



Tibet Water Resources Ltd. **西藏水資源有限公司**

(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 2017 **年 報**





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STAKEHOLDERS INFORMATION

權益人資料

FINANCIAL CALENDAR

Announcement of 2017 final results	23 March 2018
2018 AGM	8 June 2018
Announcement of 2018 interim results (tentative)	August 2018
Announcement of 2018 final results (tentative)	March 2019

財務日誌

二零一七年全年業績公告	二零一八年三月二十三日
二零一八年股東周年大會	二零一八年六月八日
公佈二零一八年中中期業績(暫定)	二零一八年八月
公佈二零一八年全年業績(暫定)	二零一九年三月

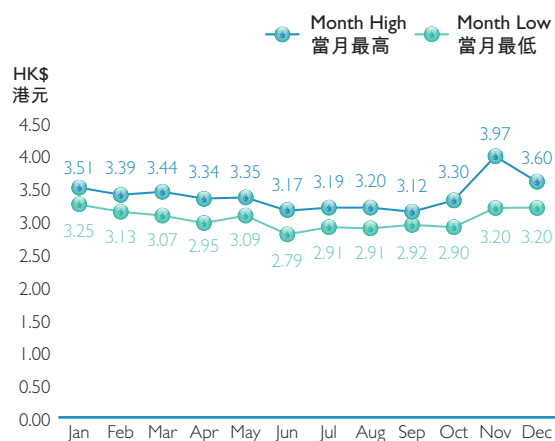
ANNUAL GENERAL MEETING 2018 ("2018 AGM")

The 2018 AGM will be held on Friday, 8 June 2018. The notice of the 2018 AGM, 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 2018 AGM 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>).

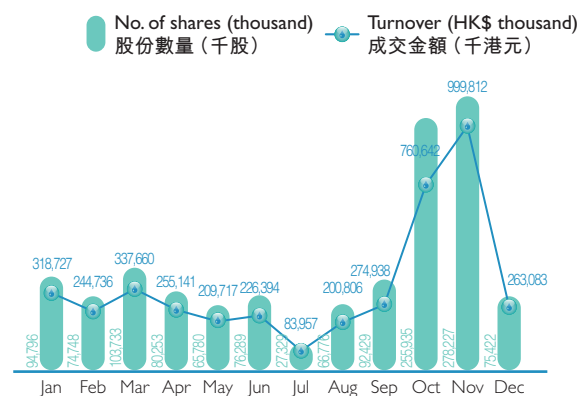
二零一八年股東周年大會(「二零一八年股東周年大會」)

二零一八年股東周年大會將於二零一八年六月八日(星期五)舉行。二零一八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、二零一八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 2017 price of the shares of the Company
2017年本公司股份股價一覽



Summary of 2017 turnover of the shares of the Company
2017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 2018 AGM:

Latest time to lodge transfer documents for registration 4:00 p.m. on 1 June 2018

Closure of register of members 4 June 2018 to 8 June 2018 (both dates inclusive)

Record date 4 June 2018

暫停辦理股份過戶登記手續

為確定股東出席二零一八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 二零一八年六月一日下午四時

暫停辦理股份過戶登記手續 二零一八年六月四日至二零一八年六月八日（首尾兩天包括在內）

記錄日期 二零一八年六月四日

JUNE 6月 2018						
MO	TU	WE	TH	FR	SA	SU
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

○ 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

PRODUCT PROFILE
產品簡介

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

UNIQUENESS • PURITY
獨特 • 純淨

5100[®] 格桑泉[®]



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

STRATEGIC COOPERATION
PRODUCT LHASA BEER
戰略合作產品拉薩啤酒

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



CORPORATE INFORMATION

公司資料

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

EXECUTIVE DIRECTORS

Mr. WANG Dong (*Chief Executive Officer*)

Mr. YUE Zhiqiang

Mr. LIU Chen

Mr. WONG Hak Kun

Ms. HAN Linyou

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

Christensen China Limited

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36 Hennessy Road, Wanchai, Hong Kong

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Fax: +852 2117 0869

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

王東先生(*行政總裁*)

岳志強先生

劉晨先生

王克勤先生

韓林攸女士

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

薛馮鄭岑律師行

投資者關係顧問

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**REGISTERED OFFICE**

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P.O. Box 2681, Grand Cayman, KY1-1111
Cayman Islands

**HEADQUARTERS AND PRINCIPAL PLACE OF
BUSINESS IN HONG KONG**

Umt 1611-12, 16th Floor, One Island South
2 Heung Yip Road, Wong Chuk Hang
Hong Kong

HONG KONG BRANCH SHARE REGISTRAR

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

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

香港
黃竹坑香葉道2號
One Island South 16樓1611-12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



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 2017.

FINANCIAL OVERVIEW 2017

2017 was a year with both opportunities and challenges for the Group and with mixed but overall satisfactory results in our various segments. Facing the very complex and volatile macroeconomic environment, the Group maintained focus on strengthening our business platform on a national basis, providing top quality water to our consumers through a strong product portfolio catering for all segments of the market throughout China and supplying our top-quality beers to consumers in Tibet Autonomous Region ("Tibet").

Overall our sales volume and revenue increased by 15% and 7% respectively versus 2016, however operating profit was almost unchanged versus 2016 and profit after tax increased slightly compared to the previous year. For further overview of the Group's financial performance, please see below.

本人謹代表本公司及其附屬公司(統稱「本集團」)欣然提呈截至二零一七年十二月三十一日止年度的年報。

2017 財務回顧

二零一七年對本集團而言是機遇與挑戰並存的一年，我們各業務分部的業績不同但總體令人滿意。面對複雜多變的宏觀環境，本集團持續專注加強全國運營平台建設，以我們強大的多元化產品系列在中國眾多細分市場上向我們的消費者提供高品質的水，以及在西藏自治區(「西藏」)向消費者提供高品質的啤酒。

總體來說，相比二零一六年，我們的銷量和營業收入分別增長了15%和7%，但是經營利潤維持不變，稅後利潤較上年略升。有關本集團進一步的財務表現概述請見下文。

SERVE THE BEST QUALITY PRODUCTS TO THE WORLD

During the reporting period, sales volume of our water products had a very robust increase for both the premium “Tibet 5100 Glacial Spring Water” and high quality “Gesang Spring” with a total volume increase of nearly 39% versus 2016, however this was not translated into an equivalent increase in profit largely due to difference in product mix, reduced government grants and higher selling expenses. However, the high-volume increase in sales reflected the success of our strategy as described below.

Over the past few years, we have succeeded in establishing a nationwide distribution platform for both our “Tibet 5100 Glacial Spring Water” and “Gesang Spring” products. On top of this, our partners across the country have further improved our high-quality distribution and management services, allowing regional distributors to utilize their expertise and network, which in turn enhanced the coverage and penetration rate of our products through both online sales, giving us valuable consumer insights, and offline sales to traditional and modern retail. The Group will work hard to modulate our strategy of online and offline retail channels to increase our sales effort. These efforts have laid a solid foundation for our growth both in 2017 and in the future.

The important institutional client base of our water business has also expanded steadily. Through strategic cooperation with institutional client distributors, our traditional bottled water and 12-Litres “5100 Family Soft Barrelled Water” products have attracted more and more office users among institutional customers, and we believe there is huge growth potential for both products.

In 2017, our products also achieved robust performances in the Hong Kong market. Our Diamond Series “Tibet 5100 Glacial Spring Water” recorded steady growth in both coverage in Hong Kong’s well-known convenience stores and supermarkets, and successfully established international branding image with HK’s international market status. While focusing on the sales performance, we also continued to promote our marketing campaigns in 2017 highlighting our characteristics of “Tibet Water Resources”. Our Diamond Series “Tibet 5100 Glacial Spring Water” has been sold in an increasing number at five-stars international hotels chains, airports, cinemas and sports and entertainment venues. We have also been working efficiently in reaching out to more target customers through sponsorships in key conferences, forums and high-end sports events, as well as on partnerships with leading airlines.

向全世界提供最好的產品

在報告期間，我們的水產品（包括「5100 西藏冰川礦泉水」和「格桑泉」）的銷量強勢增長，合計銷量比二零一六年增長了39%，但由於產品結構不同，政府補助減少以及更高的銷售費用，利潤並未同比增長。儘管如此，銷量的大幅增長反映了我們如下所述的策略是成功的。

在過去幾年中，我們已經建立了「5100 西藏冰川礦泉水」和「格桑泉」全國統一的經銷平台。在這個大平台之上，全國運營夥伴進一步提供良好的經銷服務和管理，各區域經銷商百花齊放，各施所長，使得我們的產品在線上（給我們帶來有價值的消費者理念）和線下傳統和現代零售渠道的覆蓋率和下沉深度增強。本集團將努力調整我們線上和線下零售渠道的戰略，以增強我們的銷售力量。這些努力為我們二零一七年和未來業績的增長奠定堅實基礎。

我們水業務重要的機構客戶也在穩步擴充。透過戰略合作的機構客戶經銷商，我們的傳統瓶裝水以及12L「5100 家庭裝軟瓶水」透過機構客戶吸引越來越多的辦公用戶，我們相信在這方面我們的產品增長潛力巨大。

二零一七年，我們的產品在香港市場的表現也更加突出。我們的鑽石系列「5100 西藏冰川礦泉水」在香港知名便利店體系的覆蓋率穩步增長，並成功借助香港的國際市場地位建立國際品牌形象。在注重銷售業績的同時，二零一七年，我們也繼續「西藏水資源」特色的市場推廣。我們的鑽石系列「5100 西藏冰川礦泉水」已進入越來越多的五星級國際連鎖酒店、機場、院線以及體育和娛樂場所。我們也通過贊助重要會議、論壇以及高端體育項目，與知名航空公司合作，更高效地接觸更多的目標客戶。

In 2017, “Easy Joy • Zhuoma Spring” which is produced by our associated company, Tibet Highland Natural Water Limited (“**Highland Natural Water**”) and distributed in China Petroleum & Chemical Co., Ltd (“**Sinopec**”) gas stations, maintained its growth momentum with a volume increase of 22% versus 2016. While providing a stable investment return to the Group, such collaboration also brought a high-quality distribution network and enhanced the Group's ability to cooperate with large distribution chains.

Our beer business segment, where we are selling our premium “Green Barley Beer” series and our strategic collaborative product “Lhasa Beer”, remained stable in 2017 with a slight decrease in operating revenue and sales volume yet its profit increased comparing with 2016 and generated healthy profit margins. At the end of 2017, we acquired the remaining 35% equity interest in Tibet Tiandi Green Beverage Development Co., Ltd., taking 100% control of the beer business and laying a solid foundation for the Group to expand its beer business sales through channels outside of Tibet. Now, our Green Barley Beer has entered the Sinopec's system and will be sold throughout the country.

OUR SOCIAL RESPONSIBILITY

It has always been a top priority for our Group to operate with due consideration and respect to the pristine environment in which we are manufacturing our products. We have established a “water protection zone” of 60 square kilometers around our water source, and we adhere to a strict quality control system in every stage of our operation process, from water source management, sourcing of raw materials and processing and packaging to storage and delivery.

Moreover, in 2017, we also continued to support initiatives for the conservation and protection of water sources and the environment in Tibet and participated in a variety of “water conservation” and other charitable activities in Tibet, such as establishing our “5100 Tibet Education Development Specialty Grant”. Furthermore, we continued to support “The 6 River Run” campaign of the “Run4Water” programme in 2017, which was initiated and run by Ms. Mina Guli, founder of the nonprofit organization “Thirst” which initiate activities to promote the saving of water in many countries.

二零一七年，我們的關聯公司西藏高原天然水有限公司（「**高原天然水**」）生產的「易捷·卓瑪泉」在中國石油化工股份有限公司（「**中石化**」）的加油站渠道內的分銷能力繼續保持增長的趨勢，銷量較二零一六年增長22%。在為本集團提供穩定投資收益的同時，通過該等合作，也為本集團帶來優質的渠道資源和積累了豐富的合作經驗。

我們啤酒業務，即我們的高端「青稞啤酒」系列和戰略合作產品「拉薩啤酒」，在二零一七年的業績保持穩定，營業收入和銷量略有下降，但它的利潤比二零一六年有增長和良好的利潤率。二零一七年末，我們收購了西藏天地綠色飲品發展有限公司剩餘35%的股份，至此100%控股啤酒業務，為未來在集團層面與西藏外渠道資源合作，開展啤酒銷售，奠定了基礎。現在，我們的青稞啤酒已進入中石化系統，將在全國展開銷售。

我們的社會責任

本集團一直關注和尊重我們生產所處的原生環境，並將此視為頭等大事。在我們水源地周圍，我們建立起了60平方千米的水源保護區，在我們運營的每個環節，從水源管理，原材料來源，生產，包裝以及倉儲和運輸，我們都遵循嚴格的質量控制體系。

不僅如此，二零一七年，我們繼續堅持西藏水資源和環境的保護，積極參與「節水愛水」活動，以「西藏5100教育發展專項基金」為依託開展各種形式的公益行動。同時，我們繼續支持非盈利團體「渴望宣言」創始人Mina Guli女士倡導的2017「六大河流，為水而跑」活動，該團體在許多國家發起倡導節水活動。



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. Our case of “industry targeted poverty alleviation” was recorded in a book titled “Targeted Poverty Alleviation, Chinese Solution” which was considered and referenced by China’s government departments responsible for lifting poverty, in recognition of our efforts in poverty alleviation. This marked another encouraging milestone for us after being featured in the United Nations Development Programme (UNDP) “2016 China National Human Development Report”. We remain committed to improving the lives of people in Tibet, and we look forward to further promoting economic and cultural development in the surrounding areas.

ON OUR PROSPECTS

Looking ahead in 2018 and beyond, we believe that there exists big potential for growing our brands further. The global trend of moving towards organic and more unique food products favor our product portfolio which is characterized by the high quality and purity of our water and beer products. Leveraging on this strong product platform, we will continue to pursue our segmentation strategy and further develop and strengthen our distribution penetration through established and new partnerships. Also, we will seek to further strengthen our organization both qualitatively and quantitatively. We will continue to further build and strengthen our brand image through a mix of marketing activities. So far, our beer business’s sale is focused entirely in Tibet. We believe our beer products with their unique character and high quality have significant potential if launched for sale on a national basis, a project which will become our priority in 2018. Our Group also has potential to develop other beverage products with “Tibetan characteristics” which we are looking further into.

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 continuing our positive performance in the years to come.

Mr. Jesper Bjoern MADSEN
Chairman

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，並同時喚起對我們所運營的原生態環境的尊重意識。我們的「產業精準扶貧」案例獲錄入到一本供中國政府扶貧工作者參閱的書中——《精準扶貧，中國方案》，是繼聯合國開發計劃《2016中國人類發展報告》後又一次獲得權威機構認可。我們將致力於改善西藏人民的生活，進一步發展周邊地區的經濟和文化。

我們的前景

展望二零一八年，我們相信，我們的品牌有巨大的發展潛力。全球對於有機和更獨特食品產品的青睞的趨勢將利好於我們的產品組合，即高品質和純淨的水和啤酒產品。為進一步開拓強大的產品平台，我們將繼續細分市場戰略，透過已經建立和新的合作夥伴，進一步發展和壯大我們的分銷深度。我們將從質和量上進一步壯大我們的架構。我們將透過一系列市場活動建立和加強我們的產品形象。迄今為止，我們的啤酒產品主要在西藏銷售，我們相信，以我們啤酒產品的獨特性和高品質，其在全國銷售將有很大潛力，相關項目在二零一八年將優先考慮。我們也將進一步尋找發展「西藏特色」的其他飲料產品的可能性。

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

FINANCIAL HIGHLIGHTS

財務摘要

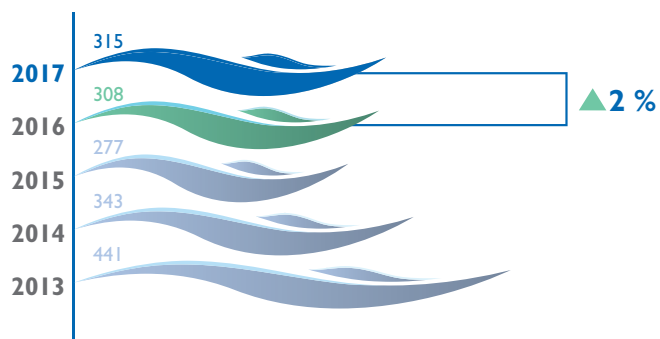
		Year ended 31 December 截至十二月三十一日止年度		
		2017 二零一七年	2016 二零一六年	Change 變動
Revenue (RMB million)	收入(人民幣百萬元)	932	868	↑ 7%
Profit attributable to the owners of the Company (RMB million)	本公司擁有人應佔利潤 (人民幣百萬元)	315	308	↑ 2%
Earnings per share – Basic and diluted (RMB cents)	每股盈利 – 基本及攤薄(人民幣分)	12.32	11.98	↑ 3%
Sales Volume (in tonnes)	銷售量(噸)	128,616	112,086	↑ 15%
Gross profit margin	毛利率	59%	60%	↓ 1 % point 百分點
Average selling price per tonne (RMB'000)	平均每噸售價 (人民幣千元)	6.4	7.0	↓ 9%

		As at 31 December 於十二月三十一日		
		2017 二零一七年 (RMB million) (人民幣百萬元)	2016 二零一六年 (RMB million) (人民幣百萬元)	Change 變動
Total assets	資產總額	4,549	4,818	↓ 6%
Equity attributable to owners of the Company	本公司擁有人應佔權益	3,174	3,123	↑ 2%

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)



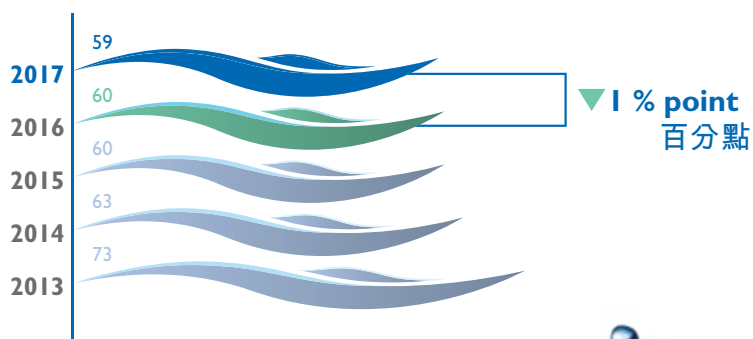
Earnings per share-basic and diluted (RMB cents)
每股盈利 - 基本及攤薄(人民幣分)




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



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

In 2017, we continued our endeavors in supplying high quality products and premium services to our customers.

In 2017, the market continued to be characterized by strong competition and a challenging economic environment, which had a general impact on premium products. Nevertheless, the Group has continued to increase its total sales volume and revenue in 2017 by 15% and 7%, respectively, in comparison with 2016, as a result of the continuing development of the water business.

Sales volume and revenue of our water products, including “Tibet 5100 Glacial Spring Water” (“**5100 Glacial Water**”) and “Gesang Spring” products, increased by 39% and 18%, respectively, in comparison with last year, which was largely due to deep penetration and distribution in the retail channels and increasing sales to institutional clients covering more office sites. Our “Easy Joy • Zhuoma Spring” sold by our associate, Highland Natural Water, saw a continuing increase in popularity at Easy Joy convenience stores at Sinopec gas stations throughout China. The Group’s share of post-tax profits of Highland Natural Water slightly decreased by 3% from last year.

業務回顧

在二零一七年，我們持續致力為客戶提供高品質的產品和優質的服務。

雖然面對著繼續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，本集團仍能繼續發展水業務，將二零一七年的銷售量和收入同比增加了15%和7%。

水業務分部的銷售量和收入，包括了「5100 西藏冰川礦泉水」(「**5100 冰川水**」)和「格桑泉」品牌產品，比去年上升了39%和18%，主要由於零售管道的深度滲透和分銷，以及通過機構客戶覆蓋更多的辦公場所從而帶來了銷售的增長。我們的聯營公司高原天然水的聯標產品「易捷 • 卓瑪泉」繼續在中石化全國加油站的易捷便利店上熱銷。與去年相比，本集團的應佔高原天然水除稅後利潤微減了3%。





Our water products have been sold throughout the Mainland China and Hong Kong, and retail distributors and institutional clients constituted our major customer base. As at 31 December 2017, in Mainland China, the geographical coverage of our water products in retail channels had covered more than 100 cities, and the sales outlets in offline retail channels, such as supermarkets, convenience stores, cinemas, hotels, airports, restaurants, and health and entertainment venues, had exceeded 15,000.

Due to the strong competition in the relatively limited market in Tibet, both sales volume and revenue of our beer products slightly decreased by 6% in comparison with last year; however the gross profit margin maintained the same satisfactory level as last year. In 2017, our beer products were sold in Tibet mainly through retail channels including supermarkets, convenience 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.

FINANCIAL REVIEW

REVENUE

The total sales of the Group amounted to RMB932 million, representing an increase of RMB64 million or 7% in comparison with 2016.

The revenue generated from our water business segment was RMB570 million, representing an increase of 18% in comparison with 2016, contributed by the increase of sales of water products and sales of bottle preforms and caps. Among the water products, revenue of our “5100 Glacial Water” in 2017 increased by 14% in comparison with 2016; and revenue of our “Gesang Spring” products increased by 47% in comparison with 2016.

The revenue generated from our beer business segment was RMB362 million, representing a slight decrease of 6% in comparison with 2016.

SALES VOLUME

The total sales volume of the Group amounted to 128,616 tonnes (2016: 112,086 tonnes), and consisted of 71,990 tonnes (2016: 51,630 tonnes) from our water products and 56,626 tonnes (2016: 60,456 tonnes) from our beer products.

我們的水產品已經在中國大陸和香港銷售，零售經銷商及機構客戶構成了我們主要的客戶群。於二零一七年十二月三十一日，在中國大陸，我們的水產品的零售渠道的地域範圍已經覆蓋了多於100個城市，和在線下零售渠道的零售銷售網點，例如超市、便利店、電影院、酒店、機場、餐廳和健康娛樂場所已超過15,000個。

雖然面對著西藏相對有限的市場和有著激烈的競爭，在二零一七年，我們的啤酒產品銷量和收入與去年相比兩者微降了6%，而毛利率則能維持與去年相同的滿意水平。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銷售。在西藏區內及區外的收入佔啤酒產品總收入的比重分別保持在98%及2%。

財務回顧

收入

本集團的總銷售額為人民幣9.32億元，相比二零一六年的總銷售額增加了人民幣6,400萬元或7%。

水業務分部的銷售額為人民幣5.70億元，相比二零一六年增加了18%，主要是因為水產品銷售額和瓶坯瓶蓋銷售額的增加造成。在水產品中，「5100冰川水」的收入在二零一七年比二零一六年上升了14%；而「格桑泉」產品的收入與二零一六年相比增長了47%。

啤酒業務分部的銷售額為人民幣3.62億元，相比二零一六年微降了6%。

銷量

在二零一七年，本集團的總銷量為128,616噸（二零一六年：112,086噸），包括71,990噸（二零一六年：51,630噸）水產品銷量和56,626噸（二零一六年：60,456噸）啤酒產品銷量。



The overall sales volume of our water products increased by 39% in comparison with that of 2016; sales volume of our “5100 Glacial Water” in 2017 increased by 34% in comparison with 2016; and sales volume of our “Gesang Spring” products increased by 56% in comparison with 2016.

The sales volume of our beer products slightly decreased by 6% in comparison with that of 2016.

AVERAGE SELLING PRICE

The average selling price fluctuated along with the change of our products mix. The average selling price of our water products decreased by 16% from RMB7,657 per tonne in 2016 to RMB6,463 per tonne in 2017. The average selling price of our beer products remained stable from RMB6,346 per tonne in 2016 to RMB6,393 per tonne in 2017.

我們水產品的總銷量比二零一六年增加39%，我們「5100冰川水」的銷售量同比增長了34%，而我們「格桑泉」產品的銷量同比增長56%。

啤酒產品銷量比二零一六年微降了6%。

平均售價

平均售價會隨著我們的產品結構的變化而波動。二零一七年我們水產品的平均售價為每噸人民幣6,463元，較二零一六年的每噸人民幣7,657元下降了16%。二零一七年我們啤酒產品的平均售價為每噸人民幣6,393元，與二零一六年的每噸人民幣6,346元相約。



GROSS PROFIT MARGIN

The gross profit margin of the water business segment is 65%, in comparison with 69% in 2016, and such decrease was mainly attributable to the change in mix of the sales of products in the water business segment. The gross profit margin of the beer business segment is 49%, which is same as in 2016. The overall gross profit margin of the Group is 59%, and has remained stable in comparison with 60% in 2016.

SELLING AND DISTRIBUTION EXPENSE AND ADMINISTRATIVE EXPENSES

In 2017, the selling and distribution expense increased by 17% to RMB120 million from RMB103 million in 2016, mainly due to the increase in transportation costs as the sales volume of the water products increased. The administrative expenses increased by 8% from RMB79 million in 2016 to RMB85 million in 2017, in line with the growth and development of the business.

OTHER NET GAINS

Other net gains mainly included government grants and gain on disposal of AFS.

The government grants decreased by 44% from RMB45 million in 2016 to RMB25 million in 2017. Such fluctuation was caused mainly by the timing of the approval of the grants by 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 is 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 they will be received and the Group will comply with all associated conditions. According to the latest policies implemented by the Tibet government, we received the government grants in 2017 and will continue to receive them in future.

In 2017, the gain on disposal of AFS increased by approximately 100% from RMB10 million in 2016 to RMB20 million, as more available-for-sale structured financial products were bought and disposed of in 2017.

毛利率

水業務分部的毛利率為65%，相比二零一六年的69%下降主要是因為水業務分部的水產品銷售結構變化所致。啤酒業務分部的毛利率為49%，與二零一六年持平。本集團的總毛利率為59%，與二零一六年的60%相約。

銷售及分銷費用和行政費用

在二零一七年，銷售及分銷費用從二零一六年的人民幣1.03億元增加了17%至人民幣1.20億元，主要是由於水產品的銷量增加以致運輸成本增加。行政費用從二零一六年的人民幣7,900萬元增加了8%至二零一七年的人民幣8,500萬元，這符合業務的增長及發展。

其他淨利得

其他淨利得主要包括政府補助、可供出售金融資產的處置利得。

政府補助收入由二零一六年的人民幣4,500萬元下降了44%至二零一七年的人民幣2,500萬元，這波幅是由於地方政府批准撥款的時間性所致。由於我們的主要生產過程在西藏完成，故不時享有政府相關的扶持補助。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，且對取得政府補助有合理保證時確認相關政府補助收入。根據西藏政府施行的最新政策，我們在二零一七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。

在二零一七年，由於購買和處置了更多的可供出售結構性金融產品，可供出售金融資產的處置利得由二零一六年的人民幣1,000萬元上升了約100%至二零一七年的人民幣2,000萬元。

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 2017, 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 RMB28 million, a slight decrease of 3% in comparison with 2016.

The sales volume and revenue in respect of Highland Natural Water in 2017 were approximately 221,394 tonnes and RMB461 million, respectively, representing an increase of 22% and a slight decrease of 2%, respectively, compared to those in 2016. Such fluctuations were results of the promotion in terms of volume discount for the sales of "Easy Joy • Zhuoma Spring" at Easy Joy convenience stores at Sinopec gas stations throughout China.

FINANCE NET COSTS

In 2017, the Group incurred finance costs of RMB38 million and gained finance income of RMB28 million. Compared to 2016, finance costs in 2017 decreased by RMB2 million, mainly due to (i) the increase approximately of RMB15 million in interest costs on convertible bonds issued by the Company, and (ii) the increase of RMB2 million interest costs on borrowings from banks, which were offset by (a) the decrease of RMB11 million in exchange loss, and (b) the one-off fair value loss of RMB8 million relating to the convertible bond issued in 2016. Finance income increased by RMB7 million mainly due to the increase in interest-bearing loans to third parties.

INCOME TAX EXPENSE

The income tax expense decreased by RMB1 million or 2% from RMB42 million in 2016 to RMB41 million in 2017. The effective tax rate in 2017 and 2016 was 10%.

PROFIT FOR THE YEAR

The profit for the year increased by RMB9 million or 2% from RMB359 million in 2016 to RMB368 million in 2017. The operating profit remained stable from last year and the finance net cost decreased by RMB9 million, resulting the increase in profit for the year.

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。在二零一七年，本集團對高原天然水40%的權益產生了人民幣2,800萬元的應佔聯營公司除稅後利潤，較二零一六年微減了3%。

在二零一七年，高原天然水的銷量和銷售額分別約為221,394噸和人民幣4.61億元，較二零一六年分別增長了22%和微降了2%，此等波動乃於「易捷•卓瑪泉」在全國中石化加油站易捷便利店上以銷量折扣形式促銷之銷售結果。

財務費用淨額

在二零一七年，本集團支出了人民幣3,800萬元財務費用及獲得了人民幣2,800萬元財務收益。與二零一六年比較，二零一七年的財務費用減少了人民幣200萬元，主要是(i)本公司發行的可換股債券的利息增加了約人民幣1,500萬元及(ii)銀行借款的利息費用增加了人民幣200萬元，並與(a)為人民幣1,100萬元的匯兌損失的減少和(b)二零一六年發生了與發行可換股債券有關的公允價值人民幣800萬元的損失相抵。財務收益增加了人民幣700萬元，主要是由於對第三方生息貸款的增加所致。

所得稅費用

所得稅費用自二零一六年的人民幣4,200萬元減少了人民幣100萬元或2%至二零一七年的人民幣4,100萬元。二零一七年和二零一六年的有效稅率為10%。

年度利潤

年度利潤自二零一六年的人民幣3.59億元增加了人民幣900萬元或2%至二零一七年的人民幣3.68億元。經營利潤能保持與去年相比穩定的水平和財務費用淨額減少了人民幣900萬元，以至本年度的利潤上升。



PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

Profit attributable to owners of the Company increased by RMB7 million from RMB308 million in 2016 to RMB315 million in 2017, which was in line with the increase in profit for the year as described above.

FINANCIAL POSITION

As at 31 December 2017, net trade receivables of the Group amounted to RMB235 million compared to RMB194 million as at 31 December 2016. The increase was mainly attributable to the loan receivable due from third parties of RMB37 million. Up to 23 March 2018, RMB43 million had been further collected, resulting in further reduction in our trade receivables.

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 the 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 problem in recovering its trade receivables from its major debtors. In 2017, the Group did not recognize any additional provision for impairment loss of trade receivables (2016: provision of RMB2 million) and wrote off approximately RMB1.96 million provision recognised in prior year (2016: nil).

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二零一六年的人民幣3.08億元增加了人民幣700萬元至二零一七年的人民幣3.15億元，該波動與上述年度利潤的增幅一致。

財務狀況

於二零一七年十二月三十一日，本集團應收貿易款淨額為人民幣2.35億元，於二零一六年十二月三十一日為人民幣1.94億元。其上升主要歸因於應收第三方借款為人民幣3,700萬元。其中人民幣4,300萬元已於二零一八年三月二十三日之前收回，以致進一步減少我們的應收貿易款。

本集團透過會議及電話對話與我們的主要債務人定期聯絡，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問題。在二零一七年，本集團沒有就應收貿易款作新增的壞賬撥備(二零一六年：計提為200萬元)和註銷了在以前年度為人民幣約196萬元的撥備(二零一六年：無註銷撥備)。

As at 31 December 2017, inventories of the Group amounted to RMB76 million compared to RMB68 million as at 31 December 2016. The increase was mainly attributable to an increase in raw materials inventories.

As at 31 December 2017, prepayments (including current and non-current) of the Group decreased to RMB187 million from RMB256 million as at 31 December 2016. The decrease was mainly attributable to the decrease of approximately RMB52 million of prepayment made for purchase of raw materials, services and equipment and the decrease of RMB17 million of prepayment for investment in a third party.

As at 31 December 2017, other receivables and other assets of the Group amounted to RMB175 million compared to RMB250 million as at 31 December 2016. Among other receivables, as at 31 December 2017, the amounts due from third parties amounted to RMB140 million, and up to 23 March 2018, all had been further collected from the third parties, resulting in further reduction in our other receivables.

於二零一七年十二月三十一日，本集團的存貨為人民幣7,600萬元，而於二零一六年十二月三十一日為人民幣6,800萬元。其上升的主要原因來自於原材料存貨的上升。

於二零一七年十二月三十一日，本集團的預付款項(包括流動和非流動)由二零一六年十二月三十一日的人民幣2.56億元減少至人民幣1.87億元。該減少主要是因為購買原材料、服務和設備的預付款項減少了約人民幣5,200萬元和投資於第三方的預付款項減少了人民幣1,700萬元。

於二零一七年十二月三十一日，本集團其他應收款及其他資產金額為人民幣1.75億元，而於二零一六年十二月三十一日則為人民幣2.50億元。於二零一七年十二月三十一日，在其他應收款中，應收第三方款項為人民幣1.40億元，已於二零一八年三月二十三日之前全部收回，以致進一步減少我們的其他應收款。





As at 31 December 2017, AFS (including current and non-current) of the Group increased to RMB241 million compared to RMB186 million as at 31 December 2016, which was mainly attributable to the acquisition of 0.48% equity interests of a company.

As at 31 December 2017, cash and cash equivalents of the Group decreased by RMB212 million, which was mainly attributable to the cash inflows from operating activities of RMB482 million, cash inflows from investing activities of RMB36 million, cash outflows for financing activities of RMB711 million and exchange loss of RMB19 million. The cash inflows from investing activities of RMB36 million in 2017 mainly included the net cash inflows for amounts received from and paid to third parties and a related party of RMB32 million, the net cash inflows from loan and repayments of loans granted to third parties approximately of RMB31 million, offset by the purchase of PP&E of RMB18 million and the net cash outflows for purchases and disposal of AFS approximately of RMB9 million. The cash outflows for financing activities of RMB711 million in 2017 mainly included net cash outflows for bank borrowings of RMB228 million and payment of interest for convertible bond of RMB27 million, payments for shares purchased for the share award scheme of RMB159 million, and the cash outflows for transaction with non-controlling interests of RMB297 million.

As at 31 December 2017, trade payables of the Group amounted to RMB93 million compared to RMB78 million as at 31 December 2016. The increase was mainly attributable to the effective management of trade payables.

As at 31 December 2017, the current portion of deferred revenue and advances received from customers of the Group amounted to RMB27 million compared to RMB15 million as at 31 December 2016. Deferred revenue of unredeemed but effective Water Cards increased approximately by RMB5 million and advances received from customers increased by RMB7 million, mainly leading to an overall increase in the total amount of the current portion of deferred revenue and advances received from customers.

於二零一七年十二月三十一日，本集團可供出售金融資產(包括流動和非流動)增加至人民幣2.41億元，而於二零一六年十二月三十一日則為人民幣1.86億元，主要因為收購一家公司0.48%的權益。

於二零一七年十二月三十一日，本集團的現金及現金等價物減少了人民幣2.12億元，主要是由經營活動產生的現金流入人民幣4.82億元，投資活動產生的現金流入人民幣3,600萬元，籌資活動產生的現金流出人民幣7.11億元以及滙兌損失人民幣1,900萬元。在二零一七年，投資活動產生的現金流入人民幣3,600萬元主要包括與第三方及一名關聯方資金往來產生的淨現金流入人民幣3,200萬元，及向第三方借款產生的淨現金流入約人民幣3,100萬元，與購買物業、廠房及設備等人民幣1,800萬元，和購買和處置可供出售金融資產產生的淨現金流出約人民幣900萬元相抵。在二零一七年，籌資活動產生的現金流出人民幣7.11億元主要包括銀行借款產生淨現金流出人民幣2.28億元，有關可換股債券的票息付款為人民幣2,700萬元，支付以股份獎勵計劃購買的股份為人民幣1.59億元，以及與非控股權益交易產生的現金流出人民幣2.97億元。

於二零一七年十二月三十一日，本集團的應付貿易款為人民幣9,300萬元，而於二零一六年十二月三十一日為人民幣7,800萬元。其上升主要歸因於對應付貿易款的有效管理。

於二零一七年十二月三十一日，本集團的遞延收入及預收客戶款項的流動部分為人民幣2,700萬元，而於二零一六年十二月三十一日為人民幣1,500萬元。有關未兌付但有效水卡的遞延收入上升了約人民幣500萬元和預收客戶款上升了人民幣700萬元，這主要致使遞延收入及預收客戶款的流動部分的總額總體上升。



As at 31 December 2017, accrual and other payables of the Group increased by RMB269 million, which was mainly attributable to the increase in payables for investing in a subsidiary of RMB239 million, salary payables and welfare payables of RMB3 million, increase in payables for value added tax and other taxes of RMB15 million, the increase in accrued operating expense of RMB7 million, and the increase in other payables to third parties of RMB5 million.

As at 31 December 2017, the bank borrowings (including current and non-current) of the Group decreased by RMB215 million, which was mainly attributable to bank borrowings received which principal amounted to RMB186 million and repayment of bank borrowings which principal amounted to RMB401 million in 2017.

EMPLOYEES

As at 31 December 2017, the total number of employees of the Group was approximately 452 compared to 439 as at 31 December 2016. Relevant staff cost was RMB75 million in 2017, compared to RMB73 million in 2016. The fluctuation in staff cost was mainly attributable to the improvement of business and human resources structure during 2017.

於二零一七年十二月三十一日，本集團的預提費用及其他應付款項增加了人民幣2.69億元，主要是由於應付附屬公司投資款增加了為人民幣2.39億元，僱員成本和應付福利款項增加了人民幣300萬元，應付增值稅及其他稅款項增加了人民幣1,500萬元，預提營運費用增加了人民幣700萬元以及其他應付第三方款項增加了人民幣500萬元。

於二零一七年十二月三十一日，本集團的銀行借款(包括流動和非流動)減少了人民幣2.15億元，主要是由於二零一七年借入銀行借款本金人民幣1.86億元以及歸還銀行借款本金人民幣4.01億元。

員工

於二零一七年十二月三十一日，本集團員工總數約為452人，於二零一六年十二月三十一日約為439人。在二零一七年，有關僱員成本為人民幣7,500萬元，而二零一六年僱員成本為人民幣7,300萬元。僱員成本的波動主要是由於在二零一七年期間的業務和人力資源結構的改善所影響。



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 2017 and 31 December 2016, the gearing ratios of the Group were 21.38% and 24.01%, respectively.

SHARE-BASED PAYMENTS

On 16 December 2015, the Company granted share options to China Distribution and Logistics Company Ltd. ("**China Distribution**", an independent customer). 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. If these options are exercised, the shares subscribed will account for approximately 1% of the total number of ordinary shares of the Company. As at 31 December 2017, the 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 reduction of revenue relating to the sales incentive under the share option scheme was recorded during the year ended 31 December 2017 (2016: nil).

MERGER AND ACQUISITION

The Group acquired 35% equity interests in Tiandi Green on 21 December 2017 at cost of RMB536 million (including the consideration and relevant transaction costs of RMB2 million). Upon completion of the transaction, the Group held 100% equity interests of Tiandi Green and Tiandi Green became an indirect wholly-owned subsidiary of the Company.

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。於二零一七年十二月三十一日及於二零一六年十二月三十一日，本集團的負債比率為21.38%及24.01%。

股份基礎給付

於二零一五年十二月十六日，本公司向一個獨立客戶中進企業有限公司(「**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，如若這些認股權得以行使，認購股份將佔本公司普通股總數約1%。於二零一七年十二月三十一日，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，並得出結論認為這三年期間內無法滿足任何歸屬條件。因此，於二零一七年十二月三十一日止年度內，沒有錄得與購股權計劃中銷售激勵相應收入抵減(二零一六年：無)。

兼併與收購

於二零一七年十二月二十一日，本集團以RMB5.36億元(包括了代價和為人民幣200萬元的相關交易成本)收購了天地綠色的35%權益，本集團持有天地綠色100%的權益，而天地綠色成為本公司的非直接全資附屬公司。

SIGNIFICANT INVESTMENTS

In 2017, the Group invested RMB58 million in CRE, representing 0.48% of its total equity. Furthermore, the Group acquired PP&E of approximately RMB42 million (2016: approximately RMB18 million). Regarding the future development and outlook of the Group, please refer to the section headed “Outlook” in the “Management Discussion and Analysis” section.

CAPITAL COMMITMENTS

As at 31 December 2017, the Group committed to purchase PP&E of approximately RMB117 million (31 December 2016: RMB113 million), and equity investment of RMB13 million (31 December 2016: RMB54 million). Regarding the future development and outlook of the Group, please refer to the section headed “Outlook” in this “Management Discussion and Analysis” section.

CHARGES

As at 31 December 2017, a bank loan with principal amount of RMB200 million (31 December 2016: RMB200 million) of the Group was secured by its factory plant with net book value of RMB68 million (31 December 2016: RMB72 million) and land use rights with net book value of RMB29 million (31 December 2016: RMB30 million); and a bank loan with principal amount of RMB66 million (31 December 2016: RMB66 million) of the Group was secured by its factory plant with net book value of RMB33 million (31 December 2016: RMB35 million) and land use rights with net book value of RMB1 million (31 December 2016: RMB1 million). As at 31 December 2017 and 31 December 2016, the convertible bond was secured by the entire issued shares of Wealth Keeper Limited, a wholly-owned subsidiary of the Group.

重大投資

在二零一七年，本集團投資人民幣5,800萬元於中鐵快運，佔其股權總額比例為0.48%。另外，本集團購買物業、廠房及設備約為人民幣4,200萬元(二零一六年：約人民幣1,800萬元)。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

於二零一七年十二月三十一日，本集團已承諾購買物業、廠房及設備約為人民幣1.17億元(二零一六年十二月三十一日：人民幣1.13億元)，以及承諾股權投資人民幣1,300萬元(二零一六年十二月三十一日：人民幣5,400萬元)。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。

抵押

於二零一七年十二月三十一日，本集團的一筆本金為人民幣2億元的銀行借款(二零一六年十二月三十一日：人民幣2億元)以賬面淨值為人民幣6,800萬元的本集團工廠廠房(二零一六年十二月三十一日：人民幣7,200萬元)以及賬面淨值為人民幣2,900萬元的土地使用權作抵押(二零一六年十二月三十一日：人民幣3,000萬元)；本集團的一筆本金為人民幣6,600萬元的借款(二零一六年十二月三十一日：人民幣6,600萬元)以賬面淨值為人民幣3,300萬元的本集團工廠廠房(二零一六年十二月三十一日：人民幣3,500萬元)以及賬面淨值為人民幣100萬元的土地使用權作抵押(二零一六年十二月三十一日：人民幣100萬元)。於二零一七年十二月三十一日及二零一六年十二月三十一日，可換股債券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。



CONTINGENT LIABILITIES

As at 31 December 2017, the Group did not have contingent liabilities (31 December 2016: RMB260 million).

FOREIGN EXCHANGE RISK

The Group adopts a conservative approach to cash management and risk control. The Group mainly operates in the People's Republic of China ("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 2017, 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 consolidated 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.

PRODUCTION CAPACITY

The annual water production capacity and annual beer production capacity for the year ended 31 December 2017 were approximately 300,000 tonnes and 200,000 tonnes, respectively (for the year ended 31 December 2016: approximately 300,000 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.

或然負債

於二零一七年十二月三十一日，本集團沒有或然負債(二零一六年十二月三十一日：人民幣2.60億元)。

外匯風險

本集團採用審慎方針管理現金及控制風險。本集團主要在中華人民共和國(「中國」)營運，大部分的商業交易皆以人民幣為計算單位。惟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其外匯風險。在二零一七年期間，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，已對本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綜合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。

產能

截至二零一七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(截至二零一六年十二月三十一日止年度：分別約為300,000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。

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 571 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 2017, 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.

ENVIRONMENTAL 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.

Our production facility generates and/or discharges wastes including 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.

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」)、聯交所證券上市規則(「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。於截止二零一七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，防止任何潛在污染。

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。



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.

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.

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。

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。

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.

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14.72億港元(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 2017 Utilized net proceeds 於二零一七年 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 2017 Unutilized net proceeds 於二零一七年 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 toward promotional activities	用作擴大經銷網絡及宣傳推廣活動	206	177
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	177

Up to 31 December 2017, the Group has utilized net proceeds amounting to HKD133 million, HKD29 million, HKD1,092 million and HKD41 million (i) for expanding our production capacity; (ii) for expanding our distribution network and towards promotional activities; (iii) for mergers and acquisitions that complement our existing business; and (iv) as working capital and for other general corporate purposes, respectively. The remaining net proceeds were deposited in reputable financial institutions.

於二零一七年十二月三十一日，本集團已運用了1.33億港元、2,900萬港元、10.92億港元及4,100萬港元的所得款項淨額分別：(i) 用作擴大生產能力；(ii) 用作擴大經銷網絡及宣傳推廣活動；(iii) 用作能補充我們現有業務的合併與收購；及(iv) 用作營運資金其他一般企業用途，而餘下的所得款項淨額已存入信譽良好的金融機構。

FINAL DIVIDEND

No dividend has been declared by the Company in respect of 2017 (for the year ended 31 December 2016: nil).

OUTLOOK

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 continuing brand development through a range of marketing activities.

The Group will target to further develop the premium brand of “5100 Glacial Water” and the high quality brand of “Gesang Spring” to expand market share in both offline retail network and online e-commerce platforms through strong retail distributors.

The Group’s products have established a strong brand reputation with families and office sites, and such markets were identified by the Group as potential markets, into which the Group will devote more resources for further development.

The Group has maintained and developed strategic partnerships to achieve improvement in both sales and marketing. We will continue to cooperate with more hotels, cinemas, airports and other premium outlets to present our premium “Diamond Series” products. We will also continue to optimize allocated resources with our strategic partners and to further increase our market share in the airline beverage sector with our airline partners.

末期股息

本公司宣告不派發二零一七年股息(截至二零一六年十二月三十一日止年度：無)。

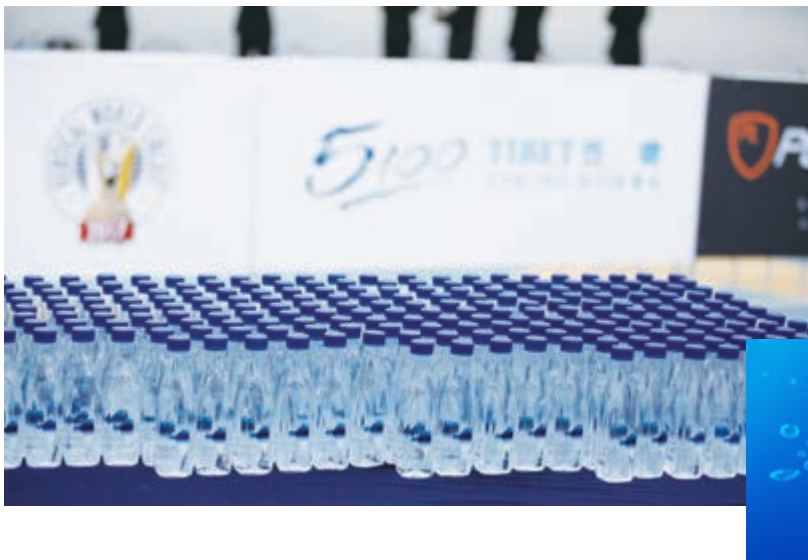
展望

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廣。

本集團將以繼續發展高端品牌「5100冰川水」和優質品牌「格桑泉」為目標，通過強大的零售經銷商以線下零售網絡和線上電子商務平台去擴展更多市場份額。

本集團已在更多的家庭和辦公場所建立了良好的品牌聲譽，本集團將這些市場確定為潛在市場，將投入資源進一步發展。

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。我們將繼續與更多酒店，電影院，機場和其他優質店鋪合作，展示我們的高端「鑽石系列」產品。我們也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。



Our strategic cooperation with Sinopec has demonstrated success that the products of the Group's associate saw a continuing pickup in popularity at Easy Joy convenience stores at Sinopec gas stations throughout China. We will further explore opportunities with Sinopec and China National Petroleum Corporation to expand our whole business.

The Group's products have penetrated Hong Kong market in recent two years and we consider Hong Kong market a good example for us to explore more opportunities to promote our products in overseas markets to meet our mission to share Tibet high quality water with the world.

Up to 31 December 2017, our premium beer "Tibet Highland Barley Beer" and our cooperation product "Lhasa Beer" were sold mainly in Tibet and the Group plans to develop strategic partnerships in the near future to penetrate into premium beer markets outside Tibet.

While continuing to implement the abovementioned strategies, the Group will continue to look for products that reflect the Tibet characteristics of the Group and new projects to develop beverage products with Chinese characteristics for diversification of our business and products. Meanwhile, the Group has assessed the production capacity periodically and currently has arranged to increase the production capacity in the coming years to meet the demands of future development, and the funding of such capital investments came from the operating cash the Group has earned.

To reflect the Group's priority towards the numerous ongoing projects, the Group will continue to give high priority to strengthen its human resources both qualitatively and quantitatively.

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

我們與中石化的合作相當成功，本集團的聯營企業的產品在遍佈全國的中石化加油站易捷便利店中持續熱賣。我們將與中石化和中國石油天然氣集團公司一起進一步尋找合作機會拓展我們的整體業務。

本集團近兩年的產品已滲透香港市場，我們認為香港市場是一個很好的參考，讓我們探索更多在海外市場推廣我們產品的機會，以實現我們與世界共享西藏優質水的使命。

截至二零一七年十二月三十一日，我們的高端啤酒「西藏高原青稞啤酒」和合作產品「拉薩啤酒」主要通過零售渠道在西藏出售，而本集團計劃在不久的將來開發戰略合作夥伴關係，以滲透西藏以外的高端啤酒市場。

在繼續執行前文所提的策略同時，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。同時，本集團已定期評估產能並且目前已經開始安排在未來幾年增加產能以滿足未來發展的需要，這些資本性投資的資金來自於本集團掙得的經營現金。

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. WANG Dong, aged 52, was appointed as executive director of the Company on 29 May 2017 and further appointed as chief executive officer of the Company on 18 August 2017. Mr. Wang graduated with a bachelor of laws degree at Xinjiang University. He obtained a master degree in engineering at Wuhan University and an EMBA degree at the South China University of Technology.

Mr. Wang is qualified as a lawyer of the PRC since 1989, a senior economist of the Industrial and Commercial Bank of China since 2001 and a practitioner of the Asset Management Association of China since 2016. He also received the "Qualification as an independent director of listed companies" from the Shenzhen Stock Exchange in 2016.

From 1987 to 2012, Mr. Wang has worked in the human resources department, information investigation department, supervision office, industrial credit department, asset preservation department, legal affairs department, risk management department and other departments of the provincial branch office, as well as the case management department of the headquarters and the regional branch office of Industrial and Commercial Bank of China Limited. During the aforesaid period, he served as the department head of the case management department of the headquarters, general manager of the legal affairs department of the provincial branch office, general manager of the risk management department of the provincial branch office, general manager of the regional branch office, as well as the president of the regional urban finance society and regional banking industry association. In August 2012, Mr. Wang served as the head of the legal compliance department at the headquarters of Guangdong Nanyue Bank and a member of the law committee of the Banking Association of Guangdong. In September 2016, Mr. Wang was appointed as the director and chief executive officer of Xinjiang Tianshan Industrial Investment Fund Management Co., Ltd., which is a substantial shareholder of the Company.

Mr. YUE Zhiqiang, aged 53, is an executive Director of our Company and was appointed to the Board on 1 March 2011. Mr. Yue has over 30 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.

董事及高級管理層履歷

執行董事

王東先生，52歲，於二零一七年五月二十九日獲委任為本公司執行董事，並於二零一七年八月十八日委任為本公司行政總裁。王先生畢業於新疆大學，取得法學士學位，並於武漢大學取得工程碩士學位及於華南理工大學取得高級管理人員工商管理碩士(EMBA)學位。

王先生於一九八九年取得中國律師資格，自二零零一年起擔任中國工商銀行高級經濟師及於二零一六年獲得中國證券投資基金業協會從業人員資格。彼亦於二零一六年自深圳證券交易所取得「上市公司獨立董事資格」。

於一九八七年至二零一二年，王先生先後在中國工商銀行股份有限公司省分行人事勞動處、調查信息處、監察室、工業信貸處、資產保全處、法律事務部、風險管理部及其他部門，以及總行案件管理處及地區基層行工作。期間彼擔任總行案件管理處處長、省分行法律事務部總經理、風險管理部總經理、地區分行行長，兼地區城市金融學會會長、地區銀行業協會會長。於二零一二年八月，王先生任職廣東南粵銀行股份有限公司總行法律合規部主要負責人、廣東銀行業公會法律委員會常委。於二零一六年九月，王先生任職本公司主要股東新疆天山產業投資基金管理有限公司董事兼總經理。

岳志強先生，53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30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。

Mr. LIU Chen, aged 34, 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. Mr. Liu also serves as a director of certain subsidiary companies of the Group.

Mr. WONG Hak Kun, aged 62, 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 34 years of working experience in the fast-moving consumer goods industry, of which more than 29 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.

Ms. HAN Linyou, aged 37, joined the Group as the assistant to the chief executive officer and legal director of the Company in April 2013, and was promoted as senior vice president in 2015. Ms. Han was appointed as executive director of the Company on 29 May 2017 and further appointed as chairwoman of the risk management committee of the Board on 18 August 2017. Ms. Han currently also serves as a director of certain subsidiary companies of the Group and the supervisor of Tibet Highland Natural Water Limited (西藏高原天然水有限公司), an associate of the Company.

劉晨先生，34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。劉先生現亦擔任本集團若干附屬公司的董事。

王克勤先生，62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34年經驗，其中包括於中國飲料市場的逾29年經驗。於此期間，彼曾於嘉士伯及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)。

韓林攸女士，37歲，於二零一三年四月加入本集團，擔任行政總裁助理及本公司法務總監，並於二零一五年升任為高級副總裁。韓女士於二零一七年五月二十九日獲委任為本公司執行董事，並於二零一七年八月十八日起擔任董事會風險管理委員會主席。韓女士現亦擔任本集團某些附屬公司的董事及本公司的聯營公司西藏高原天然水有限公司監事。



Ms. Han graduated from Peking University in 2002 with a bachelor degree in laws. She obtained PRC Legal Professional Qualification Certificate in 2008. Prior to joining the Group, Ms. Han worked at Jingtian & Gongcheng Attorneys at Law from 2002 to 2013 and became a partner of the firm in 2009. Between May 2008 and May 2009, she had seconded as a PRC legal consultant to Chiu & Partners in Hong Kong. She also served as the PRC legal counsel for the Group's initial public offering in 2011.

Non-Executive Director

Ms. JIANG Xiaohong, aged 60, 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 30 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 64, 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.

韓女士於二零零二年畢業於北京大學，獲法學學士學位。彼於二零零八年取得中國律師職業資格證書。於加入本集團前，韓女士於二零零二至二零一三年就職於競天公誠律師事務所，及於二零零九年成為該事務所合夥人。於二零零八年五月至二零零九年五月期間，彼亦借調到香港趙不渝馬國強律師事務所，擔任中國法律顧問。彼亦於二零一一年擔任本集團首次公開發售之中國法律顧問。

非執行董事

姜曉虹女士，60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30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，64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 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 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 Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Macau Society of Certified Practising Accountants. 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，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會員、澳大利亞及新西蘭特許會計師公會會員、英國特許會計師公會會員、香港會計師公會及澳門註冊會計師公會會員。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 Retail Holdings Limited (formerly known as GOME Electrical Appliances Holding Limited) 國美零售控股有限公司 (前稱國美電器控股有限公司)	493	Main Board of the Stock Exchange 香港聯交所主板
Guotai Junan Securities Company Limited 國泰君安證券股份有限公司	2611 601211	Main Board of the Stock Exchange 香港聯交所主板 Shanghai Stock Exchange 上海證券交易所
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 50, 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.

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 Nexteer Automotive Group Limited (stock code: 1316), a company listed on the Main Board of the Stock Exchange, and as an independent director of Alpha Peak Leisure Inc., a company listed on the TSX Venture Exchange (TSX-V: AAP) in Canada.

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.

蔚成先生，50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。

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中資太陽能公司的財務總監。於一九九九年至二零零五年間，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.) (二零零三年至二零零五年間)。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處理不同的審計及顧問工作。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)的獨立非執行董事及Alpha Peak Leisure Inc. (TSX-V: AAP) 的獨立董事，該兩間公司的股份分別在香港聯交所主板上市及加拿大多倫多證券交易所創業板上市。

據公司所知，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 2017.

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I4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。

於二零一七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 and Diversity

The Board currently comprises of nine Directors, comprising five 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. WANG Dong (*Chief Executive Officer*)
Mr. YUE Zhiqiang
Mr. LIU Chen
Mr. WONG Hak Kun
Ms. HAN Linyou

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.

董事會組成和多元化

董事會現設有九名成員，包括五名執行董事、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

王東先生(*行政總裁*)
岳志強先生
劉晨先生
王克勤先生
韓林攸女士

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。

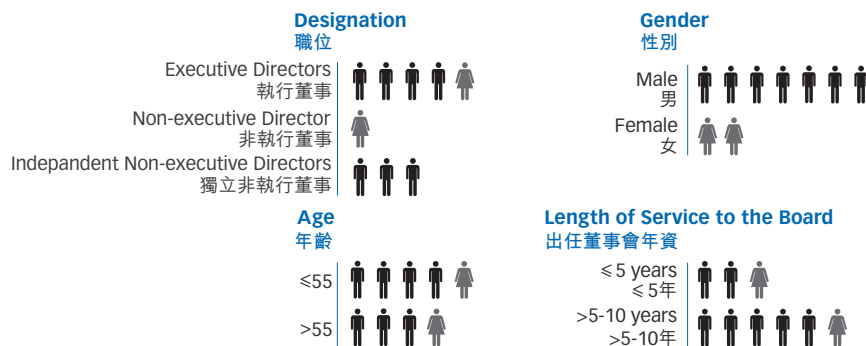
		Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Risk Management Committee 風險管理委員會
Mr. WANG Dong	王東先生	—	Member 會員	Member 會員	—
Mr. LIU Chen	劉晨先生	—	—	—	Member 會員
Ms. HAN Linyou	韓林攸女士	—	—	—	Chairwoman 主席
Mr. Jesper Bjoern MADSEN	麥奕鵬先生	Member 會員	Member 會員	Chairman 主席	—
Mr. LEE Conway Kong Wai	李港衛先生	Member 會員	Chairman 主席	Member 會員	—
Mr. Kevin Cheng WEI	蔚成先生	Chairman 主席	Member 會員	Member 會員	Member 會員

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 35 to 40.

Following the resignation of Mr. Fu Lin as executive Director and Chief Executive Officer on 18 August 2017 due to his other personal commitments, the Company had nine Directors, of which three were independent non-executive Directors, which is in compliance with the requirements under Rules 3.10A of the Listing Rules.

The Board adopted a Board Diversity Policy in 2013 which sets out the approach to diversify the Board. Under the Policy, the Nomination Committee reviews and assesses Board composition on behalf of the Board and recommends the appointment of a new Director when necessary. In designing the Board's composition, the Nomination Committee considers a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Nomination Committee will also consider factors based on the Group's business model and specific needs from time to time in determining the optimum composition of the Board.

The profile of our Board members are as follows:



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/Mr. Wang Dong, 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.

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35至40頁「董事及高級管理層履歷」一節。

在付琳先生於二零一七年八月十八日因要承擔其他個人事務辭任執行董事兼行政總裁後，董事會有九名董事，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。

董事會於二零一三年採納《董事會多元化政策》，當中涵蓋實現董事會多元化的方針。根據該政策，提名委員會代表董事會審查和評估董事會的組成，並在有需要時建議新董事的委任。在計劃董事會組成方面，提名委員會考慮多方面因素，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識和服務任期。提名委員會亦會根據集團本身的業務範疇和特定需求，不時評估董事會的最佳組合。

我們的董事會成員簡介：

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／王東先生出任。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。

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.

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.

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。

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。有關會議記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。



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.

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.

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。

在每屆股東周年大會上，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之一的人數）將輪流退任，惟每位董事必須最少每三年於股東周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 legal advisor, Messrs. Kirkland & Ellis, covering the topic of "Connected Transactions".

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法律顧問「凱易律師事務所」，開辦一次內部研討會，討論議題為「關連交易」。

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. WANG Dong	王東先生	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
Ms. HAN Linyou	韓林攸女士	A, B
Mr. FU Lin**	付琳先生**	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

** resigned on 18 August 2017

** 於二零一七年八月十八日辭任

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.

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。

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**”), Nomination Committee (the “**Nomination Committee**”) and Remuneration Committee (the “**Remuneration 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 I4 to the Listing Rules. Furthermore, 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.

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.

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**」)、提名委員會(「**提名委員會**」)及薪酬委員會(「**薪酬委員會**」)。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I4所載守則條文的特定職責。此外，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。

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。



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 2017 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;
- 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.

Nomination Committee

Its key responsibilities include:

- 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.

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二零一七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；
- 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。

提名委員會

其主要職責包括：

- 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。

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.

Two meetings have been held by the Nomination Committee during 2017 and the following work has been satisfactorily concluded:

- a) reviewing the structure, size, composition and diversity of the Board;
- b) assessing the independence of the independent non-executive Directors;
- c) make recommendations to the Board on the appointment and re-appointment of Directors; and
- d) ensure sufficient biographical details of nominated candidates are provided to the Board to enable them to make a decision regarding selection of the Board members.

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

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。

提名委員會於二零一七年年內舉行二次會議，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；
- b) 對獨立非執行董事的獨立性進行評估；
- c) 就委任和重新委任董事，向董事會提出建議；及
- d) 確保已向董事會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成員作出決定。

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) to review and approve performance-based remuneration by reference to the corporate goals and objectives resolved by the Board from time to time.

During 2017, the Remuneration Committee has met three times and considered, reviewed and made recommendations to the Board on the existing remuneration package of all the Directors (including newly appointed Directors) and senior management.

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

During 2017, the Risk Management Committee has met twice 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.

- 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。

在二零一七年內，薪酬委員會舉行三次會議並已考慮、檢討和就全體董事(包括新被委任的董事)及高級管理層的現有薪酬待遇向董事會提出建議。

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) 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。

在二零一七年內，風險管理委員會已舉行二次會議，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。

The composition of the Board and the Board members' respective attendance in Board meetings, general meeting, the Audit Committee meetings, the Nomination Committee meetings, the Remuneration Committee meetings and the Risk Management Committee meetings during the year ended 31 December 2017 were as follows:

截至二零一七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、提名委員會會議、薪酬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	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會		
Executive Directors								
Mr. WANG Dong*	王東先生*	3/3	—	—	—	1/1	—	—
Mr. YUE Zhiqiang	岳志強先生	4/4	0/1	—	—	—	—	—
Mr. LIU Chen	劉晨先生	4/4	0/1	—	—	—	—	2/2
Mr. WONG Hak Kun	王克勤先生	4/4	1/1	—	—	—	—	—
Ms. HAN Linyou*	韓林攸女士*	3/3	—	—	—	—	—	1/1
Mr. FU Lin**	付琳先生**	3/3	0/1	—	2/2	2/2	2/2	1/1
Non-executive Director								
Ms. JIANG Xiaohong	姜曉虹女士	4/4	0/1	—	—	—	—	—
Independent Non-executive Directors								
Mr. Jesper Bjoern MADSEN	麥奕鵬先生	4/4	1/1	3/3	2/2	3/3	3/3	—
Mr. LEE Conway Kong Wai	李港衛先生	4/4	1/1	3/3	2/2	3/3	3/3	—
Mr. Kevin Cheng WEI	蔚成先生	4/4	1/1	3/3	2/2	3/3	3/3	2/2
Average attendance rate	平均出席率	100%	50%	100%	100%	100%	100%	100%

* appointed on 29 May 2017 and attendance record from then

** resigned on 18 August 2017 and attendance record up to then

* 於二零一七年五月二十九日被委任及出席率由此計算

** 於二零一七年八月十八日辭任及出席率計算到此

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. Due to business commitments, Mr. Yue Zhiqiang, Mr. Liu Chen, Mr. Fu Lin and Ms. Jiang Xiaohong were absent from the General Meeting.

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。因業務承諾，岳志強先生、劉晨先生、付琳先生及姜曉虹女士缺席股東大會。



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 2017, 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.

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.

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。截至二零一七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。

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。

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 2017. 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.

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 72 to 78 of this Annual Report.

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二零一七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。

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登年度和中期業績。

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72至78頁的「獨立核數師報告」一節。



DIRECTORS' AND OFFICERS' LIABILITY INSURANCE AND INDEMNITY PROVISION

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.

Article 164(1) of the Company's Articles of Association provides that the Directors or other officers of the Company shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty provided that the indemnity shall not be extended to any matter in respect of any fraud or dishonesty which may be attached to the relevant Director or officer 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 2018 AGM which will be held on Friday, 8 June 2018. The notice of the 2018 AGM will be dispatched to all Shareholders not less than twenty clear business days beforehand. At the 2018 AGM, 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.

董事及主管人員之責任保險及彌償條文

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。

本公司組織章程細則第164(1)條列明本公司董事或其他高級人員可從本公司的資產及利潤獲得彌償，該等人士或任何該等人士就執行其職責時因其作為、同時發生的行為或不作為而招致或蒙受的所有訴訟、費用、收費、損失、損害及開支，可獲確保免就此受任何損害，惟彌償保證不延伸至任何與有關本公司董事或高級人員欺詐或不誠實有關的事宜。

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周年大會，以便於股東大會上向董事及高級管理層理解本集團業務。

董事會成員將於二零一八年六月八日星期五舉行二零一八股東周年大會席此與股東見面及交流。二零一八股東周年大會通告將於不少於二十個整營業日前寄發予全體股東。在二零一八股東周年大會上，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 one or more 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 Unit 1611-12, 16th Floor, One Island South, 2 Heung Yip Road, Wong Chuk Hang, Hong Kong.

CONSTITUTIONAL DOCUMENTS

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

股東權利

根據本公司之公司組織章程細則，本公司任何一名或多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，地址為香港黃竹坑香葉道2號One Island South 16樓1611-12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。

COMPANY SECRETARY

Mr. Chow Wai Kit is a fellow member of the Hong Kong Institute of Chartered Secretaries and was appointed on a full-time basis as the Company Secretary. During the year ended 31 December 2017, Mr. Chow has taken not less than 15 hours of appropriate professional training to update his skills and knowledge as required under Rule 3.29 of the Listing Rules. Mr. Chow reports to the Group Chairman on Board governance matters and is responsible for ensuring that Board policies and procedures are followed. All Board members have access to his advice and services. He arranges the comprehensive and tailored induction program for new Directors prior to their appointment and provides timely updates to the Directors on relevant new legislation or regulatory requirements. Director training has been organized on a regular basis by the Company Secretary to assist Directors' continuous professional development.

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 2018 AGM. 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:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Audit services	審核服務	6,586	6,000
Non-audit services	非審核服務		
Review and other reporting services	審閱及其他申報服務	800	—
		7,386	6,000

公司秘書

周偉傑先生是香港特許秘書公會的資深會員，並獲委任為全職公司秘書。截至二零一七年十二月三十一日為止年度，周先生已參加不少於15小時更新其技能及知識的專業培訓，並符合上市規則第3.29條的規定。周先生就董事會管治事宜向集團主席匯報，並負責確保董事會政策及程序得以遵守。所有董事會成員均可獲得公司秘書的意見和服務。此外，公司秘書會在新董事被委任前，為其安排全面及特設的就職輔導計劃；並適時為董事更新相關的新頒布法規及監管規定的知識。公司秘書已為董事安排定期的培訓，以協助董事之持續專業發展。

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，於二零一八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：

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, our Chief Financial Officer 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, our Chief Financial Officer 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 2017 二零一七年三／四月	Attended 5 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5場	Investor relations consultant 投資者關係顧問
August/September 2017 二零一七年八／九月	Attended 3 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3場	Investor relations consultant 投資者關係顧問
Other period of the year 2017 二零一七年其他期間	Attended nearly 20 analysts or investors meetings and conferences/Conference calls 出席接近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

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".

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。本公司執行董事和首席財務官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，本公司執行董事和首席財務官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：

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 2017.

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 86 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 2017 is set out in the sections headed "Chairman's Statement" and "Management Discussion & Analysis" on pages 8 to 11 and pages 14 to 34 of this Annual Report respectively. Description of the principal risks and uncertainties faced by the Company are set out in the "Management Discussion & Analysis" section and note 3 to the consolidated financial statements on page 30 to 31 and pages 114 to 123 of this Annual Report, respectively.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2017 are set out in the consolidated statement of profit or loss and consolidated statement of comprehensive income on pages 81 to 82 of this Annual Report.

The Directors do not recommend the payment of a final dividend for the year 2017.

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 200 of this Annual Report.

FIXED ASSETS

Details of the movements during the year in the land use rights and Property, plant and equipment ("PP&E") of the Group are set out in notes 7 and 8 to the consolidated financial statements respectively on pages 135 to 138 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 159 of this Annual Report.

董事欣然提呈本集團截至二零一七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86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

本集團截至二零一七年十二月三十一日止年度之業務回顧分別載於本年報第8至11頁及第14至34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30至31頁及第114至123頁之「管理層討論及分析」中及綜合財務報表附註3內。

業績及盈利分配

本集團截至二零一七年十二月三十一日止年度的業績載於本年報第81至82頁的綜合損益表及綜合全面收益表。

董事不建議於二零一七年年派發股息。

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200頁。

固定資產

本集團的土地使用權及物業、廠房及設備（「物業、廠房及設備」）於年內的變動詳情分別載於本年報第135至138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159頁的綜合財務報表附註20。

BANK BORROWINGS

Details of bank borrowings as at 31 December 2017 are set out in note 28 to the consolidated financial statements on pages 172 to 175 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.

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.

銀行借款

本公司於二零一七年十二月三十一日之銀行借款詳情載於本年報第172至175頁的綜合財務報表附註28。

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。

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。

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 be at least 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 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.

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。

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

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 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 2017 於二零一七年 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 2017 於二零一七年 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:

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.

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。

SHARE AWARD SCHEME

During the year, the Group adopted a share award scheme and purchased 60,626,000 shares (a total consideration of RMB158,868,000) of the Company through Bank of Communications Trustee Limited. As at 31 December 2017, no share has been granted by the Group to any parties under the share award scheme.

股份獎勵計劃

在這一年中，本集團採納了一項股份獎勵計劃，通過交通銀行信託有限公司購買了本公司60,626,000股(合計代價為人民幣158,868,000)股份。截至二零一七年十二月三十一日，在該權份獎勵計劃下，本集團未向任何方授予股份。

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.

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 2017, the accumulated loss of the Company amounted to approximately RMB43 million (31 December 2016: retained earnings RMB5 million). As at 31 December 2017, the share premium of the Company, amounted to approximately RMB1,207 million (31 December 2016: RMB1,207 million), is distributable to Shareholders subject to the solvency test and the sanction of an ordinary resolution.

本公司可供分配的儲備

於二零一七年十二月三十一日，本公司累計虧損為人民幣4,300萬元(二零一六年十二月三十一日：留存收益人民幣500萬元)。於二零一七年十二月三十一日，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(二零一六年十二月三十一日：人民幣12.07億元)的股本溢價可用於向股東進行分配。



PURCHASE, SALE OR REDEMPTION OF SHARES

For the year ended 31 December 2017, 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. WANG Dong (*Chief Executive Officer*)
(appointed on 29 May 2017 and further appointed as
Chief Executive Officer on 18 August 2017)

Mr. YUE Zhiqiang

Mr. LIU Chen

Mr. WONG Hak Kun

Ms. HAN Linyou

(appointed on 29 May 2017)

Mr. Fu Lin (*Chief Executive Officer*)

(resigned on 18 August 2017)

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. WANG Dong, Mr. LIU Chen, Ms. HAN Linyou, Mr. Jesper Bjoern MADSEN and Mr. LEE Conway Kong Wai shall retire at the forthcoming 2018 AGM and, being eligible, offer themselves for re-election as Directors.

DIRECTORS' PROFILES

The profiles of the Directors are set out on pages 35 to 40 of this Annual Report.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming 2018 AGM has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

購買、出售或贖回股份

於截至二零一七年十二月三十一日止年度內，本公司及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

王東先生(*行政總裁*)

(於二零一七年五月二十九日被委任)

並於二零一七年八月十八日進一步委任為
行政總裁)

岳志強先生

劉晨先生

王克勤先生

韓林攸女士

(於二零一七年五月二十九日被委任)

付琳先生(*行政總裁*)

(於二零一七年八月十八日辭任)

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，王東先生、劉晨先生、韓林攸女士、麥奕鵬先生及李港衛先生將於應屆二零一八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35至40頁。

董事的服務合約

擬於應屆二零一八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)。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

As at 31 December 2017, 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 2017, 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:

董事及主要行政人員於股份中的權益

於二零一七年十二月三十一日，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

於二零一七年十二月三十一日，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／相關股份的數目	Approximate percentage of shareholding 股權概約百分比
Tianshan Industry Investment Limited (Note 1)	Long position	Beneficial owner	462,400,740 shares	18.00%
Tianshan Industry Investment Limited (附註1)	Short position	Beneficial owner	462,400,740 shares	18.00%
	好倉	實益擁有人	462,400,740股股份	18.00%
	淡倉	實益擁有人	462,400,740股股份	18.00%
Khorgos Tianshan No.1 Industrial Investment Fund Limited Partnership (Note 2)	Long position	Interest of controlled corporation	462,400,740 shares	18.00%
	Short position	Interest of controlled corporation	462,400,740 shares	18.00%
霍爾果斯天山一號產業投資基金 有限合夥企業（附註2）	好倉	受控法團的權益	462,400,740股股份	18.00%
	淡倉	受控法團的權益	462,400,740股股份	18.00%
新疆金融投資有限公司 (Note 2)	Long position	Interest of controlled corporation	462,400,740 shares	18.00%
	Short position	Interest of controlled corporation	462,400,740 shares	18.00%
新疆金融投資有限公司（附註2）	好倉	受控法團的權益	462,400,740股股份	18.00%
	淡倉	受控法團的權益	462,400,740股股份	18.00%
新疆維吾爾自治區人民政府國有資產 監督管理委員會 (Note 2)	Long position	Interest of controlled corporation	462,400,740 shares	18.00%
	Short position	Interest of controlled corporation	462,400,740 shares	18.00%
新疆維吾爾自治區人民政府國有資產 監督管理委員會（附註2）	好倉	受控法團的權益	462,400,740股股份	18.00%
	淡倉	受控法團的權益	462,400,740股股份	18.00%

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／相關股份的數目	Approximate percentage of shareholding 股權概約百分比
新疆天山產業投資基金管理有限公司 (Note 2)	Long position	Interest of controlled corporation	462,400,740 shares	18.00%
	Short position	Interest of controlled corporation	462,400,740 shares	18.00%
新疆天山產業投資基金管理有限公司 (附註2)	好倉	受控法團的權益	462,400,740股股份	18.00%
	淡倉	受控法團的權益	462,400,740股股份	18.00%
申萬宏源集團股份有限公司 (Note 3)	Long position	Interest of controlled corporation	462,400,740 shares	18.00%
	Short position	Interest of controlled corporation	462,400,740 shares	18.00%
申萬宏源集團股份有限公司 (附註3)	好倉	受控法團的權益	462,400,740股股份	18.00%
	淡倉	受控法團的權益	462,400,740股股份	18.00%
中央匯金投資有限責任有限公司 (Note 3)	Long position	Interest of controlled corporation	462,400,740 shares	18.00%
	Short position	Interest of controlled corporation	462,400,740 shares	18.00%
中央匯金投資有限責任有限公司 (附註3)	好倉	受控法團的權益	462,400,740股股份	18.00%
	淡倉	受控法團的權益	462,400,740股股份	18.00%
Tibet Water Resources Limited (Note 4) 西藏水資源有限公司(附註4)	Long position 好倉	Beneficial owner 實益擁有人	394,395,960 shares 394,395,960股股份	15.35% 15.35%
Maple Essence Investments Limited (Note 5)	Long position	Interest of controlled corporation	394,395,960 shares	15.35%
楓華投資有限公司(附註5)	好倉	受控法團的權益	394,395,960股股份	15.35%
True Asset Holdings Limited (Note 6)	Long position	Interest of controlled corporation	394,395,960 shares	15.35%
True Asset Holdings Limited (附註6)	好倉	受控法團的權益	394,395,960股股份	15.35%
Mr. WANG Peter Jian (also known as Mr. WANG Jian Peter) (Note 6 & 7)	Long position	Interest of controlled corporation	394,395,960 shares	15.35%
王堅先生(附註6 & 7)	好倉	受控法團的權益	394,395,960股股份	15.35%
Tyee Capital Funds SPC— Tyee Capital Tibet Fund SP (Note 8)	Long position	Investment manager	145,714,285 shares	5.67%
Tyee Capital Funds SPC— Tyee Capital Tibet Fund SP (附註8)	好倉	投資經理	145,714,285股股份	5.67%
Tyee Capital Funds SPC — Tyee Capital China Fund SP (Note 9)	Long position	Investment manager	2,965,714 shares	0.12%
Tyee Capital Funds SPC— Tyee Capital China Fund SP (附註9)	好倉	投資經理	2,965,714股股份	0.12%

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／相關股份的數目	Approximate percentage of shareholding 股權概約百分比
Tyee Capital Funds SPC (Note 9)	Long position	Interest of controlled corporation	148,679,999 shares	5.79%
Tyee Capital Funds SPC (附註9)	好倉	受控法團的權益	148,679,999股股份	5.79%
Tyee Capital Management (Cayman) Limited (Note 9)	Long position	Interest of controlled corporation	148,679,999 shares	5.79%
Tyee Capital Management (Cayman) Limited (附註9)	好倉	受控法團的權益	148,679,999股股份	5.79%
Tyee Capital Group Limited (BVI) (Note 9)	Long position	Interest of controlled corporation	148,679,999 shares	5.79%
Tyee Capital Group Limited (BVI) (附註9)	好倉	受控法團的權益	148,679,999股股份	5.79%
Tian Yee Capital Holdings Limited (BVI) (Note 9)	Long position	Interest of controlled corporation	148,679,999 shares	5.79%
Tian Yee Capital Holdings Limited (BVI) (附註9)	Long position	Beneficial interest	15,095,000 shares	0.59%
	好倉	受控法團的權益	148,679,999股股份	5.79%
	好倉	實益擁有人	15,095,000股股份	0.59%
Li Jiaman (Note 10)	Long position	Interest of controlled corporation	163,774,999 shares	6.38%
李佳蔓(附註10)	好倉	受控法團的權益	163,774,999股股份	6.38%
Jiang Jun (Note 10)	Long position	Interest of controlled corporation	163,774,999 shares	6.38%
蔣鈞 (附註10)	好倉	受控法團的權益	163,774,999股股份	6.38%

Notes:

附註：

(1) Tianshan Industry Investment Limited is 100% held by Khorgos Tianshan No.1 Industrial Investment Fund Limited Partnership, which is in turn held as to 46.36% by 新疆金融投資有限公司, which is in turn 100% held by 新疆維吾爾自治區人民政府國有資產監督管理委員會. Tianshan Industry Investment Limited holds 462,400,740 shares in the Company.

(1) Tianshan Industry Investment Limited由霍爾果斯天山一號產業投資基金有限合夥企業持有100%，霍爾果斯天山一號產業投資基金有限合夥企業由新疆金融投資有限公司持有46.36%，新疆金融投資有限公司由新疆維吾爾自治區人民政府國有資產監督管理委員會持有100%。Tianshan Industry Investment Limited持有本公司462,400,740股股份。



- (2) Khorgos Tianshan No.1 Industrial Investment Fund Limited Partnership holds 100% equity interest in Tianshan Industry Investment Limited and is therefore deemed to be interested in the 462,400,740 shares in the Company in which Tianshan Industry Investment Limited is interested in. Khorgos Tianshan No.1 Industrial Investment Fund Limited Partnership is owned by 新疆金融投資有限公司 as to 46.36%. Therefore, 新疆金融投資有限公司 is deemed to be interested in 462,400,740 shares in the Company. 新疆維吾爾自治區人民政府國有資產監督管理委員會 holds 46.36% equity interest in Tianshan Industry Investment Limited through 新疆金融投資有限公司 and Khorgos Tianshan No.1 Industrial Investment Fund Limited Partnership. Therefore, 新疆維吾爾自治區人民政府國有資產監督管理委員會 is deemed to be interested in 462,400,740 shares in the Company held by Tianshan Industry Investment Limited. Khorgos Tianshan No.1 Industrial Investment Fund Limited Partnership is 0.66% held by and is accustomed to act in accordance with the directions of 新疆天山產業投資基金管理有限公司, which is therefore deemed to be interested in 462,400,740 shares in the Company held by Tianshan Industry Investment Limited.
- (2) 霍爾果斯天山一號產業投資基金有限合夥企業持有Tianshan Industry Investment Limited 100%股權，因此被視為於Tianshan Industry Investment Limited所擁有的本公司462,400,740股股份中擁有權益。新疆金融投資有限公司擁有霍爾果斯天山一號產業投資基金有限合夥企業46.36%，因此被視為於本公司462,400,740股股份中擁有權益。新疆維吾爾自治區人民政府國有資產監督管理委員會透過新疆金融投資有限公司及霍爾果斯天山一號產業投資基金有限合夥企業持有Tianshan Industry Investment Limited 46.36%股權，因此被視為於Tianshan Industry Investment Limited所擁有的本公司462,400,740股股份中擁有權益。霍爾果斯天山一號產業投資基金有限合夥企業由新疆天山產業投資基金管理有限公司持有0.66%及慣於根據後者的指令行事，因此新疆天山產業投資基金管理有限公司被視為於Tianshan Industry Investment Limited所擁有的本公司462,400,740股股份中持有權益。
- (3) Khorgos Tianshan No.1 Industrial Investment Fund Limited Partnership is owned by 申萬宏源集團股份有限公司 as to 33.11%. Therefore, 申萬宏源集團股份有限公司 is deemed to be interested in 462,400,740 shares in the Company. 中央匯金投資有限責任有限公司 holds 61.67% equity interest in 申萬宏源集團股份有限公司. 中央匯金投資有限責任有限公司 holds 33.11% equity interest in Khorgos Tianshan No. 1 Industrial Investment Fund Limited Partnership through the control of 申萬宏源集團股份有限公司. Therefore, 中央匯金投資有限責任有限公司 is deemed to be interested in 462,400,740 shares in the Company.
- (3) 申萬宏源集團股份有限公司擁有霍爾果斯天山一號產業投資基金有限合夥企業33.11%，因此被視為於本公司462,400,740股股份中擁有權益。中央匯金投資有限責任有限公司持有申萬宏源集團股份有限公司61.67%股權。中央匯金投資有限責任有限公司透過控制申萬宏源集團股份有限公司持有霍爾果斯天山一號產業投資基金有限合夥企業33.11%股權，因此被視為於本公司462,400,740股股份中擁有權益。
- (4) Tibet Water Resources Limited is held as to 100% by Maple Essence Investments Limited, which is in turn wholly-owned by True Asset Holdings Limited. Tibet Water Resources Limited holds 394,395,960 shares in the Company.
- (4) 西藏水資源有限公司由楓華投資有限公司持有100%，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394,395,960股股份。
- (5) Maple Essence Investments Limited holds 100% equity interest in Tibet Water Resources Limited and is therefore deemed to be interested in the 394,395,960 shares in the Company in which Tibet Water Resources Limited is interested in. Maple Essence Investments Limited is wholly-owned by True Asset Holdings Limited.
- (5) 楓華投資有限公司持有西藏水資源有限公司100%股權，因此被視為於西藏水資源有限公司所擁有權益的本公司394,395,960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。
- (6) True Asset Holdings Limited holds 100% equity interest in Tibet Water Resources Limited through Maple Essence Investments Limited. Therefore, True Asset Holdings Limited is deemed to be interested in 394,395,960 shares in the Company.
- (6) 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100%股權。因此，True Asset Holdings Limited被視為於本公司394,395,960股股份中擁有權益。

- (7) True Asset Holdings Limited is wholly-owned by Mr. WANG Peter Jian. Therefore, Mr. WANG Peter Jian is deemed to be interested in 394,395,960 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 394,395,960 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.
- (8) Tyee Capital Funds SPC – Tyee Capital Tibet Fund SP holds the 6% convertible bonds with a principal amount of HK\$510,000,000 due in 2019. Upon full exercise of the conversion rights, Tyee Capital Funds SPC – Tyee Capital Tibet Fund SP will hold 145,714,285 shares in the Company.
- (9) Tian Yee Capital Holdings Limited (BVI) controls 95% equity interest in Tyee Capital Group Limited (BVI), which in turn controls 100% equity interest in Tyee Capital Management (Cayman) Limited. Tyee Capital Management (Cayman) Limited controls 100% equity interest in Tyee Capital Funds SPC, which controls 100% equity interest in Tyee Capital Funds SPC - Tyee Capital Tibet Fund SP and Tyee Capital Funds SPC - Tyee Capital China Fund SP. Therefore, Tian Yee Capital Holdings Limited (BVI), Tyee Capital Group Limited (BVI), Tyee Capital Management (Cayman) Limited and Tyee Capital Funds SPC are deemed to be interested in Tyee Capital Funds SPC - Tyee Capital Tibet Fund SP's derivative interest in 145,714,285 shares in the Company and Tyee Capital Funds SPC - Tyee Capital China Fund SP's beneficial interest in 2,965,714 shares in the Company.
- (10) Tian Yee Capital Holdings Limited (BVI) is owned as 40% and 50% by Jiang Jun and Li Jiaman respectively. Therefore, Jiang Jun and Li Jiaman are deemed to be interested in a total of 163,774,999 shares in the Company.
- (7) 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權益的本公司394,395,960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394,395,960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。
- (8) Tyee Capital Funds SPC - Tyee 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，Tyee Capital Funds SPC - Tyee Capital Tibet Fund SP將持有本公司145,714,285股股份。
- (9) Tian Yee Capital Holdings Limited (BVI)控制Tyee Capital Group Limited (BVI) 95%股權，而Tyee Capital Group Limited (BVI)則控制Tyee Capital Management (Cayman) Limited 100%股權。Tyee Capital Management (Cayman) Limited控制Tyee Capital Funds SPC 100%股權，而Tyee Capital Funds SPC控制Tyee Capital Funds SPC - Tyee Capital Tibet Fund SP和Tyee Capital Funds SPC - Tyee Capital China Fund SP 100%股權。因此，Tian Yee Capital Holdings Limited (BVI)、Tyee Capital Group Limited (BVI)、Tyee Capital Management (Cayman) Limited及Tyee Capital Funds SPC被視作於Tyee Capital Funds SPC - Tyee Capital Tibet Fund SP就本公司145,714,285股股份的衍生權益及Tyee Capital Funds SPC - Tyee Capital China Fund SP就本公司2,965,714股股份的實益權益中持有權益。
- (10) 蔣鈞及李佳蔓分別擁有Tian Yee Capital Holdings Limited (BVI) 40%及50%權益，彼等均被視作於本公司合計163,774,999股股份中擁有權益。



Save as disclosed above, as at 31 December 2017, 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.

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 or at the end of the financial year has been/ was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

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.

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.

除上文所披露者外，於二零一七年十二月三十一日，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。

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

本公司、其控股公司或其任何附屬公司或同系附屬公司概無在本財政年度內或本財政年度末訂立任何其目標或其中一項目標為致使董事可以通過收購本公司或任何其他法人團體的股份或債券而獲益的安排。

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。

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）。

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 79% of the total sales and total purchases for the year, respectively. The Group's largest customer and supplier accounted for approximately 11% and 39% 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 32 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 RMB1.3 million (2016: RMB0.1 million).

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79%。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39%。

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32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130萬元(二零一六：人民幣10萬元)。



AUDIT COMMITTEE

The Audit Committee of the Company had reviewed the Group's annual results for the year ended 31 December 2017 and provided advice and comments thereon.

EXTERNAL AUDITOR

The consolidated financial statements for the year ended 31 December 2017 were audited by PricewaterhouseCoopers, who will retire at the conclusion of the forthcoming 2018 AGM and, being eligible, will offer itself for re-appointment as external auditor of the Company.

CONNECTED TRANSACTIONS

Certain transactions summarized in note 40 to the consolidated financial statements for the year ended 31 December 2017 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

23 March 2018

審核委員會

本公司的審核委員會已審閱本集團截至二零一七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

截至二零一七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二零一八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40內的二零一七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

二零一八年三月二十三日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



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 79 to 199, which comprise:

- the consolidated balance sheet as at 31 December 2017;
- 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 2017, 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79至199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：

- 於二零一七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 貴集團於二零一七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。

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com



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

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

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
<p>Impairment of goodwill and investment in an associate</p> <p>Refer to Note 4, Note 10 and Note 12 to the consolidated financial statements</p> <p>As at 31 December 2017, goodwill recognised in relation to the acquisition of Tibet Tiandi Green Beverages Development 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 RMB1,280 million (with goodwill relating to this associate amounting to RMB1,064 million). No impairment loss was provided based on management's impairment analysis.</p> <p>We focused on the impairment of these areas due to the followings:</p> <ul style="list-style-type: none">– 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. <p>商譽減值及於聯營公司的投資</p> <p>請參閱綜合財務報表附註4、附註10及附註12</p> <p>於二零一七年十二月三十一日，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十二億八千萬元（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。</p> <p>由於下列各項因素，我們專注於該等事項的減值：</p> <ul style="list-style-type: none">— 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。	<p>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.</p> <p>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.</p> <p>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.</p> <p>We satisfied ourselves that management's impairment analysis was supported by evidence obtained.</p> <p>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。</p> <p>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。</p> <p>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。</p> <p>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。</p>



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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審計綜合財務報表承擔的責任

我們的目標，是對整體綜合財務報表是否不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。
- 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。



- 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.
- 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.

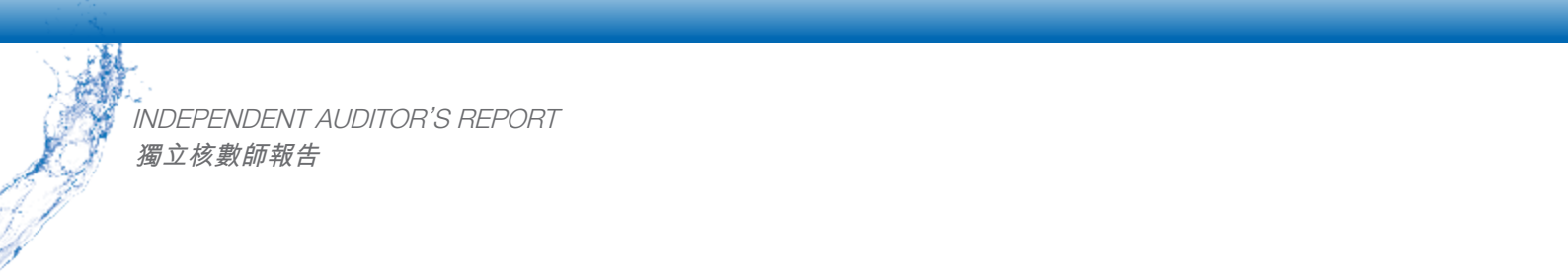
We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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.

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。

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。



INDEPENDENT AUDITOR'S REPORT
獨立核數師報告

The engagement partner on the audit resulting in this independent auditor's report is Brian Ming Yan Choi.

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, 23 March 2018

羅兵咸永道會計師事務所
執業會計師

香港，二零一八年三月二十三日

CONSOLIDATED BALANCE SHEET

綜合資產負債表

		As at 31 December 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
	Note 附註		
Assets	資產		
Non-current assets	非流動資產		
Land use rights	土地使用權 7	29,969	30,693
Property, plant and equipment ("PP&E")	物業、廠房及設備 （「物業、廠房及設備」） 8	606,723	619,387
Intangible assets	無形資產 9	110,466	132,552
Goodwill	商譽 10	721,139	721,139
Investment in associates	於聯營公司的投資 12	1,326,300	1,307,508
Deferred income tax assets	遞延所得稅資產 23	2,895	2,818
Prepayments	預付款項 15	43,937	65,476
Available-for-sale financial assets ("AFS")	可供出售金融資產 （「可供出售金融資產」） 18	65,297	—
		2,906,726	2,879,573
Current assets	流動資產		
Trade receivables	應收貿易款 13	235,139	193,926
Prepayments	預付款項 15	143,178	190,147
Prepaid enterprise income tax	預付企業所得稅 16	6,705	8,508
Other receivables and other assets	其他應收款及其他資產 16	175,022	249,770
Inventories	存貨 17	75,613	67,516
Available-for-sale financial assets ("AFS")	可供出售金融資產 （「可供出售金融資產」） 18	175,884	186,230
Cash and cash equivalents	現金及現金等價物 19	830,773	1,042,398
		1,642,314	1,938,495
Total assets	總資產	4,549,040	4,818,068
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
Shares held for share award scheme	為股份獎勵計劃持有的股份 21	(158,868)	—
Other reserves	其他儲備 22	191,921	279,202
Retained earnings	留存收益	1,913,143	1,615,205
		3,174,388	3,122,599
Non-controlling interests	非控股權益	—	371,965
Total equity	權益總額	3,174,388	3,494,564

CONSOLIDATED BALANCE SHEET
綜合資產負債表

		As at 31 December 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
	Note 附註		
Liabilities	負債		
Non-current liabilities	非流動負債		
Bank borrowings	銀行借款	28	—
Deferred revenue	遞延收入	25	190,000
Deferred income tax liabilities	遞延所得稅負債	23	24,241
Convertible bond - liability component	可換股債券－負債部分	29	18,572
			20,652
		432,340	458,066
		473,245	692,959
Current liabilities	流動負債		
Trade payables	應付貿易款	26	92,841
Deferred revenue and advances received from customers	遞延收入及預收客戶款	24	78,055
Enterprise income tax payable	應付企業所得稅	27,498	14,710
Accruals and other payables	預提費用及其他應付款	27	27,302
Bank borrowings	銀行借款	28	322,766
		431,000	53,570
		901,407	456,000
			630,545
Total liabilities	負債總額	1,374,652	1,323,504
Total equity and liabilities	權益及負債總額	4,549,040	4,818,068

The notes on pages 86 to 199 are an integral part of these consolidated financial statements.

The financial statements on pages 79 to 199 were approved by the Board of Directors on 23 March 2018 and were signed on its behalf.

第86至199頁的附註為該等綜合財務報表的組成部份。

董事會已於二零一八年三月二十三日批准載於第79至199頁的財務報表並代其簽字。

WANG Dong 王東
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	
			2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
		Note 附註		
Revenue	收入	6	931,887	868,092
Cost of sales	銷售成本	31	(380,429)	(348,408)
Gross profit	毛利		551,458	519,684
Selling and distribution expenses	銷售及分銷費用	31	(120,336)	(103,250)
Administrative expenses	行政費用	31	(84,936)	(78,879)
Other gains, net	其他利得，淨額	30	46,497	55,619
Operating profit	經營利潤		392,683	393,174
Finance income	財務收益		27,957	21,038
Finance costs	財務費用		(38,202)	(40,276)
Finance costs, net	財務費用，淨額	33	(10,245)	(19,238)
Share of profit of associates	應佔聯營公司利潤	12	26,089	26,913
Profit before income tax	除所得稅前利潤		408,527	400,849
Income tax expense	所得稅費用	34	(40,853)	(41,694)
Profit for the year	年度利潤		367,674	359,155
Profit attributable to:	應佔利潤：			
– Owners of the Company	– 本公司擁有人		315,174	307,724
– Non-controlling interests	– 非控股權益		52,500	51,431
			367,674	359,155
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)	– 每股盈利（基本及攤薄）	35	12.32	11.98
(RMB cents per share)	（每股人民幣分）			

The notes on pages 86 to 199 are an integral part of these consolidated financial statements.

第86至199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	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
	Note 附註		
Profit for the year	年度利潤	367,674	359,155
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	7,662	1,612
<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 fair value of AFS	可供出售金融資產 公允價值變動	(346)	6,230
Other comprehensive income for the year, net of tax	年度其他全面收益，扣除稅項	7,316	7,842
Total comprehensive income for the year	年度總全面收益	374,990	366,997
Attributable to:	歸屬於：		
– Owners of the Company	– 本公司擁有人	323,822	314,234
– Non-controlling interests	– 非控股權益	51,168	52,763
Total comprehensive income for the year	年度總全面收益	374,990	366,997

The notes on pages 86 to 199 are an integral part of these consolidated financial statements.

第86至199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	Share premium 股份溢價	Treasury stock 庫存股份	Other reserves 其他儲備	Retained earnings 留存收益	Total 總計	Non-controlling interests 非控股權益	Total equity 權益總額
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日	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 fair value of AFS	可供出售金融資產公允價值變動	—	—	—	4,898	—	4,898	1,332	6,230
Total comprehensive income for the year	年度總全面收益	—	—	—	6,510	307,724	314,234	52,763	366,997
Convertible bond - equity component (Note 29)	可換股債券－權益部分(附註29)	—	—	—	18,385	—	18,385	—	18,385
Appropriations to statutory surplus reserve (Note 22)	提取法定盈餘公積金(附註22)	—	—	—	19,038	(19,038)	—	—	—
Dividends (Note 36)	股息(附註36)	—	—	—	—	(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
Profit for the year	年度利潤	—	—	—	—	315,174	315,174	52,500	367,674
Currency translation differences	外幣折算差額	—	—	—	7,662	—	7,662	—	7,662
Change in fair value of AFS (Note 18)	可供出售金融資產公允價值變動(附註18)	—	—	—	986	—	986	(1,332)	(346)
Total comprehensive income for the year	年度總全面收益	—	—	—	8,648	315,174	323,822	51,168	374,990
Appropriations to statutory surplus reserve (Note 22)	提取法定盈餘公積金(附註22)	—	—	—	17,236	(17,236)	—	—	—
Acquisition of shares under share award scheme (Note 21)	根據股份獎勵計劃購買股份(附註21)	—	—	(158,868)	—	—	(158,868)	—	(158,868)
Transaction with non-controlling interests (Note 39)	與非控股權益之交易(附註39)	—	—	—	(113,165)	—	(113,165)	(423,133)	(536,298)
At 31 December 2017	於二零一七年十二月三十一日	21,363	1,206,829	(158,868)	191,921	1,913,143	3,174,388	—	3,174,388

The notes on pages 86 to 199 are an integral part of these consolidated financial statements.

第86至199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	
			2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
		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	37	518,761	260,204
Interest received	已收利息		5,575	3,770
Interest paid	已付利息		(202)	(196)
Income tax paid	已付所得稅		(42,114)	(49,221)
Net cash generated from operating activities	經營活動產生的現金淨額		482,020	214,557
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		(17,955)	(93,482)
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
Purchases of AFS	購買可供出售金融資產		(600,600)	(460,000)
Proceeds from disposal of AFS	出售可供出售金融資產所得款項		591,315	287,826
Loans granted to third parties	授予第三方的貸款		(438,201)	(368,899)
Repayments of loans granted to third parties	償還已收第三方貸款		469,571	296,000
Amounts received from third parties	已收第三方款項		117,491	1,261,750
Amounts paid to third parties	已付第三方款項		(110,450)	(1,113,598)
Amounts received from a related party	已收一名關聯方款項		54,821	238,348
Amounts paid to a related party	已付一名關聯方款項		(30,000)	(425,000)
Prepayment for equity investment in a third party	於第三方股權投資的預付款項	15	—	(17,400)
Investment in associates	於聯營公司的投資	12	—	(218,000)
Net cash generated from/(used in) investing activities	投資活動所得／(所用)現金淨額		35,992	(607,595)

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
	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	36	—
Proceeds from bank borrowings	銀行借款所得款項	37	186,000
Repayments of bank borrowings and interests	償還銀行借款及利息	37	(413,861)
Proceeds from issue of convertible bond	發行可換股債券所得款項	29	—
Transaction costs paid relating to issue of convertible bond	已付有關發行可換股債券交易費		—
Coupon interest payments relating to convertible bond	有關可換股債券的票息付款	29,37	(26,835)
Payments for shares bought back	股份購回付款		(158,868)
Transaction with non-controlling interests	與非控股權益之交易		(297,254)
Net cash (used in)/generated from financing activities	融資活動(所用)/所得現金淨額		(710,818)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物的(減少)/增加淨額		
Cash and cash equivalents at beginning of year	年初現金及現金等價物		1,042,398
Exchange translation (loss)/gains on cash and cash equivalents	現金及現金等價物匯兌(虧損)/收益		(18,819)
Cash and cash equivalents at end of year	年末現金及現金等價物	19	830,773

The notes on pages 86 to 199 are an integral part of these consolidated financial statements.

第86至199頁的附註為該等綜合財務報表的組成部份。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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 PRC. The Group also provides lending services to third parties in Hong Kong Special Administrative Region with relevant license.

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 23 March 2018.

Key event

On 21 December 2017, the Group acquired the remaining 35% of equity interests of Tiandi Green for RMB536,298,000. Together with the existing 65% equity interests in Tiandi Green, it became an indirect wholly-owned subsidiary of the Company. Further details are given in Note 39.

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。本集團亦於香港特別行政區擁有向第三方提供借款服務的相關牌照。

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。董事會已於二零一八年三月二十三日批准刊發該等財務報表。

重要事項

於二零一七年十二月二十一日，本集團以人民幣536,298,000元收購天地綠色餘下35%的股權。連同本集團持有天地綠色現有65%股權，該公司成為本公司的一家非直接全資附屬公司。進一步詳情載於附註39。



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.

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 2017:

- Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12, and
- Disclosure initiative – amendments to IAS 7.

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

The amendments to IAS 7 require disclosure of changes in liabilities arising from financing activities, see note 37.

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。

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) *本集團已採納的新訂和已修改的準則*

本集團已於二零一七年一月一日或之後開始的財政年度首次採納下列準則的修改：

- 就未變現虧損確認遞延稅項資產－國際會計準則第12號的修改；及
- 披露倡議－國際會計準則第7號的修改。

採納該等修改對當期和任何前期確認的金額並無影響，亦不大可能會對未來期間產生影響。

國際會計準則第7號的修改要求披露融資活動產生的負債變動(見附註37)。

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.

Based on the Group's current 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。

根據本集團目前對金融資產的分類及計量的評估，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，本集團預期該新指引不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.

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。

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

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.

The standard permits either a full retrospective or a modified retrospective approach for the adoption.

Management has assessed the effects of applying the new standard on the Group’s financial statements and has identified no significant areas will be affected. Mandatory for financial years commencing on or after 1 January 2018. The Group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2018 and that comparatives will not be restated.

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

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。

此準則允許對其採納採用全面追溯法或經修訂追溯法。

管理層已評估應用該新準則對本集團財務報表的影響，且已識別出並無重大範圍將受影響。新準則於二零一八年一月一日或之後開始的財政年度強制採用。本集團擬透過使用經修訂追溯法採納有關準則，其意味著採納的累計影響將於截至二零一八年一月一日的留存收益確認，而比較數字將不會重列。



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

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 2017, the Group has non-cancellable operating lease commitments of RMB1,607,000 see Note 38. 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.

Some of the commitments may be covered by the exemption 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 standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

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

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。於二零一七年十二月三十一日，本集團有不可取消的經營租賃承擔人民幣1,607,000元(見附註38)。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。

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。

概無尚未生效且預計對本集團於目前或未來報告期間及對可見未來交易造成重大影響的其他準則。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

2.3 Principles of consolidation and equity accounting

2.3.1 Subsidiaries

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.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 2.4).

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 主要會計政策概要(續)

2.3 合併原則及權益會計處理

2.3.1 附屬公司

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。

本集團使用收購會計法為業務合併列賬(參閱附註2.4)。

公司內部交易、結餘及集團公司間的交易在未變現收益，均予以對銷。未變現虧損亦予以對銷，惟該交易有證據顯示已轉讓資產出現減值則除外。附屬公司的會計政策已在有需要時作出調整，以確保與本集團所採納有關政策一致。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3.2 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.

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.

2 主要會計政策概要(續)

2.3.2 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，有關投資初步按成本確認，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。

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。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

2.3.2 Associates (continued)

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.

2.4 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.

2 主要會計政策概要(續)

2.3.2 聯營公司(續)

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。

2.4 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。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Business combinations (continued)

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.

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.

2.5 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)

2.3.2 聯營公司(續)

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。

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逾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在未變現收益，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。

2.5 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)

2.6 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.

2.7 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 Hong Kong dollar ("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".

2 主要會計政策概要(續)

2.6 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。

2.7 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(「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。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

2.7 Foreign currency translation (continued)

(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)

2.7 外幣折算(續)

(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)

2.8 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 2.11).

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)

2.8 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
傢俱及設備	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2.11)。

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)

2.8 Property, plant and equipment (continued)

Construction-in-progress ("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.

2.9 Intangible assets

2.9.1 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)

2.8 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。

2.9 無形資產

2.9.1 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)

2.9 Intangible assets (continued)

2.9.2 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.

2.9.3 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.

2.10 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.

2.11 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 CGUs. 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)

2.9 無形資產(續)

2.9.2 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。

2.9.3 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。

2.10 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年使用年內按直線法攤銷。

2.11 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位現金產生單位。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)

2.12 Financial assets

The Group classifies its financial assets in the following categories: 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)

2.12 金融資產

本集團將其金融資產分為以下類別：貸款及應收款項類別以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)

2.13 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.

2.14 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.

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.

2 主要會計政策概要(續)

2.13 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。

2.14 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)。

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。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Impairment of financial assets (continued)

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.

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.

2.15 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 主要會計政策概要(續)

2.14 金融資產減值(續)

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。

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。

2.15 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 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 2.12 for further information about group's accounting for trade receivables and Note 2.14 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.

2.17 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.

2.18 Share capital and shares held for share option scheme

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.

Where the company's shares are acquired from the market by the Bank of Communications Trust Limited for share option scheme, the total consideration of shares acquired from the market (including directly attributable incremental costs) is presented as shares held for share award scheme.

2 主要會計政策概要(續)

2.16 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2.12,及集團減值政策的描述請參閱附註2.14。

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。

2.17 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。

2.18 股本及就購股權計劃持有的股份

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)。

倘Bank of Communications Trust Limited就購股權計劃自市場購買本公司股份,則自市場購買的股份的總代價(包括直接歸屬新增成本)呈列為就股份獎勵計劃持有的股份。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

2.19 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.

2.20 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.

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.

2 主要會計政策概要(續)

2.19 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。

2.20 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。

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。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

2.20 Borrowings (continued)

Convertible bond (the “**Bonds**”) 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 Bonds. 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.

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 主要會計政策概要(續)

2.20 借款(續)

本公司發行的可換股債券(「**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。

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

2.21 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.

2.22 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 2.28). Deferred revenue is stated at the consideration allocated less the amount previously recognised as revenue upon the delivery of goods to the wholesalers or customers (Note 2.26).

2 主要會計政策概要(續)

2.21 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。

2.22 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2.28)。遞延收入按所分配對價扣減之前於貨品交付予經銷商或客戶後確認為收入的金額列賬(附註2.26)。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 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.

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.

2 主要會計政策概要(續)

2.23 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。

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。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Current and deferred income tax (continued)

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.

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.

2.24 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)

2.23 當期及遞延所得稅(續)

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。

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。

2.24 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)

2.24 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.

2.25 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.

2.26 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.

2 主要會計政策概要(續)

2.24 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。

2.25 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。

2.26 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。



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Revenue recognition (continued)

(a) Sales of goods – water products

The Group manufactures and sells a range of water products in the wholesale. 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 customers, the customers have full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the products have been shipped to the specified location and accepted by customers; the risks of obsolescence and loss have been transferred to the customers.

(b) Sales of goods – beer products

The Group manufactures and sells a range of beer products in the wholesale. Sales of goods are recognised when a group entity has delivered products to the customers, the customers have full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the products have been shipped to the specified location and accepted by customers; the risks of obsolescence and loss have been transferred to the customers.

(c) Sales of goods – water cards

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.

2 主要會計政策概要(續)

2.26 收入確認(續)

(a) 商品銷售－水產品

本集團製造及於批發市場銷售一系列水產品。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客戶，客戶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客戶收取這些產品時，商品銷售方予以確認。在產品運至特定地點且客戶已收取、陳舊過時及虧損風險已轉移至客戶時，方為交付。

(b) 商品銷售－啤酒產品

本集團製造及於批發市場銷售一系列啤酒產品。當集團實體交付產品予客戶，客戶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客戶收取這些產品時，商品銷售方予以確認。在產品運至特定地點且客戶已收取、陳舊過時及虧損風險已轉移至客戶時，方為交付。

(c) 商品銷售－水卡

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。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

2.26 Revenue recognition (continued)

(d) Interest income

The Group provides lending services to third parties in Hong Kong with relevant license and earns interest as revenue. Related interest income is recognised in a time proportion basis using effective interest method.

(e) 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.

2.27 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.

2.28 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 2.22).

2 主要會計政策概要(續)

2.26 收入確認(續)

(d) 利息收入

本集團於香港擁有向第三方提供借款服務的相關牌照並賺取利息作為收入。有關利息收入採用實際利率法按時間比例基準確認。

(e) 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。

2.27 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。

2.28 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2.22)。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.29 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 in the consolidated statement of profit or loss on a straight-line basis over the period of the lease.

2.30 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.

2.31 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)

2.29 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)，於租期內以直線法列入綜合損益表。

2.30 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。

2.31 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

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.

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

3.1 Financial risk factors

(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 2017, 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 2017, 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 RMB61,244,000 (2016: RMB68,482,000) 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 RMB2,490,000 (2016: RMB4,789,000) higher/lower.

3 財務風險管理

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。

本附註闡述本集團面臨的財務風險及該等風險對本集團未來財務表現的影響。倘與增加額外內容有關，則計入本年度損益資料。

3.1 財務風險因素

(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。於截至二零一七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。

於二零一七年十二月三十一日，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61,244,000元（二零一六年：人民幣68,482,000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2,490,000元（二零一六年：人民幣4,789,000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 2017 and 2016, the Group's borrowings at variable rates were all denominated in RMB. At 31 December 2017, 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 RMB382,000 (2016: RMB298,000) lower/higher, mainly as a result of higher/lower interest expense on floating-rate borrowings.

At 31 December 2017, the Group has bank borrowings amounting to RMB136,000,000 (2016: RMB236,000,000) and convertible bond of RMB432,340,000 (2016: RMB458,066,000) at fixed interest rates and these expose the Group to fair value interest rate risk. As at 31 December 2017, 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 RMB2,141,000 (2016: RMB3,681,000) 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.

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。於二零一七年及二零一六年，本集團的浮息借款均以人民幣計值。於二零一七年十二月三十一日，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382,000元(二零一六年：人民幣298,000元)，主要是由於浮息借款的利息開支增加／減少。

於二零一七年十二月三十一日，本集團擁有按固定利率計息的銀行借款人民幣136,000,000元(二零一六年：人民幣236,000,000元)及可換股債券人民幣432,340,000元(二零一六年：人民幣458,066,000元)，其令本集團面臨公允價值利率風險。於二零一七年十二月三十一日，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2,141,000元(二零一六年：人民幣3,681,000元)。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。

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(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.

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 three single external customers are approximately RMB95,049,000, representing 40% of the balance of the Group's trade receivables as at 31 December 2017 (2016: two single external customers; RMB63,063,000, 33%). In view of the history of business dealings made with these three customers and the sound financial position and reputation of these three customers, management believes that there is no material credit risk inherent in the Group's outstanding receivables balance due from these three customers. The Group's other trade receivables are due from other third parties and associates (Note 40). 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 three 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

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。

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。

於二零一七年十二月三十一日，本集團應收三名單一外部客戶的貿易款約為人民幣95,049,000元，佔本集團應收貿易款結餘的40%(二零一六年：兩名單一外部客戶；人民幣63,063,000元，33%)。鑒於與這三名客戶的過往業務往來及這三名客戶良好的財務狀況及聲譽，管理層認為本集團應收這三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40)。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三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 2017, the Group has other receivables of RMB175,022,000 (2016: RMB249,770,000) which are mainly loans to several independent third parties amounting to RMB140,194,000 (2016: RMB156,944,000) and loan to an associate amounting to RMB30,000,000 (2016: RMB54,821,000). 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.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

於二零一七年十二月三十一日，本集團其他應收款為人民幣175,022,000元(二零一六年：人民幣249,770,000元)，主要為借給若干獨立第三方的貸款為人民幣140,194,000元(二零一六年：人民幣156,944,000元)及給予一家聯營公司的貸款為人民幣30,000,000元(二零一六年：人民幣54,821,000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。

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(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.

(i) Financing arrangements

The Group has the following undrawn bank borrowing facilities:

		As at 31 December 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
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

3 財務風險管理(續)

3.1 財務風險因素(續)

(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。

(i) 融資安排

本集團尚未提取的銀行借款額度如下：

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

(ii) Maturities of financial liabilities

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 2017	於二零一七年十二月三十一日			
Bank borrowings	銀行借款	438,254	—	—
Convertible bond	可換股債券	26,331	451,574	—
Trade payables (Note 26)	應付貿易款(附註26)	92,841	—	—
Other financial liabilities	其他金融負債	279,926	—	—
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 26)	應付貿易款(附註26)	78,055	—	—
Other financial liabilities	其他金融負債	28,261	—	—

The Group had no contingent liabilities as at 31 December 2017. As at 31 December 2016, the Group had contingent liabilities of RMB260,000,000 which representing financial guarantee provided to an associate. 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)

(ii) 金融負債到期日

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。

於二零一七年十二月三十一日，本集團並無或然負債。於二零一六年十二月三十一日，本集團有或然負債人民幣260,000,000元，指向一家聯營公司提供的財務擔保。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 2017.

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 2017 and 2016 are as follows:

		As at 31 December 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Bank borrowings (Note 28)	銀行借款(附註28)	431,000	646,000
Convertible bond-liability component (Note 29)	可換股債券－負債部份(附註29)	432,340	458,066
Total equity	權益總額	3,174,388	3,494,564
Total capital	資本總額	4,037,728	4,598,630
Gearing ratio	資產負債比率	21.38%	24.01%

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。

截至二零一七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。

於二零一七年及二零一六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

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements.

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2017 and 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).

3 財務風險管理(續)

3.3 公允價值估計

本節闡述釐定按公允價值於財務報表內確認及計量的金融工具的公允價值時所作的判斷及估計。

下表按計量公允價值之估值技術所用輸入數據的層級，分析本集團於二零一七年及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)。

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (continued)

- 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(續)

- 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)。

Recurring fair value measurements At 31 December 2017	經常性公允價值計量 於二零一七年十二月三十一日	Note 附註	Level 3 第3層 RMB'000 人民幣千元
AFS	可供出售金融資產		
– Investments in structured financial products (a)	– 投資於結構性理財產品(a)		175,884
– Investment in CRE (b)	– 投資於中鐵快運(b)	18	58,000
– Investment in Beijing GT Express Limited ("GT Express") (b)	– 投資於北京貫通雲網有限公司 ("貫通雲網")(b)	18	7,297
Total assets	總資產		241,181
Recurring fair value measurements At 31 December 2016	經常性公允價值計量 於二零一六年十二月三十一日		
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



3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (continued)

As at 31 December 2017 and 2016, the Group's financial assets that were measured at fair value represented its investments in AFS. The fair value hierarchy was all under level 3.

- (a) As at 31 December 2017, certain of the Group's level 3 financial instruments are related to 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.
- (b) As at 31 December 2017, certain of the Group's level 3 financial instruments are related to investment in CRE and GT Express. As the Group has no right to participate in these companies' operational decision making process, these investments were classified as AFS and recognised as level 3 financial assets. The fair value of these AFS investments were determined based on the market transaction prices. Given the above investments were made at arm's length and close to the reporting date, management do not expect any fair value changes since the acquisition.

There were no transfers between Levels 2 and 3 during the year. There were no other changes in valuation techniques during the year.

3 財務風險管理(續)

3.3 公允價值估計(續)

於二零一七年及二零一六年十二月三十一日，本集團按公允價值計量的金融資產指其於可供出售金融資產的投資。公允價值層級均為第3層。

- (a) 於二零一七年十二月三十一日，本集團若干第3層金融工具與由商業基金公司發行的結構性理財產品相關，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。
- (b) 於二零一七年十二月三十一日，本集團若干第3層金融工具與投資於中鐵快運及貫通雲網相關。由於本集團無權參與該等公司的營運決策程序，故該等投資被分類為可供出售金融資產並確認為第3層金融資產。該等可供出售金融資產投資的公允價值乃基於市場交易價格釐定。鑒於上述投資乃於接近報告日期按公平原則作出，管理層預期自收購以來並無任何公允價值變動。

年內，第2層與第3層之間並無轉撥。
年內，估值技術並無其他變動。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates, which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

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 2.8.

4 關鍵會計估計及判斷

編製財務報表須使用會計估計，該等會計估計正如其定義很少會與有關實際結果相符。管理層亦須於應用本集團的會計政策時作出判斷。

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2.8。



4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(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.

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 5%-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 2.9.1. 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

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。

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5%-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2.9.1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	1.4%~8.3%	Decrease by 1% 下降1%	76,241
Long-term growth rate 長期增長率	4.0%	Decrease to 3% 下降至3%	68,824
Gross margin 毛利率	47.7%	Decrease by 5% 下降5%	200,296
Pre-tax discount rate 稅前貼現率	15.4%	Increase to 16.4% 增加至16.4%	125,555
Government subsidy income 政府補貼收入	Continued government subsidy income from 2018 onwards 自二零一八年起持續政府補 貼收入	Discontinued government subsidy income from 2018 onwards 自二零一八年起終止政府補貼 收入	33,178

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.

(ii) Investment in an associate – Highland Natural Water

The Group engaged an independent valuer to perform 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 2.5 and Note 2.11. 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)

(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。

(ii) 於聯營公司—高原天然水的投資

根據附註2.5及附註2.11會計政策，當本集團發現減值迹象時，將引入獨立評估師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。



4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(CONTINUED)

(c) Impairment review (continued)

(ii) Investment in an associate – Highland Natural Water (continued)

The table below summarised the key assumptions used in the impairment review for investment in Highland Natural Water and the impacts to the value-in-use calculations upon 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	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	19.5%~28.5% from 2018 to 2021; 8.5% ~ 18.5% from 2022 to 2026 二零一八年至二零二一年 19.5%~28.5%；二零二二年至二零二六年 8.5% ~ 18.5%	Decrease by 1% 下降1%	211,657
Long-term growth rate 長期增長率	3.0%	Decrease to 2% 下降至2%	83,686
Gross margin 毛利率	49.5%~57.2%	Decrease by 5% 下降5%	288,004
Pre-tax discount rate 稅前貼現率	12.6%	Increase to 13.6% 增加至13.6%	155,360
Government subsidy income 政府補貼收入	Continued government subsidy income from 2018 onwards 自二零一八年起持續政府補貼收入	Discontinued government subsidy income from 2018 onwards 自二零一八年起終止政府補貼收入	19,891

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 2017 (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(續)

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對使用價值計算的影響：

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，故截至二零一七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 receivables amounting to RMB38,000 were impaired as at 31 December 2017 (2016: RMB1,995,000) (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) 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.

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，於二零一七年十二月三十一日應收貿易款人民幣38,000元(二零一六年：人民幣1,995,000元)(附註13)出現減值。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) 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 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.

(a) Description of segments and principal activities

(i) *Water segment*

The principal activities of the Group are manufacturing and selling a range of water products through wholesales in the PRC, selling bottle preforms and caps to a related party and providing lending services to third parties in Hong Kong with relevant license.

(ii) *Beer segment*

The Group manufactures and sells a range of beer products mainly in Tibet of the PRC through wholesales.

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.

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。

(a) 分部描述及主要業務

(i) 水分部

本集團的主要業務為於中國製造及銷售水產品(透過批發)、向一名關聯方銷售瓶坯及瓶蓋以及憑藉相關許可向香港第三方提供借款服務。

(ii) 啤酒分部

本集團主要於中國西藏製造及銷售啤酒產品(透過批發)。

本公司執行董事基於其對收入、銷售成本及毛利的審閱對經營分部的表現進行評估。

5 SEGMENT INFORMATION (CONTINUED)

(b) Segment information disclosures

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.

The segment information provided to the executive directors of the Company for the reportable segments for the year ended 31 December 2017 is as follows:

		Water segment 水分部 RMB'000 人民幣千元	Beer segment 啤酒分部 RMB'000 人民幣千元	Inter-segment elimination 分部間撇銷 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Total segment revenue	分部收入總額	569,863	368,938	(6,914)	931,887
Cost of sales	銷售成本	197,746	189,597	(6,914)	380,429
Gross profit for the year	年度毛利	372,117	179,341	—	551,458
Share of profit from associates	應佔聯營公司利潤	26,089	—	—	26,089
Adjusted EBITDA*	經調整的息稅折舊及 攤銷前利潤*	280,275	216,384	—	496,659
Finance income	財務收益	15,745	12,212	—	27,957
Finance costs	財務費用	(28,246)	(9,956)	—	(38,202)
Depreciation and amortisation	折舊及攤銷	(23,895)	(53,992)	—	(77,887)
Profit before tax	除所得稅前利潤	243,879	164,648	—	408,527
Income tax expenses	所得稅費用	(26,062)	(14,791)	—	(40,853)
Profit for the year	年度利潤	217,817	149,857	—	367,674

* Earnings before interest, taxes, depreciation and amortisation

5 分部資料(續)

(b) 分部資料披露

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。

截至二零一七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：

* 利息、稅收、折舊和攤銷前的收益



5 SEGMENT INFORMATION (CONTINUED)

5 分部資料(續)

(b) Segment information disclosures (continued)

(b) 分部資料披露(續)

		Water segment 水分部 RMB'000 人民幣千元	Beersegment 啤酒分部 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	2,921,108	2,313,375	5,234,483
Investments accounted for using equity method	使用權益法入賬的投資	1,326,300	—	1,326,300
Unallocated	未分配			
AFS	可供出售金融資產			241,181
Deferred income tax assets	遞延所得稅資產			2,895
Corporate assets	企業資產			103,733
Inter-segment elimination	分部間撇銷			(1,033,252)
Total assets	總資產			4,549,040
Segment total liabilities	分部總負債	1,050,458	362,552	1,413,010
Unallocated	未分配			
Deferred income tax liabilities	遞延所得稅負債			18,572
Corporate liabilities	企業負債			440,024
Inter-segment elimination	分部間撇銷			(496,954)
Total liabilities	總負債			1,374,652

5 SEGMENT INFORMATION (CONTINUED)

(b) Segment information disclosures (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 segment 水分部 RMB'000 人民幣千元	Beer segment 啤酒分部 RMB'000 人民幣千元	Inter-segment elimination 分部間撇銷 RMB'000 人民幣千元	Total 總計 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 income	財務收益	19,742	1,296	—	21,038
Finance costs	財務費用	(31,502)	(8,774)	—	(40,276)
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)

(b) 分部資料披露(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)

(b) Segment information disclosures (continued)

		Water segment 水分部 RMB'000 人民幣千元	Beer segment 啤酒分部 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
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

Entity-Wide information

Breakdown of total revenue by category is shown in Note 6.

Revenue from external customers of the Group were derived in the PRC for the years ended 31 December 2017 and 2016.

Non-current assets, other than financial instruments and deferred income tax assets are all located in the PRC as at 31 December 2017 and 2016.

實體範圍資料

按類別劃分的總收入明細載於附註6。

截至二零一七年及二零一六年十二月三十一日止年度本集團外部客戶的收入自中國產生。

於二零一七年及二零一六年十二月三十一日，非流動資產(金融工具及遞延所得稅資產除外)均位於中國。

5 SEGMENT INFORMATION (CONTINUED)

(b) Segment information disclosures (continued)

Entity-Wide information (continued)

During the year 2017, sales of approximately RMB102,699,000 (2016: RMB89,107,000) are derived from an associate in the water segment and sales of approximately RMB93,630,000 (2016: RMB96,384,000) are derived from one single external customer in the beer segment.

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, leases a bottled water production line to an associate, provides lending services to third parties in Hong Kong with relevant license. Breakdown of the revenue is as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Sales of water products	水產品銷售	465,307	395,335
Sales of beer products	啤酒產品銷售	362,024	383,650
Sales of bottle preforms and caps (Note 40)	瓶坯及瓶蓋銷售(附註40)	100,648	87,056
Rental of a bottled water production line (Note 40)	租賃瓶裝水生產線(附註40)	2,051	2,051
Interest income from lending services provided	所提供借款服務產生的利息收入	1,857	—
		931,887	868,092

Revenue from external customers of the Group were derived in the PRC for the years ended 31 December 2017 and 2016.

5 分部資料(續)

(b) 分部資料披露(續)

實體範圍資料(續)

於二零一七年，水分部銷售約人民幣102,699,000元(二零一六年：人民幣89,107,000元)來自於一間聯營公司，啤酒分部銷售約人民幣93,630,000元(二零一六年：人民幣96,384,000元)來自於一名單一外部客戶。

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及向該聯營公司出租一條瓶裝水生產線，並憑藉相關許可向香港第三方提供借款服務。收入明細如下：

截至二零一七年及二零一六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	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
At beginning of year	年初	30,693	31,417
Amortisation charge (Note 31 & 37)	攤銷費用(附註31及37)	(724)	(724)
At end of year	年末	29,969	30,693

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 2017, land use rights with net book value of RMB29,892,000 (2016: RMB30,615,000) were pledged for bank borrowings with carrying amounts of RMB66,000,000 and RMB190,000,000 (Note 28).

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。

於二零一七年十二月三十一日，賬面淨值為人民幣29,892,000元(二零一六年：人民幣30,615,000元)的土地使用權已被抵押予賬面值為人民幣66,000,000元及人民幣190,000,000元的銀行借款(附註28)。

8 PROPERTY, PLANT AND EQUIPMENT

8 物業、廠房及設備

		Buildings 樓宇	Machinery 機器	Vehicles 車輛	Others 其他	Construction in progress 在建工程	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日						
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 31 & 37)	折舊費用(附註31及37)	(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
Year ended 31 December 2017	截至二零一七年十二月三十一日止年度						
Opening net book amount	年初賬面淨值	120,371	408,134	994	32,249	57,639	619,387
Additions	添置	2,390	6,854	403	1,917	30,849	42,413
Transfer upon completion	完成時結轉	332	13,428	—	—	(13,760)	—
Reclassification between categories	類別之間重新分類						
– Cost	– 成本	30,884	—	—	(30,884)	—	—
– Accumulated depreciation	– 累計折舊	(6,354)	—	—	6,354	—	—
Depreciation charges (Note 31 & 37)	折舊費用(附註31及37)	(5,474)	(47,866)	(170)	(1,567)	—	(55,077)
Closing net book amount	年末賬面淨值	142,149	380,550	1,227	8,069	74,728	606,723
At 31 December 2017	於二零一七年十二月三十一日						
Cost	成本	190,303	727,197	3,555	24,237	74,728	1,020,020
Accumulated depreciation	累計折舊	(48,154)	(344,336)	(2,328)	(16,168)	—	(410,986)
Impairment (a)	減值(a)	—	(2,311)	—	—	—	(2,311)
Net book amount	賬面淨值	142,149	380,550	1,227	8,069	74,728	606,723

8 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- (a) Certain idle machineries with the cost amounting to RMB2,978,000 (2016: RMB2,978,000) were considered obsolete before 2012, and an impairment provision of RMB2,311,000 (2016: 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	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cost of sales	銷售成本	50,469	49,536
Selling and distribution expenses	銷售及分銷費用	51	73
Administrative expenses	行政費用	4,557	4,824
		55,077	54,433

As at 31 December 2017, 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 RMB341,000 (2016: RMB361,000). The executive directors of the Company are of the opinion that the Group is entitled to lawfully and validly occupy or use these properties.

8 物業、廠房及設備(續)

- (a) 於二零一二年，成本為人民幣2,978,000元(二零一六年：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(二零一六年：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：

於二零一七年十二月三十一日，本集團正就總賬面淨值約人民幣341,000元(二零一六年：人民幣361,000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。

8 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Interest of RMB2,611,000 has been capitalised in assets under construction for the year ended 31 December 2017 (2016: RMB2,347,000). Interest was capitalised at the weighted average rate of its general borrowings of 2.44% (Note 33).

As at 31 December 2017, buildings with net book value of RMB101,291,000 (2016: RMB107,022,000) was pledged for bank borrowings with carrying amounts of RMB66,000,000 and RMB190,000,000 (Note 28).

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)

截至二零一七年十二月三十一日止年度，在建工程資產資本化利息為人民幣2,611,000元(二零一六年：人民幣2,347,000元)。利息按一般借款加權平均利率2.44%資本化(附註33)。

於二零一七年十二月三十一日，賬面淨值為人民幣101,291,000元(二零一六年：人民幣107,022,000元)的樓宇已被抵押予賬面值為人民幣66,000,000元及人民幣190,000,000元的銀行借款(附註28)。

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	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cost	成本	37,145	37,145
Accumulated depreciation at 1 January	於一月一日累計折舊	(18,015)	(15,613)
Depreciation charge for the year	年度折舊費用	(2,402)	(2,402)
Net book amount	賬面淨值	16,728	19,130

9 INTANGIBLE ASSETS

9 無形資產

		Trade Name 商標 RMB'000 人民幣千元	Distribution Network 分銷網絡 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
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 31 & 37)	攤銷費用(附註31及附註37)	(3,198)	(18,888)	(22,086)
Closing net book amount	年末賬面淨值	47,065	85,487	132,552
Year ended 31 December 2017	截至二零一七年 十二月三十一日止年度			
Opening net book amount	年初賬面淨值	47,065	85,487	132,552
Amortisation charge (Note 31 & 37)	攤銷費用(附註31及附註37)	(3,198)	(18,888)	(22,086)
Closing net book amount	年末賬面淨值	43,867	66,599	110,466

Amortisation of approximately RMB3,198,000 (2016: RMB3,198,000) is included in the "Administrative expenses" and RMB18,888,000 (2016: 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(二零一六年：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(二零一六年：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	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Goodwill	商譽	721,139	721,139

10 GOODWILL (CONTINUED)

The goodwill of RMB721,139,000 was generated from acquisition of a controlling stake in Tiandi Green 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 seven-year period when optimum market share is expected to be reached. Cash flows beyond the seven-year period are extrapolated using the estimated growth rates.

The key assumptions used for value-in-use calculations in 2017 and 2016 are as follows:

		2017 二零一七年	2016 二零一六年
Compound annual revenue growth rate	複合年收入增長率	1.4%~8.3%	4.0%~6.0%
Long-term growth rate	長期增長率	4.0%	4.0%
Gross margin	毛利率	47.7%	48.1%
Pre-tax discount rate	稅前貼現率	15.4%	15.2%
Government subsidy income	政府補貼收入	Continued government subsidy income from 2018 onwards 自二零一八年 起 持續政府補貼收入	Continued government subsidy income from 2017 onwards 自二零一七 年起 持續政府補貼收入

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 goodwill as at 31 December 2017 and 2016.

10 商譽(續)

人民幣721,139,000元的商譽產生於二零一四年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七年期間的財務預算的稅前現金流量預測。超過七年期間的現金流量乃使用估計增長率推測。

二零一七年及二零一六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。

董事認為於二零一七年及二零一六年十二月三十一日商譽並無出現減值。

I SUBSIDIARIES

The following is a list of significant principal subsidiaries of the Group as at 31 December 2017:

II 附屬公司

於二零一七年十二月三十一日，本集團重大主要附屬公司的名單如下：

Company name	Principal place of business and country of incorporation/ date of incorporation/ type of legal entities	Issued/paid-in capital		Effective interest held		Principal activities
公司名稱	主要營業地點和註冊成立國家/ 註冊成立日期/法律實體類型	已發行/實繳股本		實際所持權益		主要活動
Indirectly held: 間接持有：		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	
Tibet Zhongji Jiahua Industry Co., Ltd.	PRC/1 January 2004/Limited liability company	USD 16,000,000	USD 16,000,000	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	100%	100%	投資控股
Tibet Glacier Mineral Water Co., Ltd. ("Tibet Glacier Mineral Water")	PRC/31 October 2005/Limited liability company	RMB 118,000,000	RMB 118,000,000	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	100%	100%	製造及銷售水產品
Beijing 5100 Management Consulting Co., Ltd. (formerly known as Beijing 5100 Enterprise Planning Club Co., Ltd.)	PRC/13 July 2007/Limited liability company	RMB 1,000,000	RMB 1,000,000	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	100%	100%	水產品市場營運及管理
Tibet Glacier Mineral Water Marketing Co., Ltd.	PRC/21 April 2010/Limited liability company	RMB 3,000,000	RMB 3,000,000	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	100%	100%	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	RMB 200,000,000	RMB 200,000,000	100%	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	100%	65%	啤酒生產及銷售
Wealth Keeper Ltd.	Hong Kong/30 October 2012/Limited liability company	HKD 1	HKD 1	100%	100%	Investment holding
Wealth Keeper Ltd.	香港/二零一二年十月三十日/有限公司	1 港元	1 港元	100%	100%	投資控股

11 SUBSIDIARIES (CONTINUED)

11 附屬公司(續)

Company name	Principal place of business and country of incorporation/ date of incorporation/ type of legal entities	Issued/paid-in capital		Effective interest held		Principal activities
公司名稱	主要營業地點和註冊成立國家/ 註冊成立日期/法律實體類型	已發行/實繳股本		實際所持權益		主要活動
Indirectly held: 間接持有:		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	
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	100%	100%	投資控股及買賣原料
Hong Kong Fairly Well Capital Limited	Hong Kong/23 May 2016/Limited liability company	HKD1	HKD1	100%	100%	Lending service
香港中實資本有限公司	香港/二零一六年五月二十三日/ 有限公司	1 港元	1 港元	100%	100%	放貸服務

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	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Opening net book amount	年初賬面淨值	1,307,508	1,062,595
Additions	添置	—	218,000
Share of profits (Note 37)	應佔利潤(附註37)	26,089	26,913
Transfer to AFS (a)	轉撥至可供出售金融資產(a)	(7,297)	—
Closing net book amount	年末賬面淨值	1,326,300	1,307,508

12 INVESTMENT IN ASSOCIATES (CONTINUED)

- (a) Prior to January 2017, the Group has 2% equity interests in GT Express and the Group has the right to appoint one director in the board of directors in GT Express. In January 2017, based on agreement among shareholders, GT Express modified its articles of association and the Group no longer has the right to appoint a director nor to participate in the operational decision making process in GT Express. Accordingly, the Group lost significant influence in GT Express and such investment was reclassified from investment in an associate to AFS.

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 nine-year period when optimum market share is expected to be reached. Cash flows beyond the nine-year period are extrapolated using the estimated growth rate.

The key assumptions used for value-in-use calculations in 2017 and 2016 are as follows:

		2017 二零一七年	2016 二零一六年
Compound annual revenue growth rate	複合年收入增長率	19.5%~28.5% from 2018 to 2021; 8.5% ~ 18.5% from 2022 to 2026 二零一八年至二零二一年 為 19.5%~28.5%; 二零二二年至二零二六年 為 8.5% ~ 18.5%	14.2%~29.8% from 2017 to 2021; 5.0% ~ 13.0% from 2022 to 2026 二零一七年至二零二一年 為 14.2%~29.8%; 二零二二至二零二六年 為 5.0% ~ 13.0%
Long-term growth rate	長期增長率	3.0%	3.0%
Gross margin	毛利率	49.5%~57.2%	58.1%~59.7%
Pre-tax discount rate	稅前貼現率	12.6%	13.0%
Government subsidy income	政府補貼收入	Continued government subsidy income from 2018 onwards 自二零一八年起持續政府補貼收入	Continued government subsidy income from 2017 onwards 自二零一七年起持續政府補貼收入

12 於聯營公司的投資(續)

- (a) 於二零一七年一月前，本集團於貫通雲網持有2%股權，而本集團有權於貫通雲網董事會委任一名董事。在二零一七年一月，根據股東達成的協議，貫通雲網修訂其組織章程細則，本集團不再有權委任董事，亦不可參與貫通雲網的營運決策過程。因此，本集團失去對貫通雲網的重大影響力，該投資由於聯營公司的投資重新分類為可供出售金融資產。

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九年期間的財務預算的稅前現金流量預測。超過九年期間的現金流量乃使用估計增長率推測。

二零一七年及二零一六年使用價值的計算所使用的主要假設如下：

12 INVESTMENT IN ASSOCIATES (CONTINUED)

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 2017 and 2016.

Set out below are the associates of the Group as at 31 December 2017.

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 西藏高原天然水有限公司	The PRC 中國	40	Manufacturing and distribution of water products 製造及分銷水產品	Equity 權益
Moutai Group Tibet 5100 Mineral Water Co., Ltd. ("Moutai 5100") 茅台集團西藏五一零零礦泉水有限公司 (「茅台5100」)	The PRC 中國	50	Distribution of water products 水產品的分銷	Equity 權益

There is no contingent liability relating to the Group's interest in above associates, and the proportion of ownership interest is the same as the proportion of voting rights held.

Summarised financial information for a material associate – Highland Natural Water

Based on the opinion of the Directors, the Group has one associate - Highland Natural Water that is considered as material. The tables below provide summarised the financial information of the Highland Natural Water.

12 於聯營公司的投資(續)

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。

董事認為於二零一七年及二零一六年十二月三十一日，於高原天然水的投資並無出現減值。

下文載列於二零一七年十二月三十一日本集團之聯營公司。

並無與本集團於以上的聯營公司的權益有關的或然負債，且所有權權益比例與所持投票權比例相同。

重大聯營公司財務資料概要－高原天然水

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。下表載列高原天然水之財務資料概要。

12 INVESTMENT IN ASSOCIATES (CONTINUED)

Summarised financial information for a material associate – Highland Natural Water (continued)
Summarised balance sheet

12 於聯營公司的投資(續)

重大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	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current	流動		
Cash and cash equivalents	現金及現金等價物	252,277	158,601
Other current assets	其他流動資產	131,569	160,123
Total current assets	流動資產總額	383,846	318,724
Borrowings	借款	(360,000)	(290,000)
Other current liabilities	其他流動負債	(128,912)	(220,259)
Total current liabilities	流動負債總額	(488,912)	(510,259)
Total current net liabilities	流動淨負債總額	(105,066)	(191,535)
Non-current	非流動		
Assets	資產	729,693	753,820
Liabilities	負債	(35,765)	(38,278)
Total non-current net assets	非流動淨資產總額	693,928	715,542
Net assets	淨資產	588,862	524,007

12 INVESTMENT IN ASSOCIATES (CONTINUED)

Summarised financial information for a material 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	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Revenue	收入	460,943	471,704
Pre-tax profit for the year	年內除稅前利潤	71,433	90,640
Income tax expense	所得稅費用	(6,578)	(8,318)
Post-tax profit for the year	年內除稅後利潤	64,855	82,322
Other comprehensive income	其他全面收益	—	—
Total comprehensive income	全面收益總額	64,855	82,322
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)

重大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)

Summarised financial information for a material associate – Highland Natural Water (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)

重大聯營公司財務資料概要 – 高原天然水(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	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Opening net assets 1 January	於一月一日的年初淨資產	524,007	368,223
Profit for the year	年內利潤	64,855	82,322
Valuation adjusted from additional acquisition	額外收購的估值調整	—	73,462
Closing net assets	年末淨資產	588,862	524,007
Elimination of unrealised profit from inter-company sales	未實現內部銷售利潤抵銷額	(512)	(767)
Adjusted total net assets	調整後的總淨資產	588,350	523,240
Interest in the associate (2017: 40%; 2016: 40% (from 23 September 2016 to 31 December 2016) and 33% (from 1 January 2016 to 23 September 2016))	於聯營公司的權益 (二零一七年：40%； 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))	215,489	187,461
Goodwill	商譽	1,064,053	1,064,053
Carrying value	賬面值	1,279,542	1,251,514

13 TRADE RECEIVABLES

13 應收貿易款

		Year ended 31 December 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Trade receivables due from third parties	應收第三方貿易款	192,139	143,354
Loan receivables due from third parties (a)	應收第三方借款(a)	36,671	—
Trade receivables due from associates (b) (Note 40)	應收聯營公司的應收貿易款(b) (附註40)	6,367	52,567
		235,177	195,921
Less: Provision for impairment of trade receivables	減：應收貿易款的減值撥備	(38)	(1,995)
		235,139	193,926

Trade receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash. For the year 2017, there is no additional impairment provision and receivables amounting to RMB1,957,000 were written off as uncollectible.

- (a) This balance includes a Loan receivable of HKD40,998,000 (equivalent to RMB34,270,000, 2016: nil), which is secured by collaterals provided by the borrower, bears interest at fixed rate, and is repayable in the next 12 months.
- (b) This balance represents amounts due from Highland Natural Water and Moutai 5100. They were unsecured, non-interest bearing and repayable on demand.

如預期不能收回額外現金，則已確認減值撥備的應收貿易款會與撥備撇銷。於二零一七年，概無額外減值撥備及應收款項人民幣1,957,000元已作為不可收回款項予以撇銷。

- (a) 該結餘包括40,998,000港幣應收借款(相當於人民幣34,270,000元，2016年：無)，該借款由借款人提供的抵押物擔保，固定利率，在未來12個月內償還。
- (b) 該結餘為應收高原天然水及茅台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 2017 and 2016, 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	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 6 months	6個月內	222,532	131,794
Over 6 months but within 1 year	超過6個月但不超過1年	8,855	2,699
Over 1 year but within 2 years	超過1年但不超過2年	2,302	56,914
Over 2 years	超過2年	1,488	4,514
		235,177	195,921

As at 31 December 2017, trade receivables amounting to RMB38,000 were impaired and provided for (2016: RMB1,995,000).

The maximum exposure to credit risk at the reporting date is RMB235,177,000 (2016: RMB195,921,000) including amount due from a third party of RMB34,270,000 (2016: nil), which was secured by two properties.

As at 31 December 2017 and 2016, the carrying amounts of the above trade receivables approximated their fair values.

13 應收貿易款(續)

於二零一七年及二零一六年十二月三十一日，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：

於二零一七年十二月三十一日，已減值及獲撥備的應收貿易款為人民幣38,000元(二零一六年：人民幣1,995,000元)。

報告日期的最高信貸風險為人民幣235,177,000元(二零一六年：人民幣195,921,000元)，包括應收第三方款項人民幣34,270,000元(二零一六年：零)已以兩項物業作抵押。

於二零一七年及二零一六年十二月三十一日，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	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Trade receivables 應收貿易款			
– Group 1	– 第1組	76,532	12,680
– Group 2	– 第2組	121,337	85,777
		197,869	98,457

		As at 31 December 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Other receivables 其他應收款			
– Group 1	– 第1組	103,830	162,291
– Group 2	– 第2組	71,192	87,479
		175,022	249,770

14 金融資產的信貸質量

(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貸質量可參考交易對手的性質或其違約比率的歷史資料進行評估：

14 CREDIT QUALITY OF FINANCIAL ASSETS (CONTINUED)

(a) Financial assets neither past due nor impaired (continued)

		As at 31 December 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cash at bank 銀行存款			
– Group 3	– 第3組	829,720	1,041,766

		As at 31 December 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
AFS – structured financial products 可供出售金融資產 – 結構性理財產品			
– Group 3	– 第3組	175,884	186,230

Group 1 – new third parties/related parties

第1組 – 新增第三方／關聯方

Group 2 – existing third parties/related parties with no defaults in the past

第2組 – 過往無違約記錄的現有第三方／關聯方

Group 3 – reputable provincial banks and financial institutions and listed banks in China and Hong Kong

第3組 – 中國和香港知名省級銀行、金融機構及上市銀行。

14 CREDIT QUALITY OF FINANCIAL ASSETS (CONTINUED)

(b) Financial assets past due but not impaired

As at 31 December 2017, trade receivables of approximately RMB37,270,000 (2016: RMB95,469,000) 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	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Over credit term but within 6 months	超過信貸期但不超過6個月	24,663	33,337
Over 6 months but within 1 year	超過6個月但不超過1年	8,856	2,699
Over 1 year but within 2 years	超過1年但不超過2年	2,302	56,914
Over 2 years	超過2年	1,449	2,519
		37,270	95,469

(c) Financial assets past due and impaired

As at 31 December 2017, trade receivables amounting to RMB38,000 (2016: RMB1,995,000) 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

於二零一七年十二月三十一日，已逾期但無減值的應收貿易款約為人民幣37,270,000元(二零一六年：人民幣95,469,000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

於二零一七年十二月三十一日，已逾期及減值的應收貿易款為人民幣38,000元(二零一六年：人民幣1,995,000元)。

15 PREPAYMENTS

15 預付款項

		As at 31 December 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Prepayments made for purchase of raw materials, services, and equipment	購買原材料、服務及設備的預付款	187,115	238,223
Prepayment for investment in a third party	投資於第三方的預付款項	—	17,400
		187,115	255,623
Less:	減：		
Non-current portion - prepayments made for purchase of equipment (a)	非流動部分－購置設備的預付款項(a)	(43,937)	(65,476)
Current portion	流動部分	143,178	190,147

(a) These balances represent prepayments made for the purchase of equipment, the ownership of which has not been obtained at year end.

(a) 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。

The carrying amounts of current and non-current prepayments are denominated in the following currencies:

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	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
– RMB	－人民幣	178,752	249,256
– HKD	－港元	1,392	456
– USD	－美元	72	75
– EUR	－歐元	5,836	5,836
– GBP	－英鎊	1,063	—
		187,115	255,623

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	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Amounts due from third parties (a)	應收第三方款項(a)	140,194	156,944
Amounts due from an associate (b) (Note 40)	應收聯營公司款項(b) (附註40)	30,000	54,821
Government grant receivable	政府補助應收款	—	30,810
Deposits	押金	970	1,186
Receivable from disposal of AFS	出售可供出售金融資產的應收款項	—	1,711
Others	其他	3,858	4,298
		175,022	249,770

(a) The balances include the following items:

- A lending to a third party company with a principal amount of RMB38,000,000 (2016: nil), which bore an annual interest rate of 10%, mature in August 2018, and guaranteed by a third party provided by a controlling shareholder of the borrowing company.
- A lending to a third party company with a principal amount of RMB50,920,000 (2016: nil), which bore an annual interest rate of 10%, mature in August 2018, and guaranteed by a third party provided by a controlling shareholder of the borrowing company.
- A lending to a third party company with a principal amount of RMB50,000,000 (2016: nil) and accrued interest of RMB1,274,000 (2016: nil), which bore an annual interest rate of 10%, mature in September 2018.

(a) 結餘包括以下項目：

- 提供予一間第三方公司本金金額為人民幣38,000,000元(二零一六年：零)之貸款，年利率為10%，於二零一八年八月到期，且由借款公司一名控股股東提供的第三方作擔保。
- 提供予一間第三方公司本金金額為人民幣50,920,000元(二零一六年：零)之貸款，年利率為10%，於二零一八年八月到期，且由借款公司一名控股股東提供的第三方作擔保。
- 提供予一間第三方公司本金金額為人民幣50,000,000元(二零一六年：零)之貸款及應計利息人民幣1,274,000元(二零一六年：零)，年利率為10%，於二零一八年九月到期。



16 OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

- (b) 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 amounting to RMB175,022,000 (2016: RMB249,770,000) (Note 3.1).

The carrying amounts of other receivables are denominated in the following currencies:

16 其他應收款及其他資產(續)

- (b) 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人民幣175,022,000元(二零一六年：人民幣249,770,000元)(附註3.1)。

其他應收款的賬面值以下列貨幣計值：

		As at 31 December 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
– RMB	– 人民幣	174,244	121,647
– HKD	– 港元	768	123,551
– USD	– 美元	10	4,572
		175,022	249,770

17 INVENTORIES

17 存貨

		As at 31 December 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Raw materials	原材料	62,541	54,476
Finished goods – at cost	產成品－按成本	8,458	8,795
Work in progress	在製品	4,614	4,245
		75,613	67,516

The cost of inventories which was recognised as an expense and was included in “cost of sales” amounted to approximately RMB361,911,000 for the year ended 31 December 2017 (2016: RMB330,687,000).

As at 31 December 2017, 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.

The costs of individual items of inventory are determined using weighted average costs.

截至二零一七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361,911,000元（二零一六年：人民幣330,687,000元）。

於二零一七年十二月三十一日，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。

各存貨項目成本使用加權平均成本釐定。

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	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
At 1 January	於一月一日	186,230	—
Additions	添置	560,000	460,000
Acquisition of CRE (a)	收購中鐵快運(a)	58,000	—
Transfer from investment in GT Express (b), (Note 12)	轉撥自於貫通雲網的投資(b) (附註12)	7,297	—
Disposals	出售	(589,604)	(289,537)
Net gains recognised upon disposal (Note 30 & 37)	出售時確認的收益淨額 (附註30及37)	19,604	9,537
Fair value changes recorded in other comprehensive income	計入其他全面收益的公允價值變動	(346)	6,230
At 31 December	於十二月三十一日	241,181	186,230
Less: non-current portion	減：非流動部分	65,297	—
Current portion	流動部分	175,884	186,230

All AFS are denominated in RMB as at 31 December 2017 and 2016.

於二零一七年及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。

- (a) On 13 December 2016, the Group entered into contract to acquire 0.48% equity interests of CRE at the amount of RMB58,000,000 and the transfer of equity interests was completed in February 2017. As the Group has no right to participate in CRE's operational decision making process, the investment was classified as AFS.

- (a) 在二零一六年十二月十三日，本集團訂立合約以人民幣58,000,000元收購了中鐵快運0.48%股權，股權轉讓已於二零一七年二月完成。由於本集團無權參與中鐵快運的營運決策，該投資被分類為可供出售金融資產。

18 AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)

- (b) As mentioned in Note 12, in January 2017, based on agreement among shareholders, GT Express modified its articles of association and the Group no longer has the right to appoint a director nor to participate in the operational decision making process for GT Express. Accordingly, the Group lost significant influence in GT Express and the investment in GT Express was reclassified from investment in an associate to AFS.

Information about the methods and assumptions used in determining fair value is provided in Note 3.3. None of AFS are either past due or impaired.

19 CASH AND CASH EQUIVALENTS

18 可供出售金融資產(續)

- (b) 如附註12所述，於二零一七年一月，根據股東達成的協議，貫通雲網修訂其組織章程細則，本集團不再有權委任董事，亦無權參與貫通雲網的營運決策。因此，本集團失去對貫通雲網的重大影響力，而於貫通雲網的投資由於聯營公司的投資重新分類為可供出售金融資產。

有關釐定公允價值所使用方法及假設的資料載於附註3.3。概無已逾期或減值的可供出售金融資產。

19 現金及現金等價物

		As at 31 December 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cash on hand	手頭現金	1,053	632
Cash at bank	銀行存款	813,327	1,039,762
Restricted cash	受限制現金	16,393	2,004
		830,773	1,042,398
Denominated in:	計值貨幣：		
– RMB	– 人民幣	794,356	845,093
– USD	– 美元	1,042	1,254
– HKD	– 港元	35,115	195,853
– Others	– 其他	260	198
		830,773	1,042,398

19 CASH AND CASH EQUIVALENTS (CONTINUED)

As at 31 December 2017, the Group's cash and cash equivalents amounting to RMB768,148,000 (2016: RMB838,808,000) were held in the financial institutions located in the mainland of PRC. The remaining balances of RMB61,572,000 (2016: RMB202,958,000) 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 mainland of 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 4.05% per annum for the year ended 31 December 2017 (2016: range from 0.01% to 4.4% per annum).

As at 31 December 2017, bank deposits of RMB16,393,000 (2016: RMB2,004,000) are restricted as guarantee for payments of imported equipment and an amount held by the Bank of Communications Trustee Limited on behalf of the Company for purchase of the Company's own shares (Note 21).

20 SHARE CAPITAL AND SHARE PREMIUM

19 現金及現金等價物(續)

於二零一七年十二月三十一日，本集團的現金及現金等價物人民幣768,148,000元(二零一六年：人民幣838,808,000元)由在中國大陸的金融機構持有。餘下人民幣61,572,000元(二零一六年：人民幣202,958,000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大陸匯出，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，截至二零一七年十二月三十一日止年度，有關年利率介乎0.01%至4.05%(二零一六年：年利率介乎0.01%至4.4%)。

於二零一七年十二月三十一日，受限制銀行存款人民幣16,393,000元(二零一六年：人民幣2,004,000元)作為進口設備的付款擔保及交通銀行信託有限公司代表本公司持有的購買本公司本身股份的款項(附註21)。

20 股本及股份溢價

	Number of ordinary shares (thousands) 普通股數目 (千股)	Nominal value of ordinary shares 普通股 賬面值 HKD'000 千港元	Equivalent nominal value of ordinary shares 普通股 賬面值等值 RMB'000 人民幣千元	Share premium RMB'000 人民幣千元	Total RMB'000 人民幣千元
Balance as at 1 January and 31 December 2016 and 2017 於二零一六年及 二零一七年一月一日 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 SHARES HELD FOR SHARE AWARD SCHEME

	2017 二零一七年 Number of ordinary shares 普通股數目 (thousands) (千股)	2016 二零一六年 Number of ordinary shares 普通股數目 (thousands) (千股)	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Shares held for share award scheme 為股份獎勵計劃持有的股份	60,626	—	158,868	—

On 18 August 2017, the Group adopted a share award scheme for purposes of (i) encouraging or facilitating the holding of Shares by the Selected Participants; (ii) encouraging and retaining certain individuals to work with the Group; and (iii) providing incentive for the Selected Participants to achieve performance goals. Based on the rules of the scheme, the Group may grant shares of the Company to eligible participants in the future.

On 8 September 2017, the Group entered an agreement with Bank of Communications Trustee Limited (the "Trustee") to establish a share award scheme trust ("Share Award Trust"), where the Trustee may purchase or subscribe ordinary shares of the Company on behalf of the Group from the open market, based on the instructions of the Group. The Share Award Trust is consolidated in the Group's consolidated financial statements as a special purpose entity.

During the year ended 31 December 2017, the Group purchased 60,626,000 shares of the Company through the Trustee for a total consideration of RMB158,868,000. As at 31 December 2017, no share has been granted by the Group to any parties under the above mentioned share award scheme.

21 為股份獎勵計劃持有的股份

於二零一七年八月十八日，本集團採納一項股份獎勵計劃，旨在(i)鼓勵或促進經選定參與者持有股份；(ii)鼓勵及挽留若干人士為本集團工作；及(iii)為經選定參與者實現績效目標提供獎勵。根據計劃規則，未來本集團可向合資格參與者授出本公司股份。

於二零一七年九月八日，本集團與交通銀行信託有限公司(「受託人」)訂立協議以成立股份獎勵計劃信託(「股份獎勵信託」)，據此，受託人可根據本集團的指示代表本集團於公開市場購買或認購本公司普通股。股份獎勵信託作為特別目的實體於本集團綜合財務報表綜合入賬。

截至二零一七年十二月三十一日止年度，本集團透過受託人購買60,626,000股本公司股份，總代價為人民幣158,868,000元。於二零一七年十二月三十一日，本集團概無根據上述股份獎勵計劃向任何一方授出任何股份。

22 OTHER RESERVES

22 其他儲備

		Capital reserve 資本儲備 RMB'000 人民幣千元	Statutory surplus reserve 法定盈餘 公積金 RMB'000 人民幣千元	Currency translation differences 外幣折算 差額 RMB'000 人民幣千元	Investment revaluation reserve 投資 重估儲備 RMB'000 人民幣千元	Convertible bond-equity component 可換股債券 －權益部分 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
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	可換股債券						
– equity component (Note 29)	－權益部分(附註29)	—	—	—	—	18,385	18,385
Currency translation differences	外幣折算差額	—	—	1,612	—	—	1,612
Appropriations to statutory surplus reserve (a) - (ii)	提取法定盈餘公積金 (a) - (ii)	—	19,038	—	—	—	19,038
Revaluation	重估	—	—	—	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	18,385	279,202
Opening balance 1 January 2017	二零一七年一月一日 的年初結餘	146,012	157,920	(48,013)	4,898	18,385	279,202
Currency translation differences	外幣折算差額	—	—	7,662	—	—	7,662
Appropriations to statutory surplus reserve (a) - (ii)	提取法定盈餘公積金 (a) - (ii)	—	17,236	—	—	—	17,236
Revaluation	重估	—	—	—	986	—	986
Transaction with non-controlling interest (Note 39)	與非控股權益之交易 (附註39)	(113,165)	—	—	—	—	(113,165)
At 31 December 2017	於二零一七年 十二月三十一日	32,847	175,156	(40,351)	5,884	18,385	191,921

22 OTHER RESERVES (CONTINUED)

(a) Nature and purpose of other reserves

(i) Capital reserve

Excess amounts contributed by shareholders on top of the share capital are recorded as capital reserve. This reserve is also used to record the differences described in note 2.3 which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

(ii) Statutory surplus reserve

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' 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.

22 其他儲備(續)

(a) 其他儲備的性質及目的

(i) 資本儲備

股東注資超出股本部分記為資本儲備。該儲備亦用於記錄附註2.3所述可能於不會導致損失控制權的與非控股權益之交易中產生的差額。

(ii) 法定盈餘公積金

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。



22 OTHER RESERVES (CONTINUED)

(a) Nature and purpose of other reserves (continued)

(ii) Statutory surplus reserve (continued)

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' 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 of the respective PRC subsidiaries.

For the year ended 31 December 2017, the directors of the PRC subsidiaries proposed appropriations amounting to approximately RMB17,236,000 (2016: RMB19,038,000) to the statutory surplus reserve.

22 其他儲備(續)

(a) 其他儲備的性質及目的(續)

(ii) 法定盈餘公積金(續)

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各中國附屬公司註冊股本的25%。

截至二零一七年十二月三十一日止年度，中國附屬公司董事建議提取的法定盈餘公積金約為人民幣17,236,000元(二零一六年：人民幣19,038,000元)。

22 OTHER RESERVES (CONTINUED)

(a) Nature and purpose of other reserves (continued)

(iii) Currency translation differences

Exchange differences arising from the different between functional and presentation currency are recognised in other comprehensive income as described in Note 2.7 and accumulated in a separate reserve within equity.

(iv) Investment revaluation reserve

Changes in the fair value and exchange differences arising on translation of investments that are classified as AFS are recognised in other comprehensive income and accumulated in a separate reserve in equity. Amounts are reclassified to profit or loss when the associated assets are sold or impaired, see accounting policy Note 2.12 for details.

(v) Convertible bond-equity component

The amount shown for equity component is the value of conversion rights relating to the 6.0% convertible bonds, details of which are shown in Note 29.

22 其他儲備(續)

(a) 其他儲備的性質及目的(續)

(iii) 外幣折算差額

功能與列報貨幣差異產生的匯兌差額於其他全面收益確認(如附註2.7所述)及權益下的獨立儲備累計。

(iv) 投資重估儲備

分類為可供出售金融資產的投資於折算時產生的公允價值變動及匯兌差額於其他全面收益確認及於權益下獨立儲備累計。有關金額將於相關資產出售或減值時重新分類至損益，詳情見附註2.12會計政策。

(v) 可換股債券－權益部分

權益部分所示金額為6.0%可換股債券的換股權價值，詳情載列於附註29。



23 DEFERRED INCOME TAX

The analysis of deferred tax assets and deferred tax liabilities is as follows:

23 遞延所得稅

遞延稅項資產及遞延稅項負債的分析如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
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	2,463	2,566
– Deferred tax assets to be recovered within 12 months	– 12個月內收回的遞延稅項資產	432	252
		2,895	2,818
Deferred tax liabilities:	遞延稅項負債：		
– Deferred tax liabilities to be recovered after 12 months	– 12個月後收回的遞延稅項負債	(15,014)	(18,526)
– Deferred tax liabilities to be recovered within 12 months	– 12個月內收回的遞延稅項負債	(3,558)	(2,126)
		(18,572)	(20,652)

23 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	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Deferred tax assets:	遞延稅項資產：		
At beginning of year	年初	2,818	3,038
Statement of profit or loss credit/(charge)	損益表貸記／(計入)	77	(220)
At end of year	年末	2,895	2,818
Deferred tax liabilities:	遞延稅項負債：		
At beginning of year	年初	(20,652)	(38,340)
Statement of profit or loss credit	損益表貸記	2,080	2,488
Settlement of withholding tax for dividend declared	就已宣派股息結算預扣稅	—	15,200
At end of year	年末	(18,572)	(20,652)

The (Credit) to statement of profit or loss is as follows:

損益表(貸記)如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Deferred tax assets	遞延稅項資產	(77)	220
Deferred tax liabilities	遞延稅項負債	(2,080)	(2,488)
(Credit) to statement of profit or loss (Note 34)	損益表(貸記)(附註34)	(2,157)	(2,268)

23 DEFERRED INCOME TAX (CONTINUED)

The balances of deferred tax assets and liabilities as at 31 December 2017 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:

23 遞延所得稅(續)

於二零一七年十二月三十一日，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 減值撥備 RMB'000 人民幣千元	Deferred income 遞延收益 RMB'000 人民幣千元	Undistributed profits from subsidiaries 來自附屬公司的 未分派利潤 RMB'000 人民幣千元	Other temporary differences 其他暫時性差額 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Deferred tax assets	遞延稅項資產					
At 1 January 2016	於二零一六年一月一日	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
(Charged)/credited to statement of profit or loss	損益表(計入)/貸記	—	(11)	—	88	77
At 31 December 2017	於二零一七年十二月三十一日	347	2,008	—	540	2,895
Deferred tax liabilities	遞延稅項負債					
At 1 January 2016	於二零一六年一月一日	—	—	(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)
Credited to statement of profit or loss	損益表貸記	—	—	—	2,080	2,080
At 31 December 2017	於二零一七年十二月三十一日	—	—	—	(18,572)	(18,572)

23 DEFERRED INCOME TAX (CONTINUED)

As at 31 December 2017, the certain Company's 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 RMB10,263,000 (2016: RMB8,994,000) in respect of losses amounting to RMB41,064,000 (2016: RMB35,988,000) that can be carried forward against future taxable income. Losses of RMB41,064,000 as at 31 December 2017 (2016: RMB35,988,000) will expire on the following dates to offset the future taxable income:

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Expiring in	於以下年度屆滿		
– 2017	– 二零一七年	—	10,568
– 2018	– 二零一八年	10,795	10,795
– 2021	– 二零二一年	14,625	14,625
– 2022	– 二零二二年	15,644	—
		41,064	35,988

Deferred income tax liabilities of RMB192,096,000 (2016: RMB161,044,000) had not been recognised for the withholding tax that would be payable on the distributable retained profits amounting to RMB2,464,631,000 (2016: RMB2,049,406,000) 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.

23 遞延所得稅(續)

於二零一七年十二月三十一日，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41,064,000元(二零一六年：人民幣35,988,000元)確認遞延所得稅資產人民幣10,263,000元(二零一六年：人民幣8,994,000元)。於二零一七年十二月三十一日抵銷未來應課稅收入的人民幣41,064,000元(二零一六年：人民幣35,988,000元)的虧損連同屆滿日期載列如下：

本公司並無就中國附屬公司的可分派保留溢利人民幣2,464,631,000元(二零一六年：人民幣2,049,406,000元)應付預扣稅確認遞延所得稅負債人民幣192,096,000元(二零一六年：人民幣161,044,000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外分派有關留存收益。



24 DEFERRED REVENUE AND ADVANCES RECEIVED FROM CUSTOMERS – (CURRENT)

24 遞延收入及預收客戶款 – 流動

		As at 31 December 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Deferred revenue	遞延收入		
– Sales of water cards	– 銷售水卡	14,596	8,459
– Government grant (Note 25)	– 政府補助(附註25)	2,248	2,248
Advances received from customers	預收客戶款	10,654	4,003
		27,498	14,710

As at 31 December 2017 and 2016, the Group's deferred revenue and advances received from customers were all denominated in RMB.

於二零一七年及二零一六年十二月三十一日，本集團的遞延收入及預收客戶款全部以人民幣計值。

25 DEFERRED REVENUE – (NON-CURRENT)

25 遞延收入 – 非流動

		As at 31 December 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Government grant	政府補助	24,581	26,489
Less: current portion (Note 24)	減：流動部分(附註24)	(2,248)	(2,248)
Non-current portion	非流動部分	22,333	24,241

26 TRADE PAYABLES

26 應付貿易款

		As at 31 December 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Trade payables	應付貿易款	92,841	78,055

As at 31 December 2017 and 2016, the aging analysis of trade payables based on invoice dates is as follows:

於二零一七年及二零一六年十二月三十一日，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	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 3 months	3個月內	69,402	51,903
Over 3 months but within 6 months	超過3個月但不超過6個月	4,247	15,717
Over 6 months but within 1 year	超過6個月但不超過1年	6,046	4,354
Over 1 year but within 2 years	超過1年但不超過2年	9,011	5,215
Over 2 years	超過2年	4,135	866
		92,841	78,055

As at 31 December 2017 and 2016, the Group's trade payables were all denominated in RMB and were not interest bearing.

於二零一七年及二零一六年十二月三十一日，本集團的應付貿易款均以人民幣計值且並不計息。

Trade payables are unsecured and are usually paid within 90 days of recognition.

應付貿易款為無抵押且一般於確認後90日內支付。

The carrying amounts of trade payables are considered to be the same as their fair values.

應付貿易款的賬面值被視為與其公允價值相同。

27 ACCRUALS AND OTHER PAYABLES

27 預提費用及其他應付款

		As at 31 December 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Salary payables	應付薪金	10,025	7,987
Welfare payables	應付福利	9,706	9,072
Payables for value added tax and other taxes	應繳增值稅及其他稅項	23,109	8,250
Accrued operating expenses	預提經營費用	13,408	6,286
Payables for purchase of equipment	購置設備應付款項	5,067	4,759
Audit fee payable	應付審計費	6,060	5,000
Professional service fee payable	應付專業服務費	4,930	4,066
Amounts payable for acquisition of 35% equity shares in Tiandi Green (a)	應付收購天地綠色35%權益股份之款項(a)	239,044	—
Deposits from customers	客戶存款	1,419	1,402
Others	其他	9,998	6,748
		322,766	53,570

(a) The balance as at 31 December 2017 represents amounts payable for the acquisition of remaining 35% equity interests in Tiandi Green.

(a) 於二零一七年十二月三十一日的結餘指應付收購天地綠色餘下35%的股權之款項。

The carrying amounts 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	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
– RMB	— 人民幣	316,337	46,013
– USD	— 美元	1,250	1,376
– HKD	— 港元	5,179	6,097
– Singapore Dollar ("SGD")	— 坡元	—	84
		322,766	53,570

The carrying amounts of other payables approximate their fair values.

其他應付款的賬面值與其公允價值相若。

28 BANK BORROWINGS

28 銀行借款

		As at 31 December 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Non-current	非流動		
Long-term borrowing from a bank	長期銀行借款－有保證及抵押 (a)		
– Guaranteed and secured (a)		—	190,000
Current	流動		
Current portion of long-term borrowings from a bank – Secured	長期銀行借款的即期部分－有抵押	—	110,000
Current portion of long-term borrowing from a bank - Guaranteed and secured (a)	長期銀行借款的即期部分－有保證及抵押 (a)	190,000	10,000
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)	105,000	100,000
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	66,000
Short-term borrowings from banks – Guaranteed (d)	短期銀行借款－有保證 (d)	70,000	170,000
		431,000	456,000
Total borrowings	借款總額	431,000	646,000

All borrowings were denominated in RMB as at 31 December 2017 and 2016.

於二零一七年及二零一六年十二月三十一日，所有借款均以人民幣計值。



28 BANK BORROWINGS (CONTINUED)

The balances include the following borrowings from banks:

- (a) The borrowing with principal amount of RMB200,000,000 was secured by the Group's factory plant with net book value of RMB68,079,000 (Note 8) and land use rights with net book value of RMB28,873,000 (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 2017. The tenure of the borrowing is from 2 November 2016 to 23 September 2018 and repayment terms are based on the following schedule: repayments of RMB10,000,000 and RMB190,000,000 on 2 November 2017 and 23 September 2018 respectively. According to the loan agreement, unpaid principal of RMB190,000,000 is required to be repaid in September 2018. Accordingly, borrowing amounting to RMB190,000,000 was recorded as current liability as at 31 December 2017 and as non-current liability as at 31 December 2016.

28 銀行借款(續)

結餘包括下列銀行借款：

- (a) 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68,079,000元的工廠廠房(附註8)及賬面淨值為人民幣28,873,000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，於二零一七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，並按以下計劃償還：分別於二零一七年十一月二日及二零一八年九月二十三日償還人民幣10,000,000元及人民幣190,000,000元。根據貸款協議，須於二零一八年九月償還的未支付本金金額為人民幣190,000,000元。因此，於二零一七年十二月三十一日的借款人民幣190,000,000元列為流動負債，而於二零一六年十二月三十一日則列為非流動負債。

28 BANK BORROWINGS (CONTINUED)

- (b) The borrowing with principal amount of RMB120,000,000 was guaranteed by two subsidiaries of the Group. 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 2017. The tenure of the borrowing is from 19 January 2016 to 18 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 18 January 2018 respectively. The first three 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 RMB105,000,000 was recorded as current liability as at 31 December 2017.
- (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 RMB33,212,000 (Note 8) and land use rights with net book value of RMB1,019,000 (Note 7). The loan was repaid and reborrowed in 2017. The loan is of fixed interest rate at 2.35% per annum. The tenure of the borrowing is from 16 June 2017 to 11 June 2018.

28 銀行借款(續)

- (b) 本金金額為人民幣120,000,000元的借款由本集團的兩家子公司提供擔保。利率乃基於中國人民銀行拉薩中心支行公佈的指示利率，於二零一七年十二月三十一日為每年2.75%。借款期為二零一六年一月十九日至二零一八年一月十八日，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十八日償還人民幣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三筆款項。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，於二零一七年十二月三十一日，尚未償還借款人民幣105,000,000元列為流動負債。
- (c) 本金金額為人民幣66,000,000元的借款由本公司作保證，並以本集團賬面淨值為人民幣33,212,000元的工廠廠房(附註8)及賬面淨值為人民幣1,019,000元的土地使用權(附註7)作抵押。該貸款已於二零一七年償還及再借款。該貸款的固定年利率為2.35%。借款期為二零一七年六月十六日至二零一八年六月十一日。



28 BANK BORROWINGS (CONTINUED)

- (d) The borrowing with principal amount of RMB70,000,000 was guaranteed by the Company and a subsidiary of the Group. The loan was repaid and reborrowed in 2017. The loan is at fixed interest rate of 4.35% per annum. The tenure of the borrowing is from 31 October 2017 to 30 April 2018.

Details of the Group's exposure to risks arising from current and non-current borrowings are set out in Note 3.1.

As at 31 December 2017, the Group's borrowings were repayable as follows:

28 銀行借款(續)

- (d) 本金金額為人民幣70,000,000元的借款由本公司及本集團的一家子公司作保證。該貸款已於二零一七年償還及再借款。該貸款的固定年利率為4.35%。借款期為二零一七年十月三十一日至二零一八年四月三十日。

有關本集團所面臨自流動及非流動借款所產生的風險詳情載於附註3.1。

於二零一七年十二月三十一日，本集團借款的還款期如下：

		As at 31 December 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 1 year	1年內	431,000	456,000
Between 1 and 2 years	1至2年	—	190,000
		431,000	646,000

29 CONVERTIBLE BOND – LIABILITY COMPONENT

29 可換股債券－負債部分

		As at 31 December 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Convertible bond - liability component	可換股債券－負債部分	432,340	458,066

The Group issued 6.0% convertible bonds at a par value of HKD525,000,000 on 24 June 2016. The 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 bondholders option at a price of HKD3.50 per share. The values of the liability component and the equity conversion component were determined at issuance date of the Bonds. The Bonds are secured by the entire issued shares of Wealth Keeper Limited, a wholly owned subsidiary of the Company and can be early redeemed upon certain events at the option of the bondholder or the issuer. The early redemption options were closely related to the host contract of the Bonds and as such they were not separated from the host debt.

於二零一六年六月二十四日，本集團發行年息率為6.0%的可換股債券，面值為525,000,000港元。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價值於債券發行日期釐定。債券以本公司全資附屬公司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。

29 CONVERTIBLE BOND – LIABILITY COMPONENT (CONTINUED)

The movement of convertible bond-liability component is as follows:

29 可換股債券－負債部分(續)

可換股債券－負債部分的變動如下：

		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日 發行之可換股債券面值	469,613
Transaction costs	交易成本	(2,728)
Equity component (Note 22)	權益部分(附註22)	(18,385)
Fair value change between the commitment date and issuance date	承擔日期及發行日期之間的公允價值變動	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 33)	利息費用(附註33)	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
Interest expense (Note 33)	利息費用(附註33)	31,748
Interest paid	已付利息	(26,835)
Currency translation differences	外幣折算差額	(30,639)
Liability component at 31 December 2017	於二零一七年十二月三十一日的負債部分	432,340

The fair value of the liability component of the convertible bond at 31 December 2017 amounted to RMB430,859,000, which is calculated using cash flows discounted at the rate of 7.34% and are within level 2 of the fair value hierarchy.

Details of the Group's exposure to risks arising from convertible bond are set out in Note 3.1.

於二零一七年十二月三十一日，可換股債券負債部分的公允價值為人民幣430,859,000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。

有關本集團所面臨自可換股債券所產生的風險詳情載於附註3.1。

30 OTHER GAINS, NET

30 其他利得，淨額

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Government grants	政府補助		
– Tax refund (a)	– 退稅 (a)	23,235	42,822
– Amortization of deferred income	– 遞延收入攤銷	1,908	2,122
Gain on disposal of AFS (Note 18 & 37)	可供出售金融資產的處置利得 (附註 18 & 37)	19,604	9,537
Others	其他	1,750	1,138
		46,497	55,619

(a) 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 RMB23,235,000 for the year ended 31 December 2017 (2016: RMB42,822,000).

(a) 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。本集團於截至二零一七年十二月三十一日止年度確認的此類收入約為人民幣23,235,000元（二零一六年：人民幣42,822,000元）。

31 EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution expenses and administrative expenses are analysed as follows:

31 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	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Raw materials and consumables used	所用原材料及耗材	271,650	243,199
(Increase)/Decrease in the balances of inventories of finished goods and work in progress	產成品及在製品存貨結餘 (增加)/減少	(32)	7,316
Transportation costs	運輸成本	75,091	51,957
Depreciation of PP&E (Note 8)	物業、廠房及設備折舊(附註8)	55,077	54,433
Employee benefit expenses (Note 32)	僱員福利費用(附註32)	74,841	73,032
Advertising and marketing expenditure	廣告及市場推廣費用	19,760	19,669
City construction tax and education surcharge	城市建設費及教育附加費	16,632	13,676
Electricity and other utility expenses	電力及其他能源費用	17,651	12,842
Rental expenses	租金費用	3,433	5,159
Legal and other consulting services fee	法律和其他諮詢服務費用	8,192	6,104
Repair and maintenance	修理及保養	2,807	2,538
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	6,586	6,000
– Non-audit services	– 非審計服務	800	—
Exploration rights expenses	探礦權費用	500	500
Office and consumption expenses	辦公及消耗費用	4,982	4,611
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	4,921	4,696
		585,701	530,537

32 EMPLOYEE BENEFIT EXPENSES

32 僱員福利費用

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Wages and salaries	工資及薪金	62,531	61,123
Provision for medical and other employee benefits	醫療及其他僱員福利撥備	3,873	4,009
Contributions to defined contribution pension scheme (a)	界定供款退休金計劃供款 (a)	4,940	4,577
Contributions to the housing scheme (b)	住房計劃供款 (b)	3,497	3,323
		74,841	73,032

(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 is 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。

32 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2016: two) directors whose emoluments are reflected in the analysis presented in Note 43. The emoluments paid and payable to the remaining two (2016: three) individuals during the year are as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Basic salaries and allowances	基本薪金及津貼	2,294	3,475
Contribution to pension scheme	退休金計劃供款	16	31
Bonuses	花紅	86	167
		2,396	3,673

The emoluments fell within the following bands:

酬金介乎以下範圍：

		Number of individuals 人數	
		2017 二零一七年	2016 二零一六年
Emolument bands	酬金範圍		
HKD1,000,001 to HKD1,500,000 (approximately RMB867,001 to RMB1,300,000)	1,000,001 港元至 1,500,000 港元 (約人民幣 867,001 元至 人民幣 1,300,000 元)	2	2
HKD1,500,001 to HKD2,000,000 (approximately RMB1,300,001 to RMB1,734,000)	1,500,001 港元至 2,000,000 港元 (約人民幣 1,300,001 元至 人民幣 1,734,000 元)	—	1

33 FINANCE COSTS, NET

33 財務費用，淨額

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Foreign exchange gain/(loss), net	匯兌收益／(損失)，淨額	3,998	(7,477)
Interest costs on bank borrowings	銀行借款利息費用	(12,861)	(10,997)
Interest costs on convertible bond (Note 29)	可換股債券利息費用(附註29)	(31,748)	(16,114)
Loss on fair value change of convertible bond upon issuance (Note 29)	發行後可換股債券公允價值變動虧損(附註29)	—	(7,839)
Other finance costs	其他財務費用	(202)	(196)
		(40,813)	(42,623)
Amount capitalised (a)	資本化金額(a)	2,611	2,347
Finance costs	財務費用	(38,202)	(40,276)
Finance income - interest income	財務收入－利息收入	27,957	21,038
Finance costs, net	財務費用，淨額	(10,245)	(19,238)

(a) Interest of RMB2,611,000 has been capitalised in assets under construction for the year ended 31 December 2017 (2016: RMB2,347,000). Interest was capitalised at the weighted average rate of its general borrowings of 2.44 % per annum (2016: 2.35% per annum).

(a) 截至二零一七年十二月三十一日止年度，利息人民幣2,611,000元(二零一六年：人民幣2,347,000元)已資本化至在建工程資產。利息按一般借款加權平均年利率2.44%(二零一六年：年利率2.35%)資本化。

34 INCOME TAX EXPENSE

The amount of income tax expense charged to the consolidated statement of profit or loss represents:

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current income tax	當期所得稅	43,010	43,962
Deferred income tax (credit) (Note 23)	遞延所得稅貸記(附註23)	(2,157)	(2,268)
Income tax expense	所得稅費用	40,853	41,694

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:

34 所得稅費用

以下為在綜合損益表計入的所得稅費用金額：

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，詳情如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Profit before income tax	除所得稅前利潤	408,527	400,849
Tax calculated at statutory tax rate of 15%	按法定稅率15%計算的稅項	61,279	60,127
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)	(28,329)	(28,149)
Income not subject to tax	毋須課稅收入	(2,523)	(2,422)
Tax on deemed revenue	視作收入的稅金	—	337
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	2,347	2,188
Expenses not deductible for tax purposes	不可扣稅費用	8,079	9,613
Income tax expense	所得稅費用	40,853	41,694

The weighted average tax rate was 10.0% for the year ended 31 December 2017 (2016: 10.4%).

截至二零一七年十二月三十一日止年度，加權平均稅率為10.0%(二零一六年：10.4%)。

34 INCOME TAX EXPENSE (CONTINUED)

- (a) 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.

The group entities incorporated in the PRC are subject to PRC enterprise income tax. Major operational entities of the Group are located in Tibet of the PRC and were entitled to preferential income tax rate. Based on the tax ruling announced by the PRC central tax authorities, the corporate income tax rate of Lhasa is 9% for the 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 remaining entities incorporated in the PRC were taxed based on the income tax rate of 25% for the year ended 31 December 2017 (2016: 25%) as determined in accordance with the relevant PRC income tax rules and regulations. The relevant deferred tax balances had been measured based on the expected tax rates applicable in the future. Hong Kong profits tax has been provided for at the rate of 16.5% (2016: 16.5%).

34 所得稅費用(續)

- (a) 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立法成立的集團實體獲豁免繳付英屬處女群島的所得稅。

在中國註冊成立的集團實體須繳納中國企業所得稅。本集團位於中國西藏的主要營運實體享受所得稅優惠稅率；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%。其餘於中國註冊成立的實體於截至二零一七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(二零一六年：25%)繳稅。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。香港利得稅已按16.5%(二零一六年：16.5%)的稅率計提。



35 EARNINGS PER SHARE

(a) Basic earnings per share

As at 31 December 2017 and 2016, basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of ordinary shares outstanding during the financial year, excluding the shares held for share award scheme (Note 21).

35 每股盈利

(a) 每股基本盈利

於二零一七年及二零一六年十二月三十一日的每股基本盈利乃經以下各項計算：

- 本公司擁有人應佔利潤除以
- 按期內已發行普通股的加權平均數，不包括股份獎勵計劃持有的股份(附註21)。

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Profit attributable to owners of the Company (RMB'000)	本公司擁有人應佔利潤 (人民幣千元)	315,174	307,724
Weighted average number of ordinary shares in issue (thousands)	已發行普通股的加權平均數 (以千計)	2,557,839	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)	12.32	11.98

35 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. During the year 2017, when the convertible bond is assumed to have converted into ordinary shares since 1 January 2017, the calculated diluted earnings per share is more than the basic earnings per share. As such, the convertible bond is determined to be anti-dilutive and not to be included in the calculation of the diluted earnings per share. For the share options, no shares would be issuable at the end of the contingency period based on management's estimation given none of the vesting conditions is expected to be met at the end of the vesting period (Note 41). Accordingly, the potential ordinary shares under the share options are not included in the calculation of diluted earnings per share (2016: no dilutive potential ordinary shares). In this connection, the diluted earnings per share is the same as the basic earnings per share for the Company for the year 2016 and 2017.

35 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。於二零一七年，假設可換股債券自二零一七年一月一日起轉換為普通股，計算每股攤薄盈利會高於每股基本盈利。因此，可換股債券被釐定具反攤薄作用，計算每股攤薄盈利時並未計入。對於購股權，在或有期期末不會發行股票，因為根據管理層的估計，歸屬期末沒有預期已滿足的歸屬條件(附註41)。因此，購股權潛在普通股不計入每股攤薄盈利(二零一六年：無潛在攤薄普通股)。就此而言，於二零一六年及二零一七年，本公司的每股攤薄盈利與每股基本盈利相同。

36 DIVIDENDS

No dividend has been declared by the Company in respect of 2017 (2016: Nil). 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.

36 股息

本公司宣告不派發二零一七年股息(二零一六年:無)。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)。

37 CASH GENERATED FROM OPERATIONS

37 經營活動產生的現金

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Profit before income tax	除所得稅前利潤	408,527	400,849
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)	55,077	54,433
Deferred income credited to statement of profit or loss (Note 30)	貸記損益表的遞延收入(附註30)	(1,908)	(2,122)
Finance cost, net (Note 33)	財務費用,淨額(附註33)	10,245	19,238
Share of profit of associates (Note 12)	應佔聯營公司利潤(附註12)	(26,089)	(26,913)
Gain on disposal of AFS (Note 18 & 30)	可供出售金融資產的處置利得(附註18 & 30)	(19,604)	(9,537)
Operating profit before working capital changes	營運資金變動前的經營溢利	449,058	458,758
(Increase)/Decrease in inventories	存貨(增加)/減少	(8,097)	5,012
(Increase)/Decrease in trade receivables	應收貿易款(增加)/減少	(41,213)	11,340
Decrease/(Increase) in prepayments, other receivables	預付款項及其他應收款減少/(增加)	61,035	(195,916)
Increase in trade payable	應付貿易款增加	14,786	5,228
Increase in accruals and other payables	預提費用及其他應付款增加	30,404	6,495
Increase/(Decrease) in deferred revenue and advance received from customers	遞延收入及預收客戶款增加/(減少)	12,788	(30,713)
Cash generated from operations	經營活動產生的現金	518,761	260,204

37 CASH GENERATED FROM OPERATIONS (CONTINUED)

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

37 經營活動產生的現金(續)

本節載列債務淨額的分析及各呈列期間債務淨額的變動。

		2017 二零一七年 RMB'000 人民幣千元
Net debt 債務淨額		
Cash and cash equivalents	現金及現金等價物	830,773
Borrowings – repayable within one year (Note 28)	借款－須於一年內償還(附註28)	(431,000)
Convertible bond - liability component (Note 29)	可換股債券－負債部分(附註29)	(432,340)
Net debt	債務淨額	(32,567)
Cash and liquid investments	現金及流動性投資	830,773
Gross debt – fixed interest rates (Note 3.1 (a)(ii))	債務總額－固定利率(附註3.1 (a)(ii))	(568,340)
Gross debt – variable interest rates	債務總額－浮動利率	(295,000)
Net debt	債務淨額	(32,567)

		Liabilities from financing activities 融資活動產生的負債				
		Other assets Cash and cash equivalents 其他資產現金 及現金等價物 RMB'000 人民幣千元	Borrowings due within 1 year 於1年內到期 的借款 RMB'000 人民幣千元	Borrowings due after 1 year 於1年後到期 的借款 RMB'000 人民幣千元	Convertible bond 可換股債券 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Net debt as at 31 December 2016	於二零一六年十二月三十一日 的債務淨額	1,042,398	(456,000)	(190,000)	(458,066)	(61,668)
Cash flows	現金流量	(192,806)	227,861	—	26,835	61,890
Foreign exchange adjustments	匯兌調整	(18,819)	—	—	30,639	11,820
Other non-cash movements	其他非現金流動	—	(202,861)	190,000	(31,748)	(44,609)
Net debt as at 31 December 2017	於二零一七年十二月三十一日 的債務淨額	830,773	(431,000)	—	(432,340)	(32,567)

38 COMMITMENTS AND CONTINGENT LIABILITIES

(a) Capital commitments

As at 31 December 2017 and 31 December 2016, capital expenditures contracted for but not yet incurred were as follows:

		As at 31 December 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	116,904	113,316
Equity investment	權益投資	13,000	53,600
		129,904	166,916

(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	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 1 year	1年以內	1,079	2,543
More than 1 year but within 5 years	1至5年	528	173
		1,607	2,716

38 承諾和或然負債

(a) 資本性承諾

於二零一七年及二零一六年十二月三十一日，已定約但尚未產生之資本開支如下：

(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：

38 COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

(c) Contingent liabilities

The Group had no contingent liabilities as at 31 December 2017. As at 31 December 2016, the Group had contingent liabilities of RMB260,000,000 which representing financial guarantee provided to an associate. There is no material liquidity risk arising from the financial guarantee provided by the Group.

39 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On 21 December 2017, the Group acquired an additional 35% of the equity interests of Tiandi Green for a total consideration of RMB536,297,800. Immediately prior to the purchase, the carrying amount of the existing 35% non-controlling interests in Tiandi Green was RMB423,133,000. The effect on the equity attributable to the owners of Tiandi Green during the year is as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Carrying amount of non-controlling interests acquired	已收購非控股權益賬面值	423,133	—
Consideration paid to non-controlling interests	已付非控股權益的代價	(536,298)	—
Excess of consideration paid recognised in the transactions with non-controlling interests reserve within equity	於權益內與非控股權益之交易儲備中確認的超出已付代價部分	(113,165)	—

There were no transaction with non-controlling interests in 2016.

38 承諾和或然負債(續)

(c) 或然負債

於二零一七年十二月三十一日，本集團沒有或然負債。於二零一六年十二月三十一日，本集團擁有或然負債人民幣260,000,000元，即提供予一間聯營公司的財務擔保。本集團所提供的財務擔保沒有產生重大流動資金風險。

39 與非控股權益之交易

於二零一七年十二月三十一日，本集團收購天地綠色的額外35%股權，總代價為人民幣536,297,800。緊接購買前，於天地綠色的現有35%非控股權益的賬面值為人民幣423,133,000元。年內天地綠色擁有人應佔權益的影響如下：

於二零一六年並無進行與非控股權益之交易。

40 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.

(a) Transactions with related parties

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
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)	100,648	87,056
– Selling of mineral water products to an associate (iii)	– 銷售礦泉水產品予一間聯營公司 (iii)	884	2,371
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
– Goods from an associate (ii)	– 向一間聯營公司採購貨物 (ii)	331	—
– Equipment from an associate (ii)	– 向一間聯營公司採購設備 (ii)	—	950
Cash advance to an associate (ii)	給予一間聯營公司的現金墊款 (ii)	30,000	33,500
Financial guarantee for an associate (Note 38 (c))	為一間聯營公司提供的財務擔保 (附註 38 (c))	—	260,000

40 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。

(a) 與關聯方的交易

40 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 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	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
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	6,199	49,396
– An associate - Moutai 5100	– 聯營公司—茅台5100	168	3,171
		6,367	52,567

		As at 31 December 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
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)	30,000	54,821

40 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：

40 RELATED-PARTY TRANSACTIONS (CONTINUED)

(b) Balances with related parties: (continued)

		As at 31 December 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Advances received from customers	收取客戶墊款		
– An associate - Tibet 5100 Cosmetic Co., Ltd. ("5100 Cosmetic") (i)	– 聯營公司－西藏5100化妝品有限公司(「5100化妝品」) (i)	371	—

(i) 5100 Cosmetic is an entity controlled by a major individual shareholder.

The above amounts due from Highland Natural Water and 5100 Cosmetic were unsecured, non-interest bearing and repayable on demand.

(c) Key management compensation

The compensation paid/payable to key management is shown below:

40 關聯方交易(續)

(b) 與關聯方的結餘：(續)

		As at 31 December 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Advances received from customers	收取客戶墊款		
– An associate - Tibet 5100 Cosmetic Co., Ltd. ("5100 Cosmetic") (i)	– 聯營公司－西藏5100化妝品有限公司(「5100化妝品」) (i)	371	—

(i) 5100化妝品為由一名主要個人股東控制的實體。

上述應收高原天然水及5100化妝品的款項為無抵押、無息和可即時被要求償還。

(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：

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	11,118	9,626

41 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 2017, 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 2017, 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 2017 (2016: nil) relating to the sales incentive under the above share option scheme.

41 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。於二零一七年十二月三十一日，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。於二零一七年十二月三十一日，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，於截至二零一七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(二零一六年：無)。

42 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

42 本公司資產負債表及儲備變動

		As at 31 December 於十二月三十一日	
Balance sheet of the Company 本公司資產負債表		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
	Note 附註		
Assets	資產		
Non-current assets	非流動資產		
Loans to subsidiaries	貸款予附屬公司	1,402,160	1,375,156
		1,402,160	1,375,156
Current assets	流動資產		
Cash and cash equivalents	現金及現金等價物	55,375	95,057
Prepayment	預付款項	395	478
Other receivables	其他應收款	38,389	348,233
		94,159	443,768
Total assets	總資產	1,496,319	1,818,924
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
Shares held for share award scheme	為股份獎勵計劃持有的股份	(158,868)	—
Other reserves	其他儲備	31,948	110,693
Retained earnings	留存收益	(42,690)	(5,268)
Total equity	權益總額	1,058,582	1,333,617
Liabilities	負債		
Non-current liabilities	非流動負債		
Convertible bond-liability component	可換股債券—負債部份	432,340	458,066
		432,340	458,066
Current liabilities	流動負債		
Other payables	其他應付款	5,397	27,241
		5,397	27,241
Total liabilities	負債總額	437,737	485,307
Total equity and liabilities	權益及負債總額	1,496,319	1,818,924

The balance sheet of the Company was approved by the Board of Directors on 23 March 2018 and was signed on its behalf.

董事會已於二零一八年三月二十三日批准本公司資產負債表並代其簽字。

WANG Dong 王東
Director 董事

LIU Chen 劉晨
Director 董事

42 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 2016	於二零一六年一月一日	96	8,037
Profit for the year	年度利潤	82,461	—
Currency translation differences	外幣折算差額	—	84,271
Total comprehensive income	全面收益總額	82,557	92,308
Dividends paid	已付股息	(87,825)	—
Convertible bond-equity component	可換股債券－權益部份	—	18,385
At 31 December 2016	於二零一六年十二月三十一日	(5,268)	110,693
At 1 January 2017	於二零一七年一月一日	(5,268)	110,693
Loss for the year	年度虧損	(37,422)	—
Currency translation differences	外幣折算差額	—	(78,745)
Total comprehensive income	全面收益總額	(42,690)	31,948
At 31 December 2017	於二零一七年十二月三十一日	(42,690)	31,948

42 本公司資產負債表及儲備變動(續)

(a) 本公司儲備變動

43 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 2017 is set out below:

Name 姓名	Employer's contribution				Total 總計
	Salary 薪金 RMB'000 人民幣千元	Discretionary bonuses 酌情花紅 RMB'000 人民幣千元	to benefit 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	
Mr. Wang Dong (i) 王東先生(i)	759	—	—	—	759
Mr. Fu Lin (ii) 付琳先生(ii)	712	—	—	—	712
Mr. Yue Zhiqiang 岳志強先生	1,127	—	—	—	1,127
Ms. Jiang Xiaohong 姜曉虹女士	433	—	—	—	433
Mr. Liu Chen 劉晨先生	1,040	83	16	—	1,139
Mr. Jesper Bjoern Madsen 麥奕鵬先生	1,430	—	—	221	1,651
Mr. Lee Kong Wai, Conway 李港衛先生	416	—	—	—	416
Mr. Wei Cheng, Kevin 蔚成先生	416	—	—	—	416
Mr. Wong Hak Kun 王克勤先生	1,300	—	16	—	1,316
Ms. Han Linyou (iii) 韓林攸女士(iii)	607	49	9	—	665
	8,240	132	41	221	8,634

(i) Appointed as the director on 29 May 2017 and the chief executive officer of the Company on 18 August 2017.

(ii) Resigned on 18 August 2017.

(iii) Appointed on 29 May 2017.

43 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二零一七年十二月三十一日止年度的薪酬載列如下：

(i) 於二零一七年五月二十九日獲委任為董事及二零一七年八月十八日獲委任為本公司行政總裁。

(ii) 於二零一七年八月十八日辭任。

(iii) 於二零一七年五月二十九日獲委任。

43 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 2016 is set out below:

Name	Salary	Discretionary bonuses	Employer's contribution to benefit scheme	Allowance and benefits	Total
姓名	薪金	酌情花紅	僱主向福利計劃供款	津貼及福利	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
Mr. Fu Lin	1,108	—	—	—	1,108
Mr. Yue Zhiqiang	1,108	—	—	—	1,108
Ms. Jiang Xiaohong	426	—	—	—	426
Mr. Liu Chen	845	67	15	—	927
Mr. Jesper Bjoern Madsen	1,406	—	—	81	1,487
Mr. Lee Kong Wai, Conway	409	—	—	—	409
Mr. Wei Cheng, Kevin	409	—	—	—	409
Mr. Wong Hak Kun	1,278	—	15	—	1,293
	6,989	67	30	81	7,167

There was no remuneration, inducement fee, or compensation for loss of office to Directors during the year ended 31 December 2017 and 2016.

(B) Directors' retirement benefits

During the year ended 31 December 2017, 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 (2016: nil).

43 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二零一六年十二月三十一日止年度的薪酬載列如下：

截至二零一七年及二零一六年十二月三十一日止年度，概無向董事支付任何袍金、獎勵費或離職補償金。

(B) 董事退休福利

截至二零一七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（二零一六年：無）。



43 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(C) Directors' termination benefits

During the year ended 31 December 2017, 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 (2016: nil).

(D) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2017, no consideration was provided to or receivable by third parties for making available director's services (2016: 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 (2016: 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 (2016: nil).

43 董事福利及權益(續)

(C) 董事終止福利

截至二零一七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(二零一六年：無)。

(D) 因董事服務向第三方提供的代價

截至二零一七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(二零一六年：無)。

(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(二零一六年：無)。

(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(二零一六年：無)。

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				
		2017 二零一七年	2016 二零一六年	2015 二零一五年	2014 二零一四年	2013 二零一三年
Profitability data	盈利數據					
(RMB million)	(人民幣百萬元)					
Revenue	收入	932	868	832	773	787
Gross profit	毛利	551	520	502	484	576
Operating profit	經營利潤	393	393	363	460	529
Profit for the year	年度利潤	368	359	323	385	461
Profitability data (%)	盈利數據 (%)					
Gross profit margin	毛利率	59%	60%	60%	63%	73%
Operating profit margin	經營利潤率	42%	45%	44%	60%	67%
Net profit margin	淨利潤率	39%	41%	39%	50%	59%
Return on total shareholders' equity	股東權益總額回報率	12%	10%	10%	13%	17%
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	2,907	2,880	2,635	2,215	1,661
Current assets	流動資產	1,642	1,938	1,025	1,221	1,596
Current liabilities	流動負債	901	631	403	327	455
Non-current liabilities	非流動負債	473	693	60	158	72
Equity attributable to owners of the Company	本公司擁有人 應佔權益	3,174	3,123	2,878	2,678	2,497
Assets and Working Capital data	資產和流動資金數據					
Current assets ratios	流動資產比率	36%	40%	28%	36%	49%
Gearing ratios	資本負債比率	21%	24%	6%	6%	7%

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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