長率	14.21%~29.78% from 2017 to 2021; 5.00%~12.97% from 2022 to 2026 二零一七年至二零二一年為14.21%~29.78%; 二零二二年至二零二六年為5.00%~12.97%	5.43%~24.35%
Long-term growth rate	長期增長率	3.00%	3.00%
Gross margin	毛利率	58.05%~59.73%	62.55%~66.00%
Pre-tax discount rate	稅前貼現率	13.00%	12.70%
Government subsidy income	政府補貼收入	Continued government subsidy income from 2017 onwards 自二零一七年起 持續政府補貼收入	Continued government subsidy income from 2016 onwards 自二零一六年起 持續政府補貼收入

Revenue growth rate and gross margin are based on past performance and management's expectations of market development. The long term growth rates used are estimated with reference to industry forecasts. The discount rate used is pre-tax and reflects specific risks relating to the business.

The Directors are of the view that there was no impairment of investment in Highland Natural Water as at 31 December 2016 and 2015.

12 於聯營公司的投資(續)

管理層對於高原天然水的投資進行減值分析。投資的可收回金額乃基於使用價值的計算釐定。該等計算使用了基於管理層批准的，覆蓋了其時為有望達到最佳市場份額的十年期間的財務預算的稅前現金流量預測。超過十年期間的現金流量乃使用估計增長率推測。

二零一六年及二零一五年使用價值的計算所使用的主要假設如下：

收入增長率及毛利率乃根據過往表現及管理層對市場發展的預期計算。所用的長期增長率乃參考行業預測估計。所用的貼現率為稅前貼現率，反映與業務有關的特定風險。

董事認為於二零一六年及二零一五年十二月三十一日，於高原天然水的投資並無出現減值。

12 INVESTMENT IN ASSOCIATES (CONTINUED)

Based on the opinion of the Directors, the Group has one material associate – Highland Natural Water. Set out below is the information relating to Highland Natural Water.

Name of entity 實體名稱	Place of business/ country of incorporation 營業地點/ 註冊成立國家	% of ownership interest 佔所有權 權益百分比	Principal activities 主要業務	Measurement method 計量方法
Tibet Highland Natural Water Limited	China	40	Manufacturing and distribution of water products	Equity
西藏高原天然水有限公司	中國	40	製造及分銷水產品	權益

The share capital of Highland Natural Water consists solely of ordinary shares. There is no contingent liabilities relating to the Group's interest in Highland Natural Water.

Summarised financial information for an associate – Highland Natural Water

Set out below is the summarised financial information of the Group's significant associate – Highland Natural Water, which is accounted for using the equity method.

12 於聯營公司的投資(續)

根據董事的意見，本集團擁有一間重大的聯營公司－高原天然水，與高原天然水有關的資料如下表載列。

高原天然水的股本純粹由普通股所組成。並無與本集團於高原天然水的權益有關的或然負債。

聯營公司財務資料概要－高原天然水
下文所載為本集團的重要聯營公司－高原天然水的財務資料概要，乃使用權益法入賬。

12 INVESTMENT IN ASSOCIATES (CONTINUED)

Summarised financial information for an associate – Highland Natural Water
(continued)
Summarised balance sheet

12 於聯營公司的投資(續)

聯營公司財務資料概要 – 高原天然水
(續)
資產負債表概要

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Current	流動		
Cash and cash equivalents	現金及現金等價物	158,601	262,632
Other current assets	其他流動資產	160,123	50,345
Total current assets	流動資產總額	318,724	312,977
Borrowings	借款	(290,000)	(500,000)
Other current liabilities	其他流動負債	(220,259)	(106,080)
Total current liabilities	流動負債總額	(510,259)	(606,080)
Total current net liabilities	流動淨負債總額	(191,535)	(293,103)
Non-current	非流動		
Assets	資產	753,820	689,485
liabilities	負債	(38,278)	(28,159)
Total non-current net assets	非流動淨資產總額	715,542	661,326
Net assets	淨資產	524,007	368,223

12 INVESTMENT IN ASSOCIATES (CONTINUED)

Summarised financial information for an associate – Highland Natural Water
(continued)

Summarised statement of comprehensive income

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收入	471,704	296,677
Pre-tax profit for the year	年內除稅前利潤	90,640	70,775
Income tax expense	所得稅費用	(8,318)	(2,868)
Post-tax profit for the year	年內除稅後利潤	82,322	67,907
Other comprehensive income	其他全面收益	—	—
Total comprehensive income	全面收益總額	82,322	67,907
Dividends received from an associate	自聯營公司已收股息	—	—

The information above reflects the amounts presented in the financial statements of Highland Natural Water adjusted for differences in accounting policies between the Group and Highland Natural Water.

12 於聯營公司的投資(續)

聯營公司財務資料概要 – 高原天然水
(續)

全面收益表概要

以上資料反映出在高原天然水財務報表中所呈列的款項，已就本集團與高原天然水之間會計政策的差異作出調整。

12 INVESTMENT IN ASSOCIATES (CONTINUED)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in Highland Natural Water:

12 於聯營公司的投資(續)

財務資料概要的對賬

經呈列財務資料概要與本集團於高原天然水權益的賬面值的對賬：

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Opening net assets as at 1 January	於一月一日的年初淨資產	368,223	300,316
Profit for the year	年內利潤	82,322	67,907
Valuation adjusted from additional acquisition	額外收購的估值調整	73,462	—
Closing net assets	年末淨資產	524,007	368,223
Elimination of unrealised profit from inter-company sales	內部未實現利潤抵銷額	(767)	(471)
Adjusted total net assets	調整後的總淨資產	523,240	367,752
Interest in the associate (2016: 40% (from 23 September 2016 to 31 December 2016) and 33% (from 1 January 2016 to 23 September 2016); 2015: 33% (from 29 January 2015 to 31 December 2015) and 20% (from 1 January 2015 to 29 January 2015))	於聯營公司的權益(二零一六年：40% (自二零一六年九月二十三日至二零一六年十二月三十一日)及33% (自二零一六年一月一日至二零一六年九月二十三日)；二零一五年：33% (自二零一五年一月二十九日至二零一五年十二月三十一日)及20% (自二零一五年一月一日至二零一五年一月二十九日))	187,461	121,679
Goodwill	商譽	1,064,053	890,862
Carrying value	賬面值	1,251,514	1,012,541

13 TRADE RECEIVABLES

13 應收貿易款

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade receivables due from third parties	應收第三方貿易款	143,354	204,430
Trade receivables due from associates (a) (Note 38)	應收聯營公司的應收 貿易款(a) (附註38)	52,567	836
		195,921	205,266
Less: Provision for impairment of trade receivables	減：應收貿易款的 減值撥備	(1,995)	—
		193,926	205,266

The recognition of provision for impairment of trade receivables have been included in “cost of sales” in the statement of profit or loss.

確認應收貿易款的減值撥備已計入損益表中的「銷售成本」。

(a) This balance represents amounts due from Highland Natural Water and Moutai Group Tibet 5100 Mineral Water Co., Ltd. (“**Moutai 5100**”). They were unsecured, non-interest bearing and repayable on demand.

(a) 該結餘為應收高原天然水及茅台集團西藏五一零零礦泉水有限公司(「**茅台5100**」)款項。其款項為無抵押，無息和可即時被要求償還。

13 TRADE RECEIVABLES (CONTINUED)

As at 31 December 2016 and 2015, the Group's trade receivables were all denominated in RMB. The aging analysis of trade receivables based on invoice dates is as follows:

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 6 months	6個月內	131,794	22,732
Over 6 months but within 1 year	超過6個月但不超過1年	2,699	89,115
Over 1 year but within 2 years	超過1年但不超過2年	56,914	86,377
Over 2 years	超過2年	4,514	7,042
		195,921	205,266

As at 31 December 2016, trade receivables amounting to RMB1,995,000 were impaired and provided for (2015: nil).

The maximum exposure to credit risk at the reporting date is the carrying amounts of trade receivables mentioned above. The Group does not hold any material collateral as security.

As at 31 December 2016 and 2015, the carrying amounts of the above trade receivables approximated their fair values.

13 應收貿易款 (續)

於二零一六年及二零一五年十二月三十一日，本集團的應收貿易款均以人民幣計值。根據發票日期劃分之應收貿易款的賬齡分析如下：

於二零一六年十二月三十一日，已減值及獲撥備的應收貿易款為人民幣1,995,000元(二零一五年：零)。

報告日期的最高信貸風險為上述應收貿易款的賬面值。本集團並無持有任何重大抵押品作為抵押。

於二零一六年及二零一五年十二月三十一日，上述應收貿易款的賬面值與其公允價值相若。

14 CREDIT QUALITY OF FINANCIAL ASSETS

(a) Financial assets neither past due nor impaired

The contractual credit terms based on written sales contracts with customers range from 1 to 3 months.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to the nature of counterparties or to historical information about counterparty default rates:

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade receivables	應收貿易款		
- Group 1	- 第1組	12,680	881
- Group 2	- 第2組	85,777	5,159
		98,457	6,040

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Other receivables	其他應收款		
- Group 1	- 第1組	162,291	50,006
- Group 2	- 第2組	87,479	37,695
		249,770	87,701

Group 1 – new third parties/related parties

Group 2 – existing third parties/related parties with no defaults in the past

14 金融資產的信貨質量

(a) 未過期且無減值的金融資產

合約信貸期基於與客戶的書面銷售合約，介乎一至三個月。

未到期且無減值的金融資產的信貨質量可參考對方的性質或其交易對手的違約比率的歷史資料進行評估：

第1組—新增第三方／關聯方

第2組—過往無違約記錄的現有第三方／關聯方

14 CREDIT QUALITY OF FINANCIAL ASSETS (CONTINUED)

(b) Financial assets past due but not impaired

As at 31 December 2016, trade receivables of approximately RMB95,469,000 (2015: RMB199,226,000) were past due but not impaired. The aging analysis of these trade receivables based on invoice dates is as follows:

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Over credit term but within 6 months	超過信貸期但不超過6個月	33,337	16,692
Over 6 months but within 1 year	超過6個月但不超過1年	2,699	89,115
Over 1 year but within 2 years	超過1年但不超過2年	56,914	86,377
Over 2 years	超過2年	2,519	7,042
		95,469	199,226

(c) Financial assets past due and impaired

As at 31 December 2016, trade receivables amounting to RMB1,995,000 (2015: nil) were past due and impaired.

14 金融資產的信貨質量 (續)

(b) 已過期但無減值的金融資產

於二零一六年十二月三十一日，已過期但無減值的應收貿易款約為人民幣95,469,000元(二零一五年：人民幣199,226,000元)。根據發票日期劃分之應收貿易款的賬齡分析如下：

(c) 已逾期及減值的金融資產

於二零一六年十二月三十一日，已逾期及減值的應收貿易款為人民幣1,995,000元(二零一五年：零)。

15 PREPAYMENTS

15 預付款項

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Prepayments made for purchase of raw materials, services, and equipment	購買原材料、服務及設備的預付款	238,223	25,063
Prepayment for investment in a third party (a)	投資於第三方的預付款項(a)	17,400	—
Prepaid value added tax	預付增值稅	—	2,671
		255,623	27,734
Less: Non-current portion	減：非流動部分		
Prepayments made for purchase of equipment (b)	購置設備的預付款項(b)	(65,476)	(6,792)
Current portion	流動部分	190,147	20,942

(a) This balance represents equity investment in a third party company where the transfer of ownership title for the shares purchased has not been completed as at year end.

(b) These balances represent prepayments made for the purchase of equipment, the ownership of which has not been obtained at year end.

The carrying amounts of current and non-current prepayments are denominated in the following currencies:

(a) 該結餘指於第三方公司的權益投資，於年末所購股份尚未完成所有權轉讓。

(b) 該等結餘指因購置設備（其所有權於年末尚未獲得）而預付的款項。

流動及非流動預付款項的賬面值以下列貨幣計值：

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
– RMB	– 人民幣	249,256	25,828
– HKD	– 港元	456	441
– USD	– 美元	75	1,381
– EUR	– 歐元	5,836	—
– Swiss Franc (“CHF”)	– 瑞士法郎（「瑞士法郎」）	—	84
		255,623	27,734

16 OTHER RECEIVABLES AND OTHER ASSETS

16 其他應收款及其他資產

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Amounts due from third parties (b)	應收第三方款項(b)	156,944	62,599
Amounts due from an associate (c) (Note 38)	應收聯營公司款項(c) (附註38)	54,821	21,321
Government grant receivable (a)	政府補助應收款(a)	30,810	—
Deposits	押金	1,186	1,243
Receivable from disposal of AFS	出售可供出售金融資產 的應收款	1,711	—
Others	其他	4,298	2,538
		249,770	87,701
Less: non-current portion	減：非流動部分		
Deposits	押金	—	(360)
Current portion	流動部分	249,770	87,341

(a) Government grant receivable represents government grant that has been approved by the local government but not yet received by the Group. It relates to the domestic subsidiaries' fiscal contribution to the local economic development as a major tax payer and employer in Tibet during the year.

(a) 政府補助應收款指經本地政府批准但本集團仍未收到的政府補助。該補助有關本集團作為在西藏的主要納稅戶及僱主，境內附屬公司年內向地方經濟發展作出的財務貢獻。

16 OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

(b) The balances include the following items:

- amounts due from a third party company of RMB13,259,000 (2015: RMB12,599,000), which represents principal of RMB11,500,000 (2015: RMB11,500,000) and accrued interest of RMB1,759,000 (2015: RMB1,099,000). The lending is at a fixed interest rate at 6% per annum and contractual maturity date is 31 December 2016. The amount was repaid by the counterparty subsequent to the financial year end.

- amounts due from another third party company of HKD130,481,000 (equivalent to RMB116,716,000, 2015: nil), which represents principal of HKD127,340,000 (equivalent to RMB113,906,000) and accrued interest of HKD3,141,000 (equivalent to RMB2,810,000). The lending is at a fixed interest rate at 10% per annum and contractual repayment dates are 21 July 2017, 1 September 2017 and 6 October 2017 for HKD3,600,000, HKD7,600,000 and HKD116,140,000 respectively.

16 其他應收款及其他資產(續)

(b) 結餘包括以下項目：

- 應收一間第三方公司款項人民幣13,259,000元(二零一五年：人民幣12,599,000元)，即本金人民幣11,500,000元(二零一五年：人民幣11,500,000元)及應計利息人民幣1,759,000元(二零一五年：人民幣1,099,000元)。借款固定年利率6%，合約到期日為二零一六年十二月三十一日。該款項由對方於財政年度末後償還。

- 應收另一間第三方公司款項130,481,000港元(等同於人民幣116,716,000元，二零一五年：零)，即本金127,340,000港元(等同於人民幣113,906,000元)及應計利息3,141,000港元(等同於人民幣2,810,000元)。借款固定年利率10%，於合約償還日二零一七年七月二十一日、二零一七年九月一日及二零一七年十月六日分別須償還3,600,000港元、7,600,000港元及116,140,000港元。

16 OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

- (b) The balance includes the following items:
- amounts due from another third party company of HKD5,010,000 (equivalent to RMB4,482,000, 2015: nil), which represents principal of HKD5,000,000 (equivalent to RMB4,473,000) and accrued interest of HKD10,000 (equivalent to RMB9,000). The contractual maturity date is 7 January 2018. The interest rate is based on the one-year deposit rate announced by Hang Seng Bank, which is 0.2% per annum for the period before 8 January 2017 and at fixed rate of 2.5% per annum from 8 January 2017 onwards.
 - amounts due from another third party company of USD657,000 (equivalent to RMB4,561,000, 2015: nil), which represents principal of USD651,000 (equivalent to RMB4,520,000) and accrued interest of USD6,000 (equivalent to RMB41,000). The lending is at a fixed interest rate at 7% per annum and contractual maturity date is 14 November 2017.
 - amounts due from third party companies of RMB17,926,000 (2015: nil), which were unsecured, non-interest bearing and repayable on demand.
- (c) The balance represents amounts due from Highland Natural Water. They were unsecured, non-interest bearing and repayable on demand.

The Group's maximum exposure to credit risk at the balance sheet date is the carrying amounts of the receivables mentioned above. The Group does not hold any collateral as security.

16 其他應收款及其他資產(續)

- (b) 結餘包括以下項目：(續)
- 應收另一間第三方公司款項5,010,000港元(等同於人民幣4,482,000元，二零一五年：零)，即本金5,000,000港元(等同於人民幣4,473,000元)及應計利息10,000港元(等同於人民幣9,000元)。合約到期日為二零一八年一月七日。利率乃基於恒生銀行公佈的一年期存款利率釐定，即於二零一七年一月八日前為年利率0.2%及於二零一七年一月八日後為固定年利率2.5%。
 - 應收另一間第三方公司款項657,000美元(等同於人民幣4,561,000元，二零一五年：零)，即本金651,000美元(等同於人民幣4,520,000元)及應計利息6,000美元(等同於人民幣41,000元)。借款固定年利率7%，合約到期日為二零一七年十一月十四日。
 - 應收第三方公司款項人民幣17,926,000元(二零一五年：零)，為無抵押、免息和可即時被要求償還。
- (c) 該結餘為應收高原天然水款項，其款項為無抵押，無息和可即時被要求償還。

於資產負債表日本集團的最高信貸風險額為上述應收款項的賬面值。本集團並無持有任何抵押品作為抵押。

16 OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

The carrying amounts of current and non-current other receivables are denominated in the following currencies:

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
– RMB	– 人民幣	121,647	87,300
– HKD	– 港元	123,551	391
– USD	– 美元	4,572	10
		249,770	87,701

16 其他應收款及其他資產(續)

流動及非流動其他應收款的賬面值以下列貨幣計值：

17 INVENTORIES

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Raw materials	原材料	54,476	52,171
Finished goods	產成品	8,795	16,096
Work in progress	在製品	4,245	4,261
		67,516	72,528

17 存貨

The cost of inventories which was recognised as an expense and was included in “cost of sales” amounted to approximately RMB330,687,000 for the year ended 31 December 2016 (2015: RMB315,630,000).

As at 31 December 2016, the carrying amount of the Group's inventories did not exceed the net realisable value, and no provision for decline of the value of inventories was made.

截至二零一六年十二月三十一日止年度，確認為費用並計入「銷售成本」的存貨成本約為人民幣330,687,000元(二零一五年：人民幣315,630,000元)。

於二零一六年十二月三十一日，本集團存貨的賬面值並無超逾其可變現淨值，亦無就存貨價值減少作出任何撥備。

18 AVAILABLE-FOR-SALE FINANCIAL ASSETS

18 可供出售金融資產

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	—	—
Additions	添置	460,000	390,000
Disposals	出售	(289,537)	(396,732)
Net gains recognised upon disposal (Note 29, Note 36)	出售時確認的收益淨額 (附註29, 附註36)	9,537	6,732
Net gains transferred to other comprehensive income	轉撥至其他全面收益的 收益淨額	6,230	—
At 31 December	於十二月三十一日	186,230	—

All AFS are denominated in RMB as at 31 December 2016.

於二零一六年十二月三十一日，可供出售金融資產全部以人民幣計值。

19 CASH AND CASH EQUIVALENTS

19 現金及現金等價物

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash on hand	手頭現金	632	845
Cash at bank	銀行存款	1,041,766	627,287
		1,042,398	628,132
Denominated in:	計值貨幣：		
— RMB	— 人民幣	845,093	619,257
— USD	— 美元	1,254	2,504
— HKD	— 港元	195,853	6,364
— Others	— 其他	198	7
		1,042,398	628,132

19 CASH AND CASH EQUIVALENTS (CONTINUED)

As at 31 December 2016, the Group's cash and cash equivalents amounting to RMB839,440,000 (2015: RMB610,204,000) were held in the financial institutions located in the PRC. The remaining amounted to RMB202,958,000 (2015: RMB17,928,000) were held in major financial institutions located in the Hong Kong Special Administrative Region.

The conversion of RMB denominated balances into foreign currencies and the remittance of the foreign currencies out of the PRC are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government.

The Group earns interests on cash at bank at floating bank deposit rates, which range from 0.01% to 4.4% per annum for the year ended 31 December 2016 (2015: range from 0.35% to 3.3% per annum).

As at 31 December 2016, bank deposits of RMB2,004,000 (2015: RMB3,871,000) are restricted as guarantee for payments of imported equipment.

20 SHARE CAPITAL AND SHARE PREMIUM

19 現金及現金等價物(續)

於二零一六年十二月三十一日，本集團的現金及現金等價物人民幣839,440,000元(二零一五年：人民幣610,204,000元)由在中國的金融機構持有。餘下人民幣202,958,000元(二零一五年：人民幣17,928,000元)由香港特別行政區的主要金融機構持有。

以人民幣計值的結餘兌換為外幣以及將外幣從中國匯出，須遵守中國政府頒布的相關外匯管制規則及規例。

本集團按浮動銀行存款利率從銀行存款賺取利息，截至二零一六年十二月三十一日止年度，有關年利率介乎0.01%至4.4%(二零一五年：年利率介乎0.35%至3.3%)。

於二零一六年十二月三十一日，受限制銀行存款人民幣2,004,000元(二零一五年：人民幣3,871,000元)作為進口設備的付款擔保。

20 股本及股份溢價

	Number of ordinary shares (thousands) 普通股數目 (千股)	Equivalent		Share premium	Total	
		Nominal value of ordinary shares\ 普通股 賬面值	nominal value of ordinary shares 普通股 賬面值等值			
		HKD'000 千港元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
Balance as at 1 January and 31 December 2015 and 2016	於二零一五年及二零一六年一月一日及 十二月三十一日的結餘	2,568,893	25,689	21,363	1,206,829	1,228,192

21 RESERVES

21 儲備

		Statutory Capital reserve	Currency surplus translation differences	Convertible bond-equity AFS component	Total	
		法定盈餘 公積金	外幣 折算差額	可供出售 金融資產 — 權益部分	總計	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
Opening balance 1 January 2015	二零一五年一月一日的年初結餘	146,012	118,186	(54,016)	—	210,182
Currency translation differences	外幣折算差額	—	—	4,391	—	4,391
Appropriations to statutory surplus reserve (a)	提取法定盈餘公積金 (a)	—	20,696	—	—	20,696
At 31 December 2015	於二零一五年十二月三十一日	146,012	138,882	(49,625)	—	235,269
Opening balance 1 January 2016	二零一六年一月一日的年初結餘	146,012	138,882	(49,625)	—	235,269
Convertible bond — equity component (Note 28)	可換股債券—權益部分(附註28)	—	—	—	18,385	18,385
Currency translation differences	外幣折算差額	—	—	1,612	—	1,612
Appropriations to statutory surplus reserve (a)	提取法定盈餘公積金 (a)	—	19,038	—	—	19,038
Revaluation-gross	重估—總額	—	—	—	4,898	4,898
At 31 December 2016	於二零一六年十二月三十一日	146,012	157,920	(48,013)	4,898	279,202

21 RESERVES (CONTINUED)

- (a) According to the provisions of the articles of association of the Group's subsidiaries located in PRC ("PRC subsidiaries"), the PRC subsidiaries shall first set aside 10% of its profit attributable to owners after tax as indicated in their statutory financial statements for the statutory surplus reserve (except where the reserve has reached 50% of the entity's registered share capital) each year. PRC subsidiaries may also make appropriations from its profit attributable to shareholders to a discretionary surplus reserve, provided it is approved by a resolution passed in a shareholders' general meeting. These reserves cannot be used for purposes other than those for which they are created and are not distributable as cash dividends without the prior approval obtained from the shareholders in a shareholders' general meeting under specific circumstances.

When the statutory surplus reserve is not sufficient to make good for any losses of the PRC subsidiaries from previous years, the current year profit attributable to the owners shall be used to make good the losses before any allocations are set aside for the statutory surplus reserve.

The statutory surplus reserve, the discretionary surplus reserve and the capital reserve of the PRC subsidiaries may be converted into share capital of the PRC subsidiaries provided it is approved by a resolution passed in a shareholders' general meeting and meets other regulatory requirements with the provision that the ending balance of the statutory surplus reserve does not fall below 25% of the registered share capital amount.

For the year ended 31 December 2016, the directors of the PRC subsidiaries proposed appropriations amounting to approximately RMB19,038,000 (2015: RMB20,696,000) to the statutory surplus reserve.

21 儲備(續)

- (a) 根據本集團位於中國的附屬公司(「中國附屬公司」)的組織章程細則條文，中國附屬公司須每年將法定財務報表所示其擁有人應佔稅後利潤的10%撥作法定盈餘公積金(惟公積金已達實體註冊股本50%者除外)。中國附屬公司亦可在經股東大會通過的決議案批准後從股東應佔利潤提取任意盈餘公積金。除公積金設立的目的外，該等公積金不得用作其他用途，且除在特定情況下經股東於股東大會上事先批准外，亦不得用作現金股息分配。

當法定盈餘公積金不足以彌補中國附屬公司以前年度虧損時，本年度的擁有人應佔利潤可在提取法定盈餘公積金前用作彌補虧損。

中國附屬公司的法定盈餘公積金、任意盈餘公積金及資本公積金可在經股東大會通過的決議案批准且符合其他監管規定下轉為其股本，但年末的法定盈餘公積金不得少於註冊股本金額的25%。

截至二零一六年十二月三十一日止年度，中國附屬公司的董事建議提取法定盈餘公積金約為人民幣19,038,000元(二零一五年：人民幣20,696,000元)。

22 DEFERRED INCOME TAX

The analysis of deferred tax assets and deferred tax liabilities is as follows:

22 遞延所得稅

遞延稅項資產及遞延稅項負債的分析如下：

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Deferred tax assets:	遞延稅項資產：		
— Deferred tax assets to be recovered after 12 months	— 12個月後收回的遞延稅項資產	2,566	2,597
— Deferred tax assets to be recovered within 12 months	— 12個月內收回的遞延稅項資產	252	441
		2,818	3,038
Deferred tax liabilities:	遞延稅項負債：		
— Deferred tax liabilities to be recovered after 12 months	— 超過12個月後收回的遞延稅項負債	(18,526)	(21,027)
— Deferred tax liabilities to be recovered within 12 months	— 12個月內收回的遞延稅項負債	(2,126)	(17,313)
		(20,652)	(38,340)

22 DEFERRED INCOME TAX (CONTINUED)

The gross movement of the deferred tax assets and deferred tax liabilities is as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Deferred tax assets:	遞延稅項資產：		
At beginning of year	年初	3,038	2,524
Statement of profit or loss (charge)/credit	損益表(計入)/貸記	(220)	514
At end of year	年末	2,818	3,038
Deferred tax liabilities:	遞延稅項負債：		
At beginning of year	年初	(38,340)	(35,835)
Statement of profit or loss credit/(charge)	損益表貸記/(計入)	2,488	(12,994)
Settlement of withholding tax for dividend declared	就已宣派股息結算預扣稅	15,200	10,489
At end of year	年末	(20,652)	(38,340)

The (Credit)/Charge to statement of profit or loss is as follows:

損益表(貸記)/計入如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Deferred tax assets	遞延稅項資產	220	(514)
Deferred tax liabilities	遞延稅項負債	(2,488)	12,994
(Credit)/Charge to statement of profit or loss (Note 33)	損益表(貸記)/計入(附註33)	(2,268)	12,480

22 DEFERRED INCOME TAX (CONTINUED)

The balances of deferred tax assets and liabilities as at 31 December 2016 were not offset because the deferred tax assets and liabilities related to income taxes were levied by different taxation authorities. The movement of deferred income tax assets and liabilities during the year is as follows:

22 遞延所得稅(續)

於二零一六年十二月三十一日，遞延稅項資產及負債結餘並未抵銷，乃由於與該等遞延稅項資產及負債有關的所得稅由不同稅務機關徵收。年內遞延所得稅資產及負債的變動如下：

		Provisions for impairment	Deferred income	Undistributed profits from subsidiaries 來自附屬公司 的未分派利潤	Other temporary differences 其他暫時性 差額	Total
		減值撥備	遞延收益			總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Deferred tax assets	遞延稅項資產					
At 1 January 2015	於二零一五年一月一日	347	1,671	—	506	2,524
Credited to statement of profit or loss	損益表貸記	—	351	—	163	514
At 31 December 2015	於二零一五年十二月三十一日	347	2,022	—	669	3,038
Charged to statement of profit or loss	損益表計入	—	(3)	—	(217)	(220)
At 31 December 2016	於二零一六年十二月三十一日	347	2,019	—	452	2,818
Deferred tax liabilities	遞延稅項負債					
At 1 January 2015	於二零一五年一月一日	—	—	(10,489)	(25,346)	(35,835)
(Charged)/credited to statement of profit or loss	損益表(計入)/貸記	—	—	(15,200)	2,206	(12,994)
Settlement of withholding tax for dividend declared	就已宣派股息結算預扣稅	—	—	10,489	—	10,489
At 31 December 2015	於二零一五年十二月三十一日	—	—	(15,200)	(23,140)	(38,340)
Credited to statement of profit or loss	損益表貸記	—	—	—	2,488	2,488
Settlement of withholding tax for dividend declared	就已宣派股息結算預扣稅	—	—	15,200	—	15,200
At 31 December 2016	於二零一六年十二月三十一日	—	—	—	(20,652)	(20,652)

22 DEFERRED INCOME TAX (CONTINUED)

As at 31 December 2016, the Company's certain subsidiaries' future taxable income would not be available against which their temporary losses could be utilised and also the losses of those subsidiaries would not be offset by the taxable income of other subsidiaries within the Group, as there is no legally enforceable right to do so. As such, the Group did not recognise deferred income tax assets of RMB8,994,000 (2015: RMB7,705,000) in respect of losses amounting to RMB35,988,000 (2015: RMB32,738,000) that can be carried forward against future taxable income. Losses of RMB35,988,000 as at 31 December 2016 (2015: RMB32,738,000) will expire on the following dates to offset the future taxable income.

22 遞延所得稅(續)

於二零一六年十二月三十一日，本公司的若干附屬公司的未來應課稅收入將無法彌補暫時性虧損，而該等附屬公司的虧損不可由本集團其他附屬公司的應課稅收入抵銷，因為並不具備這樣做的合法可強制執行權利。故本集團並無就可抵銷未來應課稅收入的虧損人民幣35,988,000元(二零一五年：人民幣32,738,000元)確認遞延所得稅資產人民幣8,994,000元(二零一五年：人民幣7,705,000元)。於二零一六年十二月三十一日抵銷未來應課稅收入的人民幣35,988,000元(二零一五年：人民幣32,738,000元)的虧損連同屆滿日期載列如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Expiring in	於以下年度屆滿		
— 2016	— 二零一六年	—	11,375
— 2017	— 二零一七年	10,568	10,568
— 2018	— 二零一八年	10,795	10,795
— 2021	— 二零二一年	14,625	—
		35,988	32,738

Deferred income tax liabilities of RMB183,338,000 (2015: RMB111,748,000) had not been recognised for the withholding tax that would be payable on the distributable retained profits amounting to RMB1,833,379,000 (2015: RMB1,118,393,000) of the Company's PRC subsidiaries. The Group has no intention to distribute these retained earnings out from the PRC subsidiaries in the foreseeable future.

本公司並無就中國附屬公司的可分派保留溢利人民幣1,833,379,000元(二零一五年：人民幣1,118,393,000元)應付預扣稅確認遞延所得稅負債人民幣183,338,000元(二零一五年：人民幣111,748,000元)。本集團目前並不打算在可見將來從中國境內附屬公司向海外分派有關留存收益。

23 DEFERRED REVENUE AND ADVANCES RECEIVED FROM CUSTOMERS (CURRENT)

23 遞延收入及預收客戶款(流動)

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Deferred revenue	遞延收入		
— Sales of Water Cards	— 銷售水卡	8,459	27,826
— Government grant (Note 24)	— 政府補助(附註24)	2,248	1,692
Advances received from customers	預收客戶款	4,003	15,350
		14,710	44,868

As at 31 December 2016 and 2015, the Group's deferred revenue and advances received from customers were all denominated in RMB.

於二零一六年及二零一五年十二月三十一日，本集團的遞延收入及預收客戶款全部以人民幣計值。

24 DEFERRED REVENUE (NON-CURRENT)

24 遞延收入(非流動)

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Government grant	政府補助	26,489	23,750
Less: current portion (Note 23)	減：流動部分(附註23)	(2,248)	(1,692)
Non-current portion	非流動部分	24,241	22,058

25 TRADE PAYABLES

25 應付貿易款

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade payables	應付貿易款	78,055	72,827

As at 31 December 2016 and 2015, the aging analysis of trade payables based on invoice dates is as follows:

於二零一六年及二零一五年十二月三十一日，基於發票日期的應付貿易款的賬齡分析如下：

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 3 months	3個月內	51,903	52,362
Over 3 months but within 6 months	超過3個月但不超過6個月	15,717	10,652
Over 6 months but within 1 year	超過6個月但不超過1年	4,354	7,774
Over 1 year but within 2 years	超過1年但不超過2年	5,215	1,092
Over 2 years	超過2年	866	947
		78,055	72,827

As at 31 December 2016 and 2015, the Group's trade payables were all denominated in RMB and were not interest bearing.

於二零一六年及二零一五年十二月三十一日，本集團的應付貿易款均以人民幣計值且並不計息。

26 ACCRUALS AND OTHER PAYABLES

26 預提費用及其他應付款

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Salary payables	應付薪金	7,987	7,306
Welfare payables	應付福利	9,072	4,375
Payables for value added tax and other taxes	應繳增值稅及其他稅項	8,250	5,041
Accrued operating expenses	預提經營費用	6,286	5,486
Payables for purchase of equipment	購置設備應付款項	4,759	23,590
Audit fee payable	應付審計費	5,000	6,050
Professional service fee payable	應付專業服務費	4,066	3,944
Payables to third party import agents	應付第三方進口代理款項	—	2,307
Deposits from customers	客戶存款	1,402	1,417
Others	其他	6,748	5,317
		53,570	64,833

The carrying amount of the accruals and other payables are denominated in the following currencies:

預提費用及其他應付款的賬面值以下列貨幣計值：

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
— RMB	— 人民幣	46,013	59,245
— USD	— 美元	1,376	2,105
— HKD	— 港元	6,097	3,483
— Singapore Dollar ("SGD")	— 坡元	84	—
		53,570	64,833

27 BANK BORROWINGS

27 銀行借款

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Non-current	非流動		
Long-term borrowing from a bank — Secured (a)	長期銀行借款—有抵押／質押(a)	190,000	—
Current	流動		
Current portion of long-term borrowings from banks – Secured (a)	長期銀行借款的即期部分—有抵押／質押(a)	120,000	—
Current portion of long-term borrowing from a bank – Guaranteed (b)	長期銀行借款的即期部分—有保證(b)	100,000	150,000
Short-term borrowing from a bank – Guaranteed and secured (c)	短期銀行借款—有保證及抵押(c)	66,000	—
Short-term borrowings from banks – Guaranteed (d)	短期銀行借款—有保證(d)	170,000	50,000
		456,000	200,000
Total borrowings	借款總額	646,000	200,000

All borrowings were denominated in RMB as at 31 December 2016 and 2015.

於二零一六年及二零一五年十二月三十一日，所有借款均以人民幣計值。

27 BANK BORROWINGS (CONTINUED)

(a) The balances include the following borrowings from banks:

- (i) The borrowing with principal amount of RMB200,000,000 was secured by the Group's factory plant with net book value of RMB71,942,000 (Note 8) and land use rights with net book value of RMB29,569,000 (Note 7). The interest rate was based on the directive interest rate announced by the People's Bank of China Lhasa Central Sub-branch, which was 2.75% per annum as at 31 December 2016. The tenure of the borrowing is from 2 November 2016 to 23 September 2018. According to the loan agreement, principal of RMB10,000,000 and RMB190,000,000 are required to be repaid in November 2017 and September 2018 respectively. Accordingly, borrowing amounting to RMB10,000,000 was recorded as current liability and borrowing amounting to RMB190,000,000 was recorded as non-current liability as at 31 December 2016.

27 銀行借款 (續)

(a) 結餘包括下列銀行借款：

- (i) 本金金額為人民幣200,000,000元的借款以本集團賬面淨值為人民幣71,942,000元的工廠廠房(附註8)及賬面淨值為人民幣29,569,000元的土地使用權(附註7)作抵押。利率基於中國人民銀行拉薩中心支行公佈的指示利率，於二零一六年十二月三十一日為每年2.75%。借款期為二零一六年十一月二日至二零一八年九月二十三日。根據貸款協議，須於二零一七年十一月及二零一八年九月分別償還本金金額人民幣10,000,000元及人民幣190,000,000元。因此，於二零一六年十二月三十一日，借款人民幣10,000,000元列為流動負債，而借款人民幣190,000,000元則列為非流動負債。

27 BANK BORROWINGS (CONTINUED)

(a) The balances include the following borrowings from banks: (continued)

(ii) The borrowing with principal amount of RMB120,000,000 was pledged by 28,099,562 shares of a third party. The interest rate was based on the directive interest rate announced by the People's Bank of China Lhasa Central Sub-branch, which was 2.75% per annum as at 31 December 2016. The tenure of the borrowing is from 18 January 2016 to 17 January 2018 and repayment terms are based on the following schedule: repayments of RMB5,000,000, RMB5,000,000, RMB5,000,000 and RMB105,000,000 on 18 June 2016, 18 December 2016, 18 June 2017 and 17 January 2018 respectively. The first two payments had been made by the Group based on the contractual terms. Due to certain terms of the borrowing agreement, the bank has the potential right to request for repayment of the loan before the contractual maturity dates. Accordingly, the outstanding borrowing amounting to RMB110,000,000 was recorded as current liability as at 31 December 2016.

(b) The borrowing with principal amount of RMB200,000,000 was guaranteed by Tibet Glacier Mineral Water, a subsidiary of the Group. The interest rate was based on the directive interest rate announced by the People's Bank of China minus 1.98% per annum, which was 2.77% as at 31 December 2016. The tenure of the borrowing is from 27 January 2015 to 27 January 2017. The loan principal has been repaid based on the agreement as follows: RMB50,000,000 each in July 2015 and January 2016. The remaining loan balance of RMB100,000,000 is repaid on 27 January 2017.

27 銀行借款 (續)

(a) 結餘包括下列銀行借款：(續)

(ii) 本金金額為人民幣120,000,000元的借款由28,099,562股第三方股份作為質押。利率乃基於中國人民銀行拉薩中心支行公佈的指示利率，於二零一六年十二月三十一日為每年2.75%。借款期為二零一六年一月十八日至二零一八年一月十七日，並按以下計劃償還：分別於二零一六年六月十八日、二零一六年十二月十八日、二零一七年六月十八日及二零一八年一月十七日償還人民幣5,000,000元、人民幣5,000,000元、人民幣5,000,000元及人民幣105,000,000元。本集團已根據合同條款償還前兩筆款項。由於借款協議的某些條款，該銀行擁有合同到期日之前要求償還借款的潛在權利。因此，於二零一六年十二月三十一日，尚未償還借款人民幣110,000,000元列為流動負債。

(b) 本金金額為人民幣200,000,000元的借款由本集團附屬公司西藏冰川礦泉水作保證。年利率乃基於中國人民銀行公佈的指示利率減1.98%，於二零一六年十二月三十一日為2.77%。借款期為二零一五年一月二十七日至二零一七年一月二十七日。貸款本金已根據協議於二零一五年七月及二零一六年一月分別償還人民幣50,000,000元。餘下貸款結餘人民幣100,000,000元已於二零一七年一月二十七日償還。

27 BANK BORROWINGS (CONTINUED)

- (c) The borrowing with principal amount of RMB66,000,000 was guaranteed by the Company and secured by the Group's factory plant with net book value of RMB35,080,000 (Note 8) and land use rights with net book value of RMB1,046,000 (Note 7). The borrowing bears fixed interest at 2.35% per annum and the tenure is from 25 March 2016 to 24 March 2017.
- (d) The balances include the following borrowings from banks:
- (i) The borrowing with principal amount of RMB70,000,000 was guaranteed by the Company and another subsidiary of the Group. The borrowing bears fixed interest at 2.35% per annum and the tenure is from 10 November 2016 to 10 November 2017.
- (ii) The borrowing with principal amount of RMB100,000,000 was guaranteed by the Company. The borrowing bears fixed interest at 2.35% per annum and the tenure is from 25 March 2016 to 25 March 2017.

The carrying amounts of borrowings approximate their fair values.

27 銀行借款 (續)

- (c) 本金金額為人民幣66,000,000元的借款由本公司作保證，並以賬面淨值為人民幣35,080,000元的工廠廠房(附註8)及賬面淨值為人民幣1,046,000元的土地使用權(附註7)作抵押。借款的固定年利率為2.35%。借款期為二零一六年三月二十五日至二零一七年三月二十四日。
- (d) 結餘包括下列銀行借款：
- (i) 本金金額為人民幣70,000,000元的借款由本公司和本集團另一家附屬公司作保證。借款的固定年利率為2.35%。借款期為二零一六年十一月十日至二零一七年十一月十日。
- (ii) 本金金額為人民幣100,000,000元的借款由本公司作保證。借款的固定利率為2.35%。借款期為二零一六年三月二十五日至二零一七年三月二十五日。

借款賬面值與彼等的公允價值相若。

27 BANK BORROWINGS (CONTINUED)

The Group has the following undrawn bank borrowing facilities:

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Fixed rate:	固定利率：		
— expiring within one year	— 1年內到期	130,000	—
— expiring beyond one year	— 1年後到期	34,000	—
		164,000	—

As at 31 December 2016, the Group's borrowings were repayable as follows:

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 1 year	1年內	456,000	200,000
Between 1 and 2 years	1至2年	190,000	—
		646,000	200,000

27 銀行借款 (續)

本集團尚未提取的銀行借款額度如下：

於二零一六年十二月三十一日，本集團借款的還款期如下：

28 CONVERTIBLE BOND – LIABILITY COMPONENT

28 可換股債券－負債部分

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Convertible bond - liability component	可換股債券－負債部分	458,066	—

The Group issued 5,250 6.0% convertible bonds at a par value of HKD525,000,000 on 24 June 2016. The convertible bonds mature three years from the issue date at their nominal value of HKD525,000,000 or can be converted into ordinary shares of the Company at the bondholder's option at a price of HKD3.50 per share. The fair values of the liability component and the equity conversion component were determined at issuance date of the bond. The fair value of the liability component of the convertible bond is determined using a market interest rate for an equivalent non-convertible bond and the remaining residue value is allocated to the equity component. The fair value change of the convertible bond between the commitment date and issuance date is recognised in the profit and loss (Note 32). The convertible bond is secured by the entire issued shares of Wealth Keeper Limited, a wholly owned subsidiary of the Group and can be early redeemed upon certain events at the option of the bondholder or the issuer. The early redemption options are closely related to the host contract of the convertible bond and as such they were not separated from the host debt as derivatives.

於二零一六年六月二十四日，本集團發行5,250份年息率為6.0%的可換股債券，面值為525,000,000港元。可換股債券將自發行日期起計三年後按其面值525,000,000港元到期或可由債券持有人選擇按每股3.50港元的價格轉換為本公司普通股。負債部分及權益轉換部分的公允價值於債券發行日期釐定。可換股債券負債部分的公允價值按等值不可換股債券的市場利率釐定，而剩餘價值則計入權益部分。可換股債券在承擔日和發行日之間的公允價值變動計入損益(附註32)。可換股債券以本集團全資附屬公司Wealth Keeper Limited的全部已發行股份作抵押，及當某些事件出現時，可由債券持有人或發行人選擇提前贖回。提前贖回權與可換股債券的主合同密切地關連，因此，該提前贖回權沒有從主負債中被分離為衍生產品。

28 CONVERTIBLE BOND – LIABILITY COMPONENT (CONTINUED)

The convertible bond recognised in the balance sheet is calculated as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Face value of convertible bond issued on 24 June 2016	於二零一六年六月二十四發行之可換股債券面值	469,613	—
Transaction costs	交易成本	(2,728)	—
Equity component (Note 21)	權益部分(附註21)	(18,385)	—
Fair value change between the commitment date and issuance date (Note 32, Note 36)	承擔日期及發行日期之間的公允價值變動(附註32, 附註36)	7,839	—
Liability component on initial recognition at 24 June 2016	於二零一六年六月二十四日初步確認時的負債部分	456,339	—
Interest expense (Note 32)	利息費用(附註32)	16,114	—
Interest paid	已付利息	(14,387)	—
Liability component at 31 December 2016	於二零一六年十二月三十一日的負債部分	458,066	—

The fair value of the liability component of the convertible bond at 31 December 2016 amounted to RMB455,774,000, which is calculated using cash flows discounted at the rate of 7.34% and are within level 2 of the fair value hierarchy.

28 可換股債券－負債部分(續)

於資產負債表確認的可換股債券計算如下：

於二零一六年十二月三十一日，可換股債券負債部分的公允價值為人民幣455,774,000元，按7.34%折現的現金流量計算並屬於公允價值層級的第2層之內。

29 OTHER GAINS, NET

29 其他利得，淨額

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Government grants (a)	政府補助(a)	45,056	37,825
Gain on disposal of AFS (Note 18, Note 36)	處置可供出售金融資產的收益 (附註18、附註36)	9,537	6,732
Others	其他	1,026	(154)
		55,619	44,403

(a) The amount mainly related to the government grant received by the Group as follows: according to “藏政辦1997 No. 24”, “藏財企字2010 No. 93”, “拉開財駐字2010 No. 29”, “拉開財駐字2012 No.101”, “拉經開財企專2015 No.01”, “拉開財企專2016 No. 91” and “西藏拉薩經濟技術開發區關於支持入區企業發展的若干意見(暫行) No.8”, the Group is eligible to receive subsidy income from the local government in relation to the domestic subsidiaries' fiscal contribution to the local economic development as a major tax payer and employer in Tibet. The Group recognised such income of approximately RMB42,822,000 for the year ended 31 December 2016 (2015: RMB26,040,000).

(a) 該款項主要涉及本集團收取的下列政府補助，根據「藏政辦1997第24號」、「藏財企字2010第93號」、「拉開財駐字2010第29號」、「拉開財駐字2012第101號」、「拉經開財企專2015第01號」、「拉開財企專2016第91號」及「西藏拉薩經濟技術開發區關於支持入區企業發展的若干意見(暫行)第8號」，本集團作為西藏主要納稅戶及僱主，有資格獲得有關境內附屬公司向地方經濟發展作出財務貢獻的地方政府補助收入。本集團於截至二零一六年十二月三十一日止年度確認的此類收入約為人民幣42,822,000元(二零一五年：人民幣26,040,000元)。

30 EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution expenses and administrative expenses are analysed as follows:

30 按性質劃分的費用

計入銷售成本、銷售及分銷費用及行政費用的費用分析如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Raw materials and consumables used	所用原材料及耗材	243,199	240,024
Decrease in the balances of inventories of finished goods and work in progress	產成品及在製品存貨結餘減少	7,316	2,681
Transportation costs	運輸成本	51,957	51,816
Depreciation of PP&E (Note 8)	物業、廠房及設備折舊(附註8)	54,433	53,674
Employee benefit expenses (Note 31)	僱員福利費用(附註31)	73,032	76,500
Advertising and marketing expenditure	廣告及市場推廣費用	19,669	14,002
City construction tax and education surcharge	城市建設費及教育附加費	13,676	12,424
Electricity and other utility expenses	電力及其他能源費用	12,842	9,715
Rental expenses	租金費用	5,159	4,426
Consulting and other service expenses	諮詢及其他服務費用	6,104	4,474
Repair and maintenance	修理及保養	2,538	3,154
Amortisation of land use rights (Note 7)	土地使用權攤銷(附註7)	724	724
Amortisation of intangible assets (Note 9)	無形資產攤銷(附註9)	22,086	22,086
Auditor's remuneration	核數師酬金		
— Audit services	— 審計服務	6,000	6,050
— Non-audit services	— 非審計服務	—	400
Exploration rights expenses	探礦權費用	500	548
Office and consumption expenses	辦公及消耗費用	4,611	6,872
Provision for impairment of trade receivables (Note 13)	應收貿易款減值撥備(附註13)	1,995	—
Others	其他	4,696	3,770
		530,537	513,340

31 EMPLOYEE BENEFIT EXPENSES

31 僱員福利費用

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Wages and salaries	工資及薪金	61,123	64,454
Provision for medical and other employee benefits	醫療及其他僱員福利撥備	4,009	3,382
Contributions to defined contribution pension scheme (a)	界定供款退休金計劃供款 (a)	4,577	5,039
Contributions to the housing scheme (b)	住房計劃供款 (b)	3,323	3,625
		73,032	76,500

(a) Pension scheme

The Group pays contributions to publicly administered pension insurance plans on a mandatory, contractual basis. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments are available.

(b) Housing scheme

In accordance with the PRC housing reform regulations, the Group is required to make contributions to the Chinese state-sponsored housing fund at 10% of the salaries of the PRC employees. At the same time, the employees are also required to make a contribution at 10% of their salaries out of their payroll. The employees are entitled to claim the entire sum of the fund under certain specified withdrawal circumstances.

(a) 退休金計劃

本集團按強制、合約基準向公營管理退休金保險計劃作出供款。倘該基金並無足夠資產支付所有僱員於本期間及過往期間有關僱員服務所得的福利，本集團亦無進一步供款的法定或推定責任。供款於到期時確認為僱員福利開支。預付供款在可取得退回現金或日後付款減少的情況下確認為資產。

(b) 住房計劃

根據中國住房制度改革法規，本集團必須按中國僱員薪金的10%向中國政府組織的住房公積金作出供款。同時，僱員亦須從其薪金中提取10%作為供款。在若干特定情形下，僱員有權提取全額的住房公積金供款。

31 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2015: three) Directors whose emoluments are reflected in the analysis presented in Note 42. The emoluments paid and payable to the remaining three (2015: two) individuals during the year are as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Basic salaries and allowances	基本薪金及津貼	3,475	2,125
Contribution to pension scheme	退休金計劃供款	31	29
Bonuses	花紅	167	39
		3,673	2,193

The emoluments fell within the following bands:

酬金介乎以下範圍：

		Number of individuals 人數	
		2016 二零一六年	2015 二零一五年
Emolument bands	酬金範圍		
HKD1,000,001 to HKD1,500,000 (approximately RMB850,001 to RMB1,275,000)	1,000,001 港元至 1,500,000 港元 (約人民幣 850,001 元至 人民幣 1,275,000 元)	2	2
HKD1,500,001 to HKD2,000,000 (approximately RMB1,275,001 to RMB1,700,000)	1,500,001 港元至 2,000,000 港元 (約人民幣 1,275,001 元至 人民幣 1,700,000 元)	1	—

32 FINANCE COSTS, NET

32 財務費用，淨額

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Foreign exchange losses, net (Note 36)	匯兌損失，淨額(附註36)	(7,477)	(5,683)
Interest costs on a borrowing from government	政府借款利息費用	—	(8,836)
Interest costs on bank borrowings	銀行借款利息費用	(8,650)	(5,810)
Interest costs on convertible bond (Note 28)	可換股債券利息費用(附註28)	(16,114)	—
Other finance costs	其他財務費用	(196)	(167)
Loss on fair value change of convertible bond (Note 28, Note 36)	可換股債券公允價值變動虧損 (附註28，附註36)	(7,839)	—
Finance costs	財務費用	(40,276)	(20,496)
Interest income	利息收入	21,038	10,397
Finance income	財務收入	21,038	10,397
Finance costs, net	財務費用，淨額	(19,238)	(10,099)

33 INCOME TAX EXPENSE

The amount of income tax expense charged to the consolidated statement of profit or loss represents:

33 所得稅費用

以下為在綜合損益表計入的所得稅費用金額：

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Current income tax	當期所得稅	43,962	39,093
Deferred income tax (credit)/charge (Note 22)	遞延所得稅(貸記)/(計入)(附註22)	(2,268)	12,480
Income tax expense	所得稅費用	41,694	51,573

33 INCOME TAX EXPENSE (CONTINUED)

The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the statutory tax rate as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Profit before income tax	除所得稅前利潤	400,849	374,644
Tax calculated at statutory tax rate of 15%	按法定稅率 15% 計算的稅項	60,127	56,197
Preferential tax rates on income of certain group entities (a)	若干集團實體的收入所享受的 優惠稅率 (a)	(28,149)	(25,135)
Income not subject to tax	毋須課稅收入	(2,422)	(1,920)
Tax on deemed revenue	視作收入的稅金	337	298
Tax losses of certain group entities for which no deferred income tax assets were recognised	並無確認遞延所得稅資產 的若干集團實體的稅項虧損	2,188	2,316
Expenses not deductible for tax purposes	不可扣稅費用	9,613	4,617
Withholding tax from distribution of profits by the PRC subsidiaries	中國附屬公司分配利潤 所產生的代扣繳稅	—	15,200
Income tax expense	所得稅費用	41,694	51,573

The weighted average tax rate was 10.4% for the year ended 31 December 2016 (2015: 13.8%).

The Company was incorporated in the Cayman Islands. Under current laws of the Cayman Islands, there is no income, estate, corporation, capital gains or other taxes payable by the Company. The group entities established under the International Business Companies Acts of the British Virgin Islands are exempted from British Virgin Islands income taxes.

33 所得稅費用(續)

本集團的除所得稅前利潤計繳的稅項有別於採用法定稅率計算得出的理論數額，詳請如下：

截至二零一六年十二月三十一日止年度，加權平均稅率為 10.4% (二零一五年：13.8%)。

本公司於開曼群島註冊成立。根據開曼群島現行法律，本公司概無任何應繳所得稅、遺產稅、公司稅、資本增益稅或其他稅項。根據英屬處女群島的國際商務公司法成立的集團實體獲豁免繳付英屬處女群島的所得稅。

33 INCOME TAX EXPENSE (CONTINUED)

The group entities incorporated in the PRC are subject to PRC enterprise income tax. Major operational entities of the Group are located in the Tibet Autonomous Region of the PRC and were entitled to preferential income tax rate of 9% for the year ended 31 December 2016 (2015: 9%); the remaining entities incorporated in the PRC were taxed based on the income tax rate of 25% for the year ended 31 December 2016 (2015: 25%) as determined in accordance with the relevant PRC income tax rules and regulations. Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%)

- (a) Based on the tax ruling announced by the PRC central tax authorities, the corporate income tax rate of Lhasa is 9% for years 2015 to 2017 and from 2018 onwards, the corporate income tax rate will resume to 15% if no further announcement of preferential tax treatment is made. The relevant deferred tax balances had been measured based on the expected tax rates applicable in the future.

34 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share for 31 December 2016 and 2015 is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares outstanding during the period.

33 所得稅費用(續)

在中國註冊成立的集團實體須繳納中國企業所得稅。截至二零一六年十二月三十一日止年度，本集團位於中國西藏自治區的主要營運實體享受9%（二零一五年：9%）的所得稅優惠稅率；其餘於中國註冊成立的實體於截至二零一六年十二月三十一日止年度根據相關的中國所得稅規則及規例按25%的所得稅率（二零一五年：25%）繳稅。香港利得稅已按16.5%（二零一五年：16.5%）的稅率計提。

- (a) 根據中國中央稅務機關公佈的稅務規例，拉薩的企業所得稅稅率於二零一五年至二零一七年為9%，自二零一八年一起，如無進一步公佈優惠稅務待遇，則企業所得稅稅率將恢復至15%。相關遞延稅項結餘已根據預期於日後適用的稅率予以計量。

34 每股盈利

(a) 每股基本盈利

於二零一六年及二零一五年十二月三十一日的每股基本盈利的計算方法為，本公司擁有人應佔期內利潤除以期內已發行普通股的加權平均數。

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年	2015 二零一五年
Profit attributable to owners of the Company (RMB'000)	本公司擁有人應佔利潤 (人民幣千元)	307,724	276,967
Weighted average number of ordinary shares in issue (thousands)	已發行普通股的加權平均數 (以千計)	2,568,893	2,568,893
Earnings per share (basic and diluted) (RMB cents per share)	每股盈利(基本及攤薄) (每股人民幣分)	11.98	10.78

34 EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of potential ordinary shares: the convertible bond issued on 24 June 2016 and share options granted under a share option scheme on 16 December 2015. As at 31 December 2016, when these two categories of potential ordinary shares are assumed to be converted into ordinary shares since the issue dates, the calculated earnings per share under each circumstance is more than the basic earnings per share. As such, the convertible bond and share options are determined to be anti-dilutive (2015: no dilutive potential ordinary shares), and not to be included in the calculation of the diluted earnings per share this year. With no dilutive potential ordinary shares, the diluted earnings per share is the same as the basic earnings per share for the Company as at 31 December 2016 and 2015.

35 DIVIDENDS

Dividend of HKD0.04 per share (amounting to HKD102,756,000, equivalent to RMB87,825,000 based on the exchange rate on the payment date of such dividend) was declared and paid in 2016 in respect of the year ended 31 December 2015 (2015: dividend of HKD0.04 per share (amounting to HKD102,756,000, equivalent to RMB81,074,000 based on the exchange rate on the payment date of such dividend) was declared and paid in 2015 in respect of the year ended 31 December 2014). No dividend has been declared by the Company in respect of 2016 (2015: RMB86,058,000).

34 每股盈利(續)

(b) 每股攤薄盈利

每股攤薄盈利乃經調整已發行普通股加權平均數以假設轉換所有具潛在攤薄效應的普通股而計算。本公司擁有兩類潛在普通股：於二零一六年六月二十四日發行的可換股債券以及於二零一五年十二月十六日根據購股權計劃授出的購股權。於二零一六年十二月三十一日，假設該兩類潛在普通股已自發行日期起轉換為普通股，於該情況下計算的每股盈利高於每股基本盈利。因此，可換股債券及購股權被釐定具反攤薄作用(二零一五年：無潛在攤薄普通股)及在這年度計算每股攤薄盈利時並未計入。概無存在潛在攤薄普通股，故本公司於二零一六年及二零一五年十二月三十一日的每股攤薄盈利與每股基本盈利相同。

35 股息

二零一六年宣派及派付截至二零一五年十二月三十一日止年度股息為每股港元4仙(達102,756,000港元，等同於該股息以基於付款日的匯率折算的人民幣87,825,000元)(二零一五年：二零一五年宣派及派付截至二零一四年十二月三十一日止年度股息為每股港元4仙(達102,756,000港元，等同於該股息以基於付款日的匯率折算的人民幣81,074,000元))。本公司宣告不派發二零一六年股息(二零一五年：人民幣86,058,000元)。

36 CASH GENERATED FROM OPERATIONS

36 經營活動所產生的現金

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Profit before income tax	除所得稅前利潤	400,849	374,644
Adjustments for:	調整：		
Amortisation of land use rights (Note 7)	土地使用權攤銷(附註7)	724	724
Amortisation of intangible assets (Note 9)	無形資產攤銷(附註9)	22,086	22,086
Depreciation of PP&E (Note 8)	物業、廠房及設備折舊(附註8)	54,433	53,674
Net foreign exchange losses (Note 32)	匯兌虧損淨額(附註32)	7,477	5,683
Deferred income credited to statement of profit or loss	貸記損益表的遞延收入	(2,122)	(11,785)
Interest income, net	利息收入，淨額	3,726	4,249
Share of profit of associates (Note 12)	聯營公司溢利(附註12)	(26,913)	(21,332)
Gain on disposal of AFS (Note 18, Note 29)	處置可供出售金融資產的收益 (附註18，附註29)	(9,537)	(6,732)
Loss on fair value change of convertible bond (Note 28, Note 32)	可換股債券公允價值變動虧損 (附註28，附註32)	7,839	—
Operating profit before working capital changes	營運資金變動前的經營溢利	458,562	421,211
Decrease/(Increase) in inventories	存貨減少/(增加)	5,012	(7,207)
Decrease in trade receivables	應收貿易款減少	11,340	127,018
Increase in prepayments and other receivables	預付款項及其他應收款增加	(195,916)	(22,636)
Increase/(Decrease) in trade payable	應付貿易款增加/(減少)	5,228	(44,513)
Increase/(Decrease) in accruals and other payables	預提費用及其他應付款 增加/(減少)	6,495	(7,345)
Decrease in deferred revenue and advance received from customers	遞延收入及預收客戶款減少	(30,713)	(17,484)
Cash generated from operations	經營活動所產生的現金	260,008	449,044

36 CASH GENERATED FROM OPERATIONS (CONTINUED)

Significant non-cash transaction

During the year, amounts due from a related party of RMB156,500,000 were offset against amounts due to a third party for the same amount based on the settlement agreements among the Group, the third party and the related party.

37 COMMITMENTS AND CONTINGENT LIABILITIES

(a) Capital commitments

As at 31 December 2016 and 31 December 2015, capital expenditures contracted for but not yet incurred were as follows:

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	113,316	—
Equity investment	權益投資	53,600	—
		166,916	—

36 經營活動所產生的現金(續)

重大非現金交易

年內，根據本集團、第三方及關聯方之間的結算協議，應收關聯方款項人民幣156,500,000元與應付第三方的同等金額款項所抵銷。

37 承諾和或然負債

(a) 資本性承諾

於二零一六年及二零一五年十二月三十一日，已定約但尚未產生之資本開支如下：

37 COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

(b) Operating lease commitments

The Group leases offices and plant under non-cancellable operating lease agreements. The future aggregate minimum lease payments under non-cancellable operating leases were as follows:

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 1 year	1年以內	2,543	3,485
More than 1 year but within 5 years	1至5年	173	2,454
		2,716	5,939

(c) Contingent liabilities

The Group provided a financial guarantee to an associate amounting to RMB260,000,000 as at 31 December 2016 (31 December 2015: RMB260,000,000) (Note 3.1). The guarantee is provided for bank borrowings obtained by the associate with the remaining amounts of RMB240,000,000 as at 31 December 2016 (31 December 2015: RMB240,000,000), the period of the guarantee is from 20 July 2015 to 20 July 2017.

37 承諾和或然負債(續)

(b) 經營租賃承諾

本集團根據不可取消的經營租約租用辦公室及廠房。以下是不可取消經營租賃項下的未來最低租金總額：

(c) 或然負債

於二零一六年十二月三十一日，本集團對一間聯營公司提供了人民幣260,000,000元的財務擔保(二零一五年十二月三十一日：人民幣260,000,000元)(附註3.1)。該擔保是為該聯營公司於二零一六年十二月三十一日未償還的本金總額為人民幣240,000,000元的銀行貸款所提供(二零一五年十二月三十一日：人民幣240,000,000元)。其擔保期限從二零一五年七月二十日至二零一七年七月二十日。

38 RELATED-PARTY TRANSACTIONS

Related parties are those parties that have the ability to control the other party or exercise significant influence in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

The Group is ultimately controlled by Mr. Wang Peter Jian, the “Controlling Shareholder”.

(a) Transactions with related parties

38 關聯方交易

關聯方是指能夠控制另一方或對其財務及經營決策施加重大影響的人士。共同控制實體亦被視為關聯方。

本集團由王堅先生(「控股股東」)最終控制。

(a) 與關聯方的交易

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue from	來自下列各項的收入		
– Leasing of a production line to an associate (ii)	– 租賃生產線予一間聯營公司(ii)	2,051	2,051
– Selling of bottle preforms and caps to an associate(ii)	– 銷售瓶坯和瓶蓋予一間聯營公司(ii)	87,056	49,746
– Selling of water products to an associate (iv)	– 銷售水產品予一間聯營公司(iv)	2,371	715
Purchase of	採購		
– Goods from entities under common control (i)	– 向同一控制的實體採購貨物(i)	2	39
– Equipment from an associate (ii)	– 向一間聯營公司採購設備(ii)	950	—
Settlement of	清償		
– Equipment purchase from an associate (ii)	– 向一間聯營公司的設備採購(ii)	950	—
– Trade and other receivables from an associate (ii)	– 來自一間聯營公司的應收貿易款和其他應收款(ii)	54,859	73,571
– Trade receivables from an associate (iv)	– 來自一間聯營公司的應收貿易款(iv)	439	—
Prepayment made by an associate for purchase of bottle preforms and caps (ii)	向一間聯營公司採購瓶坯和瓶蓋的預付款項(ii)	—	16,429
Cash advance to an associate (ii)	給予一間聯營公司的現金墊款(ii)	33,500	—
Net settlement of payables to third parties on behalf of an associate and an entity under common control (iii)	代一間聯營公司和一間受同一控制的實體淨支付第三方的應付款(iii)	—	75,070
Financial guarantee for an associate (Note 37 (c))	為一間聯營公司提供的財務擔保(附註37(c))	260,000	260,000

38 RELATED-PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties (continued)

- (i) Goods were bought from an entity controlled by a major individual shareholder based on normal commercial terms and conditions.
- (ii) These were the transactions between the Group and Highland Natural Water, an associate of the Group. The transactions were based on agreed terms between both parties.
- (iii) These were transactions with Highland Natural Water and an entity controlled by the Controlling Shareholder based on agreed terms among all parties in 2015 to facilitate Highland Natural Water and the entity controlled by the Controlling Shareholder to settle their payables to third parties.
- (iv) These were the transactions between the Group and Moutai 5100, an associate of the Group. The transactions were based on the agreed terms between both parties.

(b) Balances with related parties:

The balances with related parties are as follows:

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade receivables (Note 13)	應收貿易款(附註13)		
– An associate-Highland Natural Water	– 聯營公司—高原天然水	49,396	—
– An associate-Moutai 5100	– 聯營公司—茅台5100	3,171	836
		52,567	836

38 關聯方交易(續)

(a) 與關聯方的交易(續)

- (i) 貨物是根據正常商業條款及條件從主要個人股東控制的實體採購。
- (ii) 這些為本集團與高原天然水(本集團的聯營公司)之間的交易。該等交易乃基於訂約雙方協定的條款進行。
- (iii) 這些是根據二零一五年各方的協定條款，與高原天然水和一間由控股股東控制的實體之間的交易，該交易促進了高原天然水和該控股股東控制的實體向第三方支付其應付款。
- (iv) 這些為本集團與茅台5100(本集團的聯營公司)之間的交易。該等交易乃基於訂約雙方協定的條款進行。

(b) 與關聯方的結餘：

與關聯方的結餘如下：

38 RELATED-PARTY TRANSACTIONS (CONTINUED)

(b) Balances with related parties: (continued)

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Other receivables	其他應收款		
– An associate-Highland Natural Water (Note 16)	– 聯營公司—高原天然水 (附註16)	54,821	21,321

The above amounts due from Highland Natural Water were unsecured, non-interest bearing and repayable on demand.

上述應收高原天然水款項為無抵押、無息和可即時被要求償還。

(c) Key management compensation

The compensation paid/payable to key management is shown below:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	9,626	9,601

38 關聯方交易(續)

(a) 與關聯方的交易(續)

(c) 主要管理人員報酬

已付／應付主要管理人員的報酬呈列如下：

39 SHARE-BASED PAYMENT

On 16 December 2015, the Company granted 25,200,000 of share options to China Distribution. Under the agreement, China Distribution has the right to purchase up to 25,200,000 ordinary shares of the Company at the price of HKD3.00 per share within 10 years from 1 January 2016 if certain performance conditions are met by China Distribution during the vesting period from 1 January 2016 to 31 December 2018.

The vesting of the share options is conditional, subject to the achievement of the prescribed sale and performance targets by China Distribution within three years commencing from 1 January 2016.

The Group has no legal or constructive obligation to repurchase or settle the options in cash. As at 31 December 2016, none of the share options was exercisable.

The Company determined that the above share option scheme was a sales incentive to its major customer – China Distribution. As at 31 December 2016, management assessed the possibility for China Distribution to meet the vesting conditions within the three-year period from 1 January 2016 and concluded that none of the vesting conditions could be met within the three-year period. Accordingly, no debit of revenue was recorded for the year ended 31 December 2016 (nil for the year ended 31 December 2015) relating to the sales incentive under the above share option scheme.

39 股份基礎給付

於二零一五年十二月十六日，本公司向中進企業授出25,200,000份購股權。根據協議，倘自二零一六年一月一日起至二零一八年十二月三十一日止的歸屬期間內中進企業達到了若干表現條件，則自二零一六年一月一日開始的十年內，中進企業有權以每股3.00港元的價格購買本公司最多25,200,000股普通股。

購股權的歸屬受中進企業於自二零一六年一月一日開始的三年內達到指定銷售及績效目標等條件的規限。

本集團並無法律或推定義務，以現金回購或結算該購股權。於二零一六年十二月三十一日，概無購股權獲行使。

本公司將上述購股權計劃釐定為對其主要客戶—中進企業的銷售激勵。於二零一六年十二月三十一日，管理層評估了中進企業自二零一六年一月一日起計三年期間滿足歸屬條件的可能性，並得出結論認為於三年期間內無法滿足任何歸屬條件。因此，於截至二零一六年十二月三十一日止年度並無錄入與上述購股權計劃項下的銷售激勵有關的收入抵減(截至二零一五年十二月三十一日止年度：無)。

40 EVENTS AFTER THE BALANCE SHEET DATE

On 10 January 2017, the controlling shareholder of the Company had entered into agreements with three independent investors to sell approximately 1.83%, 3.50% and 4.67% of the total issued share capital of the Company, respectively, with selling price of HKD3.50 per share. On 11 January 2017, the controlling shareholder of the Company had entered into an agreement with an independent investor, Khorgos Tianshan No.1 to sell 18% of the total issued share capital of the Company with selling price of HKD3.50 per share. Upon completion of the above-mentioned transactions, Khorgos Tianshan No.1 will become the single largest shareholder of the Company.

41 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

Balance sheet of the Company

		As at 31 December 於十二月三十一日	
		Note 附註	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Assets	資產		
Non-current assets	非流動資產		
Loans to subsidiaries	貸款予附屬公司	1,375,156	1,176,030
		1,375,156	1,176,030
Current assets	流動資產		
Cash and cash equivalents	現金及現金等價物	95,057	208,769
Prepayment	預付款項	478	1,849
Other receivables	其他應收款	348,233	—
		443,768	210,618
Total assets	總資產	1,818,924	1,386,648

40 資產負債表日期後事項

於二零一七年一月十日，本公司控股股東與三位獨立投資人簽署協議分別出讓約1.83%、3.50%及4.67%本公司合計已發行的股份，出讓價格為每股3.50港元。於二零一七年一月十一日，本公司控股股東與一位獨立投資人霍爾果斯天山一號簽署協議出讓18%本公司合計已發行的股份，出讓價格為每股3.50港元。上述交易完成後，霍爾果斯天山一號將成為本公司的單一最大股東。

41 本公司資產負債表及儲備變動

本公司資產負債表

41 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY
(CONTINUED)

Balance sheet of the Company (continued)

41 本公司資產負債表及儲備變動(續)

本公司資產負債表(續)

		As at 31 December 於十二月三十一日	
		Note 附註	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Equity and liabilities	權益及負債		
Equity attributable to owners of the Company	本公司擁有人應佔權益		
Share capital	股本	21,363	21,363
Share premium	股份溢價	1,206,829	1,206,829
Reserves	儲備	(a) 110,693	8,037
Retained earnings	留存收益	(a) (5,268)	96
Total equity	權益總額	1,333,617	1,236,325
Liabilities	負債		
Non-current liabilities	非流動負債		
Convertible bond-liability component	可換股債券－負債部份	458,066	—
		458,066	—
Current liabilities	流動負債		
Other payables	其他應付款	27,241	150,323
		27,241	150,323
Total liabilities	負債總額	485,307	150,323
Total equity and liabilities	權益及負債總額	1,818,924	1,386,648

The balance sheet of the Company was approved by the Board of Directors on 24 March 2017 and was signed on its behalf.

董事會已於二零一七年三月二十四日批准本公司資產負債表並代其簽字。

FU Lin 付琳
Director 董事

LIU Chen 劉晨
Director 董事

41 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY
(CONTINUED)

(a) Reserve movement of the Company

		Retained earnings 留存收益 RMB'000 人民幣千元	Other reserves 其他儲備 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	12,296	(63,116)
Profit for the year	年度利潤	68,874	—
Dividends paid	已付股息	(81,074)	—
Currency translation differences	外幣折算差額	—	71,153
At 31 December 2015	於二零一五年十二月三十一日	96	8,037
At 1 January 2016	於二零一六年一月一日	96	8,037
Profit for the year	年度利潤	82,461	—
Dividends paid	已付股息	(87,825)	—
Convertible bond-equity component	可換股債券－權益部份	—	18,385
Currency translation differences	外幣折算差額	—	84,271
At 31 December 2016	於二零一六年十二月三十一日	(5,268)	110,693

41 本公司資產負債表及儲備變動(續)

(a) 本公司儲備變動

42 BENEFITS AND INTERESTS OF DIRECTORS

(A) Directors' and chief executive's emoluments

The remuneration of each Director and the chief executive for the year ended 31 December 2016 is set out below:

Name 姓名	Salary 薪金 RMB'000 人民幣千元	Discretionary bonuses 酌情花紅 RMB'000 人民幣千元	Employer's contribution to a benefits scheme 僱主向 福利計劃供款 RMB'000 人民幣千元		Allowance and benefits 津貼及福利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Mr. Fu Lin (i) 付琳先生(i)	1,108	—	—	—	—	1,108
Mr. Yue Zhiqiang 岳志強先生	1,108	—	—	—	—	1,108
Ms. Jiang Xiaohong 姜曉虹女士	426	—	—	—	—	426
Mr. Liu Chen 劉晨先生	845	67	15	—	—	927
Mr. Jesper Bjoern Madsen 麥奕鵬先生	1,406	—	—	81	—	1,487
Mr. Lee Kong Wai, Conway 李港衛先生	409	—	—	—	—	409
Mr. Wei Cheng, Kevin 蔚成先生	409	—	—	—	—	409
Mr. Wong Hak Kun 王克勤先生	1,278	—	15	—	—	1,293
	6,989	67	30	81	—	7,167

42 董事福利及權益

(A) 董事及主要行政人員酬金

各董事及主要行政人員截至二零一六年十二月三十一日止年度的薪酬載列如下：

42 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(A) Directors' and chief executive's emoluments (continued)

The remuneration of each Director and the chief executive for the year ended 31 December 2015 is set out below:

Name	Salary	Discretionary bonuses	Employer's contribution to a benefits scheme	Total
姓名	薪金	酌情花紅	僱主向福利計劃供款	總計
	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Mr. Yu Yiping, Wallace (ii) 俞一平先生 (ii)	1,009	—	12	1,021
Mr. Fu Lin (i) 付琳先生 (i)	1,042	—	—	1,042
Mr. Yue Zhiqiang 岳志強先生	1,042	—	—	1,042
Ms. Mu Chunhua (iii) 牟春華女士 (iii)	267	—	—	267
Ms. Jiang Xiaohong 姜曉虹女士	401	—	—	401
Mr. Liu Chen 劉晨先生	779	16	14	809
Mr. Jesper Bjoern Madsen 麥奕鵬先生	838	—	—	838
Mr. Lee Kong Wai, Conway 李港衛先生	385	—	—	385
Mr. Wei Cheng, Kevin 蔚成先生	385	—	—	385
Mr. Wong Hak Kun 王克勤先生	1,202	—	16	1,218
	7,350	16	42	7,408

(i) Mr. Fu Lin is the Director and also the chief executive of the Company for both 2016 and 2015.

(ii) Resigned on 6 October 2015.

(iii) Resigned on 29 August 2015.

There was no remuneration or estimated money value of other benefits during the years ended 31 December 2016 and 2015.

42 董事福利及權益(續)

(A) 董事及主要行政人員酬金(續)

各董事及主要行政人員截至二零一五年十二月三十一日止年度的薪酬載列如下：

(i) 付琳先生於二零一六年及二零一五年兼任本公司董事及主要行政人員。

(ii) 於二零一五年十月六日辭任。

(iii) 於二零一五年八月二十九日辭任。

截至二零一六年及二零一五年十二月三十一日止年度，概無任何薪酬或其他福利之估計金錢價值。

42 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(B) Directors' retirement benefits

During the year ended 31 December 2016, no retirement benefits operated by the Group were paid or made, directly or indirectly, to or receivable by a Director in respect of his services as a Director or other services in connection with the management of the affairs of the Company or its subsidiaries (2015: nil).

(C) Directors' termination benefits

During the year ended 31 December 2016, no payments or benefits in respect of termination of Director's services were paid or made, directly or indirectly, to or receivable by a Director; nor are any payable (2015: nil).

(D) Consideration provided to third parties for making available Directors' services

During the year ended 31 December 2016, no consideration was provided to or receivable by third parties for making available Directors' services (2015: nil).

(E) Information about loans, quasi-loans and other dealings in favour of Directors, controlled bodies corporate by and connected entities with such Directors

There are no loans, quasi-loans or other dealings in favour of Directors, controlled bodies corporate by and connected entities with such Directors (2015: nil).

(F) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2015: nil).

42 董事福利及權益(續)

(B) 董事退休福利

截至二零一六年十二月三十一日止年度，概無直接或間接向董事派付或作出由本集團運營的退休福利，亦無就董事職務或有關本公司或其附屬公司之事務管理的其他服務向董事應付的退休福利(二零一五年：零)。

(C) 董事終止福利

截至二零一六年十二月三十一日止年度，概無就董事服務終止直接或間接向董事派付或作出任何款項或福利，董事亦無應收款項或福利及任何應付款(二零一五年：零)。

(D) 因董事服務向第三方提供的代價

截至二零一六年十二月三十一日止年度，並無因董事服務向第三方提供代價，第三方亦無應收代價(二零一五年：零)。

(E) 有關以董事、董事之受控制法團及關連實體為受益人的貸款、準貸款及其他交易的資料

概無以董事、董事之受控制法團及關連實體為受益人的貸款、準貸款或其他交易(二零一五年：零)。

(F) 董事於交易、安排或合約的重大權益

於年末或於年內任何時間，概無存續本公司作為訂約方且本公司董事於當中擁有重大權益(不論直接或間接)的與集團業務有關的重大交易、安排及合約(二零一五年：零)。

FIVE-YEAR FINANCIAL SUMMARY
五年財務概要

		For the year ended 31 December 截至十二月三十一日止年度				
		2016 二零一六年	2015 二零一五年	2014 二零一四年	2013 二零一三年	2012 二零一二年
Profitability data	盈利數據					
(RMB million)	(人民幣百萬元)					
Revenue	收入	868	832	773	787	682
Gross profit	毛利	520	502	484	576	555
Operating profit	經營利潤	393	363	460	529	479
Profit for the year	年度利潤	359	323	385	461	411
Profitability data (%)	盈利數據(%)					
Gross profit margin	毛利率	60%	60%	63%	73%	81%
Operating profit margin	經營利潤率	45%	44%	60%	67%	70%
Net profit margin	淨利潤率	41%	39%	50%	59%	60%
Return on total shareholders' equity	股東權益總額回報率	10%	10%	13%	17%	19%
Assets and liabilities data	資產與負債數據					
(RMB million)	(人民幣百萬元)					
Non-current assets	非流動資產	2,880	2,635	2,215	1,661	915
Current assets	流動資產	1,938	1,025	1,221	1,596	1,729
Current liabilities	流動負債	631	403	327	455	412
Non-current liabilities	非流動負債	693	60	158	72	30
Equity attributable to owners of the Company	本公司擁有人 應佔權益	3,123	2,878	2,678	2,497	2,202
Assets and Working Capital data	資產和流動資金數據					
Current assets ratios	流動資產比率	40%	28%	36%	49%	65%
Gearing ratios	資本負債比率	24.01%	5.89%	6.08%	6.69%	—

Note:

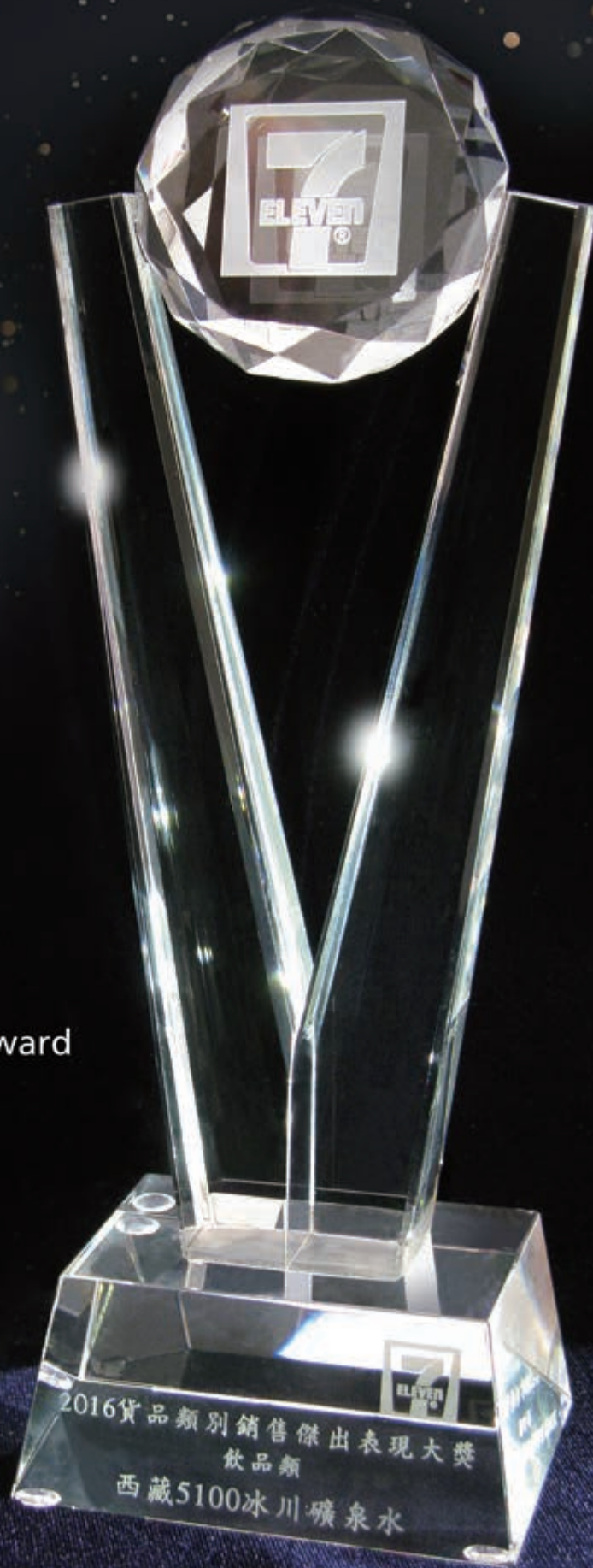
The summary above does not form part of the audited consolidated financial statements.

附註：

上述概要並不構成經審核綜合財務報表的一部分。



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